

THE CHINA
WEEKLY

REVIEW

報論評氏勒密

A Weekly Newspaper Established In 1917

January 15, 1949

WHERE WILL NANKING GO?

AN EDITORIAL

The Fall Of Chengchow

Mark M. Lu

Forestry In China

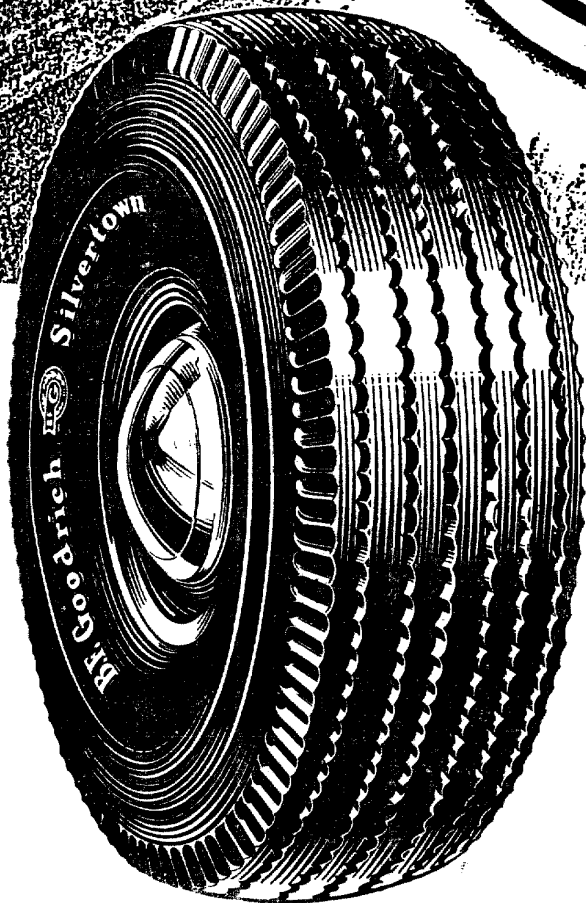
S. C. Lee

“Musical Chairs” In Siam

Andrew Roth

THE “OFFICIAL MIND”

AN EDITORIAL



力得固

袖領膠橡

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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Folly And Failure

To The Editor:

Your editorials, "American Dilemma," "Flying Tiger Revival" and "Doubtful Logic" contained sound ideas and ways for the Washington administration to reorientate its policy towards China. America, now holding world leadership, seems somewhat to realize the folly and failures of her dollar-and-atomic-bomb foreign policy as the sole weapon to combat communism. Therefore, we hear that President Truman intends to oppose the inclusion of the anti-communism stipulation in new labor legislation to be discussed and effected by the 81st Congress, and that he also will come out for repeal of the Taft-Hartley Labor Act.

In addition, America is reported to have opened negotiations with Eastern Europe on commercial and industrial matters. Let us hope that the next Truman administration will restore one-tenth of China's goodwill to America which has been lost, since VJ Day, to say nothing about the rest of its loss which I have written about time and again. In short, the election of Truman should prove an eye-opener to the American press, to the Republican party and to all those American boosters and the international boosters of Thomas Dewey.

CHINESE JOHN THE BAPTIST

Chengtu, Szechuan
December 21, 1948

Any Other Way?

To The Editor:

In your editorial "American Dilemma" of December 4, you expressed your opinion concerning the attitude the United States should take toward China. In conclusion you deemed that the relation between America and China must be maintained no matter what government happens to be in control; aid to China should be continued; and America's interest should be in the Chinese people and not in any government which they may or may not have from time to time.

We certainly appreciate your sound ideas and undoubtedly believe such a policy is the only one which will ensure continued good relationship between our two peoples.

However, I seem unable to prevent myself from doubting that the American Government, as well as the American people, would carry out such a policy.

As we all know, the American Revolution was a political, economic and religious one. Politically, it must be acknowledged, you have solved the question of political freedom and the dignity of the individual. But economically you have yet to solve the economic problem of the average man. However, up to now the only way we have been able to find to solve the economic problem of the average man is to socialize the community.

Now here comes the question: Will the great capitalists of America who tightly control the economic authority of the most powerful country and who presumably have a great influence upon the world, give up their fortunes and

THE CHINA WEEKLY REVIEW

J. B. Powell

(Editor & Publisher, 1918-1947)

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holdings and let socialism be realized in their society?

Coming to religion, we find America is a pure product of religion. The Mayflower brought to America the Puritans from Europe who left their home primarily to seek freedom of religion. Today, it is obvious that freedom of belief has been granted to every US citizen, for America itself is a highly religious country.

On the contrary, we all know that communism is strongly based on the philosophy of materialism that theoretically absolutely contradicts the idealism to which all kinds of religion belong.

In brief, our question is simply this: Is there any other way—besides communism—of solving America's economic problem and will it prove possible for materialism and religion to go together?

PAUL WU.

Nanchang, Kiangsi
December 31, 1948

Conquerors And Robber

To The Editor:

Having been very much attracted by your *Review*, I am interested in expressing my own thoughts.

War means destruction. Of course, it is the "Conqueror" who blasts the fair fruits of peace and civilization to gratify his insatiable thirst for selfish domination. It is obvious that during war many many innocent people are killed or brought to death either on the battlefield or in the rear; and at the same time a great amount of properties and industries are put in ruins. Undoubtedly, without those "conquerors" we would never have wars and we would not find our human civilization and lives destroyed or plundered into the dust.

We all know that robbers strip individuals and rob people of their properties to satisfy themselves too. But they never kill those they rob except when they have to. They would never destroy human civilization. They rob for money only.

Comparing these two types of robbers, I concluded that the "Conqueror" is more harmful and terrible than the money robber.

NIH CHIN-LING

Shanghai
December 30, 1948

English Lessons

To The Editor:

Allow me to say a few words about the *Review's* English Lesson, which in the past month or two has shown marked improvement.

I notice that the Lesson is now paying attention to letters received from Chinese readers of the *Review* who have specific words or phrases which they want defined and discussed. I think this is a very good idea for, I should think, it would be quite difficult for you to prepare the English Lesson considering the different standards of English among your Chinese readers. However, if they continue to send in requests for definite things they wish to know, you will have something concrete to go on in your lessons.

One slight word of criticism is in order. While I have noticed a definite change for the better in the whole construction of your English Lesson, especially in the style, I am afraid that at times it becomes a little too colloquial and in attempting to explain a word or expression it uses American terms which might be quite puzzling to many readers: For example, such terms as "gone by the board," "gangsterland" and "breezy."

READER.

Shanghai
January 7, 1949

Bad Discipline

To The Editor:

The shocking and unbearably bad discipline of the Kwangtung troops stationed at neighboring villages around Pucheng has prompted me to write this letter for the purpose of calling the attention of the military authorities to its seriousness. I am pretty sure that my letter will be taken with a grain of salt, chiefly because our Government is entirely devoted to this wide Bandit Suppression Campaign and consequently, soldiers must be tolerated no matter what the *lao pai hsing* may have to say.

I have been told, frequently of the "atrocities" of these troops throughout the country and I am daily praying to God to have mercy upon us poor inhabitants of this small town.

These troops are stationed at a village to the north of Pucheng called Shangwangchuang about 30 li away, and eye-witnesses report that even if you were to provide them with wood and coal for fuel, they would insist on removing your windows, tables and chairs and burn them for warmth. Because of dialect difficulties, they make it a rule to beat anyone who does not understand them. A school-mate of mine told me that he was dragged by them and told to carry things to a place some 50 li away and he was badly beaten when he rested every once in a while on the way, for he was in weak health.

A family of six persons in the above-mentioned village was turned out of its own house a few weeks ago. A 15-year-old maiden was raped by a platoon of these troops and died as a consequence. It was learned that the commander of the regiment later ordered one of these men to be shot. Rape cases occur everywhere. Early one morning I was amazed to learn that seven girls and four women were carried away the day before at another village north of Pucheng.

We innocent people simply don't know how to act. The Hsien Council petitioned Sian but so far to no avail. We could not help sighing when we were told by a local official that General Hu Tsungnan had been informed about it and had advised us to put up with them because they were invited to come here to Shensi to suppress the bandits for the benefit of the Shensi *lao pai hsing*.

About a week ago, we learned that these troops would be stationed inside the town and this news shocked every one of us townfolk. The *pao* officers were busy for a whole night arranging for their reception. Fortunately, only a few of them came the next morning. It was further learned that they might not come to garrison the town.

Dear Editor, would you be shocked by the power of tolerance shown by the Chinese farmer? When this power comes to an end and a power of resistance makes its appearance, history will be rewritten.

A SPITFIRE.

Pucheng, Shensi
December 21, 1948

Translation

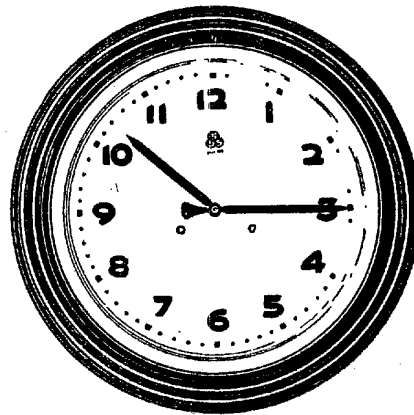
To The Editor:

May I trouble you to give me the Chinese translation for the phrase "Yang-Shao Culture" used in the article, "China in Transition" by Lin Chi-chun in the *Review* of November 20.

Your reply either by post or through the next issue of the *Review* will be much appreciated.

CHOW CHI-MIN,

Shanghai
December 20, 1948
(仰韶 — EDITOR.)



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Yunnan Bandits

To The Editor:

The news that Shih Pin (a famous town in southern Yunnan) was occupied by "bandits" appeared in the paper on December 3. But the truth has not yet been heard by the ignorant.

It was on market day and the market-place was crowded and there was much hustle and bustle. Some girl students appeared and said they were travelers and wanted to spend some time wandering through town. At first, they asked the police to guide them and this was agreed upon. On the other hand, some straw-sellers were sitting around the gate of the Shih Pin Government House refreshing themselves. About two o'clock gun firing was heard which continued off and on. Great confusion within the town took place and the people sought shelter. The "bandits" entered and the policemen and soldiers retreated into the Government House while the straw-sellers took out their machine guns and circled the Government

House; the town was easily captured.

The next day, the "bandits" didn't kill any people, rob or burn any houses. On the contrary, they gave people some pork and openly gave rice to some of the poor. Most of the people were still fearful and dare not accept but the "Revolutionary Army" hung the pork on the doors and went away. Indeed, the townspeople were surprised by this behavior and realized that the "bandits" were their own army!

Shih Pin has been taken back by Government troops. But many inhabitants died as a result. I wonder whether these troops love the people. If not, we *lao pai hsing* have the right to defy them.

LU-SHANG WANG

Mengtsze, Yunnan
December 30, 1948

New Year

To The Editor:

In the minds of the millionaire the New Year is a chance to collect their debts and have a good time spending their money which is easily made. They sink deep into the luxuries of life and try to satisfy their insatiable appetites. They want expensive times and they require many first-class toilet articles for their wives and concubines. They float atop the surface of a calm lake and play like ducks and drakes.

For those in poverty the New Year is but an eyesore because they have longed for the plutocratic life and have failed in their attempt. So they hate and envy the luxury of the upper-classes and pity their own dog's life. The New Year is the enemy to the poor debtors who are the customers of the cruel millionaires. It is a golden opportunity for politicians and officials. It is also a fine occasion for the children of the

families to carry on their love making and indulge their sexual appetites, in which they have a profound interest.

The petty officials and those with a family of two or three persons have great trouble when they hear the approach of New Year. The merchants spring up to find pleasure in selling lots of merchandise during this time. The pupils and workers only want a three day holiday. All nature looks gay at the time of New Year's Eve.

Although New Year is disagreeable to us, still I hope with all my heart that we can be brought to a peaceful paradise, which in other words is our Utopia.

CHANG YIN-LIN

Honan University, Soochow
December 27, 1948

Poem Quoted

To The Editor:

In reading English poems, I recently found one that I like best—not because of its rhythm, but because of its meaning—that may give a hint to the contending parties. I chose this poem to be published in the hope that those blood-thirsty warmongers may perhaps be moved, though it seems impossible that it will have so much effect as to inspire them to lay down their arms. The poem runs as follows:

The Nightingale and the Glowworm
by W. Cowper

A nightingale, that all day long
Had cheered the village with his song,
Nor yet at eve his mate suspended,
Nor yet when eventide was ended,
Began to feel, as well he might,
The keen demands of appetite;
When, looking eagerly around,
He spied far off, upon the ground,
A something shining in the dark,
And knew the glowworm by his spark;
So stooping down from hawthorn top,
He thought to put him in his crop.
The worm, aware of his intent,
Parangued him thus, right eloquent—
"Did you admire my lamp," quoth he,
"As much as I your minstrelsy.
You would abhor to do me wrong,
As much as I to spoil your song;
For 'twas the self-same Power divine,
Taught you to sing and me to shine;
That you with music, I with light,
Might beautify and cheer the night."
The songster heard his short oration,
And, warbling out his approbation,
Released him, as my story tells,
And found a supper somewhere else.

C. Y. CHIA.

Sian, Shensi
December 27, 1948

War And Mankind

To The Editor:

History has shown that no country has been entirely free from war at some time or another; no steadfast peace has been maintained from the past up to the present. War implies destruction, disturbance and slaughter. It places all mankind in a dreadful and unhappy condition. It is not only destructive to human life, but also to civilization which is the most essential feature of a country at large.

While war advances scenes of bloodshed and terror are to be found all over the battleground. The places where fighting has occurred are as desolate as a large desert, for the earth runs with blood; beings have disappeared; beautiful buildings have been ruined; statues, temples and antiquities of great value to civilization have been pulled down; practical books and scientific instruments have been burnt; and many valuable books which cannot be duplicated have been lost. Thus we may say that war is destructive to civilization.

Many great and learned men also lose

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their lives in war. This is a great loss for they cannot complete their research and communicate the experience and learning gained during their lifetime to their successors. Is this not a great loss to civilization? Wise people, look around attentively and you will find many more evils arising from war.

When a war is started—usually by some wicked persons—it throws the multitudes into great fright and disturbs the happy quiet of the entire society. In this critical circumstance, there could not be another such foolish fellow to devote himself to his studies as the celebrated Greek mathematician who applied himself to a study of the circle while being attacked by an enemy. Naturally, one cannot study in profound quiet while one's country is at war.

Finally, wars are responsible for the improvement of implements of murder. The longer a war keeps on, the more weapons improve; and consequently the more men die and the more civilization perishes.

Indeed war is terrible. But when and how can it be banished from the earth?
CHANG YIN LIN.

Soochow
December 30, 1948

Corrections

To The Editor:
May I correct some errors in the article, "Chinese Philosophy and Politics; 1853-1905" by Joshua W. K. Liao which appeared in the December 25, 1948 issue of the Review.

Prince Tuan and Tuan Fang were two different persons.

Prince Tuan (端親王載漪), whose son had been made heir to Emperor Kuang-Hsu by the Empress Dowager, was leader of the Boxers.

Tuan Fang (端方) was once the viceroy of Kiangsu, Kiangsi and Anhwei, thence Special Envoy to Europe to investigate the Occidental political system and just before the 1911 Revolution was sent by the imperial court to investigate a railway incident in Szechuen where he was killed by disbanded soldiers.

One was a member of the Royal family; the other, a simple Manchurian. One was extremely conservative and anti-foreign; the other was more or less westernized, open-minded and very moderate in his attitude to politics.

It is a great mistake to put "Prince," "Tuan," and "Fang" together.

K.Y. YEN

Shanghai
January 8, 1949

Line-Up For Peace

To The Editor:

So far as the present situation is concerned, it is evident that peace talks will be decided, not by political leaders and big shots but by the top commanders who hold military power in their hands. If they succeed in achieving a truce, not even the President will harm them. As matters stand at present, General Fu Tso-yi and General Yen Shi-shan will, no doubt, agree to peace talks because they, not being political officers of the Central Government, want to keep their prestige. General Pai Chung-Hsi, of course, is in accord with Vice-President Li, who advocates peace. General Hu Tsung-nan has no more courage to meet the Reds. Even the generals of the Whampoa Military Academy are tired of fighting. Besides, common soldiers who have been fighting for ten years have no more strength to fight on.

The people's will is the mightiest force of all though they have no weapon. The *lao pai hsing* want peace, particularly the refugees. Even ignorant children and old women are eager to hear news

of a truce. Peace is the only hope of the people.

It is generally supposed that a resumption of peace talks is impossible between the KMT and the CP, for both have no sincerity. However, this is only a pessimistic speculation. If the soldiers put down their weapons, what will their leaders do? The twentieth century is the age of the people; even we Chinese people can not be cheated.

A keen leader would give up his personal wishes and follow the people's will. The peace of China, and the peace of the world, depends on his decision.

H.S.C.

Soochow
January 5, 1949

Criticizes UN

To The Editor:

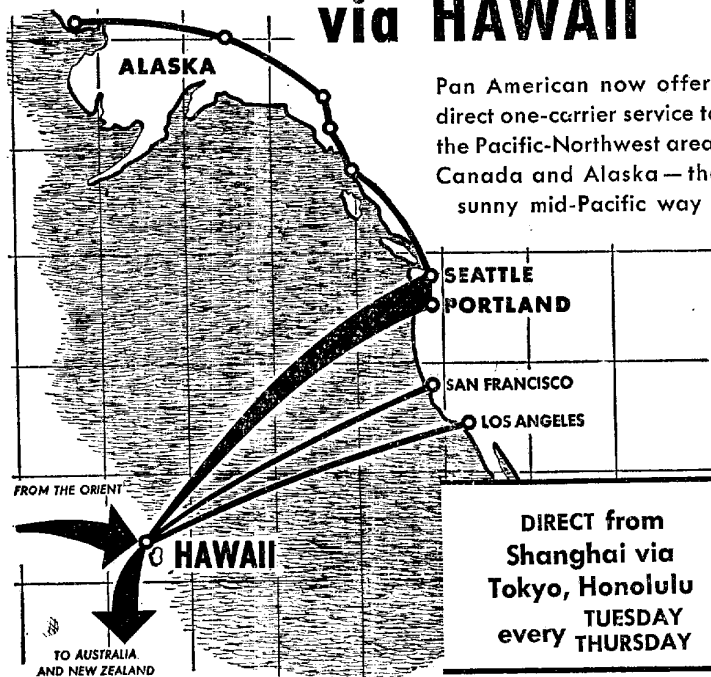
Mr. Lie has told us a "lie."

Maybe the UN chief has not yet given serious consideration to the Chinese problem and once he has he will end up by deciding that the United Nations should keep its hands off the question.

Maybe our of-the-people government is—or has been—thinking of bringing the issue into the United Nations now that it is inclined to feel that the present "internal" struggle is changing into an "international" situation—a rebellion engineered or aided by some power outside China.

Certainly the United Nations, judging

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from the fact that it has not been able to wash its hands of the Dutch police action against the Indonesian Republic, would never be willing to wash its hands of China unless it is compelled to or unless it believes it would be useless to "intervene."

So far as the Chinese *lao pai hsing* understand what is happening, they know that there is a power engineering and aiding the "rebellion" against the Chinese people all these years since victory against the Japanese—and that power is the United States. But obviously this is not what Mr. Lie meant.

MAN IN THE STREET

Shanghai
January 7, 1949

Peace Action

To The Editor:

Tears poured down my cheeks when I had gone through the article, "Renewed Peace Movement in China" by C.Y.W. Meng. It is regretted that the recent peace movement merely remained an aborted flower. The long Civil War has undermined the common people to the point of death. They can no longer put up with such a life. Let all peace-loving people rise up to bring the cruel civil war to an early end so as to save the people from dying. Those "Peace Sponsors" who have exerted every effort for the cause of peace in China should be expected to assume leadership in steering the peace negotiations and boldly to urge the authorities on both sides to lay down their guns forthwith. It is admittedly a difficult task to be done, but I think the "Peace Sponsors", supported by the masses, should have courage enough to run such a risk regardless of their own interests

in order to pave the way for a flourishing China for their children and children's children. Let us wait for their honorable action.

Sian, Shensi
December 28, 1948

Foreign Deposits

To The Editor:

I agree fully with the viewpoint expressed in the December 4, 1948 issue of the *Review* in your editorial, "American Dilemma," in which you state that the American authorities "should follow a policy of non-intervention militarily" in China, while "aid to the Chinese people" and "reconstruction work should be continued."

Indeed, Uncle Sam has been good enough to be the number one supporter of the Kuomintang, but has the KMT benefited from this support? The answer, as everyone knows, is unfortunately in the negative. American dollars have only lined the pockets of the very few responsible for State affairs—henchmen of the above-mentioned party. In saying this, I do not mean to discredit the KMT which so successfully launched a revolution years ago against the effete Manchu regime and succeeded in establishing a new nation. However, facts have made the ill-gotten wealth of these few high officials articulate. With the military situation going from bad to worse, we fail to see why these big shots do not liquidate some of their tremendous personal holdings to save the very government from which they have amassed these large fortunes. Should the government be overthrown, we wonder whether these big shots will still be able to enjoy an extravagant life.

Both for the country and for themselves, I think they should give a little of their holdings to the tottering government.

Viewing conditions from this angle, while we appreciate more American aid to the Chinese people, we should not overlook the possibility of using a part of the frozen foreign deposits of these wealthy Chinese.

L. S. LEE

Sian, Shensi
January 3, 1949

Basic Concept

To The Editor:

This letter is an attempt to display a basic concept of the Chinese people. As a people, we Chinese know no "ism" other than the one of peace and love. We are taught to put our elders at ease and look after our young. Although this may seem very simple it is still very true, the main duty of being a man.

To make us believe in the Kingdom of God is one of the aims of Western civilization. I believe in this wholeheartedly. But that Kingdom is not to be won by fighting or force, nor by an atomic bomb.

Is the purpose of Western civilization to make us slaves of the conflicting "isms"? No. To sacrifice our love of humanity for any propaganda is against our conscience and the teaching of our ancestors. Therefore, we do not like that. We do not like to be running dogs of any "ism-monger," except humanitarianism, which comes more or less close to the teachings of Jesus and Confucius.

CHENG WEI-LUNG

Changteh, Hunan
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Where Will Nanking Go?

THERE has been considerable speculation in recent weeks about the Government's supposed plans for moving the capital should Nanking prove untenable. Latest press reports from Nanking indicate that some city on Taiwan, perhaps Taipei, is the most favored spot at the moment. However, there are also indications that Canton might once again become the seat of the Kuomintang Government.

Obviously, no city in China would do so well as Nanking, which has—with an interruption during the Sino-Japanese War—served as the capital for more than two decades. Nanking has been designed as a capital, it has spacious public buildings for the various ministries and bureaus, as well as dormitories and houses for Government employees. The Government will find itself crowded for both office and living space in any other city.

However, if the military situation continues to deteriorate, a move may become necessary, regardless of questions of comfort, or lack of adequate communications or other facilities. The Nationalist Government has already had experience in sudden moving activities, having transferred the capital from Nanking to Hankow and, later, to Chungking during the early days of the war with Japan.

Both Canton and Taipei are cities which can be reached relatively easily from Nanking by water transportation. Both have certain advantages, as well as disadvantages. In the preliminary discussions, we understand, it was thought that Canton was preferable in that it was on the mainland, its communications with other parts of China were relatively good and, in addition, it is a symbolic city as far as the Kuomintang is concerned, since the revolution began there. It was then thought that the Government could move its archives and other belongings by river to Hankow and thence to Canton by rail over the Canton-Hankow Railway. However, with the Communists breaking through to the Yangtze in small groups and with a new direct threat to Hankow seen in the offing, such a route might not be feasible and the move

might have to be made down the Yangtze, along the China coast to Hongkong, and then up the Pearl River to Canton. This would be a more difficult route since it might even be necessary to trans-ship from river to coastal vessels. At least larger craft would be required for such a voyage and it would take a longer time.

Latest reports from South China seem to indicate that the situation in Kwangtung is not ideal, especially as far as peace and order are concerned. Communist guerrilla activity—or banditry—has been widespread in Kwangtung ever since the end of the war with Japan. The Government sometimes calls these “disturbances” bandit activities and minimizes the influence of the Communists, while at other times it seems convinced that the peasant uprisings and raids by guerrilla bands are all well-connected and have been organized by the Communists. No matter who is responsible, the result is that large sections of Kwangtung are under the control of armed groups which are actively opposed to the present regime.

This instability has slowed down Governor T. V. Soong's efforts to make Canton the center of a new industrialized rear base for the Government. According to Dr. Soong, his militia units have fought some 1,200 separate engagements with the bandits during the past six months. This would not indicate that conditions were very stable. However, great plans for the development of Kwangtung are being mapped out. Hydro-electric plants, coal mining, exploitation of mineral deposits such as wolfram, copper, sulphur and chrome will be increased, timber production will be expanded and so on *ad infinitum*.

Already, we hear, the Chinese Navy is making Canton its main base. The entire island of Whampoa will be turned into a naval reservation. Meanwhile wealthy refugees from Shanghai and points north have been pouring in by ship, plane and train for the past few months, resulting in serious overcrowding and a steady rise in real estate and food prices.

PRESS reports from Nanking during the past week or two indicate a growing belief that the Government plans to move the seat of its main activities, presumably including the Generalissimo's person, to Taipei. The island of Taiwan, it is pointed out, is about the safest place a retreating regime could pick. It is separated from the mainland by a goodly expanse of ocean, which would prove quite a barrier to an invading force, especially one which possesses neither an airforce nor a navy. Further, the island is quite well stocked with natural resources, produces a food surplus each year and has a fairly high level of industry left by the Japanese. What's more, it has surplus electrical power and a reasonably well trained body of semi-skilled workers which makes the island a place to which mainland industry presumably could be transferred more successfully than many other spots.

However, there are a few main drawbacks. First, the island is too small to support the

Government so long as it retains its present size, unless the major share of the support were coming from mainland areas. Secondly, and perhaps most important, is the attitude of the approximately 6,000,000 natives of Taiwan. They don't care much for mainland Chinese, because of the rank exploitation by the mainlanders during the past three years and especially because of the brutal repression of the short-lived Taiwan rebellion in the spring of 1947.

* * *

ALL in all, it would seem that there is no really good spot for the Central Government to refugee in if it is forced to leave Nanking. Taipei may become the official and main capital, while Canton may become a subsidiary capital with various organizations, such as the Navy, headquartered there. Army headquarters may also remain on the mainland, being moved forward and backward from time to time as the military situation dictates. Meanwhile, other cities, such as Kunming and Chungking, may become centers for some of the rich refugees who wish to leave areas overrun by the Reds.

A transfer of the Government from Nanking will not be so easy as during the Sino-Japanese War. At that time, aside from a few puppets, the bulk of officialdom and certainly nearly 100 percent of the public were giving the Government their full moral support. This time, however, an ever-growing section of the public is becoming disillusioned and, if not actively transferring its support to the opposition, is at least refraining from giving any positive help to the Kuomintang regime. Regionalism, a post-empire development which the KMT fought for so long to eradicate, is springing up again and it is doubtful how much aid the Government may expect to receive as its actual physical power to command support declines.

The path of the Kuomintang, once it, or a part of it headed by the Generalissimo, leaves Nanking looks rather difficult. The odds on its being able to rally enough support and strength to exterminate the Communists are rather long.

Evacuation Of Essential Industries

The Central Engraving and Printing Press is setting up a branch plant in Taipeh.—*Ta Kung Pao*.

This would seem to be adequate confirmation of the rumor that Taipeh will be the new capital.

Prisoners Starve, Refugees Freeze

RECENT press reports have revealed some shocking figures regarding the condition of local prisoners and refugees. Some 8,000 prisoners in the city once again are facing near starvation because of the inability of prison authorities to buy enough food with the meager funds at their disposal. Meanwhile, it is reported that 4,211 people froze to death on the streets of Shanghai during November and December of last year.

This figure is said to be double that for the same two-month period of the previous year.

Prisoners in Shanghai jails have a difficult time at best because of general overcrowding and poor quality food. Few cells, we understand, are properly heated during the winter months, while sanitary facilities are wholly inadequate. Local prison officials cannot be blamed for these conditions, since such matters are the responsibility of the Government. At times—the present is apparently such an occasion—conditions become much worse because of extreme overcrowding or fast depreciation of the currency.

We recall a statement made last year by the head of one of the detention houses who complained that the police and courts were sending him far too many prisoners and that he was forced at that time to chain many newly arrived inmates to the walls along the jail's corridors because all cells were already so crowded that it was impossible to get more people in.

The present crisis seems to be one of food. Judge Cha Liang-chien, president of the Shanghai District Court, has publicly stated that something urgent must be done to solve the acute food shortage at Ward Road Jail, one of the largest penal institutions in the world. Obviously, the prisoners cannot be set free, but at the same time they cannot be kept in jail if the Government can't afford to feed them properly. As the Civil War continues and as conditions become more difficult, the question of the large number of prisoners confined in various institutions throughout Nationalist-held areas will become more pressing.

We have no solution for the problem, but certainly one must be found. The Government now seems intent upon moving some of its various operations to areas farther away from the scene of fighting. Obviously, it would be difficult, if not impossible, to transfer prisoners. However, these people are the responsibility of the Government and it simply cannot abandon them without providing for their support. Perhaps a sensible move would be for Nanking to appropriate a lump sum to each penal institution, instructing the directors to purchase a stockpile of food which would carry them along for the next few months. If the Government then retreated from this area, there would be sufficient food to feed the prisoners during any interim period which might elapse before a new regime arrived and assumed the responsibility.

* * *

A COMPANION problem—also mainly a question of food—concerns the huge refugee population in rear areas which is not being cared for. Again, it is up to the authorities to do something. We understand that there is a definite limit to the Government's ability to cope with the numerous current problems and that many will have to go uncared for. However, the question of feeding refugees, a great many of whom have turned into penniless beggars, is a most important one.

According to local reports, 373 adults and 3,838 children were found dead on Shanghai's

streets during the last two months of 1948. This is really appalling. How the men who constitute the governing body in this country can allow more than 4,000 people—and most of them children—to die of hunger and cold on the streets of Shanghai during such a brief period is beyond understanding. This averages approximately 70 people per night, although the figures are usually much higher during cold snaps when as many as 200 or 300 may die during one night. This certainly is not the way to solve the "beggar problem."

We can scarcely imagine what the figures might be were it not for the efforts of private charity groups and other organizations such as the United Nations International Children's Emergency Fund, ECA, etc. which feed many people who otherwise would go hungry. The Government, of course, has done a little, but, as is so often the case, it has underestimated the extent of the problem and made wholly inadequate preparations.

Failure to tackle the refugee problem in a proper fashion is not only an example of almost criminal neglect of responsibilities, but also stupid politically. Most of the beggars currently starving in Shanghai are political refugees from areas overrun by the Communists. Perhaps no other section of the population would provide better, ready-made anti-communists. That is, they would have a while ago. Now, however, it is quite likely that they may feel that the Communists weren't so bad after all. For a Government which is carrying on a war against communism, the neglect of these refugees from Communist areas is a major political blunder.

The Government, which at one and the same time boasts of its as yet untapped resources and its determination to exterminate the Reds but allows prisoners to go unfed and refugees to die of cold and hunger by the scores each night, doesn't cut a very good figure.

The "Official Mind"

NOT long ago we urged the Government to study the case of the *Observer Magazine*, which has been closed by the authorities. We specifically reasoned that closure of publications for printing critical news was no solution to the regime's problems. Preventing publications from exposing the ills of the country do not make the ills any less existent.

We now have a few more examples of the peculiar type of "official mind" which frequently reacts in a fashion not at all creditable to the human race. In Tientsin the garrison headquarters suspended for one week the Chinese *Liberal Evening News* for "disclosing" in its news columns the fact that Communist artillery shells had landed on the improvised airfield built on the city's race course. Such a move makes very little sense in that presumably everybody in Tientsin who was not deaf and dumb and blind knew that the Reds had shelled the race course. The Communists, presumably, also knew what they were doing since they shelled this one spot

and no other one. In any event, the news was radioed to other cities of China by the press, so the citizens of Tientsin, as well as the Communist attackers, only had to listen to the radio if they had no other method of knowing exactly where each shell landed.

From Peiping it is reported that censorship of both local and foreign newspaper dispatches is in force. A list of 11 points which newspapermen must observe was published by the military authorities. These points, as is usually the case, are very loosely worded and give the authorities the ability to interpret them in any way they see fit. In addition to these measures, the authorities arrested six correspondents of the *Ta Kung Pao*, a nominally independent paper. They, along with their families, were kept under house arrest for two days. The reasons for this detention were believed to be because one of the editors—who is not now in Peiping—is "rumored" to have gone over to the Reds and because some of the six correspondents are reported to have written occasional articles in their spare time for the *Observer*.

Reports from Nanking state that the garrison authorities there have begun secret censorship of cables of foreign correspondents, although no censorship regulations have been announced for the capital at this time.

Shanghai residents, meanwhile, claim that some form of censorship has been in existence for a long time. It began, they claim, during the days of General Chiang Ching-kuo's ill-fated reign, when letters to and from banks and various "suspected" addresses were checked for currency violations. Since then some haphazard form of "spot checking" has been employed.

Such activities on the part of the Government can hardly be justified, even though the Nationalists are involved in a bitter "bandit" suppression campaign. Military news of value to the enemy might properly be censored, but indiscriminate censorship, which seems aimed mostly at silencing criticism which the Government fully deserves, is merely another example of the "official mind," the existence of which is one of the main factors contributing to the present sorry plight of the Government.

Luxury Ban Relaxed?

IT HAS been reported in the press recently that the Nanking authorities are considering lifting, or at least relaxing, the import ban on luxuries. Various reasons are given for this idea. One has it that there is a shortage of such goods on the market and that a few imports should be allowed to relieve the tight situation. Another explanation is that the authorities feel that an increased flow of luxury goods to the stores would sop up a lot of idle capital which otherwise, it is feared, will shortly plunge into the food and other markets.

While it might be pleasant for that section of the population which feels itself restricted in its mode of living again to find imported luxuries on local store shelves, we imagine that

such people can forego that type of pleasure during these difficult days. Also we believe we can think of a few better ways of sopping up any idle funds than by the sale of luxuries to the rich.

Obviously, there can be no lasting solution for the deteriorating economy so long as the Government spends more than it collects and is forced to make up the deficit by printing more paper money. However, there are several methods which can be employed to tighten the money market from time to time. Chief among them is bank credit, the relaxation or restriction of which can ease or tighten the money market considerably and, therefore, partially control prices from time to time.

Another method which has been tried, discontinued, and then tried again several times during the past few years, is the sale of gold and silver. Sales of these precious metals is one of the best methods of keeping idle funds out of the commodity markets since those desiring to hoard some of their surplus wealth, be they ricksha coolies who wish to buy one or two silver dollars, or bureaucratic capitalists who wish to buy a few dozen ounces of gold, are always eager to exchange their paper money for a hard "currency."

The public would rather buy gold or silver than anything else, especially more than commodities, since they can be easily hidden, are always valuable, and, especially, will not spoil or deteriorate as most commodities are certain to do. Further, at the present time few people are enthusiastic about stockpiling huge amounts of commodities.

An added factor favoring gold and silver is the high price these metals fetch today in terms of US dollars. China has one of the highest priced gold markets in the world, while the silver dollar recently has risen considerably, being at times almost equal in price to a US dollar. The Government might well explore the possibilities of selling gold and silver for US notes. At present these metals are sold in limited amounts to the public for Gold Yuan. If unlimited sales were made to those willing to exchange American dollars, a thriving business might well develop, with the Government selling gold and silver at prices considerably above the world market price and then replacing its reserves from the United States or Mexico at a lower figure. This would enable the Government to continue its sales for a longer period than now seems possible.

As we said, all these methods are strictly of a temporary nature, designed at best to keep the badly smoking machinery of government running a little longer than might normally be the case. There is no substitute for sound fiscal policies, coupled with basic economic reform. However, so long as we seem unable to operate except upon a day to day basis, we might as well choose the better alternative. At least gold and silver sold to the public is of more lasting benefit to the country than cosmetics or other types of luxury goods.

25 Years Ago in The China Weekly Review

US Policy Difficulties

January 12, 1924

American and other foreign residents of China...who have been trying for a considerable time to get some kind of a statement out of Washington regarding its present China policy have at last partially succeeded...in the form of a personal letter from a high official source within the government...The letter follows:

"...The difficulty of the situation in the Far East, as you will perceive lies in the weakness of the Chinese government. We have done what we could to strengthen it and to give it the opportunity for development. But that development must of necessity take place within. It is not possible for the Powers to create a government for China, or to substitute with any hope of success a government through their own agencies. The best which they can hope to do is to bring the Chinese authorities to a realization of their responsibilities, and give such assistance (even though it should be against the will of certain elements in Chinese politics which hope to profit by a continuance of disorder and corruption) as will tend to stabilize the finances and the transportation services of the Chinese government, and thereby bring about conditions of order and security which may afford a less difficult set of conditions in which the Chinese people may develop an effective administration of their own."

* * *

Dr. Sun's Northern Expedition

The latest decision of Dr. Sun Yat-sen is to mobilize his troops for a Northern expedition. His plans, which have been subject to change for quite some time, especially after his failure to defeat General Chen Chiung-ming, have lately taken a step in a different direction. According to the *Eastern News Agency*, meetings have been held lately in Canton by leaders, passing resolutions for the establishment of a stable government with Dr. Sun as President. The people have been urging Dr. Sun to effect the subjugation of the North without delay, and in view of the strained relations between Fengtien and Chihli, and Chihli and Chekiang, it was first decided to mobilize the Honan and Honan troops into Kiangsi province as preliminary steps toward the subjugation of the North.

10 Years Ago In The China Weekly Review

Guerrilla Activities

January 14, 1939

The following description of guerrilla warfare employed in China against the Japanese invaders is taken from a recent issue of the American magazine, *Time*:

"...Favorite guerrilla tale is that of 24 Chinese, who, caught in Pingchuan when the Japanese entered the city, donned the blood-stained uniforms of dead Japanese, and walked out of the city unmolested. This trick sometimes boomerangs. Recently 8th Route Army General Lin Piao, regarded as the ablest Chinese strategist now in the field, returned from a raid with 600 of his men who were dressed as Japanese, mounted on Japanese horses. Their own guerrillas ambushed them, wounded a number, including General Lin, before their identity was established.

"The guerrillas also have a transverstitute stunt that has taken toll on the Japanese. Chinese youths dress as girls, lure Japanese into the countryside, where waiting guerrillas fall upon them."

* * *

Cabarets Thrive

About the only enterprises in Shanghai which have continued to function and prosper throughout the "crisis" are the cabarets. While the fighting was in progress on the borders of the foreign settlements, the police forced the cabarets to close at 11 o'clock at night, but the pressure was too great and the curfew regulations were soon extended until they practically became non-existent.

Civil War Spreads

The Fall Of Chengchow

—Mark M. Lu—

ABRUPTLY on October 21 martial law was imposed on the city of Chengchow, rail hub on the Lunghai and Pinghan lines in central Honan. By night time the streets were desolate, and around midnight the quiet of the city was shattered by the rattle of machinegun fire and the sounds of rifles.

The following morning all was quiet once again and even the streets in the heart of the city were back to normal. By afternoon, early editions of the evening papers throughout the city carried the usual news of Government victories. In fact, one of the evening papers contained the information that General Li Chen-ching, commander of the 40th Army, who had been appointed as successor to General Sun Yuan-liang for purposes of garrisoning the city, was determined to carry on with the "bandit suppression campaign" to the last man.

Just about the time this news was being read, Communist soldiers began entering the city. At first the people thought they were simply Nationalist stragglers retreating from the front. It was not known that they were Communists until they occupied the Hsien government Yamen and the Special Political Administration office and began seeking the magistrate and other high local officials.

As the city fell, General Li Chen-ching retreated with his army toward Sinhsiang, rail center on the Pinghan-Taoching line in northern Honan. The men attempted to cross the Yellow River over the well known Iron Bridge. However, the 26th Independent Brigade and two regiments were ambushed by the Communists and, as a result, nearly all the troops were wiped out and General Li himself was seriously wounded in one leg. Incidentally, General Li was summoned to Nanking on November 16 to make a report on the military situation in north Honan to the Generalissimo and, at the same time, to cure his wound.

Fortune Teller For Mayor

Following the Communist occupation of Chengchow, a new municipal government was installed, and a man who had hidden his identity by posing as a fortune teller was appointed mayor. Shang Tze-kan, a former sub-chief of the Nationalist Secret Service, was made chairman of the Chamber of Commerce. The appointments were a great surprise to the people of Chengchow.

The Communists then registered all local government officials and

asked them to remain in their former positions. These officials were supplied with flour and rice, and the Communists even raised some of them in grade and increased their salaries.

Along the principal streets of the city, posters were put up notifying the public that the "People's Liberation Army" is strong and has never had to retreat before the Nationalists, and that in the very near future all of China will be liberated. The posters declared that all people except the very rich, the favored families and the bureaucratic capitalists were comrades. They also promised that the Communists would protect newspapermen and implement freedom of the press.

There were five leading morning papers in Chengchow: the *Chun Li Pao*, mouthpiece of the Hsuechow Bandit Suppression Headquarters; the *Chung Pao*, under the reign of the Kuomintang Headquarters; the *Tung Hsu Daily News*; the *Chengchow Daily News*; and the *Tsun Chiu Daily News*. The three evening papers were the *North China Evening News*, the *Central Honan Evening News* and the *Labor and Commerce Evening News*. Of these papers, the *Chun Li Pao* has been ordered to move to Hsuechow, while the *Chengchow Daily News* voluntarily went to Nanking and part of the personnel of the *Chung Pao* left for Soochow.

Papers Visited

After entering the city, Communist political workers visited the various papers and asked the editors, reporters and managers to cooperate by resuming publication. All the papers received supplies of rice, flour, paper and other necessities.

Prior to the evacuation of the Nationalists, all local papers without exception had adopted the attitude of fighting the Communists to the finish. But now, these papers did an about face and began to praise Communism and liberalism. It illustrated the saying, "No matter who she is, if she feeds milk she is the mother."

Meanwhile, all commodity prices, especially for food, dropped sharply after the Communists took over the city. Later, it was announced that the circulation of "fapi or legal tender" and Gold Yuan would be ended November 5, after which use of these notes would be strictly prohibited in the Liberated Area. Everyone scrambled to buy up available goods and thus get rid of their

"KMT" currency, and, as a result, prices soared.

Silver dollars were also in circulation and a ratio of one yuan of Chungchow currency (Communist money) was made equal to one silver dollar, but actually one silver dollar could buy 10 or more Chungchow notes on the blackmarket.

In the event that a person traveling in the Liberated Area was discovered to have a large amount of Gold Yuan with him, the Communists sealed it in a large envelope on which was written, "Strictly prohibited to open in the Liberated Area." This was a measure adopted as a precaution against the inflow of Gold Yuan which might upset their economic policy.

Public Granary

All provisions were put under the supervision of the public granary, and the surplus of Chungchow notes was absorbed by raising the prices of provisions so as to check inflation.

With the outbreak of the Hsuechow-Pengpu battle, heavy forces by both sides were mustered along the southern stretch of the Tsinpu railway. As a result, the sector along the Pinghan railway, starting from Sincheng, some 60 li south of Chengchow, to Chumatien in southern Honan has become a vacuum through which the people are free to come and go.

A few weeks ago, Miss Geneva Sayre of the Kaifeng Free Methodist Mission left Chengchow and returned to Shanghai by way of Hsuechang, Chumatien and Hankow. She spent 18 days on her journey and it has been learned that she intends to return sometime this month. This indicates that this sector is still peaceful. Commercial buses are operating as usual along the Lunghai railway from Kaifeng to Shangchiu.

The well-installed trains and the modern locomotives of the Lunghai railway, presented by CNRRA, were transferred to the Chekiang-Kiangsi railway several months prior to the Nationalist evacuation. However, a great deal of rail material and some locomotives were left behind. In addition, most of the railway workers, including mechanics, conductors and transportation officers remained behind. For this reason, as soon as the Communists entered Chengchow, rail traffic between there and Kaifeng was resumed. Although the Government war birds carried on bombing and strafing, not much harm was done.

Great Wall And Burma Road

King-Chau Mui

(Chinese Minister to Cuba)

Anyone who has made any study of China at all has heard of the Great Wall, or as the Chinese call it, The Ten Thousand Li Wall, which winds over mountains and plains and valleys in northern China. In recent years its fame has been shared by another great engineering feat—the Burma Road, which played a vital part in the war against Japan.

Both the Great Wall and the Burma Road were national defense measures. Both were constructed by enormous manpower, fashioned with crude tools. And both were symbolic of the spirit of the time, the Great Wall that of ancient China, and the Burma Road that of modern China.

Classified as one of the Seven Wonders of the Ancient World, the Great Wall climbs from a starting point below sea level near Shanhai-kwan to the roof of the world by the Tibetan plateau, covering a distance of 1145 miles. It was built by Emperor Chin Shih-huang, who spent many years trying to unify contending states into an empire. In seven years he succeeded in subduing his neighbors, and from the northern limits of modern China to the Yangtze River and from the Yellow Sea to present-day Szechuen, his word was law. Living in constant fear that his empire might be overrun by the barbarians of the north, Emperor Chin Shih-huang decided to erect a gigantic barrier which no roving horseman could scale or ride around.

To carry out the project, he drafted almost every able-bodied man in China. They chiseled out two parallel furrows twenty-five feet apart, then laid square blocks of granite and bricks in them to a height of twenty feet. They filled the roadway between with earthen paving. Then they erected a five-foot parapet on each side. Those who died in the labor were buried by the Great Wall together with those who rebelled against this inhuman slavery. No one knew the number of

the unfortunate victims buried there. Finally, in about 18 years the task was completed. Emperor Chin died in 210 B.C. The Great Wall effectively served its purpose; it kept out the wild horsemen of the north for more than 1400 years.

The second colossal structure, the Burma Road, was rebuilt in eight months beginning December, 1937, and it ran 715 miles from Kunming westward and southward to Lashio to join the Rangoon-Mandalay-Lashio railway in Burma. It was connected to a highway which runs parallel to the Burma railroad to the sea.

The road is really not new. It follows the Old Tribute or Ambassadors' Road over which Chinese envoys made their way to southern Asia and representatives of Burmese principalities bore their tribute to the emperors in China before Chinese seaports were opened to the west. Records have it that the famous Venetian traveler Marco Polo made use of this road in his missions from Yunnan to Burma on behalf of the Mongol emperor Kublai Khan. In effect, then, what is generally called the Back Door of China today was the Front Door of China yesterday.

What the Chinese did was to convert this tortuous trail that winds across sharp gorges and deep valleys and on the side of precipitous ridges that are at places 8,000 feet above sea level into a highway traversable by motor trucks. This stupendous task was achieved without the assistance of a single piece of modern machinery, under the supervision of Chinese engineers who had been trained in American universities.

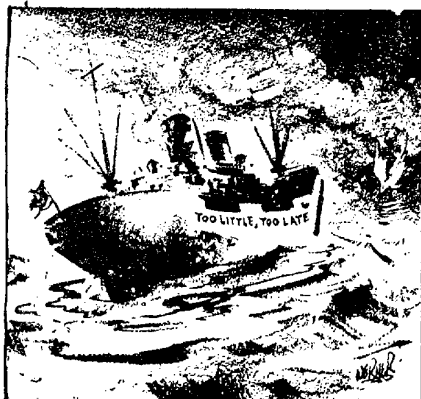
Hundreds of thousands of people contributed their labour to the construction of the highway. They were mostly the inhabitants of the areas which the road traverses. To the government's call for workers these people responded in a gratifyingly

spontaneous manner. Most of them brought their families with them. They brought whatever crude tools they possessed. Although they worked long hours with practically no pay, they did not complain. Everything was done in the spirit of sacrifice. For this reason the road was rebuilt in an amazingly short time and trucks were able to go back and forth over this life line.

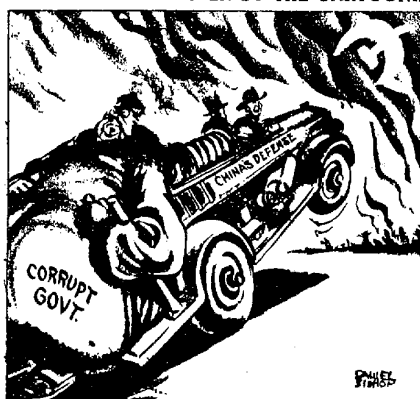
The primary importance of the Burma Road during the war years was, of course, military. China's coast had been so blocked by the Japanese fleet that supplies could not easily flow in and out. The other source of communication, the railway linking Haiphong and Kunming was made unavailable for Chinese use when France yielded Indo-China to the Japanese. This left the Burma Road as the country's principal line of communication with the outside world. And from the time it was constructed until the end of the war, vital supplies flowed in in unending succession, notwithstanding numerous attempts of the enemy to bomb the highways.

Comparing the two great engineering feats, one has the feeling that the Burma Road is more important, if less picturesque. The Great Wall was planned by an egotistic tyrant to ensure the preservation of his power at the sacrifice of thousands of lives. But the despotic state he founded crumbled at his death, and twice in history barbarians did sweep over to conquer China. On the other hand, the Burma Road, which sprang into importance during the war of resistance and was reconstructed by the heroic endeavors of thousands of willing citizens, can always be used as a means of communication between China and her neighbors, and of facilitating trade and commerce, and will thus help to promote a feeling of goodwill and neighborliness.

CHINA'S CRISIS AS SEEN BY THE CARTOONISTS



"Slow boat."



"Impairing the fire department."



"Uncle should have been twins."

Siam Plays "Musical Chairs"

Andrew Roth

WHILE the whole political structure of Asia is swaying under the impact of Communist victories in China, Siam's ruling group is playing the political equivalent of "musical chairs".

Siam is going through a cabinet crisis. The bulk of Field Marshal Pibul Songgram's cabinet has resigned and he is having difficulty in replacing them.

Far off observers might consider it natural that Siam should be suffering a political crisis since it is in the center of strife-torn Southeast Asia. However, Siamese politics has little relation to the economic and political struggles which convulse most of Asia. Siamese politics most resembles the battles between cliques which characterize musical comedy versions of Latin American republics. Thus, the current cabinet crisis revolves about a man who has taught his daughter to play the fastest poker in Bangkok.

"There are not more than two hundred people in Siam who take a serious interest in politics," is the reluctant estimate of one of Siam's shrewdest diplomatic observers. This narrow circle is due largely to Siam's being a rich, rice-surplus country which is comparatively thinly populated. Thus, the peasant masses have never moved into political action by starvation. Siam is the only country in Southeast Asia which has escaped colonial status and therefore there has never been the stimulus of nationalist agitation to arouse a widespread interest in politics. Furthermore, Siam's commercial middle class is comprised overwhelmingly of immigrant Chinese who have been preoccupied with moneymaking and whose political interests have been monopolized largely by the recurrent crises in China. Consequently, only a thin layer of professionals, aristocrats, and army officers have been involved in Siam's political life.

Clique Politics

Clique politics is frequently characteristic of countries newly emerged from feudalism. Even today, when visiting some of Siam's aristocrats—such as Princess Poon, the granddaughter of King Mongkut, the King of "Anna and the King of Siam"—one is startled to find their servants crawling around on their knees, as a feudal mark of respect. This is one reminder of the fact that until 16 years ago Siam was one of the last two absolute monarchies on the face of the earth (the other being Japan). The Siamese have been accustomed to accepting orders from above instead of thinking politically for themselves.

During the past 16 years virtually all the seats of authority have been restricted to a group of less than

100 persons known as "the Promoters" from the fact that they promoted the coup of 1932 which overthrew absolutism and established a constitutional monarchy. Although in most countries such movements have been produced by the discontent of large segments of the population, in Siam it was the product of a small group of intellectuals led by Pridi Phanomyong (also known as Luang Pradit)—formerly Premier of Siam—and a group of army officers among whom was Pibul Songgram, now Premier.

Siamese politics has been likened to a game of "musical chairs" because with scarcely any exceptions the scramble for the chief seats of authority has been restricted to the charmed circle of "Promoters". Of course, some of the circle are more to the left and some are toward the right. Pridi, for example, is an intellectual in outlook, a democrat in politics, a socialist in economics and has tended to favor the Western democracies in foreign affairs. Marshal Pibul, on the other hand, is a militarist in outlook, authoritarian in tendency and, until their defeat, favored the Axis powers.

However, despite these marked differences and the bitter rivalry between these two leading personalities, they both exhibit a certain loyalty to the charmed circle of "Promoters." In all of the coups and counter-coups (shortened by constant usage to "coupcoups") not one of the "Promoters" has ever been shot by any of the others. Prewar, while Marshal Pibul, as premier, was accommodating himself to the rise of the Axis powers, he used Pridi as his Foreign Minister. During the war although Pibul, after some pressure from the Japanese, declared war on the Allies and, within limits, was collaborating with the Japanese, he interposed no objections when Pridi undertook to collaborate with the Allies. Pridi reciprocated at the war's end. Though Pibul sat in a war criminal's cell for several months he was released on a technicality!

Interclique Rivalry

Although they will never go so far as to shed the blood of another clique within the magic circle of "Promoters" they will go to amazing extents in interclique rivalry. Thus, although Marshal Pibul has told ambassadors that he doesn't think Pridi was responsible for the death of the King in July 1946, Pibul's henchmen have been busy concocting evidence and conducting a trial whose purpose is to show that Pridi plotted the King's death. To them the truth about the King's death is less important than the advantage gained by smearing an opponent with murdering a very popular young King. Actually, the evidence surrounding the King's death has now been

tampered with so extensively that it is impossible to extricate the truth.

Similarly, the division of the world into pro-Soviet and anti-Soviet blocs is seen by the cabal around Marshal Pibul not as a momentous political issue but as another means of securing advantage for their clique. Thus, they have been smearing all the Marshal's opponents as "Communists" and depicting themselves as "anti-Communists", hoping to win approval and support for the Pibul regime from Britain and America.

Thus, the attempted counter-coup of October first has been labeled "an attempted Communist uprising" by Pibul's supporters and their journalistic allies. In Siam no one takes this seriously because it was clearly another battle of cliques within the charmed circle. In this case, the better educated career officers on the army's General Staff allied themselves with the Pridi clique and the Khuang Aphaiwongse clique to throw out Marshal Pibul and his section of corrupt army supporters. The musical comedy character of this clique rivalry is indicated by the manner in which news of the coup leaked out. The Siamese are very superstitious and as October first—the date set for the coup—approached, numbers of young army officers went to fortune tellers asking: "What will happen to me on October first?" Some of the fortune tellers tipped off Pibul's police. When Pibul interviewed the frustrated coup-leaders after their arrest, he gave them each a box of cigarettes and a bottle of *mekong* (whiskey) before sending them to jail. Two of the lawyers arrested for treason in this same coup were let out on bail to continue to serve as defense counsel in the King's murder case!

For Pibul and Pridi the aim of this battle of cliques is to place themselves in power. Each one thinks of himself as the only one who knows what is best for Siam. But neither of them has had the patience to build popular political organizations in support of his program. Instead, they have surrounded themselves with supporters, many of whom are sycophants and hangers-on who are interested primarily in getting their fingers in the public till. Corruption is rife among the supporters of both, but Marshal Pibul seems to have a special genius for gathering around him dubious supporters, including military-fascists and wholesale larcenists.

Present Crisis

The present cabinet crisis revolves around the amazing figure of Major General Luang Kach, a man of much energy and few scruples who has even gone so far as to teach his daughters to be card sharps. Luang Kach is reputed to be the most expert smuggler in Siam, having pick-

ed up a number of tricks while Director General of Customs, including misuse of diplomatic pouches. This reporter has been able to secure confirmation of several examples of his work, the most interesting being where Kach asked Charles Yost, the departing American Charge d'Affaires to accompany his daughter to the States. Yost agreed, but in Manila the Customs—apparently warned in advance—searched Luang Kach's daughter carefully and found precious gems hidden in her private parts.

Luang Kach was one of the two leaders of the coup which put Marshal Pibul back in power in 1947. He was rewarded by being raised from Colonel to Major-General and being made Deputy Commander-in-Chief of the Army. For many months stories of corruption have been associated with his name. One editor who publicized Luang Kach's smuggling attempts was shot and nearly killed.

Last month a tremendous scandal involving some eighteen million ticals was publicized. It is alleged that without adequate authority Kach obtained considerable amounts of foreign exchange at the legal rate and by juggling between legal and open rates of exchange realized millions of ticals for himself.

The publication of these allegations, strongly substantiated by facts, has precipitated the current political crisis and the resignation of Marshal Pibul's cabinet. Despite widespread demands that Luang Kach be fired, Field Marshal Pibul indicated to this correspondent in a recent interview that he intends to protect him. So deeply ingrained is the game of political "musical chairs" in Siam that it appears more important to protect one who has helped you achieve the seat of authority than to punish him for looting the public treasury.

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The Week's Business

DURING the week ending Wednesday, January 12, commodity prices increased rapidly; in fact, the price increase was far greater on the commodity market than on the foreign exchange market. On the latter, rates went up and down quickly, but, with the exception of cigarettes, commodity prices failed to follow exchange market trends.

While, on the whole, exchange rates went up between 50 percent and 60 percent, commodity prices gained between 100 and almost 300 percent, coal prices being an example of the latter figure. Under such conditions, exporters faced new difficulties even when shipments were intended for Hongkong.

Meanwhile, the money market became extremely tight during the week under review, with money lenders charging as much as 300 percent per month for short term loans, i.e. ten percent per day.

There was little indication that the money market would become easier in the near future because of high commodity prices, on the one hand, and the dumping of consumer goods by the authorities, on the other. The limited amount of banknotes at the disposal of the market will not suffice to cover the demand, it was explained, and remittances from North China have come to a practical standstill.

It may be stated, however, that while the latter part of this explanation no doubt is true, remittances from South China appeared heavy last week. The depression on the Hongkong and Canton commodity markets apparently prompted people to have their idle funds transmitted to Shanghai, where such funds probably were responsible for the fast price advances realized last week.

Nevertheless, in spite of certain very important remittances from the South—most of which referred to capital sent to Canton a few weeks earlier—the money market was tight and remained so throughout the week. With taxes due to be paid by the middle of the month, further large amounts in GY will be to be turned over to the Central Bank.

Mention of the stopping of remittances from the North brings to mind production conditions in Tientsin and Peiping. Apparently, industrial production is next to nothing in both cities. While shipment of agricultural raw materials from Tientsin to Shanghai last week seemed to be out of the question, news from Hongkong stated that direct trade links between the Colony and Communist occupied territory in North China have been established with at least one foreign vessel being sent to a northern port.

During the week under review, public utility rates were increased by more than 100 percent. In spite of

this, public utility firms were reported to have approached the Central Bank for loans. According to local press reports, however, the requests were turned down "as the sum required was too big."

As mentioned above, the authorities started to dump commodities on the market with a view to forcing prices down. On the wholesale markets that policy appeared to have had some effect, but retail prices either remained stable or increased. When it became known that large quantities of cotton yarn were to be dumped, cotton yarn quotations at once declined between five and seven percent. How erratic the markets were, however, could be grasped from the fact that the best known sheeting brand gained and lost, within a few hours, more than 20 percent.

Foodstuff markets, too, were erratic but fluctuations were not as heavy as on the various cotton markets. Compared with the first day of the week under review, the rice price on Wednesday showed a 10 percent decline. Vegetable oils dropped between five percent and 10 percent.

To a certain extent, the market was also impressed by peace rumors, although many similar rumors had proved to be wrong or, at least, to be exaggerated. Speculators in commodities, therefore, were by no means certain that purchase of goods would turn out to be the right policy.

The black share market, too, realized tremendous fluctuations, partly due to the tight money market, and partly to political news and rumors. On the whole, however, the piloting stocks gained, with Wing On Textiles opening one morning at GY17,000, falling to GY16,500, and finally closing at GY21,300.

Developments, on the clandestine exchange market as well as on the black stock market were taken to prove that if the Government would decide to lift most of the prevailing restrictions and would let the market act and react normally, business would normalize far more quickly than can be expected under prevailing restrictions.

On the last day under review, the exchange market regained part of the losses suffered on Tuesday, but the money market was so tight that premiums up to eight percent were paid for cash. Due to that tightness the exchange market remained comparatively quiet, while on the wholesale commodity markets selling became heavy and prices dropped again. Nevertheless, retail prices showed no decrease.

Fuel prices, which had soared throughout the week, continued to show new advances despite the news that coal shipments from abroad were on the way.

NEWS OF THE WEEK

Reds Said Ready For New Drives; Generals Show Insubordination

WHILE Kuomintang leaders were reported in the press to be sharply divided on the question of how to make peace with the Chinese Communists, fighting in North China and in Central China flared up again after a brief lull. It is generally believed that the Reds have completed their regrouping and deployment for fresh drives to capture Peiping, and Tientsin and march toward the Yangtze River, threatening the Nanking-Shanghai area.

In North China, Communist General Lin Piao issued his last warning to Nationalist commanders, advising them to order an immediate cease-fire and surrender their troops and equipment intact. The warning cautioned Nationalist commanders to follow the example of General Cheng Tung-kuo, Nationalist garrison commander in Changchun, who surrendered to the Reds. Lin promised that the lives and property of surrendered personnel would be safeguarded.

A spokesman of General Fu Tso-yi's North China headquarters told the press that Fu would not surrender as demanded by the Reds. He said: "If General Fu answers, his answer will be to fight—to resist—to do everything possible to defend Peiping and Tientsin." However, press reports indicated that public pressure on Fu for a peaceful settlement was very heavy, as the people wanted to save the two cities from destruction.

The North Station in Tientsin is reported already to have been captured by the Reds, although the Nationalist defenders have reiterated their determination to contest every inch of ground. While Tientsin has weathered all previous civil wars and survived practically unscathed during the past 38 years, with severe fighting never getting closer than within 50 kilometers, conditions are now drastically changed. It is feared that street fighting may damage or even destroy the city. Observers pointed out that the Nationalists were taking advantage of the Communist reluctance to shell the city for fear of unnecessary destruction. From a purely military point of view, it is sheer nonsense to talk about defending the city by street fighting instead of resisting the Reds at the strategic centers on the outer perimeter which the Nationalists have abandoned one after another in rapid succession.

Tu's Armies "Wiped Out"

AS a prelude to a forthcoming drive toward the Yangtze River

Communist units under Cher Yi renewed their "mopping up" operations against the three army groups under the command of General Tu Yu-min, which were trapped south of Hsuehchow. According to official sources, the Reds shelled Tu's troops with all kinds of artillery, causing heavy casualties among the Nationalists. The Communists claimed to have "wiped out" Tu's units in a three-day battle ending January 10.

In Nanking, a Government spokesman admitted Tu's losses had been heavy but insisted that he was still attempting to fight his way southward in order to break the Communist encirclement. Pilots of the Chinese Air Force who flew over the battle ground described the fighting as the "heaviest" they had seen any time in China. It was said that Tu's forces held an area only three miles long and one and one-half miles wide and there appeared little doubt that they must either surrender or be annihilated by the Communists.

The total destruction of Tu's force was another catastrophe for the Nationalists as they fell back to defend the capital against the expected final Communist offensive. It is estimated that about 16 Communist columns under Chen Yi will be released for this offensive, while between seven and 10 columns under Liu Po-cheng are already in positions north of the Huai River ready to launch the assault at a moment's notice.

In North Kiangsu, AP reported Government troops were forced to evacuate the villages of Taihsing and Hungchiao, 70 miles east of Nanking and almost within cannon range of the Yangtze's north bank.

Pai's Attitude

MEANWHILE, the Reds are reported to be massing their troops for a drive on Hankow. Unofficial but usually reliable Nationalist military sources revealed Communist troops of Liu Po-cheng have occupied Macheng and Hwayuan astride the main road and railway lines of communications, 70 to 80 miles north of Hankow. The Communists are understood to have moved up more troops into their old base in the Tapien mountain area on the borders of Honan, Hupeh and Anhwei. Another two columns are moving rapidly south along the Peiping-Hankow Railway. Observers admit there is a possibility that a Communist holding force would engage General Pai Chung-hsi's Hankow forces while the main drive is made on Nanking.

Official reports from Hankow indicated that the local military authorities had blown river dykes in the Yumeng and Anlu area northwest of Hankow to halt the advancing Reds.

Commenting on the reported Communist offensive in the Hankow area, competent observers in Nanking thought the Communist moves were of considerable importance, indicating that the Reds intended to engage the Hankow defenses at about much the same time as they launched their expected main offensive against the Shanghai-Nanking area. The threat in the west was designed, these quarters thought, either to hold General Pai's forces from attempting to attack the flank of the main Communist offensive farther east or to attempt to take Hankow and then sweep down the Yangtze to prevent General Tang En-po's armies from retreating west if they are unable to hold Nanking and Shanghai.

The Communist move was regarded as particularly significant in the light of earlier unconfirmed reports that General Pai, with other west provincial commanders, was organizing his own defense of the upper Yangtze and was no longer supporting Generalissimo Chiang Kai-shek.

The attitude of General Pai Chung-hsi, Nationalist commander-in-chief in Central China, has caused much speculation. It was rumored that Pai and other Nationalist field commanders in Central China had demanded that Generalissimo Chiang Kai-shek step down without delay. It also was alleged that Pai had detained several shipments of war supplies, food and recruits which were sent to Nanking from Szechuen, and that he was holding his forces in readiness for whatever political or military moves he considers most beneficial for his group.

UP reported January 6 from Nanking: "A usually reliable source said that several Nationalist field commanders including Pai Chung-hsi are acting in what was described as 'polite insubordination' against Chiang Kai-shek to force him out of power. It appeared from recent actions of the field commanders that they are working in an indirect and polite way to convince Chiang Kai-shek of the wisdom of resigning from the presidency of China. . . . The source said these commanders are continuing their polite insubordination to prevail upon Chiang to step down even if the war should continue because of Communist rejection of the Government's olive branch. Pai Chung-hsi, Chang Chen and Cheng Chien, commanders at Hankow, Honan and Changsha respectively, sent separate cables to Chiang urging him to talk peace with the Communists and take a rest. . . . Fu Tso-yi, North China commander and Ma Hung-kwei, Ninghsia commander, also were men-

tioned by some quarters as among generals displaying polite insubordination. Pai, Fu and Ma refused Chiang's summons to come to Nanking.

* * *

Chang Chun's Trip

IN view of the serious differences in opinion, General Chang Chun was sent to Hankow and Changsha on a "peace mission." Pai's motive in inviting General Chang to Hankow as said to be to explain to Chang personally the reasons for his polite insubordination and to assure him that he had no intention of starting a rebellion, but was asking only that Chiang Kai-shek take a rest.

General Pai's friends in Nanking believe that Chiang's staying in power is a hindrance not only to successful implementation of the Government's peace policy but also its war effort. They said the Communists would be more amenable to re-opening peace talks if Chiang resigns. Even if the war should continue, they said, removal of Chiang's sponsorship of the favored class and rightist elements would enable drastic political, military and economic reforms.

Whether General Chang Chun has succeeded in softening the attitude of the field commanders in Central China remains to be seen. Upon his return to the capital, he told the press: "The views of the local authorities on peace are identical with those of the Central Government. . . . The conduct of peace policy is exclusively a matter for the Central Government."

The Gimo is now in serious difficulties. According to *UP*, "Chiang Kai-shek appeared faced with two alternatives: either to force a showdown with the field commanders, which would be fatal to the Nationalist front, or to quit power himself, which despite his New Year's announcement, he is said to be still reluctant to do. . . . Qualified observers believed it would be virtually impossible for Chiang Kai-shek to continue the war against the Communists without the cooperation of the Central China field commanders. These commanders occupy a strategic position. They control the provinces of Hunan, Hupeh and Honan and block Chiang's access to the manpower and material resources of Szechuen province, where most of Chiang's arms factories are located. Army rice, arms, ammunition and army recruits en route from Szechuen to Nanking during the last two weeks all were detained by Pai at Hankow."

* * *

Whither The Gimo?

THE past week witnessed many rumors about the future plans of Generalissimo Chiang Kai-shek. At one time it was rumored that he was leaving the capital for Taiwan. A *UP* story dated January 9 from Nanking disclosed: "Chiang Kai-shek began preparations to leave Nanking for Taiwan as a movement among field commanders and Kuomin-

tang progressives to force him out of power gathered momentum. A well-informed source said Chiang's luggage is almost packed and some already has been flown to Taiwan. The luggage consisted mainly of personal files and documents and things he uses in his daily life."

It also was rumored that three cars used by the Generalissimo had already been sent to Taiwan, where a house was being renovated for him. On January 10 *Reuter* reported from the capital: "President Chiang Kai-shek's special four-engine plane has been flown to Nanking's inner airfield. The plane, one of two used personally by the Generalissimo was usually kept at the Kuomintang's capital's outer and larger airfield. The inner field is not far from the Generalissimo's official residence. The report of the movement of Chiang's plane was circulated simultaneously with another that the Generalissimo would go to Chungking shortly for at least a while before he left for Taiwan."

Reports of the Gimo's impending departure for Taiwan were denied by Government spokesman Shen Chang-huan, who branded them as "sheer rumors and entirely groundless."

For the present, nobody seems to know exactly what the Gimo plans to do. *AP* was right when it reported: "At this stage only Chiang himself can know what moves he will make—and it is probable even the president is not fully determined on his own actions beyond a day-to-day basis."

* * *

Foreign Mediation Sought

NANKING made a move to enlist foreign mediation in China's Civil War. On January 8, Foreign Minister Wu Te-chen invited the American, British and French ambassadors to the Foreign Office for a conference. It was disclosed that the Big Three were requested to study the situation in China and use their good offices in arranging peace talks with the Chinese Communists. The Soviet ambassador was significantly absent from the conference because of illness.

Formal answers from the Big Three have not been made by the time of writing. But competent observers are inclined to think that the prospects are anything but bright. The reasons are obvious. The Reds do not trust them and will have nothing to do with them. *Reuter* reported January 6 from Nanking: "Opinion prevails in diplomatic quarters that Four-Power mediation, as might be suggested by the Nationalist Government, is out of the question since none of the major powers is believed to be interested in such a difficult task, and all seem prepared to deal with a Communist China on the best possible terms they can obtain."

There was some talk in Nanking about referring the China problem to the United Nations for discussion if the Big Four should refuse to step

in and do something about it. But qualified observers expressed the opinion that if the Big Four failed to take any action there is no reason to believe that the United Nations Organization could do anything even if it agreed to consider the matter.

* * *

Leave Her Alone

A movement was under way in Shanghai and Nanking among Kuomintang "progressives" to put Madame Sun Yat-sen in the saddle in order to save the Kuomintang. It was contended that she was the ideal person to reason with the Chinese Communists and save her husband's party from total collapse.

Madame Sun, however, issued a statement on January 10, denying current rumors about her assuming any office or responsibility in the government and stressing that her entire time and energy were devoted to the relief work of the China Welfare Fund.

A *Manila Times* editorial, commenting on the report that Kuomintang progressives were building up Madame Sun Yat-sen as the eventual successor to Chiang Kai-shek, said the choice would be "pathetic."

The *Times* said Madame Sun has been "some kind of angel to assorted revolutionaries. . . . but she has done absolutely nothing positive to continue the revolution launched by her distinguished husband, or lend real impetus to those who tried to complete it."

It added: "Madame Sun remains a shining symbol during these days of chaos and terror, and it is certain that the light and sweetness she spread will remain undimmed. She is China's link to the nation's usable past. In plain American, she is okay where she is. Leave her be."

* * *

Nanking Evacuation

IN anticipation of a lightning Communist drive toward the Yangtze, Government agencies in Nanking are reported to have received strict orders to evacuate their personnel and archives to Canton and Taiwan. According to *AP*, while hundreds of top-level Government officials are leaving, many in lower echelons have decided to stay put. One ministry employee is quoted as saying: "I ran away from the Japanese from Nanking to Hankow and then to Chungking. I'm not going to run any more. If whatever power takes over doesn't want me I'll go back to my native home. But I'll not become a political refugee from my own country."

Meanwhile ground installations of the last transport squadron of the Nationalist Air Force based in Nanking was reported to be packing preparatory to leaving for Canton. Most of the effective fighting strength of the Air Force was reported to have been withdrawn from their bases about the beginning of December, and the losses of the northern bases made it impossible for the Nationalists to keep the bulk of their planes in operation.

Chinese Magazine Roundup

News Magazine

THE inside story on the reasons why Generalissimo Chiang Kai-shek suddenly changed his mind and made peace overtures to the Chinese Communists is told in the *News Magazine* of January 10.

According to the magazine's analysis, the first major reason is the long series of military reverses the Nationalist armies have sustained in recent months. "Since October 1948, the Nationalists have lost Manchuria, Tsinan, Chengchow and Yen-an, with the result that the war situation has become extremely unfavorable to the Government forces," the magazine says. "Particularly disastrous was the total surrender of 300,000 crack troops in Manchuria without a fight and the capture of all top-ranking Nationalist field commanders in Manchuria. This sensational collapse of Nationalist defense created a big stir both at home and abroad and caused much demoralization. The recent Hsueh Battle cost the Nationalists dearly. Three army groups under the separate commands of General Huang Po-tao, General Sun Yuan-liang and General Huang Wei were completely wiped out. General Tu Yu-ming's troops are bottled up and trapped without any hope of getting out. Another three army groups have been pinned down in the defense of Pengpu and Pukow. In North China, General Fu Tso-yi's troops are locked up in Peiping and Tientsin, facing a very critical situation. Now that things have come to such a pass, it is evident to everyone that it is impossible to fight on any longer. The long series of catastrophic setbacks the Nationalists have sustained in recent months is one of the major reasons for making Nanking talk peace."

The second reason, the magazine points out, is that further aid from the United States has been despaired of by Nanking's leaders. "In spite of the fact that the Communists are massing their troops along the bank of the Yangtze River, threatening the very gates of Nanking and Shanghai," it points out, "the United States has refused not only to give more money but also to issue a public statement in support of Nanking. Madame Chiang Kai-shek flew to Washington to appeal for prompt aid. President Truman flatly refused to discuss the matter. So did Secretary of State General George C. Marshall, who went to the hospital to stay for weeks. Madame Chiang gracefully went to the hospital to see him, but it was reported she had a distinctly cool reception and did not know whether to cry or to laugh. She simply has been put on the spot.

"When the situation was delicate, SOA boss Paul G. Hoffman said in Shanghai that he would recommend continued American aid to any Chi-

nese coalition government that respects the civil liberties of the people. Hoffman's statement placed the Chinese Government in a position of extreme embarrassment. The kind of coalition government mentioned by Hoffman of course includes Communist elements. In other words, Hoffman's statement carried the implication that the United States Government would not extend more aid to China unless Communist elements were included in the Chinese Government. Although the State Department issued a statement to correct the wrong impression that had been conveyed by Hoffman's statement, it was believed that Hoffman's statement was indicative of significant trends in the American attitude towards China, because the United States Government did not come out with a public statement voicing opposition to inclusion of Communist elements in the Chinese Government. . . . As the result of this marked change in American policy, the Chinese Government has found it impossible to continue the war without American aid. Therefore, some change in the bandit-suppression campaign has to be made."

Economic chaos also has something to do with the shaping of Nanking's policy, according to the magazine. "Political stability must be based on economic stability," the article says. "Since the implementation of currency reform, the economic conditions in Nationalist China have witnessed one crisis after another. The confusion and panic caused by the nation-wide buying spree are still fresh in the public memory. The sale of gold and silver has given rise for the second time to violent price fluctuations. Life for the people is getting more and more difficult. Sun Fo's new cabinet is virtually helpless in the face of economic dislocation. Under the heavy pressure of the economic crisis, there is a wide-spread feeling for peace."

The combination of these factors has made it much easier for the peace advocates inside the Kuomintang to gain ground. "The death of Chen Pu-lei," the magazine writes "meant a terrible defeat for the peace advocates. But it is a blessing in disguise. Chen's action in committing suicide after his peace proposals were scornfully rejected by Generalissimo Chiang Kai-shek brought about a marked change in the Generalissimo. According to people well-connected with the Presidential Office, before the death of Chen Pu-lei, the Generalissimo would explode any time people talked about peace, even with tremendous tact. But Chen's death made the Generalissimo depressed and pensive. He was often seen walking in his garden with a cane in hand. The expression on his face seemed to indicate that he had a lot of things on his mind which he could not possibly tell other people

He would listen patiently to people who argued for peace."

Inside Story

IN view of the prevailing crisis, it is quite interesting to find out how the Government leaders in Nanking feel about the general situation. The *Inside Story* of December 18 reports top-notch Government leaders are indulging in much wishful thinking.

"Their first wish," the periodical says, "is that the Communists will fight among themselves. For this, they created all kinds of propaganda. Official news agencies and Government-controlled papers reported time after time that Mao Tze-tung and Li Li-san are not on friendly terms and that Chen Yi and Liu Po-cheng have quarreled from time to time. They even predict that the Reds will share the same fate as the Taiping rebels if they should succeed in capturing Nanking. . . . Such rumors have often come from the mouths of high ranking Kuomintang officials. Therefore, they hold that if the Government could stick it out there would surely be a change in its favor."

The magazine says the second wish of Nanking's leaders is that General Marshall and other American leaders who are against further aid to Nanking will be kicked out. "The Government hopes to receive increased aid from the United States," the article declares. "When William Bullitt first arrived in Nanking, he expressed the hope that the Chinese Government could hold out. After that, the Government issued a series of news stories about the victories of the Nationalist troops, obviously to assure Bullitt that Nanking had the situation well in hand. During this period there were rumors that American arms and ammunition were being shipped to China and that poison gas supplied by the US would be used in fighting concentrated Communist columns. . . . Since Government officials believe that the State Department and the United States Military Advisory Group do not favor further aid to Nanking, they wish to see the resignation of Marshall and the transfer of the Advisory Group."

Government leaders also want to wait until the outbreak of World War III, the article concludes: "With Harry S. Truman re-elected as President of the United States, they fear possible improvement in the relations between the United States and Soviet Russia. Yet, they are convinced that as long as friction between the two world powers exists, there is sure to be a sudden 'development' some day. In other words, they say that the Chinese Government should do its best to hold on, awaiting the outbreak of another world war, which will offer a natural solution for the China problem."

US Magazine Roundup

United Nations World

PEARL Buck writes that the present crisis in China is a lesson that people everywhere are "waking to the knowledge that they have the right to live, the right to be free, the right to pursue happiness." Her article, which appears in the December 1948 issue of *United Nations World*, is entitled, "The People Will Be Free."

Pointing out that the explosion now rocking China took place quietly in England at the end of the war, "has just taken place in its fashion in the United States," and is still struggling to take place in Europe, India, South America and Africa, Pearl Buck warns that only the superficial mind can see in China today, or in the world, a mere conflict between two ideologies.

According to Miss Buck, the chaos today is not even a conflict but a struggle of the people of China and in the world as a whole, to emerge into a place where they can live. "If Communism serves, Communism may continue. If Communism, too, fails the people, then it will be cast away and the struggle will go on, not against other peoples, not between peoples, but for life itself," she writes. "The people of any and all countries do not want wars of mutual destruction. They are all struggling separately and even blindly toward the same goal, as plants, weak and strong alike, struggle with irresistible force toward the light. This is the lesson of our times and it remains to be seen who learns it first. The ones who do will have the power of shaping the new age. But they will keep this power only so long as the people, any and all, have hope of their being served.

"China is huge, and whatever happens there happens on a massive scale. A little over 20 years ago Chiang Kai-shek, still young and vigorous, arrived in Nanking to set up a new government. The people of China received him with welcome. He had his chance. They give anyone a chance. They have given him 20 years to prove that his government could serve the people. Today they are on the search again, in search of what the government he formed has not been able to give them. They are hungry and none has fed them. They are ragged and none has clothed them. They are sick and not healed, they are ignorant and not taught. All this they know and they are on the march again. It is not yet an active march, in spite of rice riots and refugees. Most Chinese are still at home. They stay until the last moment in their villages and market towns and little cities. They seem passive until despair is complete, they seem indifferent even as the Communist hordes threaten and

overwhelm. But they are neither passive nor indifferent; with furious determination they are actively searching for those who will give them their rights."

Miss Buck declares the United Nations has not yet developed the authority to intervene in such a situation and the responsibility for action or no action falls on the United States. She stresses that Americans must realize that the conflict in China is not ideological except among a handful of intellectuals and politicians, and that if America fails to realize this, anything she does in the China situation will be of no significance. Pouring more aid—money, equipment and munitions—of the type America has given China since VJ day, Miss Buck says, would not only be wasted, but if given "to those whom the people have rejected" would be "folly indeed."

If the United States chooses to persist in this folly, the author continues, she must send troops to China in order that they may fight those whom the Chinese will not fight.

Miss Buck believes the new government, whatever its composition, will need to act quickly to meet the demands of the people.

"Aid must come from somewhere, and it will come," she writes. "If the United States pursues a short-sighted policy and refuses aid except on ideological agreement, then Asia is lost to the West."

But if America sends food to China to ease centers of starvation, and technicians to put communications in order and sets up engineering projects to make possible further production of both food and goods, then, Miss Buck thinks, the people can be won, and the "new government, whatever it is, will know it. Its very existence will depend upon swiftness. And that is America's chance. The investment will be repaid a thousandfold in world stability. For inevitably that new government will learn through the thorough-going and practical aid which Americans alone, out of their plenty, can give. The new government will become dependent upon this aid and long before they can function independently they will have become shaped by it."

Should America choose a course of no aid, Miss Buck believes, assistance will come from Soviet Russia and America will have missed her chance, for the American edge in goods and techniques would make the Chinese people themselves decide against Communist ideology.

"There is still another possibility," she concludes. "Chiang Kai-shek may retreat to the South and China may be divided into two parts. What

then? If Americans still think in terms of ideology and war, they will aid only the South. If they think in terms of China, however, they will send aid to all China's people, under whatever ideology they live for the moment. Ideologies come and go, but the people are eternal."

* * *

Business Week

THE December 4, 1948 issue of *Business Week* discusses US policy towards China, particularly as it affects business groups, saying:

"Washington is still fishing for a China policy. But you can be sure the US will: (1) Refuse to recognize a Communist government in North China. US businessmen who stay there will do so at their own risk. (2) Spurn any Communist offer for a trade deal. Shipments of US machinery and other capital equipment won't be allowed. Washington regards the Chinese Communists as tools of Moscow—even if they are agrarian reformers. Washington's dilemma is that right now there is no one in China to carry the standard of democracy.

"Washington's attitude will come as a blow to many old China hands. They see a good chance of keeping China out of Moscow's orbit if the US would establish trade relations with the Chinese Communists.

"Many foreign businessmen feel they will be needed to develop China no matter who is in power. For example: A large plant of the British-American Tobacco Co. has just reopened at Tientsin. A British company, Jardine Matheson, is planning to start a steamship service between Hongkong and Tientsin soon. National City Bank plans to keep its Tientsin office open even if the communists take over the area.

"Many of these businessmen are bitter at Washington: They are outspoken against: (1) US top brass in China and the US press for calling for more aid to Chiang Kai-shek; (2) 'Special Ambassadors,' like William C. Bullitt who, they claim, listen only to Chiang's official line.

"Meanwhile, Moscow is gloating on the sidelines.

"Marshal Vassilievsky has taken command of Russia's Far Eastern armies. He led the Soviet armies against Japan in 1945. The shift in high command could be a veiled threat to the US not to go all out with military aid to Chiang.

"But, otherwise, the Kremlin is sitting tight. . . .

"Now Stalin can afford to sit back and reap the benefit of widespread anti-Chiang and anti-US feeling among the Chinese."

What Chinese Papers Say

THE question of making peace with the Communists remained the principal topic for editorial comment in the Chinese press last week. The peace movement, first sponsored by Government leaders in Nanking, seems to have developed along new lines, as indicated in the rapid growth of popular sentiment for peace at any price. This movement is gradually getting out of official control and Kuomintang papers take pains to hammer home the point that what is needed is a "real, lasting peace."

Peace Talks

THE Kuomintang official organ, *Chung Yang Jih Pao*, stressed that the consistent policy of the Nationalist government was to bring about internal peace.

"After the victorious conclusion of the war of resistance," the paper wrote, "the Communist problem could have been solved through political channels. The Government indeed exhibited the greatest degree of tolerance in undertaking repeated political consultations with the Chinese Communists. But because of the lack of sincerity on the part of the Communists and because of their determination to stage an armed revolt, peace talks finally broke down. In order to safeguard the independence of the nation and the people's freedom the government, after the most careful consideration, adopted the policy of rebellion-suppression so as to attain the goal of peace, unity and democratic reconstruction."

"As the political objective of the rebellion-suppression campaign is the realization of peace, unity and democratic reconstruction, no sacrifice should be spared in carrying out this policy to the end until the Reds have abandoned their ambitious designs and changed their attitude. But owing to certain internal and external factors, the rebellion-suppression campaign during the past three years has sustained one reverse after another instead of winning final victory at an early date. Besides, the suffering of the people has reached the limit. President Chiang has courageously issued the call for peace..."

"Since the objectives of the rebellion-suppression campaign are preservation of peace, unity, and democratic reconstruction, there is no reason why fighting should be carried on if these objectives can be achieved through political channels. War is a two-party affair and peace can be achieved only by a similar desire on both sides..."

"We are looking forward to an early realization of peace. We are awaiting to see the Communists fulfill their mission of liberating the people by responding to the call for peace..."

"At the same time, we must call

the serious attention of our fellow countrymen to the need for vigilance and vision to win a real, lasting peace."

The *Ho Ping Jih Pao* warned that the government must remain united in attempting to make peace with the Communists, and that disunity means suicide.

The paper said: "Any sign of disunity in the present movement for peace is the signal for internal collapse. Even after the Communists have agreed to resume peace negotiations and even when peace talks have already been started, there is still a pressing need for the maintenance of a large force to back us up if we are to succeed in bringing the negotiations to a satisfactory conclusion. It must be clearly understood that any confusion or disunity in our ranks before peace is achieved will upset our whole plan."

The Catholic organ, *Yi Shih Pao*, thought it necessary for President Chiang Kai-shek to issue another public statement to clarify the present situation. It suggested that Chiang assure the Chinese people of his burning desire to start all over with the people and take drastic measures for carrying out their aspirations.

Eastern Union

THE independent *Ta Kung Pao* thought the proposed formation of an Eastern Union for the Far East was no easy matter.

The paper said: "As the situation in Asia continues to be in a state of upheaval, talk about the formation of an Eastern Union has been much in the air. It is said that Britain is going to call an Eastern Conference to review the general situation in the Far East. British and Australian authorities have on several occasions emphasized the need for such an organization on the pattern of the Western Union..."

"But the problem is not simple. The situation in Asia is basically more complicated than that of Europe. The current situation is undergoing a profound change. Moreover, the construction of barriers and the building up of different spheres of influence certainly is not conducive to the safeguarding of world peace."

"Speaking of regional unions, we must point out that they manifest a lack of support for, or confidence in, the international security machinery. While the conclusion of a pact here and the formation of a union there are reportedly undertaken to safeguard peace, they only serve to aggravate the situation and increase mutual suspicion and hostility and finally hasten the advent of war. It was only after long years of extensive fighting that the world was

eventually made to understand the truth that peace is indivisible. Regional unions, in our judgment, are only calls for war. Who can believe that a divided world will be a peaceful world?"

"The situation in Asia is extremely complicated. But the problem of the East has its root in poverty and in the existing colonial system. Poverty has given rise to numerous grave political and social problems, leading to conflicts and chaos, waste of social wealth and resources and sacrifice of lives. The existence of the colonial system has caused wars, punitive expeditions, oppressive government and slavery, and the continued treatment of Asiatic countries as vassal states. The divide-and-rule tactics used by the imperialists have added to racial and religious disputes among the Asiatics. The peoples in Asia want independence, sovereignty, permanent peace and economic rehabilitation. The organization of a regional bloc will only increase the atmosphere of fear, disturb peace and obstruct rehabilitation. The national liberation movement in Asia is most likely to be handled with sternness and unreasonable repression under regional joint defense and cooperation."

"Asia needs stability badly. Unless the problem is tackled at its root, the result will be more chaos and confusion."

Price Fluctuations

THE *Shang Pao* called upon the government authorities to take prompt action to check the violent fluctuation in prices.

According to the paper, there are many causes for the sharp rise in commodity prices. Some of the causes are natural; others, man-made. "Since the Government has failed to balance its budget, there is no way of checking the inflationary tendency of the Chinese currency. In addition, the lunar New Year is drawing near, with the people doing heavy shopping for the festival. As a result, prices have gone up. Taking advantage of this situation, the speculators and hoarders lost no time in fishing in troubled waters. Their first attention was diverted to gold and foreign currencies," the paper said.

In order to combat these activities, the paper suggested that the financial authorities tighten the money market by ordering the banks to refuse loans to speculators and hoarders, and dump large quantities of commodities on the markets to force down prices.

It was pointed out by the paper that the moment supply exceeds demand prices will naturally fall off. In that case, it will be unnecessary for the Government to take other drastic measures to curb the violent fluctuations in the market."

What US Papers Say

CHINESE Communist chief Mao Tse-tung received some attention in American editorial columns recently, as editorials speculated on whether he could be compared with Yugoslavia's Marshal Tito. The future role of US marines in China was another editorial subject.

* * *

Mao and Tito

THE *Christian Science Monitor* commented editorially: "When Marshal Tito last week announced his dissatisfaction with Russia's attempt to keep Yugoslavia in a state of non-industrialized economic vassalage and proclaimed his intention of turning economically to the West, he inadvertently threw light on what may happen in Communist China.

"Tito has frequently been compared to Mao Tse-tung, ideological leader of the Chinese Reds. Both are at the same time Communists and Nationalists who won their prestige through partisan leadership. A short while ago Mao asserted his loyalty to the Cominform line and his condemnation of Tito's heterodoxy, yet there is at least a good possibility that this pronouncement was made to quiet Moscow's suspicions of the sincerity of Mao's subservience to the Kremlin at a time when he desires the Kremlin's support.

"When the Chinese Reds took possession of Manchuria they were heirs to a clear fact that the Russians had removed vast industrial equipment of that area for their own use. While Chinese Communism to date has rested, in very un-Marxian fashion, on an exclusively peasant base, it cannot hope to consolidate its power without building up an industrialized base for national prosperity. Like Tito, Mao and the less international wing of the Chinese Communist party may find themselves in eventual conflict with Moscow on this issue.

"There is no assurance that this will happen. Nor is either Tito or Mao to be idealized if their brand of ruthless left-wing national socialism disrupts the pattern of aggressive international Communism. Yet mutually beneficial trade with the West could in the end turn out to be one of the important determinants in helping these governments resist the creation of an even more dangerous monolithic Soviet bloc."

The *Washington Post* also discussed "Mao and Tito," saying: "A Russian-sponsored newspaper in Berlin finds the American press taking comfort in feeling that Mao Tse-tung will turn out to be another Tito. If there has been any such speculation we haven't seen it, though we have noted as a trifle odd that Tito's newspapers are leading the world's press in full and ecstatic coverage on the war in China. Nobody can tell what will happen in China, but no Russian

Communist can ignore certain facts about the situation and the Communist leader there. The Russian newspaper itself provides us with the major fact—Mao Tse-tung, it says, is not more Chinese than Communist, so emphasizing the fact that he is a Chinese, and therefore *sui generis*.

"Mao Tse-tung is an unknown quantity, but, reading everything we can lay our hands on about him, we feel that he is authentic Communist. He is a Hunanese of poor rural parentage who imbibed his Marx while working in the library of Peking University. But the fact that he reads Marx in the Chinese language may be significant. Equally significant may be the fact that he never had indoctrination on the spot which the Russians administered to one after the other Chinese leaders, including Chiang Kai-shek. In other words, Mao has never been to Moscow.

"Even with a Muscovite education, the Chinese would never stay put, as Stalin knows to his sorrow. In 1927 Chiang Kai-shek, who had managed to get the Kuomintang accepted as a sort of fellow-traveller member of the Comintern, suddenly purged the Kuomintang, and almost overnight his Russian mentors in Hankow were fleeing for their lives. This revolt almost unseated Stalin in Moscow.

"Having been worsted in this initial effort to spread world revolution, he had to fight with all the force and guile at his disposal against Trotsky, who almost wrested the crown from him. This is the reason that Stalin hates Chiang Kai-shek. Throughout the war he said to one American visitor after the other, with a rueful grimace as if recalling his own experience, that the Chinese were like radishes, red outside and white inside.

"Be this as it may, Mao Tse-tung is like Tito in this: He owes precious little to Moscow in a positive way for his success. To be sure, the Russians left the Communists the arms of which they had deprived the Japanese in Manchuria, but other aids are not easy to discover. Matthew Woll of the AFL wants us to put the case of the communizing of China before the Security Council. Such a reference would be less than fruitless; it would make this country look ridiculous. Mao Tse-tung is his own architect of his Communist victories. And, if the present has any relation to the past, he is a Nationalist. As such, we may find him one day locking at Manchuria, where real control has passed to the Russians, with a very Irredentist eye. The Russian theft of Manchuria does not sit well on any Chinese, Communist or Nationalist; you can't indoctrinate a Chinese by picking his pocket. The Russian newspaper may be denying what the Russians may be anticipating."

Marines Leaving?

COMMENTING on an AP dispatch from Tsingtao reporting that plans were underway for the US marines to leave that city, the *New York Herald-Tribune* said: "Although a report that the United States marines in China are being withdrawn has been denied, there is good reason to suppose that preparations for withdrawal are being made. Presumably the announcement of withdrawal was premature rather than wholly incorrect.

"The marines at Shanghai, who are living in crowded quarters on a transport vessel, are stationed there only temporarily. Their assignment is to protect and evacuate American residents of the city in case the civil war brings about a period of chaos and thus endangers foreign civilians. These marines are expected to depart as soon as the current crisis is ended in one way or another. The marines at Tsingtao are stationed there by agreement with the Nanking Government. The American Navy uses Tsingtao harbor as an anchorage and for training Chinese sailors to handle naval craft obtained by China from the United States. All surrounding territory is in the hands of the Chinese Communists, which makes the harbor undesirable as an anchorage, and the naval-training program no doubt will be halted if the Nanking Government is replaced by a Red regime or by a coalition dominated by Communists.

"If events develop as nearly all observers expect, and the Communists win power in China through negotiation or by continued fighting, the United States will have no choice except to remove any armed forces it has in the country. If this were not done, there would be a probability that Americans would become involved in a military action at a time when nothing could be gained by the sacrifice of American lives. There is a possibility that a separate decision will have to be made for areas the Communists cannot control (the island of Formosa might be one), but it seems doubtful American military strength can be used to real advantage anywhere in China in the near future."

* * *

Asia Aroused

THE *Cleveland Plain Dealer* predicted that Asia will demand increased attention from the West in 1949, saying: "Europe, which has been the focus of Western policy, will no longer retain its almost exclusive position. A truly global view will henceforth have to be taken by the State Department and foreign chancelleries of free Western nations. . . . Asia from now on will protrude itself into the councils of all Western nations to a greater degree than ever before in history."

The Review's English Lesson—LXVI

THIS week, we shall try to answer the questions submitted by Mr. Chao, of Hunan, and Mr. K. F. Jeng, of Chekiang. We'll begin with Mr. Jeng, who asks us about the editorial "American Dilemma" which appeared in the December 4 issue.

Get the hell out of China: Or out of, or away from, any place one wants to leave. Indicates extreme exasperation with the place one is in, or one's haste to leave; a phrase not used in polite society, but adopted as slang by groups such as the armed forces. For instance, one of a group in a bar, dissatisfied with the entertainment offered, or alarmed at a fight and possible incursion of the police, might say, "Let's get the hell out of here." Its use by certain dissatisfied foreign groups, applied to China, is questionable to say the least.

Accommodations on government transports: Passages (cabins, bunks) on government-operated (either Army or Navy) ships. Afforded civilians for evacuation purposes from any area which, in the opinion of the authorities concerned, has become dangerous.

Consular protection, for whatever it is worth: The concluding phrase implies that it isn't worth very much, or that at best (in the situation, i.e., in areas overrun by the Reds) its worth is dubious. Similarly, in the sentence, "Here's the story, for whatever it is worth," the phrase implies that the teller is not convinced that the story is true.

American nationals and property: This could mean either American Government or privately held property. If the intention is to exclude any American Government property (such as Consular property), then the phrase should be, "and their property."

That...that: Two "thats" are not necessarily incorrect, although they may be awkward. Thus, one could say, "We think that they have decided that the best thing is to remain." However, it is better to examine every "that", to see if it is really necessary. It is sometimes possible, as in the above sentence, to omit the first "that", and say, more simply, "We think they have decided....."

Roll up a record: To make, or set up, a record; this expression may have arisen from bowling.

From (time) to time: Occasionally, at intervals. The first "time" was inadvertently omitted; it is hoped that all proofreaders, including ourselves, are properly ashamed.

As of: At the time of; as. "My bank balance, as of yesterday, was GY35." A rather fussy, stilted phrase; avoid it. Better say, "Yesterday, my bank balance....."

* * *

MR. Jeng suggests that these Lessons omit grammatical treatises and stick to discussions of "selected passages" and explanations of the "hard terms" appearing in the editorial columns. We are glad to oblige, but we'd like to mention again that we depend upon our readers to select the passages and hard terms. And now for Mr. Chao:

CATCO: Central Air Transport Corporation.
ECA: Economic Cooperation Administration.
Cominform: Communist Information Bureau.

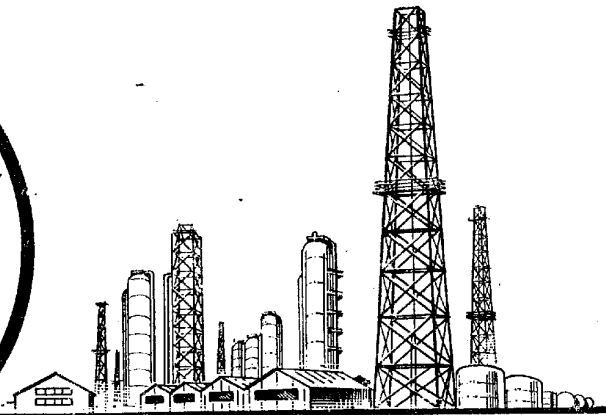
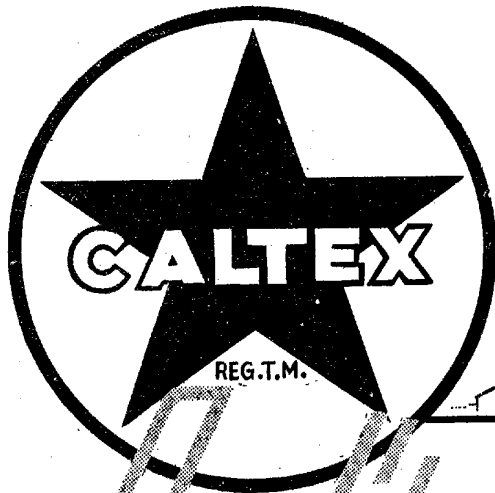
Orientation: From "orient", the east; to point or set toward the east, or in a specific relation to all the points of the compass. By extension, "orientation" is the putting (oneself or others) into correct position or relation to environment, field of knowledge, principle, etc. Hence, students are given "orientation lectures" soon after they enter college, to acquaint them with the institution and to assist them in making the correct adjustment to it.

Reason is because: In the sentence, "The reason is because he doesn't like you," "because" is incorrect; it should be, "the reason is that...." He went away because he doesn't like you: the reason for his going away is that he doesn't like you.

Are, is: In arithmetical expressions, such as, "Two plus two is four," the context and general idea determines the number of the verb. Thus, if one is thinking of an abstract numerical quantity, which is singular, then "is" would be correct. But if separate things are in mind, such as books or dollars, one might say, "Two books plus two books are four books." Similarly with time; one could say, "Two years (thought of as a single period) has passed," although it would look and sound better to say, "A period of two years has passed," thus making the subject "period" explicit.

Possessive: I don't think "A friend of my father's" is very good; it's either, "My father's friend," or "A friend of my father." Usually the former construction, being simpler, is preferable—especially when discussing satellites.

He came on foot: "On" is better than "by", as the latter implies the use of a separate agency, such as a boat, car or train, while one's feet are not customarily detachable.



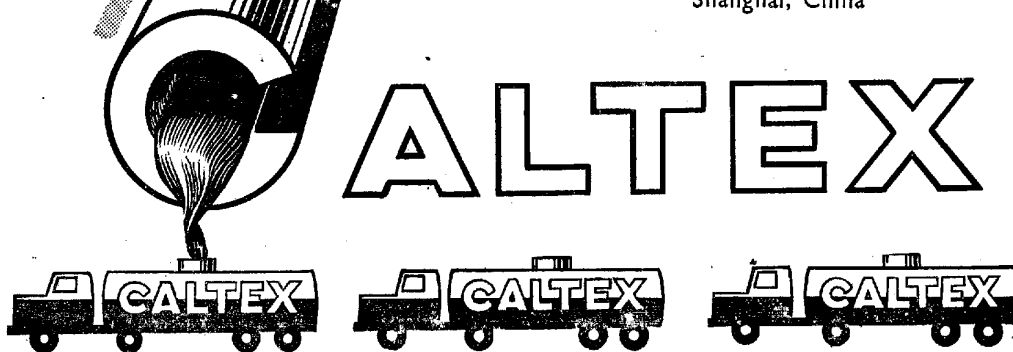
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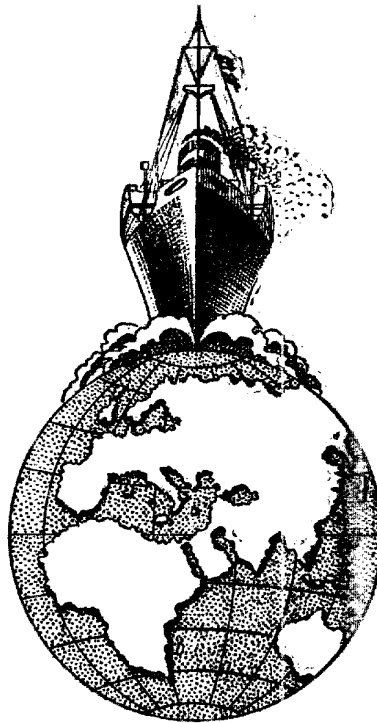
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By Rickshaw To Red China

Julian Schuman

Child Miners Of Sandan

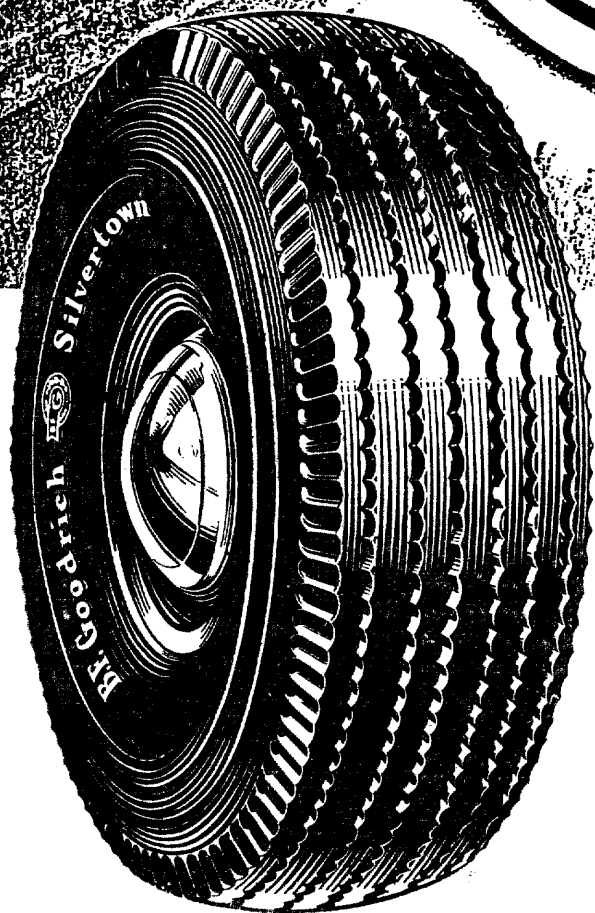
Santha Rama Rau

Viet Nam: Up For Adoption

Andrew Roth

ROAD FROM DEMOCRACY

AN EDITORIAL



力得固

袖領膠橡

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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Sense Of Justice

To The Editor:

As a middle school teacher with a salary of not more than 200 GY a month (usually paid in installments) I find it very difficult to keep body and soul together, to say nothing of supporting a family of four persons. Repeated revisions in the pay rolls have really brought us no improvement whatsoever under the present inflation.

Far more serious than my own economic condition, however, is the growing hopelessness of our political situation. Every decision that comes from the Government is full of contradictions, is against the democratic process, and is often unreasonable and stupid. Under such a despotic and retrogressive rule, I cannot see any future for myself. I do not want to keep on living on a starvation salary, nor can I continue to suppress my ardent desire to seek the truth and a reasonable society which will give me the opportunity to make the best use of whatever talents I have.

After much consideration I have made up my mind to say good-bye to my friends and to seek my fortune in the "Liberated Areas" under the Chinese Communists. It was not without some pain and reluctance that I reached this decision, but being a democratic-minded person, I simply cannot bear to continue to watch our "constitutional" government mock "democracy."

I assure you I am not a Communist Party member nor a member of any party. I am simply a self-taught student of English with progressive ideas and a strong sense of justice. I am against selfishness in public affairs and I firmly believe that, no matter how the times may change, the practice of selfishness will always be unforgivable. Every act of our present government is a selfish act in spite of the promulgation of the constitution.

As I am planning to take my family with me, it will take some time before I actually leave. In the meantime, I hope that despite the irregularities of postal transmission, I shall continue to receive the *Review*.

L. K. TONG

Hanchung, Shensi
January 6, 1949

Mao's Conditions

To The Editor:

The AP version of Mr. Mao Tze-tung's eight conditions to peace talks seems too tentative to be called a translation and is sure to mislead foreigners who can't read the Chinese original. I venture to offer some corrections:

Condition No. 2: In the phrase "cancellation of the constitution," the word "bogus" was omitted before "constitution." To make it more specific, the word "Kuomintang-sponsored" might be inserted.

Condition No. 3: "Calendar years to be counted from *anno domini* and not from the Republic's founding." The original reads: "Abrogation of bogus legitimacy."

Condition No. 4: "Elimination of reactionaries from the Government and

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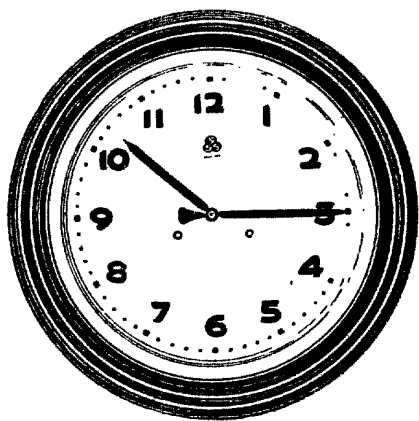
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army." This is quite different from the original "reorganization of all reactionary armies in accordance with democratic principles."

Condition No. 8: "The State Council to include all Chinese elements except reactionaries." This should be translated into: "Convention of the Political Consultative Council to include all Chinese elements except reactionaries for the establishment of a democratic coalition government."

P. L. CHANG.

Shanghai
January 15, 1949

Better Education

To The Editor:

I was glad to read the article "Need for Educational Reform" by Mr. H. C. Huang in your paper of January 8. He says just what I have wanted to say for a long time. However, there are a few points where I differ from him. I beg his pardon for stating them here.

Since only a small portion of China's population has been educated, this shows the need for developing our educational system. A country cannot exist in the modern world with such vast numbers of uneducated people. However, even among the small number of Chinese youth who receive an education, many find that what they have learned is of very little use to them.

After reading the editorial "New Leadership Needed" in your issue of November 20, I could not help but doubt the ability of the present educational system to turn out efficient leaders for modern China.

Here are my ideas for improving the system:

1. Many primary schools should be established throughout the country. These schools should be supported by the Government and should charge low enough tuition so that every child of school age can have at least an elementary education. The curriculum for five years should include Chinese, mathematics and common knowledge.

2. Instead of middle schools, as at present, there should be a great many vocational schools, free of charge, to run training farms, power plants, industrial establishments and the like. The student would specialize in some particular thing and at the end of five years would be experienced in his own line. This would give us a number of experts instead of so many scholars. Besides the specialized work, the students should study Chinese, English, basic geography, algebra and trigonometry in the first two years, and basic physics, chemistry, English and Chinese in the last three so as to be able to gain entrance into a university later, if desired.

3. Universities should have the same curriculum and equipment and charge the same fees to students. Students would study all the modern sciences in the first two years and could then specialize in a certain field in the last two years. Furthermore, there should be several graduate schools so that university graduates could make further studies in their chosen fields.

D. J. CHEN.

Wan-ting, Kiangsu
January 14, 1949

Dread Disease

To The Editor:

I have translated a news item from a newspaper of December 22. This incident took place in Chen Hsien, a hub on the Canton-Hankow railway and it greatly angered the people.

A petty civil servant, Ting Chen-min, resigned his post because of serious illness and being poverty-stricken he had to move into a run-down house in



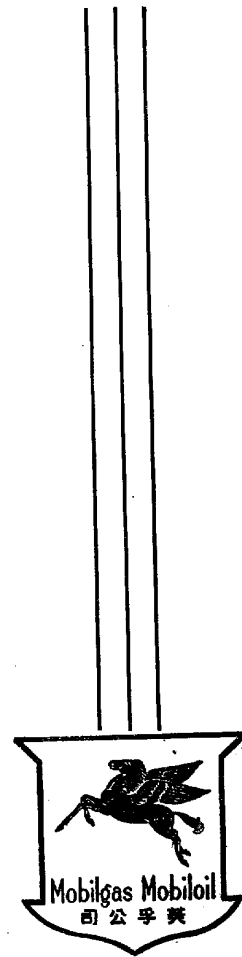
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which eight families were already living. Unfortunately, one day a military man came into the house, looked around and jotted down some marks on the door with a piece of chalk. Immediately, soldiers, gun in hand, came in and ordered the people to vacate. Mr. Ting ventured to try to explain and speak for the others in the house but the soldiers would have none of it and proceeded to order him to show respect for the army. One of the rooms was locked by a timid woman whose husband was out. The soldiers broke into the room and took away every article of furniture despite the crying of the poor woman and her children.

I have to stop translating and shed tears of sympathy for the poor family plagued by the military men who are nothing but the enemy of the people. Thus far, it seems, people have been maltreated by our own troops instead of by CP soldiers who have not yet come. What crime have the people committed?

For the time being, there are two armed parties in China. The one which loves the people, I dare say, will win the game. The KMT is so far from the people that the gap between the two is going to become larger and larger each day. The KMT is like a patient who has been painfully ill with a dread disease.

LIAO SHERWOOD

Changsha, Honan
January 5, 1949

Shai-Hangchow Train

To The Editor:

When my mother came to Hangchow from Shanghai by train about three weeks ago, it took her over 12 solid hours of hard sitting to make the trip. Of course, she had every reason to complain of the functioning of the railroad administration. Only a week later, however, she had every reason to rejoice at her sad experience because my brother proved to be a far unhappier traveller than she—he was actually packed in the train for 14 hours for no better reasons.

Now the Shanghai-Hangchow railway is by no means war-threatened; in fact, it is far away from the actual fighting zone. But with the present deplorable state that it is in, is it any wonder that one is led to lament over the probable chaotic scenes in case a battle should be fought near the railroad?

LAO SHIH-CHENG

Hangchow
January 6, 1949

Invalids

To The Editor:

I am a poor medical student. The school authorities, due to the lack of coal, from today onwards are no longer able to supply us with any hot water. We are served food three times a day; one meal consists of gruel and the other two of boiled rice. Eight people share two bowls of monotonous vegetables. Since last November, when prices were unfrozen, meat has been withdrawn from our diet.

While we study biochemistry, we dare not analyze our own food for its nutritive content, for it is so appallingly poor. Every term our Anti-TB Clinical Center gives us free X-ray examinations; but it is commonsense to us that malnourishment is the greenhouse of tuberculosis.

How ironic it is that we are supposed to cure invalids while we ourselves are regular invalids.

JAMES TAGORE.

Shanghai
January 8, 1949

No "Safe Place"

To The Editor:

Yesterday, a friend of mine, a college student in National Chung Cheng University, sent me a letter in which he said: "Many college students from Shanghai, Nanking and elsewhere have been pouring into Chung Cheng University. Many of them have asked the authorities in charge for permission to study in our school pending the removal south of their own schools. Our President was unable to grant their requests because the dormitories, school rooms and buildings of the university are already very crowded."

My friend also said his own school

will have to move because the buildings belong to the Ministry of National Defense, which wants them back.

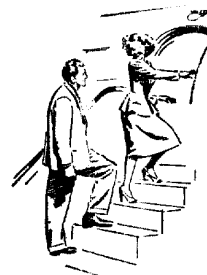
When I read my friend's letter I doubted very much that the educational authorities would find any solution to the problem of caring for refugee students. I wonder why these students are anxious to find a "safe place" when there is no peace anywhere. While it is important to win military victories, it is even more important to safeguard the country's educational facilities. If a university with over a thousand students has no housing, this is a very serious problem.

Y. Y. CHEN

Nanchang, Kiangsi
January 10, 1949

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Vol. 112 Shanghai, Saturday, January 22, 1949 No. 8

US To Build Dikes

A RECENT news agency dispatch from Changsha, capital of Hunan Province, reported that the United States, through the agency of the Joint Sino-American Rural Reconstruction Commission, plans to finance the reconstruction of dikes bordering Tungting Lake. According to the press report, 37,000 tons of rice will be provided by the United States as pay for laborers and other expenses connected with the work. Actually, the total cost will be the equivalent of about 74,000 tons of rice, but the American share, which will be paid in Gold Yuan, comes to half the total.

The first installment will be GY40,000,000 and is scheduled to be paid now. According to the agreement signed by Dr. John Earl Baker, US representative, and Wang Hui-hsien, commissioner of reconstruction of Hunan, the provincial government will receive the funds from JSARRC and will be responsible for carrying on the work. JSARRC, it was said, will set up an office in Changsha.

What this office will do we don't know, but we certainly hope that it will keep a close watch on the funds after they are turned over to the Hunan Government, which, according to all available reports, is not the most efficient organization imaginable. Dike building is a most worthy undertaking and we would be the last people in the world to argue against such a program. However, past experience in American-financed dike building in China and in American-financed aid programs in Hunan Province particularly have not given us any great confidence in the ultimate success of such activities.

We realize full well that just because something has not worked properly in the past does not give one valid reason for assuming that a new undertaking of similar nature is foredoomed to failure. However, we also realize that past mistakes have an unpleasant habit of repeating themselves and therefore believe that we should all study the past as an object lesson so that in the future we may make less mistakes.

One of the major programs of UNRRA was the reconstruction of dikes which had fallen into

disrepair during the war years. Perhaps in some cases reconstruction of old dikes and the building of new ones was carried out successfully. However, in a great many cases the attempts ended in costly failure. This was especially true in cases involving small dikes in some of the more remote areas of China where the work received but scanty publicity.

In Kwangtung, for instance, UNRRA financed the construction of a great many dikes, a large number of which collapsed when the next big flood came. The primary reason for this was the venality and corruption of the people connected with the construction. The dikes were not as wide nor as high as they were supposed to be because in order to squeeze fat profits out of the work local Chinese officialdom saw to it that the dikes were poorly constructed with as cheap and little material as possible.

If our memory is correct, UNRRA financed, through the offices of CNRRA and the Kwangtung Provincial Government, the construction of a much-touted earthen wall called the Ma-an Diike. Engineers surveyed the scene and drew up specifications. These were accepted and work begun. However, the dike, when it was finished and the money all spent, was not as high as it was supposed to be, it was not as wide as it was supposed to be, it had more earth and less other materials than specified, and it did not have proper flood gates. The results were two-fold: 1) Some of the money ended up in places where it was not intended to go, and 2) the dike failed to stem the next flood and the land behind the dike was flooded as usual.

Thus, a dike, the construction costs of which totaled CNC\$8,000,000,000 (about US\$200,000) and 1,200 tons of rice, was washed away. Crops, planted for the first time in years on land behind the dike, were also lost. To top it off, it became necessary to appropriate CNC\$500,000,000 and 10,000 tons of rice for relief of the people in the flooded areas.

The China Relief Mission came along shortly thereafter and, while casting about for some worthy project, had its attention directed to the Ma-an Diike by some of the usually pious Chinese officials who specialize in helping (for a price) foreign relief and rehabilitation missions spend money on projects designed to aid China's struggling farmers. The Ma-an Diike was again reconstructed, but this time the foreigners were a little more alert than in the UNRRA days and it is thought that the program was carried out reasonably successfully with a minimum amount of money lost in squeeze. However, the thing still wasn't fool proof and the next flood again poured into the countryside the dike was supposed to protect. Just what was wrong is not clear. Some reports have it that the wrong type of flood gates were used, or that there weren't any flood gates, or that they weren't operated properly. However, the fact remains that the dike, reconstructed twice with American relief funds, has still failed to perform the function for which it was designed.

Whether ECA has had a crack at this dike



This woodcut by Chang Yan-si, entitled "A Woman Market," shows women living out as maidservants, nurses—or prostitutes—because they can no longer make a living in the countryside.

we don't know, but it seems such a wonderful opportunity for Chinese officialdom that we can't imagine its not being at least suggested to Mr. Lapham and company.

The story of UNRRA-CNRRA inefficiency and corruption in Changsha is so well known that it needs little retelling. Relief rice and other foods were held in godowns for such long periods while bureaucrats haggled over how to split the squeeze to be obtained from illegal sales on the blackmarket that most of the food finally rotted and became unfit for human consumption.

When UNRRA finally clamped down on this hoarding by stopping all further shipments until the warehouses were cleared, there was such frantic dumping of stocks that one disillusioned Chinese observed: "CNRRA is just vomiting supplies up and down the roads." A relief worker in one particularly desperate area, after waiting six months for supplies, received five tons of spoiled pea soup powder. Many tons of foodstuffs that had gone bad were dumped into the river at Changsha.

Fourteen hundred tons of flour were similarly misused by CNRRA's Hunan Regional Office. It was allocated for the payment of workmen laboring to reconstruct the Hunan section of the Changsha-Hankow highway, but wound up in the hands of Changsha newspapers who sold it for their own private profit and in return gave CNRRA a "good press." The CNRRA office then tried to block any investigation of the incident with the result that the official in charge was not exposed and punished until one year later.

The JSARRC office in Changsha will be supervising a very important piece of work, the successful completion of which will mean an improved livelihood for tens of thousands of China's farmers. For this reason, if no other one, it is imperative that past mistakes be avoided.

Road From Democracy

WE OFTEN read or hear of how this or that country has taken another step on the road to democracy. Frequently such accounts cite some new piece of legislation or some new proposal made in the United States or some other country generally felt to be an example of the democratic process. If the instance happens to be in some other country, such as, say, China, the enactment of a modern constitution may be given as an example of how the country is following the lead of the well-known democratic countries and is therefore on the road to democracy.

All too rarely do we hear of the instances when a country takes a step on the road *from* democracy. This is particularly true of some of the better known democracies. The United States, unfortunately, has taken quite a few such steps in the short period since the end of World War II. Following Roosevelt's death and the end of the war a very natural and expected political reaction began in the United States. It

now looks as if this reaction may have been short-lived. At least the re-election of Truman and the return of the Democrats to power in both houses of Congress would seem to indicate that the postwar swing to the right, as evidenced by the early postwar gains of the Republicans, has at least abated for the time being.

However, this does not mean that there are not forces at work in the United States which would wipe out the democratic freedoms which have been won at great cost in the past 160 odd years. In any country having a general democratic form of government, there are always contending parties, some of which gain the ascendancy from time to time. In France we have the extreme example where opinion has become so divided that dozens of national political parties exist and a government can be formed only by the coalition of several parties. In the United States there are still only two major political parties, but within them there are various wings or groups, each of which strives to make its particular views those of the party. In addition to the parties, there are organizations, some official, some non-official, which do their utmost to influence the course of government.

One of the strongest of these groups in recent years has been the military faction, the activities of which we have mentioned in these columns upon several occasions. This faction has grown powerful as a result of the last world war. Traditionally the United States has had a fear of the military man in government. The early founding fathers, having before them the example of European countries hopelessly involved in monarchical wars, adopted a policy of subordinating the military man to the civilian. The president, a civilian, was made commander-in-chief of the nation's armed forces. One flaw in this system has been that the United States was

never prepared for war. Upon more than one occasion, the expanse of ocean bordering the country saved it from invasion and possible conquest while it raised an army, manufactured weapons and in other ways got ready for conflict. Since this has now happened twice within the present century, that section of the American public which would have the nation support a large military establishment in peace-time so as to be ready for any military eventuality, has obtained a strong talking point.

The Germans and Japanese had hardly laid down their arms before the advocates of a big peace-time military establishment began to argue against demobilization. Aside from those Americans who really believe that an always up-to-full-strength military machine is a necessity, there is of course the armed services themselves. The members of the Army, Navy and Air Force have a vested interest in their organizations, as do some of the industrial establishments which depend largely upon military orders. While these people may also honestly think a huge military machine advisable, their motives are always open to a certain amount of suspicion because they stand to gain or lose a lot personally if the military machine is enlarged or reduced.

The development of international relations since the end of the war has also favored those who would have the US maintain a strong military force. With international tensions remaining high, it is difficult for any American who has the safety and interests of his country at heart to advocate drastic disarmament, especially since modern science has reduced the formerly secure ocean frontiers of the US. However, it is just this situation which is being exploited by those who would turn the United States into a gigantic armed camp which would mean the end of democracy in America as we have known it in the past. An army must be completely efficient and in such an organization there is little room for dissension, active opposition or some of the other activities so important in a democracy.

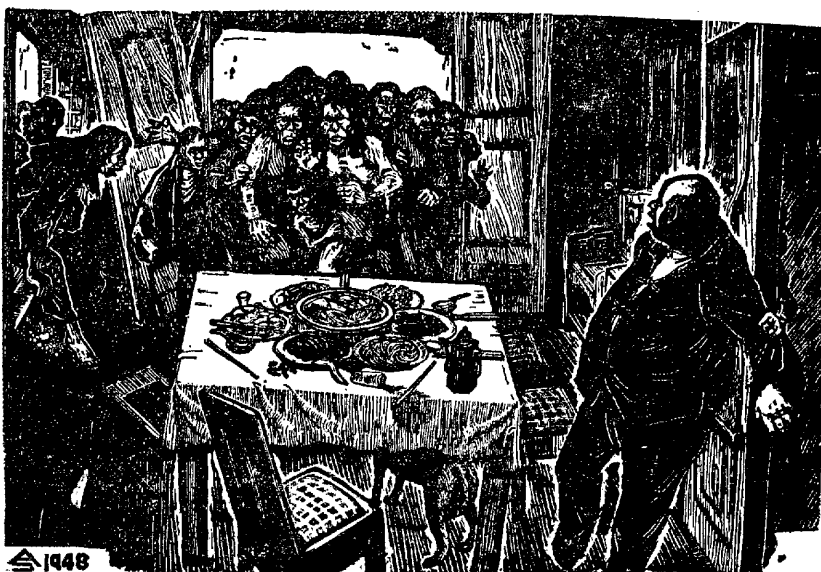
The latest proposal for regimenting the US which we have heard about is the recently released booklet, "Civil Defense for National Security," a report prepared under the direction of National Defense Secretary Forrestal. This study points out that the US has a plan for everything in the event war comes except civil defense, and advocates the creation of an organization, under the direction of the Department of National Defense, which would direct civilian activities once war began. While such an organization might be in the interests of efficiency, it certainly would not be in the interests of democracy, as has already been pointed out by several people in America. Radio commenter Walter Winchell described the report as dangerously near a blueprint for American fascism and charged that its proposals create an organization pat-

terned after the Nazi storm troops.

Newspaper columnist Max Lerner, discussing the report and the role of the military in general, said, "...plans are being made for 'civilian defense' which will destroy freedom of press and speech and set up camps for political suspects. By the very nature of modern war, with its immense costs, its terrible destructive power, its secrecy, its fears, the armed forces have become a state within a state. If democracy is ever destroyed on this continent it will not be because of capitalism, or because of the so-called 'serfdom' of socialist planning, but because in an era of great wars the American people are forgetting their anti-militarist tradition."

If the recommendations of this report are accepted by the Administration and subsequently passed into law, the civil defense bureau under the National Defense Department would acquire powers of control over civilians which are not today granted the army over its own men. For instance, concentration camps would be set up to accommodate the numbers of civilians expected to be arrested by the super-state police, which would also be organized. Apparently the constitutional rights of Americans regarding imprisonment would be voided since these detention centers are described as places "where persons may be detained for the public good until such time as conditions permit their release or circumstances warrant their trial." Such a view certainly does not seem to be in keeping with the present American idea of habeas corpus proceedings or the usual practice whereby every arrested person can be released on bail within 24 hours of arrest except when suspected of most serious crimes.

The report, according to the newsletter *In Fact*, calls for the employment of 15,000,000 people in the civil defense organization which will set up and maintain sections devoted to police and prosecution activities which would negate the Federal Bureau of Investigation and the Attorney General's office to obscure positions.



1448
"The Manor House Invaded," another woodcut by Chang Yan-si, portrays an anti-hunger demonstration.

Each of these *fifteen million* employees would have to pass a rigorous "loyalty test." Another section of the report advocates the restriction of movement of citizens in the country, recommending that the movements of every person be supervised and controlled, with passes being issued to persons permitted to travel or move about.

The appointment of wardens for each block in cities and towns is suggested. These men, whose duties apparently would be somewhat similar to those of the pao chia officials in China, would "record detailed information and data on the neighborhood and its inhabitants."

While we really doubt that such a document as this will survive its first public airing—which is what it is getting at the present time—the mere fact that a group of 43 presumably representative Americans, under the direction and leadership of National Defense Secretary Forrestal, could produce such a document and seriously suggest that its provisions be enacted into law, gives one pause for thought. One might almost think that Secretary Forrestal and his planners had been studying the Kuomintang organization chart.

Puppets Moved To Taiwan

FIFTY-FOUR top war-time collaborators with the Japanese are reported to have been removed from their cells in Nanking to new places of detention in Taiwan. While no official explanation for this has been given, it may be presumed that the Government desires that they be out of harm's way. Therefore, the island of Taiwan, already known as the place where the "Young" Marshal Chang Hsueh-liang, the most fabled political prisoner existent today, while away his time, is to get a new batch of celebrated prisoners.

While there are obviously several ways of looking at this matter, it might be interpreted as a sign that the Government does not want to let prisoners of the state fall into Communist hands. If this is an indication of what the fate of the many thousands of prisoners in Nationalist China may be, it would seem that the Nanking authorities are assuming a very heavy burden. Taiwan is indeed a rich place, but there is a limit to what it can stand. Already, we understand, some 200,000 "refugees" have set up housekeeping on the island.

If political prisoners alone are moved, the number will be staggering, not to mention what it would be if ordinary criminals were included. The Government, for a number of reasons which may seem perfectly good and reasonable in some quarters, may not wish certain categories of prisoners to fall into Communist hands. We can understand how in some specific cases, such a happening might prove highly embarrassing. However, in these days of crisis, a more practical and sensible plan, in our view, would be to stock the various jails in areas about to be evacuated with a few days' or weeks' supplies of food, order the wardens to stay put, and then let the incoming Communists worry about the prisoners' future.

25 Years Ago in The China Weekly Review

Cantonese Not Anti-Foreign

January 19, 1924

Not as a lack of patriotism but more for expediency, the Cantonese nowadays find salvation in being friendly to foreigners. They are the last to adopt the exclusive policy for the time being, anti-foreign or non-intercourse with British and Americans. The biggest retail stores in Canton, the Sun, the Sincere, and the Chen Kwong are companies registered at Hongkong and with British consular protection. In Canton Harbor one hardly sees a steam launch or steamer flying a five-color flag. There are more Chinese funds in one foreign bank in Shameen than in all the three large modern Chinese banks along the Bund in Canton. Canton parents prefer missionary to government schools for their children. Foreign insurance companies and agencies underwrite more policies in Canton than the native concerns. Canton residents these days will look for foreign trust companies when circumstances compel them to nominally mortgage their holdings to find safety.....

Conditions In Szechuen

The Peking and Tientsin *Times'* report on Szechuen says: "It is a curious fact that no leader among all the quarreling militarists ever gets killed or even caught; but the suffering brought upon the common people is far greater than one can measure or describe. The ordinary taxes have been collected for several years ahead and in some cases have been paid several times for the same years, according as the government has changed. Various pretexts have been devised for levying special war taxes, such as, for instance, two months' house or shop rent; assessment per head on domestic animals, and again, on the estimated worth of each business concern from the largest banking and trading institution down to the poorest costermonger by the street wall who has been compelled to find one dollar, etc....."

10 Years Ago In The China Weekly Review

Political Linelight

January 21, 1939

Political interest heightens in both Chinese and foreign circles with the opening this week of the 5th plenary session of the Central Executive Committee of the Kuomintang at Chungking. Great importance is being attached to the session, especially in view of the fact that the defection of Wang Ching-wei necessitates a readjustment in the personnel of the Kuomintang and the Government.

Although no official information is as yet available, it is expected that all the posts vacated by Wang and his associates will be filled by new appointees at the session. Sun Fo, president of the Legislative Yuan and strong advocate of Sino-Soviet collaboration, is prominently mentioned as the candidate for the post of Deputy Chief Executive of the Kuomintang in succession to Wang, while Gen. Chang Chun, vice-president of the Executive Yuan, will be appointed president of the People's Political Council. Chou En-lai, well-known Communist leader, is slated for the post of secretary-general of the Military Affairs Commission, and Gen. Chen Cheng, trusted lieutenant of Gen. Chiang Kai-shek, and director of the Political Department of the Military Affairs Commission, will be entrusted with still more important duties.

Soochow Creek

Sampans and punks on Soochow Creek must tie up to the south bank only, the north side of the creek being reserved for vessels with special permits from the Japanese Army or Navy, according to a notice of the shipping office of the Public Utilities Bureau of the Shanghai City Government, published here this week.

CHILD MINERS OF SANDAN

Santha Rama Rau

(Reprinted from the New York Star)

TO a small group of foreigners who work in the village of Sandan in the province of Kansu in northwest China, the children who work in the coal mines are known as the Peter Pans. From the time when they start work in the pits at the age of eight or nine to the time when they have to retire as old, broken men of 30, they appear to grow scarcely at all. They remain shrivelled, dark-skinned gnomes, known to the local population as "ants" or "black faces" until they die of scurvy, starvation or in mine accidents.

One of the projects of the Sandan Bailie School—a training school for workers in the Chinese Industrial Co-operatives—is to prove by demonstration that better conditions for the miners are, in the long run, conducive to a higher yield and more efficient production. Until the last month when the school began to work its own mine, the usual custom had been to allow the children to start work as soon as they were of an age to earn money for the support of the family. Often if the family could not afford to buy their food during the winter months, the children were sold to the mine owners and from then on there was no further control—governmental or parental—on the conditions under which the children worked.

To the foreigner visiting this area it is hard to believe that children can survive under such conditions. Usually they are without shoes, socks or trousers even through the bitter winter of northwest China where the temperature drops to 25 degrees below zero. Sometimes they have no coats either. There is a tradition connected with the nakedness that comes from the time when there was an extensive epidemic here which carried off most of the children. The panic-stricken villagers consulted a famous doctor and asked him what to do about this affliction that was killing their little boys and girls. He told them to burn all the children's clothes and all would be well. Possibly the disease was some form of typhus carried by lice, and the burning of the clothes removed the source of infection, but now that the old condition has gone, poverty and superstition keep the children in freezing misery all winter.

Interviews with several of the children show that for the most part they start working when they are eight or nine years old, though some begin as early as six. Lee Chu Kuō is a case in point. He is now about 13 years old and has been working in one of the pits for over five years. He lives with his mother and father, also a miner, in a flimsy shack just outside the mouth of the coal pit. His father considers himself lucky that he and his son are almost the

same size because a shrunken frame is an advantage in this job. The shafts are so narrow that only a child or a wizened man can fit through.

Lee Chu Kuo can't read or write, and earns the equivalent of 50 American cents a month. He feels that he is slightly better off than most of the kids at the mines because his parents are alive so that he does not have to pay for his food. He has trachoma and scurvy. He cannot imagine life away from the mine and the tiny village of miners' huts in which there is no shop, no restaurant, no amusement, just the huts and an open space in which the miners gather in the evening.

They present an extraordinary sight as you walk over the barren sand-colored hills of this isolated part of China to the little hollow some miles out of Sandan where they live. The black holes of doorways in the mud huts, the silent, half-naked miners and their old little children sitting on the ground, grimy and expressionless.

In the same district the Wang family of Sandan owns a mine which employs eight children, most of whom are orphans. All are illiterate, and they, too, earn about 50 American cents a month out of which they must supply their own food. The mine gives them a place to live. All of them suffer from scurvy and

malnutrition, and in the winter months manage to work only four hours a day in which time they transport 500 pounds of coal each, by going down the shaft with little baskets, filling them and making their way out again. Often the shafts are not high enough to allow them to stand upright, there are no proper supports, and the children work with naked flames strapped to their foreheads. The result is that floods, gas explosions and collapsing roofs are a constant danger.

The Sandan Bailie School is headed by Rewi Alley, a New Zealander who came to Shanghai in 1926 as a factory inspector in the foreign concession. He got into the habit of taking his summer leaves in the Chinese interior, studying village life. For the last 12 years

since the Japanese invaded China, he has devoted his life to organizing cooperatives in Chinese villages, the last three years to the Sandan School.

The school draws most of its financial support from relief organizations in New Zealand and America, and some of its instructors from such groups as the Friends' Service Unit. Several of its enterprises are revolutionary in this remote part of China—the irrigation scheme, the ploughing by tractor, the generator for electricity—but the project that will have even more far-reaching effects in the changed conditions it will bring for the mining population is the school's experiment with its own pit.

The school has bought one old pit and is sinking one new one. The old pit had been deserted because the ever-present fear of the miners—a flood—had made it unworkable.

Of course, this is only the beginning of the Bailie School experiment. Gradually, as the confidence of the child miners is won, the school will introduce simple and cheap machinery, safety measures and better living conditions. The lives of many thousands of China's impoverished workers will benefit and the pressure on the mine owners will be strong enough to make a reaction difficult.



These Chinese boys look years apart. Reason: The little fellow has always worked in the Sandan coal mines; the other is a school boy.

By Rickshaw To Communist China

Julian Schuman

(Mr. Schuman, in addition to being a staff member of the *China Weekly Review*, is a correspondent for the *Chicago Sun-Times* and the *American Broadcasting Company*.)

AS the crow or an airplane flies, Communist China is only 120 miles from Shanghai. However, since plane service is still relegated to the big cities remaining in Nationalist territory, ordinary persons have to rely on a combination of train, ferry, model-T Ford, rickshaw and walking in order to get to any number of Communist held cities just north of the Yangtze.

Robert Martin, correspondent of *The New York Post* and the *Columbia Broadcasting System*, and I left Shanghai on January 11 at 7:30 a.m. on the Shanghai-Nanking express. About four and a half hours later we were in Chinkiang on the southern bank of the Yangtze. Our immediate object was the city of Taichow about 20 miles inland from the north bank of the river. Taichow is still under government control, though much of its surrounding area is in the hands of the Communist's New Fourth Army. We took rickshaws to the wharf and in a short time were on a small ferry steaming north.

By one o'clock in the afternoon we had disembarked at the small town of Liu Wei. From here the traveler could either shove his way into a jampacked rickety bus for Yangchow 10 miles away or else pay more money and get into the relative privacy of one of the five or six old Fords and Dodges which were lined up waiting for more prosperous customers. We were forced to settle for a car since the bus was not going to Taichow, according to our driver. Liu Wei to Taichow was a distance of about 35 miles and was made via Yangchow with a 10 minute layover on the outskirts of that city.

Reached Taichow

It was just beginning to get dark when we reached Taichow and made our way by rickshaw to the home of Robert Richardson of the China Mission of the American Presbyterian Church, who had invited us to stay with him during our time in the city.

Chen Yi's New Fourth Army is on all sides of Taichow and this city is resigned to the fact that the Communists can probably take it whenever they desire. Taichow is less than 20 miles north of the Yangtze and lies in one of the most fertile portions of north Kiangsu, where it serves as a trade terminus for the constant stream of products pouring in from both the outlying farmlands and cities such as Shanghai.

The Communists are in possession of a number of smaller towns less than 15 miles away, but the prevail-

ing opinion among the people in Taichow is that the Communists are not particularly anxious to come into the city yet. It is said that the Communists feel that so long as Taichow remains in Nationalist hands they can continue to receive goods from the cities south of the Yangtze.

Like so many people south of the Yangtze, the people here are tired of the Civil War and openly express their hope for peace. However, there is an air of quiet determination to remain no matter what comes and await the Communist take over. Nobody is leaving the city these days and some of those who left a few months ago have returned because of the difficulty in finding any place in China where they can be certain the Communists will not eventually come.

Taichow is full of troops. These troops belong to a part of the 51st Division which a short time ago was involved in the burning of an American missionary hospital in Hwaiyin not far away. The soldiers, whose morale was said to be quite low by now, are becoming more and more of a problem for the population with their constant taking over of property and being billeted in many homes. They are looked upon by a great number of Taichow's residents as a source of potential banditry, ready to loot and steal should conditions get worse.

Trade With Reds

Businessmen in Taichow look upon trade with the nearby Communist cities as natural. Although it is not official, both sides wink at any ban, for products are needed by each side. The Communists are anxious for cotton cloth, rayon, flour and cigarettes in return for their wheat, millet, rice, pork and political ideas. The last somehow seem to filter into the city. The attitude of most businessmen, in answer to how they feel about the expected arrival of the Communists, was best expressed by one rice dealer who said, "*wei suo wei*," (it makes no difference).

A school teacher with whom Martin and I spoke told us he planned to stay on. Taichow was his native city, his work was here and he hoped to be able to continue his duties, come what may. He maintained that a change could be seen in the policy of the Communists towards their countrymen. Formerly, he insisted, they had manifested an interest only in the lowest classes, but now they were showing a growing concern for all classes. This, he pointed out, was more in line

with the principles of China's ancient sages, Confucius and Mencius.

Americans Staying

Three American missionaries have elected to stay in Taichow. Robert Richardson, his wife Agnes, and Dr. Henry S. Nelson feel that they should remain in the city and explore the possibility of continuing their work under the Communists. They have informed their superiors of their intention to stay on as a skeleton force of volunteers to negotiate with the Communists when they come to Taichow.

Mr. Richardson has had over 25 years experience in China, and speaks Chinese fluently. He is in charge of the mission's activities in Taichow, including the only hospital in the city, a school for over 400 pupils, a sewing project for widows and refugee women, and the mission church. Mrs. Richardson devotes most of her attention to the school and the sewing project. Receipts from the sale of cotton underclothes made by the sewing project each week go to two of the city's 18 rice kitchens. Dr. Nelson has been in China for one year and, though his wife and child returned to America, he has volunteered to stay on and continue his work in the hospital. The hospital has handled over 1,000 patients since its reopening last November. It had been closed since the war. It now has a bed capacity of 20 because of a limited staff, but Dr. Nelson hopes to be able to get it back to its former capacity of 100 beds.

Of Taichow's eight American missionaries, five left by mid-November and this action prompted the Communists in a nearby city to send Mr. Richardson a letter in which they expressed their regret at hearing that there was a possibility of his leaving. In this letter, which was written in English, the Communists said that the American government does not understand the policy of the Chinese Communist Party. They then went on to say that their policy was to protect consuls, officials, and properties of foreigners who obey the Communist government. They also said that officials of hospitals and schools, as well as clergymen, shall be protected. The letter ended with the hope that Mr. Richardson would write to them in a small town a few miles away if he still did not understand them. The letter was signed, "Chinese Peoples' Army (Chinese New Fourth)."

In his reply, Mr. Richardson stated that his wife, Dr. Nelson and himself had decided to stay and continue

their work no matter who was in charge. Part of his letter said, "We have never taken any part in politics or the governments of China. As guests in your country we are neutral in regard to politics and have always been obedient to the laws of the land in which we live."

Set Out For Kiangyen

Martin and I left Taichow at one o'clock in the afternoon on the 12th and our destination was the Communist-held city of Kiangyen, less than 15 miles northeast of Taichow. We had hired two rickshaws, and as we walked through the city gate behind our vehicles the Nationalist sentries watched us go. From the talk among themselves it was quite apparent that they were aware of where we were going. The road was full of people going and coming from Taichow. There were no signs which said, "You are now outside of Nationalist lines" or "You are fast approaching Communist territory." But, about two miles outside of Taichow, both Martin and myself noticed that the telephone poles and wires which had been running along the left side of the road had vanished. Apparently we had reached no man's land. Up to this time, after having left Taichow, we saw only two soldiers and they were unarmed Nationalists walking along the other side of the road towards Taichow.

In another hour and a half we reached Kiangyen, a city with a population of over 40,000. As we came by the sentry post one of the three blue-uniformed members of the New Fourth Army sitting in the little shack on the side of the road came out and told us to get down from our rickshaws. He wanted to know who we were and why we had come to Kiangyen. He asked me if I had a gun, examined my fountain pen and frisked me, after assuring me that there was nothing to worry about. In general he was quite unprepared for the sight of two foreigners. We learned later that we were the first to come to Kiangyen since before Pearl Harbor and that my clothes had made the guard nervous because my old army trousers and Eisenhower jacket looked very much like Nationalist uniforms.

Kiangyen is a typical Chinese countryside city in the fertile Yangtze valley which extends over this portion of north Kiangsu. The farmers from the surrounding neighborhood bring their cotton, rice, wheat, millet, beans and pork to town and in return seek the goods from the city's many small shops. There is no industry in Kiangyen with the exception of a small power plant whose owner left before the Communists came, but which is now being run by the man who had been the manager. The New Fourth Army had entered on December 6, the Nationalists came back two days later and were finally driven out on the 10th.

During the time we were in the city, from about 5:00 p.m. on the

12th until we left the next day at about 1:00 p.m., we were able to speak to the district magistrate, the political worker, a Chinese Presbyterian minister, a number of merchants and some of the people in the streets. The magistrate and the political worker were members of the Communist party.

The people in Kiangyen, like the people behind the Nationalist lines, want peace. However, according to the political worker, who was 25 years old and a native of Kiangsu and who had been a Communist guerilla for six years, Chiang Kai-shek's peace and a true peace are two different matters. He said that there are groups in China today which want to overthrow Chiang but, like the Democratic League, they are powerless unless they work with the Communists. Both he and the magistrate emphasized that there must be a differentiation between recently liberated Communist areas and territory held for a long period by the Communists. In the old areas the people immediately realized that a Nationalist peace was an insincere move. However, according to them, in the new areas such as Kiangyen, many of the people are unclear because political education has not been underway very long.

Yangtze Crossing Easy

The district magistrate, who was a native of the city and 32 years old, said that there was no way of getting Chiang Kai-shek and the Kuomintang reactionaries out of power without the Communist army taking Nanking. Asked how long he thought the war would last, he said about a year, but felt that it would be easy to cross the Yangtze.

One of the noticeable features of our talks with these people was that they never went into an attack on American imperialism and China. They did ask us how the American people would feel if Chiang went to America to live and also asked for an explanation of why Truman won the presidential election.

The morning of the 13th we were invited to attend the businessmen's meeting after breakfast. This was attended by about two or three hundred businessmen. Martin and I sat on one side next to the head of the table where four of the city elders sat. Directly opposite us were the magistrate and the political worker. After introducing us in a speech in which he referred to us as international friends and representatives of two progressive American newspapers who had come to look at the Liberated Area, the magistrate told us we could ask anybody in the room questions.

Apparently the businessmen in a city such as Kiangyen consider conditions somewhat better than before. However, nobody tried to say that this was because the city was liberated, but rather because there was no fighting in the immediate vicinity and so supplies were able to go in and out and the farm-

ers were able to bring their produce to the city regularly. One lumber dealer, who had gone to Nanking before the Communists came and then returned after the Communists came in, claimed that his business was better now because formerly the soldiers had been in the habit of commandeering stocks. None of the business people attempted to hide the fact that there was a brisk trade going on with the Nationalist areas. In fact, for about US\$60 to US\$100 worth of rice the Communists were able to obtain an American rifle. Most of the trade going on was done by barter. In the city itself, the Communists used their own currency (華中銀行) which was about 20 for each Gold Yuan.

On Good Terms

The Chinese preacher in town with whom we spoke said that the church was proceeding as before with no disruption. He said that he had between 40 and 60 people attending, somewhat less than formerly but this was because some people had left the city before the Communists came. He seemed to be on good terms with the local officials and was always included in any talks they had with us, along with one or two of the more important businessmen.

Judging from the situation in Kiangyen, which admittedly was observed very briefly, it seems likely that there is a good chance that the Communists' military progress has so far outstripped their expectations that they are not paying too much attention to relatively unimportant places. There were no posters up, though we saw Nationalist signs smeared with black paint, and the political worker admitted that political education of the people had not progressed very far. A surface impression received in this short time was that this was like any other small Nationalist city, except for the scarcity of soldiers. We counted only about 10 the whole time. Another immediate impression was the friendliness of the people, as well as their curiosity over the foreigners, and the complete lack of any trace of anti-American feeling throughout our conversations and walks in the city.

We made our way back over the same road we had traveled the day before, and about 30 hours after we had left we were back within the walls of Taichow. The same rickshaws which had taken us to Communist Kiangyen took us back to Nationalist Taichow and as we made our way to Robert Richardson's house the populace along the narrow streets were buzzing about the two Americans who had gone and returned from Kiangyen. One bewildered onlooker was heard to remark, "They fear neither devils nor the Communists."

Early the next morning we set out for Liu Wei, Chinkiang and Shanghai, and at 9:30 p.m. on Friday, January 14, a little more than three and a half days after our departure, we were back in Shanghai.

Viet Nam: Orphan Up For Adoption

Andrew Roth

IN many ways Viet Nam has been like an orphan in Southeast Asia. But it probably will be adopted soon—by the Chinese Communists.

When the Communist-led Vietnamese guerrillas become directly linked with the Chinese Communists, it will bring to an end an isolation in which the Vietnamese have been exceptional in Southeast Asia.

In part the Vietnamese are themselves to blame for this isolation. Very early they decided that the final decision would depend on military strength. Therefore, while the Indonesian Republicans spent a substantial portion of their foreign exchange on representation and publicity, the Vietnamese husbanded theirs for purchasing arms.

In part, too, Viet Nam's isolation has been due to the fact that there is virtually only French capital invested there, while in Indonesia, for example, there is considerable British, American and other capital in addition to Dutch. Neither Britain nor America have been permitted by the French to secure any substantial economic stakes in Indochina.

In Indochina, Britain and America not only have had no pecuniary reason for being interested, but furthermore it has been a real political hot potato. While British and American experts have recognized that the French are the worst colonizers in Southeast Asia and the nationalist movement strong and united, London and Washington were faced with the fact that Ho Chi Minh was Moscow-trained and a number of Communists have other leading places in the Vietnamese leadership. Therefore—while they have intervened in Indonesia to the extent of sending British and American mediators to midwife a Dutch-Indonesian settlement—they have kept hands off Indochina.

Embarrassed Silence

London and Washington's embarrassed silence on Indochina has been reflected in the paucity of news from a country which has been the scene of more dramatic and momentous developments than any other region in Southeast Asia.

One of the factors overlooked has been the special character of Ho Chi Minh's Marxism. In the period before the Tito controversy, few Western observers took seriously the possibility of a sharp conflict between a "national Communist", who emphasizes what he considers to be the best interests of his own country, and "international Communists" who think Moscow's interests come first.

Certainly if Ho Chi Minh is still a Communist—and there is some dispute about that—he is a "national Communist" and far more moderate than Tito. Although he was one of the first of the Asian Moscow gra-

duates, French Sureté files show that soon after he reached Canton in 1925, he argued with Michael Borodin. Borodin, the Soviet Advisor to the Chinese Nationalists, thought that during a nationalist revolution such as China's, two conflicts should proceed simultaneously: the battle against imperialism and the battle against wealthy land-owning nationalists. Ho Chi Minh disagreed. He thought the anti-imperialist conflict should have preference and that social conflicts should be held in abeyance until national freedom is secured. All the evidence available at present would indicate that Ho still hews to this line. Furthermore Ho does not belong to the "Moscow-always-knows-best" school. Not long ago he told a friendly correspondent: "Moscow has made too many mistakes on Indochina for us to take its word on our problems."

Unified Movement

It is noteworthy that today Ho heads the only unified nationalist movement in Southeast Asia. In Burma the Communists are fighting a Socialist government; in Indonesia the Communists are fighting a nationalist movement; and in Malaya the Communists are fighting in isolation after having jettisoned their allies in the nationalist movement. In Viet Nam—in very sharp contrast — Communists, Socialists, Trotskyists, Monarchists, Democrats and Catholics are working together with scarcely any friction. Instead of growing narrower, the coalition governing Viet Nam has grown steadily broader, the most recent additions having been from some of the old mandarins, formerly in the court of Baodai. And "Uncle Ho" is regarded with common veneration by Vietnamese of all sects much as Gandhi is regarded by all Indians.

It is one of the curious aspects of the Viet Nam situation that the peculiar moderation of Ho Chi Minh has probably been motivated in part by his hope to secure some American sympathy as a result of a little-known wartime alliance. The Vietnamese nationalists first began fighting the Japanese (and the French colonial regime which collaborated with the Japanese) as far back as 1940. As a result it came to be regarded with paternal approval by the South-China-based American forces toward the war's end. In 1944 the American behind-the-lines organization OSS (Office of Strategic Services) parachuted in military advisors and armaments for the Vietnamese guerrillas battling in North Tonking. The Vietnamese also marked out Japanese targets and rescued American fliers who crashed trying to bomb them.

In this spurt of little-publicized armed fellowship, Americans helped

get Ho Chi Minh out of prison when he was arrested by Chiang's secret police during a visit to China and made brash promises of help for Viet Nam's independence movement. When the Vietnamese proclaimed their Republic in August 1945, they modeled their constitution largely on the American.

The Vietnamese were soon abandoned by their wartime American allies. This was partly due to the death of President Roosevelt, who was strongly committed to keeping the French colonialists from returning to Indochina. It was also due to the shift in world division from Axis vs. Allies to Soviet vs. Anti-Soviet. This immediately pushed the Vietnamese nationalists into the outer darkness because they all acknowledged as their leader Ho Chi Minh who bore the mark of "trained in Moscow."

It is only recently, however, that the Vietnamese radio has begun attacking the US, largely because American ERP help to France is helping to finance France's Indochina war, estimated to cost US\$1,000,000 a day and because the State Department has made clear its support for the puppet government of Baodai. By now the Vietnamese have completely abandoned the hope they long held of any sympathetic consideration for their aspirations by Washington.

So automatic has been the rejection of Ho Chi Minh that few, even among the diplomatic experts, have observed the contrast between the coalition policy of Ho's government and the divisive policy of the Communists in other Southeast Asia countries. This was highlighted at the Communist and leftwing youth conferences held in Calcutta last March, which set off the train of Communist explosions in Southeast Asia. The Vietnamese had no representatives at the Communist Party conference because its Communist Party was dissolved in 1945 and replaced by a Marxist Study Group—a move designed by Ho to diminish internal friction and external criticism.

Hot Water

The Vietnamese delegate to the youth conference soon found himself in hot water. The representatives of Indian and Burmese Communist youth organizations tried to push through a number of resolutions attacking the Burmese government as "puppets" and the Siamese government as military fascists and advocating immediate partition of land for the peasants and expropriation of foreign-owned property. The Vietnamese delegate said he would have to dissociate himself from these resolutions because his government had friendly relations with both the Siamese and Burmese governments, did not consider it expedient

to upset the land system while fighting the war and did not agree to blanket expropriation of foreign property. For taking this position the Vietnamese delegate was accused by the full-blooded Indian Communists of being "under American influence!"

Since the Calcutta conferences, the Communists of Burma, Malaya and Indonesia have followed an insurrectionist policy, splitting the nationalist movements in those countries. The coalition policy of the Vietnamese Marxists has continued unchanged.

Simple Approach

Whatever their resistance to the suicidal policy for Southeast Asia by the Burmese and Indian Communists, the Vietnamese government is not at all likely to turn down any offer of arms and technical assistance by the Chinese Communists. On this subject the embattled nationalists of Asia have a simple approach. They feel that nationalists have as much right to accept help from Communists as Socialist Britain has to receive help from capitalist America.

"For us there is only one question — independence," Prapiset Panich, leader of the "Free Cambodians," told me. The "Free Cambodian" attitude is noteworthy because while they are allied with their Vietnamese neighbors against the French, there are no Communists among their leaders. Prapiset continued: "If the (Chinese) Communists reach the Yunnan border and give even a moderate amount of arms to Ho Chi Minh, I think he can clear the French out of his section in three months. But that will mean that the Ho Chi Minh government will go entirely Red. If they offer us arms to drive out the French, we will accept them even if it means going Red."

"For years, I have been going to the British and Americans and Siamese asking for help for our independence struggle, with no success. We would prefer help from the democracies, but they have ignored us. We will accept help from whatever side helps us against the French and be grateful to them.

"The democracies have two roads and very few weeks in which to decide. Either they aid the moderate nationalists here or they aid the colonialists. If they take the second road, Western influence will soon be finished completely in Southeast Asia."

Chinese Law:

Personal Element Plays Part

TIEN-FU CHANG

(Judge, Shanghai High Court)

THE pre-trial system mentioned in the article, "Uncle Sam Modernizes His Justice," published in a recent issue of the *Reader's Digest* is of great interest to me. In my experience as a judge, it has been evident that legal justice through strict legal proceedings is certainly not the best solution to all litigation brought before the Court.

In the old days, before the introduction of a modern legal system, China had a peculiar judicial tradition of her own which many foreign scholars and jurists find difficult to understand. According to ancient Chinese ethical theory, the whole nation was considered a big family, with the magistrates acting as its older members who exercised paternal rights over the people. They were charged, not only with ruling the people, but also with loving and caring for them as parents. They were expected to display fatherly judgment in their administration of justice as well as cold, legal reasoning. Consequently, the magistrates often advised or persuaded the litigants to compromise, basing their advice, in many cases, on precepts of brotherly relations rather than law. The people, on the other hand, were expected to display the dutiful attitude of children to parents in their relations with the magistrates.

A remarkable instance may serve to show how this system worked. Once, in Formosa, two brothers fought over an inheritance for several years. The Court seemed unable to settle the matter satisfactorily or eliminate the bitterness between the two. Then a new magistrate was appointed to the district in which they lived. As soon as he assumed office, he was told about the long and bitterly fought case, and he summoned both parties to appear before him. After hearing both sides carefully, he handed down, not a judgment, but a short poem instead which read like this:

"Both of you were born of the same parents and sucked from the same breast. Why should you fight

over property inherited from your father? Just think. Each time you meet, you have grown a little older. How much longer do you have to be brothers on this side of the grave? Certainly, you can live peacefully together if you can forgive each other. Remember, it is not brotherly to quarrel over worthless, worldly belongings. You both have children who are also brothers. Be good enough to set a good example for them."

共乳同胞一氣生 祖宗家業不須爭
一回相見一回老 難得幾時為弟兄

兄弟同居忍便安 莫因毫末起爭端
眼前生子又兄弟 留與兒孫作樣看

The brothers were so touched by the poem that they could say nothing, and, shedding tears, they knelt at the feet of the judge and gravely promised that they would quarrel no more. They left the Court hand in hand.

Now this tradition still holds in China. Judges always try to effect a compromise before the conclusion of a debate. Recently, in the Shanghai High Court, an appellant demanded a payment of 50 dollars, while the appellee was willing to pay only 20 dollars. Each was so determined in his own way that a compromise seemed impossible. Then the presiding judge, T. K. Hsu, stepped in and said:

"You are neighbors but both of you are unneighborly." He then turned to the appellant, "Will you accept 30 dollars?"

"No!" was the answer.

"The appellee will offer you only 20," the judge said earnestly, "and I personally am willing to offer you an additional 10 in order to make the total 30, so that you two may live peacefully together. How about that?"

"Fine," said the appellee with a smile. "I will accept 20 in full settlement. As for your Honor's 10, I return them with thanks."

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A Northerner Looks At Shanghai

Duncan Lee

TO a Northerner who has heard much of Shanghai and long held a desire to see it, there is a certain sense of pride when he can at last set out on a journey to that city.

I arrived in Shanghai at the time when Chiang Ching-kuo was controlling prices with an iron hand. And, in protest, no hotel or restaurant would take in strangers. But when this situation cleared, I discovered that not only hotels and food shops, but also theaters, expensive restaurants and dancing halls are always crowded despite the exorbitant prices.

Spectacular Sightings

With a heart open and ready to receive all spectacular sights, I took long walks along Shanghai's best known streets—Nanking, Peking, Chungcheng, Szechuen and Honan roads and the Bund—visiting the big department stores and the Great World theater. Sometimes, startled by some peculiar occurrence, I would have to remind myself: "This is Shanghai." For instance, never before had I seen women with bobbed hair selling vegetables or newspapers or picking up garbage or begging. In most of the Northern cities, only noble ladies and prostitutes have their hair cut short.

In vain did I look for differences

in appearance between Northerners and Southerners. But there are numerous differences in the spoken language. To a Northerner, the people around Shanghai sound like birds twittering. They do not speak directly from their throats, but are given to using friction sounds with their lips and teeth, making easy turns of their tongues and forcing sounds from their noses. Heated conversation, quarrels or great loquaciousness is called "wala wala" in Shanghai; in the North it is "wa wa."

At first it seemed to me that there were many more rich or well-to-do people in Shanghai than elsewhere. But after further thought, I decided that was not necessarily the case. In provinces like Hopei, Shantung and Honan, people spend much less on pleasure than in places south of the Yangtze. Due to frequent natural calamities, people in those three provinces are frugal to a degree unthought of here, although they may be 10 times as rich as the Southerners.

A suit of Western clothes or a fine Chinese gown seems to be a necessity here if one is not to be met with scorn. Most people in Shanghai are too busy with trade and commercial activities to spend much time with books or in research,

even though Shanghai produces most of China's books and magazines, the largest newspapers and other cultural and scientific equipment.

In order to get a better view of Shanghai, I made a round of the city at night; for night presents a sharper contrast between the "haves" and "have-nots"

At one place I saw people enjoying great luxury, drinking and dancing with glamorously dressed girls; while on the very doorstep a refugee boy was crying over his father who was breathing his last. Pedestrians walked by without even a look of sympathy. This was one of the recently reported 200 cases a day who die of hunger and exposure. I saw many others huddled on the streets and lanes.

"Wild Pheasants"

Shanghai is called the "paradise of the speculators." It is, in addition, a bazaar of every kind of vice and iniquity, and a rendezvous for extravagance and misery. I saw the beautiful, but syphilitic "wild pheasants" (street prostitutes) lined up along the streets and standing in the corridors of buildings like objects in art galleries, waiting to catch their prey. I saw the thousands of people pushing and shoving in the gold stampedes and shopping rushes, herded like animals.

Shanghai boasts of China's smoothest thoroughfares and finest avenues; yet they are dwarfed by the high buildings and do not seem as wide as those in Nanking. Curiosity prompted me to visit behind the scenes in this so-called international port. Like most cities in China, and the Chinese themselves, Shanghai likes to indulge in window-dressing. In contrast to the tall buildings and paved thoroughfares, a walk through most of the lanes is a depressing experience. Here the way is choked up by piles of dirty garbage, and stagnant pools and trickles of waste water give off an indescribably offensive odor. Shanghai lacks sufficient public lavatories, and men consequently relieve themselves everywhere along the lanes.

Of Shanghai's 5,000,000 populace, it is estimated that most of those clever in trade come from Ningpo, Hangchow or Yangchow, or from points along the Nanking-Shanghai railroad. The rickshaw and pedicab drivers and amahs are said to come mostly from north Kiangsu, and soldiers and policemen from Shantung, Hopei and Szechuen. Kwangtung is supposed to supply Shanghai with the finest cooks and Honan with the best *ta ping* (flour cake) peddlers.

Shanghai is the greatest hodge-podge in China. It combines people from all over the country, riches and poverty, luxury and suffering, modern advances and vice. Shanghai's streets are named for China's provinces and this is symbolic, for the city is a miniature of the nation in transition.

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China's Gifts To Her Neighbors

By King-chau Mui

(Chinese Minister to Cuba)

WHEN one thinks of the inventions accredited to the Chinese, several things come to one's mind, namely, the mariner's compass, gunpower, the art of printing, pottery, paper, ink, and silk.

The art of printing was invented in China in the sixth century A.D., 900 years before it was known in Europe. What a tremendous power it wields on the world today! It is hard to imagine the time when it was not in existence! Chinese records have it that in 593 A.D., Wanti decreed that various texts in circulation be collected and engraved on wood to be printed and published. Several hundred years later, during the Sung Dynasty (960-1127 A.D.), a blacksmith, Pe Ching, introduced movable types made of sung clay to engrave the character and harden it in the fire before arranging it on an iron frame. The whole process was very difficult, but it was possible to print a large number of books that way, especially histories of various dynasties which were in vogue at that time.

Little known to the general public are China's other contributions in the field of botany. In the ancient world, China contributed to the

gardens and orchards of other nations with apricots, plums, and peaches. The favorite English beverage—tea—was discovered by the British on the first English ship reaching Amoy. Trees such as the Chinese elm, ailanthus, and camphor; flowers such as azalea, gardenia, camellia, chrysanthemum, hollyhock, tea rose, peony, Cherokee rose, and Chinese aster are her native products. One or more specimens of the following flowers have come from China also—hydreangea, primrose, narcissus, lily, poppy, magnolia, and wisteria. Most people like to drink orange juice or eat oranges for dessert, but how many of them realize that the fruit originally came from China? Other valuable plants are the tung trees which are the source of our best varnish, and the soya beans which contain much nutritious value and are daily becoming more important.

The aristocrats of Rome wore a strange and valuable textile—silk. The Chinese, as all know, were the first people to breed silkworms, raise mulberry leaves to feed the silkworms. Legend has it that as far back as 2000 B.C., Seling, wife of

Hwang-ti, first observed the silk produced by worms, unravelled the cocoons, and worked the fine filaments into a web of cloth. In connection with silk, there is the invention of the silk loom.

The silk loom not only improved the transforming of silk threads into cloth, but also influenced the progress of the textile craft in Europe. These looms were taken from China to other parts of Asia. India was acquainted with them. As compared with the textile craft in Europe, India in the 13th century was very advanced, but China was even ahead of India by several centuries. It is probable that commercial relations were carried on between China and India in the way of textiles and the looms, the heavy traffic being between Ceylon and the ports of South China.

The loop loom on whose principle modern weaving machines are built was invented in China. This machine was perfected in such a manner that it was possible to use it from the very beginning to weave silk, despite its delicate texture. Silk threads of various colors were combined to make rich tapestries as

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men in the ancient designs and descriptions. Rudimentary tapestries and brocades soon followed. By the ninth century B.C., China was producing prints and tapestries in silk, cotton, and other materials.

The oldest description of the loop loom, unknown to the peoples of the Mediterranean coast in ancient history, appeared in Chinese writing about 1200 A.D. In Europe some of the improvements of the loom did not appear until the 14th century and there was indication that the process of the loops was known to the Western world only through indirect contact with China to obtain weaves which were more beautiful and better than those manufactured in Europe. The progress of the textile art in the West, then, is due in general to the efforts of the weavers from Venice, Genoa, and Pisa to imitate the art of the Chinese loom.

Chinese Weaves

Chinese weaves, which entered the markets of Asia and Europe in the 12th century, were of two kinds: The simple weave without loops, and the weave with loops, which was used until almost the 19th century. The principles applied in the construction of the Chinese loop looms did not appear in Europe until the improved loom of Dagon in the 17th century. Specialists declared that what Dagon accomplished was nothing more than an imperfect imitation of the Chinese drawing of the loom of the 11th century. It may be stated that by the time of the Portuguese and Dutch voyages to China, the loom had improved greatly over the first five centuries before, although the secrets of the art were carefully guarded over by the Chinese guilds.

The Chinese loop loom had the advantage of working with two vertical squares, so constructed that all imaginable patterns of texture could be made with a beauty not attainable in England or the United States until the industrial revolution.

The loom was not kept isolated in China, for very soon it became known to the Western world through Persia and Arabia and other trading countries. Trade in Chinese fabrics with the Western world is very old; Rome was familiar with them.

In summary, one may then say that China contributed much toward progress in textile technique. The principle upon which the loop loom is based was discovered in China, and from there the knowledge was spread during the sixteenth century throughout Europe, and it influenced the construction of the machinery known as Dagon and Jacquard, which revolutionized the Western textile industries.

The world became richer because of the various contributions that China made in the past. Let us hope that she will continue to do so in the future.

The Week's Business

THE ups and downs throughout the week ending Wednesday, January 19, were caused by various developments on the money market, in the opinion of bankers who explained that even if reports in the vernacular press that the new Governor of the Central Bank issued one billion GY in new banknotes within three days are true, the amount apparently was insufficient. In fact, the market was extremely short of cash, and on Tuesday, January 18, premiums up to 10 percent were charged by those holding large amounts of banknotes.

At the same time, the rate of interest increased rapidly, with moneylenders charging between nine and 12 percent per day. To a certain extent the cash shortage may have resulted in slower movements on the foreign exchange market than had generally been expected. That sector of the financial market, too, was very erratic, with rates gaining or losing up to 25 percent within a few hours.

The bullion market was no less changeable. At the beginning of the week, on January 17, when the Central Bank had stopped its sale of gold bars and silver dollars, the market rate of gold went up to GY 17,500 per ounce, but after a few hours it came down to GY 13,000 and even GY 12,500. It was believed but not proved that the Central Bank had dumped comparatively large quantities of gold on the market.

At any rate, some speculators with inside information last week may have made fortunes without running the slightest risk; all they needed was some information from the right source.

Meanwhile, the Exchange Certificate rate again limped behind the general development, reaching only GY 177 by the middle of the week under review. This was about 40 percent below the black market rate and about 12 percent below the remittance rate for Overseas Chinese which was GY 200. It goes without saying that so low a Certificate rate did not encourage exports.

Throughout the week under review, commodity prices continued to advance, with the exception of cotton yarn, which lost. The decline in yarn prices was believed to be caused by the "dumping" of large quantities by government-operated mills. The price of rice, however, went up almost 45 percent, flour between 18 percent and 22 percent, and bean oil around 20 percent.

In spite of such fast price increases, the market's "atmosphere" in general was more normal during the week under review than the week before. Whether this was due to the news of various peace movements, as some believed, or whether it was simply due to the conviction that "after all, things are not much better in other cities either", may

be hard to decide. The fact is that news from Canton, Hongkong and Taiwan received by local businessmen during the week under review was by no means very hopeful. On the contrary, it appeared that while Hongkong was, and probably still is, faced by a real depression, business in Canton has been termed "almost dead." Nor is news from Taiwan cheerful. Prices there have increased still further and while some speculators (and some houseowners) are doing better business than ever before, the people in general are angry and are said to call the present state of affairs "the most recent poisoned gift from the mainland."

Indications are that few import orders were placed abroad during the week under review. Importers of certain chemicals, for instance, claimed that while they had obtained their foreign exchange allotment more than two months ago, they are still waiting for the import licence.

Much discussed during the week under review were plans aired by the Finance Ministry to float Gold Bonds redeemable every month by gold, partially by the Central Bank and partly by proceeds from American relief goods sales. As was to be anticipated, the plan got an extremely cold reception. The Ministry was reported to plan issuing the bonds on February 1, in other words at a time when it may no longer be in a position to stay in Nanking.

There are so many bonds not yet settled that interest in new ones cannot be great, quite apart from the fact that Government bonds, no matter what their future redemption, must be based on confidence in the issuing government's political and economic position. Frankly speaking, the gold promised cannot attract many bond buyers, as people obviously were interested in direct buying and nothing else.

The Government also discussed the reopening of the Shanghai Stock Exchange in order to provide a market for shares of Government-operated companies. In this respect, the public's reaction was not and could not be much better than in the case of new Gold Bonds; for weeks and weeks the public had requested that the Stock Exchange be reopened and the sale of shares legalized since they had been purchased quite legally but could not be sold by equally legal means.

The Exchange probably will be opened at the same time the Gold Bonds are offered for sale. This decision, however, should have been arrived at long ago.

Furthermore, to issue Gold Bonds and open the Stock Exchange without legalising the open gold market would be a half-way measure under present conditions, just as the Exchange Certificate system must also be considered outdated at present.

NEWS OF THE WEEK

North China War In Last Stages; Reds Advancing Toward Nanking

AS the result of the fall of Tientsin and Tangku into Communist hands, fighting in North China is rapidly coming to an end. It is generally believed that some kind of peaceful settlement in Peiping will be worked out shortly.

Tientsin's surrender on January 15 climaxed a month-long siege. The end came rather dramatically, but with no major incident. The Nationalist garrison commander and the mayor were taken prisoner.

The Nationalist garrison troops at Tangku, however, made good their escape by sea. According to official sources, the Nationalist navy evacuated Tangku's garrison on the night of January 16 and the Reds occupied the port the following day. It is claimed that all available small craft were mustered to transport the garrison, as well as miscellaneous units totaling approximately 35,000 troops, beyond Taku Bar and out of Communist artillery fire range. The troops then awaited the arrival of larger ships to take them to southern Government-held ports.

Diplomatic circles in Nanking felt that the Communist conquest of Tientsin further blunted Chinese Government hopes for a negotiated peace settlement on terms other than those outlined by Mao Tze-tung. The loss of the great northern commercial city with its garrison of approximately 60,000 government troops will release some 150,000 Red Manchurian forces for action elsewhere. The days of Peiping, the only bastion of the Nationalists in North China, are numbered and no one will be surprised if the ancient capital falls to the Reds like a ripe apple in a matter of days.

Drive On Nanking

AFTER capturing Pengpu and Hwaiyuan, the Reds are well on their way to Nanking. Present indications are that the Nationalists have decided to abandon the north bank of the Yangtze River so as to keep their forces intact for a determined battle around Nanking. Latest reports indicated that the Nationalists had evacuated Linhwaikwan, Wuho and Szechsien, completing their withdrawal from the skeleton Hwai River outer defense line about 100 miles north of Nanking.

The loss of Hwaiyuan, which provided Nanking's main coal supplies, has created a serious situation in the capital. Reliable sources said that only 6,000 tons of coal were held at Pukow to generate the city's electricity and pumping water supplies. Unless coal were supplied from Shanghai, the capital would be with-

out light and water within ten days. Nanking residents who intend to stay in the threatened capital are busily erecting water tanks, improvised from petrol drums, and private electric generator plants.

Nationalists retreating from Pengpu were reported to be dynamiting bridges and destroying railway tracks as they fell back toward their new outpost at Chuhsien, 30 miles north of Nanking. Reliable sources said their aim was to deny Communist General Chen Yi use of the rail line that runs to Pukow. If Chen secured the railway intact, his 16 columns of 200,000 men could race down from Suhsien across the former skeleton Hwai River line to almost within artillery range of the capital.

Some observers are of the opinion that the Nationalists are in no position to offer any effective resistance to the forthcoming Red drive on Nanking. A *UP* story dated January 17 from Nanking pointed out:

"A thin line of government troops stood in the path of a stepped-up Communist drive on Nanking, but Nationalist quarters here admitted that the way was open for direct assault on Pukow and the capital. Along the grand canal, there were signs of a renewed Red drive..."

A foreign military attache in Nanking told the *Associated Press* that the Communist armies could break through in the next few days to the Yangtze if they wanted to. "It will all depend on what they think is politically most effective," he said.

Two Directions

THE Communist advance to the Yangtze River is expected by some observers to be made in two directions. The immediate objective of the Communists was believed to be the seizure intact of the Pengpu-Pukow Railway, which would give them transport facilities down to the north bank of the Yangtze. To secure the railway, it was expected the Communists would use locally-organized defense troops at Chuhsien.

Pro-government reports, however, said the 20th Army was occupying Chuhsien and that Nationalist troops under Generals Li Yen-nien and Liu Ju-ming would hold the flanks.

The main concentration of Communist forces north of the capital was reported to be still northwest of Pengpu and Hwaiyuan. It was believed likely these forces would

move either southward toward Hankow or into the Tapien Mountain region west of their present position, or advance south without crossing the Hwai River to the Yangtze at Wuhu or Wuhsueh, two important crossing places from which they could encircle Nanking.

Dispute Over Strategy

GOVERNMENT units continued to abandon defense positions north of the Yangtze. The First North Kiangsu Pacification Command in charge of operations in the area was reported to have moved to Changchow, a railway center on the Shanghai-Nanking Railway on the south bank of the Yangtze. Wang Tso-hua, commander of the Fourth Army defending Yangchow, only major Nationalist base on the grand canal, announced that removal of the command did not mean wholesale abandonment of the north bank areas.

Meanwhile, it was rumored that the Kiangsu Provincial Government was considering moving from Chin-kiang to Soochow.

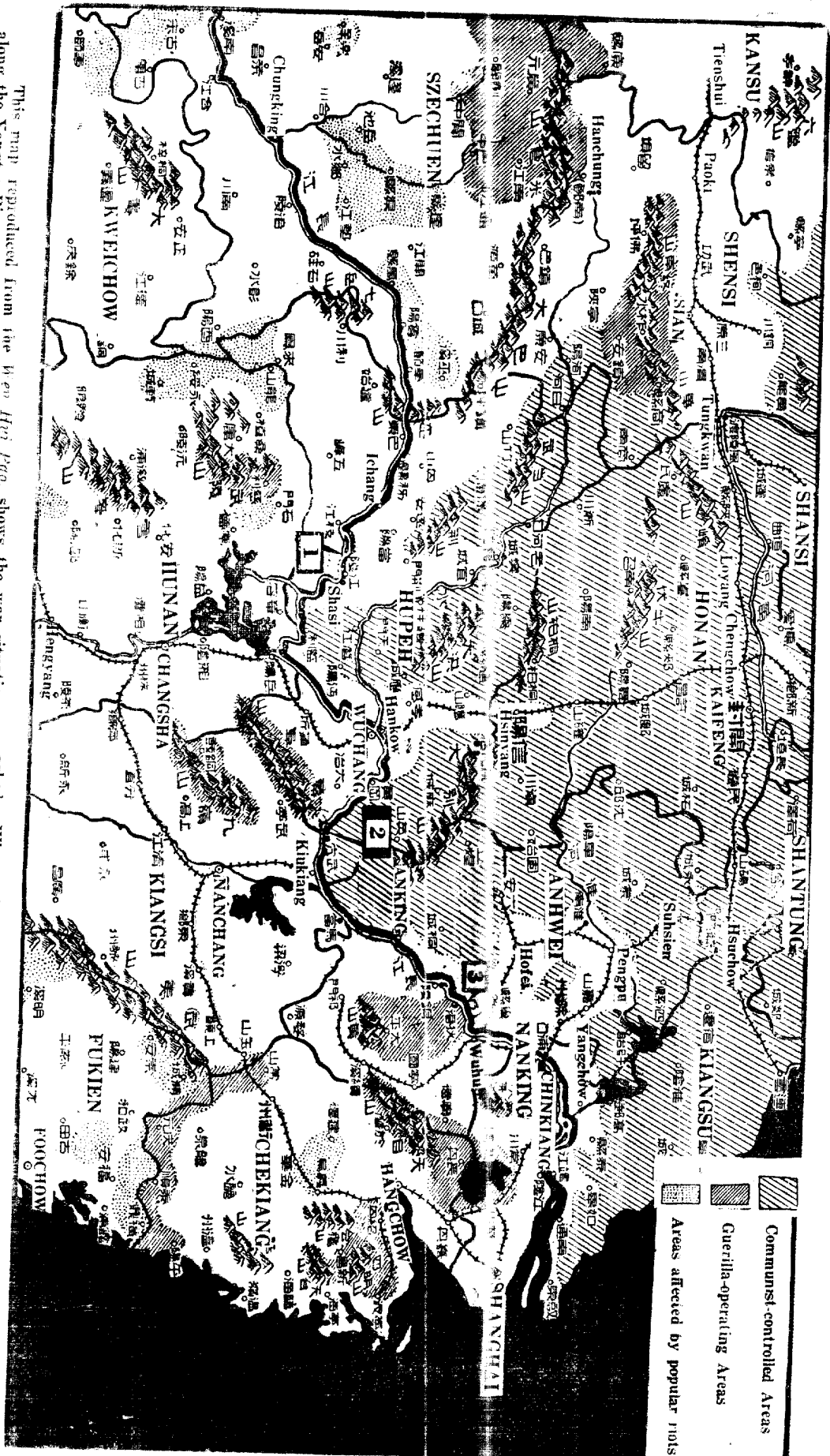
In the face of the growing Communist threat, Government agencies in Nanking, including military organs, were busy evacuating their personnel and archives. The Ministry of National Defence and the Gendarmerie headquarters were the last military organs to slash personnel to a minimum. The National Defence Ministry planned to move to Canton and the Army headquarters to Shaokwan.

It is said that Navy commander Kwei Yung-ching, responsible for river defense, and General Tang En-po, Shanghai-Nanking garrison commander in charge of defense of the south bank of the Yangtze, were at loggerheads on this point. Kwei is said to have suggested that without a task force on the north bank, it would be difficult for his naval vessels to check the Communists in their crossing attempt. In the light of the Government plan to abandon positions north of the Yangtze River and concentrate the defenses south of the Yangtze, the government is grappling with the problem whether or not to leave a small force on the north bank to harass the anticipated Communist crossing operations and to defend main ferry points.

Battle For Yangtze

COMMUNIST forces under the command of General Kung Chung-chow are reported to be advancing on Tangyang, about 180 miles west of Hankow, on the Hankow-Ichang highway. The force is estimated at 40,000 men and is not expected to meet much opposition at Tangyang, where there is only a small Government garrison. Chinese

Where Will The Reds Cross The Yangtze?



This map reproduced from the *New York Times*, shows the war situation along the Yangtze River as of January 1. Since that time, Pengpu, important strategic gateway to Nanking, has fallen, and the Nationalists are giving up their positions north of the Yangtze in order to keep their fighting strength intact for future use.

It will be readily seen from the map that the north bank of the Yangtze River, between Ichang in the west and Shanghai in the east, is under direct Communist threat, while along the south bank scattered Communist irregulars are reported to be active, particularly in south Anhwei. The question is being

asked: Where will the Reds cross the river?

Only time will be able to give any correct answer to this question. But historical experience may offer some light. (1) on the map shows where the Reds crossed the river at Shasi to establish their guerrilla areas in the Wuiling mountains. They are still active on both banks there. (2) indicates the point where the Reds crossed at Wuhshu in the middle thirties and established guerrilla areas in the Wuiling mountains. (3) shows where the Reds crossed the river at Ichang during the Sino-Japanese War and established their guerrilla base in the Hsueh Shan.

sources interpret the movement as the first stage of a drive toward the Yangtze, with the object of crossing the river, cutting the Hankow-Canton Railway and encircling the Wuhan cities. Some observers, however, are not prepared to accept this view until it is supported by further evidence. They point out that Communist movements have taken place in this region for many months and the Ichang highway has been unusable through Communist occupation or threats to points along the line.

Military circles in Hankow interpret the renewed Communist activity in northwest Hupeh as an attempt to engage a Nationalist force which might be transferred down the Yangtze to reinforce the Nanking front. The plan has apparently succeeded in that the Nationalists have despatched what is claimed to be a large force to this region, which has recently been only lightly guarded. The Nationalists officially admit Communist occupation of Siangyang and Fangchen along the Han River.

Well-informed observers hold that large-scale fighting in Hupeh is expected shortly once the Communists start their drive on Nanking.

* * *

Mao's Terms

COMMUNIST leader Mao Tze-tung in a Chinese language broadcast on January 14 made public an eight-point peace program. Mao said that the Communists were ready to negotiate with Nanking or with any other regional Nationalist forces or authorities on the basis of the program.

The eight conditions raised by Mao are as follows:

1. That the war criminals must be duly punished.
2. That the bogus constitution must be abolished.
3. That the bogus political system must be terminated.
4. That all the armies must be reorganized in accordance with democratic principles.
5. That bureaucratic capital must be confiscated.
6. That agrarian reforms must be implemented.
7. That all treaties betraying the nation must be abrogated.
8. That a Political Consultative Conference be convened without the participation of reactionary elements in order to set up a new democratic government and take over the existing Kuomintang Government, national and provincial.

Commenting on Nanking's peace overtures, Mao said among other things: "The Chinese Communists consider this proposal a false one because Chiang Kai-shek has mentioned in his statement that the bogus constitution must be preserved, together with the bogus political system and the reactionary armies of the Kuomintang. These demands can never be approved by the people. So they cannot serve as a basis for resuming peace talks. They are really terms for continuing the war, not conditions for peace."

Nanking's Reaction

BY the time of writing, Nanking had not yet made any formal reply to Mao's peace terms. Generalissimo Chiang Kai-shek was reported to be busy conferring with top Kuomintang officials and leaders of other minor parties before making up his mind as to what to do. It is generally believed that most of the Government leaders would like to arrange for a cease-fire before reopening peace talks. In short, what Nanking wants is a freezing of the Communist armies in their present positions so as to allow time for some horse trading.

The right wing of the Kuomintang is reported in the press to favor fighting to the bitter end on the grounds that the Chinese Communists lack sincerity, as evidenced in their terms, and that to negotiate peace on such terms would mean complete surrender for the Kuomintang. However, these die-hards are said to be in the minority.

The peace movement is steadily gaining ground. It is believed that even rank and file Kuomintang members want peace and are getting impatient at the delay in making direct approaches to the Communists.

In this connection, a *Reuter* story dated January 12 from Nanking makes interesting reading:

"Rank and file Kuomintang members are becoming increasingly impatient over Dr. Sun Fo's cabinet's so far ineffective movement to obtain a negotiated peace with the advancing Communists. Direct negotiations to end the conflict—thereby fulfilling the popular desire of the war-weary masses—now seemed supported even by the Control Yuan. Although the popularly-elected Control Yuan possesses no executive or legislative authority and has only power to impeach, it has taken the initiative in furthering the Government's peace offensive by urging its own government and the Communist leaders to get together and reach a cease-fire. This move, together with the support given by many legislators not only furthered the peace offensive but also bolstered the peace-making faction in Sun Fo's policy-making inner cabinet...."

* * *

Trade With Reds

NOW that Tientsin has fallen into Communist hands, the entire world is watching to see how the Chinese Communists are going to get along with foreigners. Fragmentary reports from Tientsin stated that the Red occupation force had promised full protection for the lives and property of foreign nationals there. It was further disclosed that the conduct of Red soldiers and their attitude toward foreigners is "satisfactory."

British business firms in Hongkong with branches in Tientsin are "sitting tight", waiting to see how well Communism and capitalism are going to get along in the recently-captured port city, the *Associated Press* reported. British interests in

Tientsin, it is understood, are larger than those in any other city. Underlying this attitude is a desire to carry on under Red rule if at all possible.

One British shipping company executive told *AP*: "We will resume our shipping service to Tientsin just as soon as we have assurance from local authorities that law and order have been re-established." He added that matters of exchange, customs and other formalities would have to be cleared up before business could be resumed.

According to *AP*, British business generally seemed to feel that the reported "exemplary" conduct of the Communist troops entering Tientsin augurs well. In the opinion of one British businessman, "It shows the Communists want to make a good impression on the outside world."

* * *

Hands-off Policy

IN spite of General Marshall's resignation, political circles in Washington believe the United States will stick by its current hands-off policy in China. It is thought unlikely that the new Secretary of State, Dean Acheson, will make any change in this policy. It is further pointed out that events are moving so fast in China that it is difficult as a practical matter to see how United States policy could be changed. The latest evidence of America's aloofness came with word that the United States had politely but firmly turned aside a bid by the Government of Generalissimo Chiang Kai-shek for intervention by the great powers to try to make peace in China.

On the subject of American aid to China, Chairman Bloom of the House Foreign Affairs Committee said: "I want to help China, but first they have got to show me it is helping China and not the Communists." He expressed the opinion that at least part of China still can be saved from the Communists, but only if Generalissimo Chiang Kai-shek is replaced. According to *UP*, Bloom told reporters emphatically that it was necessary to "kick out" Chiang and his "gang with him" and to replace them with a strong leader behind whom China will be willing to fight.

Meanwhile ECA announced it had suspended four shipments to China because of the Communist occupation of North China ports. It said adjustments were being made because of the "physical impossibility" of unloading supplies at Taku Bar, which serves Tientsin and Peiping.

ECA also announced that further flour shipments to China were not being made at this time, and some ships currently afloat are scheduled for diversion.

It was disclosed that since December 14, when the Communists entered Tangku harbor and the defending military forces commandeered all available lighters, the continuing flow of ECA financed flour and wheat has had to be diverted to ports further south. As much as possible has been put into Tsingtao, which now has a stockpile of some 400,000 tons.

Chinese Magazine Roundup

Outlook

THE *Outlook Weekly* of January 15 carries a highly interesting and informative article by Professor Wang Ti-ai, analyzing Chinese policy toward the United States. According to Professor Wang, who is dean of the political science department at Peita University, Chinese policy toward the United States has been based on one fundamental principle—to seek American aid.

Professor Wang points out at the very beginning of his article that China's foreign policy as a whole has been a passive one and this is particularly the case so far as Sino-American relations are concerned. "In a nutshell, Chinese policy with respect to the United States during the past several years consists in reliance on the United States," he says. "The reason the Chinese Government wants to rely on the United States is that Nanking hopes to obtain aid from Washington. As a result, China's foreign policy is a pro-American policy."

"Congressman Mansfield once said that the Chinese Government was counting on continued aid from the United States, and this kind of sentiment had destroyed any initiative that Nanking might take. We wonder how every self-respecting Chinese feels about Mansfield's statements."

However, Nanking's pro-American policy in order to secure aid from Uncle Sam is closely connected with China's internal politics, Professor Wang believes. "Generally speaking, diplomacy is a continuation of internal politics," he explains. "This is particularly true of American aid, which has profoundly affected China's home politics. Nanking's dependence on Washington has made it possible for the United States to interfere in China's internal affairs. So far as China is concerned, the aim of securing aid from the United States has been to utilize foreign assistance to solve China's internal problems. As a result, all domestic measures the Chinese Government has taken have been subordinated to the prime consideration of securing American aid."

"The extension of American aid to China first started in the early years of China's war of resistance. But in the opinion of Professor Wang, there has been some change in policy. "The year following the outbreak of the Sino-Japanese War, the United States extended a loan of US\$2,500,000 to China through the Export-Import Bank," he recalls. "Later on, as much as US\$140,000,000 was lent to China in a single year. The flare-up of the Pacific War hastened American aid to China in the form of lend-lease supplies and services and loans. However, it must be pointed out that American

aid at that time was quite different in nature from the aid Washington has given to Nanking since VJ Day. Before the Pacific War, American aid to China was designed to bolster the global fight against aggression. After the outbreak of the Pacific War, American aid to China was a kind of common fight against the aggressor. During the last few years of the Pacific War, the situation was changed. The Chinese Government simply passed the buck to the Allies and wanted them to do the fighting. As a matter of fact, American aid under such conditions became a tool for playing dirty politics and the Chinese authorities considered it their capital with which they carried on the civil war. The Stilwell Affair offered conclusive proof of this change, which was accelerated by the appointment of Patrick Hurley as American Ambassador in Chungking. The more Washington gave to China, the more China hoped to receive. Thus, Chinese reliance upon the United States has become all the more profound. This is the reason why Nanking has pursued an out-and-out pro-American policy during the past three years."

* * *

PROFESSOR Wang then makes a study of the changes which US policy in China has undergone since VJ Day, saying: "President Truman issued his statement on China on December 15, 1945 and General Marshall was sent to China to mediate in China's civil strife. Marshall failed and returned home. Truman issued his second statement on China on December 18, 1946 and Washington adopted a wait-and-see policy. However, this policy began to change at the end of 1947. Concrete indications were Congressional passage of economic and military aid to China . . ."

According to Professor Wang, it was this change in American policy that made Nanking's leaders hopeful and bold in securing American aid. "The 18th Congress was dominated by the Republicans," he states. "On the other hand, it appeared certain that Republican presidential candidate Thomas E. Dewey would be elected into the White House. Many Republican politicians made a big issue of American aid to China and launched violent attacks against Truman on this point. The Republicans promised in their election campaign to give greater aid to China. Under such circumstances, Nanking's policy of securing American aid was greatly strengthened. . ."

"Vice President Chen Li-fu went to the United States to build up contact with Dewey and General Chang Chun went to Japan to confer with General Douglas Mac-

Arthur. Foreign Minister Wang Shih-chieh took advantage of his presence in Paris to meet General Marshall and John Dulles. Similar preparations were made in home politics as evidenced in public opinion and inspired clamoring. It was demanded that China's foreign policy be clarified by abrogating the Sino-Soviet Treaty of Friendship or even severing diplomatic relations with Russia. At the same time, American aid on a large scale, military as well as economic, was called for. It was even suggested that an all-out alliance be concluded with the United States. Moreover, there was much talk about a Chinese-Japanese-Korean alliance in line with the American policy of building up Japan, hoping to lay the foundation for a Marshall Plan for the Far East.

"In addition, internationalization of China's civil war was much in the air. President Chiang Kai-shek in his capacity as chief of State stressed that the fighting in China was a national war to resist foreign aggression. The implication was quite clear: China's war was part of the global fight against aggression. In other words, Nanking wanted to develop its civil war into a third world war. Plans and preparations were many-sided and varied. But to sum up, their common objective was to secure American aid. All the plans and preparations were expected to come into the open and materialize the moment Republican Dewey was elected President of the United States. . ."

"Unfortunately, the unexpected results of the presidential election in the United States spoiled the whole show and dashed Nanking's hopes to the ground.

"The re-election of Truman brought about a new change in American policy. American aid to Nanking was cut down instead of increased. The series of reverses on the economic, military and political fronts made it impossible for Nanking to adopt a wait-and-see policy. Some change had to be made. The Chinese ambassador in Washington made open appeals for help. The Generalissimo sent a personal SOS to Truman and the Mississio took all the trouble to proceed to Washington to present the case. . ."

"In order to secure outside aid, concessions were promised. American marines in Tsingtao were encouraged to stay. South China was designated as a sphere of influence. China's inland navigation was to be opened to foreign shipping and internationalization of Shanghai was suggested. It was further stated that American supervision over China's military and economic affairs would be accepted in return for American aid. In short, American aid is being sought at any price."

US Magazine Roundup

Far Eastern Survey

HARLAN Cleveland, Director of the China Program in the Economic Cooperation Administration and onetime head of the UNRRA program in China, reports on ECA operations in China in the January 12 issue of the *Far Eastern Survey*.

He says: "This aid has not halted the Civil War or solved the Chinese problem—but this should come as a surprise to no one, since ECA did not set out to work a miracle. . . . The China Aid Program submitted to Congress last February was limited in scope. It did not look forward, as did the Marshall Plan in Europe, to the achievement of recovery in a four-year period. It was not presented as something which by itself would or could reverse the trend of China's Civil War."

Mr. Cleveland recalls that when the aid bill was passed more than US\$70,000,000 had already been earmarked for reconstruction projects, leaving around US\$204,000,000 "to finance the whole of the deficit in China's international balance of payments." China's deficit, he points out, was "nearly twice that figure."

The ECA administrator continues: "Since China's most obvious economic problem was inflation, there were some who hoped that imported goods bought with ECA's money could soak up enough Chinese currency to make a real difference in the inflationary pressure. A close study of the facts showed that this idea was a lovely mirage. . . ."

"Since there seemed little point in trying to cover a manhole with a saucepan lid, ECA set out to help the Chinese people and their economy in certain limited ways, the effectiveness of which could be reasonably assured. The entire program of commodity imports—\$204,000,000 out of \$275,000,000—was boiled down to four items: food, cotton, petroleum and fertilizer. By the end of November 1948, about half of this commodity program had been delivered to China, and five-sixths of it had been 'authorized,' only about \$30,000,000 remaining uncommitted."

Mr. Cleveland says the food rationing program operating in the seven cities of Peiping, Tientsin, Tsingtao, Shanghai, Nanking, Canton, and Swatow, "has been a really major factor in alleviating unrest in China's main urban centers" and "has generally delivered food to the people who were supposed to get it."

ECA's cotton program, he declares, "has been the major factor this fall and winter in keeping textile mills going. The resulting yarn and cloth has been earmarked to barter for food in the countryside, to distribute on the domestic market in the cities, and to earn foreign exchange by ex-

portation, primarily to southeast Asia."

Petroleum supplied by ECA was designed "to revive utilities and transportation and keep the wheels turning in China's major centers." Mr. Cleveland continues, and it is hoped that the fertilizer can be used for spring crops in 1949, although none had actually arrived by November 1948.

All commodities, with the exception of food, he points out, "have reached China through private channels" in order to make maximum use of private companies.

In the case of industrial reconstruction, Mr. Cleveland reports, the program "placed major emphasis on 'replacement' rather than 'reconstruction,'" since "long-range reconstruction seemed to require more optimism than it was possible for either the Chinese or US industrial specialists to muster."

The program, as finally adopted, "included only US\$25,000,000 worth of new reconstruction or development, US\$35,000,000 for replacement assistance and US\$7,500,000 for engineering services and reserves—a total of US\$67,500,000. (The other US\$2,500,000 was set aside for rural reconstruction.) Most of the projects were for basic industry and transportation—approximately US\$17,250,000 being allotted provisionally for power plants, US\$11,000,000 for coal mines, US\$13,500,000 for railroad rehabilitation, and US\$5,500,000 for fertilizer manufacture."

The rural reconstruction program, Mr. Cleveland states, is still in the planning stage, with the Joint Commission on Rural Reconstruction at the end of November "hard at work developing a broad program, without knowing just what lay ahead."

In evaluating the ECA program, Mr. Cleveland concludes: "In the economic aid program as far as it has gone, there have been certain elementary benefits attributable to the ECA dollar. People and institutions that needed help have been getting it. Even at the halfway mark of this one-year program, it had contributed within limits to stability of urban conditions in a manner difficult to measure but easy to see—especially on the score of food supply and textile production.

"But an aid program can have at best only a marginal effect on the situation within China. Military disintegration and political disaffection proceeded so rapidly during the second half of 1948 that perfect performance on the economic front probably could not have made a substantial difference in the outcome at Mukden or Hsuechow. And in spite of a reasonably successful start on the aid program, the overall economic front has been deteriorating more

and more rapidly."

The Nation

DONALD W. Mitchell, assistant professor of government at Rutgers University, outlines in the December 11, 1948 *Nation* the deteriorating economic position of college teachers in the United States.

Pointing out that few people realize the gravity of the financial crisis now threatening higher education, Professor Mitchell explains that well-qualified young men are being forced to leave the colleges to enter other lines of work. The colleges, short in funds and staff, are overloading teaching schedules, thus reducing both the efficiency of the instruction and the attention that can be given to the individual student. The Central Association of Colleges and Universities in May 1948 released statistics which showed that professors' salaries since the end of the war have risen less than half as much as living costs, one-third as much as the general wage level, and about one-fifth as much as the nation's per capita income. Another survey taken at Rutgers University revealed that 65 percent of the faculty found it impossible to live on their pay. They were forced to borrow and take on additional work, and still could not keep up with high living costs.

While a few universities have tried to make some adjustment in teachers' pay to keep up with living costs, in the great majority of colleges, the author says, "an instructor enjoys an income approximating that of a dish washer or day laborer. An assistant professor makes about as much money as a truck driver. And many a full professor in a large university receives less than a mason or carpenter."

The blame for this situation cannot be placed entirely on college administrators or faculties. The real problem, according to Dr. Mitchell, is that of finding additional sources of support, and one such obvious source is the federal government. Unlike other modern countries, the United States Government has paid little attention on a national scale to education, and is, in fact, the only large country which does not have an official of Cabinet rank for educational matters.

"No measures taken to solve the critical problems of higher education will bear fruit at once," he concludes. "The caliber of faculties has declined too far. But raising salaries from 50 to 100 percent above present levels should halt the disastrous drain of ability from college classrooms, shorten our educational Dark Age, and hasten the day when truly higher education can be offered by institutions throughout the United States."

What Chinese Papers Say

A SERIES of news stories sent out recently from Nanking by a certain news agency is understood to have given many a headache to the Government authorities. Kuomintang-controlled papers complained that foreign correspondents were unfair in their press coverage of the Nationalists. The problems facing President Truman also were discussed.

Rumor Offensive

THE Kuomintang organ, *Chang Yang Jih Pao*, charged that the recent circulation of "strange, unfounded and ridiculous rumors" in Shanghai and Nanking originated from certain news dispatches sent out by the correspondents of foreign news agencies in China. The paper expressed regret that foreign correspondents should have acted this way when the Chinese Government has given them the greatest degree of freedom and all possible facilities in gathering and dispatching news stories.

"We may safely say no other country at war would give such freedom to foreign newspapermen," the paper said. "The difference is all the more marked if a comparison is made with the situation in Communist-held areas..."

The paper said there were certain things it could not understand about the attitude of foreign correspondents: "The first is that, though foreign newsmen in China enjoy the greatest freedom, they are still captious enough to charge the Government with having failed to respect freedom of the press. Secondly, they often abuse the freedom they are enjoying in Government territory by picking up bits of gossip, without taking the trouble to check on it. In so doing, they not only have ignored the ethics of journalism but also have displayed a lack of sense of responsibility. They fail to realize that truth and accuracy constitute the basic principle of news reporting and that false and inaccurate dispatches undermine freedom of the press.

"While faithful reporting should be the correct attitude and the prime responsibility of the journalist," the editorial continued, "it is also necessary that he distinguish right from wrong and possess a sense of justice and fair play. For example, it is an irrefutable fact that the Chinese Government fully respects freedom of the press, while the Chinese Communists enforce news blackouts and deprive newspapermen of their freedom. And yet, in foreign papers we often read articles from correspondents in China accusing the Chinese Government of interfering with their freedom. It is difficult to find any article like the one recently written

by a AP correspondent who was expelled from Communist territory. This clearly reflects a lack of justice and fairness.

"We do not think there is any evil motive behind the false reports and unfair comments made by foreign correspondents. We feel that the principal cause for this regrettable state of things is lack of a full understanding of the actual situation in this country. As a result, correspondents become easy victims to Communist propaganda. In order to preserve the sacred principle of freedom of the press, we would like to advise our foreign colleagues to be impartial and accurate in their news reporting, and to be on the alert against malicious rumors."

Truman's Problems

THE independent *Ta Kung Pao* was of the opinion that President Truman is facing a lot of serious problems. "In the field of home politics, there are the proposed abrogation of the Taft-Hartley Act, enactment of the Bill of Human Rights, curbing of inflation, enforcement of price control, etc.," the paper said. "In short, Truman has to fulfil the promises he made in his election campaign. If Truman is really anxious to do something by this time, the present Congress will no longer constitute a stumbling block. If he is still incapable of making great achievements, the present Congress will not be made a scapegoat for his failure. The people want peace and progress. This is the reason why they rejected the Republican Party. It is up to President Truman and the Democratic-dominated Congress to show the people what they can do."

In the field of international relations, the paper said Truman has to tackle such problems as additional appropriations under the Marshall Plan, military aid to foreign countries, signing of the North Atlantic Pact, termination of the cold war with Soviet Russia and achievement of peace. "The American electorate voted for Truman because the Republicans appeared to be more war-minded than the Democrats," it explained. "The common people in America are not well acquainted with the complicated political situation, but they have a general desire for peace. They have an overwhelming hope that their sons will not be called upon to fight another war. It was for this reason that they elected Truman. Then, the question arises: How is Truman going to honor his obligations?"

"The most important event since the re-election of Truman has been the resignation of Secretary of State Marshall and the appointment of Dean Acheson as his successor. At the same time, Lovett from Wall

Street was replaced by the economist Webb. The most patent impression made by this change in personnel is that both Acheson and Webb are not military men. In the past few years, American military leaders, with the backing of financial interests, have virtually controlled the Government. So far as foreign relations are concerned, the State Department and the General Staff have become a single entity in shaping American policies. Much as we hold the military leaders in high esteem, it must be pointed out that diplomatic maneuvers are different from fighting on the battlefield. The new appointments, therefore merit attention...."

The paper concluded that Truman's real problems in a nutshell are how to speed up national recovery and world peace.

Southeast Asia

IN view of mounting unrest in southeast Asia, the *Shun Pao* suggested that the peoples in Asia unite in a common fight and that an "Asiatic Alliance" be concluded.

"The crisis in Southeast Asia has become increasingly worse with the revival of the conflict between the Dutch and the Indonesians," the paper said. "Nobody can deny the fact that the peoples of Southeast Asia look upon imperialism as 'harsh government' and Communism as a 'fierce tiger'. If the Asiatics are not given a chance to defend themselves and save themselves, it is quite clear what action they are going to take, because harsh government is worse than a fierce tiger, as the old proverb says."

The paper then proceeded to analyze the current situation in Asia, saying: "The peoples of Asia have been thoroughly awakened by the sweeping changes of the present age. Politically, they demand independence and freedom. Economically, they also ask for freedom and equality. It is hoped that the powers of the world will have sense enough not to treat the Asiatic countries as their colonial possessions. Otherwise, the situation will deteriorate.

"In the second place, the peoples of Asia are being threatened with two menaces: Communism and imperialism. But they suffer less from Communist infiltration than from the deep-rooted imperialistic oppression. The charge made by the *London Times* that the nationalist movement in Asia is being exploited by Moscow sounds rather unconvincing to the peoples of Asia.

"Lastly, there is actual need today for a regional security machinery for Asia. But this machinery must be set up by the Asiatics themselves in the form of an Asiatic alliance."

What US Papers Say

WILLIAM C. Bullitt's report to Congress on his trip to China received a good deal of attention in American editorials. Space also was devoted to the strikes in Japan and the appointment of Dean Acheson to replace George C. Marshall as US Secretary of State.

* * *

Not Practical

A *Washington Star* editorial titled "Mr. Bullitt's Report," said: "William C. Bullitt's testimony before the joint Senate-House Committee on foreign economic cooperation makes grim reading. Just returned from an investigatory mission in China as the committee's special emissary, he recommends virtually all-out aid to the forces still under the command of Generalissimo Chiang Kai-shek as the only way to avert not only a Communist conquest of the whole of China but also an eventual Communist sweep throughout most of Asia, with ultimately disastrous consequences to the entire non-Communist world, including ourselves.

"The thesis represents a point of view long held, not only by Mr. Bullitt but also by other qualified observers of Asiatic affairs, including some high officers in our armed forces. It appears, however, to be a minority view, not shared by the Administration and not backed by the bulk of American public opinion. As seen in this country, Chiang Kai-shek and his regime are fatally undermined and discredited. The logical conclusion is, therefore, that 'aid' to Chiang, in the accepted meaning of that word, would come too late. Implementation of the Bullitt policy would require vast expenditures in money and materials which could not be made on top of our present foreign commitments unless the country were placed on virtually a war footing, with greatly increased taxation and imposition of drastic controls over our economic life.

"There is nothing to indicate that either the Administration or the new Democratic-dominated Congress believes that such emergency measures are either necessary or practicable. Certainly, public opinion would balk strenuously at the prospect of the attendant sacrifices unless our official spokesmen declared them vital to our national security. Thus, whatever else may be said of it, the Bullitt report is not 'practical politics.'"

The *St. Louis Post-Dispatch* stated: "William C. Bullitt's emphatically extreme views on our Chinese relations are well enough known to be discounted by almost everybody. Still, it is a little amazing to hear him, on his recent return from China, urging the United States to send Gen. Douglas MacArthur—or one of

several other generals if MacArthur is unavailable—to take command of Chiang Kai-shek's disintegrating forces. In the same vein is his plea for a revival of the Flying Tigers aid squadron. Moreover, according to a London *Economist* correspondent, it was Bullitt who inspired Mme. Chiang's uninvited visit to the United States to beg for more billions.

"Just how far does the man believe this nation can go without becoming a full-fledged participant in a war? Or is that how he wants it?"

"The apparent hopelessness of the Chinese situation certainly does not add to the persuasiveness of these unrealistic recommendations, but it does make them all the more amazing."

* * *

Strikes In Japan

RUSSIAN criticism of General MacArthur's suggestion that the Japanese not allow strikes against Government was the subject of a *Washington Post* editorial, "Japanese Strikes."

The *Post* said in part: "Philippine Ambassador Romulo had the Russians' number when he accused them of seeking to use the Far Eastern Commission as a 'springboard for propaganda.' There can be no other interpretation of the persistent Soviet attempt to censure General MacArthur for suggesting to the Japanese last summer that strikes against the Government be prohibited.

"By this vote the commission members did not indicate approval of the law enacted by the Japanese Diet on November 30. That law forbids strikes against the Government as well as collective bargaining by Government workers—though workers can engage in what is tantamount to collective bargaining with the national personnel authority, except that they cannot use the strike weapon. These restrictions apply to the broad class of public servants; in certain Government-owned corporations workers retain full bargaining and strike rights. Such procedure is similar to that followed in the United States. . . . Our own belief is that considering the stage of development of Japanese trade unions and their susceptibility to subversive influence in foreign-directed efforts to upset the Government, the law adopted by the Diet is reasonable.

"However, the merit of this law, which is still to be discussed in the Far Eastern Commission, was not the issue. . . . The question was simply whether General MacArthur was within his authority in making the no-strike suggestion to the Japanese Government. Clearly the commission felt that he was."

Acheson Welcomed

A *New York Star* editorial commented favorably on the appointment of Dean Acheson as new US Secretary of State. The *Star* said: "Everybody on earth, including the President, is insisting that appointment of Dean Acheson as Secretary of State means nothing new, American policy toward Russia hasn't changed and won't change. We are going to be tough as ever, no 'softness.'"

"All of which may be true enough. While Acheson in his early days in the State Department was rated with the group that was not unfriendly to Russia, he has taken a far stronger line in recent years. As Under Secretary of State, he called Russian intentions 'aggressive' in his testimony before Congress on aid to Greece. He might justly be called one of those who contributed to the development of the cold war.

"Yet when all this is said, the fact remains that something has happened in the Administration's approach to relations with Russia. The President has placed the State Department back in the hands of a New Dealer, not a flaming one to be sure, but a New Dealer nevertheless. He placed it in the hands of a man experienced in diplomacy. . . . And serving to emphasize at least a new look is the departure of Under Secretary of State Lovett.

"Most important of all, the President has made a sharp break with his habit of turning to generals whenever he had a hard job to fill. That in itself is profoundly important and surely must serve as a warning that foreign policy is to be returned to where it belongs—the White House and State Department—instead of the Pentagon.

"All this is said without the slightest disrespect for the character and integrity of Secretary Marshall, whose place in history has long since been made secure.

"The meaning of Acheson's appointment also will not escape intemperate members of the House Committee on Un-American Activities. They can, if they want to, read into the appointment a reiteration of the President's 'red herring' estimate of the committee's work.

"Acheson is known to favor a strong policy toward Russian 'aggression,' but he does not belong among the blind Russophobes who have been riding high and often roughshod. As a lawyer, he represented Lauchlin Currie, former presidential assistant, when Currie was under fire of the Thomas Committee because Elizabeth Bentley had mentioned him as a possible source of some of her information."

The Review's English Lesson—LXVII

This week, it gives us great pleasure to present a contribution from one of our Shanghai readers, Mrs. Huang, who sent in, not simply a collection of phrases of whose meaning she was unsure, but a complete lesson. Mrs. Huang sent a letter with her lesson, in which she said, "I think your lessons have become too stereotyped, sticking too much to the formula of choosing a paragraph.....and explaining the colloquial terms contained therein. They do not strike at the basic faults common to most of the Chinese students of English." Perhaps Mrs. Huang is right; it would be interesting to have other readers' ideas on this. Who knows, we might possibly receive more English lessons; for Mrs. Huang, and others who send in ideas for this page, our thanks.

CLARITY in writing English is the most important quality to strive for. It is much more necessary than beautiful, or "fine", writing, since, in written language as well as speech, the essential thing is to make oneself understood. No matter how beautiful the phrase, if the meaning is obscure, the effort has been wasted. First try to master the art of writing simple, clear sentences; a more polished style will come later, through practice and study.

Whenever possible, students should try to express their meaning in simple sentences, consisting of one main clause. "It is raining" is a simple sentence, expressing a complete idea; one can more fully describe this simple fact, as for example, "Last night, it rained quite heavily in Pootung." This is still a simple sentence, built around the central and complete idea, "it rains."

After the student has mastered the simple sentence, he can study compound sentences, which consist of two or more main clauses joined by conjunctions. There are many coordinating conjunctions (which join two independent clauses), the most common being "and", "but", "or", "however," and "therefore." Compound sentences are easy to write after one has mastered the idea of the simple sentence; they are really two simple sentences joined by the proper conjunction. Afterwards, complex sentences should be studied and practiced. These are sentences composed of one main clause (i.e., complete idea, with subject and predicate) and one or more subordinate clauses.

While a simple sentence and a main clause have a beginning and end, a subject and predicate, and express a complete idea, a subordinate clause is incomplete. It has only "one leg," so to speak; it must always have a main clause to hold it up, as it cannot stand alone.

Let us begin a well-known story, using simple sentences: (You will notice that the use of the simple sentence throughout any extended piece of writing would easily produce boredom in the reader—hence the compound and complex sentence, which give variety and interest.)

Once there lived a little girl. Her name was Little Red Riding Hood. She always wore a red hood. She wore it outside the house. So she was called Little Red Riding Hood.

Although the style is choppy and monotonous, it illustrates the idea of the simple sentence: each sentence has only one idea, one subject and one predicate, with no linkage of clauses by conjunctions. These sentences could be written thus:

Once there lived a little girl whose name was Little Red Riding Hood. She was called Little Red Riding Hood because she always wore a red hood when she went outside the house.

In the first sentence above, the first clause expresses a complete idea, which is, "girl lived." The second group of words in the sentence also expresses an idea, "name was." However, a sentence cannot be made out of the words, "Whose name was..." or "Name was..."; it must be linked with the preceding, main, clause by the relative "whose." This shows that out of the millions of persons or objects, the "name" is that of "girl", and not the big, bad wolf's, or grandma's.

Similarly with the second sentence, the first group clearly establishes one idea: That "she" (the little girl) "was called Little..." The second group of words is introduced by "because"; this group also sets forth a simple idea: "She wore" and a second: "She went." This clause is a dependent clause, because it explains the reason for the first statement. Why was she called...? Because...

Do not make a habit of beginning sentences with conjunctions, although this is sometimes done to good effect by a master of prose. "Conjunction" means "joining with"; conjunctions should always join two parts, not at the head, of a sentence.

A bad habit formed sometimes is that of joining phrases to clauses in an endless succession, like a badly jointed worm, and about as attractive. Avoid such monstrosities as, "And then we came to the bridge, but when we found it had caved in, and there was nothing to do but wait, so we did for a while, then night fell, still we didn't want to go back..." This would be better rearranged in some such manner as, "When we came to the bridge, we found that it had caved in. As there was nothing to do but wait, we sat until night began to fall. We were reluctant to go back... etc." The next time you write something in English, read it over afterward, sentence by sentence. Check to see whether each sentence expresses one complete idea, or two ideas logically related. Choose conjunctions with care; it might be helpful to make a list of the commoner ones and have it handy when you write. Be careful not to say, "The rain had stopped, then we did not go," when you mean "The rain had stopped, still (or but) we did not go."

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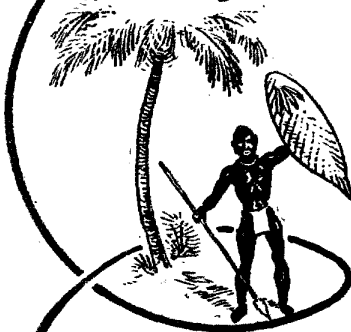
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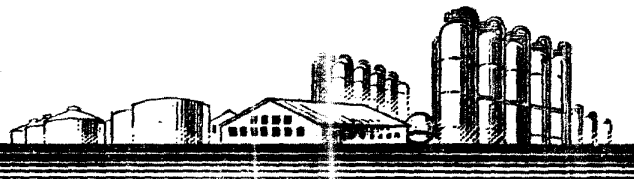


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January 29, 1949

THE WAR WILL GO ON

AN EDITORIAL

Bitter Pill Of Mao Tse-tung

Andrew Roth

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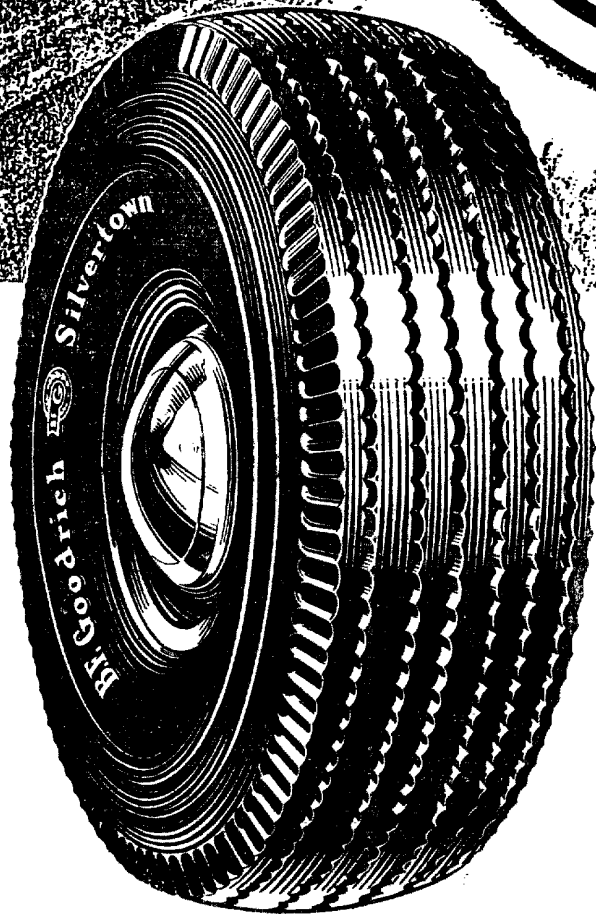
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AN EDITORIAL



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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

No Faith In Bonds

To the Editor:

The Government is planning to float a bond issue of \$100,000,000. We hope it will be successful.

Those who have close affiliations with the KMT and who have received direct monetary benefit from this political party should show enthusiasm by subscribing to this new floating debt. But we *tao pai hsing* should not be deceived, for we have had a great deal of experience in purchasing government bonds.

I have been a staunch supporter of government bonds in the past. Mainly due to my former impeccable faith in the Government, I am now almost penniless and homeless.

During the past two years I bought heavily of the so-called US dollar treasury bonds and believed at that time that the Government would never dishonor its sacred obligation. I thought I was doing my duty by helping the Government in time of need.

Now I am an old man past 60 and will shortly have to retire from active life. What can I do with a handful of waste paper? I am a victim of faith—a faith that made a pauper out of me. Let your worthy readers be aware of my past experience so that they will not make fools of themselves.

Some of my friends laugh at me and think I should suffer the consequence of my confidence in our Government.

Y.Y.L.

Shanghai
January 30, 1949

Eleventh Hour

To the Editor:

From the newspapers here I gather that both your country and England have refused to participate in the peace negotiations, since a "burned child" instinctively "dreads the fire." It is never too late for your country's administration to repent and reorientate its policy. The US has already done the Chinese masses a great injustice for its own imaginary self-aggrandizement.

A Christian country such as yours should have known better long before this. Let us hope that our two countries honestly return to their God-given senses of right and wrong at this eleventh hour.

CHINESE JOHN THE BAPTIST.

Chengtu, Szechuen
January 19, 1949

Father And Son

To the Editor:

When Sun Fo, the son of Dr. Sun Yat-sen, founder of the Republic of China, was installed in office, he announced that he would urge continuance of the Civil War to the very end. Now Sun Fo, who has failed in his attempts to get additional aid from the United States, failed in achieving victory on the military front, and failed in selecting members for his Cabinet, has not dared open the door for peace talks.

Rumor has it that his step-mother, Madame Sun Yat-sen, always has ad-

THE CHINA WEEKLY REVIEW

J. B. Powell

(Editor & Publisher, 1918-1947)

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wised him not to be a traitor to his father, but it is said that he remains silent to such admonitions. What can we expect of him?

I can still remember that when Dr. Sun Yat-sen's last day came, in his faint, breathless voice, he pronounced such wonderful words as "Peace! Struggle! Save China!" These words should be a good motto for us and for the authorities, especially Sun Fo. Dr. Sun's own son should be asked to remember what his good father said on his death bed.

C. Y. L.

Soochow
January 17, 1949

US Blunder

To the Editor:

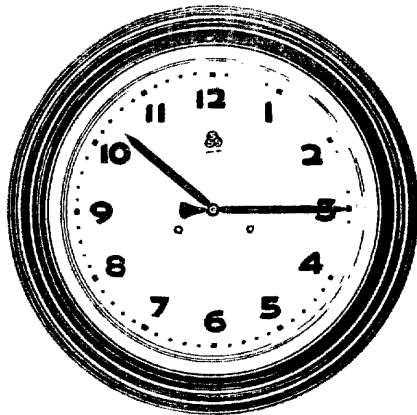
A friend has sent me your editorial of January 17 based, in part, on a *United Press* report of an interview, which report I have not seen except the excerpts you quoted. The excerpts are substantially accurate except the one alleging that I said the ECA has blocked the recovery and military aid programs for China. The truth is this: After paying tribute to ECA for the efficient way in which it has carried out relief work, I stated that our Government itself, particularly the State Department, has systematically sabotaged an effective carrying out of the military aid program which Congress authorized.

Also, it was the Administration, not I, which asked Congress for US\$570,000,000, largely for relief purposes. I opposed any expenditure of American funds unless they were protected by an effective military program. It is the latter which the Administration opposed and even after it was the law of the land, refused to carry out in good faith and with vigor. For example, the President signed the Foreign Assistance Act on April 3 but we could not get the State Department to prepare orders for him to sign to put the military aid program into operation until July 28. (I have copies of the orders if you desire to see them). As a result of such deliberate delay by United States officials, eight months elapsed before any of the ammunition purchased under this program actually got to China. Eight months is a long time to wait when your back is to the wall. (Ask the American Marines who had to wait three months on Guadalcanal)...

The factual errors in your editorials are too numerous to enumerate here. Suffice it to say that what is happening in China is not unexpected by me. It is precisely what I have been predicting in statements, broadcasts and articles for more than five years would inevitably happen if our Government did not change from the ill-advised Stilwell-Marshall policy of trying to force a coalition with the Communists, to one of vigorous and effective aid to the Government of China. I can hardly be held responsible for the failure of the policy I have criticized and predicted would fail.

We gave vigorous and effective aid to France, Italy, Greece, Austria, etc. Otherwise those Governments could not have held out against the Communists' pressures as long as has the Chinese Government. To the latter we did not give vigorous and effective aid, which includes moral and military as well as economic. Instead, our moral aid consisted of almost daily denunciations; and our military aid was largely surplus supplies which had been built up for the war with Japan, were not worth enough to justify taking back to the US, and were not suitable for China's war with the Communists.

When we refused to give "vigorous and effective aid" to the Government of



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China because it was "bad," we were giving decisive aid to the Communists whose rule will prove infinitely worse. Our choice in China was not between a "bad" Government and a good Government—it was between a friend and an enemy. By our default we chose the enemy. Now we will start paying on the terrible bill for our blunder—paying in China, Korea, Japan, Alaska, the Philippines, South-east Asia, England, Holland, etc., plus increased American armaments everywhere.

WALTER H. JUDD.

Washington, D.C.
January 14, 1949

Postage Rates

To the Editor:

While commodity price rises occur day by day the change in postal rates is no exception. We fully sympathize with conditions confronting the postoffice and in comparing them with the rise in other prices they are certainly justified.

Moreover, there is no denying the fact that this branch of the government is efficient and deserves public admiration. However, there is one defect I would like to point out and hope that it can be remedied. Letters are usually detained for a few days by the postoffice because of insufficient postage, brought on by the change in rates, despite the fact that due postage is paid by the receivers of the letters.

In some cases the letters may be quite urgent and delays, which sometimes take as much as a week, may be quite troublesome and make for serious difficulties. I sincerely hope that the postoffice will try to rectify this factor.

CHEN PAO-KONG

Shanghai
January 21, 1949

Misses Magazines

To the Editor:

Since closure of *The Observer*, the most popular magazine in this country, our Government has been making every effort to suppress freedom of speech, although that right is clearly given in our national Constitution.

We wonder why our Government insists on using its power to suppress public opinion. If the Government is a good government, the popular voice will support it, but if it is not a good government, it will be impossible to shift the blame for the Government's shortcomings onto published opinions criticizing the Government.

We students are having a hard time in obtaining good reading material. Magazines like *The Observer*, *The University Review* and *China Reconstruction* are either forced to close or their publication is interrupted. Magazines which are allowed to continue publication are not good and do not satisfy us. Our sole hope is to continue reading your *Review*, but we cannot afford to buy it. Is there any way you could send us a free subscription for three months?

S.C.C.
L.K.T.

Futan University
Shanghai
January 25, 1949

Becomes Dancer

To the Editor:

Recently a friend of mine in Shanghai reported that a former girl schoolmate of the two of us has become a dancer, not because of economic needs but purely out of vanity. While her brother is studying at a university she disregarded the desires of her wealthy father in Nanking and instead of attending a uni-

versity she went to Shanghai to engage in the profession of singing and dancing.

Hearing this, I could scarcely believe what my friend said. I remembered this girl as clever and beautiful, a girl who always looked forward to her splendid future. I can clearly recall her speech, her manner and graceful behavior which I admired. But what my friend told me chilled my heart.

I am not such a stoic as to suppose that every girl desires to be a scholar or even a student but when a girl such as this discards her lessons in order to engage in such an irregular profession—dancing, which is more or less despised in China, I cannot help being regretful.

Aside from this little lesson of the state of conditions in China today, I, as a student, would like information about universities in Communist areas such as Tsinghua and Yenching which recently fell into Communist hands. I wish the *Review* readers would give us some reports about those schools in letters to the editor. I also would like to see special articles dealing with this subject in every issue of the *Review*.

Y. Y. WONG

Nanchang, Kiangsi
January 18, 1949

"Soul Of China"

To the Editor:

The ending of the movie, "Soul of China", it is said, is to promote the patriotism of the people by urging them to serve their government as faithfully as the hero Wen Tien-hsiang served his dull master.

I am not in favor of this, for this picture describes the last days of the Sung Dynasty. I would say that it is more of a reflexion of the weakness of the present government than a pro-

paganda vehicle extolling the government's virtues.

Now we are in the south. We are eaten up with pain and exhaustion from fleeing here and there. We came here to find peace but have only found more suffering. I am afraid that we must suffer more if we go further south. Thus, even if the Reds should come across the Yangtze I will not go a step more.

CHANG YIN-LIN

Honan University, Soochow
January 20, 1949

Sells Blood

To The Editor:

As a result of communist victories in Shantung a certain medical school moved south to Foochow together with a number of its professors and students, most of whose homes were in Tsinan.

One of the students whom I know, who accompanied us from Shantung to Foochow, was completely cut off from any financial help and after using up his last resources began to sell 5 c.c. of his blood at a time in order to have money to buy food.

The chairman of the Board of Trustees of this college is a former minister of finance. His private holdings are estimated to be worth more than US\$2,000,000. He is known all over China and in the United States as a rich man. For what purpose did he assume the responsible post of chairman of the Board of Trustees? Is it right for him to let students in his university go hungry while he hangs on tightly to his money in New York?

LIU SHEN-LING

Foochow
January 15, 1949

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Scientific Spirit

To The Editor:

There were two letters to the Editor in the January 8, 1949 *Review* which touched upon the students problem in China today. One of the authors suggests that there is an abnormal psychology motivating the students and requests the editor to write an editorial, "Whither Shall the Students Go?" The other author complains about the so-called "democratic" and "onward" attitude observed in most students and believes that the fate of China is doomed.

I agree with most of this, but so far as the writers fail to recognize that there is a close relationship between institutions of higher learning, on the one hand, and society as a whole, on the other, I reserve my own opinion.

For reasons not to be discussed here, the Chinese intelligentsia centuries ago lost their love for truth and thirst after knowledge. What they were concerned with was not the pursuit of knowledge or the welfare of the country, but their personal gains or promotions.

This explains why there was no science in the history of the old China before its introduction from the outside. Even

nowadays, though the applied sciences are wholeheartedly welcomed by everyone, philosophy and especially logic, the mother of all science, still has a hard time finding recognition. The scientific spirit is still not rooted in the minds of the majority of students, to say nothing of the people as a whole.

In sociology, we Chinese only recently have endeavored to approach the key problem of human existence: The relationship between the individual and society. Our ancestors left us only an empirical moral code in which sons were subordinate to their fathers, and inferiors to their superiors. Piety and loyalty were the virtues expected to be observed. It was from Western Civilization that we learned to view the problem from a more correct perspective: The relationship between the citizens and the state. A re-evaluation of good and evil is now underway in China and should revolutionize our way of living.

Professor Toynbee pointed out in his exhaustive study of history that when an old civilization decays, the structure of that civilization decays as well. We cannot expect that academic life will be an exception when the old China deteriorates. With the further decaying of the old system we may expect to see even more evils than at present.

There is surely a way out. And this way is to be found through an understanding of historical movements, a new civilization versus an old one. We should pave the way for the coming of that new civilization. It may take decades and its cost may be heavy; but a short cut does not exist.

W. K. SHEN

Shanghai
January 21, 1949

Advice To Mme. Chiang

To The Editor:

A document of the United States Congress was made public on December 16, 1948. In this document there is a passage stating: "We do not mind our suffering and hardships, but if we are to carry on this fight alone, we cannot be certain of precluding all possibility of success on the part of the aggressors. If China should be unfortunately conquered, the Far East will be sovietized and so would Asia and Europe...."

This point of view makes it appear that Madame Chiang is faced with failure in her personal appeal to President Truman and the State Department for more American military assistance for her husband's tottering government. Since Madame Chiang has failed on her mission, it would seem that she should return to China at once. But in fact, she has been in the United States for over a month. What is she doing there?

I learned from a Soochow daily paper that she expects to return this month before the Lunar New Year. Before her return I would like to make the following proposal to her. She need not bother to appeal to America for help but can appeal better to the rich families of her own country. She need not appeal to President Truman and the Secretary of State, but should appeal to T. V. Soong, her brother, and to H. H. Kung, her brother-in-law, to take out part of their funds deposited in banks in the United States and use these assets for the public good.

They would not, I think, be cool to her appeal for funds to stabilize the economy and win the war, Madame Chiang! Dear Madame Chiang! Come back to China soon and take my advice.

K. K. CHOW

Soochow
January 16, 1949

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The War Will Go On

THE current flurry of "peace" rumors shows no sign of abating. In our view there is little reason to believe that the Nanking regime will be able to conclude any kind of a settlement with the Communists short of surrender. From where we sit, all the available facts add up to a picture in which the Civil War will be settled purely by military means.

Many observers, well versed in Chinese lore, speak of such things as the spirit of compromise, the desire to bargain, the ability to "think of a way," etc. Perhaps we are wrong, but it seems to us that these "national characteristics," whether they be inherent in the Chinese as a race or whether they be merely acquired from a feudal environment, will not have much influence on events from here on out. Such "characteristics" may well apply to many members of the National Government, but the Chinese Communists have shown themselves not likely to be bound by traditions or customs unless such are useful or unavoidable. The Kuomintang, meanwhile, has its back to the wall and has little choice in the matter.

If we were in the position of the Chinese Communists, we would insist upon continuing the war until such time as the Kuomintang surrendered or was exterminated. We would remember the past two decades during which the then more powerful KMT hunted us. We would remember the problems encountered during periods when we tried to cooperate. We would undoubtedly blame all past differences and difficulties upon the Kuomintang, but in any event we would be well aware of the obstacles blocking cooperation. We would review our recent string of military victories and, looking at the evidence of Kuomintang weakness, decide that now, at long last, was the time to finish off the enemy.

Being extreme realists, however, we would examine the situation carefully so as to be sure that we were not taking an undue risk in continuing the military campaign. Obviously, the Kuomintang, as it now stands, is incapable of offering any serious threat to our arms. True, it has an airforce and navy and a lot of troops. However, the past six months have shown, be-

yond a shadow of a doubt, that its armed forces are not equal to ours. We would consider the world picture. If there were evidence that the United States was on the verge of immediate active intervention in an effort to stave off defeat for the Kuomintang, we might be inclined to consider the possibilities which might arise. Perhaps a different approach might be needed in order to avoid some incident with America. However, there is no sign of such intervention. America apparently is fed up with the Nanking crowd and has washed its hands of China so far as any worthwhile future support of the Kuomintang is concerned.

We would examine the peace proposals with care, looking over each one, analyzing the source and attempting to figure out the many complex motives behind it. Two months ago, we might have seriously considered some sort of deal with General Fu Tso-yi, since at that time the battle for Hsuehchow was just opening and we weren't exactly certain as to just how much fight the Kuomintang's "crack" armies had left. We needed to get men down from Shantung, Manchuria and any place else where we had them and did not want to be tied down by Fu Tso-yi. Also there was a possibility that Fu might attempt to cut us off once we rushed down to Central China. However, the Nationalist front at Hsuehchow crumbled surprisingly fast and Fu, indicating that he was willing to talk peace, showed no signs of wanting to do battle.

Our military position North of the Yangtze is strong, while that of the Kuomintang is not even strong south of the Yangtze where we have the support of numerous guerrilla bands, some of them of our own organization and some of them spontaneous risings by peasantry dissatisfied with KMT rule. We have captured Tientsin without too much actual fighting while General Fu finally surrendered Peiping peacefully.

General Fu's "bargaining" position in Peiping was better than has been the case elsewhere. This was solely because we did not wish to destroy or seriously damage the ancient capital. We had no great need for the troops surrounding Peiping, although we could use them in our projected crossing of the Yangtze. However, from a long range point of view—a luxury we are now able to afford so far as individual generals such as Fu are concerned—it was better to delay the capture of Peiping in order to get Fu's unconditional surrender. Fu was willing to stop fighting if we would let him keep his personal troops. This would have been a simple and quick solution. However, we must consider the future. Fu wanted to take his troops back to Suiyuan, a geographic location where he would once again be surrounded by his old friends, the warlord Ma family, whom we have yet to defeat. Thus, by taking a quick and cheap victory over Fu now, we might be forced to fight him again later and perhaps on not so favorable ground as today.

Another point we must consider, and this applies to generals like Pai Chung-hsi, Tang En-po, and perhaps others with troops whom we

will meet in the future. Outnumbered and outgunned, they may very likely offer to cease resisting us if we leave them alone, allow them to retire to their native places with their personal troops. If we did this, we would have China dotted with little islands controlled by warlords. Perhaps they would even actively cooperate with us for some time. This is quite likely so long as everything goes well and we are still mobilized militarily. Suppose, however, that we have some future complications with a foreign power? Or suppose that later on we decide the time has come to make some rather drastic changes in the economy of the country and these cause opposition from certain class circles? What will these remnant warlords, who still have troops at their disposal, do at that time? Thus, we can see the wisdom of eliminating the various warlord-generals now. If they will lay down their arms and join us, we will welcome them. However, we reserve the right to distrust their motives so long as they insist upon retaining their armed strength.

We can defeat them militarily now. We have the strength. Our final victory may be delayed another few months by such a policy—especially if they persist in fighting to the last—but it is the only safe and sensible course. We have offered an eight-point peace program which is much the same as we have always advocated. We will not take a chance of letting final and absolute victory, for which we have fought for so long, slip away at this time by being tempted by the Kuomintang's offer of a quick and cheap end to the war if we will compromise.

* * *

THIS, we believe, is essentially the Communist thinking regarding peace. Although the decision as to how the war will end lies principally with the Communists because they are now in the ascendency, a part of the decision lies with the Kuomintang, especially with the individual generals who control troops. Despite the calls for a peaceful settlement made by General Li Tsung-jen and other KMT personages, including some of the generals, it seems to us that negotiation with the Communists—who continue to insist upon outright surrender—is almost impossible.

If we were a Kuomintang general, we would be busily engaged in all sorts of schemes, peace offensives, and appeals for foreign aid and at the same time would be hastily building up our strength in the event it became impossible to negotiate.

We would feel that the Central Government as an organization was a goner. The defeats of the past six months have been too disastrous. However, there may be a possibility for some sort of individual dicker with the Reds. After all, that is the way it has always been in China. Few generals facing defeat have ever found it completely impossible to strike a bargain, and the generals opposing us do not want to suffer any more casualties than we do. If we offer to "retire" with our troops, they may agree not to bother us any more.

However, there seems to be grounds for suspicion that the Communists are not exactly like other enemies we have fought. They seem to have strong organization among themselves and there has been no opportunity so far for employing "silver bullets" as we so frequently did in the past. They are indeed difficult to analyze. Nevertheless, there are many things that can be done. First, we must initiate an appeal for peace. We must call in the heads of the various "public" bodies and order them to issue appeals to the Communists in the names of the members of their respective organizations, imploring the Reds to stop the fighting. If this appeal is strong enough, it may put the Reds in a bad light publicly since it will become "obvious" that we want peace, but that the Reds desire to continue the bloodshed. Placed in such an embarrassing position, it will make it more difficult for them to stick to their eight points and refuse to negotiate.

Also, we must begin to disassociate ourselves from Nanking. The Nanking Government seems to be the object of considerable animosity on the part of the Communists. They refuse to deal with the Generalissimo. Besides, Nanking no longer seems to have the magic word insofar as obtaining US aid is concerned. Perhaps we stand a better chance of getting aid individually, especially if we can convince the Americans that we are men of action and that all the corruption—a thing which seems to make the Americans especially unhappy—is the fault of the bureaucrats in the capital. Thus, on the one hand we may be able to force the Communists to at least agree to a truce and on the other hand appeal for more American aid. In addition, any breathing spell will enable us to organize our forces for more effective combat later on.

If all these plans fail, we must be prepared to fight. If the Communists stick to their present statements and insist upon complete surrender, it is better to fight. Once we lay down our arms and give up our personal troops, we are powerless. This we have learned well during the last two decades. At the beginning of the revolution, some of us personally commanded troops. Later some split with the Central authorities and eventually were deprived of our forces, after being maneuvered into impossible positions. Since then, we have held various posts in the Central Government but have had no real authority until now once again fate has put some troops in our hands.

When the Communists attack, we will fight. If the Communists are too strong, we may retreat as far as we can. However, in the final analysis, we must either fight to the end or flee, especially if the Communists persist in their idea of trying us as common criminals. That we could not face. If we can fight and delay, fight and delay, we may be able to think of a way. We may get some foreign aid, or events in the world may change matters in China. It is still reported that America and Russia may go to war. This, of course, would be an ideal solution.

* * *

THIS, we think, generally represents the position of many Kuomintang generals. So long

as the Communists remain adamant, which they apparently will continue to do, the various KMT leaders, especially the top ones, have no alternative but to continue the fight until such time as they are unable to fight any longer. From the point of view of an official in the Government, especially a general with troops, complete surrender is something to be avoided for as long as possible. Anything to delay such a day must be done.

Postal Service With Reds

SINCE publication in the January 1 issue of the *Review* of an article advocating the exchange of mails between Nationalist and Communist areas, similar suggestions have appeared in the foreign and Chinese press here.

It has been pointed out that many Chinese families have been separated by the Civil War and that the inauguration of postal service between Nationalist and Communist China, even if passed through the hands of censors, would make things a lot easier for them. Various arguments, such as the fact that Nationalist China and Puppet China exchanged mails during the entire period of the Sino-Japanese War, have been advanced.

Whatever the merits or demerits of the case for opening postal relations with the Communists, the report that the employees of the Nationalist Postoffice are willing to undertake such a task is again proof of the fine service which China's postmen render whenever possible. In the past, we understand, the familiar green-clad postmen had their difficulties with the Communists. For quite some time, the Communists were of the opinion that postmen served as Nationalist spies and did not treat them very well. Now, we are told, postal employees left behind when the Government has evacuated towns, are quite well treated by the Reds who are asking their help in setting up a postal administration in Communist areas.

Recently, we understand, postmen in Shanghai have been having their difficulties with certain Nationalist authorities. A number of postal employees were arrested some time ago when they initiated a movement for increased wages and are still detained, presumably on charges of being under the influence of the "Communist Bandits".

The postoffice, although a National Government institution, can be considered more or less non-political. That is, the organization is neither pro-Communist nor pro-Kuomintang. However, it does have a relatively strong union of its workers, many of whom in the past have attained national prominence in labor movements. Thus, while the postoffice is not a political force as far as parties are concerned, it is a very active organization as far as social consciousness is concerned. This, unfortunately, may well be enough to get it in trouble with the authorities from time to time.

It has always been our opinion—expressed upon more than one occasion in these columns in the past—that a great many organizations, both public and private, might well look to the

Chinese Postoffice for leadership in such fields as efficiency, enlightened relations between workers and management, and public service. It is in the light of public service that the present movement among postal employees for extending service to Communist-held areas should be viewed.

Future Of Taiwan

THE press has been flooded in recent weeks with scores of stories about the island of Taiwan. Such articles, naturally, reflect the growing interest in this province on the part of those members of the Nanking regime who have hopes of putting up a last ditch fight there against the Communists. As is to be expected, many of these stories have contained faulty information, some of which probably resulted from ignorance on the part of the reporters concerned but much of which, we suspect, was a result of deliberate "feeding" of propaganda to the press.

Before examining some of the information and misinformation about Taiwan recently available in the local press, we might look at some of the pressure groups which are busy formulating plans for this much-abused island province of China. The main group interested in Taiwan today consists of those people, possibly including the Generalissimo, who hope to make the island a base for resistance to the Communists. Upon the Generalissimo's personal orders, a number of mainland factories have supposedly been dismantled and shipped to Taiwan. An estimated 200,000 rich refugees who prefer not to remain in areas controlled by the Reds, have already moved to Taiwan, while many Government bureaus and private business organizations have wholly or partially moved their offices to Taiwan. The last two ship-loads of American arms for Nanking have reportedly been diverted to Taiwan ports.

The second important group concerned with the future of the island is comprised of the approximately 6,000,000 Taiwanese who might be described as a people not entirely satisfied with their present lot. The Taiwanese have had a pretty difficult time under their various masters. The Japanese exploited the island thoroughly and ruled it with a firm hand. The Chinese administration which took over from the Japanese at the end of the war distinguished itself mainly by its extraordinary greed. While the Japanese exploited, the Chinese looted.

The revolt in February 1947 and its brutal suppression—facts with which we are sure most of our readers are familiar—did not increase the respect of the islanders for the mainlanders.

The position of the Taiwanese today is a curious one. We would guess that nearly 100 percent of the population is opposed to the Nanking regime or any splinter part of it and consequently will not spread the welcome mat, even if the Generalissimo himself arrives. However, as far as we have been able to learn, there are few if any Taiwanese Communists. The Japanese, with their efficient police methods, plus the fact that they saw to it that everybody got at least a sub-

sistence living, attended to that. The Taiwanese who "count"—the big landowners and the small number of substantial merchants who have managed to raise their heads—are obviously not fond of communism.

The result of this animosity towards both the Kuomintang and the Communists seems to be a movement, initiated by some of the more educated and articulate Taiwanese, for regional autonomy or independence, preferably the latter. While there are many plausible sounding arguments which those favoring separation from the mainland have advanced, the idea on the whole is not feasible.

The third major group interested in Taiwan today is composed of a miscellaneous collection of Americans who would like to see the United States take over. Some businessmen feel that it could be developed into an extremely valuable possession with American money and brains. Also, it would provide a stable and convenient place from which to conduct trade with both China and Japan. While there is no way of obtaining confirmation, rumor has it that there are not a few American officials who feel that if Taiwan could be brought under American control the diplomatic and military position of the United States in Asia would be enhanced.

* * *

THUS, it can be seen that much of the sometimes extraordinary material appearing in the local press about Taiwan is probably "inspired" by one or more of the groups now primarily interested in the island.

Stories reflecting the interest of the Nanking regime in Taiwan as a base for continuing the war began appearing in the papers as long as a couple of months ago. However, it was not until early this month that the dam broke and the flood began. On January 7 the *China Daily Tribune*, which has devoted a great amount of space to Taiwan in recent weeks, ran a story reporting that General Chen Cheng, newly appointed governor of the island, promised the people that he would never allow the Communists to invade his new domain. The *Sin Wan Pao* on January 13 reported that the transfer of factories to Taiwan from the mainland was resulting in a power shortage. The *Financial Daily* warned on January 14 that Taiwan's currency situation was becoming serious since the note issue now stands at T\$10,000,000,000, an increase of 30 times since the Chinese took over from the Japanese. On January 14 *Reuter* reported from Hankow that the transfer of the Hanyang Arsenal to Taiwan had almost been completed. The *China Daily Tribune* on January 16 carried a story describing how the island's shortage of skilled labor was delaying construction of residence and office buildings in Taipeh, while on January 20 the *Sin Wan Pao* reported commodity prices in Taipeh to be skyrocketing.

The foregoing headlines, picked at random, clearly illustrate the fact that Taiwan is fast becoming both a place of refuge and a base for many of China's dyed-in-the-wool anti-Communist sons.

IT IS rather difficult to determine the source of some of the information appearing in articles on Taiwan. However, it is not so difficult to analyze the articles for correct or incorrect facts and for partisan propaganda. Stories with headlines such as "Taiwan Of Great Strategic Value In West Pacific," will assuredly have a definite appeal to certain Americans, especially those whose thinking runs almost entirely along lines dictated by considerations of military strategy. Such individuals are sure to be extremely worried over the possibility of a red Taiwan, and to visualize with relish a mental picture of the island dotted with American bases. It is, of course, most unlikely that the United States Government will lift a hand toward Taiwan, but that doesn't prevent some American groups or individuals from eying the place wistfully.

A *United Press* "think" piece from Tokyo on January 18, headlined, "Chiang Won't Resign; Hopes To Defend Nanking; Move To Formosa When Necessary," contained about as much misinformation as is possible to get into one article. Firstly, coming only a couple of days or so before the Generalissimo resigned, its analysis of the president's position was completely wrong. Claiming to be based upon information "exclusively obtained from a most reliable diplomatic informant," the article served as a vehicle for carrying considerable anti-communist propaganda and also the ideas of that group of American officials in Japan who would like to grab Taiwan for the US during the present confusion in China.

One choice sentence read: "The Generalissimo expects the Communists to drive next towards Hankow on the advice of Russian strategists." Aside from being at variance with most military information available here—and presumably also in Japan—the sentence slipped in, completely without qualification or reference as to source, the phrase, "on the advice of Russian strategists." The reader is led to assume that it is common knowledge that the Chinese Communists are operating with the benefit of Russian strategical advice. Such devices should never be used by reputable newspapermen, and their employment indicates that the reporter either has been slipshod in his work and hoodwinked by a partisan source of information or that he himself has assumed the role of special pleader of a cause and can no longer be considered an objective observer.

Other wrong "guesses" included the one that General Fu Tso-Yi was going to join the Generalissimo in Taiwan. This, the article says, is partially because "The Russians have advised the (Chinese) Communists to smash Fu Tso-yi's troops 'at all costs.'" Again, we have the unsubstantiated reference to Russian guidance and direction of Chinese Communist military strategy. Further, as most observers believed at that time and as events of the next few days indicated, General Fu made a deal with the Communists and surrendered.

Toward the end of the article, the reporter really got into his stride and passed along his main "message," saying, again without any reference as to source or reliability of the informa-

tion, "Plans call for maintaining close economic relations between Formosa and South China as long as possible, after which an effort will be made to develop the closest possible economic relations with Japan. In view of the fact that Formosa was an integral part of the Japanese Empire prior to VJ Day, it is expected that this plan will be welcomed by General MacArthur and Washington, since Formosa can contribute extensively to the economic restoration of Japan."

We can imagine that many people, including the un-purged Japanese militarists and zaibatsu, will be quite pleased to see the restoration of the "closest possible" ties between Taiwan and Japan.

The full significance of the foregoing dispatch can be realized more easily when one reads another *United Press* story on Taiwan, which was written a few days later and, which bore the headline, "Taiwan Declared Not To Be Legal China Terrain." This story, which appeared in the *China Press* on January 22, brought up the old argument frequently advanced in the past by some groups of Taiwanese nationalists, as well as some Americans with covetous eyes and certain unrepentant Japanese imperialists, to the effect that China has not yet acquired legal title to Taiwan because no peace treaty has yet been signed with Japan, the former owner. It is hardly necessary to point out that such an idea is pure nonsense.

* * *

ONE point which should be considered at this time is the overall prospect for an independent Taiwan, or even a remnant Nationalist regime based on Taiwan, to survive, either economically or militarily.

While there is no doubt that Taiwan is probably the richest piece of territory China possesses, it is still a relatively small island which is far from self-sufficient, if one considers anything more advanced than a simple agrarian society. The island's big crops, rice and sugar, rely largely upon imported fertilizer. Camphor, wood, oil and other native products depend upon imported machinery, foreign markets, etc. An independent Taiwan, even with a friendly China, would have a difficult time. What the situation would be like with an unfriendly China is difficult to imagine.

If the Generalissimo or other Nanking figures were to set up a "rump" government in Taiwan, they would have to receive outside help in order to carry on a prolonged struggle. Otherwise they shortly would run out of gasoline, spare parts, and replacements for their planes and oil for their naval vessels, to mention only a couple of the basic problems.

Such aid, obviously, would have to come from the United States. Thus, it would seem, the future of Taiwan can in large measure be determined, if American policy can be known. It is our personal opinion that the US Government will not commit itself to a long range program of aiding a refugee regime in Taiwan. Any advantages to be gained from such a move would be more than offset by the losses, both political and economic incurred on the China mainland. However, there are, as we mentioned before,

various pressure groups which would like to see a change in the status of Taiwan, which they hope might be effected because of the confused situation prevailing on the mainland.

25 Years Ago in *The China Weekly Review*

January 26, 1924.

Cantonese Girls

Cantonese girls are beginning to invade the field of men in seeking employment in public places. The Canton Telephone Exchange now employs more girls than men. The *Fei Pei* weekly the other day published a list of 100 popular waitresses from 47 better-known restaurants and tea houses of the city. The same weekly also gives a list of 27 girls, singing in restaurants. These girls, it should be mentioned, are not those of the "sing-song" type who are usually attached to brothels. They are simply public singers who sing for all in the tea house.....

* * *

Chinese New Year

The proximity of Chinese New Year is responsible for sluggishness in business throughout the country. Buying is in small quantity, and few heavy commitments of any sort are being made. However, there is an undertone of confidence around Shanghai and in North China that business will improve considerably after the New Year. Canton and Hankow are not included in this feeling of optimism, due to their political troubles which present little hope of early improvement. The silver situation is quite satisfactory, and no trouble in passing New Year's is anticipated.

10 Years Ago In *The China Weekly Review*

January 28, 1939.

Difficult Times

China has suffered three serious blows in the past 18 months. The first was the fall of Nanking on December 13, 1937, and the subsequent slaughter of Chinese troops and civilians. Next came the Japanese capture of Canton and Hankow within four days of each other in October, 1938. The last blow was the defection of Wang Ching-wei, erstwhile "deputy dictator" of the Chinese Government.

From the first two of these crushing blows China emerged with a growing determination to resist the invader. Wang's secret peace intrigue with Japan is still too recent to judge its result.

Wang's secret departure from Chungking to the safety of French Indo-China and his appeal to the country to surrender to Japan were not unexpected. Wang has always been an opportunist. Chou En-lai, Communist spokesman, voiced the feelings of thousands when he scathingly remarked: "I am not surprised. I have known Wang for 20 years and have always known him to be a quitter."

* * *

Cook To Empress Dowager

The "uncrowned king of all the cooks" in China died in Chungking January 23. He was Huang Ching-lin, 64 years old, and a scholar, who once cooked for the Empress Dowager. He suffered shock when Japanese planes bombed China's provisional capital January 15 and never recovered.

Huang Ching-lin was probably the most independent of all the cooks in the world. The date and time of a dinner had first to be fixed by him, while the list of guests had to be submitted to him for his approval.

He selected the dishes to be served and fixed his own prices for them. He only cooked in his own house, where the dinner was always served. Moreover, he only cooked once a day and for only one table.

THE BITTER PILL OF MAO TSE-TUNG

Andrew Roth

(Mr. Roth, an American newspaperman, has spent the past several years studying China and the Far East, both in America and abroad. A frequent contributor to the REVIEW, as well as to various newspapers and magazines in the United States, Mr. Roth is now in China.—Editor)

MAO Tse-tung has offered Nanking a choice: fight or flight. The announcement by the Communist leader of his eight conditions for peace talks has made it clear the Communists are more interested in a thoroughgoing domestic housecleaning and a pro-Soviet realignment internationally than in a quick peace.

Mao agreed to talk peace but only on the formidable conditions that virtually all present Kuomintang leaders be tried as "war criminals" and be excluded from a future Communist-led coalition government and army as "reactionaries." Furthermore, he stipulated cancellation of the present Kuomintang-devised constitution, confiscation of the wealth of the Kungs and Soongs, land reforms, and the end of "treacherous treaties" with the US.

The stiffness of the terms has stung a few to last-ditch resistance but seems to be hastening the move of Nanking leaders to follow their fortunes and fancy cars to Taiwan and America. It has punctured the trial balloons of those in Nanking like Vice-President Li Tsung-jen who thought that simply by dumping Chiang Kai-shek and accepting a subordinate position in a Communist-led coalition that they could cross over and retain a measure of power.

There is an old Chinese proverb: "Know yourself and know your enemy, and in a hundred battles gain a hundred victories." Despite this, Nanking's politicians have been as perplexed about what the Communists have in store for them as an adolescent girl on the eve of her first blind date.

The Communists' December announcement of a Kuomintang "war criminals' list" threw many into a flat spin, at a loss as to why certain people were included and others left out. Mao's January 14 announcement of "eight conditions" for peace have set many puzzling over the definition of "reactionaries." This bewilderment would scarcely seem necessary since China's Communists are among the most prolific publicists in the world. By checking their voluminous publications against reports by competent observers who have come out of Communist-held territories, a fairly clear picture emerges of the policies already governing 200,000,000 people and shortly to govern more.

Social Chisels

For the Communists, peace conditions and blacklists are social chisels, to be used to reshape the face of China. There has been much meaningless controversy over whether China's Communists are full-blooded Stalinists or merely agrarian de-

mocrats. Stalin himself has helped further the latter illusion, having told American envoy Donald Nelson that Chinese Communists are "like radishes, Red on the outside, White on the inside."

The truth is that Chinese Communists are in theory thoroughgoing Marxists of the Lenin-Stalin school whose tactics and timing have been conditioned by their quarter-century of work in the Chinese countryside. As Marxists, they think that society progresses from Feudalism through Capitalism into Socialism. China, they feel, is now largely feudal, particularly in the countryside, with capitalist influences in the port cities. They consider that China has remained semi-feudal and under-industrialized partly because the Western powers and Japan have sought to keep it as a vast market and because of the strong influence of China's own non-industrial ruling class. This class consists of the landlord-merchant-speculator group in the rural village and the 'bureaucratic capitalist' in the city. "Bureaucratic capitalism" is a highbrow name for the "favored families" who have made their fortunes not by producing but by using their control of the government apparatus to line their personal pockets. It is they who have inspired the Chinese with the slogan: "In other countries people get rich and enter the government. In China they enter the government and get rich."

COMMUNIST blacklists and peace conditions have the purpose of decapitating (at least figuratively) the current ruling class. No figure in the present structure can hope to survive if the Communists consider him a serious obstacle to what they consider the "remnants of feudalism" in China's economy or to their attempt to end Nanking's "subservience" to Washington. "The enemies which this revolution is to overthrow," proclaimed Mao Tse-tung in a major programmatic speech last April, "are only and must be imperialism, feudalism and bureaucratic capitalism. The concentrated expression of these enemies is the reactionary rule of Chiang Kai-shek."

Mao does not think China can be taken directly from semi-feudalism into socialism. In his pamphlet "On Coalition Government" he has stated flatly: "Without a New-Democratic united state, without the economic development of a New-Democratic nation, without the development of a private capitalist and cooperative economy, without the development of a national, scientific, popular and cultural, New-Democratic, culture, without the emancipation and de-

velopment of the individuality of millions of people, in short, without the thorough, democratic revolution of a new-bourgeois nature, to establish socialism on the ruins of colonial, semi-colonial and semi-feudal China would be a Utopian dream." Briefly put, Mao advocates a "New Democracy" which is a transitional stage of Communist-supervised economic capitalism and Communist-led "bourgeois democracy."

Reshaping Villages

Although the world's attention has been concentrated on the fate of China's few world-known leaders, the most world-shaking changes are taking place in its hundreds of thousands of unknown villages. The Communists will stand or fall on their theory that to modernize China its agriculture must be rid of its feudal survivals and pass through a period of rural capitalism (agrarian democracy) before it can be socialized at some uncertain future when China's factories can turn out tractors.

"[Agrarian] feudalism is the ally of imperialism and bureaucratic capitalism and the foundation of their rule," Mao asserted last April. "Therefore the reform of the agrarian system is the main content of China's new democratic revolution. The general line of the agrarian reform is . . . to eliminate systematically and discriminatingly the feudal system of exploitation and develop agricultural production . . ."

By the "feudal system of exploitation" the Communists mean the setup by which a small group of landlord-merchant-speculators (a minority of about five percent of the village population) squeeze the countryside. They own almost half the land and grow fat by exacting rents of about 60 percent of the crops, usurious interest ranging as high as 60 percent and bulging profits from hoarding their share of the crops during famine periods. These old-style landlords do not use any of their wealth productively, that is to improve the land. On the contrary, they keep tenants so close to starvation that they cannot afford good seed, adequate fertilizer or enough simple implements to reach maximum productivity. The Communists figure that, by giving the landlords' lands to landless tenants and by reducing interest and tax burdens, these peasants will have enough surplus to reinvest in land improvement and raise productivity.

A political purge has paralleled this economic transfer in villages the Communists have occupied.

Previously the villages were usually controlled by a Kuomintang or Kuomintang-allied appointee representing the interests of the landlord-speculator-merchant class. Now the Communists have taken the dominant role but associate with themselves the poor and middle peasants, village school teachers and certain merchants.

In 1947, the Communists roughed up the rural wealthy in some sections in executing these economic and political purges. In many villages "People's Tribunals," largely composed of poor tenants, conducted economic trials called "Settling Accounts." Frequently landlords or rich peasants who had cheated heavily on rent or labor were not only stripped of their lands but also of their possessions. In some cases, particularly where the accused had collaborated with the Japanese or the Kuomintang police, landlords were executed.

This purge in the countryside apparently went "too far," aroused popular opposition and reduced production. Last April Mao Tse-tung attacked this tendency as a "leftist deviation" and warned strongly against forgetting "such an extremely [important] strategic principle as the fact that it is possible and necessary for us in agrarian reform work to unite around . . . ninety percent of the rural populations—the entire body of rural laboring people—to establish a united front against the feudal system." He also attacked "indiscriminate violence" against landlords, while declaring it is "entirely necessary and proper for People's Tribunals and the Democratic Government to sentence to death some important criminal elements who actively and seriously oppose the people's democratic revolution and sabotage reform work, namely, those counter-revolutionary and tyrannical elements whose crimes are enormous." Mao cautioned that the people must "feel that our work is entirely reasonable."

City Purges

Communist policies toward the cities have a single dominant keynote: production. In a number of important cases they have delayed taking cities such as Taiyuan and perhaps even Shanghai because they hope to get its industries intact without fighting. Their preliminary propaganda barrages heavily emphasize the workers and engineers staying at their posts, and when they enter their troops race to the important plants to prevent destruction. "When the kettle belonged to Chiang, we tried to break it," observed one Communist officer. "Now that it is ours, we want to preserve and use it."

The Communists have heavily emphasized the distinction between "bureaucratic capitalists" (or the "favored families") and "national capitalists" (or private industrialists). The "bureaucratic capitalists" are those who have accumulated their

vast private fortunes through control of Government banks or other use of Government influence and do not produce or manufacture. Thus, for example, they have blackmailed various British and American exporters into giving them the agency for their products in China—on the threat that otherwise these products would be banned—and then frequently hoarded the products until they could make speculative profits. Foreign businessmen who have had to deal with them run the Communists a close second in their dislike for these "bureaucratic capitalists."

On the other hand, the Communists have made it clear both in program and in action in captured cities that, at least for the time being, they look with favor upon private industrial capitalists. The assumption is, apparently, that at least until China is able to build large state-owned industries, government-supervised but privately-owned factories will provide most of China's industrial muscles.

This attitude has emerged increasingly sharply. In his April speech, Mao Tse-tung warned against "infringing" upon commerce or industry and against "hitting at industry and commerce in the field of tax policy." Another leading Communist, Jen Pih-shih, has emphasized: "We must collect taxes from industry and commerce, but we must fix proper tax rates and we must see to it that they are not too heavy [or limit] their operations and development." Recent reports from Tsinan, Mukden and other industrial centers indicate Communist leaders there have gone all-out to make themselves agreeable to factory owners.

The Communists believe they can retain the support of Chinese industrialists because peace and agrarian reforms will provide a large internal market and both Communists and factory owners are opposed to the revival of Japanese industry and too much infiltration by American capital.

American "Running Dogs"

MANY people have affected surprise that Mao should have insisted on abrogating "treacherous

treaties" with America as a peace condition. Similarly many were surprised to see Li Tsung-jen on the December "war criminals" list.

There is little reason for surprise because the Communists have long made it clear they wish to withdraw China from the American side of the "cold war." And more important, they have greatly feared the US will succeed in infiltrating a "fifth column" into the coalition government they plan for China. Their already-suspicious attitude was heightened by one of the late Marshal Feng Yehsiang's last letters in which he wrote that the US State Department had offered him heavy inducements if he would split with his Communist allies.

Leading Candidate

The Communists consider Vice-President Li Tsung-jen to be America's leading candidate to sabotage a Communist-led coalition from within. As early as last June they analyzed a pro-Li newspaper campaign campaign as follows: "To paint . . . such a man as Li as a liberal has its basic motive. A time will come when Chiang Kai-shek's ability to provide leadership for the reactionary forces will be exhausted. Li will provide an alternative . . . To salvage the privileges and properties of the reactionary forces from complete loss, the present ruling group will probably agree to the choice of Li . . . Their desire is to halt the popular forces before they reach the threshold of complete victory." On January 3 they charged that "Chinese reactionaries and the American aggressor . . . are inciting . . . persons to sneak into the revolutionary camp to form a so-called 'opposition force' to disrupt the revolution."

The Communists' "eight conditions" for peace make it clear they would prefer to continue the war rather than risk taking into their government an "opposition force" which may slow down their internal revolution or their international alignment with the Soviet Union.

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Popular Magazines Vanish

By C. Y. W. Meng

THE development of the press in China has been rather slow. In proportion to our population, our periodical circulation is pitifully small. One would think the Government would take all possible moves to encourage rapid development of the press and to provide the people with freedom of publication as the first step toward the development of democracy in China.

Since VJ Day, despite hard times and economic difficulties, a number of new weekly magazines have appeared in Nanking, Shanghai and Peiping to join the nation's leading periodicals: *Time and Culture*, *The Century Critic*, *The Reconstruction*, *The Observer*, *The University Review*, *The Outlook Weekly*, *The Central Reconstruction*, *The New Road*, *The Economic Review* and *The Economic Critic*—to mention only some of them.

The more liberal, progressive, non-partisan and impartial the publication, the bigger has been its circulation. In bookshops and public reading rooms, there is always a great demand for magazines of this calibre.

This would appear to be a healthy sign for the growth of the nation, conclusive evidence of the development of national consciousness and rise of new intellectual ferment.

Any decent government would prize this new development and would take steps to promote its further growth, but unfortunately, what has been taking place recently in China shows clearly that the Government is going in just the opposite direction. Of the above-mentioned 10 leading magazines, half already have been closed by order of the Ministry of Interior. The latest case of this kind is the banning of *The Observer* and *The Outlook Weekly* in Shanghai and *The University Review* in Nanking.

As this takes place at a time when the Kuomintang has announced its readiness to talk peace with the Chinese Communist Party, Nanking's order to close these liberal and independent publications deserves a word of comment.

The Observer

According to an account published in *The University Review*, the banning of *The Observer*, which took place on December 26, 1948, was accompanied by the arrest of seven of its staff, including one assistant editor. When the office of *The Observer* was visited by the correspondent of *The University Review*, he found two uniformed officials from the Shanghai Garrison Headquarters in the office, watching the movements of other staff members and allowing them to see no one.

While the correspondent was there, a young man in uniform dropped into the office, and the following conversation took place:

"What have you come here for?" asked one of the Shanghai Garrison officials.

"I want to buy a copy of *The Observer*," answered the young man.

"Why do you want to read *The Observer*?" asked the official.

"Why do you ask me this question," asked the young man. "Do you think I have no right to read *The Observer*? I may tell you that most of my associates also like to read this magazine."

"Where do you come from? Do you have any pass?" asked the official.

"What right have you to ask about qualification and to demand the inspection of my pass? I want to see your order first," said the young man angrily.

"I have received no order," said the official.

"If you received no order, you have no right to inspect me," said the young man.

"Do you know what place this is? We permit only visitors to come in, and allow no one to get out," said the official, apparently feeling greatly embarrassed by the young man's sharp interrogation.

"How do I know," answered the young man.

"Don't you know that *The Observer* has been banned from publication? Let me inform you that two days ago, we arrested 60 people who came to this office, including ordinary *lo pai hsing* (common people), and service men of army and air force. No matter who they are, we arrest them all. Show me your pass," demanded the garrison official.

Opening his pocket, this young man produced his badge and pass, which showed that he was also in the inspection division of the Shanghai Garrison Headquarters.

"You are also a Garrison Headquarters man are you not?" exclaimed the official.

"Yes I am, we are members of one family," answered the young man.

The story ends there. But it is eloquent testimony to the fact that *The Observer* was well received by the people and service men alike, and even the staff from the very headquarters which had closed down the publication and had arrested its staff members.

The correspondent of *The University Review* reported that for two days all those who visited the office of *The Observer* were immediately placed under arrest, including even the newspaper and magazine sellers who came to return the unsold copies of *The Observer*.

As to the editor of *The Observer*, Professor Chu An-ping of the National Fudan University, it was reported that he left Shanghai two weeks ago, and his whereabouts are

The University Review

The next leading magazine to go out of existence was *The University Review*, edited by Professor Liu Pong-tung of Nanking University and a leading member of the liberal group of the Legislative Yuan. *The University Review* recently received wide attention among Chinese readers with the publication in its November 20 issue of "Two Open Letters for Peace," written by some 80 professors in Nanking and addressed to President Chiang Kai-shek and Mao Tse-tung, leader of the Chinese Communist Party. The letters said:

"We realize that the only way to save ourselves is to stop the Civil War immediately and seek peace.

"Only through the re-opening of peace talks among the progressives, liberals, democratic parties and social leaders, and the organization of a multi-party and democratic government based on democratic principles and a socialist economy, striving vigorously toward the enforcement of various measurements for the realization of economy equality and for maintenance of the independence of the nation, can we release the people from suffering."

The January 1 issue of *The University Review* discussed five possibilities for a "coalition government" in China, and published other special articles on peace. In the January 8 issue, the magazine tackled the "Five Peace Terms" mentioned in President Chiang Kai-shek's New Year Message to the nation, and concluded that "in order to realize peace, we must reconsider these peace terms."

The University Review was the only publication in the country which had the courage to raise a bitter protest against the banning of *The Observer* and the arrest of its staff. No less than 2,471 copies of the last issue of *The University Review* reportedly were confiscated by the Shanghai police.

The Outlook Weekly

The Outlook Weekly, another popular magazine, is also reportedly scheduled to go out of existence after its January 22 issue. Whether it is to be banned "permanently from publication" is not quite sure, as no further details were available at the time of writing.

In no case was there any specific reason given for the closure of these popular magazines. The closure order for *The Observer* charged the magazine had been "consistently anti-Government and sympathetic to the Communist bandits" but failed to list any instances beyond stating the magazine had attacked the Government, ridiculed the Nationalist troops, propagandized for the Reds and disturbed the people's minds.

Time and Culture and *The Reconstruction* were permitted to publish a "last issue" in which the editors had the opportunity to present their

case and to state their grievance to their readers. But this privilege was denied *The Observer* and *The University Review*.

There is no doubt that the banning of *The Observer*, *The University Review* and *The Outlook Weekly* in rapid succession has made a bad and deep impression on many observers, foreign as well as Chinese.

In the first place, had this taken place at a time when the so-called "bandit-suppression campaign" was still in full swing, the Government might have pleaded military necessity. But after the formation of the Sun Fo cabinet and the pronouncement of the President's New Year Message to the nation, it is hard to see any reason for the Government to suppress the many independent and liberal publications which are known to be devoted to the cause of peace in China. Such action at once raises the question: "Are the Government leaders sincere in wanting peace?" *The University Review*, in its protest over the order to ban *The Observer*, characterized the Government's action as "diametrically opposed to peace."

Moreover, the Government has apparently overlooked one important fact. The liberal and independent magazines which it is trying to suppress are extremely popular. Consequently, in banning them, the Government exposes itself to the charge that it is acting "contrary to the public wish."

In taking these actions, the leaders in Nanking have shown glaringly their failure to grasp the realities of the situation. They do not seem to realize that what is most needed at the present critical moment is not to close the mouths of the people but, on the contrary, to open them—to give the people freedom to discuss peace, and to gather together the leading liberals, non-partisans and social leaders to act as a bridge over which the two opposing parties can negotiate peace.

The President's New Year Message would have produced greater weight had it been accompanied by an order to abolish the many "Special Criminal Courts" throughout the country, to release political prisoners and those who have been under detention for many months awaiting trial, to lift the ban on the Democratic League and to allow free publication of magazines and other publications. At no other time in the modern history of China has the nation been so in need of the service of liberals and non-partisans as it is at present. I refer Nanking to the following advice:

"The salvation of the situation, as I see it, would be the assumption of leadership by the liberals in the Government, and in the minority parties, a splendid group of men, but who as yet lack the political power to exercise a controlling influence."—George C. Marshall.

That is the "road to peace" in China. That is the direction in which we should go.

South Honan:

An Island Of Nationalist Territory

CHANG LI-TSAN

DURING my winter vacation, I returned to my native place of Hsinyang in Honan Province after an absence of nearly four years.

Hsinyang, an important but weakly-garrisoned city on the Peiping-Hankow line, is one of the four hsien cities in Honan remaining in Nationalist hands, and it now houses the Honan provincial government, headed by General Chang Chen.

Although there has been a long lull in the military situation, the Nationalists here face grim and gloomy prospects. It was rumored recently that the city of Hsinyang will be readily abandoned when the occasion requires, as there is but one regiment of infantry troops stationed here. All schools have closed for the winter vacation, and some have left for Hunan Province because of what lies ahead.

In this small area of south Honan, like other parts of China, the Nationalists have paid lip service to reforms, but there are no signs of improvement, either political, social or economic. Instead, things are rapidly falling to pieces. Most of the rich people and hereditary noblemen who used to oppress the poor and exploit the peasants have gone away. Those who remain still live on the produce of the peasants and, far from realizing that their "sunny days" are almost over, foolishly indulge in wishful thinking that the Nationalist or even US armies will come eventually to restore their power and prestige.

With the Civil War raging intermittently in this area, small land owners who cannot afford the high prices of commodities in the city have taken to living in the countryside and hiding themselves in fortified castles—the same castles as in feudalistic days. These land owners adopt a "double-face" policy; they pay tax to both the Nationalist hsien government and the local Communists.

At the same time, they try to squeeze as much as possible from their tenant farmers, though they

must know that the peasantry is becoming stronger than ever before. High-interest money lending, conscription, maid slavery, corrupt bureaucracy and the notorious *paochia* system are all in full sway. I, myself, have seen poor *lai pai hsing* being illegally drafted and dragged away to an induction center.

As regards the life of the peasantry, they sow in the spring and reap in the autumn. In leisure hours, they grow vegetables for their own use or to sell, or go to the hills to gather branches and twigs to sell in the city in order to make a little money to buy clothes for their children.

From what I have heard, farmers in the Communist areas enjoy a more comfortable life than those here. Red land reform has not yet been effected here, perhaps owing to the fact that Red authority is not so deeply rooted. But in central Honan things are said to be quite different. Merchants coming back from there tell stories about how the Reds conduct business and how the rural society is changing.

The recent "peace offensive" launched by the Nationalists reportedly has been rejected by the Communists. Why did they turn a deaf ear to it? The reason is not so simple as the Nationalists say. To us *lao pai hsing*, the so-called "peace call" is nothing but a trick. It was made because the Central Government is losing the war. If the Kuomintang had really wanted peace, there would not have been this long drawn out "bandit-suppression campaign" which is now reaching such an unfavorable conclusion.

From where I sit, I can see no possible compromise between the privileged class and the poor workingmen and peasants. The former are too corrupt and the latter too poverty-stricken. As for the middle class, they too can harbor no hope for a peaceful and plentiful life under the present regime. Today is dark and stormy, but tomorrow will usher in a new era.

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BRITISH BUSINESS GAINS HEAD START

Oliver Lane

AMERICAN businessmen in China today seem to be weighing their own government's policy against that of Britain insofar as their own prospects are concerned. A recent editorial in the *Shanghai Evening Post and Mercury* expressed this feeling when it said: "If American Old China Hands are shocked by Washington's failure to adjust tactics to realities, this is partly because we see a more sophisticated approach in other quarters, and had hoped that the United States had come of age in international affairs. . . . What we mean is that the British are always in there trying."

Fly-by-nights

The post-war period has brought American businessmen no substantial gain in China. While there have been a few fly-by-nights who got rich quick—the dentist who sold his equipment in Shanghai immediately after the war for as much as he could earn in five years and the agent who cleared nearly half a million dollars on the sale of 1,000 jeeps—these are exceptions.

Smaller business in particular have experienced difficulties. Import-export quotas have been grabbed by Government monopolist groups, costs pushed to exorbitant heights by the failure of exchange rates to keep up with inflation, and labor problems

increased by the necessity of workers to live on an unbacked currency in an inflationary period. Even well-established firms with long histories in China have lost ground to the bureaucratic capitalist undertakings. As a final affront, it has been impossible for business to take profits out of the country by any but illegal means.

American Dilemma

American businessmen lay the blame for most of this at the feet of the Nationalist Government. And the United States, by prolonged aid to that Government, has now added to the dilemma of American business. Anti-American sentiment and demonstrations have been fairly frequent during the past two years. American business could brush aside this hostility when it was confined to students and intellectuals, but now, with the Nationalists retreating south of the Yangtze, it cannot be dismissed lightly. The incoming authority is likely to be one whose soldiers have been killed by American bullets and whose leaders have voiced frequent denunciation of American policy.

Though their interests may have been selfish, the American businessmen, on the whole, have been more farsighted than American policy makers. Cognizant of the corrup-

tion and inefficiency of the Nationalists, they have by and large opposed additional aid to the Chinese bureaucracy and insisted on close supervision where any assistance was given. Their own interests have led them towards realism, and they now want to stay in China, look at the new regime and weigh their chances with it, much as they may oppose Communism as a doctrine.

Communist Welcome

News from the Liberated Areas, including the recently captured city of Tientsin, has been somewhat encouraging. Missionaries, Chinese businessmen and travellers have reported increasingly favorable conditions, returning economic stability, reasonable rates of exchange between local and foreign currency, and considerable freedom. The Communists themselves have proffered a welcome to foreign enterprise.

But, at the same time, American businessmen have reason to be disturbed over the apparent head start gained by British business. There is evidence that preparations for this situation were made some time ago. The British-owned Kailan mines, for example, is reported to have laid the groundwork for inclusion in Communist territory over a year ago. When it finally fell, in December, it

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fell intact and within a few days was back in production.

Hongkong, too, has provided the British with initial advantages. The refuge given to Nanking dissidents may pay dividends later, and with the fall of Manchurian ports, trade with North China has become a direct and profitable undertaking. Almost immediately a Norwegian ship cleared anchor for Antung once news of its capture by the Communists had been confirmed, and soya beans, a much sought after commodity on world markets, are already passing through Hongkong to Europe.

The British can count on another very important factor—their comparative coolness to the present regime. Britain has delivered some aid to Nanking—a few naval vessels, some shipments of ammunition and some Canadian Mosquitos—but these have been submerged by the volume of American aid.

British firms also have suffered during this postwar period. Old companies failed to regain their pre-war status; shipping, in which British investment was heavy, was forced out of inland waters; and British consumer goods lost heavily to American. But Britain's popularity, at a low ebb during the war, has waxed as America's has waned. Her non-interference in Chinese affairs has made her more acceptable to Chinese liberals, and her position under any subsequent government is likely to benefit thereby.

Cold Comfort

To American business in China, this more fortunate position of the British is cold comfort. American businessmen turn from reading the mimeographed sheets mailed by Communist and liberal groups urging them to stay and offering to provide stable conditions to a consideration of their own Government's attitude, and they find it hard to determine just what it is. The American Embassy chooses to stay in Nanking because the Nationalist delay in removing the seat of the Government has given it an excuse for refusing to go on the score of insufficient time to plan an evacuation. American officials also want to see how the new regime looks. Yet other political figures in the United States declare it is impossible to work with a coalition or Communist government in China, and *Business Week*, to which American businessmen turn for guidance on their government's policies, considers it unlikely that trade with a Communist China will be countenanced.

In China itself, State Department officials dicker with warlord groups which have detached themselves from the control of Chiang Kai-shek, in the hope of discovering some still capable of wresting a compromise from the Communists, and seek for the middle-of-the-road parties fragmented and broken by the very man behind whom America threw its support.

But the British, with a less restrictive government, can see opportunities for trade under a new Chinese government—and perhaps less American competition. They realize the needs of China, whether Communist or coalition, are great and that Russia cannot supply them. They know the demands of reconstruction are so great that, for 20 years or more, China will be eager to trade with any country open to her, and the British want to get in first.

British ships therefore are sailing to Tientsin over the protests of the Shanghai shipping guilds, who are

now reported organizing to provide some competition and a report that the British are tying up the Manchurian soya bean crop, probably false, is nonetheless worrying financial circles.

Back To Normalcy Dept.

* * *
“Owing to a typographical error there appeared in.....yesterday morning's paper the expression 'It is quite obvious that progress is synonymous with change.' This, of course, should have read, 'It is quite obvious that progress is not synonymous with change.'”—*China Daily Tribune*, January 11, 1948.

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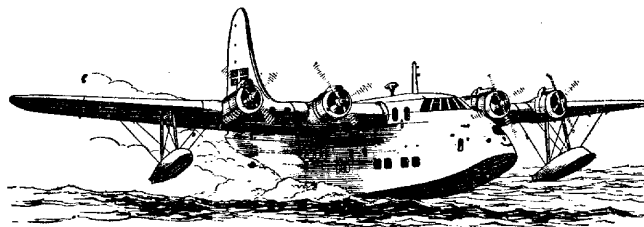
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A Plea For Malthus

J. R. Kaim

IN spite of tremendous technical achievements and our new knowledge of atomic energy, one of the greatest problems of humanity is seldom discussed in public and rarely touched on by leading politicians throughout the world. It is the problem of famine. As matters stand today, neither capitalism in its different forms nor socialism in its two main forms offers a direct solution.

It has frequently been said, but never proved, that if China's administration were neither corrupt nor incapable, this country could feed its population without foreign aid and could even ship rice and flour to the world's starvation centers. The fact is, however, that very seldom, if ever, could China do so, and it is the same with India and various other Asiatic, African and European countries. In fact, despite modern agricultural machinery and fertilizers, the world still faces the same problem as it did 200 years ago.

As early as 1798, T. R. Malthus, an English clergyman and economist, stated his theory, now known as Malthusianism, that the population increases faster than the food supply and that the birth rate must be limited to avoid overpopulation and starvation. From time to time, people remembered Malthus. From time to time, economists and politicians of different creeds showed the consequences of "the poor man's only pleasure" and demanded not, as Malthus himself, temperance or even abstinence, but a full system of birth control.

Population Boom

Fascist countries, of course, did not care. Hitler and Mussolini both put premiums on bringing forth children. They granted special payments to families with more than three and particularly large rewards to mothers with more than five children. Nor did the population decrease after the war. France, where the birth rate was small before the war, announced a birth surplus in 1946 and in 1947. News from the United States indicated a "population boom" last year. In certain parts of Germany the birth rate in 1947 was as high as in 1938, namely 17.2 compared with 17.6 at the time of the Nazis' birth premiums. On the whole, Europe now has about 20,000,000 more inhabitants than before the war, despite the loss of life brought on by the war, and its after-effects. In Japan, the birth rate has doubled since VJ Day and the Indian continent is estimated to have 60,000,000 more inhabitants at present than in 1930.

To believe that the food supply can be increased in concert with such a

rapid population increase is naive. The world today probably has almost 150,000,000 more inhabitants than in 1945 when the war ended and is seeing more starvation and misery than ever before. The possibility of finding a way out of the maze of difficulties in this respect may have been one of the reasons prompting the resignation of Sir John Boyd Orr from the presidency of the World Food Board as an indirect protest against the unwillingness of nearly all governments to recognize the problem and to look for a practical solution.

Preached Temperance

Getting back to Malthus, however, there is validity in the argument of those who claim that with science developing ever new means to increase food production, the quantities produced nowadays are far bigger than around 1800. Malthus never doubted such possibilities. He simply stated that when mankind is permitted to bring forth children without limitation, the population would always increase faster than the food supply. In fact, Malthus could not have foreseen so rapid a population increase as has been realized since his death, nor, of course, could he, a clergyman living in the 19th century favor any artificial birth control. Emphatically he rejected what he considered sinful arts. He merely urged people not to bring forth more children than they may be sure to find food for, by earnestly preaching temperance.

Throughout the past two centuries, the idea of birth control has been fought by either the churches or the states. While the former consider it a sin against the Lord's rule, the latter wanted cannon fodder, still the cheapest war potential throughout the world. But neither the different churches nor the different states and their governments have been able to guarantee mankind that sufficient food will be available.

Unlike socialism, Malthusianism is not a problem of distribution but of production, and at the same time it certainly is a matter of conscience. One certainly does not like to tell people that even in normal supply years, i.e. when harvests are at their best, millions of people die from malnutrition and starvation. Estimates are that in such years of good harvests no less than 20,000,000 people die because population exceeds food supply. Those governing a nation, any nation of course, cannot perform miracles; they cannot feed the people without foodstuffs, but they can see to it that the population increase comes to an end.

While Fascism considers birth control a crime, while most churches regard it as a sin, and while capitalism

thinks it may be replaced by public welfare institutions, the views of socialists in this respect differ widely. There are some who believe Marxism can solve the problem because, as they see it, it is not a matter of production (which is too small) but of distribution (which is not organized). There are others who doubt that Malthus' problem can be solved by Marxist practice. So far as this writer knows, Marx himself has not dealt with the Malthus problem, but his closest friend and collaborator, Engels, called Malthus' idea the "greatest economic immorality," while on the contrary, another Marxist, Kautsky, claimed, "Malthusianism is not yet finished."

Recently, people who are neither Communists nor Social Democrats were reported to have mapped out a World Population Control Plan which, they are said to believe, will solve the whole problem. Such optimism, however, is strange in a world where even far smaller disputes cannot be solved and where even bagatelles such as import restrictions and controls need long negotiations before accords are reached (or mostly not reached). So long as the foundation of a world government remains a dream and so long as governments dare not recognize the old Malthus problem, the world has but two means to fight the consequences of overpopulation: By forcing more people into the process of agricultural production and by introducing birth control, at least in industrialized areas, so that the ratio between the increase of population and the increase of food supplies may be normalized to a certain extent.

Vicious Circle

While nowadays almost all economists agree that industrialization can improve the standard of living in overpopulated territories, it is a matter of fact that by industrializing a certain area one diminishes its agricultural production. Furthermore, the quantity of foodstuffs available for the older industrial nations must decline when the new industrial countries need their own agricultural products for their own populations. It is true that the birth rate generally is smaller in industrial than in rural districts. It may also be true that the wealthier the population of an area, the smaller the birth rate. However, the more industries that are developed and the more hands that are employed in industrial production, the smaller the total food supply—indeed, it seems a vicious circle.

It needs no explanation that even the greatest extent of destruction in a new war would not solve the Malthus problem. Were mankind mad enough to start such a war, the food problem would grow rather than

diminish. Agricultural production would decline still further. Even atom bombs, murderous as they are, would not kill as many people as would be born during and shortly after the war. Thus, destruction of human lives certainly is no remedy. In fact, even by forcing more hands into agricultural production, one can only solve part of the problem. The real solution, therefore, can be found only in birth control.

Yet, one can hardly imagine that such control could be forced upon peoples who dislike the idea. There are peoples who are proud of producing large numbers of children without even so much as pondering about how to feed them; China, it seems, is one of such countries. Japan and India are two more and Italy and Germany seem to be occidental examples. The birth rate, of course, may be considered an individual or perhaps a national affair, not an international one. But it can no longer be of individual or national consequence when the world's scarce food reserves must be shared with the nations with high birth rates. The food problem is growing rapidly and may soon endanger mankind as much as the atomic bomb. Stockpiling of foodstuffs, as planned at present, can help only temporarily, if at all. To increase the world's agricultural output, too, cannot help, for the uncontrolled population increase will be faster. Nor can solution of the distribution problem help so long as there is not enough to be distributed. The only way, therefore, seems to be to listen to Malthus' teachings, but to reach his goal by modern means.

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The Week's Business

DURING the week ending January 25, business, of course, was impressed by Generalissimo Chiang Kai-shek's retirement, but any who might have expected that the Gimo's decision would facilitate business affairs and force commodity prices down were disillusioned. While commodity prices showed further, though slight, increases, the exchange market was rather steady and even the highest quotation throughout the week under review was below those quoted at the beginning of this month.

On the other hand, with the Lunar New Year approaching, retail prices of textiles and leather goods showed some declines and the demand by the public was described as comparatively satisfactory, "though far below last year".

One of the well known Chinese exporters of China produce was reported last week to have gone bankrupt. This firm, the Tung On Company, was engaged in Swatow trade and in exports to the United States.

While no other bankruptcy of importance became known, it is a fact that exporters in general were facing difficulties. The Certificate rate which had been around GY 200 the week before, came down to GY 170, thus rendering legitimate exports again difficult. The Certificate rate, on which exporters depend, thus was about 25 percent below the open (black) market rate.

Speculation was reported to be strong on the real estate market, but while there were many inquiries, actual buying and selling seems very slow and prices are coming down still further. On the other hand, reports from Taiwan indicated that the demand for houses and land increased again and prices were higher than ever before. Japanese property on the island is now going to be sold at cheaper prices, it was reported.

Getting back to local conditions, business was brisk on the cotton yarn market but very slow on the chemical markets where dealers were not interested in buying more than was necessary to cover the regular demand—and occasionally not even this. Among the reasons given by dealers for such reluctance was that such goods might be considered necessities and might be under special control should political conditions change here.

Dealers in jewelry stated that due to many offers being received from people going to leave China, prices were down. Many firms were refusing to consider buying offers.

Meanwhile, Chinese shipping quarters last week were reported to have strongly protested the use of foreign vessels for transportation of coal from North China to Shanghai. Chinese shipping firms, they explained, will be quite able to handle

that business and there is no need to employ foreign bottoms. At the same time, it was announced that Japanese coal had been shipped to China and that 9,000 tons had arrived in Tsingtao.

News that the Stock Exchange would be reopened on February 2 was greeted with scepticism. It was explained that while the Exchange may be reopened, it may be taken for granted that quotations will drop from the very start. In this respect, it was shown that during the week under review trading on the (black) share market was extremely erratic, with most shares gaining during the morning hours but declining in the afternoon when news from Nanking arrives. Such news has not been very encouraging of late—from the standpoint of shareholders—especially now that it appears that to obtain the aid of liberal political groups in the coming peace negotiations will be no easy job. With all sides of the political picture being somewhat unclear, brokers are doubtful that in so uncertain an atmosphere the stock market will attract many buyers—though probably it will attract quite a few sellers.

News from other parts of China received during the week was incomplete. Interest, of course, was focussed on news from Tientsin and Peiping, but information was by no means satisfactory. The general impression was, however, that business was going on and that, contrary to what had been anticipated by some people, trading was rather brisk. So far, nothing has yet indicated that business is being hampered by too many restrictions. On the contrary, local Chinese businessmen assert that when the political situation is clarified, trade with the north will be better than during the past few months.

Hongkong firms, which a week ago were reported to have shipped cargo to North China ports, apparently have not yet announced anything with regard to their experiences in this respect. News from Hongkong merely stated that regular business transactions would be possible. It did not say much about the basis on which such trade was supposed to be developed.

On the other hand, other Hongkong reports stated that trade between the Colony and the mainland has almost come to a standstill. Trading with Hankow, too, is extremely slow at present, according to one report, and at a standstill according to another.

Trading with cities situated up the Yangtze also is very slow. Dealers here are afraid to purchase or to advance any amounts for future delivery, it was explained. Not only shipments from Yangtze ports but also to Yangtze ports have declined drastically during January.

NEWS OF THE WEEK

G'mo Retires As KMT Talks Peace; Peiping Falls, Reds Near Yangtze

IN the face of the rapid Communist drive on the Nationalist capital, Generalissimo Chiang Kai-shek announced his retirement from the presidency of the Chinese Republic and left Nanking on January 21. News of the Gimo's departure was sensational, but not unexpected. It had been whispered for some time that he was leaving either for the time being or for good.

Chiang said in his farewell message to the Chinese people that he had decided to "retire with the hope that the hostilities may be brought to an end and the people's suffering relieved."

Vice-President Li Tsung-jen automatically became acting president, in accordance with Article 49 of the Chinese Constitution which provides that "in the event that the President, for any reason, is unable to perform his functions, his duties and powers shall be exercised by the Vice-President."

Political observers attach great importance to the legal procedure and technicalities involved in Chiang's departure. The general impression is that Chiang is down but not yet completely out. The *United Press* reported January 21 from Nanking: "Chiang used the Chinese words *yin t'ui* to describe his departure from Nanking. This means temporary leave of absence. Chiang's retirement, therefore, would be temporary, not permanent, at this stage and under the Chinese Constitution, it could not be classified as outright resignation. It was understood that he chose temporary retirement instead of permanent resignation because he wished to leave the way open for his possible return to power in case peace negotiations with the Communists should fail."

* * *

Preparations For Future

AS part of the preparations for the future, Generalissimo Chiang made an important series of reshuffles in local Nationalist army commands covering practically the whole area south of the Yangtze River. Governor T. V. Soong of Kwangtung was replaced by General Hsu Yueh and his concurrent post as director of the Canton Pacification Bureau was taken up by General Yu Han-mou, commander-in-chief of the Nationalist armies. General Chen Cheng, governor of Taiwan, future Nationalist base of operations, was named concurrently garrison commander on the island. A new pacification command was created in Foochow, strategic gateway to Taiwan, to be headed by

General Chu Shao-liang, whose vacancy as director of the pacification bureau at Chungking was filled by General Chang Chun. Qualified observers pointed out that all the new commanders are known to be Chiang's trusted followers.

In addition, the Nanking-Shanghai garrison command was elevated into the Nanking-Shanghai Army Headquarters, with General Tang En-po in charge.

In spite of current talk about peace, the Government is still forging ahead with shipments of gold and silver holdings, industrial equipment, war supplies, government personnel and archives to Foochow, Canton and Taiwan. Responsible government leaders and official newspapers make no secret of the full determination of the Nationalists to fight the Reds south of the Yangtze River if the Communists should refuse to come to terms.

The Communists were rather suspicious of the motives behind Chiang's retirement. They charged that Chiang had retired at the "prompting" of the United States Government. A Communist broadcast monitored by the *Associated Press* said among other things: "Chiang's retirement and Li Tsung-jen's take over of the bogus presidency is all at the prompting of the American Government, which supported Li for vice-president with this very purpose in mind. Liberated area newspapers noted the prediction by foreign news agencies at Nanking that Chiang's failure to announce his formal resignation is designed to leave the way open for his return later. The fact is also noted that Chiang placed notoriously reactionary warlords like Chen Cheng, Hsu Yueh, Chu Shao-liang, Yu Han-mou and Chang Chun in the various southern provinces before his retirement."

* * *

Li's Belated Efforts

ACTING President Li Tsung-jen was reported in the press to be fully determined to do his best to talk peace with the Communists. With the cooperation and backing of the elder statesmen of the Kuomintang, he ordered a series of sweeping reforms to demonstrate his "sincerity" for peace. Among these measures are: (1) Abolition of martial law except in the fighting zone, (2) abolition of the special criminal courts set up to deal with political and economic violations of the so-called seditious elements, (3) cessation of all activities of the secret agents of the Communists.

(4) abolition of the right to imprison without regard to the law, (5) lifting of all restrictions which banned newspapers and magazines, (6) release of all political prisoners, (7) disbanding of all Communist suppression headquarters and the establishment of military and political administrations.

The Kuomintang Central Executive Committee on January 24 also restored Marshal Li Chi-sen's membership in the party. It will be recalled that Li was expelled from the party as the result of his anti-Nanking activities in Hongkong. Li is now in North China, conferring with Communist and other democratic leaders on the convocation of a new political consultative conference for the eventual establishment of a coalition government. General Li Tsung-jen also sent letters to Li Chi-sen and other democratic leaders in North China, asking for their views on the current situation and inviting them to come to Nanking for conferences.

General Li Tsung-jen also is reported in the press to have sent personal emissaries to different places to establish contact. It is understood that Mr. Kan Chia-hou, political adviser to the acting president, was in Shanghai seeing Madame Sun Yat-sen and members of the Democratic League. General Huang Shao-hsiung was sent to Hongkong on a similar mission. Mr. Huang Chi-sing and Mr. Liu Chung-hua, personal representatives of Li Tsung-jen and General Pai Chung-hsi, were in Peiping seeking to contact the Communists through the mediation of General Fu Tso-yi.

A five-man delegation has been appointed by Nanking to re-open talks with the Communists. The delegation represents all the major cliques inside the Kuomintang. Shao Li-tze, chief delegate, represents the independent left of center liberal group. Chang Chih-chung is a leader of the Whampao Clique dominating the Chinese army. Peng Chao-hsien belongs to the rightist CC Clique. Huang Shao-hsiung is a member of the Kwangsi Clique headed by Li Tsung-jen and Pai Chung-hsi. Chung Tien-tsin is a leading member of the Sun Fo Clique.

* * *

Difficulties Ahead

WELL-INFORMED sources pointed out that despite Li Tsung-jen's desperate efforts to make peace with the Communists, there are still serious difficulties ahead. For one thing, the reforms ordered by Li have come too late. The military situation has already taken a dramatic turn and there is no stopping it. Besides, it still remains to be seen how the reforms actually will be carried out in Nationalist China by the local authorities.

Reuter reported January 22 from Nanking: "Observers, seeking an answer to the permanency of Generalissimo Chiang Kai-shek's retirement were asking these questions: First, does Li Tsung-jen control the gold and the other assets of the Central Bank which were transferred southward from Shanghai? Second, does General Chen Cheng, appointed by Chiang as both governor and garrison commander of the fortified island of Taiwan, recognize Li's authority as acting President? If the answers to both these questions are negative Li might find himself making a settlement with the Communists on one hand without being able to deliver national assets, including the bank's gold and rich Taiwan, to whatever authority is established."

General Tang En-po, Commander-in-chief of the Nanking-Shanghai Army Headquarters, told a press conference in Shanghai on January 24 that there would be no release of political prisoners, or lifting of martial law unless the Communists cease fire and a concrete peace agreement has been reached between the Government and the Communists.

Time Table Of Nationalist Defeats



Shown here are key Nationalist cities that have fallen to the Communists since the start of their Manchurian drive: Tsima, September 24; Chinkhsien, October 14; Chefoo, October 17; Changchun, October 19; Kaifeng, October 24; Mukden, October 30; Paoting, November 22; and Hsuechow, December 2. Maps have a hard time keeping up with current developments, and to this one should be added: Kalgan, December 23; Tientsin, January 15; Pengpu, January 20; and Peiping, January 22.

Peiping Falls

ONE week after the surrender of Tientsin, Peiping fell to the Communists on January 22 without a single shot being fired. After long weeks of hard bargaining, General Fu Tso-yi, Nationalist Commander-in-Chief for North China, and the Communists finally reached an agreement for a peaceful take-over. The cease-fire became effective at 10 a.m. January 22 and the Nationalists started pulling out of the city. A joint Communist-Nationalist Office has been created to handle military and political affairs during the transition period. Public utilities are functioning smoothly and railway communication with Kalgan and Tientsin was restored within 24 hours. The postal and telecommunication services with the outside world also are functioning as usual.

The localized peace concluded in Peiping is bound to have far reaching consequences, most observers agree. First, the conclusion of regional peace has disastrously weakened Nanking's bargaining power in future peace talks with the Chinese Communists. If more localized peace agreements of this kind are reached, it would inevitably lead to a complete bankruptcy of Central authority, and Nanking would find it extremely difficult, if not utterly impossible, to speak in the name of Nationalist China as a whole. Second, Peiping's peace agreement will doubtless set the pattern for localized peace elsewhere in China. AP reported January 23 from Peiping:

"Peiping might be the guinea pig for Nanking itself, Shanghai and other cities which might find themselves in the same plight as Peiping was. In fact, the Peiping formula could easily become a national one. Political quarters believe that General Fu Tso-yi might arrange a local peace at Taiyuan and Tatung

in Shansi and Kweisui, the capital of Suiyuan."

In this connection, it is interesting to read an AP story dated January 23 from Peiping which disclosed that plans to extend peace to the remaining parts of North China are under way. General Tung Chi-wu, governor of Suiyuan, flew from Peiping to Kweisui January 23, carrying documents which presumably provide for a change-over there.

Drive On Nanking

WHILE Nanking is still talking about peace, more than 100,000 Communist troops of General Chen Yi's armies are reported to be attacking Nationalist outposts a few miles north of the Yangtze River. According to press reports, Communist crossing of the river between Nanking and Chinkiang, 40 miles to the east, appeared imminent.

Liuhu, 15 miles due north of Nanking, fell January 24 and Red troops are reported to be marching toward Puchen, main Nationalist outpost six miles north of Nanking. Towns reported to have fallen along the Nationalist outer defense screen of the Yangtze River are Taihing, Taihsien, Yangchow, Lainan, Hofei, Chuhsien and Chaoshan. Between Icheng, Yangchow and Taihing, the Communists have reached the north bank of the Yangtze.

Southwest of Nanking at Wuhu, well-known river crossing, General Liu Po-cheng's armies are said to be moving south between Nanking and Hankow. It is further reported that heavy Communist troop movements have been spotted at several

points in Honan more than 200 miles north of Hankow. The troops are supposed to belong to General Liu Po-cheng and General Chen Keng, probably moving down the Peiping-Hankow Railway towards the Wuhan cities. One force of about 60,000 men is said to be gathering at Loho, about 30 miles north of Chumatien. Another force, smaller in number, is said to be concentrating at Lushan, about 30 miles northwest of Loho. A third force of about 2,000 men has been discovered at Sintsai, 66 miles northwest of the Nationalist-held town of Sinyang.

It is generally believed that by the time this issue of the Review reaches our readers, the battle for the Yangtze River may have begun in force.

From the military point of view, the defense of Nanking is weak. As the Nationalists have abandoned their strategic centers north of the Yangtze, the capital is now at the mercy of Red artillery. AP reported January 19 from Nanking:

"Observers said Nanking may become another Tientsin—a prey to artillery fire and encirclement. They watched the hasty defense preparations around the capital and found them exceedingly weak. General Tang En-po, charged with defending the capital, is willing to fight. But observers note he has little left to fight with—even for a holding action. He is believed to have 150,000 men to guard the Yangtze River line. The Reds can throw at him twice that many men, mostly veterans, fresh from wiping out some of Chiang Kai-shek's best troops on the Hsuechow front."

Chinese Magazine Roundup

Perspective

THE *Perspective Magazine* of January 25 discusses the highly interesting question as to whether Shanghai will become a battleground if the Communists penetrate into the south bank of the Yangtze River. Its answer to the question is in the negative.

The magazine first studies the possibility of the Red's attempt to cross the river and comes to the conclusion that crossings most probably will be made in the two provinces of Kiangsu and Anhwei.

"The battle for the Yangtze River is likely to take place in three regions," the article says. "The eastern section of the Government's defense line lies between Nantung and Chinkiang in Kiangsu. The middle section runs from Pukow in Kiangsu to Tatung in Anhwei. The western section covers Hsinyang and Hsiangyang, threatening Hankow and the Yangtze in west Hupeh.

"A close study of the map will show that the Reds are most likely to attempt crossings along the eastern and middle sections and at such places as Chingchiang, Kiangyin, K'ouan, Yangchung, Chinkiang, Lungtan in Kiangsu and somewhere near Wuhu in Anhwei."

According to the analysis made by the magazine, the reasons why Shanghai will not become a battlefield are four in number.

The first is Communist strategy. "If the Communists should succeed in crossing the Yangtze," it points out, "their next move, as indicated by the strategy and tactics they have adopted so far, would be to turn the Nationalists' flank instead of conducting a series of frontal attacks against the cities and stations along the Nanking-Shanghai Railway. The Communist troops under General Chen Yi would cross the Yangtze at one or two of the above-mentioned places to cut off the Nanking-Shanghai Railway and march along the Soochow-Chiahsing line in order to cut off the Shanghai-Hangchow Railway. Or they might drive toward Chintan, Liyang and Kuyung and pour into Chekiang by way of the Nanking-Hangchow highway. Another Communist column, with the support of local Red irregulars at Laian, Chuhsien, Tingyuan and Chiashan, might cross the river in Anhwei and penetrate into south Anhwei, thus threatening the flank of Nanking in coordination with General Chen Yi's troops in the east. General Liu Po-cheng's units might move toward Hsinyang and with the help of General Kung Chung-chow's forces make a formidable drive on Hankow."

The huge amount of foreign investments in Shanghai, the magazine declares, is also a big deterrent to any fighting in Shanghai. "The bulk of foreign investment in China is

concentrated in Shanghai," it says. "More than one month ago when panic seized Nanking and Shanghai, American nationals were pretty much worried. On December 7, the American community in Shanghai formally asked Washington to make known its plans for protecting the lives and property of American nationals in Shanghai. A little while afterwards, American marines were sent to Shanghai from Tsingtao. Admiral Badger, commander-in-chief of the US Fleet in the Western Pacific, made it quite clear that in case of need American marines would land in Shanghai to protect the lives and property of American nationals, but the marines would never take part in China's civil war. This implied that Americans hoped to do business in Shanghai as usual.

"Neither the Kuomintang nor the Chinese Communists would have any need for destroying Shanghai. No far as possible, both of them are ready to respect the lives and property of American nationals in Shanghai."

The third reason, the magazine says, is that Shanghai's industry and commerce, is the very backbone of China's national economy: "The headquarters of Chinese light industries are located in Shanghai and only a small number of them are scattered in Tientsin, Hankow, Wuchang and Canton. Besides, Shanghai is the nerve center of China's culture, education and banking. Is the battle for Shanghai going to end in a complete destruction of the city? It is most unlikely. It is, of course, mighty easy to destroy this foundation. But it would be a terrific task to rebuild it. Both the Kuomintang and the Communists are perfectly aware of this point.

"At present, most of the Government-owned industries have already been transferred to Canton and Taiwan. Those left behind in Shanghai are, for the most part, private enterprises. The reason why these enterprises have decided to remain where they are is because they don't want to move out. Besides, it is also difficult to do so.

"There is no reason why the Kuomintang or the Chinese Communists would have the heart to wipe out these light industries of private capital. Besides, this would make the public bitter."

Lastly, in view of the fact that Shanghai since the founding of the Chinese Republic has invariably emerged unscathed in spite of serious disturbances and internal warfare, it is generally felt that this time Shanghai will be able to come out all right, the magazine concludes.

China News

AN inside story concerning the "polite insubordination" of Nationalist field commanders in Central

China under the leadership of General Pai Chung-hsi to force Generalissimo Chiang Kai-shek out is told in the *China News* of January 25.

The magazine explains that the feud between Generalissimo Chiang and the Kwangsi clique is a deep-rooted one. "The election of General Li Tsung-jen to the vice presidency of the Chinese Republic aroused much bad feeling between the Kuomintang and the Kwangsi clique," the article says. "General Pai Chung-hsi lost his portfolio as minister of national defense when Dr. Wong Wen-hao formed a new cabinet. He was given a minor job as bandit-suppression commander-in-chief in Central China. At first, he refused to take his new job. It was only after a series of conferences and much persuasion that he finally changed his mind and went to Hankow. However, this remained an unpleasant incident all the same."

The magazine continues: "Last December an important conference was held in Nanking under the auspices of Generalissimo Chiang Kai-shek. In spite of repeated invitations from the Generalissimo, General Pai refused to attend the conference in person on the plea of ill health. Perspicacious observers at the time suspected that there must be something in the air.

"In the latter half of December, it was widely rumored that General Pai Chung-hsi was planning to negotiate a local peace with the Chinese Communists. On New Year's eve, the Honan Provincial Council fired its first shot at the Central Government, thus bringing to light the game General Pai was playing. The Council in a circular telegram to the various government agencies and civic bodies throughout the country openly demanded Chiang Kai-shek's resignation. The message was sharply worded and said Generalissimo Chiang should be ashamed of himself because of the complete bankruptcy of the present regime in Nanking.

"The message, although issued in the name of the Honan Provincial Council, had the advance knowledge and apparent approval of Governor Chang Chen. It was revealed that drafting of the message first began in the second week of December. It was passed by the Council in spite of stiff resistance by some pro-Nanking conservatives.

"In order to push its movement, the Council sent its chairman, Liu Chih-sho, to Hankow, Anking and Changsha to seek cooperation in the two provinces of Anhwei and Hunan. Response from Hunan and Anhwei was understood to be lukewarm...."

US Magazine Roundup

National Guardian

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"Least likely of all the convention actions to be brought into play immediately, the 'industrial council' decision accepts the fallacy once made plausible by Mussolini and Hitler that labor and management are 'equal partners' in production. . . (and) also accepts the disproved theory that government is 'impartial' in labor-management disputes. Effects of such a plan if put into force will be:

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"Led by President Philip Murray himself, the attack was visited chiefly on the smallest and weakest of the 12—notably Food, Tobacco and Agricultural Workers fighting for union conditions in the tough cannery, tobacco plant, migratory worker and sharecropper areas; Office Workers, battling banks, insurance, ad agency, movie and radio opposition; and Public Workers, hampered by union-busting 'loyalty' purges and laws prohibiting strikes versus Government.

"Biggest of the so-called left-wing groups are United Electrical Workers (UERMWA), Furriers, and West Coast Longshoremen (ILWU) led by stormy Harry Bridges. Saved by size and organizing strength from the main attack, these came under the lash in other ways, principally for supporting Henry Wallace and opposing the Marshall Plan.

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"Fitzgerald was returned to office as a CIO vice-president, and offices of other 'left' unions were returned to the national executive board; but all opposition leaders faced the demand that they cease opposition to 'CIO policy' in union papers and instead bring the workers into line behind the actions of the 1948 convention."

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"UE also could not agree that 'political support must be limited to candidates of the two major parties'; that the CIO executive board should have power to take over and administer member unions ('a serious blow at the principle of union autonomy'); and that there was any need for a per capita increase from five to eight cents.

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But it says a unified China under Soviet Communist control "could be a very surly and menacing neighbor for Korea, Japan and everything Asiatic that lies to the south," and concludes: "We shall unquestionably have to reconsider our Japanese policy in the light of the Communist successes in China."

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Chiang's Retirement

THE Ta Kung Pao welcomed Chiang Kai-shek's retirement from the Nanking Government and expressed the hope that his stepdown would lead to the immediate reopening of peace negotiations between Nanking and Yen-an, thus bringing China's civil war to an early end.

The paper said that in view of the fact that the Generalissimo had already expressed in his New Year's message his readiness to get out if peace could be secured, his retirement should occasion no surprise.

"Now that President Chiang has taken concrete action to demonstrate his desire for achieving peace," the editorial said, "it is up to the Government and the Communist Party to open peace negotiations without delay. A Communist broadcast raised objections to the request of the Executive Yuan for a bilateral and unconditional cease-fire and suggested that peace negotiations start before any cease-fire.

"Latest reports from the capital stated that the Government had decided to send a delegation to fly to Yen-an to talk peace with the Communists. This decision seems to indicate that the Government did not firmly stick to its original plan for cease-fire. If that is the case, peace negotiations should start right away.

"The people do not want any more fighting. This is the argument used by both the Government and the Communists in seeking peace. It is hoped that peace talks will not be delayed or marred simply because of difficulties involved in the question of procedure. The sooner peace talks are started, the better chance they will have of success.

"Three years of bloody fighting since VJ Day has been too much for the people. The people want peace. Peace negotiations should start at once. There should be no further delay. There may be a long time before peace is eventually achieved, or the time required may be very short. Generalissimo Chiang's retirement is most likely to produce a far-reaching effect on the Government. It is hoped that the Government leaders and army commanders throughout the country will keep calm and stick to their posts to work for peace."

US-Soviet Relations

THE Shun Pao discussed US-Soviet relations and concluded with the hope that both countries will do their best to improve these relations, thereby strengthening world peace as a whole.

"During the election campaign," the paper said, "President Truman promised the electorate that during the next four years he would devote his efforts to obtain the understanding of Soviet leaders so that world peace would be secured. Now that he is going to begin his new term of office, it is incumbent on him to exert efforts along this direction in order to live up to his words and not to cause disappointment to the electorate. The general trend seems to indicate that the United States Government will make an effort to break the present US-Soviet deadlock. The recent resignation of Secretary of State Marshall, and the appointment of Dean Acheson as his successor may be considered the prelude to a new turn in US foreign policy.

"A review of US Soviet policy in the past two years, however, leads one to admit that the American authorities have failed to carry out measures in the field of foreign relations that meet fully with world approval. To be fair, Trumanism and the Marshall Plan, viewed from America's standpoint of anti-Communism and anti-Soviet Union, must be considered strong measures. But viewed from the standpoint of world peace as a whole, the possible repercussions of such a policy are worthy of careful consideration. Moreover, the State Department, in the actual execution of the policy, has often committed itself to delays and hesitations, and has not been able to carry it out drastically and promptly in order to achieve the fullest results. Besides, due to the neglect of the principle of the indivisibility of the world, the application of the policy has been limited to certain regions, and has resulted in priority treatment being given Europe. Accordingly, though there have been some achievements in Europe, the neglect of Asia has caused the policy to lose its real significance. Thus, unless the United States is prepared to carry out her firm policy regardless of any consequences, she must reconsider her relations with Soviet Russia.

"Generally speaking, US-Soviet cooperation is the prerequisite to world peace. All the peoples of the world are looking forward to the day when the two countries will bury their differences. Since recent developments in international relations have indicated a great possibility of improving the relations between the two world powers, it is to be hoped that they will seize this opportunity and take concrete steps in this respect."

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THE Kuomintang mouthpiece, *Chung Yang Jih Pao*, analyzed the trends of United States foreign policy and argued that if the keynote of US policy is peace as stated by President Truman, the United States must pay more attention to peace in the Far East.

"As a matter of fact," the paper said, "on the question of the future foreign policy of the United States, President Truman in his message to Congress on January 5 has already made it crystal clear that the basic principle underlying this policy is peace. The current change of the secretary of state indicated that Truman is going to supervise personally the implementation of his foreign policy and make a final effort toward peace.

"If we are to consider the cold war between the United States and Soviet Russia as the focal point in the international situation in 1948, then for the current year, the focal point will be peace. Should world peace unfortunately fail this year, the world would be nearer to World War III and the suffering of the peoples of the world would be beyond imagination.

"In the intensified cold war between the United States and the Soviet Union, Marshall has reaped important results in Europe. But in Asia, it cannot be denied that the democracies have suffered reverses. The drastic change in the situation on Continental Asia during last year must be considered a great defeat for the United States in her cold war against the Soviet Union. After the whole of Manchuria has tumbled behind the Iron Curtain, South Korea has become exposed to the pressure exerted by the joint Communist armies in Manchuria and North Korea and is now in grave danger. If South Korea is not preserved, the coast lines of Japan and the Ryukyus will be exposed to serious threat. The change in the situation in the West Pacific indicates that Asia has been deprived of the guarantee of security. If the 1,100,000,000 people of Asia lose their security, there will be no doubt that peace for Europe will also become a dream . . .

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What US Papers Say

PRESIDENT Chiang's retirement dominated editorial comment on China in the US press. Most papers termed it a "tragedy" but felt it was inevitable under the changing circumstances.

Tragedy Of Chiang

THE *New York Herald Tribune*, in an editorial titled, "The Tragedy of Chiang," said: "Generalissimo Chiang Kai-shek departed from Nanking as a defeated man but his name will be written large in Chinese history. His triumphs in the 20 years that ended with the surrender of the Japanese were more spectacular than those of any other man in Asia in his generation. If he had retired at the end of the war with Japan, through which he resisted aggression of foes bearing superior arms with such remarkable tenacity, there would have been an aura of glory about him that would have endured indefinitely.

"Throughout his life he was essentially a patriot and a Nationalist. His virtues were those of men who had been notable emperors or superb military commanders in ancient China. His faults were closely allied to his virtues. His basic fault was that he was not a modern man. He failed to understand some aspects of the development of the country where he held leadership, and the tragedy of his final defeat was a result of this failure. His achievements, might have been even more extraordinary than they actually were if he had lived a thousand or two thousand years ago. While he represented the very spirit of the Chinese people during a portion of his career—partly, because he had virtues that were valued in ancient China—he eventually met disaster because a new spirit had arisen that he did not understand and could not represent . . .

"After the Sino-Japanese war, the Generalissimo was determined to wipe out the Communists, who were creating a new division of his country through their control of a party army and their refusal to recognize the authority of Nanking. The Generalissimo used military means, as he had against the warlords, and he expected similar results. Unfortunately, however, his government had done little to meet the demands of the people of China for a better life. To most Chinese, weary of war and tired of being hungry and of wearing rags, the National Government seemed to offer little except more fighting and high rents, high taxes and high interest rates. The Communists, at a minimum, offered promises. From the point of view of an American, many of these promises were misleading, if not completely false, but in comparison to the poor performance of the National Government, with its inefficiency and its corrup-

tion in provincial and local administration, the promises were attractive to a Chinese peasant.

"Few of the people of China understood that Communism was a movement with headquarters in Moscow and very few responded with any enthusiasm to the Generalissimo's Nationalist and patriotic appeal. Many regarded the Communist movement as merely an uprising of distressed peasants. Since the Communist-led uprising came at a time when there was a new spirit abroad in Asia, a spirit that demanded more attention for the welfare of the ordinary man, the Reds were able to conceal their true intentions."

The *Christian Science Monitor*, also commenting on "The Tragedy of General Chiang," said there was a time when Chiang Kai-shek seemed synonymous with China and that for a brief, heroic period even his enemies, including the Chinese Communists, were reconciled to his leadership when China confronted the Japanese invader. The editorial continued:

"For the degree of unity he was able to bring to that mighty but divided land, for the superb stubbornness of his refusal to bow before overwhelming Japanese force, for his rigid devotion to China's destiny as he understood it, he will hold an honored place in the history books.

"But history has moved forward, while the Generalissimo has stood still. Old divisions have renewed and multiplied themselves, in his own camp as well as between him and his Communist opponents. His unyielding emphasis on Confucian authority has grown as popular support of his shaken regime has waned. Finally, the division between him and the people's will has become complete."

New Phase

A *Washington Star* editorial titled, "New Phase in China," said: "With Chiang's great prestige and unifying influence thus eliminated, one of the big questions is whether the Nationalists will be able to hold together under Li and negotiate a peace that will not reduce China to the status of a Soviet puppet. Another big question is whether the Chinese Communists, assuming that they come to dominate the entire country, will eventually develop a maverick temper like that of Tito's Communists in Yugoslavia or whether—with a veto power as one of the Big Five in the United Nations—they will slavishly serve the Kremlin.

"As for the question of American aid—whether it could have done any good if it had been larger or whether it would have been wasted—speculation seems pretty much beside the

point now. The point is that Chiang's departure—though it may conceivably prove to be temporary—seems to mark the beginning of a profoundly significant new phase in the long history of tortured China. And that suggests, in turn, that the United States, having in mind its position in the world balance of power, must do some deep and sober thinking about the grave implications of a Communist-dominated Asia."

The *New York Times* said: "Though there were at first contradictions and uncertainties in the news that came from China, it seems probable now that Chiang Kai-shek has surrendered power to direct the destinies of his hard-pressed government not only in the crisis immediately confronting it but also in the longer trials that lie ahead. Theoretically, he has left Nanking only 'to sweep the tombs of his ancestors' in his native town of Fenghua. But in view of the latest official statement of his retirement this has all the earmarks of a journey from which there is no present prospect of a return to power."

Peace Terms

COMMENTING on Mao Tze-tung's peace conditions, the *Washington Star* in an editorial entitled, "Chinese Red 'Peace' Terms" said: "While perhaps not unexpected, the Communist answer to Chiang Kai-shek's recent peace feeler effectively dissipates any hope that China's civil war can be terminated on a compromise basis.

"No less a personage than Mao Tze-tung, supreme leader of the Chinese Communist party, is the author of an eight-point statement on the terms on which 'negotiations' can take place. Collectively, they amount to a demand for unconditional surrender of the Kuomintang National Government and its replacement by virtually complete Communist domination over China. Stigmatizing Chiang's proposals as 'sheer hypocrisy,' and boasting of Red ability to inflict a few more heavy military blows which will cause the National Government to 'crumble into dust and extinction,' Mao goes on to specify the terms on which fighting can stop.

"For the Western world, the most significant part of Mao's ultimatum is his bitterly hostile attitude toward the Western Powers, in general, and the United States, in particular. Holding the Kuomintang guilty of 'traitorous' foreign policies, Mao stigmatizes as a 'wholesale betrayal of national rights' such acts as the acceptance of American aid in all its phases. He therefore demands 'Abrogation of Treaties of National Betrayal,' making it clear that this refers especially to all agreements made with the United States."

The Review's English Lesson—LXVIII

THIS week, we shall vary our usual form of lesson which attempts to explain certain phrases used in the columns of this magazine. Many readers have expressed satisfaction with the basic idea, but have asked not only that the terms be explained, but also that this should be done in the same issue in which the terms appear. We have explained that mechanical difficulties of having both text and explanation in the same issue are insuperable; so we must compromise. This time, we'll try to cover the first editorial appearing in last week's issue, "US To Build Dikes," picking out what appear to be the most difficult expressions.

The Hunan Government, which . . . is not the most efficient organization imaginable: "Most efficient" is, of course, a superlative; the most efficient organization accomplishes its duties with no loss whatever, either of manpower, money, time or materials. But when the writer slipped a "not" in front, he implied that it was a pretty poor organization indeed—without exactly saying so. The "negation of a superlative" is often used in this way, to give more force to a statement that otherwise might sound banal. For example, instead of saying, on coming out of a movie, "That was a bad picture," one might say (and probably with good cause), "That wasn't the best picture I've ever seen."

Foredoomed to failure: "Foredoomed": destined. The phrase gains color through alliteration, the two initial "f" sounds. For a good, solid dose of alliteration, the reader is referred to the English poet Swinburne, who used the device sometimes to ridiculous lengths.

Received but scanty publicity: "But" is often used, as here, instead of "only." The word "scanty" means slight, little, sparse. "To the foreigner, it appears that Shanghailanders wear scanty clothing in summer."

Squeeze fat profits: "Squeeze" is of course the time-honored euphemism (pleasant way of saying, or referring to, something unpleasant) denoting the time-honored custom of extorting a profit from every transaction, whether permissible or not. "Fat" is commonly used as here to mean big, huge, tremendous profits.

A much-touted earthen wall: The phrase "much-touted" is often used, but in a sense somewhat different from the original meanings of the word "tout", which came from an Anglo-Saxon word meaning to peep, to look. Later, it came to mean to spy, or to canvass for customers, etc. As used here, it means "much praised", or "much advertised."

While casting about: The verb "cast" has many meanings, perhaps the commonest of which is to fling, or throw. As used here, it means "to estimate, compute, look for"—an obsolete meaning, aside from its use in this particular phrase, which is often used.

Usually pious . . . officials: "Pious" here is used in its old sense, meaning dutiful or loyal to

family, race, etc.—here, to principles of honest government. It is evident from the context of this phrase that the word is used in the ironic sense, since the officials referred to are said to "specialize in helping (for a price) foreign . . . missions spend money . . ."

Fool proof: More commonly written as one word; it means that some instrument, machine, plan, etc., is so simple, well-built, or well-designed as not to be misused or damaged, even by a fool.

Had a crack at: Had a try at (accomplishing something); had an opportunity to carry out some task.

Bureaucrats haggled: "Bureaucrats" are government officials who use rigid, formal measures, or who, through laziness or unimaginativeness, use only routine procedures in administration. "To haggle" is to argue or wrangle, especially to make difficulties in bargaining. This phrase is a good example of a suitable choice of words: that is good diction. "Bureaucrats" is a derogatory way of referring to government officials; "haggled" connotes dishonesty, brawling, sharp practices. Both terms therefore go well together and the phrase is much more effective than "bureaucrats argued", for example, since "argued" might refer to a serious dispute between high minded persons.

Clamped down on: To restrict summarily; to stop with force. "Clamped" might refer to the lid of a pot, suggesting that it is firmly fixed into place to cover up something disagreeable.

Frantic dumping of stocks: "Frantic" means wildly excited, frenzied; to "dump" stocks is to throw goods onto the market in great quantities.

(Flour) wound up in the hands of Changsha newspapers: "To wind up in (or at)" means finally to arrive; the phrase connotes a long and devious path—often a dishonest one. "The Governor of N, after having collaborated with the Japanese, opened an illegal foreign-exchange racket in Shanghai; it is said that he finally wound up in a beautiful house in Taiwan."

A "good press": Favorable publicity in the newspapers. "It is said that the current peace efforts of the Government are receiving a good press." (From the beginning of the next editorial, "Road From Democracy.")

This or that country: "This or that" means one or another; any of several.

All too rarely do we hear: "All too rarely" is extremely rarely; such an adverbial phrase is not very common. It is followed, as here, by the inverted verb-form, "do we". "All too often do we see . . ." etc.

THE CHINA
WEEKLY

REVIEW

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A Weekly Newspaper Established In 1917

February 5, 1949

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Edgar Snow

The Fall Of Peiping

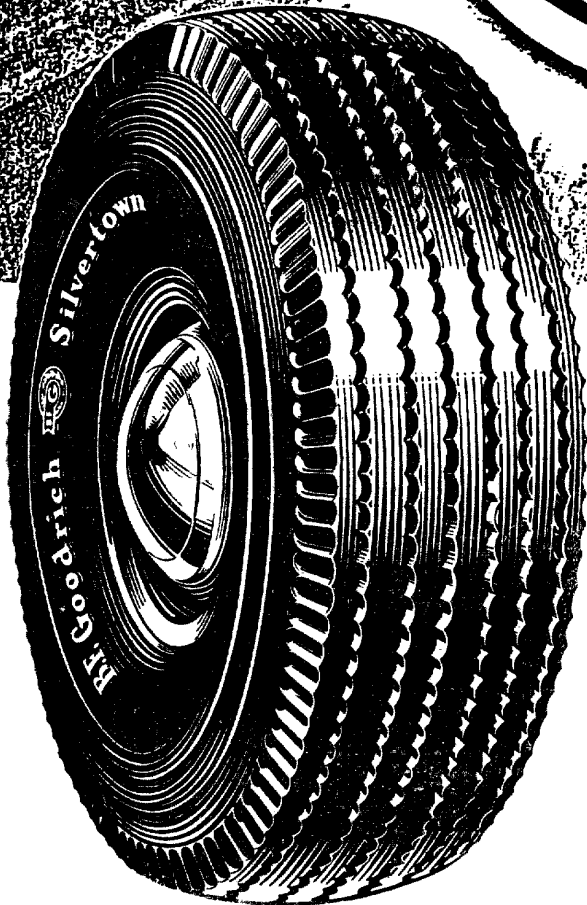
Andrew Roth

Shanghai's Peace Prospects

Charles J. Canning

NEW APPROACH IN ASIA?

AN EDITORIAL



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袖領膠橡

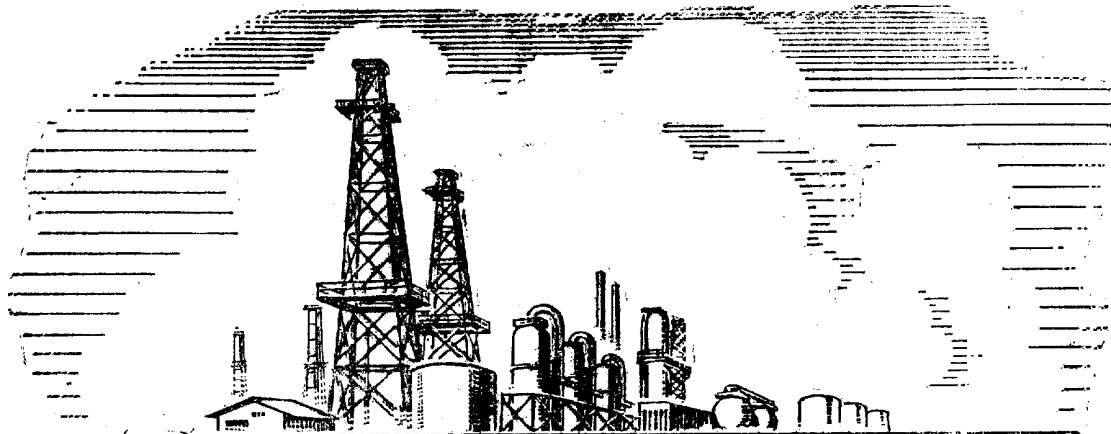
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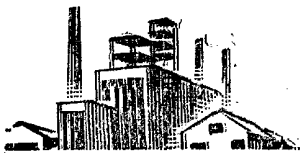
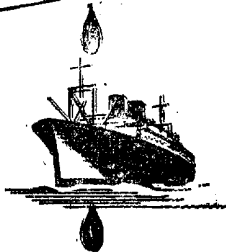
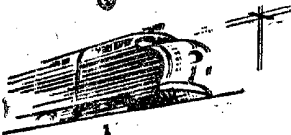
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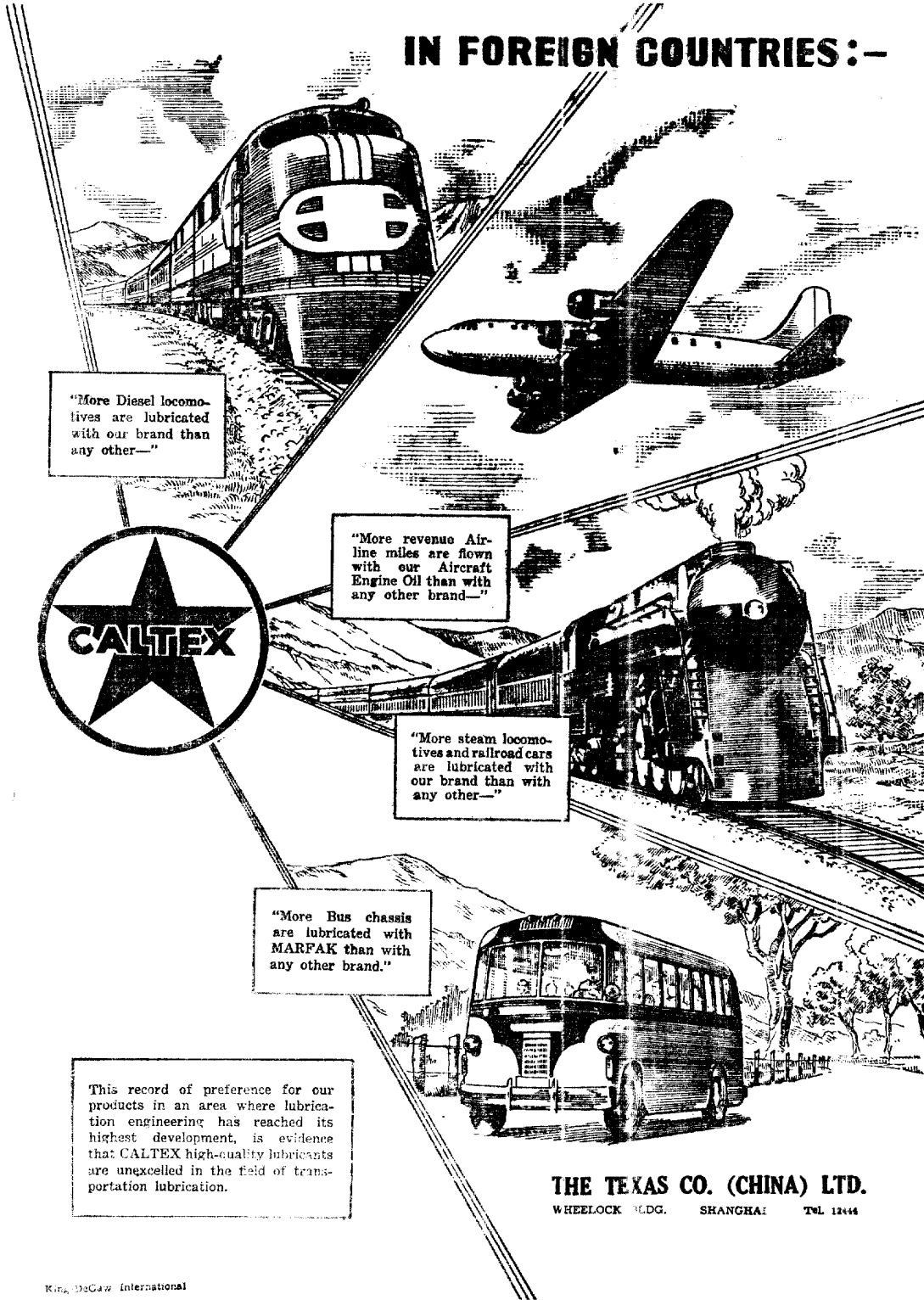
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LETTERS From The People

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Change Of Mind

To The Editor:

It would be very surprising to me if the rumors of peace talks materialize. The other day the Generalissimo said that if the Communists wished, he would be very glad to negotiate with the CP again. But the leading spokesman of the Communists, Mao Tse-tung, had already put forth eight conditions as a basis for any peace talks.

On the same day that Mao's terms were published, the governors of several provinces made a statement saying that to accept the eight points would be no different from surrendering to the Communists. The Kuomintang is faced with the crisis of military defeat, economic panic and social unrest.

Ironically enough, the President made his statement at the most critical moment. Why is it that only a half a month before he insisted on carrying on the bandit suppression campaign? How did he change his mind so quickly? The only answer is that he no longer has the power to maintain his own throne.

However, there is a chance that he will be able to keep himself in power, and retain his prestige by accepting the eight terms which in general the people support. But before negotiations take place, neither the KMT nor the CP will lay down their weapons.

We are wholeheartedly for the success of the negotiations in order that we may establish a coalition government and build a democratic nation.

Y. S. L.

Tung-liang, Szechuen
January 21, 1949

Peace Terms

To The Editor:

A streak of light broke through the dismal clouds when President Chiang made his New Year's Day message in which peace overtures were made. The CP kept silent until Mao Tse-tung on January 15 stated his willingness to talk peace with Chiang on the basis of eight conditions. Although it is still premature to predict whether the terms of both parties can be mediated successfully, we believe that the long-awaited peace will come eventually.

It seems intolerable to the KMT for the CP to insist upon the punishment of war criminals since most of the high-ranking officials in the government are included in this category. President Chiang has shown his repentance by saying that he will willingly step down if peace cannot be obtained. We hope that the CP will not insist on sticking it out to the last.

A new democratic coalition government must make its appearance as soon as the civil war is ended. The old government must be discontinued and a new constitution adopted to meet the demands. Moreover, it will be necessary for the new government to carry out drastic reforms in various fields. Mao's conditions with regard to land reform, reorganization of troops under government control, eradication of bureaucratic capitalists and cancellation of unequal treaties seem to be well received by the people.

THE CHINA WEEKLY REVIEW

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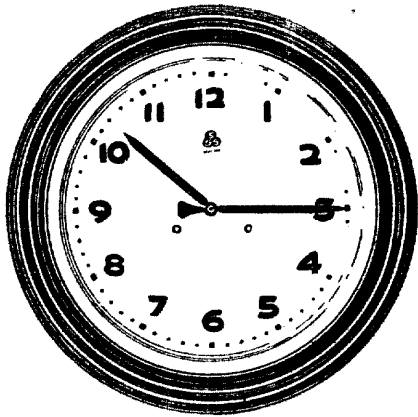
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Most important and contentious, probably, is the last condition—that the reactionaries of the KMT shall be excluded from the new political council which will be the basis for the new coalition government. It is our view that these warlords and plutocrats of the KMT who have done so much evil to the country should no longer exist, and that progressive members of the KMT should be given the chance to join the future government. The real problem is on what ratio should the different factions and non-party people be represented in the above-mentioned council. Obviously the CP would like to have an overwhelming majority, while the KMT is unlikely to acquiesce in such a plan.

We urge both parties to put the welfare of the nation and of its ordinary citizens first, before any interest of party. In this way all obstacles will be smoothed over.

May God bless both Chiang and Mao and help them bring about a quick and honorable peace.

M. C. CHANG.

Changshu, Kiangsu
January 18, 1949

Peace Mongers

To The Editor:

The gentlemen crying for peace these days are of various types, each type with different ideas.

In the first category is Generalissimo Chiang Kai-shek. His New Year's Day announcement for peace perhaps surprised some foreigners who do not understand the inside story of China politics. As a matter of fact, Chiang, the great hero of "Bandit Suppression" for 20 years, has never compromised with the Communists; therefore, no sincere peace efforts in regard to the civil war will be made by him. In fact, his announcement calling for peace with the victorious Communists was only a beautiful lie to delude the Chinese people and the world at large. He knows that his defeated forces can not resist the People's Liberation Army at the present time and he wants a temporary peace as a breather in order to try to get further American support for his armed forces. When everything is ready to continue fighting, his idea is to re-instate the notorious "Bandit Suppression" operation.

The next group crying for peace are the henchmen of Chiang. These include such people as General Chang Chih-chung, whom ignorant foreigners praise as the democratic general; Shao Li-tze, the so-called "peace-loving old man;" and General Chang Chun, former premier of China. These gentlemen talk about peace. But do they really want peace? What kind of peace do they want? If one really knows modern Chinese political history, he will not overlook or forget the relationship between all of the above-named gentlemen and the Generalissimo. These men are the closest watchdogs of Chiang Kai-shek. But they have always been very cunning—whether through their own will or the Generalissimo's—and have always pretended to be willing to compromise with the Communists. Actually, their views on peace are identical with those of the Generalissimo. They are simply the "good-looking face" tools of Chiang Kai-shek.

The third group which preaches the gospel of peace at the present time consists of the followers of the CC Clique. This may surprise you. But facts are often stranger than fiction. These gentlemen not only preached peace, but actually contacted, urged, and instigated various institutions, social associations, and city councils to support the Generalissimo's New Year's Day announcement calling for a bogus peace with the Communist Party. They believed that the Communists must

accept Chiang's proposal to open peace negotiations. That would mean that the Communists would have to hold on to the present Nanking Government and surrender to the Generalissimo.

The fourth group seeking peace at the moment are the so-called democratic elements in the Nanking Government. These gentlemen have come to realize that Chiang's shaky Government is no longer a paradise for them, that it will collapse in the not distant future, and that their days of long-enjoyed officialdom are nearly at an end. If the KMT Government of Nanking can compromise with the Communist Party before the Reds reach the capital, it may be—so they think—that they will hold on to their positions under the newly established coalition government.

The fifth group seeking peace through appeals both to Chiang and Mao Tse-tung are the members of the various minority political parties and some non-party intelligentsia who are interested in politics but who have not succeeded in securing any positions in the present Nanking Government. These gentlemen want peace in order to replace Chiang's almost one-party rule with a coalition government in which they may be able to play some role.

The sixth group is made up of the well-to-do upper class Chinese who, though they fear "hard times" if the Communists conquer China, realize that the KMT forces can fight no longer; therefore, they appeal to both sides for a truce in order to stop the Red Army's progress. They have asked the Generalissimo to make a compromise with the Communists. Their wish is to change the face of the Nanking Government but to maintain its core—the same out-moded feudalistic system in which they can exert their influence. In this way they believe that they can rescue their enormous property-holdings and economic positions which they recognize are now threatened by the Communist advances.

The others crying for peace are either the tools or blind followers of the gentlemen described in the above six categories. Of course the average war-weary Chinese *lao pai hsing* hates civil war; these common people want a true peace. But we must realize that if peace comes through the hands of the above-described gentlemen, it will be no true peace. The future of China under such circumstances will only sink into miserable confusion and continued civil war.

I belong to no political party. I am a peace-lover. But I must remind my countrymen to beware of peace-mongers. January 22, 1949
Shanghai T. P. W.

Stop War Now

To The Editor:

The peace movement has become widespread since Chiang Kai-shek's New Year statement. Every Chinese feels happy over the prospect of the government's negotiating peace with the Communists.

At present all the papers and magazines are discussing the problem of peace, a thing they did not dare do a few days ago. However, half a month has passed but there is still no peace and the fighting goes on. We the people doubt whether our government really wants peace. It is not correct to destroy several famous old cities and kill millions of people on the eve of peace.

The war can be fought no longer! Peace must come without delay! If the government is for the people and keeps its promises, it must stop its ill-advised acts and make peace with Communists soon. The people cannot wait any longer!

Wuhu, Anhwei
January 20, 1949

C.C.H.

Shanghai's American Daily— more than "just a newspaper"

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Fishery Graduates

To The Editor:

After VJ Day the Government sent a number of demobilized soldiers to the Fishery Institution of the Central Training Corps and, after a period of training, graduates were placed in various organizations by the government except for our group, 78 persons, who were assigned to the China Merchant's Steam Navigation Corporation. But the CMSNC refused to take us on in spite of the intercession of General Chen Tachung of the Shanghai-Woosung Garrison Command. After numerous conferences between General Chen, our representa-

tives and representatives of the CMSNC who at first refused even to talk with our own representatives, we still have not been successfully placed.

Our own representatives went to Nanking in December to find out whether our placement orders had actually been changed as the CMSNC charged and found this to be untrue. In fact the National Defense Ministry gave General Chen a mandate ordering the CMSNC to employ us immediately. Though we took our baggage to their offices—since our own barracks had been turned over to the gendarmerie—the CMSNC paid no attention to us. The next day through the kindness of General Chen we were

allowed to return to our own barracks, and given 48 catties of rice each and 60 C.Y.

At the present time we have no jobs, no food, and no money. We cannot go on this way much longer. We are obedient soldiers who fought at the front during the Japanese war. When, after VJ Day, the Government asked us to take part in production work for the country, we agreed and came to Shanghai to be trained. After our graduation last October we were told to report for work at the CMSNC and to put what we had learned into practice. We have done nothing wrong.

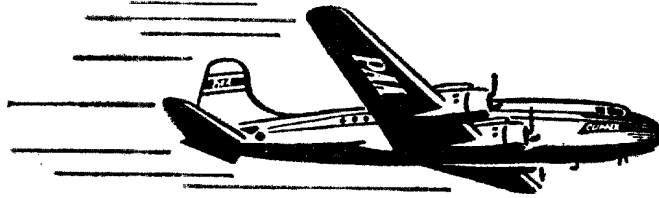
The CMSNC is a Government-owned navigation corporation and we were sent to this company by the Government. It is not reasonable for them to refuse us. And, since the CMSNC now possesses more ships and property than during the war, if each ship or wharf were placed under one or two persons, it would not be difficult for them to employ all of us.

We believe in our Government and hope that this problem will be settled at once.

78 Graduates of Fishery
Institution of Central Training Corps
assigned to CMSNC

Shanghai
January 25, 1949

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Castle In Air

To the Editor:

I believe that if the government truly wants peace and wishes to save the people from the danger of complete destruction, the following concrete steps should be taken in order to win the confidence of the Communists as well as the people:

- 1) Restore freedom of expression provided in the constitution and give the periodicals which have been suspended the right to resume publication.
- 2) Release the so-called political prisoners who were arrested on the charges of communist activities without any reliable evidence.
- 3) Deal strictly with those bureaucratic capitalists who have made China what it is today. The measures the government has taken for the privileged few without regard for the people as a whole constitute one reason for the people's disgust with the present state of affairs.
- 4) Cease the censorship of mail.

Both parties should stop trying to gain complete domination and each should try to be democratic. Only in this way can peace really be had.

If what is mentioned above cannot be brought into effect then peace is nothing but a castle in the air.

I.G. KIANG

Chu-Chow, Hunan
January 4, 1949

"Worries Of The Fool"

To The Editor:

Like the New York City dailies, I doubt that Chiang Kai-shek's retirement is an honest and final move. Another worry of mine is the substance of National Defense Secretary Forrestal's booklet, *Civil Defense for National Security*, which, if followed, would eventually lead America to the adoption of a neo-type of Hitlerian dictatorship and totalitarianism. I fear, too, that those die-hard imperialist powers like England, France and Holland will take undue advantage of American aid to further their respective colonial policies and practices. For example, there is the proposal of Rene Pleven (former Minister of Finance in France), that the US set up a Marshall Plan for Asia, which would include French Indo-China and other European colonies in Asia.

It is interesting to note that the *British New York Times* and *China News* in Shang-

hai recently published an article in which it placed the blame for the prolongation of the Chinese civil war on the Communists. Professor Liang Su Ming, one of the founders of the Democratic League, wrote an article, "Who Was Responsible for the Civil War?" (*Ta Kung Pao*, Chungking edition, January 22, 1949) in which he proved statistically that the Communists were not to be blamed for the civil war.

England, with its policy of "divide and rule," and America, with its devil-stricken men like the missionary-imperialist Judd, shame-faced, pseudo-diplomat Bullitt, and merciless missionary-born amateur-capitalist journalist, Henry Luce and company, may intend "to build up a powerful opposition (in China) to fight the new government and bore from within" (*Outlook Weekly*, January 1, 1949). Then my hopes for world peace would again turn to the common sense of the common people of the world—to that common sense which brought about the Labor Victory in the British elections of 1945, and the US Presidential election of 1948. As the Chinese saying goes, "One of the thousand worries of the fool must be compensated." Thus, I hope none of mine will come true.

CHINESE JOHN THE BAPTIST

Chengtu
January 24, 1949

Wants Friend

To the Editor:

I graduated from Chiao Tung University last summer and am an engineering apprentice now. Despite eight years of suffering in free China during the war and participating in student movements during college life I still feel that if an engineer does not know a little about social science his technical skill and scientific knowledge is of little use.

Therefore, after office hours, I try to squeeze in some time to study more diligently. So a copy of your magazine is part of my required reading each week.

Today, English is the most widely used language in the world and the key to science, both natural and sociological. As the result of being a technical student most of my school time has been spent in mathematics. I can hardly make use of the key.

Therefore I wish to have a foreign friend to help me master English and I would do something for him in the way of intellectual exchange. I don't mind his nationality, age or whether he is a Shanghaier or from abroad. I do think he should respect and sympathize with China, for this is a fundamental basis for friendship. I can be reached in care of the Hydro. Department, Fifth Floor, Customs House, Shanghai.

Shanghai
January 20, 1949

PAUL HU

Bright Prospects

To The Editor:

It is an undeniable fact that since the New Year speech of Chiang Kai-shek the door to peace has been wide open and the gloomy prospects for China now face a ray of light. Furthermore, the retirement of Chiang on January 21 is no less than an unconditional concession or even surrender by the KMT to the CP. This also accounts for the real sincerity of our government toward peace talks.

Since Li Tsung-jen assumed the duties of President Chiang, a string of good news has now appeared in the newspapers. A five-man peace delegation headed by Shao Li-tze has been formed. Inner cabinet minister Chang Chih-chung and Shao left for Shanghai to ask for

the general opinion of the democratic elements. Mr. Kan Chieh-hou was ordered to visit Chang Lan, leader of the Democratic League and Lo Lung-chi, minister of the propaganda department of the League. Chang Hsueh-liang and Yang Hu-cheng, heroes of the Sian incident are to be released. Even Chen Kuo-fu and Chen Li-fu of the CC clique have resigned their posts.

Still more hopeful has been the announcement of sweeping reforms made by Li Tsung-jen. The restoration of freedom of the press, the release of political prisoners, release of the captured students and the cessation of activities of the special agencies should all be most welcome.

HSU SHIH CHEN

National Honan University, Soochow
January 29, 1949

Refugee Students' Life

To The Editor:

When the refugee students came south as a result of Communist advances, they did so because they hoped for stable conditions in which they would be able to study; they did not come out of fear of the Communists. As a matter of fact, contrary to expectations, conditions have gone from bad to worse in Nationalist China and the lot of the refugee students is very hard.

Food for the refugee students has deteriorated so much and there is so little of it that many of these students have become ill and have lost weight; many have fever, dysentery, tuberculosis and other symptoms of an unhealthy life. Owing to the collapse of the GY, the rice allowance given to refugee students is inadequate; often students make up lists containing padded names to the extent of a third or a half of the total list in order to get enough rice to eat. Though the students have received

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some help from the Government and some from the YMCA, they came away from their homes without enough clothing. Each of the students of National Honan United Middle School both at Chu Jung and Shih Tan Wan was given a warm uniform to wear by the government—some students even got four or five suits, for they registered several times in different places. But college and provincial middle school students received nothing in the way of clothing so that most of them are suffering from chilblains. They sleep on straw, sometimes on the wet ground.

These refugee students have no tables and chairs in their classrooms. Their teachers are very often absent. The students are allowed to travel free on the Nanking-Shanghai railway so that most of the cities along this line have been visited.

When these refugee students travel, they usually do not have one cent in their pockets; they sell their few books or clothes as they go along in order to live. Sometimes when customers are lacking, a group of students flock around the student anxious to sell his possessions acting as though they were customers in order to attract bona fide customers.

With the arrival of Chinese New Year and the celebrations many students think longingly of their own homes. Some have gone back to the liberated areas, but most of them remain because they do not have the money to make their way back.

When the students heard the news that the Generalissimo had retired to Feng-hwa and that the Civil War would be over soon, they sang songs, laughed until they cried, and for the first time were joyful.

Soochow
January 30, 1949

M.L.V.

Suggestions

To The Editor:

I am not sure that your *Review* is the best English language magazine in China, but I must say that I have been a loyal and persistent reader for a period of as long as five years. For this reason I would like to make a few suggestions regarding the contents of the *Review*:

(1) Your *Review* is a complex magazine containing political, military, economic, financial, and social news. I feel that "The Week's Business" page is rather short. Although you have another proficient economic paper called *China Economist*, I think that the expanding of this page would be appreciated by your common readers.

(2) Would you consider a resurrection and enlargement of the "Who's Who in China" to "Who's Who in the World?"

(3) Regarding the question of price, I am convinced that if you were to use a cheaper quality of newsprint the price of the "Special Copy" will be considerably cheaper and would thus enable poor readers to buy the *Review* even while commodity prices advance so quickly.

JAMES W. ROUS

Shanghai
December 30, 1948

(The editors gave considerable thought to the question of whether or not to expand the "business" section of the REVIEW before starting an economic supplement (THE CHINA ECONOMIST) in separate form. It was decided that although there was a definite need for more economic news in the English language, the demand was centered largely in Shanghai and a few other major cities, such as Canton and Hankow. The REVIEW'S circulation is far greater

in the countryside than in the big cities, with some 60 percent scattered about the Chinese hinterland. The inclusion of a heavy economic supplement in each issue of the REVIEW for the benefit of readers in three or four major cities was felt to be a heavier burden financially than the magazine could stand. It was therefore decided to bring out the supplement in separate form and let those interested subscribe to the supplement, with or without the REVIEW as they wished.

The question of what to do about the REVIEW'S Who's Who feature has been a constant one. Whenever we run a biography in a few successive issues, we receive numerous complaints from readers who feel that it is a waste of space. However, whenever this feature is left out for a few weeks, numerous letters asking for its inclusion are received. It is hoped that shortly, with the arrival of an entirely new set of officials and prominent personages upon the political scene, this feature will again become generally popular. At the present time, it would be beyond the ability of the staff to expand this feature to include personalities in countries other than China.

The question of price is, as can easily be imagined, the one most constantly in our minds. We certainly subscribe to the theory that everything possible should be done to reduce the price of the magazine for the perhaps few thousand readers who are excluded by the REVIEW'S high cost. The idea of using locally-made or "native" newsprint has been considered upon several occasions. Perhaps in the future it will be possible to print a number of copies on "cheap" paper for students and other hard-up readers. This is not possible now because little if any local newsprint is being manufactured since most Shanghai paper factories have closed. Also, during these rather irrational days, imported foreign newsprint is frequently cheaper than native-made paper. Presumably, when the Civil War is finally settled and fighting stops and economic conditions return to a more normal pattern, this matter may be reconsidered.—Editor).

Clothes For Sale

To The Editor:

A "clothes for sale" movement is now taking place in National Honan University. Every day after breakfast students carry bags containing the ragged clothing, books and other possessions that they brought from Kaifeng and walk to the market place where the hawkers are gathered. On their arrival they take their "goods" out of their bags, put them on the ground and wait for customers.

At first they were ashamed to carry on such activities and stood by their goods with their hands in their pockets and their eyes downcast as though they were in contemplation. Whenever a

customer came near them, they were embarrassed and did not know how to deal with him.

The local *lao pai hsing* wonder at these modern collegians selling their clothes and stare at them curiously. Sometimes these "intellectual hawkers" are questioned about their family affairs and living conditions in Soochow. But the sympathy of people only increased their misery.

Not being very good businessmen and ashamed to wait for customers, they often sell their commodities at very low prices.

As soon as the sun goes down and the market closes, they return with their remaining goods under their arms. And when night comes, these students stretch themselves on their beds to wonder "What else can be sold?"

H.S.C.

National Honan University
Soochow
January 19, 1949

A Failure

To The Editor:

The news of President Chiang's resignation has come as a great blow to the "have" class. As a soldier, Chiang will be remembered for many significant military exploits, for uniting the country in 1927, and later for leading the defense against Japan. Had he been a wise statesman, he would have studied the times and resigned honorably after VJ Day.

Since he began his fight against the Communists three years ago, he has pursued mistaken policies until now he has become the victim of these mistakes.

He has been conservative, autocratic and jealous in his political career. He lacks the ability to select good men to serve the people. He has depreciated the strength and will of the people. While saying that all his efforts are on behalf of the people, it is obvious that this has not been so, and that today Chiang has lost his golden chance to carry the three peoples' principles into effect.

During the last 20 years most of our people have not had enough food to eat, and lacked clothes and shelter. A considerable part of the population is on the verge of starvation. On the other hand there are those who have taken advantage of their special position to deprive the people of their rights. This group has lived luxuriously in Shanghai, Taipei, Hongkong or the United States. In this period freedom has been lost, and many good people have been arrested and tried by special courts.

Added to this are the great losses sustained by the whole country as a result of the civil war. President Chiang's resignation hints of the bankruptcy of the old KMT and the end of the old China.

As for Mr. Chiang personally, history will judge him as an unwise statesman and a failure.

A STUDENT

Shanghai
January 22, 1949

Prisoners In Taiwan

To The Editor:

I have taken note of your editorial, "Puppets Moved To Taiwan," published in the January 22 edition of the *Review*. Since I have seen the list of names of prisoners moved from Nanking to Shanghai and definitely know something of the case, I would like to inform you of the following:

Altogether there were 49 men and four women of various categories who were sentenced to death or life imprisonment. A number of them committed murder and some were charged with opium or

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number were political prisoners, including communists and war-time collaborators.

None of these collaborators can be considered top collaborators because all of the latter have either been executed or died in prison during the last three and a half years. The collaborators moved from Nanking to Shanghai are merely second rate collaborators who have managed to survive life in prison, and most of them are over 60 years old.

Since all prisoners in Tsinan, Kaifeng, Chou, Pengpu, Tientsin and Peiping have been released either by the outgoing Nationalists or by the incoming Communists, it seems unjust and meaningless to have the prisoners moved any further from Shanghai.

It is to be hoped that the general pardon of political prisoners promised by the acting President will eliminate the problem of all political prisoners.

GEORGE LEE

Shanghai
January 28, 1949

Good Gov't. Needed

To The Editor:

Recently I read a letter in your unbiased weekly called, "Experts Needed." China has many scientific experts, some of whom are now teaching abroad. It is not experts that are lacking but trained workers in every class. The present

government has ignored this need and done nothing to help those who already belong to this group.

What China needs most of all is an effective government composed of the people, administered by the people and for the people.

T.L.

Shanghai
January 25, 1949

Worried

To the Editor:

During the war I joined the Youth Army force in order to beat back the Japanese and to save our country from the dangers surrounding it.

While we were training in Kweiyang the Japanese surrendered even before we could go into battle. We were demobilized and I returned to graduate from middle school. After this I entered agricultural college and have been studying continuously.

Nowadays all my schoolmates, whom I have come to know as being not unpleasant, misunderstand us members who wear our Kuomintang jackets. All our acts are watched by them. I know that we joined the Youth Army during the Sino-Japanese war to save our country from perishing. I don't know why my schoolmates look upon us so strangely and often ridicule my comrades. I have no chance to explain this to them and

so my daily life is full of worry and distress.

To tell the truth, although we received military training for two years our ideas have not been affected by this instruction in the least. I hope that our schoolmates and others will become friendly toward us and not crown us with any colored hat.

HSING HUA-CHU

Wuchang, Hupei
January 15, 1949

Hits Red Blacklist

To The Editor:

According to the Yen-an radio the punishment of the war criminals is based on the wishes of the people. I wonder where these wishes come from. As a matter of fact, people after a period of long suffering really want a cease-fire order on the part of both sides rather than the punishment of the war criminals.

For the welfare of the people, the Chinese Communists should abandon their insistence on this point and aim at securing peace first. For the benefit of the nation, the Nationalists should fully realize that the other seven items on the Yen-an list of eight are approved by the *lao pai hsing*.

Y. I. SHENG

Shanghai
January 27, 1949

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Vol. 112 Shanghai, Saturday, February 5, 1949 No. 10

New Approach In Asia?

THERE has been considerable talk in recent weeks of the need for a new approach in Asia because of the rapidly changing situation in China. It has been obvious to many people for a long time that the old line-up of powers and their colonies in this part of the world would have to be revised if the day of a Communist victory in China ever dawned. It looks as if that day is about here and as a result there is pretty much of a scramble going on in other parts of Asia.

The United States, it appears, is certain to revise its thinking about Japan. At the very least, a Communist victory in China will strengthen the hands of that group of Americans, both official and private, who have long advocated the erection of a strong, stable, and reactionary Japan to serve as an anti-Communist bulwark in Asia. Very likely such suggestions as easing up on the Japanese zaibatsu, allowing Japan a large armed police force, and suppressing trade unionism and other "leftist" movements will receive a more sympathetic hearing from the powers that be.

Unless great care is taken by the American Government, the United States may go down in history as the nation which, while hysterically attempting to avoid a swing to the left in Asia, became responsible for the revival of Japanese fascism. It is all very well to be opposed to Communism (as sincere democrats, we don't approve of Communism either), but one should move with caution in attempting to build a fence around communist countries. If America is not careful, she may end up with her side of the fence overly well stocked with ultra-reactionaries, former fascists, and other undesirable elements.

THE situation in other parts of Asia is just as alarming. There are already indications that a campaign is under way to persuade the United States to accept as bedfellows the colonial powers of Southeast Asia, who, naturally, are also anti-communists. America must be careful not to lose sight of the fact that being anti-communist does not make the French, Dutch, and

British colonialists nice people or even people with whom we wish to be associated.

Obviously, there is nothing wrong per se with being a Frenchman, Dutchman or Britisher. The United States owes these three countries, as well as many others, a great deal, especially in the form of cultural heritages. The British, for instance, are today courageously undertaking a remarkable domestic program designed to remove some of the iniquities of the social and economic life in Great Britain. France is one of the cradles of democracy and her writers, philosophers and statesmen have contributed a great deal toward liberal and democratic thought. However, it seems that such benefits are rarely exported to these countries' respective colonies, although the British seem to have done a little better job in Asia than the Dutch or the French. The fact remains, however, that these European countries forced their way ashore in Asia at gun point and have stayed as rulers and directors of exploitation by virtue of their armed strength.

Bled white by innumerable wars among themselves—some of which originated in colonial disputes, the grip of the masters has been slowly relaxing during the last few decades. In the case of the British, they have realized the inevitability of colonial independence and have in some cases granted independence before it was actually physically forced upon them. The Dutch and the French, however, have stubbornly refused to realize the facts of modern life and therefore have been engaged in approximately three years of colonial warfare in an attempt to re-establish their respective rule in Indonesia and Indo-China.

These two powers have found the fight increasingly difficult and probably would have had to come to some sort of compromise settlement with the natives had it not been for American aid. Various postwar grants, including the current ECA program, have bolstered the home economies of Holland and France to the extent that they have been able to afford colonial wars. Of the two, the Dutch seem to have been the more efficient and recently executed a brilliant move militarily which appears to have definitely given them the upper hand in Indonesia. The French, though, despite the expenditure of considerable sums on their campaign in Indo-China, have steadily lost ground and are now clinging to only a few footholds.

The British have given India and Burma their independence, but still hang on to their other colonial possessions in Asia. In Malaya, for example, they, too, have been forced to launch a military campaign in an effort to retain control. On the whole, things look rather gloomy for the colonial powers. The apparently imminent Communist victory in China makes their positions even less attractive. For the French, a Communist victory in China undoubtedly means the end of empire in Indo-China. The effects will also be felt by the British in Malaya, by the Dutch in Indonesia, and, in all probability, to some extent by the US in the Philippines.

Casting around for some solution or expedient, it is only natural for the colonial powers

to look to the one source with the money and materials which, if ruthlessly and quickly employed, might prolong their role in Asia. Thus, the British, French and Dutch are busy organizing themselves for joint action. They are talking loudly about the menace of communism and declaring that since the US has failed to stop the spread of this heretical doctrine in China, it must now begin to build up anti-red fences in other parts of Asia. The trap, laid snugly in the various colonies, is being artfully baited with the red flag bearing the hammer and sickle and the European colonialists are waiting behind the bushes for the American bull, who seems to go completely berserk at the sight of anything red, to charge in and solve the crisis.

In its efforts to promote the democratic way of life in opposition to communism, the US will do well to look before it leaps so that it will not end up supporting and advocating colonialism just because it is opposed to communism.

* * *

AS we have pointed out many times in the past, the only policy for the US to follow in Asia which makes any sense at all is one of direct opposition to the European colonialists. Britain, France, and Holland are dependent upon Marshall Plan aid. The tightening or loosening of this aid is a powerful weapon and one which should be used in the interest of promoting the ideals which theoretically have long been those of the American people. Such ideals are directly opposed to the concept of colonialism. A policy of opposing Britain, France and Holland in Asia and supporting the subject peoples is the only possible activity which we can justify morally.

Even if our own moral values have been discarded, the practical aspects of the situation also dictate that we support the colonial peoples. First, such support will result in greater opportunities for trade. In the past the colonial rulers did their best to keep the markets of Asia to themselves. That, in fact, was one of the basic tenets of colonialism. If the colonies are independent, we can trade on an equal footing and, with the huge industrial machine of the US behind us, we naturally can take any open markets we wish. Secondly, if we fail to aid the natives in their struggle for independence, the US will cease to be the symbol of freedom for these people and they will have no one to turn to except the Communists. If we were Indonesians, for instance, we would be getting redder by the minute. The non-communist Indonesian nationalists tried to negotiate with the Dutch and, having been craftily tricked, are now in jail. The Communists, who preach that the only way you get anywhere is by force and violence, would make a lot of sense to us if we were in the shoes of the Indonesians.

Now is the time for a new approach in Asia, but we believe that America should move most carefully lest she be hoodwinked into accepting the not-so-new approach being mapped out for her by the colonial powers.

Stuart To Resign?

THE *Associated Press* reported from Washington last week that US Ambassador J. Leighton Stuart had expressed a desire to leave official life and return to his educational work. The story then said that the ambassadorship in Nanjing was considered one of the five top diplomatic posts of the United States and that in addition to it, the same jobs in Russia, France, the Netherlands, and Argentina may soon be open for new appointees.

Despite this report by America's most reliable news agency, we are prepared to guess that Ambassador Stuart has *not* expressed a desire to return to academic life if it means giving up his diplomatic job in the foreseeable future. Presumably, Dr. Stuart, who has spent so many years running Yenching University, hopes to return to his old job again at some future date. However, we would almost be willing to bet that he plans to stay on as American ambassador in China for quite some time to come.

Certainly, it is to be hoped that he will. If there ever were a time when the United States needed a man of Dr. Stuart's caliber heading up the embassy here, this is it. Ambassador Stuart was wisely picked for this difficult spot by General Marshall who realized that the veteran educator was an ideal choice. He helped General Marshall greatly during the latter's abortive mediation activities. Since then, Dr. Stuart has, with sympathy and understanding, performed his duties as American ambassador during one of the more trying periods of Chinese history. Now that a change of government is in the offing, it is extremely important that a man like Dr. Stuart be retained.

While we are sure the State Department has no intention of asking us for an opinion, we are quite willing to let 'em have it anyway. The past few years has seen the gradual removal of American diplomatic personnel with long China experience from the scene. Instead we have had a new crop of men, undoubtedly well-intentioned, who have many years experience in the diplomatic service—in various parts of the world other than China. They speak excellent French, Spanish, Abyssinian or other languages of little use in this country. Some of them, unfortunately, are a bit too old to learn many new tricks and, after a few floundering attempts to "pick up" the local language, customs, and manners, settle down to a quiet life of waiting until their terms are up and they are transferred to a country where their language and other talents will be of some use. Unfortunately, they cannot remain in the privacy of their homes and offices all the time and this occasionally results in a public demonstration of the foot-in-the-mouth, causing embarrassment to both Chinese and Americans.

While we have no figures on the State Department's personnel shifts, we can recall from memory quickly a half dozen or so excellent men who received their early diplomatic training in this country and who are now spending their time in Washington or some foreign post other than China.

It seems to us to be so obvious that it scarcely needs mentioning that the United States needs the best representation in China today that it can get. The first thing, naturally, is to do everything possible to encourage Dr. Stuart to remain on the job. The next step should be to begin combing through the files for some of the many men who have served here in the past and to get them back pronto.

Postwar Development

DESPITE the alternate periods of gloom and optimism regarding the settlement of the Civil War, it must be obvious to all except a few stubborn souls that the end is not far off. We stated last week that we could not see the war ending through a negotiated settlement. Events this week tend to confirm our view. Even so, the end is in sight.

Once the Civil War is over, the problems of the postwar period will begin to attract general attention. While predictions of events to come necessarily fall in the realm of speculation, especially when guessing future political trends or international developments to which China may be a party, there are some things which can be predicted fairly accurately.

We do not agree with the pessimists who voice the opinion that everything will go to hell once the Reds are in the saddle. Rather, we think, China will experience mild prosperity, the arrival of which will almost be synonymous with the complete end of the war. The mere fact that an unknown number (perhaps two or three million or so) troops will be taken off the backs of the people will give the nation's economy a boost. While we have no detailed information of the Communists' budget, we do know that approximately 75 percent of the Nationalist Government's expenditures has been for the Civil War. Presumably, a high percentage of Communist revenue has also gone for the army. Even if the Reds keep all their present troops mobilized, the mere fact that the Nationalist's troops are out of the picture will ease the country's financial strain.

Further, it is no secret that, while the major part of Nationalist China's surplus wealth has been spent on the army, the troops have been very poorly looked after with the result that they have subsisted largely upon the results of foraging activities. Foraging is at best an expensive proposition in that food and other commodities are liberally wasted by the troops who usually grab everything in sight, whether they can use it or not. Experience in other parts of the world has shown that it is cheaper in the long run to pay an army properly than to turn it loose to feed on the populace in much the same fashion as a bandit gang.

This same theory of "foraging" has been applied to most Kuomintang organizations. Few if any outfits have been properly financed from Nanking, although the monies appropriated for their upkeep have been tremendous. Leakages here and there have resulted in little if any money finally reaching those for whom it was theoreti-

cally appropriated. The result is that official organs in the countryside impose innumerable levies on the populace. In many cities it has not been uncommon to find the Kuomintang, army, and municipal organs, plus various semi-official organizations, all holding large stocks of rice until it spoils. Sometimes the rice is held for an "emergency" which fails to occur before the next harvest. Sometimes it is held for speculative purposes, to keep the price up during harvest time when the grain normally would be plentiful and cheap. On other occasions these stocks rot before the various officials concerned can decide when a good time to sell has arrived or how to split the profits to be gained.

All of these instances of waste will presumably disappear when the new regime takes over, be it an all Communist one or a patched up coalition. This will be true if for no other reason than the traditional one that a new broom sweeps clean. A new administration, full of energy and manned by comparatively young men, will be many times more efficient than the outgoing one. New to power and not firmly in the saddle, it will of necessity give considerable attention to "improving" conditions so that it will compare favorably with the previous regime. Some Chinese writers have estimated that as much as 20 percent of China's grain crops are wasted each year by inefficient and corrupt administration.

Another immediate result of the end of the war will be increased productivity on the part of China's farmers. Some Chinese claim that the Chinese farmer today can produce as much as 25 percent more food if he just had his heart in his work. While such an estimate is a pure guess, especially in the absence of reliable statistics, we believe that the farmer in many areas is not producing as much as he can. We have seen evidence of this in areas not far from Shanghai where oppression by official organs has become so great that many farmers simply cannot afford to produce a full crop, since increased production means increased expenses for fertilizer, seed, and other items. The farmers have learned that the Government, in one way or another, manages to get virtually all surplus above the farmers' absolute minimum requirements. This has destroyed initiative.

It is also reported by observers who have visited areas controlled by the Reds that production goes up considerably once the abuses of unfair taxation, usuary, and high rent are removed. A farmer who gives up as much as 70 or 80 percent of what he grows to officials and landlords, is not as anxious to increase production as one who gets to keep half or more of his crop.

The restoration of transportation facilities perhaps will be the greatest single factor contributing toward improved economic conditions. The benefits to be derived from resumption of communications—inadequate though they may be—throughout the country are so obvious as to need scarcely any explanation. Raw materials and finished products will once again be able to move relatively easily between town and countryside. Rice from the great rice-producing areas will be shipped once more to the cities, while

yarn, cloth and other manufactured goods can be shipped back in return payment. China's dependence upon foreign cotton, coal, and a host of other raw materials will be vastly reduced.

Another, and equally important result of improved communications, will be a revived foreign trade. Export materials, some of which have piled up for years in Red-occupied areas or regions cut off by the Red armies, will be available to foreign buyers on the docks of Tientsin, Shanghai, and Canton. Likewise, these hinterland regions which normally consume large quantities of foreign goods will be able to buy such items once again.

Presumably, with the arrival of peace, it will be possible for the new government to come close to balancing its budget. Inflation, as we have known it, will be a thing of the past. We may still have inflation—more than likely we will—but it will probably be of a more gradual and predictable nature. Idle capital will return to productive enterprises since the end of rampant inflation will automatically make industry and other productive activities again profitable and will at the same time wipe out the attractive features of speculation such as has been practiced in cities like Shanghai for the past several years.

* * *

FROM the few points touched upon in the foregoing, it would seem reasonably certain that a period of comparative prosperity can be expected in the near future. In any event, it will seem prosperous to those of us who have struggled under a deteriorating economic situation for the last decade, especially the past three years. However prosperous the country may seem for the next few years, the road to real development, any above the 1936 level, will be a slow and rocky one. While it is true that with the elimination of the waste, corruption, and inefficiency of the present regime and with the restoration of transportation and normal trade relationships between city and village and between China and foreign countries, this country's production will rise greatly, the fact remains that China is basically a poor country and an undeveloped one.

At the end of a year, when everyone has been fed, clothed and housed—and, it must be remembered, these things can just barely be accomplished under the most favorable circumstances—there simply is not much left over for building productive enterprises. Assuming that the golden days of foreign gifts and loans are over, the new regime will find it most difficult to lay its hands on funds for capital investment.

The immediate future, as we see it, will be a short period during which we will feel that we are experiencing prosperity. Conditions will improve so vastly once the expensive Civil War is ended that virtually everybody's business will pick up considerably. The businessman, industrialist, farmer and white collar worker will again be able to enjoy a certain amount of security. However, the building of primary capital industries, upon which any long term prosperity and upon which any fundamental improvement of the people's livelihood are based, will be a slow and painful process.

25 Years Ago in The China Weekly Review

Life In Chengtu

February 2, 1924.

Chengtu has not suffered as much as some cities by commandeering of supplies. It has been almost impossible to buy rice some days on the streets. The soldiers have commandeered everything within miles of the city, often taking what they wanted by force, without paying. The two big generals have tried to stop this practice, but with tens of thousands of men in uniform, and every one in mortal terror whenever a uniform is seen, of course it is impossible to stop such oppression. It would take real backbone resistance on the part of the people to stop it, and that we will never have. Still most things may be had, though prices have increased.

Dr. Sun And Ramsay MacDonald

During the week past, Dr. Sun Yat-sen cabled Ramsay MacDonald fraternal greetings, hailing the labor Party's accession to power as marking a new era not only in English history but in the secular affairs of the nation. Dr. Sun looks to Mr. MacDonald to act in his dealings with China, not as if she were still a conquered nation of the days of the Opium Wars and Boxer outbreak, but as the home of a people whose civilizing work in Asia entitles them to at least the same treatment as that now accorded to the nations whose sovereignty has been freed from prewar fetters. In particular, Dr. Sun asks Mr. MacDonald to examine afresh the fanciful views which some subordinate British officials hold of him as a labor leader and Socialist.

10 Years Ago In The China Weekly Review

Pai Chung-Hsi's Appeal To Moslems

February 4, 1939.

Addressing the Chinese Mohammedan Association in Chungking this week, General Pai Chung-hsi, commander-in-chief of the Chinese forces in the southwest provinces, urged the 50,000,000 Mohammedans in China to organize and give their full support to the Government in the war against Japan.

If the Chinese continued their firm, vigorous resistance, General Pai declared, the war would be won in three years.

"Anyone who proposes peace will be denounced by the entire nation," he added.

"To march forward means that we will find safety, but to retreat means catastrophe.

"The Japanese say that the war may last 100 years," General Pai concluded, "but we are prepared to fight for 1,000 years, if necessary."

Dangerous Thoughts

A shake-up in the staff of the department of political economy of Tokyo Imperial University has resulted in the dismissal or resignation of 15 instructors, *Domei* reported January 30.

Staff changes were ordered by the new Chancellor, Dr. Yuzuru Hiraga, in connection with action taken against Prof. Eijiro Kawai, author of several books which were suppressed last year because they were considered to be "disturbing peace and order."

Professor Eijiro Kawai, who is on the staff of the Department of Political Economy of the university, was suspended from his post this week after a Civil Service Commission hearing. The suspension, said *Domei*, was approved by the Throne, thereby indicating that importance is attached to what Prof. Kawai thinks, says and writes.

The instructors who resigned or were dismissed include six professors, four assistant professors, one lecturer and four assistants in the department of political economy. . . . Students, said *Domei*, were bewildered by the loss of their professors just before the end of the academic year.

Can Shanghai Have A Localized Peace?

Charles J. Canning

NOW that the Communist armies under the command of General Chen Yi have reached the north bank of the lower reaches of the Yangtze River, the war is rapidly shifting southward to the Nanking-Shanghai area. Shanghai, the nerve center of China's industry, national economy and foreign commerce, is now under the immediate threat of war unless something is done about it. Instead of engaging in idle discussion as to whether Shanghai will become a battleground, involving heavy damage or possible destruction of the city, Shanghaianders should study what should be done, while there is still time, to prevent the city from becoming a second Changchun or Taiyuan and to bring about a peaceful settlement at the earliest possible date.

Since the Nationalist Government under acting President Li Tsung-jen has reiterated its "full determination" and "sincere desire" for peace, there seems to be no reason why some sort of peace arrangement should not be made for Shanghai. There is a strong hope in this case, in view of the fact that a localized peace has already been concluded in Peiping. And Peiping's peace formula, so the Chinese press reported, was widely regarded as "satisfactory" by some Nationalist Government officials and army commanders, as well as by most impartial observers.

Hard To Bridge Gap

The way to an all-out peace between the Nationalists and the Communists is long and hazardous. This is because after long years of bloody fighting, it is extremely difficult, if not utterly impossible, to bridge the gap overnight. Besides, since the breakdown of peace talks in 1946, the Nationalist Government under Generalissimo Chiang Kai-shek has gone too far to beat a hasty retreat in a short time.

In launching an all-out "bandit-suppression campaign" against the Chinese Communists, in outlawing the Democratic League and other democratic organizations which dared to raise their voices in protest against Nanking's civil war policy, in promulgating a nation-wide general mobilization order which put the whole nation under unveiled military dictatorship and wiped out the last vestiges of the people's civil liberties, and, finally, in adopting a much-debated constitution against the wishes of the Communists and other democratic organizations, the Kuomintang and its Government have burned their bridges behind them. Consequently, the Nationalist Government has experienced great difficulty in even approaching the Chinese Communists about peace.

As a way out, the Nationalist Government first sought mediation from the Big Four. Nanking's tactful but formal request for foreign mediation, however, was politely but firmly rejected. No foreign power with any intimate knowledge of the situation in this country wanted to risk burning its fingers in the Chinese mess. Knowing that any solution for China's civil war would have to be worked out by the Chinese themselves, foreigners reasoned that until the Kuomintang and the Communists could reach some agreement, at least in principle, regarding composition of their differences, mediation would be a thankless job.

Third Party Mediation

Nanking next sent out emissaries to contact third parties in the hope that the latter might be able to help initiate peace talks with the Communists. This plan fell through, too. Things have moved so far that the time is long past when third party mediation could hope to serve any useful political purpose. More than that, many third parties have already jumped off the fence and thrown in their lots with the Communists. Nanking's absurd policy of stamping out the slightest opposition has made it utterly impossible for any really independent third parties to exist openly in Nationalist China. The Young China Party and the Democratic Socialists have been completely discredited as the result of their unqualified support for the Kuomintang's civil war policy. Their top leaders are on the Communist blacklist of war criminals. Under such conditions, these two minor parties are in no position to serve as go-between between Nanking and Yen-an. In short, Nanking's policy of liquidating third parties has come home to roost.

Thus, after a full month's glib talk about peace, the Government so far has not yet established any direct contact with the Chinese Communists. In view of the recent dramatic developments in the war situation, there is no telling when such contact will be possible. Qualified observers are inclined to doubt whether the Nationalist Government has time to wait in the capital for the eventual erection of an official bridge between Nanking and Yen-an.

* * *

Two Ways

UNDER the present circumstances, there are two ways to make peace. One is from the top down; the other, from the bottom up. The first way is for the Nationalist Government under Li Tsung-jen to work out, if possible, some solution on a

national scale with the Communists. Once this solution could be arranged, the problems facing the various provinces and municipalities would be solved automatically, if acting President Li's authority is recognized and respected by the local authorities and field commanders. On this latter point, there is some doubt. Recent reports in the Chinese press seem to indicate that local authorities have not taken Li's peace talk seriously enough to put his measures into effect. The *Ta Kung Pao* of January 28 reported that the provincial authorities in Kwangtung have tightened their control over the press and have not only continued the ban on circulation of several liberal papers published in Hongkong but have rounded up scores of people for selling or reading these papers. Local authorities said there is no need for abolishing the special criminal courts or releasing political prisoners, because "the situation in Kwangtung is quite different from that in the Nanking-Shanghai area."

The provincial authorities in Yunnan also have taken concrete measures for strengthening Government control of the press and for "weeding out" subversive elements. A highly responsible official of the provincial government told the press that there would be no change whatever in the bandit-suppression policy, for the "bandits in the province are not politically-minded."

Although acting President Li has ordered a series of sweeping reforms, it still remains to be seen how his order actually will be carried out in the provinces. It is generally expected that some local authorities will resort to the tactics of "watering down," while others will simply throw it into the waste-basket and forget all about it, on the ground that preservation of local law and order is of primary importance at the present time.

Separate Arrangements

The second way to make peace is for the local authorities in the war zone or in those areas threatened with war to make separate peace arrangements with the Chinese Communists on a local basis, thereby gradually paving the way to a general peace settlement on a national scale. Both ways eventually will lead to a general peace solution for China's long-drawn-out civil war, and one is just as useful as the other. But under present conditions, the second way appears more desirable and more hopeful. It will take time to straighten the deep-rooted differences between Nanking and Yen-an. The rapid spread of the fighting can ill afford to wait for a general settlement on a national scale. Therefore, some local arrangements will have to be made

of the horrors of war are to be avoided at all.

Shanghai's Role

WILL Shanghai become a battlefield? This is the question that is causing Shanghaianders many a sleepless night. In order to give a definite answer, or rather to venture a safe guess, it is necessary to ascertain whether there are any political, military, or economic reasons for fighting in Shanghai.

It takes no strategist to understand that from the strategic point of view, Shanghai is "indefensible." The fate of Shanghai will be decided by the outcome of the fighting at various points on the outer perimeter, and not in Shanghai itself. The moment the Shanghai-Nanking and Shanghai-Hangchow Railways and the river route along the Yangtze are cut off, Shanghai is doomed. If the Nationalists want to defend Shanghai, they should do the fighting beyond Shanghai, and not in the city. It would be strategic folly to try to defend Shanghai by engaging the attackers in street fighting here.

Seen from the political angle, Shanghai is not very important, the more so now that the Nationalist Government has already moved from Nanking to Canton.

Shanghai's tremendous importance for China, be it Nationalist or Communist, lies in its unique economic position, rather than in its political or strategic value. As everybody knows, Shanghai is the heart of China's banking, industry and commerce. However, the smooth operation of banking, industry and commerce is possible only when there is peace. War would paralyze or destroy everything. Therefore, in order to enable Shanghai to demonstrate its value as the mainstay of Chinese national economy, there must be no fighting in Shanghai. The Nationalists and Communists alike would stand to gain if Shanghai is left alone.

Strategic Blunder

It may be contended that although there is no need to do any fighting in Shanghai for strategic or economic reasons, the Nationalists would lose a tremendous amount of face politically if they gave up Shanghai without a stiff fight. This argument, however, does not hold water. It is generally agreed on all sides that the Nationalists' present military debacle has been due chiefly to their wanton waste of manpower and materials in trying to hold for political reasons a large number of cities and towns that were strategically indefensible. A typical disconcerting example was the defense of Manchuria, which cost Generalissimo Chiang Kai-shek the bulk of his American-trained and American-equipped divisions. The result of the battle for Manchuria finally decided the fate of China's civil war in favor of the Chinese Communists. American advisers had suggested

and strategic considerations dictated an early abandonment of Manchuria, but Nanking for political reasons preferred to hang on. When Chiang Kai-shek finally ordered his troops in Manchuria to "fight their way out," it was too late. The whole of Manchuria, together with its Nationalist troops, fell to the Communists. Another tragic experience was furnished by the battle for Hsuechow, which resulted in the catastrophic loss of five army groups of the Generalissimo's best troops, thus opening the way for the Communists to march on Nanking.

Belated Change

The Nationalist high command was perfectly aware of this strategic blunder and began to change its strategy after the battle for Manchuria. The Nationalists voluntarily evacuated a series of cities that had "lost their strategic value as the result of the change in the war situation." In line with this, Yenai, Chefoo, Kaifeng and Chengchow were abandoned in rapid succession. Any attempt to engage the Communists in a large-scale stand-up battle in Shanghai would inevitably be a repetition of the mistakes of Manchuria and Hsuechow. Since the Nationalist grand strategy for the present seems to be to fight a rear-guard holding action to cover a retreat from the Yangtze to South China, and since the Nationalists are now terribly short of men and war supplies, to fight such a battle for political reasons would be strategically stupid. Any further loss of first-line combat troops would accelerate the downfall of the Nationalist regime.

* * *

Peaceful Settlement

FROM the above analysis, it is only logical to come to the conclusion that there are no political, military, or economic reasons why fighting should be carried on in Shanghai. However, our theoretical discussion does not necessarily rule out any actual possibility of fighting around here. In order to prevent such fighting, something has to be done.

The way out under present conditions, it would appear, lies in seeking a localized peace in Shanghai on the pattern of Peiping's peace formula. As a matter of fact, Shanghai could do much better than Peiping. Peace was not achieved in Peiping until after the ancient capital had gone through the ordeal of more than one month's siege. The people of Shanghai can easily take a leaf from Peiping's book and be spared the sufferings of a long siege. If Peiping's localized peace had the advance knowledge and approval of the Central Government in Nanking, as reported in the Chinese press, there is no reason why the Government should raise objections to a similar localized peace in Shanghai.

It is interesting to note in this connection that a "people's delegation" is reported in the press to be

leaving Nanking for Peiping with the approval and backing of the Government to contact the Communists for a localized peace in Nanking. Shanghai bankers did the right thing when they appealed to acting President Li Tsung-jen and Premier Sun Fo not to move the Central Bank from Shanghai to Canton for fear of disturbing the local markets. Chinese shipping owners also took a step in the right direction when they asked that Chinese ships be allowed to resume regular trips between Shanghai and Communist-held Tientsin. The action of the local post office authorities in arranging partial resumption of postal service between Shanghai and Communist-controlled Peiping is also praiseworthy. All this would contribute toward the lowering and eventual removal of the barriers between Nationalist and Communist China and is conducive to the future restoration of peace. If the Nationalist Government has not yet succeeded so far in establishing direct contact with the Chinese Communists, it is incumbent upon the Chinese people to leave no stone unturned to do this work.

Foreigners Interested

Although foreigners in Shanghai should refrain from interfering in China's civil strife, their political aloofness should not mean economic disinterest about the future of Shanghai as a world port of international trade. Of course, any revival of the imperialistic gun-boat policy under the pretext of "protecting lives and property" should be determinedly opposed. Foreigners in Shanghai are intensely interested in keeping Shanghai out of harm in the present fighting. The British and American Chambers of Commerce in Tientsin acted quite properly and wisely when they addressed separate letters to the Nationalist army commanders there, pledging their full support to a stirring appeal made by a large group of Chinese professors, industrialists and businessmen asking that street fighting preparations be stopped in order to save the city from possible destruction.

Test Case For Generalship

It is much easier to tear down than to build up. A city could be seriously damaged or destroyed in a couple of days, but it will take long years to rebuild it. As a war-devastated country, China can ill afford to face more destruction.

The key to the situation is in Nationalist hands. If they are going to defend Shanghai by street fighting or by fighting in the suburbs, Shanghai would be endangered. If not, there is nothing to worry about so far as the fate of Shanghai is concerned.

The Nationalists will have in Shanghai another test case for their generalship and their political sportsmanship. Only time will be able to provide the answer.

THE FALL OF PEIPING

Andrew Roth

Peiping
SATURDAY night, January 22, the lights came on again in Peiping, symbolizing that this ancient city had passed from war to peace and the Communists have taken virtually unscathed their probable future capital and the long-time intellectual and cultural center of all China.

For over a year Peiping had been virtually a Nationalist island in a sea of Communist-held territory, but for 40 days Peiping was a city under siege. On December 14, Communist troops moved to within one mile of the city's ancient walls and cut off all its overland connections, including the nearby port city of Tientsin. Their capture of the city's main airport made Peiping dependent on two perilously small airfields cleared within the city.

When this correspondent took off from Shanghai on January 19 in one of the last planes to run the blockade, Tientsin had already fallen four days before to attacking Communist troops. All of China was wondering whether the Communists would take Peiping by assault and destroy part of its historic and beautiful old buildings or whether they would be able to come to an agreement with General Fu Tso-yi, commander of the so-called "North China Bandit Suppression Headquarters."

After our plane had traversed 700 miles of Communist-held North China and arrived over this city, we started coming down from 5,000 feet in tight circles in order to avoid the anti-aircraft fire of encircling Communist troops who had previously fired at this plane. Both the crew and passengers held their breaths as we landed because we had to skim over an inner wall to land and used up the whole length of the small field before the pilot could bring the plane to a halt.

People Unflurried

WITHIN the city the people—perhaps because of their calm North Chinese temperament—were surprisingly unflurried despite occasional shells which Communists had been lobbing over and the growing shortage of food, insufficient water and lack of electricity. Unruffled, bearded old Mandarins, strolled, hands-in-sleeve, along the street, philosophically ignoring the current dramatic turns in the history of this old city. The most obvious signs of the times were the gangs of civilians with padded garments and shovels over their shoulders going to dig trenches outside the city or to clear a new and longer airfield within the city, under the red walls of the famous "Imperial City." A tour of the 14 gates in the city's walls showed the

odorous "honeycarts" were still carrying out night-soil from the city's toilets to fertilize Communist-held farmland beyond the city walls.

The most frantic activity in Peiping in ensuing days was the effort of about a dozen foreign and three dozen Chinese newspapermen to pin down a myriad of rumors about peace negotiations. A delegation of leading citizens went out to meet with the Communists but this was obviously a means of allowing Peiping's peace-desiring citizens to let off steam because General Fu was the only man with the power to decide peace or war. It was clear on January 21 that peace was near when the heads of the local Kuomintang secret service organization hurriedly departed.

Priceless Vase

PEACE negotiations had been handled by General Fu's Number Two, General Teng Pao-shan, who slipped across the lines on January 12 and negotiated for five days with Communist General Lin Piao. The Communists knew they had in Fu a tough opponent who was popular with his troops for his good treatment and capable of putting up a fairly good fight. He had shown his abilities when he had thrown them out of Kalgan last year. Furthermore, he was dug in behind a considerable trenchwork system in heavily walled and beloved Peiping. With the recapture of Kalgan and the taking of Tientsin, the Communists had about 300,000 troops to storm Peiping but would certainly incur losses and the disfavor of millions who love Peiping as China's most beautiful and historic city. In retreating to Peiping, Fu had climb-

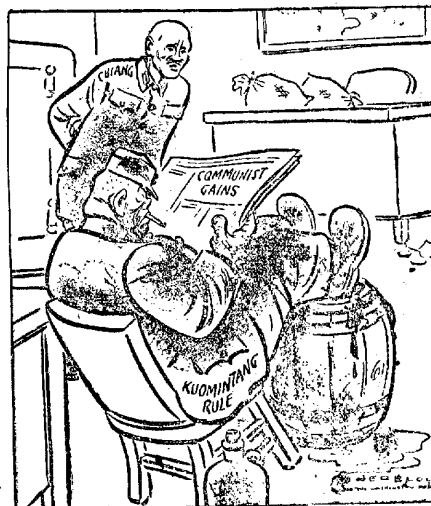
ed into a priceless vase in the knowledge that anyone who struck at him would have to destroy the vase.

When Fu's delegate brought back the Communist terms he was favorably impressed but he apparently balked at two things. He had wanted his troops to remain under his command or to keep their old designations. The Communists ruled against retaining any more private armies and yielded to him only to the extent that a month would elapse before Fu's command is reorganized as an integral part of the Communist-led "People's Liberation Army."

General Fu did not want to surrender before Nanking out of a feeling of loyalty to his commander, Chiang Kai-shek, but the way was cleared on January 21 when Chiang Kai-shek stepped down. On the following day General Fu's headquarters announced a 13-point agreement between Fu and the Communists. According to this an immediate ceasefire was instituted with all work on military fortifications stopped. Peiping is now governed by a joint governing council of seven men with three members appointed by Fu and probably four by the Communists. The bulk of the armies within the city are being moved out to be integrated into the Communist-led armies. The security of the city is being guarded by police and supplementary troops from both armies. All governmental, educational, financial, cultural and business organizations are asked to continue as usual with guarantees of the safety of personnel and warnings against damage to or loss of property. The National Government's Gold Yuan currency is to remain until exchange regulations are promulgated. The

US CARTOONISTS LOOK AT CHINA

'As a Last Resort We Could Try Decent Government' 'If There's a Way to Handle Chopsticks—I Haven't Found It Yet'



Herblock in The Washington Post



Lewis in The Milwaukee Journal

life and property of foreigners and foreign diplomats is guaranteed. Local newspapers are allowed to carry on as before until a new registration is carried out. Religious freedom and the protection of ancient relics is assured. Postal and telegraphic services are to continue as before. The agreement ends with the injunction: "People of all walks of life are requested to carry on their life as usual and no public panic shall be created."

Peace Came Gradually

PEACE did not come immediately to Peiping. After the cease-fire a group of diehard Kuomintang officers apparently ordered their troops to fire into the city. Gunfire and explosions continued to be heard for days afterward. On the day after the proclamation this correspondent sortied from a city gate on the road to Yenching University. Inside the gatehouse there was a white space on the wall where a picture of Chiang Kai-shek had been taken down the day before, leaving only a picture of Sun Yat-sen. Outside the city many Nationalist troops had not heard of peace. Roadblocks still barred the bridges and we had to leap across a frozen stream to penetrate no-mans-land. After a quarter of a mile a shot fired in the air brought us to a quick halt. A young Communist officer wearing a padded yellow uniform without insignia smilingly explained he had called to us but we had not heeded him. When we explained we wanted to go further into Communist-held territory, he took us back to a nearby headquarters, necessitating jumping across frozen fields to avoid roadblocks. At the local headquarters town of Haitien we saw long wooden ladders on rollers which had been constructed to scale the walls of Peiping. While awaiting permission, a surly young Communist officer wearing an American-made parka made it clear he had no liking for Americans. After a brief wait we were told we could not go on but within two days the road would be open for all.

As Communist troops and political workers arrive in Peiping they are expected to receive a fairly warm welcome. Students and professors have turned strongly pro-Communist in the last year, more because of complete disgust with the Kuomintang Government than because of love for the Communist program. Many citizens of Peiping are welcoming the Communists because they believe the Communists will make Peiping their national capital instead of Nanking, which has held this title only during the last 20 years. But most Peipingites welcome the Communists because they think this means the Civil War is near an end. Skeptical, worldlywise, Peiping is not yet sure it will prefer the Communists' "Brave New World" to the old world, but is certain it prefers peace to war.

Yunnan:

Opium Bows To Bandits

GORDON YOUNG

AT the end of the war, a number of retired high-ranking officers who needed jobs were given positions as commissioners and magistrates in Yunnan Province. Since their experience was of a military nature, their tactics met with opposition from the people and much ill-feeling ensued. Moreover, the high officials were so corrupt that some of them sold magistrate positions for as much as 20 taels of gold, and the magistrates, in turn, made money from opium. The authorities also used magistrate positions as a means of reaching a compromise with various lawless elements in order to keep their own positions intact, and appointed many of these same elements magistrates.

This corrupt situation was illustrated last month when the Governor's Office issued an announcement stating that the opium-suppression campaign would be eased in order to devote all efforts toward suppressing bandits. The announcement, dated December 20, actually admitted that attempts to stop opium planting had been a failure. It read in part:

"Recently, the Communists have been stirring up the people to make them resist the opium-suppression administration. Because of the support of the bandits and the profits involved, the people no longer obey the orders of the opium-suppression administration. Obviously opium-suppression and bandit-pacification affect one another. The Government authorities therefore have decided that, in view of the great increase of bandits, on the one hand, and the growth of poppy paddies in remote regions, on the other, all efforts will henceforth be devoted to bandit-annihilation. As soon as the bandits are wiped out, opium seeds, naturally, will disappear.

"From now on, Government officials and magistrates should first try to persuade opium planters not to plant opium, second forbid them to scatter the seeds, and finally attempt to investigate and supervise such activities. Since, when supervision is lax, people plant poppies stealthily, if the local gentry, magistrates and town heads do not ergate in bribery or share in the opium, and do not use false names to collect levies and fines, thus setting an example and keeping themselves out of it, the authorities will excuse them. This method will show that, although the Government orders have not been carried out, authority and faith have been kept.

"Those officials and gentry who take advantage of the bandits' support to plant poppies, tacitly share the opium-juice and give false information on bandits to their

superiors will be punished severely. But those who do not take advantage of the situation to obtain profit will not be investigated seriously. All the people are expected to understand the difficulties and obstacles in the way of the Government's carrying out the opium-suppression and are expected to carry out Government orders automatically and report corrupt officials and gentry who share opium with the planters."

Thus, we see that corruption among the officials is a known secret and that the authorities have openly admitted their failure in opium suppression. A few days ago, the wife of a certain prominent figure smuggled several loads of opium to Suapeh, where the magistrate confiscated them. When the lady found out, she was so angry that the magistrate was compelled to turn the opium back to her.

At the same time, bandits have been capturing more and more territory despite the military authorities' boasts of being able to annihilate them in two or three months.

Last November, the bandits captured a number of districts, including Chenyu, Lungwu, Makuang and Kiangcheng; and in December they attacked the city of Shihping and ambushed a number of Nationalist Army recruits at Pupeng.

On December 2, nearly 1,000 bandits under the leadership of Liu Kun Fu attacked Shihping. So many people supported them that hundreds of militia, students and common people were on their side, leaving the magistrates with only one battalion of troops to defend his office and the mansions of two merchants. They withstood the attack for five days until reinforcements from other districts came to their aid. More than 70 shops on streets near the magistrate's office were burned to ashes.

Around the middle of the month, a group of nearly 100 recruits led by two officers coming from Likiang were attacked by bandits at a small station of the Burma Road called Pupeng. One officer was killed and the recruits taken away.

The bandits wander here and there in their guerilla warfare tactics. Recently, more than 10 cities were besieged and threatened, among them Chenkiang, Tunghai, Imen, Hoshi, Wooshang, Lunan and Anning. Newspaper reports said the city of Pinyi was attacked by nearly 1,000 bandits between January 1 and 3, and on January 8, Luhsi was threatened.

The Garrison authorities themselves are responsible for this situation. The persecution of teachers and students and the corruption surrounding opium growing arouse only hard feeling among the people.

Will Tito's Heretics Halt Russia?

Edgar Snow

(In view of the current speculation over the future position of the Chinese Communists on the international scene, the following article by Edgar Snow, author of "Red Star Over China," is considered of sufficient significance to reprint in part from the December 18 issue of the SATURDAY EVENING POST—Editor.)

IN the perspective of six months it is now apparent that the heresy of the Yugoslav Communist Party was the most significant development in the inner history of the world communist movement since the Kremlin established absolute domination over the latter many years ago. It actually marked the end of one stage of the cold war. It was a very serious defeat for the Russian communist orthodoxy.

The implications are still little realized here, and hence are worth the emphasis of this article. For the Belgrade schism, properly used, provides a mirror which clearly reflects the basic aims and limitations of Russian policies in Europe, at Berlin or in the United Nations, now and for the near future. It likewise gives us a perspective on events now transpiring in China.

Battle Of Century

Today it is manifest that Moscow's enraged denunciation of Tito and his colleagues was neither a minor aberration of mere topical importance nor a Machiavellian trick to deceive the western powers, as some observers naively supposed. A major break of a fundamental nature was involved. It was new and unique. Tito and the Kremlin both fully realize that they are engaged in a duel which has at stake nothing less than Russia's hegemony over the world communist organization, and what they foresee as the future communist universal state. No compromise between them is now possible. What was the rebellion of '48 may be the beginning of the battle of the century.

The longer Tito retains his independence the more ominous becomes the character of his challenge—the greater the likelihood that his precedent will be emulated elsewhere. Ultimately it may prove more fateful for the Russian hierarchy than all the anti-communist forces of the world combined. In time, everyone will see that the Yugoslav defection set up the first effective frontier against the expansion of world communism as an extension of Russian nationalism and marked a limit to its peaceful absorption of neighboring countries....

The fact is that the Belgrade heresy compels the Russians to face a dread possibility. The world may be divided not only into "two camps," as they have been telling us, but into three—with a rival communist-socialist system of states, outside their own orbit of power, constituting the third....

A number of people who studied communist growths in various coun-

tries had long believed that a development such as the Belgrade schism was certain to come, for some of the reasons outlined below. The possibility first impressed me a decade ago in China, where the Communist Party was at that time the only one in the world outside Russia which had an army, territory and real administrative responsibilities of its own. Because of that, it seemed likely that the Chinese would become the first foreign communists openly to place their national interests on a level with those of Russia. But while the Chinese were still deeply involved in a long and complicated civil war on a continental scale, the Yugoslav party passed through the stage of struggle for power relatively quickly and won an absolute internal victory. It thus achieved all the conditions necessary to enable it seriously to question the paramountcy of Kremlin interests.

To understand the importance of this heresy one must realize the fundamental role which the doctrine of Kremlin infallibility has played in communism as a world movement....

Historical Marxism contains materialistic interpretations based on the scientific study of society, but the prophecies amount to a kind of religion which requires an act of passionate faith to accept....

"Universal Church"

Moscow's grandiose claims have become the basis of what F. Borkenau, the ex-Comintern delegate, called "a strange psychological phenomenon" which has rendered "present-day communism essentially a belief in a savior abroad." It has brought about wide acceptance of Kremlin dogma and the worship of all its institutions by millions of people who have never had the opportunity to study this society in action. It has given to the world movement in support of Russian communism the character and attraction of what Arnold Toynbee describes as a "universal church."

It is just this dual nature of communism as a world organization which makes the Belgrade-Moscow split so full of meaning....

During the years when the USSR was in reality "the only base of socialism" and could claim, therefore, to be the party worker's "only fatherland," the Kremlin's monopoly of the "universal church" was not difficult to maintain. Various national communist leaders found the dogma built around Kremlin infallibility a potent asset in exacting unconditional obedience from their own followings. Not Moscow alone but energetic rebels in every country raised Stalin

and the Russian Politburo into personifications of sublime wisdom, to inspire the trust and precious faith needed by a great mass movement....

It is necessary to have a myth—the myth of the Soviet Union as a land without real shadows, where there is ideal democracy, true individual security, ideal culture, ideal opportunity, an altogether richer social life, and no exploitation of man by man. And this makes a powerful appeal to millions of under-privileged men and women, and serves much the same function in the world communist movement as the miracles of religious folklore did in establishing the early influence of the great churches of history....

Similarly, the communist cannot relentlessly ask why it is that although Marxism is a method available to all, still only the Kremlin can reach infallible judgments by using that method. Or why it is that no affiliated Communist Party ever criticizes the Kremlin Politburo, whereas the latter freely criticizes all others. Or why no foreign party ever advocates a "line" on any question contrary to a Moscow pronouncement. Or how it is that no foreign party—with the exception of the Yugoslavs and the Chinese—ever developed a domestic program based upon close objective analysis of the internal needs of its own working class, and continued to defend and advocate it after Moscow had declared against it....

Only during the recent war and Russia's strange alliance with the "imperialist" powers was there some uncertainty about the exact nature of that relationship.... After Moscow's unilateral dissolution of the Comintern, some communist leaders went so far astray as to advance semi-independent theses on the international situation, as in the case of Earl Browder. Alarmed, the Russian Politburo took steps to clear up the confusion, which culminated in the restoration of the Comintern under its present name, the Communist Information Bureau, or Cominform....

Crime Of Belgrade

The crime of Belgrade was not only that it did not obey the Russian Politburo unconditionally but that its Communist Party remained convinced that it had won power by its own revolutionary struggle. What was worse, it insisted upon recognizing that fact in decisions of internal policy, and tracing their authority to Yugoslav beginnings....

Thus, a breaking point has been reached in a contradiction long in-

herent in the universal organization. For a conflict of nationalisms within such an organization was bound to arise if and when non-Russian communists anywhere won real power by their own efforts alone, and outside the boundaries of Russian military occupation. Their need of the Kremlin myth would then tend to diminish in proportion as its utilization by Russian nationalism in its own design, and through its absolute authority in the "universal church," became a handicap rather than an asset to the new communist regime itself, and to its efforts to control the sources of its internal support and to stabilize its power. That is exactly the process now at work in Yugoslavia....

As is well known, the Yugoslav communists were not installed by the Red Army but as a result of a severe internal struggle in which they were armed chiefly by Britain and America. Tito's victory was assured before a Russian soldier entered Belgrade....

Hence the Yugoslavs found it more and more irksome to obey a Kremlin which took too little cognizance of their independent national achievements. Demands imposed in the name of the Kremlin myth increasingly interfered with the performance of internal tasks which Yugoslav communists themselves considered necessary to stabilize their power. And it was in bold rejection of the doctrine of Kremlin infallibility that the Yugoslav party reiterated, last July, its conviction that "the national independence of the people of Yugoslavia is the condition for their road to socialism and their progress in general...."

Moscow's Myopia

"The foreign policy of the Soviet Union is decided by the people of the Soviet Union, and by them alone," said Zhdanov, and it became a part of the holy writ of "international" communism. "Anyone may love the Soviet Union, but in no circumstances can he love his own country less," declared Tito, and he became a "revisionist" and a "national" communist. The truth is that those two statements embody the essence of the historic contradiction involved. They are the measure of Moscow's myopia, and of its failure to provide a new pattern of leadership shared with other working-class parties in all countries in the vastly changed conditions of the postwar world.

As a result, there is a head-on collision, not between nationalism, on the one hand, and internationalism, on the other, but between two sets of nationalisms within the "socialist system of states." And it has come not because of a deviation from the Russian model so much as because of a too exact emulation of it.

Heirs of a national tradition with ambitions of its own, Yugoslavia's communists wanted certain things

which could not be reconciled with the nationalist aspirations of Russia. They wanted to consolidate Macedonia as an autonomous state within a Yugoslav federation, establishing a single sovereignty over minorities now divided between Bulgars and Greeks. They wanted control over Macedonian Salonika, as a natural outlet to the Mediterranean. They wanted Albania to come under their wing, and to deal through Belgrade, as the Ukraine deals through Moscow. They wanted Trieste as another natural outlet on the Adriatic.

Balkan Federation

Because they desperately needed capital and machinery to fulfill the promises of socialized industry, they wanted to take what credits they could get—as Russia did during its early five-year plans. Russia herself could not meet those needs; Belgrade could see no justice in denial, by Moscow, of its right to accept foreign aid. Some of Yugoslavia's internal ambitions were in conflict with those of her immediate neighbors. So Tito and Dimitrov proposed a Balkan federation, in which their common problems could be treated as the internal needs of a union, and solved to mutual satisfaction.

Realization of such plans might have strengthened Balkan communism generally, and hence have added to the prestige of international communism. But how, in fact, could they have enhanced the independent power of Russia?

...If communist Yugoslavia pursued "separate" ambitions, how could it be effectively controlled as a spearhead directed against the western powers, in the strategic service of the Russian Army?

...As a consequence of the Belgrade schism, Moscow's trust of other satellite parties is deeply shaken. Efforts to Russianize every party are intensified. The MVD spreads its operatives in every ministry in every satellite apparatus in an effort to prevent a repetition of what happened in Yugoslavia.

The boss of the Polish party, Wladislaw Gomulka, is verbally thrashed into renewed submission.

In Sofia, the aging Dimitrov is rebuked for having expressed sympathy with Tito's Balkan-federation scheme....Purges spread throughout Eastern Europe in an effort to suppress nationalist impulses which might come into conflict with Russian hegemony....

And yet it is predictable that the Russian leadership will not find mere party purges enough.

For the Belgrade defection has now raised the hope of an alternative possibility for every party leadership within the communist-run world. A new center of attraction exists for the first time....

At this point it must be evident why the heresy of Tito, shared by virtually his entire party, marks the end of an era of communism as an

extension of Russian nationalism. The latter's first stepchildren have grown up to reject parental tyranny by the very devices of its own teaching. The Kremlin myth has been defied and the infidel has not fallen dead. Tito is the beginning of a true heterodoxy in the communist "universal church." In the long run, that is no comfort for capitalism. But it does mean that the Kremlin's monopoly of moral authority over the world movement has been gravely weakened....

Now, even more than a year ago, Stalin must have peace, must view the outcome of a major war as filled with the most profound uncertainties, and seek to avoid or delay it. Following the destruction of German power, the Kremlin leaders no doubt hoped that all Europe would soon fall under their hegemony. Partly due to their own ignorance of other countries, and to major psychological blunders in political strategy, partly due to the technological revolution begun by the atomic bomb, Russian leadership has been largely discredited throughout Western Europe—including, now, its "own" Yugoslavia. Today the Russians are nearly ready to write off all real hopes of power—for the present—beyond their own zones of occupation.

How, then, explain provocative Soviet actions at Berlin and elsewhere?

Heavy-handed Efforts

Russian tactics at present can be viewed primarily as heavy-handed efforts to accelerate a basic settlement recognizing international legality of the new *status quo*. The blockade of Berlin, sabotage of the United Nations' pattern of internationalism, Russia's growing self-imposed isolation from the outer world, all reflect two principal objectives.

The first is the Kremlin's determination to hold on to and fully consolidate economic and political control over all the territory it now dominates militarily, including, above all, Eastern Germany....

Russia's second objective is to disengage herself from the war crisis with the western powers, particularly the United States, by accepting the division of Germany as a legal fact, and the demarcation line and basis for a new balance-of-power system in Europe....

Militarily, the Kremlin cannot for a moment seriously think of starting a war while it lacks atomic parity, and thus far it lacks even the "toy" bomb of Hiroshima. Economically, Russia is still much too backward to wage a great aggressive war against the western world with success. Politically, the defection of Yugoslavia has exposed her "own" internal structure as vulnerable. The Politburo must either find a new means of restoring its undisputed leadership in the "universal church" or be compelled to rely upon the ancient means of force alone....

Nanking Waits And Wonders

Hsieh Ching-an

(Special Correspondent, China Weekly Review)

Nanking, January 29.

PRESIDENT Chiang Kai-shek's sudden departure on January 21 for his home town, Chikou, near Fenghua in eastern Chekiang, did not come as a surprise to the population of this Communist-threatened capital because virtually everybody felt that the Gimo's retirement would be only a matter of time.

People realized that it was most unfortunate that the Generalissimo had to quit at a moment when his reputation as a leader and a national hero was on the wane. Many said that if he had retired at the end of the Japanese war he would have gone down in history as the greatest man in China. However, his stepping aside in favor of Li Tsung-jen has created a number of paradoxical conceptions in the minds of all war-weary Nankingites. Everyone seems to be living in an atmosphere dominated by both hope and fear and cannot help but keep wondering, "What next?"

Like their compatriots in other parts of the country, the people here, especially white-collar workers and wage-earners, have longed for peace, for the prompt cessation of civil strife and for a normal life. So eager have they been about political and military developments that all the local dailies are sold out as soon as they come off the printing presses. A newspaper pasted on a wall of some building is sure to attract a large number of passers-by who want to know the latest developments regarding peace negotiations.

Many Rumors

Even before the government decided to move to Canton and the newspapers were denying the fact, hurried evacuation of governmental organizations went on with a vengeance. These denials in themselves gave rise to all kinds of rumors and greatly troubled the public. Is there any possibility for the realization of peace? People asked: Does evacuation of public offices to the south mean that the Government is determined to fight to the bitter end? What will happen if the Communists come into the city? Would they allow the people to carry on their businesses and live normal lives?

Meanwhile, stragglers have been pouring into the city steadily and billeting in whatever public or private premises they can occupy. Their presence causes no little uneasiness to the inhabitants, who fear that Nanking may share the same fate as Tsinan and Tientsin.

Strangely enough, the authorities of National Central University, the American-subsidized Ginling Univer-

sity, the Ginling College of Arts and Science for Women, and all public and private schools and colleges have decided to stay and carry on their work. The only exception is the National University of Political Science, formerly the Institute of Political Science of the Kuomintang. This school has a history of about 20 years and most of its graduates have become high ranking officials. Of about 1,400 students, approximately 500 remain in the university. And the others have departed for fear of being regarded as reactionary elements by the Communists. Therefore, the faculty and the remaining students led by Dr. Ku Yu-hsiu, president of the university, and Professor Ch'en Shih-fu, dean of studies, are scheduled to move to Foochow.

HSHIN Chieh K'iu, known as "The Circle," is the Trafalgar Square of Nanking. Four thoroughfares meet at this busy intersection. In the center stands a bronze statue in memory of Dr. Sun Yat-sen. In the vicinity are national and private banks, the Postal Remittance and Savings Administration, the Nanking Power and Electric Company, the office of the *Central Daily News*, the Central Arcade, and large commercial establishments, as well as first class movies and restaurants. Every day from morning to night crowds gather to shop, read newspapers, buy and sell silver dollars, greenbacks, gold, etc. There are always long lines for the purchase of American surplus goods. In contrast to this hustle and bustle, there is in the immediate neighborhood a place where those who know English can spend several hours in cozy surroundings.

This is the British Council's four-story building near the Circle. The Council keeps a library well stocked with English books and magazines of all sorts. Every day professors, students and those who have a smattering of English come to read quietly and comfortably. When one is tired of pouring over the books, he can go upstairs and feast his eyes on a beautiful exhibition of pictures. In the evening, people may come in and enjoy themselves free of charge by listening to a music recital or seeing a movie which gives them an idea of the beautiful scenery and historical spots of the United Kingdom, as well as a valuable knowledge of the development and progress of art, science, and industry, in Great Britain. There are not very many libraries in Nanking to which the common people have access. Practically every bookstore is jammed with would-be customers who

stand and read books and magazines without ever buying a single copy. It is no exaggeration to say that the libraries of the British Council, the United States Information Service and the Sino-British Cultural Association render a great service to the intellectuals here.

Although Nanking has been the capital of China for more than two decades, it has little to boast of in the way of being a modern city so far as public utilities and conveniences are concerned. With the possible exception of Chung Shan Road, all the main streets are bad and dirty, while the small lanes are filthy beyond description. People relieve themselves wherever they like because of the lack of latrines. Women wash and empty their nightsoil buckets just in front of their houses by the roadside and even before the *Tsung Tung Fu*, the White House of China! Electric lighting is not only poor but may be interrupted for nights on end. Running water frequently stops flowing. It is reported that the shortage of coal might make the Waterworks and the Power company cease functioning in the near future. People are worrying about the hardships to which they would be put in the absence of running water and electric light.

Unemployment Grows

In terms of purchasing power the Gold Yuan has depreciated in value considerably. Last August, when the monetary reform took place, one could buy several cattles of pork with one Gold Yuan. Now, the same amount of money cannot purchase half an ounce. With the approach of Chinese New Year commodity prices went up by leaps and bounds. Meanwhile, the closing down of the Joint United States Military Advisory Group has thrown many breadwinners out of work. A large number of other people have also become jobless because of the prevailing unstable situation—one in which everyone lives on a day-to-day basis without knowing what will happen to him. However, everyone continues to dream of peace and the reduction of prices.

Bitter Disappointment Dept.

The failure of the Big Four to grant the Government's request for good offices is considered the first severe blow to Chiang Kai-shek's efforts to obtain an "honorable peace" from the Communists—*United Press*, January 17.

The activities of the "Communist Bandits" during the past six months, which have resulted in the loss of several cities and the issuance of a war criminal list, probably could have been considered no more than slight indications of the really "severe" blows to follow.

ECONOMIC POLICY IN COMMUNIST AREAS

(Summarized from the China Economist)

BUSINESSMEN in Shanghai, Canton, and Hongkong are showing increasing interest in the economic policy of the Communists in the areas they now control in China. One of the questions frequently asked is, to what extent will private enterprise be permitted to carry on when the Government comes under the influence of the Communists?

The answer usually found in Communist statements of various sorts is that private industrial and commercial enterprises will be permitted to carry on as usual, but that bureaucratic investments will be confiscated.

By the term bureaucratic capital, the Communists are understood to refer to the enterprises of the "Four Big Families" of Chiang, Kung, Soong and Chen.

However, this involves a com-

plicated situation. During the past 10 or more years, business conditions in China have been such that many industrial enterprises found it impossible to carry on except with the help or cooperation of government enterprises or the "Big Families." A survey of the industries in China reveals the fact that most enterprises of fairly large size are either wholly or partially directly or indirectly, in the hands of the "Big Four" or their subordinates.

If the shares in the joint investments belonging to the KMT Government or the Big Families are to be confiscated, how will the remaining shares owned by private individuals be treated? So far, there is no formal announcement from the Communists on this point, but they presumably will be owned jointly by

the future government and the individual investors concerned.

In Communist documents, "bureaucratic capital" is often identified with "big capital." One Shanghai industrialist recently asked the following question:

"If allowed to continue their business, small and middle sized capitalists may grow big some day. Will they be curtailed then, and if so, how?"

He was given this explanation by a Communist spokesman: "All bureaucratic capital is big, but big capital is not necessarily bureaucratic. Under KMT bureaucracy, private capital has had no chance to grow big without bureaucratic influence. So, as a matter of fact, 'big capital' in China now is as a rule bureaucratic."

Many businessmen have begun to speculate on possible fields of investment under any new regime. A resolution adopted in May, 1948, by the Industrial and Commercial Conference of the North China Liberated Area may throw some light on this subject. It reads:

"Except munition industries and industries with monopolistic nature that may control national economy, as well as industries beyond the ability of private parties to run, all industries and trades shall be opened to private parties or joint private and public parties. Public (State) industries shall be concentrated on heavy industries such as those manufacturing munitions, machinery, industrial raw materials, equipment and the like. In the field of light industry, the Government will operate only those enterprises that are beyond the financial resources of private parties but urgent to the living of the people. Thus, private industries shall have plenty of room to develop."

A rough estimate of the future State enterprises on the basis of the present Government's investments, together with properties to be confiscated from the Big Families, shows that these two categories consist of approximately three-fourths of all national investments in China today. By the side of such a dominating proportion of State capital, private enterprises are believed to be unlikely to constitute a threat to the economic principles of the Communists.

The New Democracy in China is often referred to by the Communists as a transitional epoch in Chinese history leading subsequently to Socialism. Theoretically, once China becomes socialistic, all her enterprises will be nationalized.

Businessmen therefore wonder how long this transitional period will last. The answer understandably is lacking, and the only authoritative remark relevant to this point is found

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Holders of coupon debentures are hereby notified that the above-mentioned coupon, representing interest at the rate of 5½% per annum for the half year ending February 10, 1949, will be payable on or after February 10, 1949, at the office of the Hongkong and Shanghai Banking Corporation, Shanghai.

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A. KENDAL WARD,
Secretary & Treasurer.

tral Committee of the Communist Party on December 25, 1947, which reads:

"Owing to the backwardness of China's economy, it is necessary to allow capitalistic economy represented widely by small and middle capitalists to exist for a long period even after the revolution has victoriously ended in the whole nation. And, according to the principle of division of labor, all their enterprises beneficial to national economy should be helped to grow. They are still an indispensable part of the whole national economy."

The length of the transitional period thus would be determined by the speed of industrialization, and observers think it is not likely to be shorter than one generation.

Another point weighing heavily on the minds of private investors is the "legitimate profit" which Communist documents often mention as permissible to private undertakings. What is the limit under which capitalists are free to make money without its being considered excessive exploitation?

So far there has been no limit set to the percentage of profit against capital volume of business in the Liberated Areas, as once done by the KMT Government. No one knows, however, whether there will be a limit in the future.

Some information concerning Communist trade policy was contained in a questionnaire prepared by the *China Digest* in Hongkong and answered by Chinese economists in that city. To the question, "Is there going to be a controlled trade or a free trade?" the reply was:

"With all the precedents established in the Liberated Areas so far, we may put it in a nutshell, thus, that the new trade policy is for a free trade internally and a controlled one with foreign lands. It would be disadvantageous to New China should she pursue a free foreign trade under the present international, political and economic conditions. Has not Britain, known for her traditional free trade, given up her unreined policy? Backward economically as China is, once the liberation war is over, a controlled free trade with careful plans will further guarantee the accelerated development of the people's economy on all fronts and insure its steady growth. The aim of controlling foreign trade is to import only materials necessary and beneficial to economic reconstruction while banning the influx of non-essentials or imports harmful to home industry. It will also encourage exportation of national industrial and agricultural products from which to draw foreign exchange for economic reconstruction instead of leaving it to individuals for luxurious and extravagant purposes. . . . The New Government may practise state trading of certain exported articles of comparatively centralized production or the foreign exchange it needs, but legal profit for the producers will be guaranteed."

The Week's Business

THE economic situation was in complete confusion during the lunar New Year holidays. Financial quotations and commodity prices had ruled steady for weeks because of the tight money situation and the uncertain political outlook, but on the eve of the lunar New Year prices of gold, silver and rice skyrocketed.

While one picul of rice was sold at GY1,650 on January 27, it rose to GY2,900 on January 28 and further to GY7,000 during the holidays. But after Mayor K. C. Wu promised to dump the city's three months' rice reserve onto the market, the price dropped to GY4,000 when markets reopened after the holidays on February 2.

One ounce of gold, which was quoted at GY14,000 on January 26, advanced to GY24,000 on January 28 and further to GY50,000 during the holidays. When the blackmarket for gold reopened after the holidays, however, it decreased slightly to GY40,000 because of the cautious attitude of the operators. However, as the money market remained easy, prices rose immediately in the afternoon to GY50,000 again.

Greenbacks, which were quoted around US\$50 for one ounce of gold, were not much in demand when compared with silver coins or gold bars. One US dollar, which was quoted at GY225 on January 26, increased to GY400 on January 28 and further to GY800 during the holidays. On February 2, it opened at GY700 and moved up to GY800. The cross rate was therefore around US\$65 to one ounce of gold against that of the official rate of US\$35 to one ounce of gold in America and the open market rates of US\$62 in France, US\$69 in Egypt, and US\$77 in India.

Silver dollar coins have become very popular in recent weeks. While the official rate is two silver dollar coins to one US dollar, the present rate is around one silver dollar coin to one US dollar. The reason people are not so interested in US dollars at the moment is due largely to a report from Tientsin that the Communists banned circulation and possession of US dollar notes. Gold and silver also were prohibited from circulation. But the people are permitted to keep them.

The Foreign Exchange Clearance Certificates remained low, when compared with the blackmarket rate of US dollars, because of the recent Government decision prohibiting those without import licenses to buy these certificates and the fact that the period for which the certificates will remain valid is drawing to the end. The certificate was quoted at GY191 on January 27 but by February 2 had risen to around GY390. The overseas remittance rate increased from GY220 to GY260 during the same period.

Commodity markets ruled very quiet before the holidays because all businessmen closed their accounts for the holidays and refused to do any business with the political situation so uncertain. Although there were no quotations during the holidays, a general rise was expected on February 2, and this proved to be true. Calculating their standard by the increase of gold and rice, prices in general advanced by 100 percent, which was still behind that of the financial quotations. This lag was natural in view of the greater demand for gold and silver than for bulky commodities.

There are numerous reasons for this spurt in prices. First, a great number of refugees coming to Shanghai from different cities in Kiangsu, Anhwei and Chekiang provinces brought large sums of Gold Yuan notes for which they had no other use except the purchase of gold and silver. Second, many bureaucratic capitalists, who were eager to flee from Nanking and Shanghai to places of safety, bought large numbers of gold and silver dollars as well as US dollars just before the lunar New Year holidays. Third, the money market has become very easy, since the interest rate has dropped to three percent per day. Finally, businessmen, who had no faith in Gold Yuan, preferred to buy gold, silver, and greenbacks just before the holidays lest the Gold Yuan take another deep dive.

The climb in commodity prices and financial quotations is expected to continue because the Gold Yuan notes paid to workers and soldiers just before the lunar New Year holidays will be concentrated once again in the banks in the next few days. Furthermore, with war clouds gathering as Communist troops concentrate along the northern bank of the Yangtze River, it will be natural for the general public to hang on to hard gold and silver and foreign currencies rather than the Gold Yuan notes.

Another cause for further hike of financial quotations and commodity prices is the general rise of utility rates. The shipping lines increased their passenger rates by 60 percent following the holidays, and the increase in utility rates ranged from 36.7 to 150 percent.

The following table gives a few comparisons of the financial quotations and commodity prices during the past seven day period:

	Jan. 17 GY	Feb. 2 GY
Gold	17,000	50,000
US Dollar	320	800
Clearance Certificate	191	460
Overseas remittance rate	220	400
Silver	300	900
20's Yarn	52,000	120,000
Rice	1,700	4,000
Wing On Textiles	25,500	54,000

NEWS OF THE WEEK

Peace Still In Talking Stage; Local Movements Gain Momentum

DESPITE a month's glib talk about peace, the hope for an early resumption of peace talks between the Kuomintang and the Chinese Communists is as dim as before. Charges and counter-charges have been made. Competent observers are inclined to believe that some time will have to pass before the Nationalists and the Communists finally come together around a conference table.

The Nationalist Government on January 26 called on the Communists to respect the wishes of the people that hostilities be brought to an immediate end and asked if the Communists were simply resorting to delaying tactics and prolonging hostilities. In order to show its sincerity, the Nationalist Government voiced the hope that the Chinese Communist Party would put the salvation of the people foremost.

Acting President Li Tsung-jen on January 27 sent a personal telegram to Communist leader Mao Tse-tung, urging the immediate appointment of Communist delegates and designation of a time and place for peace talks. Li disclosed that Nanking was ready to talk peace with the Communists on the basis of the eight terms Mao had enumerated on January 14.

Hypocritical Peace

THE Chinese Communists on their part have expressed very little faith in Li Tsung-jen's "sincerity." A Communist broadcast bluntly charged: "We hold that your present activities are nothing but hypocritical peace negotiations to cover the regrouping of your forces and your war preparations, including a plot for using Japanese reactionaries to join you in butchering the Chinese people." The Communists demanded that Chiang Kai-shek and other top war criminals be arrested and that the Nationalist Government stay in Nanking to show its sincerity. Another demand was that General Yasutsugi Okamura, war-time Japanese Commander-in-Chief in China, be arrested and handed over to the Communists for disposal. It will be recalled in this connection that Okamura was acquitted of war crimes by the military court of the Chinese Ministry of National Defense and already has been sent back to Japan.

The Communists also charged that Li Tsung-jen connived in the flight of Government leaders from Nanking. It is interesting to note that all Government leaders and Kuomintang big shots who are on the Communist blacklist of war criminals have already left Nanking

Truman Ready to Meet Stalin

A White House spokesman told the press that President Harry S. Truman had no comment to make on Stalin's peace pact offer but was willing to meet the Soviet leader any time he came to Washington. It was further disclosed that there had been no official message from the Soviet Government regarding such a meeting. Secretary-General Tryve Lie of the United Nations said he was considering offering Lake Success as a "mutually acceptable" meeting place. It is generally believed that the Big Three—the United States, Britain and France—will jointly discuss Stalin's statement before making a final decision as to what step, if any, is to be taken. Competent observers express the view that Stalin's peace overtures will help clear the tense international atmosphere. However, it would be too much to expect immediate practical results.

and gone south.

The Communists emphasized that their eight terms had concrete contents and declared if Nanking agreed to accept the terms as the basis for peace talks, it must carry them out in actual practice.

From Nanking To Canton

ALL Government ministries and agencies have moved from Nanking to Canton in order to meet any possible emergency. It is reported that the Executive Yuan is scheduled to meet in Canton February 5. The removal to Canton is regarded as a victory for the Rightist CC Clique, which wants to fight to the bitter end. A *Reuter* dispatch dated January 30 from Nanking had something interesting to say on this point:

"President Li's policy is to hold the Yangtze River line and use it as a basis for bargaining a reasonable peace settlement with the Communists. He has already promulgated sweeping social and political reforms to prepare the atmosphere for these peace discussions, but observers here doubt whether Sun Fo's cabinet, torn by opposing factions, intends to make more than a token attempt to implement them. Premier Sun Fo's departure for Shanghai

with his deputy, General Wu Te-chen, is regarded as a victory for the CC clique. This clique, which considers a compromise with the Communists impossible, is the driving force behind the policy of withdrawing the Government and the three fighting services to the southern provinces, and to continue the Civil War from there...."

In Canton, General Hsueh Yueh, Governor of Kwangtung, reiterated his full determination to make a last-ditch stand against the Reds, whatever the outcome of the peace negotiations in Nanking and North China. Asked if an independent southern provincial fight meant a split with Nanking, Hsueh replied: "We are fighting both feudalism and Communism. Nanking has failed because it was feudalistic." He revealed Sun Fo "wants to come to Canton to join us." He also said: "Li Tsung-jen would also like to come, but there is no need."

Lull Before Storm

ALL was quiet on the war front during the past week. But this is generally viewed as a lull before a rapidly gathering storm. The Communist peace preservation troops entered the city of Peiping on January 31, with the colors flying and the band playing. It was reported that similar peace settlements for Tatung and Taiyuan are being arranged.

Along the lower reaches of the Yangtze River, between Wuhu in the west and Shanghai in the east, 10 artillery-equipped Communist columns are now massed on the north bank ready to cross the river. According to well-informed sources, six columns are concentrated at Yicheng and another four columns have taken up positions opposite Wuhu. It is there that the Communists are expected to make their initial attempts to cross this vital waterway—the last natural barrier defending Kuomintang-held South China.

It is said that the Government is moving its artillery units out of Nanking west and east to Wuhu and the river bank area opposite Yicheng centering on Chinkiang in anticipation of Communist crossing operations.

Competent observers believe the Communists will make only a diversionary thrust on the Pukow-Puchang area opposite Nanking, but there are indications they will make a more serious threat directly on Nanking. A reliable source said only two Communist columns are now stationed north of Pucheng, three miles north of Nanking. It is possible, however, the Communists at Yicheng may launch an outflanking drive on Pukow and Pucheng along the river bank if their anticipated efforts to cross the river

there are frustrated, Local Communist units are scattered along the river bank from Pukow to Yicheng and would facilitate such an out-flanking movement, if made.

North of Hankow, the Communists are reported to have captured Chumatien, important town on the Peiping-Hankow railway. The Nationalist stronghold of Sinyang, in south Honan about 50 miles south of Chumatien, is also reported to have fallen into Red hands.

It is generally regarded as certain that once the Communists start their crossing operations along the Yangtze, severe fighting in Hupeh will break out in the form of a diversionary drive.

Localized Peace

IN view of impending Communist attempts to cross the Yangtze in a determined drive on the capital, the Nanking City Council and the various civic bodies have decided to send a people's delegation to Peiping to contact the Communists about the possibility of a localized peace in Nanking. A special nine-man committee appointed by the Council in a plan for local peace called a meeting of civic representatives to study the problem. At the same time, the Council, in cooperation with the Pao Ch'ia chiefs and trade guilds, is planning to organize a special "order maintenance" body to work for local peace. It is reported that Hangchow City councillors have asked their colleagues in the capital whether Hangchow can also join in the local peace movement.

A similar movement is under way in Shanghai. It is generally expected that once the war spreads nearer to Shanghai, the movement will gain more ground and support.

Latest reports from Hankow and Nanchang indicated that the local civic leaders are sponsoring a movement for a localized peace on the pattern of the peace formula that has been reached between the Nationalists and the Communists.

It is reported that the Rightist die-hard faction in the Government is dead set against any plan for a localized peace and is leaving no stone unturned to block this movement.

The attitude of the diplomatic corps in Nanking is quite significant. With the exception of the Soviet ambassador, the other ambassadors have decided to stay in Nanking, although skeleton staffs have been sent to Canton in compliance with the request of the Chinese Government.

Russia's Offer

SOVIET Russia made several important and significant moves on the diplomatic chessboard last week. Immediately after its resounding and violent denunciation of the projected North Atlantic pact as a plan for war, the Kremlin extended an olive branch to Washington in the form of a statement issued by Marshal Joseph Stalin.

Initial reaction to the Soviet moves

was varied, but it was generally felt that Russia has indicated her willingness to take concrete steps to improve the relations between East and West.

The "Declaration of the Ministry of Foreign Affairs of the USSR on the North Atlantic Pact," released for publication on January 29, bluntly charged Britain and the United States with trying to dominate the Far East and with failing to work for the conclusion of peace treaties with Japan and Germany. It accused the pact of being a plot against the United Nations, with its object the establishment of British-American domination of the world by force.

The Soviet document concluded that Russia is going to fight "more firmly and more insistently" against any attempt to wreck the United Nations.

Twenty-four hours later, the Moscow Radio broadcast on January 30 Marshal Stalin's statement that the Soviet Union was ready to make a joint declaration with the United States outlawing war and that Stalin was prepared to meet President Truman to draft such a peace pact.

Stalin's statement was made in the form of answers to a questionnaire submitted to him on January 27 by Mr. Kingsbury Smith, European General Manager of the Hearst-owned International News Service of America.

For reference, the full text of the questions and answers is given, below:

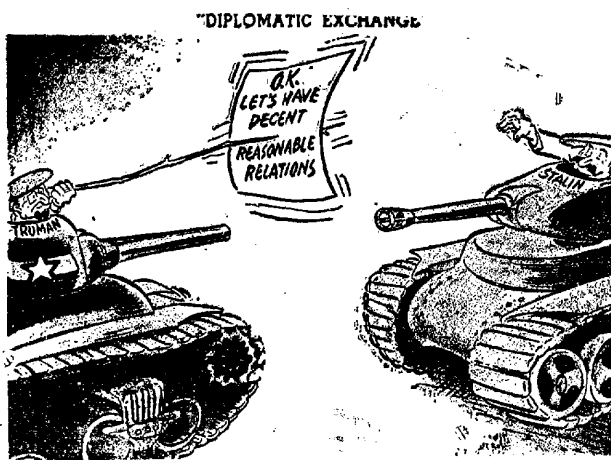
1. Will the Soviet Government be ready to discuss the question of publishing, together with the United States Government, a declaration that neither Government has the intention of going to war against the other?

Stalin: "The Soviet Government would be ready to consider the question of publishing such a declaration."

2. Is the Soviet Government prepared to join with the United States Government in measures designed to implement this pact of peace, such as gradual disarmament?

Stalin: "Naturally, the Soviet Government would co-operate with the United States in taking measures designed to implement this pact of peace and leading to gradual disarmament."

3. If the Governments of the United States, Britain and France agree to postpone the creation of a separate west German government, pending a meeting of the Council of Foreign Ministers to consider the German problem as a whole, would the Government of the USSR be prepared to lift the restrictions on communications between Berlin and



the Western zones of Germany?

Stalin: "Provided the three Governments concerned observe the conditions mentioned in this question, the Soviet Government sees no objections to lifting transport restrictions, provided that restrictions on transport and trade imposed by the three Powers are lifted at the same time."

4. Is Your Excellency prepared to meet President Truman at a mutually suitable place for the purpose of discussing the possibility of such a pact of peace?

Stalin: "I have already stated that there are no objections to such a meeting."

Practical Move

IN London, Stalin's statement was interpreted as a last-minute bid to prevent Germany's being split by the setting up of a Western German government scheduled to take place in the spring. Observers felt that the statement constituted an important practical move, not merely a rhetorical appeal to world opinion.

In Paris, the statement was greeted with satisfaction. In political circles the first news of the statement was regarded optimistically as tending to reduce tension in the present international situation.

In Washington, reaction was varied. Government circles were inclined to be reserved in their comment, and a cool official reception to Stalin's statement was forecast by authoritative quarters in Washington. Diplomatic authorities feel there is little if anything new in the utterance.

Some congressional leaders, however, were more optimistic. Chairman Tom Connally of the Senate Foreign Relations Committee hailed it as a "significant event in international relations." In his opinion Stalin's offer to meet Truman "could indicate a new approach to international peace and harmony . . . If that is its objective, it will be welcomed by all those who are interested in preserving peace and security and show determined opposition against aggression."

Chinese Magazine Roundup

World Culture

THE *World Culture* of January 22 analyzes the reported US hands-off policy in China and comes to the conclusion that, although the methods may be changed, the fundamental principles underlying American policy in China remain the same.

Discussing American reaction to Nanking's request for Big Four mediation in China's civil war, the magazine says:

"As to the four powers' reaction to the Chinese request, we can quote from the *AP* dispatch from Washington dated January 15, 1949: 'Present American policy-makers have decided that the US should stick by its present hands-off policy in China. . . . Events are moving so fast in China now that it is difficult as a practical matter to see how US policy could be changed. . . . The latest evidence of America's aloofness came today with word that the US had politely but firmly turned aside a bid by the government of Generalissimo Chiang Kai-shek for intervention by the great powers to make peace in China.'

"Judging by the strictness of the American State Department's directive to its Embassy in Nanking as reported in the *UP* dispatch from Nanking dated January 16, 1949, which states, 'It is learned that in the case that Ambassador Stuart calls on the President it must be by the President's invitation because local American authorities are acting in strict adherence to a Washington directive stipulating that under the present circumstances American authorities should avoid coming into contact with Chinese officials unless at the latter's initiative,' we can see that the US is now adopting a hands-off policy in China. . . .

"The policy of temporary hands-off certainly does not mean a permanent withdrawal. It should rather be taken as an instance of 'exhausting all the possibilities. . . .'

A *UP* dispatch from Washington dated January 16, 1949, quotes Stanley K. Hornbeck, former Director of the Far Eastern Division in the State Department, as saying, 'If the Communists continue to win, we shall stand to lose almost all at once that which we have in over a century gained throughout Eastern Asia, including the relief we have gained at great price from the threat to our security which was long implicit in Japan's policy of expansion by force. . . . If the Communists gain control in China, the sequel will be success for Communism in areas to the South, West and East. The influence of the democracies of Western Europe and North America, and of the United States in particular, in the Philippines, Korea and Japan will be endangered. As a result,

point or exactly how these or other developments would lead to our being involved in war one cannot know.' The use of such a term as 'threat to our security' by Hornbeck is quite in line with the prevalent practice in post-war America, whereby "threat to our security" is just another way of saying 'advanced base.' By talking about our being involved in war,' Hornbeck divulges one of the ways by which American policy may be carried out; that is, to turn Japan, the Philippines and Korea into bases for the assault on China. . . .

The magazine then proceeds to point out that the policy-makers in Washington are thinking of playing some other cards.

"At the moment, even though old facts have already shown that it is totally out of the question for the above measure to be implemented," the article says, "there is still no way to prevent Hornbeck (Bullitt, Judd and Chennault) from thinking so. In fact, we are quite sure Washington is thinking of playing other cards, such as finding new recipients for American aid, sitting tight in China to build up new connections, making use of ECA to 'influence the policy of the new government,' etc."

The magazine concludes: "America may adopt different ways, maybe employing even diametrically opposed ones, but as all roads lead to Rome, so the aim of all these ways is the protection of 'that which we have in over a century gained in Eastern Asia.'"

China News

THE last-minute reshuffle in the Nationalist army command in the various provinces south of the Yangtze before Generalissimo Chiang Kai-shek left Nanking in temporary retirement is regarded by the *China News* of February 1 as a significant move in the Generalissimo's plan for staging a comeback. The magazine says:

"When Sun Fo was appointed president of the Executive Yuan, President Chiang told Sun that in spite of any contemplated change in the cabinet list, it was desirable to keep Foreign Minister Wang Shih-chieh, Minister of National Defense General Ho Ying-chin and Minister of Finance Hsu Kan. But with the exception of Hsu Kan, these names were dropped from the new cabinet. According to insiders, General Ho was quite pessimistic about the future of the Nationalist regime and was determined to quit despite Generalissimo Chiang's backing.

"After the step-down of General Ho, the Government had to find some new job for a man of his qualifications. As a result, a group of

mintang elder statesmen met together to discuss the relative position of Canton and Chungking if the Government had to move some day. Some were of the opinion that Chungking was more important than Canton. For one thing, it still remains China's subsidiary capital. If the Government moves back to its wartime capital, no foreign countries can raise any objections. For another, Kwangtung is infested with bandits throughout the province and is too poor to feed millions of Government troops. It was therefore suggested that General Ho Ying-chin be sent to Szechuen to make the necessary preparations because he is a native of Kweichow and once served as director of the Chungking pacification bureau. It was said that General Ho would be able to pull the two provinces of Szechuen and Kweichow together to cope with any possible eventuality.

"However, General Ho would have nothing to do with the plan and left for Shanghai for 'medical treatment.'

"The general situation took a sudden turn for the worse and President Chiang Kai-shek felt it necessary to announce his temporary retirement. But Chiang was afraid that acting President Li Tsung-jen was not equal to the task and that once the Communist armies crossed the Yangtze River, the local authorities would probably proclaim regional autonomy, thus leading to an all-round collapse of the Nationalist regime. In order to prevent this tragic possibility, Generalissimo Chiang Kai-shek effected on the eve of his departure from Nanking a drastic change in the local army commands by appointing General Chang Chun to head the Chungking pacification bureau. Since Governor Ku Chen-lung is a trusted follower of the Generalissimo, cooperation between Szechuen and Kweichow is a sure affair. Besides, as General Chang Chun is a native of Szechuen and is known to be a master trouble-shooter, he should have no difficulty in patching up any differences that might arise.

"As the result of the moving of the Government to Canton and the transfer of military and industrial bases to Taiwan, the importance of Fukien province has increased manifold. So Chiang sent another of his aces, General Chu Chao-liang, to head a newly-created pacification command in Foochow.

"In order to strengthen the Nationalist position in Kwangtung and in order to pacify the dissatisfied native generals, Generalissimo Chiang decided to sacrifice his brother-in-law, Governor T. V. Soong, and appointed two Kwangtung generals to head the provincial government and the pacification command

US Magazine Roundup

Fortune

THE December, 1948 issue of *Fortune*, in an article entitled "Welcome Immigrants!", raises the question of whether the admission of displaced persons marks a change in US immigration policy, since DP entry was determined not only by race or nationality but also by skills.

The *Fortune* article says: "A month ago the first of some 205,000 new immigrants began to reach US ports. Their entrance was specially authorized by the last Congress because they are displaced persons, to whom we had special obligations. But, as individuals, they are no different from the 60,000 foreigners who legally immigrate to the US every year, or from the 40-odd million who came here before we adopted a policy of restrictive immigration in 1921. Nor does the coming of these 205,000 mark a change in that restrictive policy. The question is, should it?"

"The 205,000 are entering under the Wiley-Revercomb bill, which passed Congress last June after prolonged hearings notable for the amount of ignorance and prejudice brought to bear on the problems of DP's in particular and immigration in general. The act is frankly discriminatory on racial lines and has other weaknesses. But it contains a principle that is new to U.S. immigration policy and less difficult to defend ethically. This principle is selection by skills. At least 30 per cent of all visas must come to DP's who were formerly engaged in agriculture. Next favored, without specific percentages, are household, construction, and clothing workers."

While no DP is allowed to enter unless both housing and a job are assured, the article explains, these assurances can be given in three different ways: 1) certification from national voluntary faith and welfare agencies, 2) certification from an employer, and 3) certification from relatives or friends.

To date 18 states have set up commissions of their own to help in the certification process, and the program is backed by both industry, particularly the clothing manufacturers, and labor despite the latter's traditional fear of immigration.

The article points out that there is a shortage of agricultural labor in the US, as well as increasing demand for aircraft workers, shipbuilders, engineers of all types, bricklayers, plumbers, metalworkers, machinists, electricians, domestics, scientists, teachers, stenographers, and textile and clothing workers.

"The Clothing Manufacturers Association, in conjunction with the Amalgamated Clothing Workers," it says, "has promised jobs for 10,000 tailors, and the Bond Clothing Com-

pany of Rochester alone indicated it could ultimately take 3,000, who in turn will be used to train others. The International Ladies Garment Workers' Union offered to admit DP's to membership at once, and several other unions have agreed either to waive or to defer initiation fees. A mid-western zinc manufacturer said he wanted 300 smelters; a Massachusetts firm making store furniture and fixtures applied for skilled woodworkers; Colorado wants miners; a Texas cattle raiser wants a mixture of leatherworkers, blacksmiths, handymen, and cooks; an Indiana saw firm asked for nine good craftsmen. Connecticut wants dairymen, tobacco workers, sewing-machine operators, tool and die makers, electronic engineers. Minnesota and Wisconsin, where two of the best commissions operate, have jobs and homes for about 10,000 DP's each, mostly farmers. So far, few company applications have been motivated by desire for cheap labor."

The article says while there is still resistance based on ignorance and prejudice, anti-foreignism in the US cannot be cured overnight. Urging the US to reconsider its restrictive immigration policy, *Fortune* concludes:

"One truth is that US prosperity has always been linked with an expanding population. Far from contracting economic opportunity, immigrants help expand it and they don't cause either depressions or unemployment. To increase our manpower, utilize our resources, and create an even higher standard of living, there is every reason to hoost immigration.

"Another truth is that selection by race is both hypocrisy and bad ethics. Selection by skills, while ethically neutral, is certainly an improvement and may be worth continuing so long as selection is deemed necessary. But the practical lesson of the experiment is to remind us that we have a duty to keep immigration laws in step with our ever growing and changing industrial needs."

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Newsweek

ERNEST K. Lindley writing in the December 6, 1948 *Newsweek*, voices the belief that now is the "Time to Act on China." Lindley admits that a decision on China has been made difficult by Nationalist reverses, but thinks the US should still try to aid Chiang Kai-shek.

"In official circles the theory once widely held that the Chinese Communists are just agrarian reformers operating independently of Moscow has lost most of its following," Lindley says. "It is now generally acknowledged that their leaders are disciplined Marxists. But the theory is now being advanced that even if they drive the Nationalist Government

into a corner of China or destroy it altogether, the Chinese Communists will be unable to organize China. This may be correct. The number of well-trained Chinese Communist administrators is limited. An area so vast and so lacking in communications as China does not lend itself to quick seizure or tight control.

"We may have the opportunity to see whether this appraisal is sound. The Nationalist regime may be beyond saving, under either Chiang Kai-shek or a successor. The prevailing view, however, is that the Nationalist regime can still be saved if we lend it aid on a large enough scale and in the proper way."

Lindley goes on to say that former Sen. D. Worth Clark estimated that effective aid to China would cost more than \$1,000,000,000 for the first year and approximately \$600,000,000 a year thereafter until the Communists are beaten. He quotes another estimate as saying that about \$500,000,000 a year in military aid would be needed for several years plus additional economic and financial aid.

"On one important point there appears to be nearly unanimous agreement," Lindley continues. "That without close supervision by American officers, the supplying of the Nationalist armies is a waste of money and effort. Trained American personnel would have to be sent to China to organize the supply system, to better communications, hospitals, and other facilities for improving troop morale, to direct strategy, and to advise the Chinese combat commanders in the field."

"If China can be saved by aid on the scale projected by Clark, plus the advisory services of 10,000 American officers and men, the price is not too high. It is much less than we thought it worth spending to keep China in the war against Japan. It is infinitesimal compared with the probable cost of permitting a Communist regime to hold most or all of China even though it should fail, eventually, to consolidate its grip.

"Once committed, we might find, of course, that the costs exceed present estimates. We would be accepting also the graver risks of ultimate failure."

Lindley concludes by saying that a "wait and see" policy is wrong. "In the spring of 1947, instead of waiting to see, we went into Greece," he says. "That was not a mistake. Although the course of events in Greece has not been so favorable as we hoped for, Greece has been saved thus far from Communist domination.

"As circumstances change, policies should be adjusted. But 'wait and see' is not a policy. It is an admission that one has no policy. A decision with respect to China is extraordinarily difficult but it must be made."

What Chinese Papers Say

THE peace movement still held the limelight in Chinese newspaper editorials last week. The results of the general elections in Japan were viewed as an unmistakable sign of the alarming expansion of reactionary forces under the protection of General Douglas MacArthur.

Peace Talk

THE army organ, *Ho Ping Jih Pao*, called attention to the defense of the Yangtze, arguing that it would be impossible to talk peace with the Communists if the Nationalists were lacking in military might.

"The theory propounded by Li Kang that only 'the party who can fight may seek peace' holds true for all generations," the paper said. "If we neglect war-preparedness in our efforts for the realization of peace, once the peace efforts fail, we can only find ourselves watching the unopposed advance of the Communist Army, and the outcome will either be complete collapse or surrender. Accordingly, as long as peace is not yet successfully realized, we must devote our attention to the military situation."

"According to our view, when the military situation has been developed to its present stage, if unfortunately peace should fail to come, there will be need for us to resort to a prolonged war of attrition. The time for major combat between the main forces of the warring parties has already passed. We must preserve our strength to exhaust the opposing party, we must adopt mobile tactics to tire out the opposing party. The Yangtze line between Shanghai and Ichang should be strongly defended. At the same time, attention must also be paid to the Ta Pa Shan area northwest of Ichang, as well as to the southeastern coastal regions south of Shanghai. There is need for us to build a single defense line linking up the Ta Pa Shan area, the Yangtze, and the southeastern coastal regions.

"The Yangtze assumes unprecedented importance at the present stage of the Rebellion Suppression campaign, and we must not permit the Communists to cross it. We should not allow our strength to be exhausted piecemeal, nor to be exhausted in decisive battles. Today we should treasure as much as possible our strength so that it may be employed to the best advantage. The Yangtze is our last line of defense, and we must preserve our strength for its defense.

"The Communist Army can, of course, establish in various sectors on the northern bank of the Yangtze, artillery positions to threaten our navigation and our strategic points on the southern bank. We must therefore order the Air Force to make preparations for reconnaissance and for the destruction of

Communist artillery position on the northern bank. At the same time, our own artillery positions on the southern bank must be strengthened, and we must carry out the tactics of returning artillery fire with artillery fire. If their artillery force is destroyed, not only will the threat to our Navy and the Yangtze navigation be removed, but the dream of the Communist Army of crossing the River will also be shattered."

The independent *Ta Kung Pao*, however, said it was sheer nonsense to talk about continuing the fight as a means of working for peace.

"Today there are still people who harp on the tune that only those who can fight can talk peace," the paper declared. "This principle does not seem to be true in the present situation. We must fully realize that peace and war cannot exist together. If we are to fight, there can be no peace. And if we want peace, there must be no war. The failure of the former Political Consultative Conference was due to the lack of a determination for peace. The result was that peace talks and fighting were carried out at the same time, and peace ultimately failed to come. The road to peace has again been opened after three years of extensive fighting and the loss of millions and tens of millions of lives. The price paid has been colossal."

The paper reiterated its conviction that State affairs should be settled by political means instead of force, saying:

"It has always been our conviction that national issues can only be settled by political means, and not on the battlefield. After VJ Day, the road to political settlement, which was fairly well-paved, was unfortunately foresaken. What has been the outcome of the fighting during past years? The fundamental understanding now, therefore, is that the issues of the day must be settled through political, and not military, measures.

"Though peace cannot be achieved with a single stroke, it is nevertheless gratifying to see that the political is gradually assuming greater importance than the military operations. It has been said by the ancients that the world may be conquered on horse-back, but it cannot be ruled on horse-back.' National issues must ultimately be settled through political channels. Thus though there is a great disparity of military strength between the two parties, if the above fact is recognized, then the one party should not believe in its ability to settle everything through the use of armed force while the other party does not have to decide to throw its strength in for a final struggle.

"... Efforts should not be wasted on unimportant issues which may be taken up at a later stage, as

attention to these minor issues will only bring about obstacles to peace.

"The events in Peiping provide a very good example. The city was besieged for a month, but both parties finally reached a peaceful agreement in order to preserve the people. This represents the manifestation to the highest degree of wisdom and common sense. The peaceful settlement in Peiping has earned the praise of all quarters. Not only have the cultural possessions of the old capital and its two million population been preserved, but a way to nation-wide peace has also been paved."

Election In Japan

THE *Shun Pao* saw a significant polarization in Japan's internal politics when it analyzed the recent election of the Japanese parliament.

"The results of the general elections in Japan show that the political situation in that country is undergoing a rapid change," the paper observed. "The change on the one hand shows that conservative influence in Japan is coming up to the top, and has achieved an overwhelming majority in the Government. On the other hand, it also indicates that the left-wing forces in Japan are marching in full strength toward Communism, as seen in the phenomenal gains made by the Communist Party in the elections.

"Generally speaking, the victory in the current Japanese elections is shared by the Democratic Liberals and the Communists, the extreme right and the extreme left. The antagonism and conflict between the two camps can only be further aggravated. The present political situation in Japan is marked by this fact. The future Japanese political development will likewise be characterized by this phenomenon."

This view was shared by the Kuomintang organ *Chung Yang Jih Pao*, which said:

"One point borne out by the results of the current Japanese general elections deserves attention. It is the fact that while the ultra-conservative Rightist party has captured an absolute majority of seats in the Diet, the Communist Party on the extreme left has also obtained about nine times the number of seats it got during the previous elections, increasing the number of Communist representatives from four to 35. On the other hand, the parties standing between the extreme left and the extreme right, namely, the Democrats, the Socialists, and the People's Co-operative Party, have suffered very severe losses. This shows the gradual decline of the so-called 'middle of the road course' in Japanese politics, and intensifies the acuteness of the antagonism between the left and right extremes."

What US Papers Say

AMERICAN newspapers speculated on the question of Shanghai's future and on what would happen in the south and west of China should the rest of the country come under Communist control.

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China Picture

THE *Washington Daily News*, in an editorial "Wishful. Thinking in Shanghai," expressed belief that the optimism of Shanghai businessmen over the prospect of doing business with the Communists might not be justified.

"With Chiang Kai-shek in at least temporary retirement," the paper said, "the Shanghai business community is breathing relief that peace is around the corner. It is making plans to do business as usual under Mao Tse-tung, so-called 'Stalin of China,' who is hailed as the new strong man.' Such optimism may not be justified by events.

"Mao has successfully exploited the grievances of a people sick and weary after 11 years of war and revolution. But the task of repairing the damage for much of which he himself is responsible may demand qualities the Red leader doesn't have.

"He has announced his intention of linking China's foreign policies closely to the Soviet Union's. One of his peace conditions is abrogation of existing treaties with the United States and other 'imperialist' countries. Moscow will expect no less than that and probably much more. But what can Russia give China?

"One-half of Shanghai's rationed food supply for the 5,000,000 inhabitants is being supplied by American ECA grant. American cotton, also from ECA, is also what's keeping the city's great textile industry rolling. Chinese airlines are using our gasoline. Most of the country's industrial know-how is supplied by American and British technicians.

"Will the Soviet Union supply these deficiencies under the new regime? That hasn't happened in the case of Russia's European satellites, as Marshall Tito can testify. China's needs are infinitely greater than those of all the Balkan states together. Japanese arms the Soviets gave the Communist armies won't rebuild China's shattered economy.

"On the other hand, does the Shanghai business community expect the United States to underwrite the Communist adventure in China—so that Communism can be extended to Malaya, Indo-China, Siam and the Philippines?"

The *Baltimore Evening Sun*, voiced doubt as to whether the Communists could actually control all of China in the very near future. In an editorial "Not All One-Sided," the paper said: "Removal of the Nationalist Government of China to Canton some 700

miles to the south of Nanking has now been formally announced and at the same time the probability of some kind of peace negotiations between the Government and Communist forces grows.

"However, it would be risky to suppose that any such negotiations will produce a settlement. What will happen if the conversations fail is one of many uncertainties making up the confusing situation in China. But a point worth bearing in mind is this: Despite the recent rapid progress of the Communist forces and despite the degeneration of the Nationalist regime, there are still vast stretches of China which are unoccupied, indeed unapproached, by the Communists.

"It is true that they have seized a large part of China's most productive areas, but then so had the Japanese, who also held all of Manchuria and Nanking and Shanghai, and had driven down past Hangchow and Nanchang. And while the rest of China to the South and West may be weaker and perhaps less united than... during the war with Japan, native Communist armies are surely far less formidable forces than the Japanese. Nor has there been any sign that in western and southern China there exist Communist organizations strong enough to seize power.

"So if peace talks came to nothing, the Communists would face the question whether to try to press forward and conquer the rest of the country by force, or simply hold on to what they have already won and trust that in time the South and West would come under their control.

"It seems doubtful that the Communist armies would be capable, however feeble their opposition, of marching unaided south to the borders of Indo-China and westward to Sinkiang. It seems doubtful that they have anything... to undertake so tremendous a military project with any hope of success. And while unoccupied China might live a very lean and disorganized life, it could in all likelihood survive.

"In short, not all of the advantages in bargaining lie with Mao Tse-tung, despite his tough attitude. Even in a shrunken world, the distances of China remain a factor in any military operation which visions conquest of the entire country, and especially for forces as relatively primitive as the Chinese Communists."

* * *

New Delhi Conference

MANY US papers saw deep significance in the 19 nation conference in New Delhi. Particularly favorable comment was made on the general spirit of cooperation shown during the conference.

The *Christian Science Monitor* said: "Nineteen nations have spoken out at

New Delhi. It behooves the West to listen and understand....

"The coming together of 19 nations constituting more than 50 per cent of the world's population and one-third of the UN membership is, as Brigadier General Carlos P. Romulo of the Philippines declared, 'a massive political fact.' Failure of the Dutch, in particular, and the West in general, to take proper account of the fact could lend disastrous force to... emotions which Asian demagogues and agitators are always trying to stir up.

"But to recognize the new spirit of Asia and work to remove obstacles to cooperation is to strengthen the hands of more moderate and farseeing Asian leaders. To eliminate racialism and imperialism from Western practice is to help incipient Asians avoid the downward plunge to race hatred and bloc opposition to the West....

"There is a massive political fact to be grappled with. Asia can no longer be 'used' by the West for its own purposes. Instead, a common aim must be sought which will serve the purpose of both."

The *New York Herald Tribune* declared: "The complexity of the political, social and economic systems represented in Asia today makes it easier for the conference to declare against something—colonialism for example, which is a word which embraces a good many subtle distinctions—than to work constructively for something.

"Nevertheless, Asia is an indubitable fact... liable to error, capable of being persuaded to correct mistakes, but impossible to coerce or dismiss."

The *Denver Post* observed: "The... conference represents the most important step yet taken for it shows the growing unity of Asiatic nations and their awakening to a very real place in the international scene."

The *New York Times* brought up the subject of Indonesia in connection with the conference, saying: "Whatever (the Dutch) choose to do now, they know that their Indonesian policy has been condemned not only by the majority of the Western but by representatives of more than half the human race meeting at New Delhi...."

The *Cleveland Plain Dealer* also found Dutch action "unimpressive in face of the Asian conference" and added: "The postwar age in Asia is dated 1949, not 1849."

The *New York Star* said: "The ability (of the New Delhi conferees) to act collectively was a warning... that the Truman program for world democracy could not succeed unless it spoke out against colonial retrogression."

The Review's English Lesson—LXIX

MR. A. L. Chen of Wenchow has asked us about some expressions contained in Owen Lattimore's article, "The China Crisis and the U.S.," printed in the December 18 issue of the *Review*.

Exposed flank: In "China is the exposed flank of American policy." Exposed, here used as an adjective, means open to view. Flank, literally the side of an animal between the ribs and hip, means the side of anything. Hence, China is the side (or aspect) of American policy which everyone can see.

Dovetails: "In Western Europe our policy dovetails into the interests of countries..." This means anything shaped like a dove's tail, and is a term that originated with carpenters, who used it in referring to cutting notches of wood so that they join together. Hence, anything that fits into or connects with something else. In this case, our policy fits well into the interests of certain countries in Western Europe.

Stampeded: "The American public is not to be stampeded into thinking..." This term originated when cattle were frightened by something and broke into wild and uncontrollable flight—a stampede. Now the term is used to describe any sudden and common action motivated not by reason, but by panic. Thus, the American public is not to be driven hastily and without reason into thinking...

Hunches: "Based on fact, not hunches." Literally, a hunch is a hump or protuberance. In colloquial usage, it has come to mean a strong, intuitive impression that something will happen—from the gamblers' superstition that it brings luck to touch the hump of a hunchback. Thus, while a fact is based on something known, a hunch is based on guesswork, or something unknown.

Kiss of death: "If foreign backing has turned into the kiss of death for a really great man like Chiang..." This term was first used by the late Alfred E. Smith during his election campaign for his fourth term as governor of New York State. When it was reported that Smith's opponent, Ogden Mills, had received the backing of William Randolph Hearst, Smith said, "That is the kiss of death," meaning Hearst's favor would actually do Mills a disservice and ensure his defeat.

Busted flush: "Military intervention... is a busted flush." This is a term used in the game of poker. When a person playing poker holds five cards all in the same suit, he has a flush and stands a good chance of winning. But if he draws a card in a different suit, the flush is broken, or "busted." Hence, the term busted flush is used to refer to something that might have been good once, but now has no chance of succeeding.

Master-mind: "They wanted to master-mind the Chinese Government..." This expression is so relatively new in American usage that it has not yet found its way into most dictionaries. Literally, the combination of master, meaning to direct, control or subdue, and mind, meaning mental activity, would mean to control mental activity. In general usage, the term refers to someone who supplies "the brains" behind some project; who sets forth and directs the policy without necessarily taking an active, open part in it.

On one count: "The Chinese Communists are entitled to sober respect on one count." In this case, "count" is used interchangeably with "account," meaning any collection of items to be balanced or considered. Thus, the Communists could be respected on one point or item to be considered, or for one particular reason.

Mr. Chen also wants to know how the following words differ from one another: **Works** (water works), **plant** (power plant), **factory** (match factory) and **mill** (cotton mill). This is difficult to answer, since the words are usually modified by the descriptive word that precedes them. However, **mill** and **factory** are more specific words, since they denote a particular process. **Mill** means to process some substance into a more finished product, such as grain into flour, cotton into cloth, etc. **Factory** is really a shortened version of manufactory, a building with equipment for the manufacture of goods, such as matches, bicycles, furniture etc. **Works** and **plant** are more general terms. **Works** is defined as any place where industrial labor of any kind is carried on, while **plant** refers either to the machinery employed in some project, or to a large and complicated industrial structure, such as the Ford plant, which manufactures automobiles.

* * *

MR. H. C. Chuang of Shanghai writes in to ask the meanings of the following two words:

Ideology. In philosophy, this is the science of ideas. In customary use, it refers to the manner of thinking characteristic of an individual or a class. Thus, bourgeois ideology would refer to the thinking of the upper and middle classes; communist ideology to that of persons who follow Marxian teachings; capitalist ideology to those who are taught to believe in a system of profits and free enterprise, etc.

Capita: This is the plural of the Latin word "caput," which means head. "Capita" therefore means heads. It could be said that the United States has a per capita income of \$1200; in other words, \$1200 for every head, or person, in the country.

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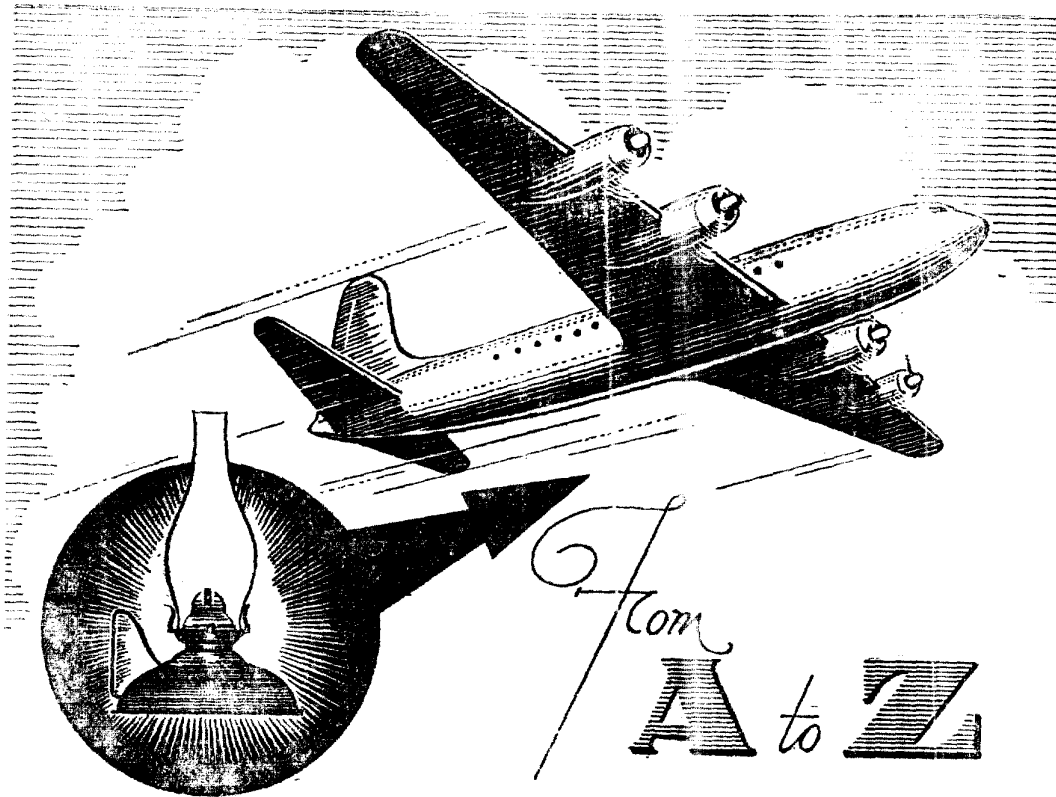
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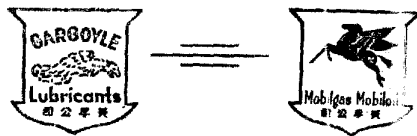
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February 12, 1949

US POLICY BELLWETHER?

AN EDITORIAL

What Should The US Do In China?

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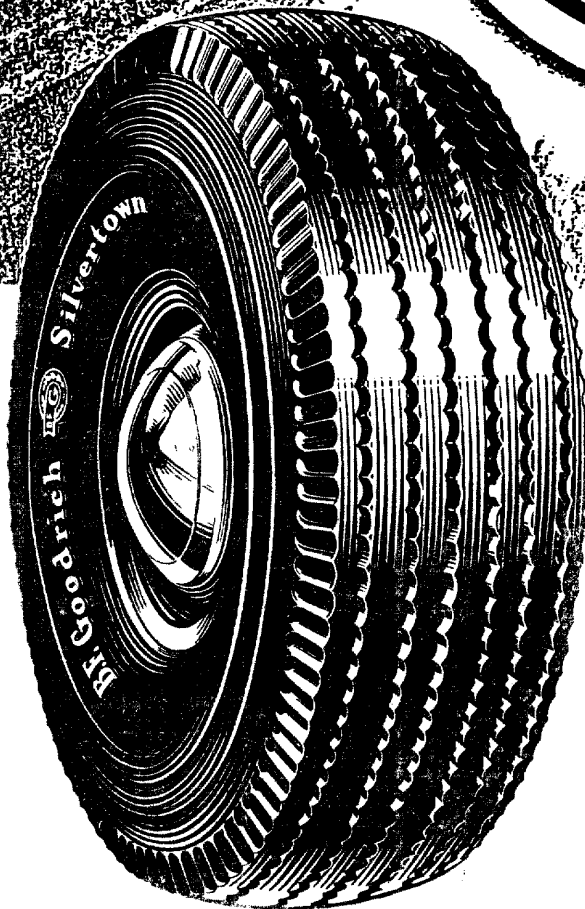
Andrew Roth

Outlook For Rural Reconstruction

Roger Kent

CHINA'S UNTAPPED POWER

AN EDITORIAL



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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Dike Building

To The Editor:

Your editorial of January 22 on the subject of dike building programs in China, in which you called particular attention to the proposed Rural Reconstruction Commission financing of dike work in Hunan, has been read with considerable interest in South China.

Some months ago there appeared in the Review an article by Mr. Jack James on the subject of the Kwangtung Dike Repair Project which was sponsored by the China Relief Mission. Because of our experience with that project and because we also remember the unfortunate CNRRA and Provincial Government's experience with the Ma-An Dike in 1946, I would like to make the following comments for the record:

1) UNRRA-CNRRA did help with an allocation of rice for the repair of the old section, and for the construction of one new dike. In the 1947 flood which was a record flood for the past 30 years, the dike was breached because the repair had been designed poorly by the Provincial Government's engineers, and was not able to withstand the great pressure which the 1947 flood brought. In the 1947 flood emergency CNC\$500,000,000 and 4,200 tons of rice (not 10,000 tons) were given for the relief of thousands of people who were driven from their homes in the flooded districts throughout the province.

2) During the CRM dike repair program the Ma-An Dike was one of the 21 dikes aided. After completion of repairs the dike area was flooded, but the flooding was not in any way connected with the dike repair. During the flood period, the lands of the farmers living outside of the dike protected area were threatened with flood, and in order to protect their lands the farmers unlawfully broke and rendered useless the Hop Shan Gate, with the result that a part of the low lying land inside the dike was flooded. As a matter of fact only one dike out of 21 aided by CRM program was breached. This was the Hing Ning Dike in the Swatow area where effective control of work progress and financing could not be done on account of unsettled political conditions in that area.

If you refer back to Mr. Jack James' article in your magazine on the Kwangtung Dike Repair Job, you will recall that very tight controls were exercised by CRM over daily work done on the 21 dikes. Not only did we have engineering inspectors on those dikes, but the work was done under close supervision by the local dike committees who were elected by the farmers in those dike areas. Moreover, the pay to the workers was made directly from CRM funds on the basis of the number of cubic meters of earth moved, and those figures were checked by our own inspectors.

I do not know what the Rural Reconstruction Commission plans to do in the way of supervisory controls over the Hunan project, but I do know that it is possible for ECA to assist in dike repair projects to the great advantage of

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the farmers (who should, of course, share in the supervision and costs on a rotating fund basis), and I am also sure that projects in the rural areas, such as those involving dike repair and irrigation, will do a great deal to stabilize conditions in those areas.

You are right in saying that strict supervision and controls are extremely necessary, and I am sure that ECA will not approve any dike repair projects in South China unless the controls which you suggest are made effective.

H. T. SAMSON,
Regional Director, South China
ECA Office

Canton
February 2, 1949

JCRR Supervision

To The Editor:

Your January 22 number begins with an editorial on "US To Build Dikes," in the course of which the following appears, "JSARCC, it was said, will set up an office in Changsha. What this office will do we don't know, but we certainly hope that it will keep a close watch on the funds after they are turned over."

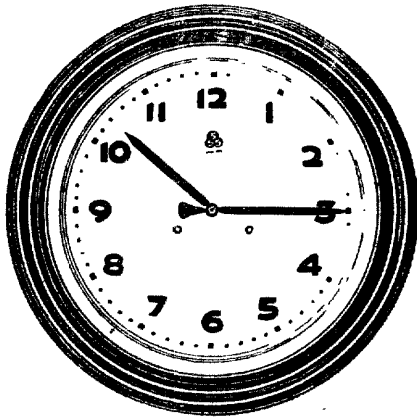
JCRR gladly accepts this opportunity of making known how the watch is kept.

The dike reconstruction work is handled in the field by 11 hsien offices under which there are 336 section offices. The funds are turned into rice either at the head office or at the hsien offices and the rice distributed to these section offices for payment to laborers. The JCRR representative in Changsha and his assistants follow up both the purchasing and distribution of this rice and also follow up any rumors of malfeasance or inefficiency. A representative of the comptroller's office in Canton checks the account both of purchase and of payment of rice for labor. Engineers appointed by JCRR inspect the work to see that it is in conformity with specifications and plans, all of which were approved in advance by the National Ministry of Water Conservancy.

In so many as 336 sections it would be remarkable in any country if there were not one or two officers of antiquated ideas of public service. In such a field of political jealousies it would be even more remarkable if there were not started many unfounded rumors of inefficiency and/or malfeasance. In a country where there is no efficient protection against libel, such rumors spread rapidly and are bound to come to the ears of the JCRR representatives in the province.

Terms of the JCRR loans are posted publicly on every section, as well as terms of employment of labor. Since the beneficiaries of the dike are required by the agreement to repay the rice loaned by JCRR there is active local supervision.

It is evident that the experience of your editorial writer "in American-financed aid program in Hunan Province" is confined to UNRRRA-CNRRRA experience. Sad as that experience appears to have been, very satisfactory results have attended efforts under other auspices. In 1922, the undersigned on behalf of the American Advisory Committee negotiated US\$200,000 aid toward the building of the first considerable motor road in Hunan with the provision they have supervised maintenance during a period of five years. The result set a pattern for highway construction in Hunan such that, up to the beginning of the war with Japan, Hunan's highways were the best in China. Again in 1931 and 1932, following the disastrous Yangtze flood, the undersigned delivered to Hunan, on behalf of the National Flood Relief Commission, 50,000 tons of American wheat. The dikes were repaired on



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spring of that same year CNC\$1,000,000 of National Flood Relief Commission funds were loaned to mutual guarantee societies, composed of Hunan farmers, for rehabilitation purposes. At the end of three years, the stipulated period, 99.1 percent of these loans had been repaid; a splendid record in any man's country as any banker will agree.

It seems only fair, that this statement of facts should be given as much prominence in your valued journal as the strictures voiced in your editorial.

JOHN EARL BAKER.
Joint Commission on Rural Reconstruction

Canton
February 4, 1949

(The foregoing letters, written by two men with long residence and experience in China, should be of particular interest to all who read the editorial entitled "US To Build Dikes" appearing in the January 22 issue of the REVIEW. Mr. Sampson's letter points out one factual error in the editorial and also gives a full explanation of why the much-talked-about Ma-An Dike failed to stem the flood waters after its second reconstruction with American funds, a fact that reflects upon some of the farmers living in the area rather than upon the builders of the dike.

The letter from Dr. Baker explains in detail the methods to be used in supervising the new dike construction program currently getting under way in Hunan Province. Dr. Baker, one of the directors of the Joint Sino-American Rural Reconstruction Commission (JSARRC), points out that in the past several similar undertakings have been successfully carried out in different parts of China and, obviously, there is no reason why future ones cannot be equally successful.

The REVIEW welcomes letters such as the foregoing from readers whether they take issue with us or agree with us. Everyone, we believe, benefits from this type of discussion.—Editor.)

Snow On Tito

To The Editor:

I have only just read the article, "Will Tito's Heretics Halt Russia?" by Edgar Snow in the February 5 issue of the Review and have had no time to digest it thoroughly and consider all the implications of the matter. However, it is my opinion that perhaps Mr. Snow, who has been a long-time observer of events in this country and is credited with understanding China very well, is putting an interpretation upon the Tito-Stalin "split" which is not completely justified by the actual facts.

It is undoubtedly true that there must have been some "conflict in national interests" between Russia and Yugoslavia. Even with both states practicing socialism, there are differences in their economies which might lead to some conflict, but hardly to a split like in the present case. The differences must be more serious. According to some reports, Tito and his immediate supporters are outwardly espousing the cause of international communism and inaugurating some socialistic measures in the country's economic life, but secretly were making plans for setting up a Balkan empire, so that they could extend Yugoslav control, under the pretence of communist brotherhood, over their neighbors.

From what information is available, it seems likely that the split has a more basic cause than the simple development of a heresy within the "universal church."

But regardless of the reason, a serious difference must exist between Tito and the Russians. Obviously the West,



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especially Britain and the US, will do everything they can to take advantage of this situation, by such means as applying pressure and offering inducements to widen the rift. Perhaps such efforts will be successful, maybe not. The West, however, should try to learn the true nature of the differences between Yugoslavia and Russia and should not be misled into thinking that any hoped-for internal explosion in Communism has occurred.

FOREIGN OBSERVER

Shanghai
February 6, 1949

Communist Heresy?

To The Editor:

Mr. Edgar Snow, whose article you printed last week, seems to have changed his views on world affairs. Formerly a firm supporter of the Chinese people in their revolution against feudalism and foreign imperialistic aggression, he now joins those reactionary remnants who plot war against the people of Russia and China....

When he says that the expansion of world communism is an extension of Russian nationalism, he shows that he no longer understands the true nature of the people's struggle against their oppressors. While the United States has actively aided China's bad government, Russia, a true friend of the Chinese people, has lent encouragement to them in their struggle by her moral leadership of the world's suffering masses. Because of diplomatic affairs, Russia has been unable to aid the Chinese people materially, but she has sympathized with them and in the near days ahead, when the people have won in China, the masses in both countries will rejoice. No one will be able to sow any seeds of dissension between the people of these two foremost leading people's republics.

Talk of a Communist heresy is no true. Tito is no longer a communist... The Chinese people, after their long struggle for freedom—the longest of any people—will not forget the lessons learned in blood. If Mr. Snow thinks that the Chinese people, once they have overthrown the feudal, corrupt, and ultra-reactionary ruling classes and ousted the American imperialists from China's shores will forget the principles which have led them to victory, he is badly mistaken.

CHAPMAN LIEU

Shanghai
February 8, 1949

Grateful

To The Editor:

The letter from your circulation manager informing me that seven copies of the *Review* were being sent under separate cover has arrived, and I wish to thank you for the trouble you took in appealing for us needy students and also thank the person in Shanghai who contributed them.

I hope you will keep on appealing for other donations from other subscribers. My gratitude to my donor is without bounds.

WANG SHUN HWA.

First Municipal Middle School
Chungking
January 21, 1949

Disagrees With Judd

To The Editor:

Congressman Judd, in his letter to the editor in the January 29 *Review*, still has the nerve to remonstrate at the great mass of unfavorable opinion which his, Bullitt's and a few other war mongering, so-called Chinese experts' past actions have earned them at the expense of the American taxpayer. Not in the interests of trying to convince Mr. Judd that he is wrong, but in the interests of truth, I, as an American citizen with closer contacts and feelings for the Chinese people than those who have recently made closely guarded and luxuriously pampered flying trips to China, wish to remonstrate in turn that Mr. Judd appears to be just as ignorant of the real situation in China as most Americans back home.

Whether he blames the State Department or the ECA is immaterial, as actually the ECA is operating as a part of the State Department, but he is absolutely wrong in accusing either of stinting money for civilian or military aid in China wherever it could be shown to be needed. In fact, much more was actually given than was needed, if we are to judge by the amount of waste, sales to Communists and other illegal uses and corruption by National government officials.

For example, we of the Agricultural Machinery Projects (UNRRA endowed) in South China were greatly disappointed by the failure of the China Relief Mission and ECA-financed Ma-an dike

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building and repair project at Hwaiyang—a failure due to the ignorance and corruption of the Nationalist Bureau of Reconstruction, which took over the work after the equally inefficient CNRRA project had failed in 1947.

Inefficiency and corruption in omitting a foundation core under the flood gates, not lack of funds, thus caused the loss of over 60,000 mow of crops, more than 7,000 of which had been plowed and prepared by tractors of our AMOMO project there. The result was that 6,000 farm families were left starving and many of them were homeless as well. This failure was a hard blow to Mr. Samson, administrator of ECA in Canton, who is an old hand in China and had even followed a plan of paying for work done at the end of the month when measurements were taken of the work done. Even now the ECA is financing a dike building project in Hunan, but knowing the local government of Hunan as I do, having worked for one year in that province, I would guess that not more than one-third of the equivalent of the 30,000 tons of rice allocated will ever be used on those dikes. However, what can ECA do when they have to hurriedly (because of inflation) get rid of large amounts of GY realized from the sale of rice and cotton brought to China under the ECA plan? It is necessary for them to choose a number of the more reasonably stated applications for immediate approval and action.

As to military aid, there has never been a time since VJ Day when Nationalist China lacked ammunition. Although there have been shortages in some areas where the Nationalists were blockaded for long periods, there was never any shortage in transportation facilities for the Government to move ammunition to places where it was needed. So huge were the stores of Japanese and American war materials left in China and brought here from the Pacific islands since the war that no special care was taken of these stocks (remember the huge fire in the Shanghai godowns in November 1946, and other similar instances in other cities). To say that the military aid was "largely surplus supplies not suitable for....the war with the Communists" is misleading. The Chinese army is on wheels (as well as many civilian organizations) because of the great stocks of fine GMC 10-wheel trucks to be seen everywhere in China which are still being assembled from these stocks of new "surplus" war materials.

The Point Island assembly lot alone has assembled more than 6,000 of the Dodge five-tonners. Jeeps and weapons carriers as well as numerous other categories of US army vehicles are to be found in all parts of China. There is, of course, some "junk," but certainly not over 10 percent of the total. For instance, when the JUSMAG came to China and needed vehicles, they obtained new vehicles at local prices from the Chinese Government, which had obtained

them from the US Government at about 10 percent of the cost. And who furnishes the fuel and oil for all these vehicles, tanks, bulldozers, airplanes, self-propelled cannons etc.?

Any of the JUSMAG personnel will gladly enlighten Mr. Judd that the Chinese Nationalists did not lose the war because of poor cooperation and help from the State Department or War Department, just as the unpublished Wedemeyer report undoubtedly would have disclosed, had it been published. "You can lead a horse to water but you can't make him drink" applies only too well to the Chinese situation.

As has been repeatedly pointed out, the

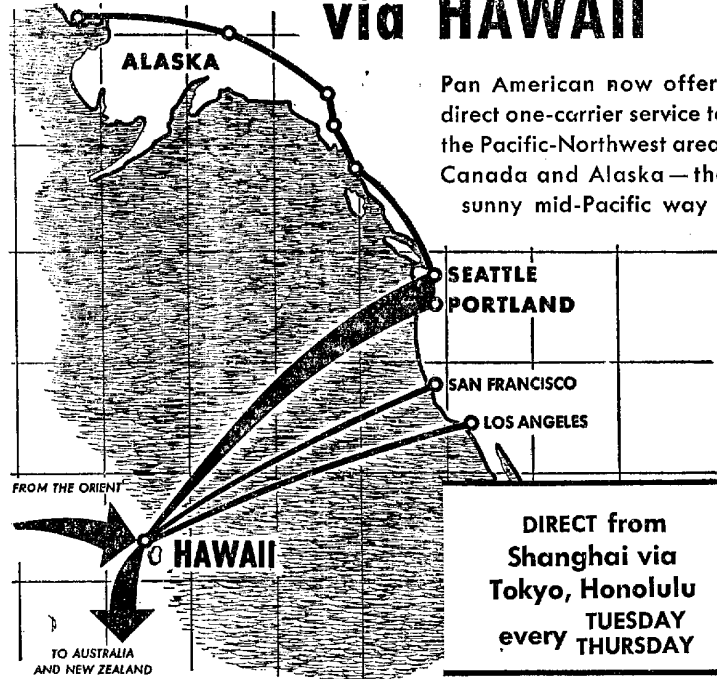
only alternative is to take an active part in this internal struggle, and I didn't hear of Mr. Judd setting an example by trying to join the Nationalist army when he made his flying visit. Neither did he try to throw a stone at the rats who have been running away from here with the choicest UNRRA and ECA tid-bits, as well as the national wealth of the Chinese Republic.

No sir, not Judd—he wants you and me to do this "effective aid" business while he stands over there across the ocean and holds his cupped hands behind his back.

R. D. MERRICK.

Shanghai
 February 2, 1949

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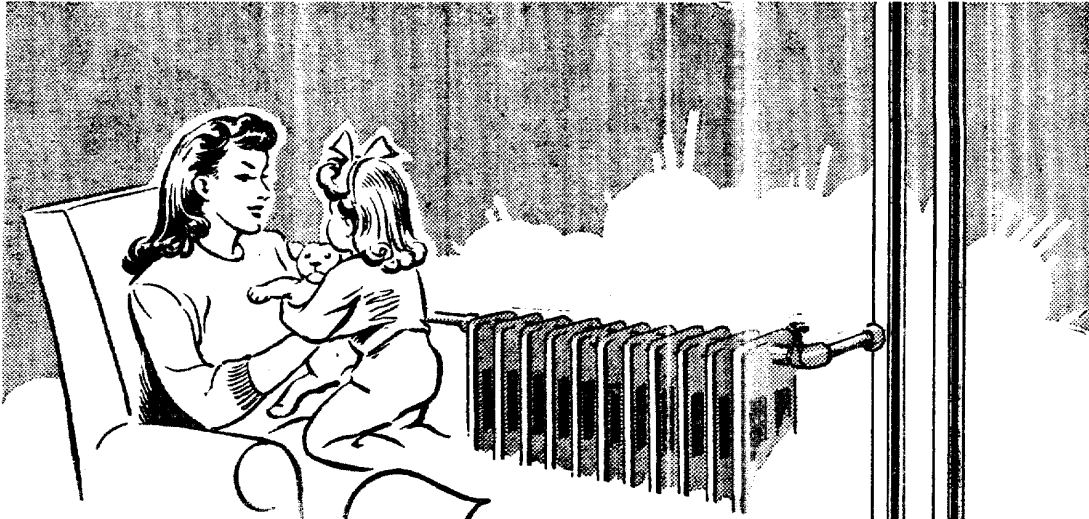


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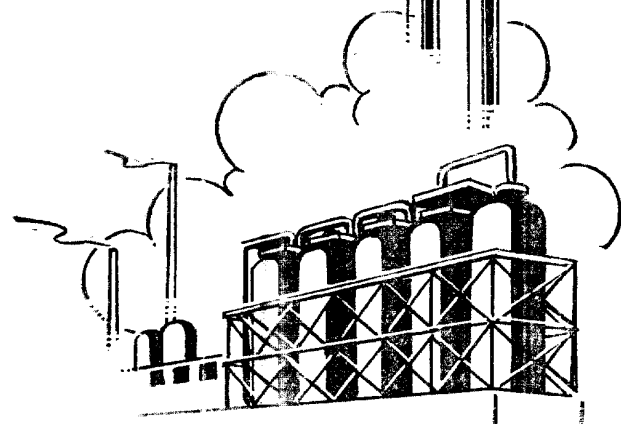
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Vol. 112 Shanghai, Saturday, February 12, 1949 No. 11

US Policy Bellwether?

THE reports, some of them official, that the Economic Cooperation Administration is closing its North China offices, intends to shut down in Shanghai and is preparing plans for increased assistance to Nationalist areas in South China, especially in Taiwan, may well be the bellwether or indicator of a significant shift in US policy toward China.

While it has been difficult in recent weeks to determine exactly what paths US policy was following, there seemed grounds for believing that America was adopting a cautious attitude and had not yet decided whether to consider China a friend or foe. Arguments supporting various views were advanced. ECA Administrator Paul Hoffman, during his Shanghai visit in mid-December of last year, seemed to be taking a rather reasonable view of the situation here, saying that under certain conditions he might be inclined to recommend continuance of American aid to China even if the government of the country changed hands.

In recent weeks it appears that Hoffman has been overridden. One unconfirmed rumor has it that Hoffman discussed the matter personally with President Truman before ordering the closure of ECA offices in areas captured or seriously threatened by the Chinese Communists. In any event, it seems clear that ECA has decided to deny aid to areas controlled by the Communists. The wisdom of this move is certainly debatable. Our personal view is that Washington is making a terrible mistake, for which America will pay dearly in the future. The Chinese Communists have long charged that the US was an imperialist power interested solely in aiding the corrupt and weak Chiang Kai-shek regime in the latter's attempts to suppress the people of China. Such a charge has irritated Americans who view the continuous dispersal of gifts of monies and goods to China as noble gestures reflecting American goodwill toward the Chinese people.

The fact that the ECA is now showing itself willing to feed the needy in Kuomintang areas but is unwilling to give food to the hungry in Communist areas hands the Reds a strong

propaganda weapon. It makes it well-nigh impossible for the United States to continue proclaiming that her interest is in the people of China, rather than in any particular regime.

Another point, which is a very important one, is that some ECA relief shipments scheduled for areas which have now fallen into Communist hands, have been diverted, while at sea, to Japan where, presumably, they will be used to help feed the Japanese people. It will be difficult for the United States to maintain that this is not part of a diabolical plot to build up Japan as a counterbalancing power to China—a charge already made by many Chinese, of both Kuomintang and Communist affiliation.

The stoppage of relief to areas occupied by the Communists and the speeding up of aid to areas still controlled by the KMT makes ECA actually a working partner of the Nationalist Government. Since most realistic observers here are convinced that the days of this regime are numbered, the US may in the not so distant future find itself forced to begin negotiations with a new government which will be embittered toward the United States partially because of its last minute aid and comfort to the "enemy."

* * *

WE realize full well that it may become difficult for the United States to work with a Communist Government in China. However, it is our view that friendly relations are not an impossibility. At this critical juncture it is also understandable that the officials in Washington may not wish to do anything that would aid the spread of communism in China. Being a capitalistic country opposed to the principles of communism, America obviously cannot look with pleasant anticipation toward a Red China.

However, this fact now seems inevitable and it is doubtful if the outcome of China's Civil War could be changed unless Washington were willing to declare war on this country and attempt its conquest with American arms. Since the outcome is a foregone conclusion, it seems to us that the reasonable thing to do would be to sit back and let nature take its course. For more than three years the US has been meddling intensively in China's internal affairs. First, assistance, supposedly to both KMT and Red areas, was given through UNRRA. At the same time Marshall came to mediate the dispute. Both were failures. UNRRA aid, the lion's share of which went to the KMT despite the UNRRA charter, was largely wasted and produced scarcely any results at all. General Marshall's mission was not a success. It was then decided by Washington to aid the KMT in its war against the Reds. For this purpose, the China Relief Mission was set up. While relatively more efficient than UNRRA, it still did not seem to improve conditions in Nationalist areas greatly. Next came ECA and its companion piece, a bill giving the Nationalist Government US\$125,000,000 to buy arms to fight the Reds. Anybody who is not blind can see that neither of these programs enabled the KMT to function any better than usual. The result is that the Communists are on the verge of taking over this country.

In view of this situation, it seems like just plain foolishness to decide at this late date to slap the Reds in the face by refusing to feed hungry Chinese in areas they control, while rushing in with a large amount of last minute aid to the KMT Government, which, if past experience is any criterion, will simply be wasted and squandered.

While we are not convinced that a communist China and a capitalist America must per se become enemies, we are aware that there are many people who take this view. They, therefore, refuse to see some of the realities of the present situation and are willing to proceed down a straight anti-Red path much in the fashion of a horse with blinders, being distracted not in the least by the numerous unpleasant signs to be seen beside the road. However, there is one "fact" which sits squarely upon the path and which is impossible to avoid. That is: The Kuomintang, as anti-Red a regime as one could wish, is not for long in this world. Soon, come what may, it will be impossible to aid the KMT in its fight against the Communists because it will not exist.

Since any contemplated aid must soon come to an end and since it will have little or no effect upon the outcome, why continue such aid? This question seems especially pertinent since all it appears to be doing is making the Communists more and more hostile toward the United States.

If there ever were a time when we needed to follow strictly the policy of non-intervention which we have so piously outlined in the past, this is it.

It Looked Good On Paper

SHORTLY after taking over the reins of government from the Generalissimo, General Li Tsung-jen, who has in past years gone to considerable trouble to secure for himself a reputation as a "progressive," a "liberal" and as an "enlightened" administrator, issued reform proclamations in wholesale lots. All the freedoms theoretically guaranteed in China's constitution were "ordered" enforced. Political prisoners were to be released, press restrictions were to be removed and so on ad infinitum.

Some of the more cynical observers took a skeptical view of these proceedings from the very beginning. When it became apparent that most of the military and other officials in areas not directly under Li Tsung-jen's thumb were ignoring the acting president's reform decrees, more and more observers began to take General Li's "reforms" with a grain of salt.

However, we still believed that the acting president really intended to implement his announced measures for reform. It seemed logical to us that Li would almost be forced to follow a more liberal and enlightened path than his predecessor if he wished to make political capital out of his present opportunity. After all, we thought, the people will see no difference between the old and new presidents, except that perhaps the old one was a more skillful political manipulator, unless the new one makes some startling and popular moves. When Li announced his

plans for reform, we thought this was to be the difference.

We're still not sure but what Li hopes to be known as a reform president. However, we are not as sure as we were a while ago. We cannot blame Li for the fact that Chang Hsueh-liang, the fabled "Young Marshall," is still detained. After all, one of the Generalissimo's trusted lieutenants is governor of Taiwan and we can imagine that any of Li's orders which do not please the Generalissimo will bounce off Governor Cheng Chen like pebbles off a stone wall. Likewise, we can understand that if General Tang En-po does not wish to lift martial law in Shanghai, "President" Li cannot force him to do so.

However, it is our understanding that Li is more or less in control of the city of Nanking. His buddy, General Pai Chung-hsi, who in days past also expended considerable time and energy in securing the reputation of being "progressive," is reported to have dispatched some of his personal troops to Nanking in order to give Li some physical support in the capital. Despite this, General Li's reform decrees do not seem to be having very much effect in Nanking itself.

On February 1, a group of men "clad in black coats" smashed the furniture and equipment of a Nanking paper called the *People's Daily*, after it had published a report saying that a high police official attempted to run off with funds allocated for payment of his men. The following day a spokesman of the Nanking Garrison Headquarters announced that the paper had been closed by the authorities and a number of staff members detained because it had "published articles without foundation with the intent of disturbing general peace and order."

We are not familiar with the paper in question and therefore are not aware of what important politico, general or other functionary constitutes the "background" of the publication. Thus, we cannot estimate the political maneuvering which may have been in process in the background of this particular case. However, we do know that on the surface Nanking seems to have changed little. Groups of "outraged" citizenry continue to smash papers which "insult the people of China," while the city's cops and garrison forces conveniently retire to nearby tea houses and are therefore "unaware" that law-breakers are on the loose. It also seems that arbitrary closure of papers and arrest of staff members goes on as usual. The president may have been changed, but, from all indications, it's still the same old Nanking.

General Li's reforms by decree—like those which poured from the Manchu throne during the historical 90 days before the Empress Dowager returned to power and stopped all the nonsense—look good on paper. The people, however, are still waiting for the benefits which the decrees might bestow if they are ever implemented.

Discipline Of Troops Needed

THE problem of enforcing adequate discipline among the disorganized ranks of Nationalist troops is rapidly becoming critical. In many Kuomintang areas, there is little difference be-

tween soldiers and bandits so far as behavior is concerned. In recent weeks the discipline of Nationalist soldiers—never very good at best—has almost disappeared and the public has become the prey of a group whose appetite apparently is insatiable.

Every day we hear of some new incident of vandalism, thievery, or even murder committed by Nationalist soldiers. On one day last week, the *North China Daily News* reported four separate instances of criminal activities by soldiers in Shanghai. Headlines such as "Soldiers Fire On Tramcar"; "Soldier Beats Conductor"; "Protest Over Soldiers In Local Schools"; "One Killed, Four Wounded By Hand Grenades", may be found daily in Shanghai's papers.

Clearly, something has to be done. The simplest and most effective remedy would be an end to the Civil War. However, such a solution seems unlikely for the present.

The fact that the problem is not peculiar to Shanghai was pointed up last week by a *Reuter* story from Hankow which described some of the depredations of the Nationalist soldiery in that area and surveyed the situation in the country as a whole. "It is considered," the article said, "that the military... have earned opprobrium in their own right, for they have treated the civil population shockingly. Officers and men have unmercifully battered on the community. They have invaded homes and forced owners to give them free lodging. They have demanded food, and taken it often without payment, sometimes at a price grossly below its worth. They have lived on theft and robbery, and have been blamed time and again for assault and violence."

Reporting that in cities and towns the soldiers have become a "law unto themselves", the dispatch continued: "In Hankow at this moment owners of 40 public bath houses are not only catering for thousands of soldiers daily without payment, but are being forced by commanding officers to sign receipts at GY10 a head so that the latter may submit accounts to Nanking and receive equivalent expenses...."

The article then pointed out that the troops themselves are not entirely to blame, since "the common soldier is forced to fend for himself because of the corruption and inefficiency of his superiors. He may be forced to march in ropes or chains to recruiting points so far away that he cannot possibly escape and find his way back to his native village. He may have been bought as a substitute for a rich man's son drawn for the army by lot, agreeing to the bargain in order to discharge a personal or family debt but giving no loyalty to the army in the process."

The article then went on to describe some of the abuses to which the soldier is subject, such as almost total "squeezing" of his salary by his superior officers. Circumstances, largely, have made the Nationalist soldier what he is. "Out of necessity," the story continued, "he has developed the traits and outlook of the thief and bandit."

The writer of the article believed that the control of these Nationalist troops would constitute one of China's biggest postwar headaches. He estimated that there might be between 3,000,000 and 6,000,000 men in uniform, many scattered hundreds of miles from their homes. If the huge task of repatriating them to their native places is not undertaken, the writer said, "observers believe China will be riddled with crime and violence by soldiers, particularly of the Nationalist armies, who may be left to fend for themselves far from their homes and without control or money."

This is certainly a grim picture. We imagine that there are few areas in Nationalist China which have not at one time or another experienced the unpleasant visits of marauding soldiery. As Kuomintang power has declined, the discipline of Nationalist troops has become progressively worse. All too often, it seems, the commanders and lesser officers of these "remnants" of defeated armies are themselves not interested in controlling their men. We now hear rumors to the effect that some commanders are even demanding payment from civic leaders in towns about to be evacuated in the face of Communist attacks. Unless such payments, usually called bonuses for the troops "protecting" the town from the bandits, are quickly handed over, the commander threatens to turn his troops loose to pillage the place. It has even been rumored that the preliminary "bargaining" for this type of payment has started in the Shanghai area.

There obviously is little we can suggest in the way of a remedy, especially in view of the fact that the highest authorities apparently are willing to condone this lack of discipline unless they are paid "for their trouble" in preventing it. However, we might point out to the authorities concerned that such behavior will gain for the Nationalists very little of the popular support they are constantly exhorting the public to display.

China's Untapped Power

WE'VE spent most of the last three and a half years pointing out all the things that, in our view, were being done wrong, or perhaps just weren't being done at all. From time to time, when we felt that a continuous diet of complaint was getting tiresome, we looked around for something which would stand a little praise. Rarely could we find anything of such nature. Sometimes, we could suggest things that should be done. However, that, too, became a little wearisome in that as time went on it became more and more evident that no one in China had any time or energy left over from the Civil War to devote to constructive activities.

Now with the Civil War on the road to conclusion, we may expect a little progress of one sort or another in this country. While we are not by any means relinquishing our right of returning to a diet of complaint—it has almost gotten to be a habit—we are looking forward to the

time when we can start suggesting ideas for things which need to be done and know, we hope, that we are not merely wasting newsprint.

One of the things China is really going to need in the days to come is mechanical power. If this country is to make any worthwhile progress toward a decent material life, many sources of energy to drive machinery of various types will be in demand. By and large, China, it is believed, is unfortunately a relatively poor country in natural resources. This may be disproved by future exploration, but on the basis of knowledge available today, she does not have too much in the way of valuable material assets aside from her tremendous manpower. It is true that she is one of the largest producers of coal in the world and the proper exploitation of her reserves will be of great help. However, it is questionable whether or not there is sufficient coal of sufficiently high quality to meet the demands which will arise. China's supply of wood, for making charcoal, is not great; besides, this is an expensive fuel and its uses are limited. Petroleum is found in only a few areas and so far in not very large quantities.

Perhaps the greatest potential source of energy lies in the development of hydro-electric power, a field scarcely touched in China and one capable of considerable development. While we do not know of any thorough survey of sites suitable for hydro-electric installations, one has only to travel through the rugged interior of the land to be impressed by the many streams which pour swiftly through mountains and valleys. In addition to the much talked about Yangtze Valley plan, which calls for the erection of the largest dam and hydro-electric installation ever conceived near Ichang, there are countless spots in the mountainous areas of China where relatively small units could be installed which would provide electric light and industrial power for local areas.

Of course the initial installation costs for such power plants would be tremendous and undoubtedly could be financed only by government capital in a country as poor as China, which does not have a well-developed middle class from which investment capital can be secured. However, that should not be any problem to the new regime since it is committed to a policy of state enterprise in any event. Once built, such plants would provide a virtually never-ending source of cheap power. Additionally, they would pay dividends in improved navigation facilities for cheap water transportation, while their value in aiding flood control and soil conservation programs would be inestimable.

China needs many things and the improvements to be undertaken first will have to be carefully selected from a lengthy list, after due consideration as to which should have priority. Funds for capital development will be scarce and the decision to invest in projects, such as hydro-electric installations, which are both expensive and slow to build, may entail considerable self-denial and kindred hardships. However, we think the exploitation of China's water resources should come close to the top of the list of developments to be undertaken once the fighting ends.

25 Years Ago in *The China Weekly Review*

Cycle System

February 9, 1924.

The Cycle system is claimed by the Chinese to have originated in the time of Huang Ti, the Yellow Emperor who, according to legend, ruled over the "Blackhaired" people from B.C. 2598 to 2398. To him are also ascribed the invention of pottery, wheeled conveyances, armor, ships and other civilization-perfecting objects. The Cycle is supposed to have been established by him in the year 2,637 B.C., and the one just completed was therefore the 76th cycle. According, however, to the Shu Ching, or Shoo King, popularly known as the Canon or Book of History arranged by Confucius, the Emperor Yao (2356-2258 B.C.) determined the summer and winter solstices with the aid of skilful astronomers; he also calculated the length of the year and brought in the intercalary month. Each year in the Chinese Cycle is known by a name of Two Characters which are taken, the one from one of the Ten Heavenly Stems, and the other from the Twelve Earthly Branches. The year just ended, the last of the Cycle, was known as the Kuei Hai; the one now beginning is the Chia Tzu. "The system is attributed to Huang-ti, 2637 B.C.," says Couling in his *Encyclopedia Sinica* (p. 137). "but it is certain that before the Han dynasty, B.C. 206, there is no evidence of the stems and branches being used to mark years but only days and hours, etc. Buddhism in its spread throughout the Middle Kingdom invented 12 spirits who are considered as rulers of the Cycle. They are known as Yuan chia, or Yuan Ch'en. The Twelve Earthly Branches mentioned above have 12 animals associated with them which are used to mark the years of a Cycle. In order these are the Rat, Ox, Tiger, Hare, Dragon, Snake, Horse, Monkey, Fowl, Dog and Pig. Age is often given in this country by reference to the animal which marked the year of birth. According to the distinguished French Sinologue, Edouard Chavannes, the Cycle was invented by Turkic tribes and introduced into China by the Hsiung Nu, or Western Tartars of Mongolia who are first heard of in 318 B.C. The Hsiung Nu are the supposed ancestors of the Huns and Turks, and at one time occupied the northeastern part of Shansi province. The Cycle system is also said to have been carried into Egypt and there modified when that land became a province of the Roman Empire."

* * *

Lenin's Death

Dr. Sun Yat-sen, generalissimo of the constitutionalist government in Canton, upon hearing of the death of M. Lenin, the Russian Soviet leader, ordered all government offices here to display their flags at half-mast for three days beginning January 26, the Southern leader saying that he has much in common with M. Lenin in political principles.

10 Years Ago In *The China Weekly Review*

Canton—A Dead City

February 11, 1939.

Canton was occupied by the Japanese military forces in October last year, less than four months ago. According to a recent estimate by a foreign correspondent who made a survey of conditions in Canton, the present population does not exceed 9,000 people.

Once the richest and largest city in Asia, Canton is now a city of silence and complete solitude. Not even a pig roams the narrow streets and alleys and any cock so brave as to crow would shortly provide food for some hungry Japanese soldier. Three British ships lie idle, bottled up by the Japanese blockade, and foreign gunboats which dared the Pearl river mines are anchored in the stream. Except for the sale of loot, either through Japanese agencies or a few Chinese working with them, there is no business.

WHAT SHOULD THE US DO IN CHINA?

An American Symposium

Edgar Snow:

Why are the Communists winning China? Why did Truman beat Dewey? Why does a fighter who uses both feet and hands knock out a man who stands flatfooted in the middle of the ring? The Nanking dictatorship under Chiang Kai-shek which has stood still for 20 years, now is toppling over from the inner fatigues of its posture and the endless hammering of a lightfooted enemy tireless in the use of mobility.

The Chinese Communists are winning because they put into action a program which satisfies some of the urgent needs of their people. In 1927 the KMT won power with the slogan of land to the tillers and democracy in government. It is losing now because it never redeemed either promise. The Communists are winning because they equalized land ownership and gave the peasants an economic stake in their struggle. On that they built a political allegiance. From the political allegiance they created a mass movement. Out of the mass movement grew a moral and cultural energy which gave birth to young and energetic leadership. A disciplined popular party then became invincible because it drew its strength from the majority of the people and had to find some immediate practical answers to their principal needs. From all that emerged the most effective military organization in modern China.

What can and should the United States do about it? Three things: 1) Return to our traditional policy of non-intervention in the internal political affairs of China and the right of self-determination; 2) Insist at the United Nations that the other powers do likewise; 3) Proclaim to the Chinese people the deep and abiding friendship of America, and its readiness to support any practicable efforts to solve the enormously complex economic problems underlying the present revolution.

(Mr. Snow, author of *RED STAR OVER CHINA*, was formerly a China correspondent, and is presently an associate editor on the staff of the *SATURDAY EVENING POST*. Mr. Snow was at one time an assistant editor of the *REVIEW*.)

Owen Lattimore:

The Chinese Communists are winning partly because they are better led, but even more because the KMT has proved itself corrupt, incompetent, and oppressive beyond all description—beyond comparison even with the Greek government. In this country, we associate communism with—in Secretary Marshall's words—"poverty, hunger, desperation and chaos." The irony is that in China it is the Government territory that is most accurately described by this terrible formula. All recent American reports describe complete disintegration of morale on the Govern-

THE *New York Star*, before it suspended publication January 27, invited a group of experts on the Far East, representing all political opinions, to reply to two salient questions on China:

First: Why are the Chinese Communists winning?

Second: What can and should the United States do about the crisis in China?

With the permission of the *Star*, their answers are herewith reprinted.

ment side, and lack of belief that the KMT represents anything worth fighting for.

We have, by aiding the Chinese Government too much and too soon, gravely imperiled American interests in China. Nevertheless, our national interest remains. Our sheet-anchor in China is the good will of the Chinese people. To conserve that good will we should cease all activities that prolong and embitter the Civil War.

But we should not pull up all stakes and clear out of China in a panic. We should continue every form of activity, especially economic reconstruction, that will in the long run benefit the Chinese people, whatever their form of government.

(Mr. Lattimore, former political adviser to Generalissimo Chiang Kai-shek, and deputy director of Pacific Operations of the Office of War Information, is the author of many books on China and the Far East.)

Rev. Thomas O'Melia:

For a fair parallel in United States history today, you must go back to Valley Forge politically, financially and militarily. Since the revolution of Sun Yat-sen, the Chinese government has been bedeviled with almost insurmountable obstacles to which has been added foreign aggression. The Communists, on the other hand, with the abundant assistance of arms and money from the Soviet Union, and a strength that has not been dissipated, are able to strike successfully against this weak Government.

The United States should do the following things:

- 1) Publicly declare itself against the Communist aggression.
- 2) Repudiate the Yalta agreement.
- 3) Bring China's case before the United Nations.
- 4) Send immediate all-out military aid to China to be used under American supervision.

(Rev. O'Melia spent 25 years with the Maryknoll mission in China, was an UNRRA official in China after the war, and is now secretary of the Maryknoll Order in Washington, D.C.)

Harold Ickes:

Facts as reported by the press, and information received from competent observers recently arrived from China, have inclined me to think that it is not so much that the Chinese Communists seem to be winning, as it is that China is undergoing an operation for the removal of a cancer. Doubtless there are many Communists among the rebels, and it may be assumed that Russia has been making the most of an opportunity. It has long been my view that the Chinese Civil War, starting largely as an agrarian revolt against the corrupt and barbarously tyrannical regime of Chiang Kai-shek, has progressively embraced workers other than those of the soil. It includes teachers, students, and other professional groups, as well as all those groups who are passionately devoted to the principles of human liberty as enunciated by Sun Yat-sen. To this moral factor has been added the reportedly vast quantities of arms and supplies furnished by the United States for Chiang's support, but which have passed to the insurgents through desertions, wholesale surrenders, and sale by venal and corrupt Nationalists. Out of the present chaos may come a government truly representative of the Chinese people. If so, I believe that our nation will not hesitate to give generous aid for economic rehabilitation.

(Mr. Ickes, Secretary of the Interior from 1933 to 1946 and author of many books on the New Deal, writes a thrice-weekly column on social and political issues for the *NEW YORK POST*.)

Jack Beall:

The Communists are winning in China because they are unified, have better moral and discipline, and are more skilfully led. Negative factors on the other side are years of building up for a crash in the economic field. The morale of the people is sapped by galloping inflation. This will go on in geometric progression as they realize Chiang's Government is unable to stop the Communists.

It is almost too late for the United States to step in with anything less than full-size military aid. Granting this should be done, it doesn't seem likely it can be done politically. It would also take several billions in material and financial aid to get Nationalist China on its feet again. Congress would vote this sooner than a heavy military commitment, but I don't think that more money or arms would long postpone Communist control.

Some possibility exists of a lend-lease airforce to be manned on a stepped-up Chennault plan, by volunteers. If thrown in soon enough, on a sufficient scale, it might halt the southward march for a period long

enough to rally Chiang's forces and put renewed heart in the people.

(Mr. Beall, who serves as a Washington D.C. correspondent for the American Broadcasting Company, has gathered news for 14 years and worked as a NEW YORK HERALD TRIBUNE foreign correspondent.)

George H. Olmstead

In my opinion, the Chinese Communists are winning because of better discipline, better solution to their supply problem, better public support in the areas which they control and more effective assistance from outside. The Nationalists are tired, disorganized and too spread out, losing public confidence in their capacity to solve problems.

US policy makers should recognize that if China falls into the Communist orbit, India and Southeast Asia will be next and will go with less resistance. American policy should be firm and long range.

The Chinese people are not inherently Communist. However, they must understand and approve our program if it is to succeed. We should provide for adequate military and economic aid directly to the Chinese people and not to the present Government. This aid should be controlled by us down to ultimate point of distribution. And as conditions to our aid we should insist that the Chinese people at all times have the opportunity to change the imposition of a Communist dictatorship.

Areas of China now in Communist control should be placed under UN trusteeship pending the ultimate decision as to reintegration with or independence from the remainder of China. It's too late for coalition government. It won't work.

(Gen. Olmstead, brigadier-general attached to Staff Corps, G-5, of the US Army in the China theater of war, was the former US economic adviser to the Chinese Government.)

John K. Fairbank:

The Chinese Communists are winning because they have organized the poorer peasantry who form the majority of the country. The Kuomintang has had 20 years to do this, but failed to seize the opportunity. The Communist organization of the peasantry has tough, ruthless, but also beneficial and appealing aspects. The Communist success is a measure of Kuomintang incompetence and its failure to organize the peasants as a basis for state power.

The United States cannot save the present Chiang Kai-shek regime and should avoid any commitment to support it in exile. We should not send any more military aid now because there is little chance of its having a good influence. But we should continue some economic aid

'The Good Earth'



for humanitarian or constructive productive purposes. The main policy of necessity is that we retain freedom of action to deal with the new situation which is arising on a flexible bargaining basis.

Meanwhile, we should leave American representatives in China, and try to maintain contact with the Communist areas as long as possible. The Chinese Communists inheriting the Kuomintang mess are certain to face big problems and must either seek our cooperation or more probably give us eventual excellent opportunity to support anti-Communist movements.

(Mr. Fairbank, Harvard history professor, author of THE UNITED STATES AND CHINA and former head of US Information Service in China, has lived for more than 17 years in that country.)

Annalee Jacoby:

The Communists are winning because the Communists have offered the peasants something to fight for and Chiang has not. Chiang never consulted his people, he commanded them. He was ruthlessly intolerant of all opposition—conservative and liberal as well as Communist. He crushed peasant revolts and rebellions with his own party; he left no middle ground. Forced to be for him or against him, the Chinese chose the less familiar evil.

The USA gave up its chance three years ago, when it allowed General Marshall's PPC (Political Consultative Council which adopted a plan for conciliation between Nationalists and Communists) agreement to die away without insisting on compromise and reform in exchange for further support. We nodded meekly at Chiang's

intransigence, knowing that our supplies and help were largely responsible for it. We stood by while middle-of-road groups were persecuted and dispersed.

All the military aid we can afford will not win victory now for Chiang Kai-shek. We can only reaffirm our desire for a government representing all areas of public opinion, promise large-scale aid in reconstruction *only* if and when such a representative government is formed, and hope.

The Communists are sure of a military victory. They know, though, that US supplies and advice are necessary to rebuild China; they knew that Chiang's technicians are far more able than their own; they know that hungry peasants may turn against them during post-war chaos. Their confidences plus their need may make them decide to yield politically. We'll then have a coalition as shaky as Czechoslovakia's—but this is our remaining chance in China.

(Miss Jacoby, co-author with Theodore H. White of the best-seller THUNDER OUT OF CHINA was a war correspondent for the magazine TIME, LIFE and FORTUNE in China for 16 months.)

Dr. Edward H. Hume:

The surprising advance made by the Communists in China is clearly due to three causes:

(1) The way in which many of them have made friends with the farmers and given them almost unredeemable promises. In this matter they have surpassed the Nationalist forces.

(2) In the way in which Communists have gained access, especially in Manchuria, to Japanese arms and ammunition that were surrendered on VJ Day and in which Russian forces in Manchuria have helped the transfer of material aid.

(3) The sincere but misguided efforts of the American Government to reconcile Nationalist and Communist forces in China and our delay in giving active military aid to the Nationalists.

What should the United States do? It should await the report of William Bullitt, prepared after the conference with Ambassador John Leighton Stuart, Chennault and MacArthur. After this report is discussed in Washington with Wedemeyer, assuming that it proposes vigorous American aid in arms, ammunition and supervision, I strongly support this course. All we should give should be under strict American supervision.

(Dr. Hume, author of THE CHINESE WAY IN MEDICINE and member of the Council on Medical Missions in China, has been identified with education and medicine there since 1906.)

Agnes Smedley:

Regarding your China question: The Chinese Communists are winning because they are the Chinese common people fighting a holy war of liberation from feudal reaction and imperialism. The people's liberation army is a democratic army composed of workers and farmers and led by proved first-rate military and political brains. Rooted in the agrarian and anti-imperialistic revolution, this army is highly educated politically, incorruptible, disciplined, and dedicated. Its strategy and tactics have been developed through 20 years of bloody struggle against a dictatorship which even its allies admit to be medieval, cruel and corrupt, and which every Chinese now knows could not exist without foreign support.

The American government should withdraw all armed forces from China, including Tsingtao and Formosa, and stop all aid to Nanking or any local war lord or politician. Our State and War departments should be cleansed of all supporters of the puppet Nanking regime and staffed by enlightened Americans who know and can win the friendship of the new democratic China. Chinese revolutionaries regard the American people as friends and allies but have learned from bloody experience that our present policy is determined by their mortal enemies. Making enemies of one half billion Asian people, one quarter of the earth's population, is criminally stupid.

(Miss Smedley, author of "THE BATTLE HYMN OF CHINA, lived for many years among the Chinese Communists. She is presently writing a biography of Chu Teh, commander of the Communist army.)

Nathaniel Peffer:

The Chinese National Government has lost because it has been repudiated by the Chinese people. The same incompetency, to say nothing of the corruption, that has brought about repudiations by the Chinese people has brought about defeat by the Communists.

The Communists have won despite the great material odds against them and contrary to all expectations. It is not so much that Communists have won as that the Nationalists have lost. The Nationalists having been rejected, a vacuum was created. The Communists have moved in. Now there is nothing to do.

There is nothing America can do to arrest what is now in process of conclusion. The Nationalist Government has to go. If America wants to, it can take its place—that is, act as government of China and sent over a big army as military support for that government. That probably would mean fighting the larger part of the Chinese people and the Russians as well. It is therefore fantastic and had better be dropped.

There is nothing to do now about China but accept what is. If Russia becomes too dangerous, and therefore has to be opposed, it will have to be opposed in the West.

(Mr. Peffer, Columbia University professor of international relations, is a writer on International affairs and author

of several books on the Far East, among them MUST WE FIGHT IN ASIA?)

Christopher Rand:

The Communists are winning because they are more attentive to the needs of the people than Chiang's government. They're guided more by principle, less by pressure groups than Chiang. Their army and bureaucracy are more devoted and efficient with a clearer idea of the common purpose. Communist strength comes from within China. Russian material help has been small compared to what we've given Chiang. If outside powers had let the Chinese Civil War alone, the Communists would have won before now.

The US should firmly protect its nationals during the crisis. It should stop military aid to Chiang which is futile and can only antagonize the successor government. It should continue economic aid where possible and where it clearly helps the Chinese people rather than one faction. It should make known its willingness for friendship with any reasonably representative Chinese government. It should adopt a long range policy of watching Chinese developments closely as possible and trying by unmeddlesome neighborliness to restore traditional Sino-American good will. On the basis of the China lesson, the US should adopt the following program for Asia and other backward areas where Communism is a factor: Don't become identified with archaic losing regimes, don't oppose strong popular movements by force, apply American wealth and techniques constructively and thoughtfully to soften the impact of the West on old peasant societies (which is one of the greatest problems in the world today). If this means backing socialism in those areas, we shouldn't hesitate to do it.

(Mr. Rand has recently returned from China, where he served as a correspondent for the NEW YORK HERALD TRIBUNE. During the war he worked in China for the Office of War Information.)

Rev. James Smith:

The Chinese Communists are winning because they are fighting a government that never had a chance to build up its strength. Only in 1936 was the last of the Chinese warlords overthrown and an attempt made at national unity. The following year the Japanese war broke out. The result of all these years of strife

is a weakened China that needs years of peace to rebuild. During this time the Communists hoarded their strength, got effective outside help, and are now striking at a weakened national government.

For its own protection and the establishment of a free people's government in China based on Sun Yat-sen's three principles, the United States should give immediate and all-out aid to China.

(Rev. Smith, who was with the Maryknoll mission in Kunning, China, for 10 years, is now vocational director of the Maryknoll Order of the Catholic Foreign Mission Society in America.)

Amos Landman:

One word explains Communist victories: morale. The Communists have it, the Nationalist haven't. On the military front thousands of military troops are deserting, according to Nanking reports.

The Government's set-backs are a matter of lack of will to fight and not lack of ammunition. At Tsinan, for example, the Nationalists had ample supplies but they simply quit after eight days' fighting.

On the home front, people can no longer endure the lack of rice, basic necessities and stable currency. Even the middle class has been alienated by the recent reforms which cost them \$190,000,000 in gold.

I've not visited the Communist areas, but successful guerilla warfare depends on the peasants' cooperation, and repeated Communist victories seem evidence of superior troop morale and popular support.

It is questionable whether it is to America's advantage to continue backing a government which rests on doubtful popular support and which has failed to use America's aid effectively. The problem is for the United States to find a way to use its power and resources to build up a moderate and efficient government which will carry out the three principles of Sun Yat-sen, China's first president: Nationalism (the unification of China), Democracy (including initiative, referendum and recall), and People's Livelihood (the state is responsible for providing the necessities of food, clothing, shelter and means of travel.)

(Mr. Landman, who has covered politics and labor in New York for the NEWSPAPER PM and written articles for COLLIER'S and other magazines, is now on a tour of the Far East.)



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Shanghai On The Eve

Andrew Roth

A CLAMMY grey fog of uncertain resignation hangs over Shanghai, economic capital of China. The greyness of Shanghai is compounded by cloud-darkened winter skies, increasing economic misery and uncertainty over the future.

Even at its sunniest Shanghai is not a warm and attractive city. Sprawling out for miles on the banks of the Whangpoo River, its close-packed, Western-style offices and tenements are testimony to the fact that a century ago the "foreign devils" decided on this as a good site from which to tap the rich trade of the Yangtze River, great artery of Central China. Its growth from a mudbank village to a metropolis of 5,000,000 people is tribute to the soundness of this decision.

Unlike truly Chinese cities like Peiping or Canton, most of Shanghai's development has been under Western influence, and until World War II the Western powers had extra-territorial control over the "International Settlement" and "French Concession" here, as relics of the unequal treaties" exacted in the 19th century. Although extra-territoriality has now been given up, Shanghai is still the base for Western economic influence with most of the American and British firms having their headquarters here. Shanghai's power and telephone companies are American owned while its water and gas companies are British.

Economic Gatekeeper

Shanghai is sensitive to these things as China's economic gatekeeper and industrial center. Sitting astride the coast and the main artery into Central China it has exacted its toll on import and exports, gotten its cut on most of China's financial transactions with foreign countries and exacted a labor charge on the considerable cargo which passes through here. Its supply of cheap labor has made it worthwhile to manufacture some of the raw materials passing through here to be reshipped to less-industrialized sectors of China and other parts of Asia. About a half of all China's industrial workers live in the Shanghai area.

As the most advanced metropolis in a backward country, Shanghai faces the industrialized West but has its feet stuck deep in the clinging mud of China's medieval past. In the streets the strident horns of shockingly powerful new automobiles compete with the warning shouts of rickshaw pullers or men hauling huge loads by hand. In the river picturesque junks with handwoven blue sails silhouette themselves against Western war-vessels on "battleship row" whose superstructures bristle with the most complicated radar apparatus that modern

industry can produce. And the most "go-ahead" businessman is forced to drag his feet by the stifling embrace of the medieval bureaucracy and of the "bureaucratic capitalists," who seek to monopolize China's economy through control of the bureaucracy.

But the sharpest contrast in Shanghai is that between wealth and poverty. Even in the comparatively peaceful prewar days Shanghai was one of the world's worst sweatshops. Today, semi-skilled factory laborers work 12 hours a day for an average of about 50 American cents a day, including a cost-of-living allowance which is always one step behind runaway inflation.

Weight Of Inflation

Although Shanghai's laborers have not sunk far below their slow starvation level, because they could not sink much lower, the striking fact about the last decade of invasion and civil war is that large numbers of salaried and professional people have been ground down to virtually the same level by the weight of inflation. The last, and cruelest blow of all was the highly-touted conversion of CNC to Gold Yuan last August and the simultaneous forced surrender of gold, silver and foreign currency (particularly US dollars), which were being kept by many families as a hedge against inflation. The surrender was made at the equivalent of four Gold Yuan to one American dollar, which was supposed to be the stabilized value of the new currency. Today the Gold Yuan has sunk to one three-hundredth of its value five months ago. This has not hit China's top families, most of whose holdings of gold and foreign currencies are abroad. More than US\$600,000,000 of it is in the US alone.

It is perhaps the overwhelming concern of Shanghai's majority with the grinding problems of survival which gives the impression that they are ignoring, for the most part, the climactic battles of China's civil war which rage one-hour's flying time from here. Perhaps it is also Shanghai's reputation as a "lucky city" which has emerged physically virtually unscathed from a century of civil wars and invasions.

Tens of thousands of refugees have poured in here from the battle-ravaged countryside but seem to be swallowed up by this vast, teeming city. Even the destitute ones who beg by the wayside are not nearly so conspicuous as Shanghai's nagging, clinging professional beggars who make almost every walk an ordeal.

Shanghai is an economic hostage to politics. And the 22-year-old political conflict which is now being fought to a finish 150 miles away has already had its

impact. As Shanghai's economic hinterland is being eaten away by the Communists and convulsed by warfare, its markets and sources of raw materials for export diminish. The wheels of its industry are slowing down, adding thousands of jobless factory workers to the mass of jobless refugees. Last April local factories consumed 53,000,000 kilowatts of electric power. By November this had dropped to 38,000,000. Thus, even before Shanghai has faced the imminent possibility of Communist encirclement and occupation it is grey with cold, hunger and uncertainty.

Looked at from a distance one would expect to find Shanghai's wealthy in a panicky condition and anxious to escape from the city. Investigating it close at hand, however, one is amazed to find that a large portion of Shanghai capitalists are not only resigned to a Communist victory but take the attitude: "They can't be much worse than the Kuomintang!"

Many Sitting Tight

However, in contrast with those wealthy Shanghaianders who are so deeply enmeshed with the "favored families" of the Kuomintang and will flee because they can expect little mercy from the Communists, there is a surprisingly substantial group who are sitting tight, willing to give the Communists a chance. Many of these wealthy Chinese are sitting tight because it is too late to liquidate their holdings. But many have become so bitterly anti-Chiang that they feel the Communists cannot be worse.

The striking thing about these industrialists is that many of them are the very ones who gave Chiang his start and upon whom he was dependent during his first decade in power. Chiang was very friendly to the Shanghai capitalists in the pre-war days when he needed them, although the economic plums were dropping into the hands of the "favored families" or "bureaucratic capitalists." When the Sino-Japanese war drove Chiang into the interior, his link with the Shanghai industrialists was severed and he became dependent on the landed gentry of the interior and on the bureaucratic supermillionaires like H. H. Kung, wartime Premier and Finance Minister, or T. V. Soong.

At the war's end, Chiang expected Shanghai businessmen to knuckle under. Many did. But many, who didn't, were penalized by the government. Many rich Shanghaianders became increasingly annoyed at having to pay regular monthly allowances to one or another group of Kuomintang secret police, economic investigators and the like to avoid arrest, whether deserved or not.

The widely-heralded "economic reform" of last August, accompanied by the highly theatrical "tiger-hunting" of the Gimo's son, Major General Chiang Ching-kuo, was the last straw. Hundreds of substantial bona fide Shanghai business people—but not the members of the "favored families"—were arrested for practices which until a few days before had been standard and accepted.

It is said that the jailed industrialists were ripe meat for the jailed leftist students with whom they were thrown in contact in the crowded prisons. Certainly their August experience and the subsequent Kuo-

mintang military reverses have made them willing to listen to Communist approaches.

After an initial period of panic in November, following the US Consul-General's request that all non-essential Americans be evacuated, the foreign business community has settled down to sweating it out. Although there is naturally considerable anti-Communist feeling among foreign business, there is very little pro-Kuomintang feeling except on the part of those outfits which have been special Kuomintang favorites. Most Americans resent the fact that despite considerable

American aid to China, the Kuomintang has used every trick in the book to make it difficult for them to operate here. Any tendency on the part of the American firms to pull out is tempered by the knowledge that the British firms are staying and will pick up any of the opportunities provided by an American evacuation on top of the already conspicuous errors of American policy in China. So American businessmen, mostly without their wives, wait uneasily to see what life under the Communists will be like. And most of Shanghai waits with them.

THE JAPANESE ELECTIONS

Hugh Deane

TOKYO, January 31

THE Japanese Communist Party, long one of the weakest communist parties in Asia, has now become a major political force. This is the most important meaning of the January 23 elections, which gave the party 35 seats in the lower house of the Diet, an increase of 31, and a popular vote of 3,000,000, three times that which it received in the April, 1947 elections.

The Communist upsurge will be more significant in the long-run than the victory of Premier Shigeru Yoshida's Liberal-Democratic Party, which won 268 seats and a substantial majority. The Liberal-Democratic success was essentially a factional triumph over other rightist parties, while the Communist gains indicate that Japanese politics are beginning to change fundamentally.

The number of successful Communist candidates does not tell the whole story. The party elected all 12 candidates in Japan's six largest cities—Tokyo, Osaka, Yokohama, Nagoya, Kyoto and Kobe—showing that it has succeeded the Socialists as the political representative of the majority of workers.

The Socialist Party, which won a plurality in the 1947 elections, paid for its broken promises, vacillations and corruption by losing nearly 100 seats; it elected 48 candidates. Many leaders, including ex-premier Tetsu Katayama and former party boss Suehiro Nishio, who was recently convicted of bribe-taking, lost their seats.

Communist campaign strategy was to run only one candidate in each district, but as the elections turned out, the party might have elected two in several urban districts. For the first time the Communists polled a heavy vote in the countryside, though obviously the rural areas are still predominantly conservative.

* * *

THE victories of the Chinese Communists, which have acted upon the imaginations of hundreds of thousands of people, certainly in-

fluenced the elections, but the most important factors behind the Communist gains were domestic — the intensifying pressure on workers, farmers and small-scale producers which is accompanying the American economic stabilization program, the instances of repression and the threat of a general offensive against leftwing political activity, the failures of the Socialist Party, the epidemic of scandals involving all parties save the Communist, the spread of ideas and the birth of new dreams among a people who enjoy more freedom of speech and of the press than ever before.

The Communist Party began to develop into a major political force in the autumn. In November and December a series of mergers with leftwing Socialist Party branches took place, and large numbers of workers, union leaders and intellectuals joined the party. Thus the elections registered Communist strength at what may well turn out to be an early phase of a period of expansion.

The Communist gains were won despite an electoral law which sharply curtailed campaigning and despite the indirect and direct opposition of the US occupation authorities. A number of Communist candidates, including Teru Takakura, former Diet member and well-known writer, and Yashiro Ii, former head of the Railway Workers Union, were arrested for varying periods prior to the campaign and forced to withdraw. In Nagano Prefecture, exhortations to vote against the Communists appeared on official bulletin boards, and an airplane scattered anti-Communist leaflets. The Japanese have not been permitted to operate airplanes since September, 1945.

The view of Communist leaders Kyuichi Tokuda and Sanzo Nozaka is that the elections created conditions favorable to the formation of a People's Democratic Front which can oppose Yoshida's Tory majority both in the Diet and through the action of organized workers and

farmers. Both the party's central committee and the Congress of Industrial Unions, which is Japan's largest union federation and which elected four of its own officials to the Diet, have issued calls for unity of action by the Communist, Socialist and Labor-Farmer parties. The Socialists immediately rejected the proposition; the leaders of the Labor-Farmer Party, which has seven seats in the Diet, agreed to it in principle.

* * *

THE elections recorded what has long been apparent: The fact that Japanese politics, like those elsewhere, are polarizing. In 1945 and 1946, a good number of Americans in the occupation believed that the United States could prevent a basic political division between the traditional right and a Communist-dominated left. The liberal reform program of those years was largely directed to that end, to shake up the right a bit and to blunt the appeal of the Communists. Part of the program is still effective—freedom of political and trade union activity and of the press, for example, exists in large measure. But most of the program, in particular its economic heart, has now been jettisoned in favor of economic and strategic recovery. Since growing numbers of Japanese, like other Asian peoples, believe now that a better life is possible, the discard of reform is exacting a political payment.

The elections also demonstrated once again that in Japan, as elsewhere, the United States will work more closely with the right. Premier Yoshida's Liberal-Democrats have sabotaged the American liberal reforms more effectively and brazenly than any other group. Yet General MacArthur could bring himself to declare that the "free world" has cause to rejoice over their victory. Presumably MacArthur will throw his weight behind Yoshida, just as he has given his support to President Syngman Rhee of South Korea and, without avail, to retired President Chiang Kai-shek.

Outlook For ECA Rural Reconstruction Program

Roger Kent

WITH the suspension of ECA activities in North China in the wake of Communist successes, the current ECA publicity spotlight is now turned on the Sino-American Joint Commission on Rural Reconstruction with emphasis placed on "an overall program to improve rural life for five million people in the Third Prefecture of Szechuen Province."

According to an ECA release on February 8, "The program will concentrate on five main targets: Agriculture, farm tenancy, local government, administration, health and adult social education."

The points for "rural improvement" outlined in this publicity release, while impressive as a program on paper, are being greeted with considerable skepticism by those familiar with the present overall situation in China. These skeptics point out that every passing day brings developments that lessen the chances for even partial success of this program.

Nor are such doubts confined to people in China alone. That ECA officials in Washington themselves entertain grave misgivings about the possibility of success was made clear

in an article in the *Shanghai Evening Post* of January 24, 1949 and attributed to Mr. Harlan Cleveland, ECA official in Washington. Mr. Cleveland wrote: ". . . But any aid program can have at best only a marginal effect on the situation within China. Military disintegration and political disaffection proceeded so rapidly during the second half of 1948 that perfect performance on the economic front could not have made a substantial difference in the outcome at Mukden or Hsuehchow. And in spite of a reasonably successful start in the aid program, the overall economic front has been deteriorating more and more rapidly."

ECA's recent publicity release refers specifically to the Third Prefecture of Szechuen Province as the place where the Joint Commission's sweeping program will be launched. Yet it is difficult to see how this particular area can hope to escape the effects of the military disasters suffered by the Government armies and the rapid economic disintegration which will add to the burdens of the already impoverished 85 percent of the five million population there.

With less than six months re-

maining to complete ECA's China Aid Law, it is hard to see how such a grandiose, all-embracing program as that envisioned by the Joint Commission can do more than possibly scratch the surface. With inflation again getting into high gear, the problem of financing specific projects with a rapidly depreciating currency is truly staggering. A case in point was a recent shipment of GY dollars by plane from Shanghai to Chungking for use in the Third Prefecture project. Although the shipment arrived in relatively quick time, it had depreciated 50 percent en route. Likewise, the rice payment-in-kind collected by the Third Prefecture, to match the ECA payment, underwent a drastic change in price in a few days time. This is only one of many such problems.

Moreover, several well-known Chinese authorities on rural problems have been extremely critical of ECA on the grounds that its aims and objectives are definitely political, designed primarily, they allege, to preserve the status quo in China with American dollars. In this connection, Mr. Harlan Cleveland in his *Shanghai Evening Post* article had this



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to say: "Many people in the United States have felt that the Communists in China could not be opposed with military forces alone. . . It has long been clear that unless a real effort were made to meet the social problems of China, the upsurge of revolutionary forces would have too strong a justification to be denied."

Substitute the words *social change* for the word *Communists* in the first sentence of the foregoing, say these critics of ECA, and one can see that ECA is, in effect, attempting to deflect the growing demands for social betterment by introducing long-range "moderate" reforms which would not alter the fundamental relationship now existing between landowners and poor farmers.

Articles which have appeared in various Chinese periodicals have pointed out that news of the success of the land reform and rural reconstruction programs in the Communist areas has been filtering through to the areas south of the Yangtze and, as a result, the farm population is becoming more restive and impatient for economic betterment. Thus the Joint Commission may find it increasingly difficult to placate the farmers with such ambiguous slogans as "the comprehensive rather than the piecemeal approach."

Other writers have been particularly scornful of the role played by "Jimmy" Yen in the ECA program. Yen, these writers declare, has been trying unsuccessfully to put over his reformist rural reconstruction promotion (Mass Education Movement) since the early 1920's. Yen's critics agree that he has been far more effective in soliciting funds in the United States than he has been in building up an effective organization in China for the improvement of the conditions of the rural people. His critics claim he was originally non-partisan and non-political but jumped on the anti-Communist bandwagon when the moment seemed propitious.

With a considerable portion of its funds unspent, it is unlikely that the Joint Commission will suspend operations before June 30, although it would seem advisable to do so pending the advent of peace and the completion of the political change-over. The money thus saved might well be used for emergency feeding projects in the interim.

Qualified observers here are agreed that when a strong, democratic government is established in China it will be possible to undertake a coordinated, nation-wide program of land reform and rural reconstruction working entirely through the farm peoples' democratically operated organizations. Leadership can be drawn from the ranks of the farmers themselves rather than from the followers of the landed gentry, the district magistrates and the *piao changs*.

When that time arrives, no doubt American aid, with no strings attached, would be welcomed by the people. It will be interesting to see whether or not such aid will be forthcoming.

THE bullish trend of the Shanghai market was temporarily checked during the past seven days under review because of various factors, including:

1) The decision of Mayor K. C. Wu to fix the ceiling price of rice at GY4,800 and his threat to arrest any rice merchant who refuses to sell at this ceiling price.

2) The resumption of activities of the local economic police, who made many arrests of black market operators in gold, silver and foreign currencies as well as in stocks and shares.

3) The rumor circulated on February 5 and 7 that the Nanking authorities have decided to lift the ban against free trading in gold, which stopped many operators from rushing blindly to buy the precious metals.

4) The decision of the local authorities to stop the export of cotton yarn to South China, which has stopped many people from buying yarn in the local market.

Probably the most important cause of the steady market during the past few days has been the fact that prices increased so much during the lunar New Year holidays that operators now prefer to keep on the sidelines for some time before they take any more action. Furthermore, the money market has become slightly tight, with the interest rate increased from GY30 to GY90 per day for a loan of GY1,000.

It is generally expected that the money market will become tighter during the next few days, since salaries and wages must be paid immediately following the weekend, and the cost of living index to be announced on February 15 will inevitably represent a substantial increase over that of January 31.

The drastic measures taken in Changsha and Hankow, where black-market operators were executed and a fixed rate was set for silver dollars, might also have had some effect on the Shanghai market. In Changsha, the official exchange rate for one silver coin has been fixed at GY650, which is considerably lower than Shanghai's open market rate of GY1,200.

This quiet market situation was generally regarded as the lull before another storm. Judging from the fact that large sums of Gold Yuan notes have been converted into *Jen Min Piao* in Tientsin and Peiping and that the authorities in North China will try to make use of them by absorbing commodities or gold bars, it is believed that the Shanghai area will soon be flooded with Gold Yuan notes from North China. It is also feared that the inflation will become more intensified owing to the fact that the Government in Nanking, as well as Government offices in Canton, needs money to meet its expenses and can collect few taxes under present conditions.

That inflation is going on very rapidly can be seen from the statistics compiled by the China Institute of Economics, which revealed that the wholesale cost of living index in Shanghai has increased by 777 times compared with 1937, and by 288 times during the five and a half months since the introduction of the Gold Yuan currency.

Among significant decisions made by the Nanking Government in economic fields during the past seven days is the announcement that the Shanghai Securities Exchange will be reopened on February 21, so that stocks and shares of Chinese companies, as well as those of Government-owned enterprises such as the China Textile Industries, China Merchants Steam Navigation Company, the Taiwan Sugar Corporation and others, can be traded. So far, the stock brokers have shown very little interest in the re-opening of the Exchange as people do not know what the status of the big companies and factories will be once the Communists arrive.

Another decision of importance was the announcement that the Short Term Gold Bonds will be issued as from February 11. The first series of Gold Bonds to be floated will be worth 100,000 ounces of gold.

Despite the report that these bonds are backed up by gold, it is not expected that they will prove to be popular, especially in view of a report that large numbers of cases of valuables, presumably gold and foreign currencies, have been shipped away from Shanghai and that it took a special order of acting President Li Tsung-jen to stop further shipments.

Business conditions between Nationalist and Communist controlled areas remain the most important topic of discussion among businessmen. One late report says that three bags of wheat flour from Shanghai can be exchanged for one ton of Kailan coal and that negotiations of this barter system have been started in Tientsin.

Meanwhile, it is interesting to note that the s.s. Human of Butterfield and Swire has reached Tangku near Tientsin and that an American boat is scheduled to sail for Tientsin directly from America. The s.s. Great China also has left for Tientsin, bringing with her a number of representatives of Chinese shipping companies to discuss terms for the resumption of shipping service between Shanghai and Tientsin.

	Feb. 2	Feb. 9
	GY	GY
Gold	50,000	70,000
US Dollar	800	1,300
Clearance Certificate	460	920
Silver dollar	900	1,200
20's Yarn	120,000	225,000
Rice	4,000	6,500
Wing On Textile	54,000	120,000

NEWS OF THE WEEK

Peace Missions Go To Peiping; KMT Split Over Canton Move

THERE has been surface quiet on the war and political fronts during the past week. The Communists have indicated their willingness to receive Shanghai's six-man non-partisan delegation headed by Dr. W. W. Yen. Press reports state that Communist pressure on the Yangtze has been perceptibly reduced, although authoritative Nationalist sources admit that scattered hands of Reds have already infiltrated south of the Yangtze.

In spite of the superficial lull, competent observers have spotted much behind-the-scenes maneuvering. It is generally felt that the present period of comparative tranquility merely marks a preparatory stage for big events ahead.

An eleven-man peace delegation from Nanking has already arrived in Peiping. Shanghai's delegation, headed by W. W. Yen, is expected to fly to the ancient capital shortly as General Yeh Chien-ying, director of the Communist military control committee for the Peiping area and concurrently Communist mayor of Peiping, has given his approval for the delegation to land. However, it is highly doubtful whether the two delegations will be able to accomplish much in the way of urging the Communists to start peace negotiations at an early date. In announcing their readiness to receive Dr. Yen's mission, the Communists made it clear that Mayor Yeh was ready to meet Dr. Yen and his colleagues if the latter were going to Peiping in their private capacity to see things and exchange views on State affairs. It was further explained that since the Communists were still busy with the necessary groundwork for peace negotiations, they were in no position to receive any peace delegates from any quarters at the present time.

To demonstrate that they meant business, the Reds openly told Nanking that they did not like to see Kan Chia-hou, political adviser to acting President Li Tsung-jen, accompany Dr. Yen to Peiping. They threatened to kick Kan out if he had the impudence to go to Peiping. The Reds, it would appear, have a very poor opinion of Kan, whom they called a "political broker." They said that people of Kan's sort are only qualified to sell their "cheap ware of peace made in USA" in Shanghai and Nanking, and cannot impose it upon the people in Peiping.

Secret Parleys

THE present lull in the various fronts on the Tientsin-Pukow and the lower valley of the Yangtze

River has aroused much speculation. Some Chinese papers even reported that Red forces in certain districts in North Kiangsu had started withdrawing northward. This sudden let-up of Communist pressure on the Yangtze was attributed by these papers to "secret parleys." According to one story, General Li Miang-yang, veteran Nationalist army commander during the Sino-Japanese war, went to Huaiying to persuade the Communists to slow down their drive so as to make it easier for Nanking to seek peace. It was alleged that General Li spent Chinese New Year with President Li Tsung-jen in Nanking, and left on January 31 for north Kiangsu to contact the Reds. He was said to have made pre-arrangements with a Communist representative before setting off for the north bank of the Yangtze River via Chinkiang.

Being used to think of things in terms of "personal pull" and "private friendship," Government officials are attaching the greatest importance to General Li's mission to north Kiangsu. It is said that General Li is "on intimate terms" with General Chen Yi's New Fourth Army in North Kiangsu because, during the Sino-Japanese war, Li had fought hand in hand with them against the Japs. It is particularly stressed that "most of the staff and soldiers of the New Fourth Army are either his former subordinates or men enlisted under his command."

Canton Versus Nanking

DESPITE violent protests from various civic bodies and from the Control and Legislative Yuan, Premier Sun Fo insisted on moving his government to Canton, thus making Nationalist China look ridiculous. As Fred Hampson, Chief of AP China Bureau, put it, "Nationalist China is half a nation with two governments. One is a refugee government at South China's great industrial city, Canton. It is a government with a body but no head. The other is a hold-out government in Nanking and it is a government with a head but, no body."

Meanwhile, Hampson wrote "Chiang Kai-shek mediates in his palatial home near Fenghwa in Chekiang province. Both himself and his plans are as heavily guarded as the Fort Knox gold... It is beginning to appear that before Chiang went into his retirement he stacked the cards so adroitly against

acting President Li Tsung-jen that peace deals were doomed before they were started... What Chiang means to do is anybody's guess. If he thought that by hobbling Li he would stir a public demand for his own return to power he has failed. This much is clear—there is no widespread demand for Chiang's return, and none developing. That does not mean he will not suddenly appear one day in Canton and head a fugitive government."

However, the prospects for such a venture are regarded by Hampson as anything but bright. He continued: "So if peace fails, don't get excited about Chiang's next defense circuit. Compared to the big river it is nothing but a bubble and if the Reds cross the Yangtze and head for Canton their time table will be controlled by their own logistic limitations rather than by what is left of Chiang's armies. The Canton venture is not apt to succeed. Already most Government departments have reached there. Already municipal and provincial authorities have let them know they are none too welcome. Chiang, who sallied north from Canton to unify China in 1927, would return a fallen champion. South China is not keen for a fallen champion who would make it a prime target for the conquering Reds. The Canton fugitive government probably will die aborning. In a few weeks probably nobody will take it seriously."

Ready To Fight

THE moment Sun Fo arrived in Canton and felt safe away from "communist military pressure," he reiterated in forthright terms that his cabinet never agreed, and never will agree, to unconditional surrender and that Nationalist China would fight to the finish if the Chinese Communists would not consent to reasonable and equal terms.

Addressing over 100 Chinese and foreign correspondents at his first press conference in Canton and incidentally the first since he assumed the premiership, Sun Fo said February 6 that if fighting should continue Shanghai and Nanking will be defended at any cost.

Sun Fo's reiteration of the Government's determination to continue fighting in South China to the bitter end unless the Reds come to terms with the Nationalists reminds us of a recent public statement issued by General Hsueh Yueh, new governor of Kwangtung. General Hsueh openly revealed his plan to fight the Reds with Kwangtung as his base. His statement is said to have caused considerable embarrassment in Nanking and the governor felt it necessary to make corrections.

Present indications are that the Kuomintang is sharply divided on the question of peace. The rightists, knowing perfectly well that it is politically risky and ill-advised to come into the open against peace with the Communists, have changed their methods. Instead of opposing peace in general, they are trying to sabotage or undermine the peace movement by talking about seeking an over-all peace, by branding any attempt at a localized peace as playing into Communist hands, by making sentimental appeals to face and self-respect and by engaging in talk about seeking peace on the basis of "democracy," "equality," and "economic freedom." In a nutshell, they are simply stalling.

Another section of the Kuomintang, in view of the hopelessness of the situation, is convinced that it is utterly impossible to continue the fight any longer and that peace with the Reds is the only way out. This group thinks that only by political negotiations can the Kuomintang hope to be able to salvage what is now left. This is the reason why the overwhelming majority of the members of the Control Yuan and of the Legislative Yuan have voiced their bitter opposition to the removal of the Government to Canton and both Yuans have decided to meet again some time this month in Nanking.

It need hardly be said that, as the situation now stands, any rift inside in the Kuomintang is bound to weaken its bargaining power. It is generally believed certain that when the political and military offensives of the Chinese Communists become intensified in the near future, the split will become more sharp.

* * *

Peiping Under Red Rule

NEWS from Peiping is eagerly awaited now that the city is under Communist rule. What has happened there can give some clue as to what may be expected later in other parts of China. But reports are scanty these days. An AP story dated February 4 from Peiping threw some interesting sidelights on the life of the people and the behavior of Communist troops there.

"Economically," the story said, it is still too early to tell the Red impact....The Communists improved the livelihood of the students and professors of all the universities. All at Tsinghua, irrespective of their job or status, receive ample amounts of millet monthly. University professors additionally get 1200 Red dollars—about US\$15—a month while workers get 200 Red dollars.

"The behavior of the Red troops is in contrast to the foot-loose, uncontrolled Nationalists. There is an estimated number of 30,000 Red troops in Peiping. But it would never be known as seen from the streets in contrast to the outgoing regime whose troops are seen every-

where. As far as I know, no Red troops have been billeted in private homes. When Red troops halt by the roadside, they slip off their packs and sit down, still keeping ranks, studiously avoiding causing trouble to passers-by...."

* * *

China And UN

THE fission of China into Communist and Nationalist camps, according to press reports, has become the United Nations' biggest headache since the fission of the atom. Many diplomats are wrestling with the problem, it is said. What happens if the Communists proclaim a government in China and Generalissimo Chiang Kai-shek's government holds on to its claim as the country's legal regime?

China, recognized at the insistence of the United States as one of the Big Five powers at San Francisco, holds a permanent seat on the Security Council—and a great power veto as well. She also sits permanently on the Trusteeship Council and is a member of the Economic and Social Council, not to mention a dozen smaller UN agencies.

It is pointed that if the Chinese Communists win complete control and the Nationalists capitulate, the solution would be simple, although doubtless distasteful to the Western powers. China's new Communist government would move into the security Council, giving Russia a second veto and a way to rest her own overworked veto. The Chinese Communists also would take over the present Government's role in the other councils of which China is a member.

The dilemma haunting the United Nations, however, grows out of the possibility that Chiang's government might hold out, perhaps as a semi-exiled regime on Taiwan, and thus present it with the tough job of deciding who represents China. Some officials feared that the issue would shiver the very foundations of the shaky world organization. The West, holding an overwhelming majority in the General Assembly and the rest of its agencies, would be able to vote down the claims of the Chinese Communists. But there were

few who thought the solution would be as simple as that.

The choice between a Communist government that controlled virtually all China's 4,400,000 square miles and a hold-out nationalist government without power would be obvious were it not for the bitter division between Russia and the West. It will be another matter, however, if the issue materializes in the United Nations these days, it is said. The West would have a tough time convincing much of the world that the Nationalists should keep their seat.

It is generally agreed that the inevitable fight over the question of China's representation in the organization would have serious consequences.

* * *

Washington Cool

STALIN'S second informal invitation to President Truman for a meeting in Russia, Poland or Czechoslovakia according to the president's wish was declined. Washington was rather suspicious of Stalin's "sincerity".

Truman let it be understood that he would meet Stalin only in the United States and that the American Government would not discuss any world issues with Russia behind the back of the United Nations Organization.

Secretary of State Dean Acheson, commenting on Stalin's offer, charged the Russian leader was playing international politics with peace. Rejecting point by point Stalin's peace bid, he said that Stalin was plotting an international political maneuver. He said the interest of the world in peace is so fundamental that the matter cannot be tampered with and it cannot be an instrument in any international political maneuver.

Regarding the proposed meeting between Truman and Stalin, Acheson said flatly that he could see no use for Truman to travel halfway around the world to see Stalin.

In Moscow, diplomatic observers were of the opinion that Acheson's comment had disposed of the matter. A meeting between Truman and Stalin was regarded as more remote than ever.

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Chinese Magazine Roundup

Chinese Newsweek

THE *Chinese Newsweek* of February 4 carries a highly interesting article about Generalissimo Chiang Kai-shek's plan for holding the various Nationalist-controlled provinces. The cornerstone of the plan, according to the magazine, is to divide the provinces into several virtually independent regional blocs, thus making it impossible for any one in Nanking to exercise central authority. These regional blocs, apparently working under a common plan, will mark time, waiting for the day when something can be done about staging a comeback.

The magazine discloses that after a series of important conferences held in Nanking with his trusted followers and army commanders on the eve of his departure from the capital in temporary retirement, Generalissimo Chiang Kai-shek made a series of momentous decisions and took many concrete steps, some of which have already been carried out in actual practice. Among them were: 1) To appoint violently anti-Communist General Chen Cheng, former chief of staff, and General Chiang Ching-kuo, eldest son of the Generalissimo, as governor and Kuomintang boss respectively in Taiwan; 2) To effect a drastic reshuffle in the local army commands by appointing General Chang Chun, General Chu Shao-liang and General Yu Han-mou to head the pacification bureaus at Chungking, Foochow and Canton; 3) To evacuate the various cities along the north bank of the Yangtze and to transfer the Nationalist garrison troops to Hangchow; 4) To strengthen the communications and economic cooperation between Taiwan and Japan; 5) To divert American supplies to Taiwan and to recruit a large number of educated youths to join the new armies and the tank corps now being trained in Taiwan; 6) To order General Tang En-po, Nationalist Commander-in-Chief for Nanking and Shanghai, to hang on as long as possible while important materials and supplies are being shipped from Shanghai southward.

Nationalist China, the magazine predicts, will be divided into the following regional blocs: "First, there is the Chekiang-Fukien-Taiwan bloc, including Shanghai and half of Kiangsi province. This is the base for preserving what is left. The headquarters are located at Fenghua, with General Chen Cheng, General Tang En-po, General Chen Yi, General Chu Shao-liang and General Chiang Ching-kuo as commanders in the field. In this area, the Nationalist forces have 1,000,000 men, excluding the new armies now under training in Taiwan. So far as politics is concerned, Government leaders in this area are known to be

closely related to Fenghua. In addition, there are many ports in this area, which are capable of receiving foreign supplies.

"Second on the plan is the Szechuen-Sikang-Kweichow bloc. The reason why General Chang Chun was appointed director of the pacification bureau at Chungking is that he was sent there to do anything he thinks fit. Other leading figures in this area are General Liu Wen-hui, governor of Sikang, General Wang Lin-chi, governor of Szechuen, General Yang Shen, mayor of Chungking and General Ku Cheng-lung, governor of Kweichow. Szechuen is known as the richest province in China and can easily be self-sufficient. Thanks to its support, the Chinese Government was able to sit through the war until final victory was won.

"Third is the Hunan-Kwangsi-Anhui-Hupeh bloc, including part of Kiangsi province. This area is the artery of the Canton-Hankow railway, the heart of Central China. It is now the base of the Kwangsi and Hunan Cliques, headed by General Pai Chung-hsi and General Cheng Chien respectively. During recent years, neither the Kwangsi nor Hunan armies have done much fighting and they are both in fine shape. Now, taking advantage of the middle reaches of the Yangtze River, they are building up a fortress of their own.

"Fourth is the Kansu-Shensi bloc, where the situation is highly complicated. When General Hu Chung-nan went to Nanking to discuss the situation with Generalissimo Chiang Kai-shek, it was generally believed that the problem had been thoroughly studied. When the Political Consultative Conference met last in Chungking, the Chinese Communists had already demanded that the province of Shensi be marked out as their sphere of influence. Therefore, it is only to be expected that this time they will press their demand much harder than before. However, at least two-fifths of the Nationalist troops are now stationed in the Northwest. It is only natural that they should try to hang on one way or another. General Kuo Ching-chow, governor of Kansu as a tried and trusted subordinate of the Generalissimo and his splendid cooperation with General Hu Chung-nan is assured.

"Fifth is the northwest bloc of the generals of the Ma family. It is generally recognized that Ninghsia and Chinghai have been under complete control of the Ma family for years. Sinkiang, under the leadership of General Chang Ching-chung, is expected to do its bit.

"Sixth is the Kwangtung-Hainan bloc. General Hsueh Yueh and General Chang Fa-kwei, two new governors of Kwangtung and of Hainan respectively, are natives of

Kwangtung, and they are in a better position to straighten out difficulties."

Kwang Ming Pao

HAVE the Communists the necessary practical experience and trained personnel to run railways in their territory? The *Kwang Ming Pao* of January 16, 1949 has something very interesting to say in this connection.

"In North China, shortly after the liberation of Tsinan, railway communication between the Shantung capital and the outside world was restored," the magazine says. "On November 1, the East China Railway Administration was formally established and more than 4,200 railway workers started emergency repair work. As early as July of last year, the Yenchow-Taian section of the Tientsin-Pukow railway was re-opened to traffic. By the end of last October, the Tsinan-Yenchow section was extended southward to Tsaohsien. After the capture of Hsuechow, repair work was rushed from both north and south. Thanks to the hard work of the workers, the 720 kilometers of the railway between Tsinan and Hsuechow was opened to traffic on December 21, 1948. The work was completed half a month ahead of schedule.

"The repairing of the Yangtsun-Tehsien railway, which, with Kalgan the center, traverses the three provinces of Shansi, Hupei and Shantung, is indeed a great achievement in the reconstruction work of democratic China. The railway was first built by the Japanese and later on was entirely destroyed. After a period of one year, this railway was repaired and opened to traffic last December. The railway joins together the three north-south railway arteries of the Tientsin-Pukow, Peiping-Hankow and Tung-Pu lines.

"The Railway Construction Committee for the western section of the Kiaochow-Tsinan Railway was established on October 17. It is now busily repairing the section east of Tsinan to Weihsien, about 350 kilometers long.

"The Peitaiho-Mukden section of the Peiping-Mukden railway was opened to traffic last December 5. On the Peiping-Tientsin line, the section from Fengtai to Yangtsun is now serviceable. Traffic also was resumed on the section from Lwanhsien through Tangshan to Hanku, which is more than 100 kilometers long, in the middle of last December.

"On the Peiping-Hankow line, New Year's Day witnessed the resumption of traffic between Peiping and Fengtai and Juohsien.

"On the Peiping-Kweisui railway, regular trains are running between Kalgan and Tsinghua Garden in the suburbs of Peiping."

US Magazine Roundup

New York Times Magazine

HAROLD Callender, writing in the *New York Times Magazine* for January 23, 1949, warns Americans against expecting too much from the Marshall Plan, saying it may be able to rebuild the continent of Europe, but cannot be expected to produce a United States of Europe.

Callender quotes the leading Paris newspaper, *Le Monde*, as saying that the United States was in a greater hurry to build and unite Europe than Europeans were, and declares this attitude has disturbed some people in the European branches of the Marshall Plan and those in the United States who have been eager for quick results.

"The recent interim report of the experts of the Marshall Plan countries," he writes, "says nothing about European unity or 'integration,' a word sometimes used by American officials. It even indicates uncertainty that Europe will fully recover by the end of the Marshall Plan in the sense of paying its way by its exports and services to the outside world, as the goal of recovery is defined."

The article then explores the question of how far Europe may be expected to go in terms of recovery and unity. It points out while the purpose of the Plan was political, the means were economic, and closely linked with the political purpose was a military purpose—"the encouragement of Western Europe to become able to defend itself."

Callender says these two purposes were not altogether compatible, since a major rearmament program either in the United States or Europe would set back the recovery program by diverting raw materials and manpower from it.

Experts from the various Marshall Plan nations, the article continues, have declared that "Marshall Plan nations, acting together, must seek new sources of supply outside the dollar area, export more to the Western Hemisphere by cutting their prices to enable them to compete with Americans, economize on costly imports." Unless this is done, the article adds, they warn that there will still be a dollar deficit not far from \$3,000,000,000 in 1952, and the recovery goal would take closer to 10 years than the four covered by the Plan.

Whether or not the benefitting nations can reduce their deficit in the allotted time, Callender says, depends on far greater cooperation between the participating nations than there has been; much greater discipline than they have accepted; if there is no huge rearmament program to frustrate recovery; if the US economy remains as productive as today; if there is a substantial amount of trade with the Russian satellites; and if Southeastern Asia does not fall into conflict and chaos,

depriving Europe of dollar-earning raw materials.

"Those who expect too much of the Marshall Plan," the author concludes, "may underrate its solid achievements. These achievements are mostly still to come. But the way has been shown by the work of the experts in Paris, who have provided the realistic clarity which until now European Governments and some United States senators alike have lacked."

WINNOWING



By Koo Yuen.

The Nation

SYDNEY J. Neal has an interesting article in the December 4, 1948 issue of the *Nation* on the subject of "Oil Profits and ERP." Mr. Neal, who made an extensive study of the oil industry for a research thesis at the University of Chicago, writes:

"Within the next few years, according to present plans, Middle Eastern oil products costing more than two billion dollars will be purchased by or for countries participating in the European Recovery Program. Under the present world-pricing system for oil, close to half that amount will be raked in as profit by American, British, and Dutch oil companies....

"The Economic Cooperation Administration is the middleman in this setup. The ECA has been buying Middle Eastern oil for Europe at an average price of over \$2.65 a barrel. But the cost of producing this oil, including royalties and depreciation charges, is less than 50 cents a barrel. Thus the oil companies are making a profit of more than \$2 on every barrel of oil purchased by the ECA at Persian Gulf ports for delivery to Europe....

"During the past 25 years the world price for oil has been based upon prices prevailing at United States Gulf Coast ports. This made some economic sense when most of the oil moving in world trade was shipped out of those ports. Since the end of World War II, however, the United

States has imported more oil than it has exported, and thus there is no longer any economic justification for this pricing system. It simply enables companies which produce oil more cheaply in foreign countries to obtain greater profits. Eight oil companies have obtained control of the vast oil resources of the Middle East and are developing them very efficiently."

The article goes on to say that on June 27, 1948 Senator Joseph C. O'Mahoney of Wyoming sent a telegram to Eugene Holman, president of Standard Oil (New Jersey) charging that under the present world system of pricing there was no competition among any of the companies, foreign or domestic, producing oil in the Middle East. In the four countries producing oil—Iran, Iraq, Kuwait, and Saudi Arabia—a single company has a monopoly of the oil concessions, and the four concession-holding companies are owned by eight oil companies, four of which have interests in more than one country.

"In the face of these facts," the article continues, "Mr. Holman told Senator O'Mahoney that to his knowledge there was no uniform pricing system for petroleum, and that Standard of New Jersey's prices were established independently and reflected competitive world-wide market conditions. He admitted, however, that Standard of New Jersey was offering crude-oil products for sale to ERP countries at prices generally based on Gulf Coast prices plus freight charges from the actual loading point. The oil companies maintain that prices have been kept on that basis in order to 'meet competition.'"

The article points out, however, that the rules which would operate in a free-market economy do not apply to the international petroleum industry, since no potential competitor can develop the rich oil resources of the Middle East without the permission of the eight oil companies which now control them. "The reasonableness of profits under such conditions," it says, "will always be determined by the oil companies concerned."

With regard to the question of "how dependent the ERP is on Middle Eastern oil, the article recalls that a committee of the House of Representatives stated that the Preservation of existing facilities and the carrying out of the large expansion now contemplated in the Middle East were necessary for meeting the requirements of the ERP program. The State Department, it says, also informed the committee that it had "not developed any alternative plan" for supplying the requirements of the participating countries in the ERP should Middle East oil not be available in the amount necessary to meet reduced requirements.

What Chinese Papers Say

THE recent sky-rocketing of commodity prices has caused widespread alarm and concern. Many Chinese papers warned that the situation may get out of control unless something is done about it in time. Marshal Stalin's peace gesture was viewed with suspicion.

* * *

Commodity Prices

THE Kuomintang-controlled *Shun Pao* was of the opinion that the recent alarming soaring of commodity prices was due to the following causes:

"The first cause is the uncertainty of the general situation. Since communications between the North and the South have been disrupted, the country's economic disintegration has become still worse. The Gold Yuan notes in the North have passed into the hands of the Communists and, through the medium of private merchants, these notes have been dumped on the markets in the South, so that the Shanghai markets have been flooded with idle funds all at once. As the Government is preparing to move to Canton, the personnel of the various ministries in the Capital are assembled in Shanghai. The idle funds in Nanking have thus also been transferred to this city. At the same time, the provinces of Kwangtung and Hunan are talking of issuing local provincial currencies, so that the people of Shanghai, who have always attached greater value to goods than currency notes, have all the more lost their confidence in the Gold Yuan. Speaking of Shanghai itself, as war or peace cannot be predicted by any one, so general unrest prevails, which has also greatly affected the financial markets.

"The second cause has been the great increase in the issue of the Gold Yuan. Up to the present, the actual total amount of Gold Yuan issue is not known to anybody. But judging by common sense, the amount must be considerable. Apart from other matters, the big increase in the military and administrative expenditures during the lunar New Year season alone has produced serious effects. At the same time, the area of circulation of the Gold Yuan has shrunk. As Gold Yuan is no longer circulated in the Peiping-Tientsin area, the notes there are fast travelling to the south, and Shanghai has become the haven of capital in flight. In the circumstances, how can commodity prices be stopped from soaring?

"The third cause is the failure on the part of the Government to apply any counter-measures to cope with the idle capital situation. The authorities had expected the soaring of prices after the lunar New Year, and had announced that the money market would be tightened through the sale of supplies. At the time, there

was caution on the part of various business quarters, and the first prices quoted after the festive holidays were not exceptionally high. But toward noon yesterday, there was no indication that the Government was dumping any supplies on the markets, and prices immediately registered a new high."

The paper concluded with a warning: "We wish to inform the authorities that if commodity prices are allowed to continue soaring, the people will suffer too greatly, and they will not be able to live on. If the Government is anxious to win public support, it should immediately exert its utmost efforts to force down the prices. Otherwise, such an inefficient government will not only be unable to carry out its plans for the defense of the Yangtze, but its sheepish efforts for peace will also not be respected by the other party. The result can only be self-ruination."

* * *

Stalin's Gesture

STALIN'S offer to meet Truman in order to discuss the issuance of a joint US-USSR statement outlawing war was viewed by the Kuomintang organ *Tung Nan Jih Pao* as part of a Soviet peace offensive.

The paper wrote among other things: "Premier Josef Stalin has expressed his willingness to issue, jointly with the United States, a statement to outlaw war. This is a new peace offensive launched by the Soviet Union against the Western nations since the beginning of this year. At the same time, the Soviet Union also undertook two other measures. The first is the issue of a White Paper charging the Atlantic Alliance with 'aggressive designs' on Russia. The second is the application of pressure on Norway, demanding the latter to explain her attitude on the Atlantic Alliance. All these acts are part of the whole offensive, pointedly directed towards the anti-Soviet policy pursued by the Western Bloc under the leadership of the United States. It is truly a strong offensive."

Analyzing the reason why the Kremlin has started this peace offensive, the paper continued:

"The greatest development in the international situation since the beginning of 1949 has been President Truman's presentation to the US Congress of a colossal plan for war preparedness and foreign aid. In undertaking preparations for war the United States harbors the hope that armament orders will thus be restored so as to allay her present extremely serious economic difficulties, but at the same time she is also hoping to make the Western European nations and other nations of the Western Bloc markets for the products of her war industry. This war-preparedness carried out on a world-wide scale is naturally not

undertaken with the objective of preventing war, and doubtless the Soviet Union serves as the hypothetical enemy in this plan of the United States. We can realize from this that, as the United States is proceeding so vigorously with the plans, the cold war between the East and the West will necessarily be intensified during the year, and the international situation will become tenser.

"In these circumstances, it is necessary for the Soviet Union to deal a blow to the war preparation plans of the Western nations. From the beginning, in her cold war with the Western countries, the Soviet Union has been employing the tactics of capturing the chief first in a fight with the brigands. She has always directed her moves against the United States, using both force and persuasion in attempts to reach an agreement with the latter. At the same time, in dealing with the Western Bloc led by the United States, particularly the Western European countries now plunged into political and economic chaos, the Soviet Union has been employing the tactics of divide and rule so that the United States may become isolated. The present peace offensive is still a part of the Soviet tactics as a whole."

However, the paper was rather skeptical about the result, if any, of the Soviet peace gesture, saying: "It is doubtful if the present Soviet peace offensive will receive much response from the United States and other Western nations. Even if the countries of Northern Europe will be prevented from participating in the North Atlantic Alliance, the successful formation of this Alliance is still assured. But in spite of this, the status of the Soviet Union will continue to grow stronger every day. And the situation in China and that in West Europe will also give the Western nations cause for anxiety."

* * *

The People

THE Catholic organ *Yi Shih Pao* did much abstract talk about the importance of serving the people. It argued that the worst political failure of the Kuomintang is the party's criminal neglect of the people and its maltreatment of the people.

The paper warned that the Kuomintang must change its policy into one of serving the people if it hopes to survive the present crisis.

"The Government must engage the Chinese Communists in a political race if it is to remain on its feet. For example, the bureaucrats and super-powerful classes are hated by the people. The feudalistic cliques are impeding progress. Why is it that no concrete action has yet been taken to improve the situation?" the paper asked.

What US Papers Say

SOVIET Premier Stalin's interview with the *International News Service* received wide editorial attention in the American press. Papers continued to frown on the Chinese Communist "war criminal" list.

* * *

Nothing New

THE *Washington Star*, discussing Stalin's statements, felt an attempt should be made to find out whether he really meant what he said. The paper declared:

"There is a familiar ring to Prime Minister Stalin's latest remarks about Russia's desire for peace and cooperation with the United States in particular and with the rest of the world in general....

"Yet it would be a serious mistake arbitrarily to dismiss the gesture as being nothing more than just another exercise in the Kremlin's art of confusion-breeding propaganda. To be sure, the general nature of the Soviet Union's actions since the close of the war, its devious ends-justify-means philosophy, and the fact that Mr. Stalin's relatively soft words (followed) immediately after a sharp Moscow attack on the projected North Atlantic security pact and the implicit warning to Norway not to join this pact, all combine to make suspicion sensible. Nevertheless, that reservation to one side, it would be foolish of the US to discount completely the possibility that the Russians may be genuinely anxious for a peaceful settlement.

"After all, it is at least conceivable that the Kremlin is finding itself on the losing end of the struggle. There is evidence, for example, that the Soviet satellites, wholly apart from openly rebellious Yugoslavia, are resentful of the economic prices they must pay for obeying Moscow's orders to boycott the Marshall Plan for European recovery—a situation that could develop into a real Russian headache.

"In some quarters—understandably enough—there is a frame of mind that considers the Soviet Union to be incapable of acting in good faith. On the basis of past experience, there is more than a little reason for that viewpoint, but it should not be allowed to make the governments of the free Western world adopt a stiff-necked or stubbornly unresponsive attitude toward any and every gesture of the sort just made by Mr. Stalin. All possibilities of a peaceful settlement need to be explored, and in this instance the exploring can be done without bypassing the United Nations, undermining such projects as the Marshall Plan and the North Atlantic security pact, or leading to an appeasement deal between Russia and the United States.

"Certainly, sooner or later, we and like-minded nations must either

reach an understanding with the Soviet Union or resign ourselves to the virtual certainty of an eventual war. In the circumstances, we cannot afford to slam the door on the Russians; we can no more afford it than they can afford to keep on speaking peaceful words while committing hostile acts. In all sanity, if catastrophe is to be averted, our divided world must pull itself together one of these days with an enduring settlement. To that end, no harm will be done if a diplomatic effort is made to find out whether Mr. Stalin is really anxious to cooperate or whether he is just pasting away again at the propaganda drum."

The *New York Times* said: "Like all of Mr. Stalin's statements, this latest declaration is bound to arouse international interest as well as speculation as to its timing and purport. It is possible that in view of Western firmness, Mr. Stalin is really seeking a modus vivendi on at least some of the outstanding problems in line with the Communist doctrine that World Revolution is subject to ebb and flow and that therefore Soviet policy must pursue a zigzag course of alternate advance and retreat. Soviet consent to new peace negotiations on Austria and the new Soviet proposal for settling the Berlin question submitted to a 'neutral' committee of the United Nations may be straws in the wind blowing in this direction.

"Certainly, there's every reason to explore any possibilities for even partial settlements that Mr. Stalin's declaration may contain. But this declaration must be viewed in the light of actual performance of Soviet policy. The Soviets are still promoting directly or indirectly civil war in Greece and China. They are still dividing Europe by the iron curtain behind which they are sovietizing, exploiting and rearming all Eastern and Central Europe, including Eastern Germany, in violation of their wartime agreements and of peace treaties already signed. They are still waging war against the European Recovery Program and every Western move toward self-defense, with open pressure on Scandinavia as the latest example of this effort.

"In the face of this record, the only answer that the West can safely give to Mr. Stalin is still the maxim that deeds are more eloquent than words and that only when Soviet deeds begin to match Soviet words can the West afford to put faith in the latter. A firm and honorable settlement has always been the goal of Western policy."

* * *

Clean Hands

THE *Christian Science Monitor* felt the US could criticize the

FLEEING REFUGEES



By Li Hua.

Chinese Communist war criminal list with better grace if America itself had kept its own record with regard to war criminals more spotless. The paper said:

"The non-Communist world is properly and justly outraged at the listing of Chiang Kai-shek and other Nationalist leaders as war criminals by the Chinese Reds.

"Whatever the faults of the Generalissimo in setting his will against the people's, he is palpably a patriot. However much the Communist charge may be a propaganda device and bargaining point—a ferocious bark is not likely to be followed by a very big bite—it is not pleasant to remember the fate of opposition leaders in countries where Communist power has been finally consolidated.

"Yet the Western world cannot stop with mere self-righteousness. The war crimes trials launched on such a lofty level at Nuremberg have not always stayed on that level. Suspicions of political motivation have attached to some of the subsequent decisions, and the slightest indication of political or national interest as influencing a judgment (either toward condemnation or exculpation) would reduce it to the immoral level of a conqueror's 'justice.'

"Very recently it has been revealed that Emperor Hirohito escaped prosecution as a war criminal solely on orders from the United States joint chiefs of staff. Though evidence throughout the trials in Tokyo led repeatedly to the Son of Heaven, who had meekly lent his name and prestige to the war lords' designs, the American prosecutor seemed even more anxious than Japanese witnesses to exclude him from any responsibility.

"This fact is well known throughout the Far East, though not in the United States. Americans may now learn to their discomfiture that their censure of the Red-handed victors in China would have more force if they themselves came with completely clean hands from their victory in Japan."

The Review's English Lesson—LXX

WE shall begin this week's Lesson by replying to more of Mr. A. L. Chen's questions. He asks for information on how to pronounce the letters in the Wade system of Romanization; for lack of space, we regret we cannot go into this subject, and refer Mr. Chen and other interested readers to any of the standard Chinese texts.

Move and remove: Both of these words mean to change the place or position of something, in their usual sense; "move" generally means to adjust some object, or to go along, as an automobile, machine, etc; while "remove" generally is used in the sense of taking away some object or material. To change one's residence, and take furniture to the new place, is in the US "to move", while "remove" is used in Britain. "Movement" is the act of moving.

Committee and commission: In the most closely related meanings of these two words, both denote one or a group of men who are delegated or empowered to perform some task or duty; the latter is the more formal term, and is usually applied to government or other official groups. However, "commission" also means the warrant or authority, usually formal and written, granting certain powers and authorizing the performance of certain acts.

Relations and relationships: The former means the act of telling (a story), a person of the same family, connection, reference; the latter means the state of being related. For example, "He has many relations living in Shanghai, but the family relationships are very complicated."

Foods and foodstuffs: The two words have the same meaning, namely nutritive substances. The difference is one of usage: of a starving person, one would not say that he needed foodstuffs. The latter term is used in a general sense, as, "England exports machinery and imports foodstuffs."

Have you? and Do you have?: To which might be added, "Have you got?", all with the same meaning. The first is preferable, as being more simple and direct; the second is a little too affected; and the third, although much used, is not considered good, owing perhaps to the ugly and unnecessary "got" at the end. Nevertheless, in phrases such as, "I've got a book," the "got" is useful to separate "I've a", which doesn't sound well.

Electric torch and flashlight: Same meaning; the first is British, and the second, American usage.

And now to the questions: This is simply a shorter way of saying, "(And) now let us get on to the questions", or "proceed to a consideration of", etc.

Gambit: A chess term, sometimes "opening gambit." Strictly, a gambit is an opening move in a game of chess, in which a player sacrifices a pawn or another piece for a positional advantage. By extension, then, any special plan

method or type of introduction to a conversation, letter, etc.

Crystal ball: A globe of clear crystal, often used in the West by fortune tellers, who are supposed to be able to see past, future or distant scenes thereon at will, and thus satisfy the customer's demands. So, used as in "The agency, even provided with a crystal ball, could not have said..." the phrase suggests the impossibility of the agency's foreknowledge, even with magical powers.

Pandybat: The word occurs in James Joyce's "Portrait of the Artist," and means the switch or cane used to flog schoolboys. In "Pootung Pandibat", the word was chosen at random for the sake of alliteration to make up the title of an imaginary publication.

Perpetrate: Strictly, this verb means to do or perform, also to commit, as an unlawful or offensive action. However, it has come to connote the latter more and more. As used in "perpetrating silent letters in the written word," as appears from the context, the author means to express his condemnation of this practice; he thinks it is wrong and foolish to continue spelling words with silent letters. However, "perpetuating", although not expressing such strong condemnation, does express the giving of an enduring character or existence to the silent letters. Again, from the context, one gathers that the author is against this habit.

Running record: A writing down of events as they occur, to preserve their elements and significance for the future. For example, a personal diary might be said to be a running record of one's daily life.

Punch line: In funny stories (or stories alleged to be humorous), the last line (or phrase, or single word), which produces the laughter. The preliminary to the "punch line" is called the "build-up".

Regarding: Never followed by "to"; one says, for example, "Regarding those books I lent you..."

MR. Tai Tung San has kindly written in again about some words of which we confessed ourselves ignorant. For the record, "Craesuses" should have been "Croesuses": Croesus was a legendary king, fabulously rich; hence, used to refer to anyone similarly favored (here, plural). "Bon sens" as used, was intended to mean simply, "good sense." And "mouvementeo" should have been "mouvementee", used in "life in Shanghai is just as mouvementee as it is in Paris..." Meaning: animated, lively. Mr. Tai is puzzled by the word **flapdoodle**, used in "Communist flapdoodle about bureaucratic capital." The meaning is "talk for fools, nonsense" (see

Webster's Collegiate Dictionary)

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February 19, 1949

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Yugoslavia, China And Snow

William Steinhaus

Peiping's New Look

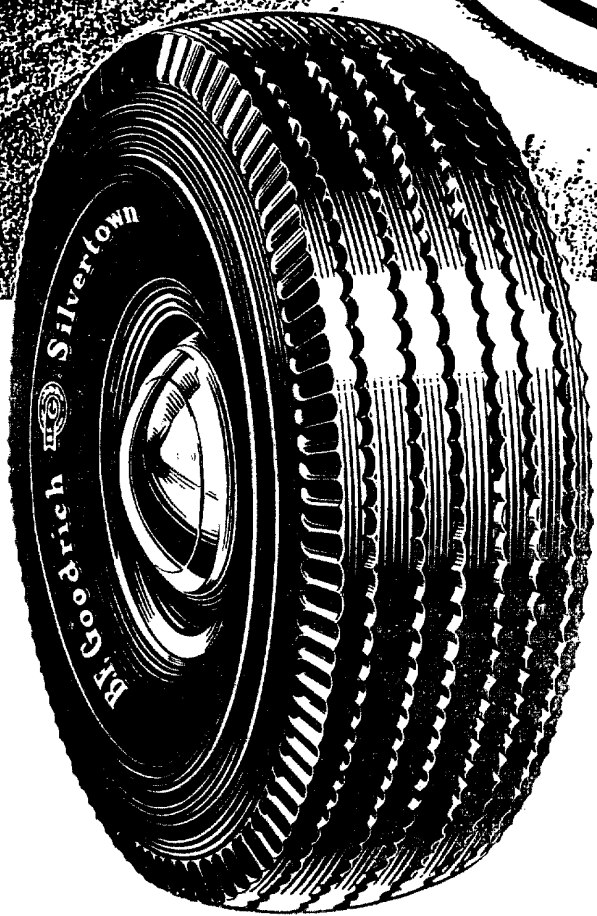
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Hongkong Tends To Business

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JAILORS' DILEMMA

AN EDITORIAL



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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Praise For Stuart

To The Editor:

You should be congratulated on your exceedingly intelligent editorial in the February 5 Review on US Ambassador J. Leighton Stuart. Shortly after Dr. Stuart's appointment I saw General George C. Marshall in Nanking and he asked what I thought of his selection of Dr. Stuart as his "team-mate." I replied: "You made a masterly choice." I still abide by that observation.

Ambassador Stuart has done superbly in the best interests of the United States and of China, considering the extraordinarily difficult times and conditions which he has had to face.

Sino-American relations are fast approaching a most crucial stage. It will take first-class minds and spirits like that of Dr. Stuart so that the best of American interests can be adequately and effectively represented in China and that the relationship between these two great peoples can remain on a genuinely friendly basis for their mutual benefit and the benefit of lasting world peace. Like you I also hope that America will send here her very best not only to man the diplomatic front but all fronts, economic, cultural, educational and religious. The small and mediocre, the near-sighted and narrow-minded cannot have any place in the New China that is emerging!

HUBERT S. LIANG

Shanghai
February 6, 1949

Rosy Future?

To The Editor:

In your editorial, "Postwar Development" in the February 5 Review, you expressed undue optimism regarding the settlement of the Civil War in China in favor of the Communists.

I have no affiliation with either the CP or the KMT. I think China under the rule of the CP will for a time be better, but the ultimate result is pure guesswork. The sweeping victory of the CP is but one phase of China's social revolution, and China has had many social and political revolutions during the past few decades and still she is no better off economically, socially or politically. Can the Communists work wonders?

When the Nationalists started their Northern Expedition they blew almost the same bugle and propagated the same slogans which the Communists are using today. At that time the masses looked upon the KMT as a shower in time of drought. The masses were then optimistic about China's future just as they are today about the coming of the Communists. After 20 years of corruption and inefficiency, the KMT has become a passing fashion. Only God knows what the people will think of the Communist rule 20 years hence. I have many reasons for my pessimism regarding Communist rule over China.

The Communists are too idealistic and theoretical. They dream of a Utopian

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The Shanghai Evening Post & Mercury

19 Chung Cheng Road, Shanghai (13).

China. They wish to overhaul China overnight without taking into consideration China's social, political and economic background. We should understand that the people will reject Communist interference in their ways of life. Any sudden change in old-established customs and traditions will upset the minds of the masses.

At the beginning of their campaign the Communists brought the country districts under their rule and showed honest and efficient management in their government. The life in the country is simple and economic activities are on a small scale. Now the Communists are occupying China's large cities where the social and economic conditions are entirely different from those in country areas. Human nature is frail and subject to change under different circumstances. The Communists are no exception.

Good soil produces good crops. China's is not a good soil from which to expect good crops. China's soil must first be scientifically cultivated in order to produce abundant and good crops. Likewise, Chinese society must be re-educated socially to meet a new situation as created by the Communists. Education is a very slow process when a large part of the population is illiterate.

A rosy future for China as painted by you makes interesting reading. Let us pray that after 20 years we shall refer to you as China's most famous soothsayer. I hope that 20 years hence you will be able to say, "I told you so" with reference to your editorial.

T. Y. Y.

Shanghai
February 9, 1949

Refugee Beehive

To The Editor:

We, the students of Honan University, are on the verge of starvation. We cannot but appeal to the public for help.

We hate Mr. Yiao Tsung-wu, president of our school, who resigned during hard times at the university and escaped a month ago. We hate the Ministry of Education, which moved to Canton too hastily to give us, the refugee students, the necessary money to continue to sustain our lives.

Many groups of students have returned to their homes in Honan; others have been forced to sell their clothes and books in the Soochow markets in order to live. The university is as disturbed as a hive of bees: No new president has come; the school authorities, weak and incompetent, find no better way to deal with present difficulties. A week ago representatives of the Student Self-Control Body went to Shanghai to demand help from minor officials of the Ministry of Education. They returned disappointed, as there was no money in these officials' hands. Several times the local government has been requested to loan rice during this hard period, but there has been no answer. Now more than 2,000 students are facing terrible hunger.

We are poor refugee college students, without rich friends or relations here, and have no more things to sell. How can we live in the interim?

REFUGEE STUDENT.

Honan University
Soochow
February 11, 1949

Won't Move Again

To The Editor:

Our school has met with much misfortune since its journey from Kaifeng to Soochow last summer. We are homeless and all our things have been left behind in the "liberated area," even our books. However, how has our Government Most of the Govern-

ment institutions have been evacuated to South China and the noble and rich have escaped to Hongkong or Taiwan, leaving the poor to suffer from the war.

• Recently we received our last relief funds from the Ministry of Education, GY1,000, which is almost useless due to the economic panic. The school authorities sent representatives to appeal to Acting President Li last week, but it was no use. Some of our schoolmates have gone back to their homes despite the dangers because they were so hopeless, and we have had to beg to keep alive during this interim period.

If the Government is unable to protect us, we will be ready for another party to deliver us and would not move to any other place even if the Communists were to come. We hope the Government will hear this and help us.
PETER WANG.

Honan University
Soochow
February 9, 1949

Open Letter

To The Editor:

I am enclosing for publication in your *Review* an open letter to President Yiao of National Honan University.

To President Yiao Tsung-wu:

Over the past few weeks the students of the National Honan University have wondered about your whereabouts. We searched Nanking, Shanghai, Wusih, Hangchow, etc., but could get no news. We questioned if you had departed this world. We deplored your soundless death, because you had been the president of our university. We shed tears, for you took with you the subsidy for 3,000 students and teachers.

We now find, according to a reliable source, that you are now in Taiwan and have a good position. Though at first we could hardly believe this to be true, it has been confirmed by the dean of our university. The news was like daggers in our hearts.

Seven months ago when the Reds attacked Kaifeng, you deserted the students and teachers of the university to flee to Soochow. We endured this, and followed after you despite flying bullets and shells. In Soochow, three months later, we faced hard times a second time due to the buying panic and the so-called "currency reform." Now a third time, with the removal of the government to Canton, and your flight to Taiwan, our 3,000 students and teachers face starvation.

Dr. Yiao, you are the president of our university, a scholar educated in Germany, a prominent professor in China. We know now that you have deceived and cheated your students and teachers. As you sit in comfort in Taiwan, never forget those left behind you who are cursing you from the depths of their hunger and misery.

SPIRIT C.

Soochow
February 11, 1949

Honan Refugees

To The Editor:

Many, many refugees have become poor beggars. Some of them left different parts of rural Honan during the civil war and moved to Hankow, leaving behind their homes and possessions except what they could carry. These poor people want food and clothing, but there is none to give them.

Hankow, once called the Chicago of the Orient, is the central big city of China. People live in luxury here, playing cards and drinking wine in warm houses, while outside refugees and beggars lie on the pavements in the bitter cold. These miserable people dream only of the spring and mild weather which

will make life bearable. If only the Civil War would end, the bloody battlefields could once again become green fields.

These unhappy refugees should have learned by now that there was no need for them to flee and they should not have been afraid of remaining in their homes.

T.S.C.

National Hupeh Teachers' College
Hankow
January 30, 1949

Malthus And Judd

To The Editor:

J. R. Kaim's article, "A Plea for Malthus," in the January 29, 1949 *Review* covers both a timely and controversial subject. Personally I stand for birth control because the biggest problem in

the world today so far as the problem of population is concerned is the insufficient reproduction of the fittest. If, along with restrictions on the reproduction of the unfit, there is an accompanying increase in the birth-rate of the fit, it would be a good thing. Education would solve the problem to a large extent, for at the present time food and sex are the only concerns of the poor.

Honestly, Congressman Judd's letter in your letter column in the same issue is hardly worth an answer but the imperialistic tone of the letter and the loopholes in what he says compel me to put him wise. He does not seem to know ECA is primarily intended for the economic relief of war-stricken countries, and I wonder why he wants ECA to be protected by a military program. It should also be pointed out to this congressman who objected to the Stilwell-Marshall

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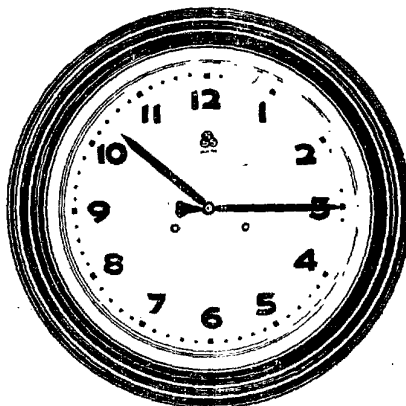
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China policy that over two billions of US dollars worth of aid has been given to China by the United States since VJ Day. I would just like to tell Mr. Judd that if another four billions of US dollars is given to China to make the Chinese cannon fodder for the US in her anti-USSR policy, there will certainly be another Boxer Rebellion in China.

CHINESE JOHN THE BAPTIST

Chengtou, Szechuen
February 4, 1949

Blindly Utilized

To The Editor:

During this period in China we young people are facing a most difficult situation. This is especially so on the eve of the evacuation of the Nanking-Shanghai area by government troops. We are forced to cry out thoughts which are in the minds of so many of us.

Our only fixed principle has been patriotism. So, with pure and eager hearts we are only desirous of our country growing and prospering. Of course, we have no wish to see the Civil War continue. However, we have none of the power needed to bring it to a halt. On the contrary, we would be blindly utilized by any political force in power.

Now, we are forced to express our fears. Though we are going hungry we still obey the orders of "this government." Thus, isn't it possible that we may unfortunately be chosen for punishment (清算) by "that government" tomorrow? If the Communists cross the Yangtze, undoubtedly, we would obey their orders. Then, isn't it possible that we may be pointed out as criminals by "this government" in the future?

SUN WEN-HAI

Wusih, Kiangsu
February 7, 1949

Independent Taiwan

To The Editor:

Having read your editorial of January 29 on the future of Taiwan I am prompted to say something about the lot of our beloved island, which your editorial analyzed very clearly, and about the three pressure groups on the island. I fully agree with you that the 6,500,000 Formosans are against both the Kuomintang and the Communists. And I am one of them.

In your editorial you stated that "while there are many plausible sounding arguments which those favoring separation from the mainland have advanced, the idea on the whole is not feasible." Ideologically speaking, we Formosans have been regimenting ourselves with our most respected leader, Dr. Thomas W. L. Liao's *Formosanism*, in which we have many opportunities to support our independence movement. We are determined to get our independence under Dr. Liao's leadership.

In your conclusion, you state that "the overall prospect for an independent Taiwan to survive either economically or militarily" is difficult to imagine with an unfriendly China. Of course, we can understand your reasoning, but I fear you do not understand the real situation. Under Dr. Liao we have our foreign policy, economic readjustment, agrarian reform, industrial reconstruction, system of education, a Romanized national language, etc. This is believed by all Formosans to be the one way to survive.

I wish to say that I am very grateful for the *Review*, which is practically the only paper supplying us with all the news outside this iron-curtained forbidden paradise island.

D. A. S.

Taipak, Formosa
February 8, 1949

No Uniform-Fee

To The Editor:

For half a year I have been reading the *Review* regularly in the local library. I like the magazine, for to me it represents the views of the people. I have a problem of my own which I wish you would publish.

As a teachers' college student, I am preparing myself for a teaching career; this has been my ambition for a long time. But the pocket-money and uniform-fee which the Government promises to give us students each year has not been forthcoming, nor have we had any news as to why we have not received this help.

I don't know why the Ministry of Education is delaying on this matter, but if it is because of the Civil War, I wish someone would remind these officials not to overlook education, even though the military situation may be serious. Education is a permanent affair and should be supported no matter what develops in the battlefield.

L. T. I.

National Kweiyang Teachers College
Kweiyang, Kwangsi
January 26, 1949

Peasant Revolutions

To The Editor:

Being a peasant's son and having lived in rural villages for years, I have always been greatly interested in rural life. Ever since the advent of the Civil War, my country has been on the verge of bankruptcy, and the peasants feel this bankruptcy very much. I am very much concerned about the conditions of the Chinese peasant and hope that there will be some change which will improve life in the villages.

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TIENTSIN



PARIS

Some days ago I had the opportunity of reading C.C. Lin's, "China's Peasant Revolutions" (*Review*, January 8, 1949) in which Prof. Lin states that China's peasant revolutions never achieved complete victory because the leaders eventually betrayed the interests of the class from which they had come. Professor Lin further suggests that now is the time for China to start a new way of life. I am very satisfied with the writer's opinions and am grateful to him for giving me ideas on this very important subject. I long for a new society to replace the old—a society in which all the people can live in peace and safety.

During such a critical time as the present, everything is changing from day to day. It is my hope that the government—no matter what its composition—will have learned the lesson mentioned in Professor Lin's article and not allow history to repeat itself.

Nanchang, Kiangsi
January 28, 1949

T.Y.Y.

Inspiring Books.

To The Editor:

Those who have enjoyed reading *Human Destiny* and *Peace of Mind* may find two other small volumes by two Friends of Maverford College very interesting, inspiring and informative.

The books are *On Beginning from Within* by Douglas V. Steere, published by Harper and Brothers; and *Spirit in Man* by D. Elton Trueblood, published by the Stanford University Press in America and the Oxford University Press in England.

Both Friends show us not only a way, but the best way, to deal with our current life problems which persistently confront all reflecting souls. Speaking from experience and conviction, they explain to us what, where, when and how our ability to be "masters of the situation" actually is and potentially can be in this changing world.

One who, disturbed by environmentalism and torn between trust in God and despair with man, is doubtful as to what may become of the trend of history would meet a new light through the common channel of these books and see the infinite significance of every individual and the unbound future of mankind with the problem of freedom and of will vigorously considered in a Christian spirit.

To quote Professor Jones, "We know enough about actual conservations to predict with assurance the conservation of whatever ought to be conserved in order to make the universe intelligible and significant."

To the human being that meditates and thinks hard, in the opinion of Professor Steere, there can be not only solutions to our problems, but also creations of what seem to be impossible.

The two Christian teachers and leaders give us directions to supreme guidance which is very much needed today. Their lectures are proven timely even in our chaotic China. It is hoped that good translations of them will be done.

J. USANG LY.

Shanghai
February 3, 1949

Advices Pres. Li

To The Editor:

It is more than a month since President Chiang made his New Year's message. Not only has peace not yet been attained, but the danger of further war is increasing. Peace seems to be only a mirage, for the contesting parties apparently do not believe it can be reached

now. However, this suicidal war will be brought to an end this year. The people will get their wish.

Let us dissect today's crisis and we find that it is a result of yesterday's sowing. The corruption of the KMT lost them many chances to reform. The KMT now is like an idle student going up for an examination. Being the enemy of the people means that they must confess their crimes before the people. The pangs of their conscience should make them repent.

Chiang has secluded himself from the government and has passed on his duties to Li Tsung-jen, a man of no small intelligence. There are a few suggestions

I would like to present him with:

- 1) Watch for an opportune time. Peace is now in sight and you must find a way to get perpetual peace.
- 2) The way General Fu Tso-yi managed Peiping is best, and if you can do this for the entire country, it will rescue the people from the fire.
- 3) Few men are great enough not to think of themselves. I hope that you will try to forget about your own personal fortunes and boldly start for Peiping. Then glorious peace will come to you.

T. L. LEE.

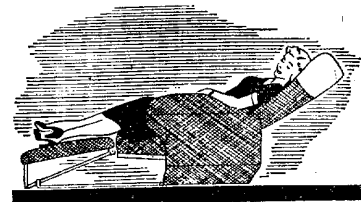
Sian, Shensi
February 5, 1949

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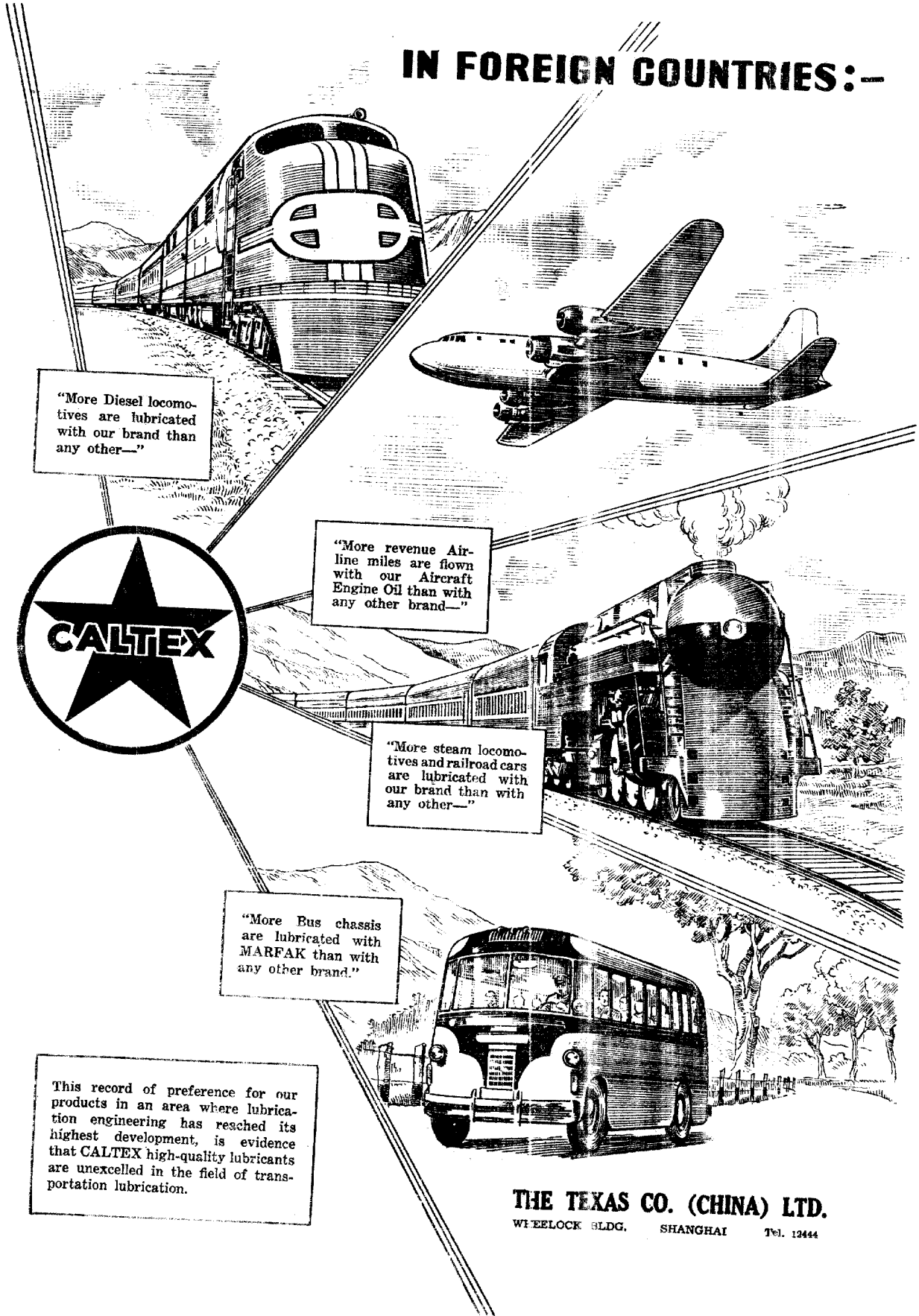
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Vol. 112 Shanghai, Saturday, February 19, 1949 No. 12

MacArthur's Spy Thriller

ONE of the most sensational stories of the Japanese occupation was released last week by General Douglas MacArthur's headquarters. The tale, allegedly exposing the activities of a prewar Far Eastern Russian spy ring, would do justice to a Hollywood scenario writer. As an absorbing exciting story, it is excellent. However, like many mystery stories it appears—on the basis of accounts published by the *Associated Press*—to have a few weak spots in the plot.

According to MacArthur's 32,000 word report, the Japanese discovered that a German newspaperman, Richard Sorge, was running a most successful Russian spy ring in Japan and China in the years between the two world wars. Working closely with Sorge, MacArthur alleges, were two foreign journalists, Agnes Smedley and Gunther Stein. The Japanese broke up the ring, MacArthur says, at the beginning of the Pacific War. Sorge was hanged, as was a Japanese confederate, while other members of the ring—excluding those who died in jail—were given varying prison terms.

One of the first weaknesses of MacArthur's plot is that it apparently comes exclusively from Japanese sources. MacArthur found the official Japanese court and secret police records of the case, and it is upon these documents that the report is based. It should be pointed out that the individual Japanese responsible for compiling this information were officials of a government with which the United States has not yet signed a peace treaty officially ending a state of war. Some of these officials have since been purged by MacArthur himself as undesirables.

The original Japanese records presumably have been in MacArthur's hands for the last three years. One might, therefore, be justified in wondering why the General has waited until this particular moment to release this information to the public. It seems hardly likely that it has taken MacArthur this long to write his report. While one can only guess at the possible motives behind his action, there may be a clue or two in the report itself. The Japanese investigators, MacArthur says, felt satisfied that

the spy ring was localized in Japan and China and had no connection with other Russian espionage activities in different parts of the world. However, MacArthur's report, according to *AP*, says tag ends of the network still may be in world capitals.

The *AP* story goes on to say: "Many of the minor figures in the ring were released as political prisoners. The Army report indicates that maybe that would not happen if the Americans had it to do over again. At that time, it said, few people had the idea that 'a Soviet spy who had worked against the Japanese might later work against the United States.' Apparently the army report was intended to warn the US to be on the lookout for spying here (in America). Beware, it says, of United States employees who even show sympathy with the Communist Party. It says that 'party sympathy is enough to develop a high-class agent and spy.' Still 'at large', it says, are American-born Miss Smedley and Gunther Stein, a German who now may be an American and who was a temporary but 'top level member' of the Tokyo ring from 1936 to 1938."

If one reads these last two paragraphs carefully, it is easy to see that they actually have little to do with this story. They consist mostly of "advice" from MacArthur to the American people and Government. One is almost led to believe that MacArthur, after re-reading these Japanese documents, feels perhaps they had something in their trials, and that the US should take up where they left off.

We think Miss Smedley and Mr. Stein have grounds for libel on the basis of the words "at large" alone. This expression, through constant usage in America, has acquired a criminal connotation and appears only on police blotters or in newspaper stories of criminals who have escaped from jail or who have not yet been arrested following a crime. "At large" definitely implies that a warrant for arrest has been sworn out before an American court and that the police are in the process of looking for the person concerned. These two people, as MacArthur could have discovered if he had taken the trouble to investigate something besides a bunch of reports left behind by discredited Japanese officials, have been living in New York for the past several years where they might have been contacted either by telephone or mail quite easily. Indeed, they are far from being fugitives from justice, which is what MacArthur has said.

Indicative of the spirit of much of the report is the phrase "American-born Miss Smedley." The usual expression, which is just as simple, is "an American, Miss Smedley." Using the other description implies that perhaps Miss Smedley is no longer an American. Such an implication is certain to implant in the minds of the newspaper-reading American public the idea that Miss Smedley, born an American, has probably taken up Russian or some other "foreign" citizenship since then and therefore must be an unreliable person. The same is true of the description of Mr. Stein, who is referred to by

MacArthur as "Gunther Stein, a German who now may be an American." The reader is led to believe that Stein is a German, but that he may have wormed his way into American citizenship.

Surely MacArthur's headquarters, famed for its efficiency, could have checked up on these facts before "rushing" its three-year-old report into print. In fact, the very vagueness of the evidence and the Army's lack of information about Miss Smedley and Mr. Stein makes the reader wonder if it knows what it is talking about. No details are given as to what these two journalists actually were alleged to have done, and, indeed, Mr. Stein is described as "a man about whom too little is known." If the Army had been interested in checking up on its facts, it could have found out, as most people with Far East background already know, that Mr. Stein is the author of a number of books on the Far East, including his well-known "The Challenge of Red China," and was a correspondent in China for the *Christian Science Monitor*, one of America's better known newspapers, for a number of years. A little elementary research also would have established the fact that he holds British citizenship. Surely it is not asking too much for the Army to find out something about a person's identity before it starts leveling such serious charges against his character and activities.

ANOTHER *Associated Press* dispatch from Washington may give us a further hint as to why the report was released at this time. It says: "The US Army...said today that one of the ring's leaders may have started the story that the Chinese Communists 'were really not communists at all.' What is more, the report said, there are 'high American officials' who have heard that story repeated so often that they 'find it difficult to believe any other.' The Army identified...Miss Agnes Smedley (as) one of the 'early perpetrators, if not the originator, of

the hoax that the Chinese Communists were really not communists at all, but only local agrarian revolutionists innocent of Soviet connections.' The report added: 'The harm has been done, but perhaps it could be mitigated if she is now exposed for what she is, a spy and agent of the Soviet Government.'"

Thus General MacArthur delivers his opinion of the Chinese Communists, a group with whom he has never talked or whose areas of control he has never visited.



Anyone who has read Miss Smedley's books or articles will immediately see that her estimate of the Chinese Communists has little in common with what MacArthur says it is. Obviously, the General has not read any of her books on China. "High American officials," he says, have heard this story so often that they "find it difficult to believe any other." MacArthur must think that his fellow American officials are a bunch of dopes. We doubt if there are any "high" officials who would be so simple-minded as to accept something as fact just because someone kept repeating it to them. However, there is a difference between high American officials and casual American newspaper readers and if MacArthur continues to call Miss Smedley a red the American public may come to believe she is one. The last sentence of the preceding paragraph is so malicious that it needs little comment. The General flatly says that she IS a "spy and agent of the Soviet Government." Such a charge requires documentary proof, which we have yet to see.

Press dispatches from Tokyo during the past few months have made it clear that General MacArthur has been most unhappy about how things are shaping up in China. There have even been indications that perhaps the American occupation authorities—or at least a certain group of these men—would like to interfere actively in China's Civil War in an effort to halt the Chinese Communists. Some people in Japan have made it quite clear that they would like to see Taiwan restored to Japan so that it can be kept from falling into the hands of the Reds.

As it has become obvious that the Chinese Communists are shortly to become a force to be reckoned with, many observers have begun to accept the idea of a change in government here as inevitable and to set about making preparations for the future. For three years the United States Government has been wandering about in confusion over China. It did not like the Kuomintang and it did not like the Communists. After an abortive attempt to get the two groups to compose their differences, America began to extend material and morale support to the Kuomintang. Now that this policy has obviously failed, the American Government and people are making various plans for the altered situation.

The attitude of the Government is still not entirely clear, but the views of many American individuals and organizations are crystallizing. US businessmen in China, for instance, are literally changing at the bit in their eagerness to explore the possibilities of trading with the Communists. Some of the Christian missionaries, including certain Catholic groups, are prepared to stay on in China to work if at all possible. Thus it would seem that, with a Communist victory virtually an accomplished fact which can hardly be changed, many of the basically anti-communist groups of Americans are prepared to recognize the inevitable and try to get along under changed conditions. Obviously, anti-Communism is a dead-end street. Communism

as anything but an earthly version of the devil's hell, are alarmed by this attitude on the part of their fellow Americans. Individuals such as William Bullitt, Walter Judd, and Alfred Kohlberg, plus various official groups, are doing their best to prevent the development of any attitude on the part of Americans which would lead to recognition of a Communist China or development of a policy of attempting to get along with a red regime here.

Miss Smedley and Mr. Stein have both written books about the Chinese Communists, giving their impressions of life in red areas. Needless to say, both, like a lot of other foreign newspapermen, have been greatly impressed by the efficiency, lack of corruption and other features of Chinese Communist administration. They have commented upon these matters, both in their books and in their public utterances. Today, more than ever, the American people, in a quandary about China and inclined to hope for the best, are looking to newspapermen and others with first-hand knowledge about the Chinese Communists. This would indeed be a psychological moment for those who desire chaos and anarchy in China to launch a smear campaign against all who would like to see the United States and China get along in a friendly fashion despite their ideological differences. If people like Miss Smedley and Mr. Stein can be discredited, it will be easier to convince the American public that China has joined the ranks of America's enemies and that anyone who thinks differently must be in the pay of Moscow. This threat may be particularly apparent to American correspondents now in China, who may think twice before exposing themselves to the same treatment now being given Miss Smedley and Mr. Stein.

PERUSING the *Associated Press* account further, one finds that quite a bit of the information upon which the charges are based comes from Japanese who have been purged as fascists. It is hardly necessary to point out that in any honest court trial the lawyers and the judge and the jury are always very interested in the reliability of the witness and that if his testimony is to be allowed to stand unchallenged, his character must be proved to be good and his motives for giving evidence must be clearly established. Mitsusaburo Tamazawa, a purged Japanese prosecutor, claims that Sorge confessed the details of how the spy ring got its funds. Taizo Ota, a former ministry of justice official who also has been purged, claimed that records found in Sorge's possession showed where the information collected by the ring was sent.

In addition to being men of questionable integrity, their reports sound hardly reasonable. If Sorge were the "master spy" he is said to have been, it seems unlikely that he would confess so easily. There is the possibility—and considering the way the Japanese are known to work it is a very good possibility—that if such a "confession" actually took place it was obtained under torture, which would automatically make it worthless. It also seems unlikely that a



veteran "master spy" would keep about him incriminating records. It seems even more unlikely when one remembers that in prewar Japan the secret police kept a close watch upon all foreigners, especially newspapermen, and frequently searched their rooms, examined their mail and in other ways spied upon them.

Perhaps the most fantastic part of the whole report is revealed by still another *Associated Press* story from Washington which reads as follows:

"The Army's report said: 'It is an interesting and perhaps surprising commentary on the quality of Japanese civil justice that in the midst of a bitter war the most dangerous spies ever captured were given the benefit of every protection offered by Japanese law. It also seems surprising that of the nearly 20 guilty men and women only two were sentenced to death, although under Japanese law every one of them had subjected himself to the death penalty!'"

It would be interesting to know how MacArthur, who has spent a considerable portion of the past three years releasing stories of the horrors of Japanese prisons, of the feudalistic nature of their laws, of their various methods of torturing prisoners, of their extensive secret police systems, of how they ate American prisoners' livers, and of how they used captured soldiers for bayonette practice, can now be so sure that these particular trials were fair. We suppose that the Japanese records indicated that the trials were fair, but has MacArthur ever found any official Japanese prison or court records which indicated that any Japanese trials were not fair? The Japs have always been great sticklers for a nice front and always omitted minor details such as that torture had been applied in order to obtain confessions. Tojo, it may be remembered, went to his death upon the gallows proclaiming that Japan's war against

China and her allies had been a just one of self defense.

It seems that MacArthur is quite willing to take the word of the few remaining Japanese ex-officials that the trial was fair, that the spy ring actually existed and that two foreign newspapermen now living in America were important members, while at the same time he has been unwilling to take the word of any Japanese that trials involving any Allied prisoners were fair. It also seems that MacArthur is willing to overlook the suspicious point that more than one of the "spies" died in prison. Why did they die in prison? Could it be that they died, like a lot of other people, after being tortured? MacArthur has not questioned a single one of the alleged foreign members of the spy ring. Most of the supposed members are dead, while one still thought to be alive has conveniently disappeared. (According to MacArthur he "probably" has gone to Russia.) The other two foreign suspects, meanwhile, have been living in New York where they could have been questioned at almost any time during the past three years.

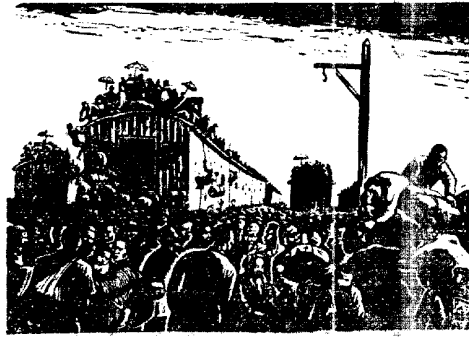
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ONE MORE point which seems worth mentioning in this connection is the question of General MacArthur's authority in this matter. The General has been living abroad for many years and may perhaps have grown accustomed to the habit of command. However, he should not have lost sight of the fact that the United States is governed by a constitution and a body of laws based on this constitution. These rules regulate the activities of the people and the government. There is a section of American law which provides for punishment of wrong doers. If the crime is against the United States, the federal government's lawyer prosecutes in a court of law.

There is no legal provision for trial in the press. The sensational release of such reports is not necessarily a function of MacArthur's headquarters. It would have been the General's duty to forward these Japanese documents to Washington when he found them if he believed that some American statute had been violated. The proper authorities in Washington would then have decided if criminal proceedings against Miss Smedley, the only American named, should be instituted. Even the decision of publication is not legally MacArthur's.

Strangely, there is not a word of any possible illegal activity being committed by Miss Smedley in the published versions of the report; except, perhaps, the one assertion that she is a Soviet Government agent. Even if that one charge were proved conclusively—and there is no evidence that MacArthur can prove it—Miss

REFUGEES AT RAILWAY STATION



Woodcut by Tsai Ti-chih depicting crowds at Kweilin station in autumn of 1944 fleeing before Japanese advance.

Smedley has not violated any law and is not subject to any penalty. She would merely have to register as a foreign agent.

As time goes on there is increasing evidence that General MacArthur has outlived his usefulness. He no longer functions as a general commanding a body of troops which carries out American Governmental instructions. He has become an independent sovereign, meddling in political, international and other affairs

which are none of his concern. He now gives evidence that he is not particularly concerned about the methods he uses in attempting to gain his objectives. In the past this newspaper has suggested that it was time for him to retire. We repeat that suggestion now.

Forward and Backward

"The (Nanking) garrison command today ordered the *China Times* to suspend publication for one month as punishment...."—*China Press*, February 10, 1949.

"The restriction on the publication of (new) newspapers and periodicals..... has been lifted by the (Shanghai) Municipal Government...."—*China Daily Tribune*, February 10, 1949.

Jailers' Dilemma

FOR the past few months the problem of what to do with the large number of convicts detained in various institutions throughout Kuomintang-controlled areas has become increasingly serious. We recently commented upon the moving of some 50 prominent Japanese collaborators, jailed after VJ Day, to Taiwan, pointing out that it was hardly in the power of this regime to transfer the perhaps tens of thousands of prisoners to places of "safety."

We have also pointed out in the past that the prisoners in *official* Shanghai jails alone—estimated to be about 8,000—are periodically reduced to starvation rations because the institutions run short of funds. With the disintegration of the Nanking regime, this problem has become critical and some solution must be found soon.

President Li Tsung-jen included an order for the release of political prisoners among the reform decrees which he promulgated shortly after taking over from the Generalissimo. So far, few if any important political prisoners have been released. The "Young Marshall," the best known of the lot, is still detained in Taiwan. Meanwhile, President Li's order reached Shanghai in the form of instructions from the Ministry of Justice to release *all* prisoners serving terms of less than 10 years. Compliance with such an order, obviously, means that hordes of hardened criminals, as well as some minor political prisoners, will be set free.

Local police authorities, who feel that they would be faced with a major crime wave if they carried out the order, have protested to the Shanghai courts. The latter have replied that the order must be carried out because Nanking "ordered it", and, besides, there is no money to feed the prisoners so some must be released to prevent their starving. What's more, the court desires room in the jails for some new prisoners they wish to lock up. Anyway one looks at this situation, it is clear that confusion reigns supreme, with various officials and organizations, from the president on down, working at cross purposes.

As things stand now, one group of approximately 132 prisoners has been released in Shanghai under the amnesty proclamation of President Li. These people consist of puppet officials, opium and other narcotic offenders, and ordinary criminals charged with such crimes as manslaughter, theft, and burglary. About a thousand more of similar nature are scheduled to be turned loose soon. Another group, also reported released, consisted of 151 people, mostly drug addicts.

Meanwhile, the relatives of 71 labor leaders arrested here last year on political charges are attempting to secure paroles under President Li's decree, but so far have met with no success.

PRESIDENT Li ordered political prisoners released. His order, presumably altered and changed to suit the whims of various official bodies through which it passed, reached Shanghai in the form of instructions to release all prisoners serving sentences under 10 years. A few puppets have got out and so have a lot of unsavory characters such as robbers and drug traffickers. Now, the cops are delaying the move, pointing out that many habitual offenders, who probably will shortly be back in the arms of the law if released, should not be turned loose just after being convicted. The local court authorities have ordered the cops to hurry up, explaining that the jails are too crowded, that there is not enough food for the prisoners and that new prisoners are awaiting accommodations. At the same time, relatives of political prisoners—the guys whom the president had in mind when he issued the original order—are getting nowhere in their attempts to get the proper authorities to obey the law.

What a mess.

War Nerves?

"Catholic Priest Says Russia Is Fearful Of War"—Headline in *China Press* over story reading: "The priest was asked whether the Russians are fearful of war and replied: 'The people are pretty calm.'"

"Escaped Fliers State Stalin To Avoid War"—Headline in *China Press* over story reading: "The fliers..... said: 'Instead of making all their noise, they (American Communists) should volunteer to go to Russia for one month. They would be glad to return here and resign from the Communist Party.'"

25 Years Ago in The China Weekly Review

England Recognizes Soviet Union

February 16, 1924.

During the first of February the announcement came via *Reuter's* that Russia had been recognized by Great Britain and this news carried interest of no little importance as far as the world was concerned. The recognition was followed by notes exchanged between the two countries requesting early conference for the examination of all outstanding questions, such as Russian debts, Anglo-Russian relations in the East, especially in India and Afghanistan, also trade schemes and Anglo-Russian treaties.

China's Army

It has been said that there are more than a million and a half men under arms in China today. There are probably even more, if one reckons with the *tu-fei*, *hunghutzes* or by whatever name the brigands may be called, for they are either groups of former soldiers or would-be-soldiers and are under some form of leadership and discipline, in many cases superior to those of the so-called regular troops.

The Chinese are not by nature militaristic. They have been compelled to fight throughout their long history, but they are of themselves a quiet and inoffensive people. In a country so large as China and with such diversified views and requirements as so wide an expanse of latitude and greatly varying physical features naturally involve, the need of an army is unquestioned, and it has a duty to perform as in every other country, even in peace-loving America, where the Army permitted by Congress is too small even for the functions required of it.

But in China there has grown up, largely since the days of Yuan Shih-kai and chiefly as the result of his ambition to be Emperor, a series of personal armies. Sometimes they are large enough to be under a super-*tuchun*, or at least a *tuchun*; often it is only a general and sometimes a colonel has his personal following. Most of these commanders are public prostitutes and sell themselves and their armies to whatever ambitious political venturer offers their price.

10 Years Ago In The China Weekly Review

Russia And Sinkiang

February 18, 1939.

As geographical propinquity creates special relations and interests, Sinkiang naturally offers one of the best outlets for Soviet surplus products, as well as one of the best sources of raw material supply for Soviet Russia's ever-growing industries. Soviet geographical advantage has furthermore been made permanent by the many facilities for motor access and withal by the completion of the Turkestan-Siberian Railway in 1930, which brings the Soviets to within a few score miles of the western frontier of Sinkiang, as against some 1,600 miles to rail-head in China. Internal disorders contribute further to severing Sinkiang commercially from the rest of China.

The shift in economic power thus effected is not without its political implications. The Soviet Union is naturally deeply interested in the stability of the local administration in Sinkiang, upon which the prosperity of its trade depends, and greatly desires a regime which is friendly to it. The preponderance of Soviet influence in Sinkiang, both economically and politically, is an un concealable fact. Nevertheless, it is interesting to note that when the sovietization and military conquest of Sinkiang by the Soviet Union were rumored at one time in certain quarters, the Soviet government organ *Izvestia*, under date of January 24, 1935, saw fit to state categorically that "the Soviet Union has always been opposed to the usurpation of foreign lands and ardently respects the independence, the integrity and sovereignty of the whole of China, including Sinkiang, which we consider as an inalienable part of the Republic of China."

Peiping's New Look

Andrew Roth

JUST after landing in one of the last planes to reach pre-Communist Peiping I met an old friend who commented, "You're just in time to do another 'Ten Days That Shook the World,'" referring, of course, to John Reed's brilliant narrative about the Bolshevik seizure of power in November, 1917.

In the long run, the impending Communist victory in China will probably shake the world, and it has apparently already tipped the world balance enough to encourage Stalin to launch a peace offensive apparently with the idea that now he can negotiate a peace of equals.

In fact, however, the first period of Communist control in the presumed future capital of the most populous communist-led nation in the world has been curiously undramatic. In part this is due to the fact that Peiping was not seized by storm either from within or without, but surrendered by agreement on January 22. Even the drama of surrender evaporated as the Communist army stayed outside the city until almost all the Nationalist troops had marched out. Then, on January 31, they marched in without any advance announcement or fanfare. What has occurred in Peiping underlines the distinction that, while the shift in power in China is as revolutionary as anything that happened in the French or Russian revolutions, it is being executed, not by armed civilians, but by a trained peasant army hardened by 22 years of fighting, and is being fought not on barricades but on battlefields.

THESSE first days in Peiping have been significant chiefly as a sign

HILL PEOPLE



Yi Peiping, Xinhua

of things to come. The first dramatic event was an impressive all-day parade on February 3 of troops being moved from the Peiping-Tientsin area to southern battlefields. The units which traversed the city were highly mobile with hundreds of newly captured American trucks pulling largely Japanese artillery ranging as high as six-inch Howitzers. The Red Army also has some Russian trucks, but these weren't paraded.

The most impressive aspect of the parade was not the materiel but the men. Although recruited from the same peasant stock and—with the exception of those wearing fur caps—clad in the same faded yellow padded uniforms as the Nationalists, the Communist troops look very different. The average Nationalist recruit looks dazed; the Communist soldier looks purposeful. This is, of course, a product of their indoctrination which teaches them that they are what their name implies: The People's Liberation Army. The seriousness with which they take themselves was discovered by two students who asked some Communist soldiers, "Are you (Communist General) Lin Piao's troops?" "No," was the reply. "We are the people's troops."

A very large section of Peiping turned out or was turned out by its guilds and associations to greet the incoming army. About the only unrestrainedly enthusiastic group was the students, who are now overwhelmingly pro-Communist although recruited from the middle and upper classes. They sang songs and danced folk dances and cavorted in the streets in masquerade costumes. Although it is possible to discount this as youthful enthusiasm, it is noteworthy that the Peiping student movement has frequently served as a national conscience. In 1919 and 1925 they sparkplugged the Nationalist movement and in 1936 gave considerable impetus to the anti-Japanese movement.

Other Peiping residents, while impressed by the parade, were not as enthusiastic. Peiping is a blase city proud of its name as China's most cultured and beautiful city. Furthermore, the long suffering Chinese are a skeptical and pragmatic people who consider the government a persistent evil and judge governments not by their names or programs but by whether they allow people to prosper.

One liberal foreigner returned home to tell her cook excitedly, "The Communists have arrived!" The cook

are still high."

But prices are coming down, partly because Peiping has been reunited with its hinterland. The electricity and water supply is improved and trains are functioning again. The eight o'clock curfew is ended. Most people are impressed by the exemplary behavior of the Communist troops.

The takeover has been effected smoothly and almost imperceptibly. One day Peiping's best newspaper plant was turning out the Kuomintang's "North China Daily." The next day its newsboys were delivering to its subscribers the Communist "People's Daily." The paper, edited by one of China's foremost journalists, may become China's *Pravda*. All other newspapers except one kept running, but most thought it advisable to use the Communists' *New China News Agency* instead of the Kuomintang's *Central News Agency*.

ONE reason the changeover has been so imperceptible is that the Communists—because their military successes have outstripped their political planning—are very short of trained staff. Therefore, they have generally taken over only the top posts of organizations acquired, leaving the rest to function as before for the present. Thus, the local police, which had been decapitated by the flight of its top half dozen Kuomintang-appointed chiefs, was taken over by half a dozen Communists, headed by General Tan Chen, clad in a padded cotton uniform too large for him and turned up at the sleeves.

"We don't know anything about running a city," he reportedly told his assembled newly acquired subordinates, "We only know how to run a village. We have to learn from you. But you have to learn politics from us." One of the first things he told policemen is, "The poor man is going to stand up now."

The Communists seem most practiced and expert at getting the poor man to stand up. This is no small accomplishment in China, where the daily struggle to stay alive and the feudal habit of agreeing with whatever is said by people above you has created a deeply-grained "slave mentality." The Communists made their first great effort at a February seventh labor meeting. On the platform, crossed Communist banners framed the pictures of Mao Tse-tung and Chu Teh. About 20,000 workers marched and rode in from all over Peiping and the hinterland, including an impressive miners' delegation from Mentoukou. The grizzled labor leaders sat in the seats of honor. The speakers told them now they have a "people's government" and to strengthen

and protect it against attempts by "American-inspired peace peddlers" to subvert it.

The Communists are fairly successful at stimulating the workers to considerable efforts in repairing railway lines and the like, not only because of propaganda, but because they set such a grueling example. They have already impressed Peiping by their hard work and direct, businesslike methods. On his first day in town, the Communist official in charge of currency distribution spoke to the assistant manager of the Government money printing plant for 20 minutes, at the end of which he promoted him to manager and started the plant printing "people's notes" instead of the fast depreciating Gold Yuan. "Such a decision would have taken two days of talk and an approval from Chiang Kai-shek under the Kuomintang setup," commented one experienced onlooker. He later reported that this Communist official worked right into the night and then slept a few hours on the floor beside his desk.

THERE is a strong puritanical streak in the Chinese Communists. General Yeh Chien-ying, a leading Communist general and now mayor of Peiping, wears a worn blue cotton uniform without insignia. The soldiers are not permitted to buy anything for themselves, but have their basic needs supplied by the Army. Communist political workers, asked how they spend their evenings, reply seriously. "In self-criticism."

The Communists are extremely security conscious, not permitting any photographs except by those with military permits. No one has discovered how to obtain these except official Communist Army photographers. When the delegation of peace delegates from Nanking asked permission to fly here, it was granted, but when the plane circled over the city—presumably against instructions—it was fired at by ackack guns. Chinese newspapermen who accompanied the delegates but hadn't been cleared by the Communists were kept out at the airfield.

A seemingly exaggerated security consciousness has led this city to become almost entirely isolated by air from Kuomintang-held China. The Communists seem to fear these planes may be vehicles for military or political espionage. Similar fears presumably caused the sealing off of radio and telegraphic connections in Tientsin and other Communist captured cities. However, in Peiping the bamboo curtain has not yet descended. You can cable what you like and call up friends in Shanghai and Nanking by radiotelephone.

ONE of the knottiest problems faced by Peiping's new rulers is handling foreigners and foreign relations. Peiping has 2,000 foreigners and numerous consulates housed in what were embassies when Peiping was previously China's capital.

The Communists have the somewhat chip-on-the-shoulder attitude of a group which governs 200,000,000 people without being officially recognized by any power. In Tientsin, the Communist mayor, while seeing them as individuals, refused to receive any foreign consuls officially, including the Soviet, reportedly saying, "Since you do not recognize us, we cannot very well recognize you." This indicates diplomatic inexperience, since diplomatic recognition and consular status are not linked in international law.

The Communists also have the hesitant and suspicious attitude toward foreigners of a people who have too long lived in inland isolation, feeling the anti-Communist world was actively against them and the Communist world only favored them passively. While foreigners have not been molested in any way, they are required to have road passes for travel between Peiping and other Communist-held cities. But no office to issue foreigners road passes has yet been set up in Peiping. A similar absence of requisite apparatus is considered in informed circles to be the cause of Communist reluctance to let British ships start trading at Tientsin. Similarly, foreign newspapermen have been unable, despite repeated and persistent efforts, to find any Communist official of even secondary rank willing to talk to them.

The main burden of Communist resentment, of course, is directed against America. As nationalists, the Chinese Communists share the general resentment against the United States for interfering in Chinese affairs to aid an unpopular and reactionary regime. As Communists, they have an extra antagonism against America as the powerhouse of anti-communism. They regard American consulates as virtually enemy bases within their territory and consider American newsmen as possible spies. In Mukden, the American Consulate radio was not only sealed—like other consular radios—but also confiscated, according to reports received here.

At the same time, the Communists are apparently troubled by the realization that if China is to be modernized rapidly, the only large-scale source of industrial goods is the US.

The recent seizure of American flour in Tientsin is indicative of the current fiction. Although the underlying motive of American economic aid to China is to strengthen it against communism, food and medical supplies have aided the people. Postwar relief distribution demonstrated that allowing the Kuomintang to distribute it resulted in most going into the officials' pockets. Therefore, the US has insisted on the right to distribute the goods itself. This the Communists and many others have considered unwarranted interference in China's affairs. When the Communists took Tientsin, they

seized 5,000 tons of American flour and distributed it without reference to American officials on the spot. Washington reacted by closing down its economic aid offices in Peiping and Tientsin.

WE have already experienced how easy it is for the Communists to arouse anti-American sentiment. Most correspondents wrote that although the students and some sections of organized workers were enthusiastic about the incoming parade, most Peipingites were reserved. The Communist news agency reported back the comments of AP's Spencer Moosa mixed up with another AP story recalling the Japanese entrance into Peiping, and also Michael Keon's story, apparently doctored by the UP office. The impression created was that the writers had said the Japanese had gotten a better welcome. Vituperation began being poured on the heads of these two "American imperialist newspapermen"—neither of whom is an American. Various groups demanded an apology by the writers or their expulsion. The significant aspect of this brief flurry is the deep pool of anti-foreignism upon which the Communists can draw and the tendency of non-Communist newspapers to vie with each other to hew to the Communist line.

Although the propaganda against "American imperialism" is very shrill, there are softer notes. A Communist soldier told an American professor recently: "We know about America. There is a small group of people there who want to kill us and a small group of people who want to help us. But the great majority doesn't know much about China and doesn't care." More significant, in Tientsin the name of Truman Road has been erased, but Roosevelt Road remains untouched.

Our Emphatic Officials

General Chen told reporters... the meeting had decided to ban the firing of firecrackers during the Lunar New Year period, especially from 6:00 p.m. to 6:00 a.m. Traffic on the river outside of Woosung should be absolutely stopped from 6:00 p.m. to 6:00 a.m.—China Daily Tribune.

Future evenings, especially and absolutely, that is, promise to be rather quiet.

EAT AT
Jimmy's
133 Nanking Road
Shanghai

Branch 11-3 Rue Montauban

Yugoslavia, China And Snow

William Steinhaus

WHEN the rift between Yugoslavia's Tito and the other Cominform countries became public knowledge, there was an almost instant sigh of relief from governments of the West. Not quite instant, because there was the fear that this might be nothing but another Communist ruse; a Trojan horse, left outside the battlements of the Eastern European countries for the naive Westerners to welcome as an offering of thanks, only to find too late that inside it were hidden men of hideous mien and plated armor destined to destroy the Western powers from within. But once satisfied that it was indeed a *bona fide* rift, they tumbled over themselves to secure the advantage. The vilification of Tito was modified. He was still called "Dictator," but he was conceded to be a dictator with whom the West could do business, who could be drawn out of the Soviet sphere. The American State Department and the British Foreign Office even had hopes of influencing him into western ways of thought and action.

Tito's pay-off was almost immediate. Trade between Yugoslavia and western Europe boomed, and brought to Tito welcome hard dollars and somewhat softer sterling. For his part, he dispensed with Soviet aid, cut—both actively and passively—many of his ties with Eastern Europe, and moved closer into the Anglo-American sphere.

Polish Counterpart

Satisfied that at last they had found a salient weakness in the Soviet's allies, the Anglo-American bloc moved into new fields. In September of 1948 they used their persuasion, through official, journalistic and broadcasting channels, on Gromulka, Vice-Premier of Poland and leader of the Polish Workers' Party. He was presented as the "Polish Counterpart of Tito," and his party was reported to be at loggerheads with Communist party members in Poland. Rebuffed by Gromulka, but still hot with elation at Tito's defection, members of the bloc turned to Hungary and Eastern Germany. Now, with nothing more accomplished, they are turning to China, sedulously seeking out the hints of disagreements and tensions within the coalition governments and Communist party of North China.

The western governments and press, however, have seriously misjudged the import of the Tito-Cominform rift. They have put it down to a nationalism that could not brook Soviet "interference" and Moscow direction. But in spite of the shortage of objective material, it is now increasingly apparent that the nationalism of Tito is chauvinistic not only in the Communist use of the word, but in the interpretation of the

Oxford and Webster dictionaries—bellicose nationalism and foreign jingoism. Tito's deliberate fostering of anti-Hungarian sentiment among Yugoslavs can only be interpreted in this light. Anti-Hungarian sentiment has been encouraged in Yugoslavia much as the Kuomintang has encouraged anti-foreign feeling in China, and for the same purpose—to deliberately turn restlessness within the country away from the real issues. Tito's attempts to bring Albania and other Balkan countries under his wing reflect the same jingoism.

For in spite of an impressive beginning in industrial reconstruction, Yugoslavia's plans for a socialist state have met with great difficulties. Partly this can be blamed on an over-anxious "land reform" policy. But partly, and largely, it can be laid at the door of Tito who, having attained authority by legitimate use of force against the Germans and Yugoslav quislings, has sought to retain it by quieting the criticism of his early supporters.

Party Kept Small

Following the war, Tito saw to it that the Yugoslav Communist Party was kept small, far smaller in relation to the total population than the Communist parties of other Eastern European states, for the Communist Party offered the only organized left-wing opposition to his dictatorship, and was asking for more rank-and-file voice in policy. An Australian technician engaged in a Yugoslav factory found he could make no contact with the factory Communist group, so submerged had it become. Above all, there has been a stringent weeding out of all his opponents within the Communist Party, to such an extent that early refugees from his persecutions reported (*Telepress*, September 1948) that "to detain a Communist (in Yugoslavia) means greater merit to a policeman than to arrest... a Chetnik."

Tito's regime has become, not a left-wing movement imbued with necessary nationalism, but a regime that is degenerating into a collusion with the very people the revolution was staged to oust. Tito himself has fallen into the compromises which power itself forces upon those who desire it. His strength is undoubted—he retains control of an army which is relatively well-equipped, but he is of necessity depending increasingly upon the army and the Rankovic police system and less and less upon the people. A dangerous position even for the most successful demagogue.

But if he has isolated his country from his Eastern European neighbors—itsself disastrous because of their interrelated economies—he has at least provided the Western countries with a ray of hope. And now, to join the happy throng of those

who read into the Tito-Cominform controversy an augury of weakness and strife within the socialist and Communist states of the world, comes no less a figure than—Edgar Snow.

The December 18 issue of the *Saturday Evening Post* features an article by him entitled "Will Tito's Heretics Halt Russia?" (The *Review* of February 5 ran a condensed version). Snow's thesis is simple and unoriginal—that Yugoslavia has brought to an end the domination of Moscow in Communist countries, has asserted its nationalism, and is strong enough to maintain its truculent defiance of the Kremlin.

Postwar Trends

Yet throughout his more than 5,000-word, carefully written article, Snow makes no concrete reference to trends within Yugoslavia during 1947 and 1948. He does not mention the opposition of a large part—some have estimated a majority—of the Communist party of Yugoslavia to Tito's regime. He mentions "purges" (a singularly easy word to handle, and now so effectively colored) in Eastern Europe to suppress "nationalist impulses," yet fails to record the inevitable national jingoism which follows in each country emerged from a war, and its enormous danger to peaceful reconstruction. Nor does he mention the repressions of Tito's regime, directed against those who assisted her liberation.

But Snow's article is important, not for its strictures on Soviet nationalism, but as an indication of the approach that will be made by the United States, Britain and other western powers not only towards Yugoslavia and any Eastern European countries showing the same inclination, but to China. Snow himself claims to have found such an inclination in China 10 years ago. "The possibility (of a schism with Russia) first impressed me a decade ago in China," he writes, "where the Communist Party was at that time the only one in the world outside Russia which had an army, territory and real administrative responsibilities of its own." And he continues later in the article: "How is it that no foreign party—with the exception of the Yugoslavia and the Chinese—ever developed a domestic program based upon close objective analysis of the internal needs of its own working class, and continued to defend and advocate it after Moscow had declared against it?"

In this last sentence Snow suggests, in fact states, that the Chinese Communist Party has had to defend its policies against Moscow attacks. This seems unlikely and there have been no indications of it. But perhaps Snow is jumping ahead a little too hastily into his planned future. For he at least presupposes

Soviet opposition to a China whose policies are conditioned to her own specific problems, and whose national consciousness is allowed to develop instead of remaining stunted and dwarfed through the pressure of foreign powers as hitherto.

Such disagreements would be a welcome addition to America's armory. As early as 1945 General Wedemeyer and senior army and navy officers were questioning journalists fresh from visits to Communist China along these very lines, eager to gather any hint of conflict either within the Chinese Communist Party or between Communist China and Soviet Russia. In recent months the ghost has walked the battlements again, muttering vaguely of rivalry between Li Li-san (with his "Russian" support) and Mao Tse-tung, among the generals of the Central China armies, between the Central Executive Committee and Russia.

How, one wonders, does this come about? Solely through the fact that the Chinese Communist Party has grown independently of foreign aid, though not of the lessons of foreign practice of socialism and Marxism? Apparently, yet Soviet pronouncements would hardly support Snow's thesis. For both Joffe and Borodin, the first effective links between China and Soviet Russia, made no bones of their contention that communism could not be applied in unlimited doses to China. And in 1926 Stalin himself wrote that China's future must be "something like the democratic dictatorship of proletarians and peasants about which there had been talk in Russia in 1905, with the difference that it would be essentially anti-imperialist in a transitional period on the way to a Socialist China." The fact that *Pravda* has recently quoted this very passage suggests that Soviet analysts still regard this as true. The recognition of inevitable "anti-imperialist" development, of which nationalism is a concomitant, would indicate that Russia is well aware of the necessity of nationalism in China, and untroubled by it.

Snow's Position

BUT finally, and most unfortunately, Snow's article democratizes how far he has travelled since his brilliant and objective *Red Star Over China* opened the eyes of so many people, even in China, to what was transpiring in Communist territory. His article is characterized by unreason, by a facile use of such meaningless phrases as "universal church" and a poor reading of mythology. One is surprised, too, to see him quoting, presumably as authorities, F. Borkenau, who makes a comfortable living out of attacking his former Comintern colleagues (the temptation is great for the renegade today whether in America or China), and Arnold Toynbee, whose *Study of History* is marred throughout by a passionate conviction that the Church of England is the sum and measure of all civilization. One wonders where Snow himself will end.

Travel Conditions:

A Trip To Changchow

MARK M. LU

ON January 26, the writer left Nanking to make a short visit to Changchow, midway between Nanking and Shanghai. I reached the Hsiakuan Railway station at eight in the morning and fought for a place on the train by entering a window with the help of some fellow travelers, as the doors were blockaded with passengers and luggage.

As a matter of fact, no one even tried to get in through the door because the passengers who were already on the train shut the doors and some of the windows in order to avoid the crowd. Some people smashed the windows in order to get on.

Train Late

ACCORDING to the time table, the train was scheduled to start at nine in the morning, but because there were so many evacuation trains filled with Government personnel, our train did not leave until half past four that afternoon.

By that time every small corner on the train was filled with people, many even riding on the roofs. When our train reached Chenkiang, five persons were reported to have fallen down and been crushed to death. But this kind of tragic incident happens on almost every train.

At Tanyang, a big station between Chenkiang and Changchow, our train was held up for nearly two hours because two cars of a train ahead of us had been dislocated and had fallen behind somewhere west of Changchow. We finally arrived at Changchow at midnight—nine hours for what should ordinarily be a three and a half hour journey.

Tang En-po's Base

CHANGCHOW is the city where General Tang En-po, Commander-in-Chief of the Nanking-Shanghai Garrison Headquarters, set up his chief operation base at one point several weeks ago. Big slogans, such as "Salvation of the people by suppression of banditry," and "Reconstruction of the nation by extermination of rebellion," could still be seen everywhere. However, no guards were in evidence at the city gate and only a handful of troops could be found inside the city.

The following morning, I entered a bookstore to look for some new magazines. The attendant asked me what magazine I wanted. "I want to look for peace news," I replied. He shook his head, saying, "The battle should be fought to the end, and no compromise made. Otherwise

another battle will break out again in two or three years."

Sin Yuan Middle School

ABOUT 22 kilometers south of Changchow is the village of Chienhuangchen, where I stayed for three days in the Sin Yuan Middle School. I learned from the teachers there that one of their colleagues, named Yang, had been taken away by the local military authorities just two days before Vice President Li Tsung-jen announced that all political prisoners would be released. Up to the time of my departure, the teacher had not been set free.

The school principal told me that the school had been established nine years ago with 600 mow of fertile land as its property. He said the work would be carried on as usual despite the disturbances of the current situation and the spring term would commence the middle of February.

Evacuation Trains

ON January 30, I prepared to return to Nanking. At the railway station, I found that an armed guard was patrolling the rails in order to avoid any unexpected incidents. At this time, Government evacuation trains were running from Nanking to Shanghai nearly every hour. A local paper reported that all the best equipped trains were going to be transferred to Canton by order of the Ministry of Communications, and that only the second-rate cars would be left.

Suddenly some of the local troops attempted to take away some soldiers of another unit who were passing by, in order to fill up vacancies in their own ranks, and the whole station was plunged into confusion. The same sort of thing has happened recently at the Pukow and Hsiakuan railway stations.

The train pulled in at half past one in the afternoon, and I was back in Nanking by six that evening.

There seem to be three or four times as many trains going from Nanking to Shanghai as from Shanghai to Nanking, and the former are much more crowded than the latter. The station in Nanking has been so congested that some people have ridden by rickshaw or horse carts to the next station, Ho-ping Men, where they board the train coming from Shanghai and then return to Nanking in order to be on the train when it leaves for Shanghai.

Hongkong Tends To Business

Robert J. McGrath

AT the Lunar New Year, Hongkong presented a startling contrast to Shanghai. It could be summed up in a word: order. To one exposed for a long period to Shanghai's ever-increasing chaos, Hongkong seems unbelievably clean, well-run, and peaceful. The population is said to have tripled as compared with pre-war days, living quarters are almost unobtainable, and the streets are certainly bustling. But under the warm sun, the well-dressed shoppers and holiday-makers move along easily, with hardly a trace of the querulous pushing and shoving that characterizes Shanghai street crowds. The streets themselves are wide and vehicular traffic, unencumbered by countless pedicabs, moves rapidly.

At first glance, Hongkong seems extremely prosperous; to the visitor it presents block after block of new buildings, mostly apartment houses, both in Kowloon and in Hongkong. From the ferry one can see dozens of new, white structures sprouting on the steep slopes of the Peak. Shipping is heavy, and prices high.

Shadows Of Uncertainty

On this level, there is undoubted prosperity. Real wages have increased an estimated 25 percent as compared with pre-war, the building trades are booming, and high prices for food have benefited the farmer. But many business and official sources express dissatisfaction with the economic picture. They see a speculative building fever, caused in part by the influx of great numbers of wealthy people from central China who obligingly bring their gold with them. They also see the glittering prospects of a vast China trade, once shipping to north China ports becomes legal. But they also see the shadows of uncertainty. The same political change in China, which they hope will make large-scale business possible, will also undoubtedly, sooner or later, have a direct bearing on the Colony itself. The question was, how much business will be allowed, and for how long? Although ships have sailed on charter for northern ports, all manner of goods are piled high, labeled with destinations in North China.

The Government finds itself with greatly increased costs, and higher taxes and public transportation rates have been put through. It is trying to expand its social welfare services, and is carrying out a cooperative marketing scheme for the farmers in the New Territory. It is said that export of food from China to the Colony has been discouraged by Chinese officials, one of the contributing factors to high food prices. So the Government is helping the farmer to plant better varieties and to market more efficiently and cheaply. While the administrative machinery clicks along, and efforts

are being made to make it work better, it is almost lightheartedly said that the Colony's special status will come to an end in about five years.

Hongkong, as a more or less undesired by-product of its immunity from Chinese Government authority, has provided a refuge in the past years to political dissidents and refugees, from members of the Democratic League to the extreme left. Now, with the swiftly changing political currents in China, the refugee situation in Hongkong is veering sharply over. The left has largely departed and is giving way to the right, whose representatives arrive daily in accustomed splendor and privilege. If they are so careless as to make public that they are carrying such crass objects as gold bars, the Government is glad to relieve them of their burden, thus lightening that of the general taxpayer.

The Government has kept a watchful eye on the activities of the fraternity of the left, and while not seriously hampering them, it appears that the watch is now being maintained with greater care, especially since the great increase of

Communist activity in Southeast Asia.

It is to be expected that the more leftist elements should be resentful of Hongkong's colonial status, and they are. Once the political change on the mainland is complete, they say, Hongkong must be returned to Chinese sovereignty. Curiously enough, they also estimate that this will occur in approximately five years' time. They point out with immense glee the current dismantling of the ornate pedestal, in the park-like area in front of the imposing Hongkong and Shanghai Bank Building, where Queen Victoria in bronze effigy was wont to gaze imperially out over the Bay; the Japanese, in their glory of conquest, lost no time in hustling the statue off to be melted in the services of a rival, and at the moment more successful, imperialism. But now, the Government is removing the pedestal, and states, with dignity, that it has become a traffic hazard.

In what is assumed to be a brief period before the Colony ceases its existence as an imperial adjunct, the chief business remains business. It is the largest entrepot in Asia, with free shipping in and out, where goods may be brought, stored and sent on their way again without any but storage fees to pay. It keeps busy and makes money, largely, it appears, because of this fact. It was explained that a country of Europe, for example, may impose export quotas, and a manufacturer of machines might find that under the quota system he could not send his machines to a certain country. But Hongkong is there: The machines are shipped to Hongkong, then re-shipped. The quota is evaded, the manufacturer has supplied his market, and Hongkong makes money.

Eye On Future

Some of the largest banks and shipping lines, with a calculating eye on the future, have been lavishly entertaining certain representatives of the left. At these levels, it is said, business is talked most persuasively by the commercial and financial people, who have thus found themselves in such strange company because what seemed a few months ago to be a future historical possibility has suddenly become almost a present reality. They assume that the new Communist Government of China will need such services as foreign-owned banking and shipping, and are offering definite terms. One of the largest and most influential banks offered to set up shop in Tientsin if the government there would guarantee the personal freedom of its employees, and that a sufficient volume of business would be transacted to make it worthwhile. Toward the end of November, the first chartered ship sailed for Chefoo, and

IPR Conference

THE eleventh international conference of the Institute of Pacific Relations will be held in Australia during August 1950. The Australian Institute of International Affairs will be the host organization and the conference, which will be private and limited to invited members, will be attended by delegates from IPR Councils in the United States, Canada, China, Philippines, India, Pakistan, New Zealand, France, the Netherlands and the United Kingdom, as well as observer or guests from certain other Pacific countries and international agencies. The main topic for discussion will be "Recent Political and Economic Trends in the Far East and their Consequences for the Western World." It is expected that the discussion will cover such questions as nationalism and communism in eastern and southern Asia, the growth of self-government and independence in non-self-governing areas of the Far East, and the effect of American and Soviet policies on Far Eastern countries.

The Institute is a private, non-partisan, international organization established in 1925 for the study of the international relations of Far Eastern and Pacific countries.

other ships have followed. Trade is brisk with Korea, and the economic representatives from both North and South Korea are living happily together in Hongkong. The North Korea representative, it was said, came to the Colony with a long list of goods to be bartered for finished products and machinery.

There is no dearth of fine motor cars, fine food, and good things in the shops; and if business is actually at middling levels, the men of business are most certainly enjoying their indifferent prosperity. It is fortunate that a building spree is in progress, since there is simply no room in a hotel to be had; Government officials live in dormitory space in the YMCA, until enough apartments are put up to house them. Indeed, one civil servant has lived for months with his two sons in a dormitory, while his wife resides in the YWCA. Their apartment, when it is ready for them, will not be a giveaway. Current quotations have the Shanghai key money racket put to shame. Government rent controls apply only to pre-war housing; the proprietors of new dwellings may charge according to present high building costs—and they are not hesitant in charging what the well-heeled traffic will bear. It is reported that key money for a medium-sized flat runs to HK\$40,000, with a monthly rental of five or six hundred. A tidy business!

Free Expression

With all the present tensions, Hongkong presents a welcome freedom from the hovering clouds of suspicion, distrust and star chamber proceedings met with elsewhere. All seem quite free to express the most heretical opinions, and a bookstore crammed full of the works of Mao Tse-tung is equally crowded with eager readers, who literally snatch the books from the counters. The whole thing resembles a bargain sale in Macy's basement, and the appearance of a sauntering policeman who gazed in and smiled broadly caused no flicker of interest among the customers. The policeman bought nothing—perhaps, like smoking, it is forbidden on duty.

The overall impression gained from an admittedly brief glimpse of Hongkong is that of a laboratory, possessing undoubted attractions, with the scenery, warm weather, and glitter, but nonetheless a place without interest for a long period, save in the rather special events and people who make them there. These activities of interest wax and wane, or change kaleidoscopically, but they are carried out by those who, like scientists in their workrooms, have no interest in long-term residence—at least, one might say, with their present landlords. It is a quiet and rather pleasant place to work, but so insular and protected from the great events going on in China that the traveler has the impression of being thousands of miles from China's coast. One day, perhaps, after the aforementioned five year period, this might change. At any rate, this is the current quotation.

The Week's Business

TWO heavy jumps were registered in the Shanghai market during the past seven days under review. On February 12, financial quotations increased with gold reaching GY98,000 per ounce. However, because of general precautions taken against the tight money situation expected with the approach of mid-month payments, prices came down on February 14 and the morning of the 15th. On the whole, the money market was comparatively tight during those days. However, in the afternoon of February 15, following the announcement of the cost of living index for the first two week period of February, gold quotations rose again to GY100,000 per ounce.

The market slump early in the week was so marked that gold was quoted as low as GY76,000 at noon on February 14. And the money market was so tight that a few small banks were reported to have found it extremely difficult to meet their obligations. It was also reported that the Central Bank secretly sold 2,000 gold bars in the market, thus causing the local money market to become that much tighter.

This situation, whereby quotations and prices drop from time to time only to shoot up again, is to be expected at the present stage of inflation of the Gold Yuan. With the area for circulation of these notes getting smaller because of Communist victories in the vast area north of the Yangtze River and the issuance of local currencies in Kansu, Szechuan, Hunan, Hupeh, Kwangtung, and other provinces, the Shanghai market is flooded with more and more Gold Yuan notes. This, in turn, causes the skyrocketing of financial quotations and commodity prices.

According to press reports, silver dollar scrip notes have been issued in Changsha, Hunan which are redeemable in silver coins. In Kansu, the Langchow Mint has been ordered to resume operations, and it is expected that silver coins will be issued for circulation there too.

Judging from the fact that neither the people nor the local governments have any faith in Gold Yuan notes, it is expected that depreciation of these notes will be very fast and that prices and quotations in the Shanghai market will increase rapidly.

The general rise of public utility rates by 300 percent during the past week also will serve to increase the cost of production, as well as the cost of living index, and a further increase in public utility rates thus can be anticipated in another two or three weeks.

The dispersal of the Nanking Government has added to Government expenses, which are already very great and must be paid by

note issue. At the demand of government bank employees, GY2,000,000,000 was reported to have been distributed to them as "emergency fees" last week. Each person on the staff of the Central Bank, the Bank of China, the Bank of Communications and the Farmers' Bank received between GY150,000 and GY200,000, while the coolies were given GY30,000 to GY40,000 each.

In addition, it must be noted that large sums must have been paid to Government officials in Nanking, especially those whose offices were moved to Canton. Furthermore, the soldiers must be paid. One press report said that for the purpose of boosting the morale of the soldiers, Nanking decided to distribute 35,000,000 pieces of silver dollars to the army, navy, and air forces in the country. Many military trucks are said to have been engaged recently in moving these silver coins from the Bank of China.

Another news item which has caused prices to rise is the report that the Central Bank recently chartered a special CNAC plane to lift many wooden cases from this city to Canton, and it is understood that these cases contained gold bullion.

As things stand now, the Shanghai Securities Exchange will be reopened on February 21 and in addition to the stocks and shares of Chinese companies, Short-term Gold Bonds will be traded. Quotations of stocks and shares generally increased because of the decision to open the Exchange, but so far the rate of increase of these quotations still lags far behind that of gold and foreign exchange.

The cost of living index for the first half month of February, as announced on February 15, was 349 times that of the August 19 level. With the first half month of January, 1949 as the base, the cost of living index for the first half month of February was 7.28 times. The indices for different items were:

Food	8.00
Clothing	5.41
House Rent & Public Utilities	6.12
Miscellaneous	6.99
General Index	7.28

The following table gives a comparison of prices on February 9 and 16:

	Feb. 9 GY	Feb. 16 GY
Gold	70,000	110,000
US Dollar	1,3000	2,000
Clearance Certificate	920	1,500
Silver dollar	1,200	1,600
20's Yarn	225,000	360,000
Rice	6,500	10,000
Wing On Textile	120,000	200,000

NEWS OF THE WEEK

China Comes Closer Economically But Political Talks Stalemated

THE proposed peace negotiations between the Kuomintang and the Chinese Communists have made little progress during the past week. However, there are indications that Nationalist China and Communist China are getting nearer and nearer in the economic field. It is generally felt that the gradual removal of economic barriers and the steady resumption of normal communication and commerce between Shanghai and Communist-held North China may be useful in obtaining peace from the bottom up.

After much delay and protracted negotiations, the peace mission headed by Dr. W. W. Yen finally left Shanghai for Peiping via Tsingtao on February 13 and arrived at the ancient capital on the afternoon of February 14. Although high hopes were entertained regarding the success of the mission, competent observers do not think that any immediate and concrete results will come of it. However, it is felt the mission may be useful in clarifying the views of both the Nationalists and the Communists on the question of peace. In addition, it is predicted that the question of Shanghai will probably be one of the topics that the mission will discuss with the Communist leaders in Peiping.

The Communists are unlikely to commit themselves to any definite arrangement. Of course, there will be a frank and free exchange of views with the peace mission on a great variety of questions. But the Reds have made it perfectly clear that they are receiving the peace mission as private individuals rather than peace delegates of the Nationalist government.

The peace mission from Nanking has already returned to the capital after an informal conference with Communist mayor Yeh Chien-ying of Peiping. Yeh talked to the members of the mission in separate groups and answered a lot of questions. The general impression of the mission is that the Reds are very sincere about peace but they are rather suspicious of Nanking's peace talks.

Upon its return to Nanking, the mission became a house divided against itself. The mission's spokesman, Professor Wu Yu-hao, claimed that he had been told a number of things by General Yeh Chien-ying, but his statement was promptly denied by all the other members of the mission. Wu was accused of seeking publicity for himself. Since General Yeh Chien-ying met the members of the mission in separate groups, it would surprise no one if one group did not know what the

Ho May Replace Sun Fo

THE rift between President Li Tsung-jen and Premier Sun Fo has come to a head. Sun is reported to have asked for permission to "take a rest" because of ill health.

Rumors are persistent that the one-time minister of national defense General Ho Ying-chin may be appointed to form a new cabinet. Ho is now back in the capital, at the invitation of President Li.

Events in Nationalist China are moving toward a climax, the result of which probably will be a showdown between the peace advocates and the war mongers. Chen Li-fu is now in Canton, doing his best to prevent Sun Fo from returning to Nanking. General Yen Hsi-shan's surprise visit to Shanghai and Nanking and his conference with Roger D. Lapham, head of the ECA China mission, are regarded as highly significant. It is interesting to recall that the Shansi governor was in Nanking in the troubled days when Generalissimo Chiang Kai-shek was still discussing whether to hang on or to step down.

other group had discussed with the Communist mayor.

Refugee Government

IN spite of sharp protests from the Legislative Yuan, Sun Fo has set up his refugee government in Canton, and the rift between Nanking and Canton gives rise to wonder as to whether a central authority is still in existence in Nationalist China. A *UP* story, dated Feb. 12 from Nanking read:

"The Chinese Government today is scattered all over the country, with Nanking and Canton standing on opposite sides of the fence in a seesaw battle to piece it together in one place. Many observers are beginning to say that pending the success of the coalescing process the Government may be considered to have lost its entity in all but name. Outwardly there is no serious rift in policy but inwardly there is an undercurrent of psychological estrangement.

"The President is in Nanking, anxiously hoping the Executive Yuan would return to the capital. The Executive Yuan is in Canton, also hoping the President would go there. The Legislative Yuan has not yet decided where to go—whether to

in Nanking or move to Canton. The Control Yuan is in the same shoes as the Legislative Yuan. The Examination and Judicial Yuan are the forgotten limbs of the body and no one knows where they are or would be located. Chang Po-ling, president of the Examination Yuan, is vacationing in Chungking and Dr. Wang Chung-hui, president of the Judicial Yuan, is somewhere in South China, probably now in Canton....

"It may be described as confusion confounded. What would happen if the need arises for the Government to make an official reply to a Communist broadcast? Li Tsung-jen would have to discuss it by cable or long-distance telephone with the Cabinet in Canton and peace delegates in Shanghai and Lanchow. What would happen if a new ambassador comes? He would go to Canton to see the foreign minister first and come back to Nanking with the protocol director to present his credentials to the Acting President."

The *AP* noted that Sun Fo's independent action has seriously weakened Li Tsung-jen's peace efforts: "Acting President Li Tsung-jen's efforts to persuade the Communists that he can talk peace for all of Nationalist China have been cancelled by independent actions of the refugee government in Canton under premier Sun Fo. Sun is not only organizing resistance—apparently according to a plan laid down by Chiang Kai-shek before his 'retirement'—but is even bidding for outside intervention. Sources close to Li Tsung-jen describe him as most unhappy over Sun's actions which give the impression that the Nationalists are determined to fight on unless the Reds offer a more favorable peace. Last week, Li made an unsuccessful attempt in Shanghai to gain control of General Tang En-po's Shanghai - Nanking - Hangchow garrison troops. He returned to Nanking much disappointed."

House For Sale

SUN Fo's independent actions, according to press reports, have aroused widespread dissatisfaction. A *United Press* survey of qualified opinion in Nanking shows that Premier Sun Fo's insistence in keeping his Cabinet in Canton may cost him his job. The survey revealed growing criticism of him which could explode into an organized attempt to oust him from the premiership. Qualified Legislative Yuan circles said that despite the evacuation of the Yuan's secretariat to Canton and despite the Canton legislators' appeal to hold the session of the Legislative Yuan there, the majority of the legislators favor staying in Nanking. Several legislators alleged that Sun Fo's chief reason for removing the cabinet to Canton was fear of Commu-

nist capture or danger to personal safety.

According to UP, Sun Fo has done something else to discredit himself. It is reported that Sun ordered the Government-owned Central Bank of China to buy his house in Shanghai for HK\$600,000 before he departed for Canton. This seems to indicate that Sun has no thought of ever coming back to Shanghai again.

All Over Again

NOW that the Central Headquarters of the Kuomintang and its Government have moved to Canton, the Kuomintang is back where it started 23 years ago on its march into the Yangtze to capture power. Twenty-three years is a long time. Its return to the old home indicates that the Kuomintang political experiment has been a complete and miserable failure.

Top leaders of the Kuomintang in Canton are now doing much talking about starting all over again by reviving the revolutionary spirit of the party and by implementing the long forgotten San Min Chu I of Dr. Sun Yat-sen.

However, the situation now is vastly different from what it was 23-years ago. It remains to be seen whether the Kuomintang will be able to turn a new leaf with the same group of people who have brought the party to its present state.

The people in Canton, according to press reports, do not like the idea of having to house and feed and support a refugee government.

When Kuomintang elder statesman Tai Chi-tao flew to Canton from Nanking at the end of last December, he was highly optimistic about starting a second revolution from Canton. He was understood to have delivered a series of pep talks to Kuomintang leaders on the bright prospects for a new lease on life for the Kuomintang. But when Sun Fo moved his cabinet to Canton to make preparations for a comeback, Tai became very pessimistic. It was rumored that Tai saw absolutely no hope and finally came to the conclusion that it was all over. So he committed suicide by taking a large dose of sleeping powder.

American Aid

SUN Fo's refugee government in Canton is looking once again to Washington for help. A government spokesman disclosed that Sun Fo is considering further requests for American aid. Asked whether economic aid could be effectively utilized if the war continues, the spokesman said: "There are many areas of China still under Government control. Economic rehabilitation is most desirable and necessary."

Latest reports from Canton stated that ECA China chief Roger D. Lapham had definitely assured Sun Fo that the United States would do its best to help the Nationalists in South China to continue the fight against the Communists. It was further alleged that a series of concrete measures have been planned upon for the training of new armies

and for industrial rehabilitation.

As part of this policy, the ECA has closed down its offices in Communist-held North China and is diverting all supplies to Taiwan and South China. The Chinese press disclosed that a high-ranking officer of the Chinese Ministry of National Defense recently visited Tokyo to discuss with General Douglas MacArthur the shipment of war materials to China. In this connection, it will be interesting to recall that General David Barr, former chief of the Joint United States Military Advisory Group, is now working on the staff of General MacArthur.

British To Play Ball

IN sharp contrast to American policy, the British have taken great care not to provoke the Chinese Reds and have indicated their interest in cooperating with a new regime.

The British-owned *Far Eastern Economic Review* openly attacked the US policy of continuing to bolster up the Nationalist regime. The magazine wrote:

"Despite these facts, the United States until recently still poured out money and aid to Nationalist China, even though the true character of the Kuomintang machine was fully realized in Washington. The Communists, in contrast, have conducted themselves most credibly and have succeeded in impressing foreigners and their own people with the discipline and efficiency of their rule."

Latest reports from London indicated that representatives of important British interests in China approached the Foreign Office and stressed the unwisdom of any action which would be provocative to the Chinese Communists. A spokesman for one representative body said reports from most North China centers were very encouraging. He cited the reopening of the British-American Tobacco Company in Tientsin and said it was hoped British banks in North China would be allowed to reopen for business before long. Business interests indicated that they had long anticipated the Communist domination of North China and adequate preparations had been made. As an example, they cited the British-owned Kailan Mines, which was back in full production in Communist territory. Some British business representatives were believed making every effort in their contacts with the Foreign Office to assure full British recognition of the Mao Tze-tung Government. Some sources in London indicated the belief that Britain's position under the new regime is likely to benefit, possibly at the expense of American popularity.

It is an open secret that Washington is doing its best to prevent Britain and the other Western Powers from dealing separately with the Chinese Communists. The United States, Britain and France reportedly are holding conversations on a joint approach on the question of what to do with the Communist regime in China. Nanking are of the opinion that it

is possible that foreign powers can be persuaded to shift their recognition from the Nationalist regime to a Chinese coalition government if and when one is formed. However, it is pointed out that the following three factors will determine the issue: 1) the foreign policies of the new government and especially its attitude toward international trade and existing treaties, 2) the type of political system the new government is going to be based on and 3) the extent of civil rights it is going to grant the people.

UN Mediation

THE idea of United Nations mediation in China's civil war met with varied reaction in China. The suggestion was put forth by Australia's foreign minister, Dr. Herbert V. Evatt, who said: "In the case of China where a long and tragic war convulsed the nation and delayed rehabilitation and restoration to which its long suffering people are justly entitled, it would, in my judgment, be strictly in accordance with United Nations principles to assist mediation in an attempt to bring about agreed peace which would save countless lives."

Sun Fo hastened to welcome Evatt's proposal as the only practical way of bringing about a settlement and expressed hope the proposal would be acceptable to the Chinese Communists. Sun recalled that, with a view to securing a third party as intermediary in an attempt to achieve peace, the Chinese Government several weeks ago delivered identical notes to Big Four. If the United Nations could take up the matter, it would serve a similar purpose, Sun said.

United Nations mediation, however, was rejected by the Communists. A Communist spokesman said that neither the United Nations nor any foreign government has any right whatsoever to interfere in China's domestic affairs. He continued: "The proposal of the Australian foreign minister is absurd and an insult to the Chinese people....The shameful statements of the Kuomintang's traitorous reactionary clique, Sun Fo, Pang Kung-chan and the like, are nothing more than an expression of their consistent traitorous position."

Leading foreign powers were rather cool toward any idea of United Nations mediation in the Chinese mess, pointing out that they do not see any reason why the United Nations could act successfully, since the organization is already a house divided against itself.

In Nanking, qualified observers opined that any attempt of the United Nations to mediate in China at this stage of the civil war might embarrass rather than assist. President Li Tsung-jen in his endeavors to negotiate a peace with the Communists.

It is also pointed out that so far the United Nations has deliberately refrained from having its fingers burned in Chinese affairs in spite of strong pressure from certain quarters on the issue for discussion.

Chinese Magazine Roundup

China Reconstruction

PROFESSOR Chi Chih-sen writes in the *China Reconstruction* of February 10 on the timely question of peace, pointing out that it is of great importance to expose false peace.

"When the bandit-suppression campaign was in full swing, it was treasonous to talk about peace," he says. "Now the Government authorities not only permit the people to talk about peace but also do much loud talking themselves. But it is easy to see that they have their own way of talking about peace and the people are required to follow their line of reasoning. As a matter of fact, we have plenty of peace-mongers who are seeking to sell their cheap ware.

"These peace mongers may be classified into three categories. To the first category belong those people who are seeking to fish in troubled waters. They have not got anything in the past and they are now anxious to take advantage of the present opportunity to do good business. The second category counts among its members many people of the 'have' group. Being terribly afraid lest they should lose what they have, these people are indulging in peace talk in order to safeguard their own interests. They are like a bunch of insurance brokers. The third category consists of political opportunists and speculators who want to deal in peace to make money.

"The above-mentioned categories represent three types of peace mongers. It is the Chinese *lao pai hsing* who want genuine peace. But under present conditions, the *lao pai hsing* cannot and dare not speak their mind. Therefore it is small wonder that there has been very little honest discussion on peace these days.

"Any free and honest discussion on the question of peace must make a point of showing up the hypocritical peace talk of the peace mongers and of fighting for a genuine peace. In order to attain this goal, there are three prerequisites. First is the elimination of the many obstacles that stand in the way of peace. As long as the people are who oppose peace and some are

in power, so long will it be impossible to achieve peace. For this reason I consider as reasonable the Communist demand for punishment of war criminals. Besides, the reactionary government must be destroyed and the many measures it has taken (such as conscription, requisitioning of foodstuffs, etc.) be abolished. Second, peace must begin with the Chinese people. The question of who works for peace is very important. We cannot afford to let the peace mongers take the peace business into their hands. Third, we must have strength to safeguard genuine peace. No genuine peace is possible unless there is in existence a strong democratic government."

* * *

Outlook

THE *Outlook Weekly* of February 12 charges that a careful analysis of the recent political developments in China leaves no one in doubt regarding the fact that the United States has been doing the wheel-pulling all along.

According to the magazine, there are two schools of thought so far as American policy in China is concerned. One is called the straight-line school, the other, the curved-line school. "The first school," it says, "represents the army and navy, which advocates backing Generalissimo Chiang Kai-shek's Government to the end by enlarging the American military advisory group, by directing the operations against the Reds and by direct armed intervention, if necessary, in favor of the Nationalists. Leading representatives of this school are General Douglas MacArthur, General Albert C. Wedemeyer, Admiral Oscar Badger, General Claire Chennault and Representative Walter Judd. The second school is represented by a good number of career diplomats of the State Department, who are also for backing up Generalissimo Chiang Kai-shek, but who insist that the United States must keep other cards ready when it becomes necessary to choose between keeping Chiang in the saddle and bolstering the whole political structure.

"Proponents of the curved-line school reason that the United States should of course support Generalissimo Chiang Kai-shek. But when this policy has proved impossible, the United States should shift its attention to the local feudalistic forces such as General Fu Tso-yi in North China, General Pai Chung-hsi in Central China and the generals of the Ma family in the Northwest. In fighting Communism, military operations are preferred, but when the military methods have failed, peace offensives should be launched.

"ECA boss Paul G. Hoffman and the American press have significantly stressed that American aid to the Chinese would continue in a

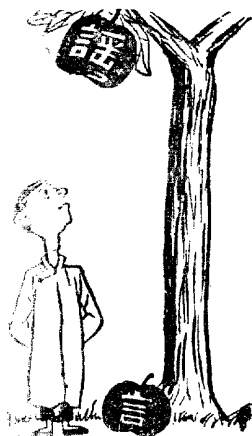
Chinese regime still remains an element of the democratic camp in China. According to the dictionary used by the American expansionists, the so-called democratic camp is a synonym for anti-Soviet front. Such being the case, it is not hard to understand why there has been much loose talk about the possibility of Mao Tze-tung's becoming a Tito in the Far East.

"However, we cannot lightly dismiss this as American wishful thinking. This kind of talk reveals that the United States is up to a deep game. In other words, the United States is planning to organize a strong opposition and to infiltrate into the ranks of the revolutionary government to bore from within. It is only to be expected that incidents will be manufactured by foreign spies to damage Sino-Soviet relations and to fan the flames of narrow-minded nationalism in China.

"It is against this background that the present peace movement has come into existence. When Sun Fo was appointed to form a cabinet, American Ambassador Stuart lost no time in holding a series of conferences with Sun. It was rumored at the time that the ambassador presented Sun with two demands—the step-down of Generalissimo Chiang Kai-shek and resumption of peace negotiations with the Chinese Communists. Unless these two demands were accepted, the United States would not give any more aid to China, the ambassador warned Sun Fo. Sun hurriedly summoned his ministers to an emergency meeting to discuss the American demands. After much discussion and wrangling, it was finally decided to tell the Generalissimo about it. But Sun was afraid of breaking the news to Chiang. So his second in command, General Wu Te-chen, was assigned the tough job. When Wu went to see the Generalissimo, he first tried to beat about the bush. Finally he made bold to tell the Generalissimo that it was physically impossible to continue the war any longer and that it was necessary to make peace. Whereupon, the Generalissimo got mad. Wu then told the whole story of the conference between Sun Fo and the American ambassador. Then, Chiang kept silent for a while and said that he would think the matter over."

The magazine further charges that American intervention has a great deal to do with Chiang's temporary retirement and General Li Tsung-jen's take-over in Nanking.

In view of the dramatic developments in the Chinese situation since the departure of Generalissimo Chiang Kai-shek, the United States, the magazine asserts, is attaching more and more attention and importance to helping Chiang Kai-shek build up a base in Taiwan to continue the fight with the Chinese Communists.



The apple on the tree, in this cartoon from the *CHI PING HAN*, is labeled "rumor" and the ripe apple on the ground a "fact." The Chinese caption read: "Some are who oppose peace and some are

US Magazine Roundup

The Nation

JOHN King Fairbank, in an article entitled "Toward a New China Policy" in the January 1 issue of *The Nation* urges the United States to distinguish between communism and social revolution in China. Dr. Fairbank says Paul Hoffman's statement that the US might continue economic aid to China "if a de facto government of the people were set up that met all conditions for receiving our aid" is a step in the right direction toward a more constructive China policy. He explains:

"The argument, based on the analogy of Eastern Europe, that a Communist-dominated coalition is bound to develop into a police state is too readily applied to a coalition in China. Unless we propose to turn our backs on China entirely, we have to assess the possibility of a Chinese coalition remaining for some time in a more malleable condition, less firmly in the Communist pattern than might be expected in a smaller and more centralized country closer to Russia. In other words, we may have more time than we think to pursue a constructive policy designed to support freedom within China. This more constructive policy, however, requires us to make a distinction between the Chinese Communist movement and the Chinese social revolution. Failure to distinguish between these two aspects of change in the Chinese scene has left Americans bickering with one another for many months past."

Americans who approached China by way of Europe, Dr. Fairbank says, have stressed the genuinely Communist nature of the Chinese party's ideology and practice, while Americans who approach the China problem primarily from a background of on-the-spot observation among the Chinese people have stressed the vitality of the new popular movements—"the sincerity of the students, the awakening of the peasantry, the morale of the Communist troops, and the idealism of Communist cadres of party organizers—in comparison with the sorry demoralization visible on every hand under the established regime."

During the last year, he continues, opinion in the US has been influenced by those American observers who stress the pattern of international communism in China, while opinion in China has gone the other way, "toward acquiescence in a Chinese Communist accession to power as the only escape from the deepening crisis of inflation, stoppage of production, scarcity, breakdown of services, and utter demoralization of the National Government, its armies, and its administrators."

In discussing the Communists, the author points out that while there is no basis for "divorcing Chinese communism from international commun-

ism as a worldwide movement bent on the extension of its power," it must be noted that the strength of the Chinese Communist power lies in "its alignment with the forces of social revolution," a fact which Americans need to understand if they are to understand China. "The great achievement of the Chinese Communist apparatus" he says, "has been not so much to create this revolution as to capture its leadership and control it."

Pointing out that such things as "the possibilities of modern travel and communication, the reform of the language and the use of the vernacular in writing," have tended to bring the "potentialities of modern life" closer to the peasant village in China, Dr. Fairbank says: "It is here, in short, that the Chinese Communists have found the key to political power, for they have been the first to capitalize upon the opportunities which have gradually accumulated for giving the peasant literacy, improving his farm technology, 'liberating' his thinking from its old narrow village confines, and so organizing him in a new structure of political power."

The author declares that these social changes are not of Communist invention or monopoly. They are "revolutionary," he says, "but, they are not necessarily made in Moscow. Many were sparked by Western missionaries. Few Americans would like to expend our resources in the effort to suppress them. Yet we must ruefully admit that Chinese communism on the whole has turned them to its uses, or organized their potentialities, more effectively than its rival the Kuomintang."

Dr. Fairbank concludes: "This means that American policy must be, as Mr. Hoffman's statement on the continuation of ECA in China would imply, to align ourselves more positively and actively with social change in China of the type we really believe in, even though we find ourselves running parallel to or even 'getting in bed with' Chinese communism. In its present phase of development the Chinese Communist movement must base its appeal in part on principles of 'liberation' and mass welfare to which most Americans would subscribe—not, however, by calling the Chinese Communists 'mere agrarian reformers.' The nature of communism as an organized effort to acquire and keep power makes us doubt that its various promises can be realized in China any more than was the case in Russia. But in China, to a more obvious degree than in Eastern Europe, we are confronted by a genuine national and social revolution, not just a made-in-Moscow drive for the seizure of power. Our policy, therefore, to have any hope of success, must take into account the powerful social forces behind the Chinese

revolution as well as its Communist ideology."

US News & World Report

IN a special report from London, *US News & World Report* in its January 7 issue, discusses "How a 'Socialized' Briton Feels." The article declares that while British business has no love for socialism, it is learning to live with it and that, while private profits have been curbed, most people of means are not as unhappy as they expected.

A coal mine owner, for example, the article says, who said in 1945 that he was "through" because the Government was going to take over his business, is still on the job working on salary, not as an owner living on profits. He is convinced that there is no turning back from socialism, no chance that he will get his mine back from the Government, which now owns or operates about one-fifth of the country's business, including its coal, power, transport, steel and iron industries.

He finds there are certain advantages, according to the article, in that he no longer need worry about profit and loss and he now has the security of a Government job; his income is pretty close to what it was before his business was taken over, and the operational end of the mine is still pretty much in his hands. He is accountable, however, to his regional supervisor and to the National Coal Board in London, to whom he must submit accounts, suggest changes to improve production and hit the output targets set for the mine or explain why he failed.

With regard to socialized medicine, the article says, "Everyone who wants it gets free medical treatment. The public likes it, men in the professions are divided."

Doctors and dentists who worked in slum or poor districts find that they are earning more, the magazine reports, but those who had well-to-do patients are making less than before.

"On the whole," the article says, "though many doctors and dentists are pleased with their experience in socialized medicine, they fear that more socialism is to come. They still can pick and choose patients, if they like, but they do not want to be salaried employees working in Government clinics, as in Russia. They are afraid they may be headed in that direction."

The steelmaker who owns and operates a small foundry, the corporation executive of a chemical industry, and the London banker do not like socialism, the magazine finds. They would prefer free enterprise, and "they view socialism as a major upset in their way of life, but they accept the upset as a reality, not just a theory, and are making their adjustments accordingly."

What Chinese Papers Say

KUOMINTANG-controlled papers welcomed the prospect of United Nations mediation in China's civil war, as suggested by the Foreign Minister of Australia, and looked upon the evacuation of Sun Fo's Cabinet to Canton as a step with positive significance.

UN Mediation

THE army organ *Ho Ping Jih Pao* argued that foreign mediation was both necessary and advisable in order to prevent the civil war in this country from giving rise to another world war.

"The proposal of the Australian Foreign Secretary has been made wholly on humane considerations," the paper said. "China had gone through a long period of war in which she held up more than a million Japanese troops who were prevented from perpetrating their nefarious acts of aggression in other parts of the world. This was certainly a great contribution of the Chinese people to the world cause. The Chinese people underwent suffering themselves so that the world might be benefited. Thus, when the Australian Foreign Secretary brought up the China issue, people immediately recalled the past sufferings of the Chinese people and their tragic fate. The United Nations, in the interests of human welfare, should really come to our aid and help us to settle the issue."

"Moreover, the civil war in China is actually not a civil war. Everyone knows that it is not a so-called war for the liberation of the people. Frankly speaking, the war was brought about by very complicated international factors. If this civil war is allowed to continue, there will come a day when the war will be changed into an international war, or even lead to a third world war. The Australian Foreign Secretary has now proposed that the United Nations mediate in the China war so that it may be peacefully settled. From the world standpoint, this act is surely one which will be instrumental in saving the world, saving humanity, and saving world civilization."

The paper saw no reason why the Chinese Communists should oppose United Nations mediation, because the United Nations in the eyes of the paper is an impartial world organization, which is not expected to discriminate against either side.

"It is also necessary to point out," the paper added, "that the United Nations is the organization participated in by all nations in the world. It must therefore be an impartial organization, and will undertake mediation impartially and justly and by reasonable procedure. Whoever opposes UN mediation is not sincere in seeking peace. The proposal of the Australian Foreign

Secretary must therefore be welcomed by the Chinese Government, and should not be opposed by the Chinese Communists."

Flight To Canton

THE Kuomintang mouthpiece *Chung Yang Jih Pao* expressed the opinion that the removal of the Executive Yuan from Nanking to Canton "is fraught with positive significance," saying:

"The modus operandi of the Communists today consists of, on the one hand, the use of military pressure on the Capital to force the Central Government to accept a dictated peace, and on the other, the carrying out of a political offensive in inducing various local areas, under the so-called principle of localized peace, to surrender to them so that they would achieve their war aims without fighting. In order to be free from military threat, to show its determination to reject a dictated peace, and to continue its struggle for the independence of the nation and the freedom of the people, the Government has moved to another place to continue its functions. Premier Sun has already explained this point fully, and there is no need for us to elaborate further."

The paper advised the Legislative Yuan to follow the example of the Executive Yuan and move without further delay to Canton.

"There is great divergence of opinion among members of the Legislative Yuan over the venue of the next session of the Yuan," it said. "It is our view that since the Executive Yuan is functioning in Canton, it will be more appropriate for the Legislative Yuan to meet in Canton also. The Legislative Yuan is the organ which makes national policies on behalf of the people, and it is obvious that such an organ should not hold its meetings in an area open to the military threat of the Communists."

The paper then criticized those who want to make peace at any price, saying:

"The successful realization of peace depends on bilateral agreement, and not on the unilateral surrender of the Government. If the Government is to surrender, it must first give up its arms, and bend its knees. What the Government is now striving for is the opening of negotiations on the basis of equality, and the realization of nation-wide peace. Before the realization of peace, all military preparations and operations cannot be suspended.

"We must make a clean sweep of the conception now current in political and public circles of offering property to the invader so as to be accepted as his slave. The Communist Army has not yet crossed the Yangtze, and already there are peo-

ple in the areas south of the River who are planning to offer their property to the Communists so as to be accepted as slaves. They not only intend to surrender themselves, but also attempt to persuade other people into surrendering, and prevent others from working for the salvation and the defense of the country, so that their own political capital may be increased to provide them a better chance of being accepted as slaves. Such attempts to pull other people into the water are as shameless as the desire to surrender oneself to the enemy."

War Measures

THE *Tu Kung Pao* suggested that the Government should terminate some of the war measures now that it has appealed to the Communists for peace.

"Recently," the paper said, "the district councils of various localities have been appealing to the Government for the suspension of conscription and food requisitioning. At the meeting held a few days ago in Shanghai of the chairmen of hsien councils of the various districts in southern Kiangsu, a resolution was adopted to request the Government to annul the current conscription laws and to reduce the land tax, while opposition was also expressed against the requisitioning of food by military authorities. The case of the people was very aptly stated by Mr. Lu Chao-chi, Chairman of the Chinkiang Hsien Council, when he said: 'The common people have been imposed on by burdens that are too heavy for them to shoulder. If today we ask the people from the rural districts to come to speak to us, I am afraid they will be speechless and only shed tears.' Governor Chen Chien of Hunan has also telegraphically requested the Central Government to suspend conscription in his province for one year, and he has issued instructions to the district magistrates in the province to hold up the work of conscription for one month, pending instructions from the Central authorities."

"In our view, conscription and food requisitioning have been carried out for the purpose of fighting the war, and now that peace is being sought, these measures are due for reconsideration. Even from the economic viewpoint alone, since there is general depression in the rural districts, it may be worth while to consider the temporary suspension of conscription so as to prevent able-bodied men from running away from their homes. As to food requisitioning, if it cannot be abolished immediately, at least a reshuffle of the food administrative personnel should be effected, so that extortion may be eliminated and the sufferings of the people slightly reduced."

What US Papers Say

THE American press continued to ruminate on the best approach for US policy to take in China. Editorial comment also focused on the trial of Cardinal Mindszenty in Hungary and on the "Tokyo Spy Ring" report issued by General MacArthur.

Clean-cut Statement

THE *New York Times* declared that "what many Americans want now is a clean-cut statement of US policy in respect to China." The paper asked: "What do we propose to do about recognition? What about future aid? It is understandable that military conditions in China have been changing rapidly in the past six months. But issues . . . will soon require our government to take more definite positions."

The *Times* added: "The American public as a whole, we believe, has been convinced that the people of China, under Chiang, have suffered from grave abuses. But there is no reason to believe that the same public is convinced that a Communist government of China would be an improvement."

The *Christian Science Monitor* said that "one of the chief aims of American policy must be to show the people of China that the US is their friend—and friend of any government which will genuinely serve the people's interest."

Discussing the withdrawal of US Marines from Tsingtao, the *Louisville Courier-Journal* said this should be "significant proof not merely that we are writing off the Nationalists as lost, but of our determination to avoid a dangerous situation that might over-night explode into a shooting war with the Chinese Communists." The paper added: "We are well advised to write off Tsingtao along with two-billions-plus in post-war aid to the Nationalists. The Chinese Communists, for their part, have demonstrated to date heartening-willingness to avoid trouble with the US."

The *Kansas City Times*, speculating on the nature of the future Chinese government, declares: "From the standpoint of the non-Communist world, the best hope is that China, with its ways and complex traditions, proves too much for absorption into the pattern of control extended by Russia over Hungary, Czechoslovakia and most of the Balkan states."

The *New York Herald Tribune* also wondered how completely the Communists would be able to control such a large and complex country as China, saying: "Most authorities are convinced that the Communists will control all major regions of the country within a few months or, at most, a year. How long their control will last is another matter. The Reds have exploited all resentment against Nanking that could be found in China but will arouse similar re-

sentment against themselves if they are unable—as generally expected—to solve the economic and political problems that proved too complex for Chiang."

Trial Of A Cardinal

MOST papers viewed the conviction of Cardinal Mindszenty in Hungary and 15 Protestant clergy in Bulgaria as part of a concerted assault on all Christian churches by the Communist governments of Eastern Europe.

The *Washington Daily News* said editorially: "The 'lynch court' treatment of Cardinal Mindszenty in Hungary obviously was more than an isolated attack upon either an individual or a single institution. It followed earlier action against Bishop Lajos Ordas of the Hungarian Lutheran church . . . The usual statement that all the accused had 'fully confessed to spy charges accompanied announcement of the indictments. That has been the window dressing for Red purges since Andrei Vishinsky set the precedent in Russia in 1937."

"The victims of the Bulgarian dragnet have known the hell of the police state torture chamber more than a month,—long enough to be persuaded to sign anything the prosecution submits. The attack on the churches in Bulgaria has been broadened by naming as alleged accomplices of the accused, distinguished foreign clergymen and educators."

The paper felt the action of the regime at Sofia was a confession of weakness. "A strong state," it said, "would have no fear of such a small, law-abiding minority. Its (Bulgaria's) puppet tyrants are afraid, and because of that fear they seek to crush all independent thought, and all outside contact with enlightenment and truth. Such dictatorships supported by fear and terrorism are built on sand; given time, these regimes collapse of their own rottenness. The tragedy is that, in that slow process, the innocent must suffer."

The *Philadelphia Inquirer*, in an editorial attack titled, "The Red Offensive Against All Religious Creeds," said, "The drive now stands

revealed for what it is—an attack on the freedom of worship itself, on the right of men to guide their lives by teachings . . . free of Communist ideology . . . (without) pressures by the Politburo.

"Once again," the *Inquirer* continued, "the world is witnessing an application of brute force against men attempting to live by conviction. But at least the issue is now clear: Russian Communism and religious liberty are incompatible."

Spy Ring

COMMENTING on the "Tokyo Spy Ring" report released by General MacArthur's headquarters in Tokyo, the *Inquirer* declared the significance of the report lies in the inadequacy of United States defense against espionage. "No better opportunity," it said, "has been given Americans to study the organization pattern of Soviet espionage—and to plan defenses against it—than that afforded by the report on the Red spy ring which operated in Japan prior to October, 1941 . . . There is no general agreement concerning the extent to which this new form of espionage succeeded in Washington, although in Tokyo it was amazingly successful. The alleged head of this ring, Dr. Richard Sorge, apparently was able to warn Moscow of the strength, timing and direction of the German attack on Russia in 1941, and of the Japanese decision to move against the United States and Britain rather than against the Soviet army to the north.

"The Army's warning that remnants of this ring may still be operating in the world's capital is a disquieting reminder that, in spite of all the revelations of the existence of wartime Russian espionage in Washington, nothing concrete has yet been done to enable America to deal promptly and firmly with a new type of foreign agent."

The *Christian Science Monitor* observed that the "release at this time of a long known case prepared by Japan's wartime government, augmented by postwar investigations of American intelligence, has a political significance not to be overlooked."

The paper continued: "Put back into earlier context, the melodrama becomes a story of Allied espionage against any enemy nation during the war. In today's context, it becomes either one more weapon of hysteria or an added summons to alertness. . . Certainly the present disclosure, based in part on a Japanese police case which can hardly be taken at face value, is only a segment of the story."



Wen Wei Pao, Hongkong

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REVIEW

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February 26, 1949

STRIKERS EXECUTED

AN EDITORIAL

KMT And Chinese Dynasties

C. C. Lin

Should China Use Tractors?

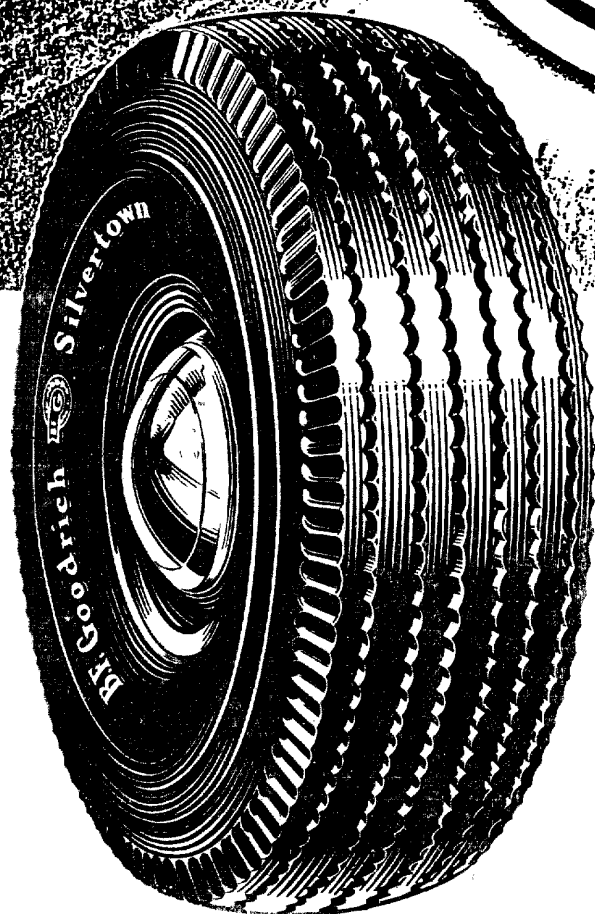
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WHAT IS RED POLICY?

AN EDITORIAL



力得固

袖領膠橡

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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

US Need Not Worry

To The Editor:

I share your opinion that the end of our Civil War is not far off. This war, which is a kind of revolution, will free China of all the reactionary elements, and China will emerge as a totally different nation in a turbulent world.

Uncle Sam's uneasiness about China's turning "communistic" is quite understandable when we realize that he has invested billions of dollars to forestall the change. But if he were in China's shoes, what would he think?

We Chinese are suffering because our country is a semi-feudalistic and semi-colonial country. China as a nation must progress or perish. But the reactionary forces both within and outside of this country, form a strong front to nullify any efforts to improve the situation by peaceful means. So these elements must be cleared, with armed force, if necessary.

We prefer socialism rather than capitalism, or the "free enterprise system," because a future China must be free of the old rivalry between the rich and the poor. If men are created equal, why should the rich live comfortably while the poor suffer?

In the years to come, we little expect Uncle Sam to favor us with any more material aid. But Sino-American trade can continue and prosper. We have surplus raw materials to offer in exchange for American machines and technical "know-how" which we badly need. Both countries can benefit through trade, and American statesmen will not be so unwise as to neglect this fact.

Whoever the future ruler of China may be, the Chinese people will be essentially the same; they are just as peace-loving, generous and hospitable as the American people. America need not worry that the Chinese will have any bad feeling toward their great former ally.

T. C. TSAI

Takao, Taiwan
February 17, 1949.

Troop Discipline

To The Editor:

After reading your editorial "Discipline of Troops Needed", in the February 12th issue of the *Review*, I can no longer keep silent.

As the power of the Kuomintang has declined, the discipline of the Nationalist troops has become progressively worse. Every day the newspapers report new incidents of robbery and fighting by the soldiers. Certainly they are not to be entirely blamed for wanting to live comfortably while their superiors enjoy so many luxuries. But it is hard to justify their throwing hand grenades merely to be allowed to enter a theater free of charge. Hand grenades were made for resisting the enemy and not for attacking citizens.

I want to thank you for the trouble you took in sending me several issues of the *Review*, and also thank the readers who contributed them. Fortunately my economic condition has improved a

THE CHINA WEEKLY REVIEW

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(Editor & Publisher, 1918-1947)

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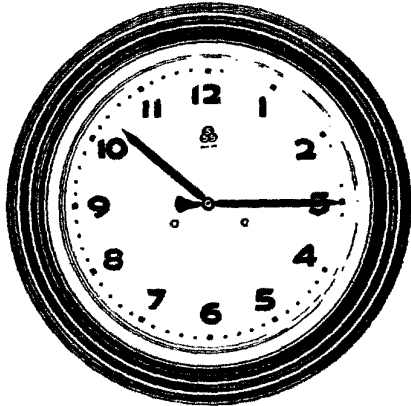
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little, so I have never suspended the study of English with your esteemed weekly. I should like to return the seven copies of the *Review* so that they may be given to a needy student.

WONG SZE LIANG

Shanghai
February 18, 1949.

Cannon Fodder

To The Editor:

I have had to say goodbye to your *Review* now that my subscription has expired and my economic condition has gotten worse. During Chiang Ching-kuo's rule of Shanghai my salary as a soldier was GY6 per month which was then equal to a three month subscription. Despite the rapid inflation of the new currency my income is now GY90 per month—less than 10 cents in US currency. At the beginning of the currency reform it was US\$1.50.

We know that our countrymen, as well as foreigners, look at us strangely. From their point of view they regard soldiers as tigers, ruthless, bad fellows, without knowledge, etc. So we receive a cold greeting from the people. But we should explain to our countrymen and foreign friends that these soldiers were conscripted because the Government wanted them as cannon fodder for the Civil War. How can anyone expect well behaved men to be produced by the Government's ill treatment and poor moral training?

With the deterioration of the situation, the Nationalist Government has ordered our school to leave Shanghai and move to Formosa. Although we wish to stay here, despite whatever government is in power, the authorities have commanded us to leave.

Like other people, we hope the present Government will be taken over by a new one with this prerequisite: Democracy in politics and true equality in economics. Since we come from the unfortunate poor, we fervently hope that poor boys will have an equal chance to receive a higher education in the near future.

The result of our "democratic" government's banning of liberal magazines finds the existing magazines which are of value coming to a standstill. So I suggest you replace the "Chinese Magazine Roundup" with increased space for the English lesson. The present poor quality magazines contain nothing but groundless rumors.

If possible, could you kindly send me a free subscription for three months or some old copies of your *Review*? The news of free books sent by the United States Information Service has prompted me to ask.

S.J.K.

Army Medical Center
Shanghai
February 7, 1949

Okamura Verdict

To The Editor:

The news that Okamura was released and "proved" innocent by the War Criminal Tribunal of the National Defense Ministry on January 26, 1949 left us mum with sadness and unable to utter a word for quite some time. Could it be true that a man involved in such a detestable slaughter of the Chinese people was "proved" innocent and set free by the Government of China? Our painful experience does not allow us to forget a few incidents: if the justices of the War Criminal Tribunal are so "generous" and so easily forgetful, let us recall a few deeds Okamura carried out.

To begin with, he is the man who, during the first World War, first entered Tsingtao. This port was not returned until 1923. He was the military advisor of Sun Chuan-fang, the notorious warlord, assisting him in fighting the revolu-

tionary army. Okamura was then military attache during the Japanese occupation in Manchuria. It was he who killed the patriotic general, Tsai Kung-shih, in Tsinan. In 1937, he was commander-in-chief of the Imperial Japanese Army in North China; under his command the Japanese army attacked and entered Hsuechow and Hankow. It was Okamura who initiated the "Scorched Earth Policy" (burning, killing, and looting), and deliberately encouraged the Japanese soldiers to destroy the lives and property of the Chinese people. In August, 1944, he became the commander-in-chief of the Imperial Japanese Army in Central and South China, where further damage to lives and property was done. Because of his sheer cold-bloodedness, he was appointed by the Japanese as commander-in-chief of Japanese forces for the entire China theater. He carried on ruthless oppression of the Chinese people until the end of the war.

Each single word of his past history spells blood to the Chinese people. Are these facts not sufficient to prove his guilt? Or do the justices of the War Criminal Tribunal suppose that every Chinese and every righteous citizen of the Allied Powers is deaf and dumb? Perhaps they think that too many Chinese have survived through the eight long years of ruthless oppression, and that a "tiger" should be set free to kill more Chinese later. If so, history will hand down its verdict.

T. K. A.

Shanghai
February 9, 1949

By What Law?

To The Editor:

I was very surprised to hear of the recent acquittal of Lieutenant General Okamura, Japanese commander-in-chief in China in the Sino-Japanese war.

The purpose of our eight years war of resistance against the Japanese was to gain a lasting peace and to prevent wanton aggression. But the first one who urged the attack upon our nation and who came to China to command the forces against China was Okamura. Is he not a war criminal? I think he should be Number one on the list.

It will be remembered that during this war our people were killed, our houses burned, our properties plundered, our sisters raped. Loss of life and destruction cannot be measured. The anger of the people could not be appeased even by the execution of Okamura, but acquittal by the Nationalist Government turns our anger to helplessness. By what law was the judgment made? Why was he allowed to return to Japan? Did the order for his return come from MacArthur? Will he come again to kill the people of China? We do not understand these things.

The Nationalist Government should know the people of China detest this man. The Government has disobeyed the will of the people. They should be allowed to pass judgment on such criminals and punish them.

K. K. Chia

Soochow
February 12, 1949

Robbery And Pillage

To The Editor:

With life for the masses of people becoming increasingly hard during recent months, robbery and pillage have been plaguing the *hsien* of Sinhi. Each day the local press reports armed robberies, some of which are most daring and cold-blooded, even in the more densely populated places and in Kungmoon, the trading center of the *hsien*. The following cases were

idea of how active and audacious the robbers are.

When the home of a wealthy overseas Chinese in this city was broken into during the night, the family signalled a neighbor to call the police. Unfortunately the entire police force had been dispatched to a nearby village, which had been attacked by Communist guerillas, and the victims of the robbery found themselves at the mercy of the ferocious burglars, who ransacked the house to their hearts' content and made away unmolested.

A second and more sensational case concerned a gang of armed robbers who broke into a house quite near a police station. When they demanded the valuables of the inmates and were told there were none, the ruffian visitors terribly

mishandled their victims. One woman was bled white from severe wounds and lacerations; her husband to avenge her delivered a fatal blow with a chopping knife to one of the robbers.

The almost incredible audacity shown in the third case is impressive. A robber, equipped with only a burnt brick, entered a goldsmith's shop. He shattered the show window, knocked down the assistant, and made off with a lot of valuables.

I am under the impression that the rampancy of robbery and banditry not only reflects the deteriorating living conditions of the masses, but also brings to the fore the impotence of the security authorities.

JOHN HSU.

Sinhui, Kwangtung
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French Student

To The Editor:

I am a French student who would like to correspond with a Chinese student. I am nineteen, and hope next year to attend Chinese lectures in the Ecole des Langues Orientales of the University of Paris.

Could you find a boy or girl (of about my age) in a Chinese university who would correspond with me? We shall write to each other in English. My address is 315 Boulevard Saint Denis, Courbevoie (Seine), France.

PHILIP DELCROIX

Courbevoie, France
February 7, 1949.

Not Intentional

To The Editor:

Your venerable magazine occasionally is full of queer words. Some of them, so-called slang, cannot be found in the dictionary while the rest, whose different meanings in the dictionary are irrelevant, puzzle me very much as none of these different meanings fit the context snugly.

Slang, though expressive, is impressive only to the natives of the country from where it comes. As your readers are mostly Chinese who have not been in America and have no Yankee friend to consult with, it is unkind to overwork slang obscure to the majority in your essays, sometimes even to confuse us.

The space for your English lesson is not enough to have them all explained thoroughly. Moreover, is it worthwhile learning slang which is likely to lose vogue?

I should also think that you had better avoid too many Latin words in the text which have suitable substitutes in English because the ordinary dictionaries usually have no appendix of foreign words. There is no disparity in rhetorical relish between "by itself" and "per se." To choose the latter instead of the former is merely pedantic.

More than 10 printing errors are in the February 5 issue of the present *Review*. Some of them (e.g. "in the present fighting" on page 240, column 3) are too absurd to be forgiven unless it is due to intentional sabotage.

JAMES TAGORE.

Shanghai Medical College
February 7, 1949

Against Quick Peace

To The Editor:

The present peace negotiations going on in China are not taken so seriously by the people as the peace talks held three years ago when General Marshall was here. We Chinese refer to ourselves as peace-loving people, but the continuous fighting has accustomed us to war.

Sun Fo's remark that war is but a process of getting peace is all too true. For years now we have been engaged in a Civil War. People have suffered terribly from this war, and the destruction to our national wealth has been tremendous. This war is being fought in order that a new China may emerge. To come to terms with feudalism would mean the sacrifice of all that has been accomplished. We want a real and permanent peace. It would be a blunder to sacrifice this hope for a quick peace.

Y. T. H.

Shanghai
February 1, 1949

What Humbug!

To The Editor:

Peace! What humbug! The common people passed the lunar New Year hopefully, but what followed has been a series of disappointments: The peace door half closed, the blood-thirsty fight still going on, commodity prices soaring every minute, and the standard of living of the Chinese people becoming lower.

Like other big cities in China, Sian has been hanging by a thread. Everyone here is in constant fear of being attacked. Ragged soldiers roam the streets with a heavy tread, while well-attired ladies with their fat babies are sent to other places considered "safer". Only the poor remain in the city, awaiting any catastrophe which may come.

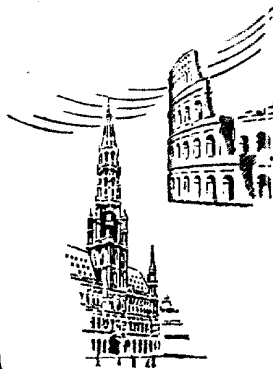
C.C.Y.

Sian, Shensi
February 17, 1949.

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THE CHINA WEEKLY REVIEW

報論評氏勒密

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What Is Communist Policy?

THE great question mark in the minds of most foreigners in Shanghai today is what the future will hold, aside from a Communist-controlled government. Being only mortals, we, like everyone else, do not know the answer. However, since it is part of our business to keep track of current events as best as we can, we may be in a position of having a little more information than some of the other foreigners here whose attention is primarily focused on such matters as industry and trade.

The best way to obtain an idea of what life in the future may be like is to read the papers and listen to the radio. Also, it would be worthwhile to look up some of the more important Communist pronouncements during the last few years. The Communists, despite all their shortcomings, both those that are real and those that are imagined by many fertile minds, have had a pretty good record as far as calling future turns in this country are concerned. Probably the biggest mistake the Communists, including Mao Tse-tung, have made is in vastly over-estimating the length of time it would take for the Kuomintang to fall or be knocked apart. Aside from that, the war in China has progressed almost exactly as the Reds said it would.

While it is of course naive to assume that any party out of power will behave exactly according to its own predictions once it gets into the driver's seat, there is a way of partially checking up at this time. The Chinese Communists have proclaimed that the socialist revolution in China must of necessity be slow. They have flatly declared themselves firm Marxists, with the intention of finally communizing China. However, they have, following the lead of Mao Tse-tung, who has been credited with "China-izing" Marxism, just as emphatically stated that the path will be slow and difficult and that many years, perhaps scores of years, will elapse before China reaches a perfect communist state. Upon occasion there has been some deviation from this path. However, it now seems that the Chinese Reds are back on the old track of evolutionary communism.

In areas taken over from the KMT, there seems to be evidence that the reform in society has been slow. Government property, as well as that of the bureaucratic capitalists (read Chiang, Soong, Kung, and Chen family enterprises) has been confiscated outright. However, private shares in both government and bureaucratic enterprises have been restored to the original owners when they could be found. The property of traitors, those considered war criminals and other enemies has been confiscated. Private property of others, reports indicate, has been left alone. However, such property supposedly is subject to strict supervision in that owners of factories, stores or other establishments are required to pay higher wages and to conform to stricter laws regarding types of business engaged in; payment of taxes, etc. As compensation for this stricter control, it is reported, the Communist administrations remove unfair competition (from State and bureaucratic firms) and undertake to provide a stable and sound economy so that business and industry will prosper.

These, of course, add up to a sizeable job and the average foreigner, long used to paper plans and empty promises, may well be skeptical. However, there is evidence that in some cities taken over by the Reds the new regime is actually making an attempt to do what it has long said it would. Certainly this is a new development in this country! Also, there is evidence that in some cities, Peiping for example, all is not going too smoothly. The change-over has been accomplished in considerable confusion. There is evidence of disorganization and, in the case of foreigners, there is no official available to contact to ask questions or to facilitate daily activities. (A "foreigners' affairs" office has just been opened.) This confusion, we believe, is a natural consequence of changing administrations and may be apparent for some little time. This seems especially likely when one remembers that the Communists are just now acquiring experience with the complicated problems of city life. In their 20 odd years of administrative experience in China, they have operated almost entirely in the countryside where the village was the largest and most complex social unit. The Communists have shown that they recognize that they are to be called on for new talents since they have announced frequently that they were engaged in training "cadres" for work in cities they expected to take over. However, the military time-table has moved much faster than they originally expected and they are apparently way behind in training city take-over corps. Rumor has it that the class training for Peiping was scheduled to matriculate in April or May and that Fu Tso-yi's sudden collapse made the present deal, whereby there is a sort of joint administration in the city, necessary.

While we certainly cannot predict with any finality what the Communists will do when they get to Shanghai, we can say that it would be reasonable to expect them to operate somewhat along the lines indicated so far in other places. It is quite possible that the confusion here may be greater and more prolonged since Shanghai

is by far the most complicated city in China. However, until there is some evidence that the Communists are not following policies which have long been laid down, it seems reasonable to expect them to do more or less as they say they will.

THERE are, of course, many who will argue that the Communists will not do as they say, that the Reds, being fiends incarnate, will bait the trap with sugar and then spring it in such fashion as to make China a living hell. Such opinions, to some extent, are held and fostered by people who are partisans in this conflict and who stand to lose materially (perhaps even their heads) if the Communists catch them. Such people are not impartial observers and they bitterly attack those who try to view all sides and aspects of the situation and then present what seems to them an objective picture. Their handiwork is often blunt and open and easily detectable. However, it is also frequently quite subtle and masked as to its source. This latter type is really the most misleading in that it preys on the unsuspecting who are led to believe that they are getting the "facts", when what they actually are getting is merely a partisan opinion.

Shanghai's English-language newspapers are full of such distortions. This is not necessarily a reflection upon the editors or staff members. In most cases they are dependent upon the material provided by news agencies. Much of the time, we think that the material put out by the agencies, or even by the reporters of the papers, unconsciously conveys the "line" of some group or individual with a large stake in the Civil War. Upon other occasions it is hardly possible to excuse the paper of responsibility for careless work.

Just to illustrate this point, we have noted a few stories appearing lately. One local morning paper, day after day, has been choosing stories which might be interpreted as anti-red for major display, while relegating stories which reflect favorably upon the Communists to inside pages, if they are printed at all. For example, one story telling of favorable treatment of missionaries, both Protestant and Catholic, by the Communists was given relatively minor space with a small, one-column wide headline. The headline itself expressed a negative thought, reading, "Missionaries said unmolested in Red-Occupied Towns." The story, from Catholic sources, which in this instance should be reasonably reliable, described conditions in several towns taken over by the Communists. In another issue two days later the same paper carried a story with a three-column wide headline stating: "Reds Order Missions To Teach Daily Lessons In Communism." This story, in addition to carrying a much larger headline, occupied more space and was given a more prominent position than the first one. What's more, the source of the story, was most obscure, quoting "reports" from Tsinan, capital of Shantung.

Day after day similar examples may be found in the papers. Is it any wonder, then,

that the reading public is confused as to what is happening in Red-occupied areas? There is ample evidence that the local English-language papers, with the possible exception of the *Evening Post*, which devotes considerable space daily to the expression of the editor's personal views, are, either consciously or unconsciously, actually favoring their news column with more opinion than is necessary. It is all very well for an editor to be opposed to communism—we prefer a different system ourselves—but the editor should attempt to keep his political and economic views under restraint when it comes to the news columns. This is certainly true during periods such as the present when the reader is desperately in need of all the news he can get. He certainly should be exposed to stories giving both sides of questions, but the editor should not actively help him decide which to read by magnifying out of all proportion stories of little actual news value and burying important stories in obscure corners just to conform with the editor's or owner's own personal views.

These are confused times and all any of us can do is try to keep posted on daily events. A re-reading of important Communist pronouncements of the past few years, plus a systematic study of the Chinese and foreign press and, if possible, the radio, is the best advice we can offer. The press may frequently be misleading, it is true, but a careful reading should enable any normally intelligent reader to sift the important from the unimportant, the objective from the prejudiced.

Strike Leaders Executed

THE execution of three workers of the municipal bus company last week for leading a strike is about as barbarous a display of the medieval mind as we have seen in some time. The Shanghai-Woesung Garrison, commanded by General Chen Ta-ching, who must personally bear responsibility for this action, has made a very bad mistake.

Far from serving as a deterrent, this action will succeed only in further alienating the bureaucrats from the people. This is particularly serious—especially for the bureaucrats—at this time. Labor may be made docile for a brief moment, but when the explosion comes, it will be with compounded interest because of such blunders as this one.

It is true that the workers violated the provisions of martial law—the abolition of which, incidentally, the acting-president of China has ordered—but even martial law and the summary execution of its violators cannot make men work for a salary which is insufficient to buy food, let alone other necessities.

All too often, we believe, the men in high places, who have access to sources of income other than their regular salary, are incapable of understanding the plight of the poorly-paid lowly worker, the very nature of whose work makes it impossible for him to have an opportunity to squeeze or engage in other corrupt practices and thus augment his income. These employees—

who constitute the vast majority of the public servants in what remains of the Kuomintang's China — often live on the borderline of starvation. Virtually all suffer from various food deficiency ailments or diseases.

The arbitrary seizure, trial and execution of strikers under such circumstances reflects upon the authorities, rather than the workers. Local officialdom pleads that the critical military situation makes it necessary for them to rule with a firm hand, paying little or no heed to the wishes and needs of those they rule. This is the old argument advanced for three years by the Government and for three years this policy of making the people suffer now so that they may in theory be helped later has amply demonstrated its inherent bankruptcy. The opposition, meanwhile, has been following a policy of helping the people so that the people will in turn help and support it.

The merits of these two policies have been demonstrated so clearly that any discussion at this time is more or less academic. However, it is interesting—and tragic—to observe that some people are so short-sighted and stupid that they cannot or will not recognize a bad policy even when it has led them to the brink of a catastrophe.

US Military Court

COMING hard on the heels of General MacArthur's sensational report accusing two foreign journalists of espionage activities upon the behalf of the Soviet Union, the American occupation army in Germany has announced that it is conducting secret spy trials in Munich.

The first terse announcement, made by the head of an eight-man American military commission, Brigadier General John L. McKey, shed little light upon the trials other than that strict secrecy would surround them, that testimony would not be disclosed, that the names of the accused would not be disclosed and that the verdict would not be announced. The charge against the accused, who might have been singular, plural, male, or female, for all the outside world could tell from McKey's announcement, is the sale of secret information to the Czechoslovakian Government. It was further disclosed that the commission had power to impose the death penalty.

It hardly seems possible that an American court, even a military court, could behave in such fashion. We just cannot understand how the General and his seven fellow Americans on the commission, having presumably been raised in the United States where they enjoyed every possible safeguard of their personal liberty against arbitrary action by the Government, could approve of such a trial procedure. If such a system is allowed to stand, it would be possible for the military to arrest and execute

"STILL DISHING IT OUT"



Borrow in The Jacksonville Times-Union

foreigners, in areas under their control and dispose of them without anyone, including the American public, being the wiser. It would almost seem that General McKey has spent too much time in Germany and is in need of a vacation back to his homeland so that he may refresh his perspective.

Apparently the American press representatives in Germany felt that they were entitled to more information and protested, because the day following General McKey's announcement, he received orders from General Lucius D. Clay, American commander in Germany, ordering him to reveal the names of the defendants and to announce the verdict. However, General McKey is apparently still standing upon his earlier assertion that the release of ordinary vital statistics concerning the trial would endanger the security of the United States. He has so far released only a minimum amount of information and, in each announcement, it is apparent that he is complying with reluctance to periodic instructions from his superiors to "loosen up."

While it is of course difficult to comment upon a trial about which so little is known, it is possible to point out the dangers of permitting any trial under such arbitrary rules. We cannot imagine just how the revelation of information such as the names, sexes, ages, and nationalities of the accused can endanger the security of the US. We cannot imagine how the disclosure of the exact nature of the charges or of the verdicts can possibly harm the US. If these men have been spying for the Czech Government, their sudden disappearance will certainly be noticed by the Czech agents contacting them. If they have been passing information to the Czechs, then of what use is it to refuse to disclose publicly the nature of the information? The "enemy" knows what information has been passed, why, therefore, is it unsafe to tell the American people?

The one possibility that occurs to us is that public disclosure of the activities of this Czech-employed spy ring might put the occupation authorities in a bad light before the American public. Perhaps the ring has wormed itself into very high and secret quarters among the occupation personnel and the disclosure of this information would bring a public clamor for a few official heads. Maybe what General McKey had in mind was not endangering the security of the United States so much as endangering the security of certain occupation officials.

While this is obviously speculation since we are almost wholly uninformed as to this case and, what's more, are several thousand miles distant from the scene, it seems most reasonable to assume that there can hardly be any logical excuse for the commission's strict secrecy. That is not the way things work in a country supposedly

panying laws, passed and enforced democratically by the freely expressed will of the majority.

Newsman's Visa Cancelled

ACCORDING to reports from Hongkong, the French Government has cancelled the Indo-China visa of Walter Briggs, special correspondent for the *Christian Science Monitor* and the *Chicago Sun - Times*. Mr. Briggs, who in the past has also been a frequent contributor to the *Review*, is reported to have said that the French officials in Hongkong gave as reason for withdrawing his visa the complaint that he "systematically opposed" Indo-China.

From the short press dispatches appearing locally, it is difficult to determine just what provoked the French action. Certainly the charge "systematically opposed" Indo-China doesn't make much sense. More likely, we imagine, what the French were trying to say was that they considered that Briggs "systematically opposed French policy in Indo-China." However, we doubt if that is the case. Briggs, like many other foreign correspondents who have visited the few areas which the French still control in what formerly was a very profitable colony, reported abroad some of the facts about French rule. This, we guess, is what the French objected to. Stories of the French opium monopoly, the success of the native revolution, the bankruptcy of France's colonial policy, etc. naturally would be objectionable to French officials. The question of truth would hardly be involved.

The US Government is currently in a dither about the trial of a Hungarian Cardinal and is leaving no stone unturned in its efforts to impress upon the Hungarian Government and people that it is most displeased by the trial, conviction, and sentence. The trial, Truman and other public figures have charged, was a farce, not being conducted fairly and in accordance with United States ideals of justice. While we personally cannot get very worked up about what Hungary does with its cardinal, or with any of its other citizens charged with treason, for that matter, Washington apparently feels differently and is willing to pass judgment upon another country's conduct of its internal affairs when it feels that American ideals of justice have been outraged.

However, it seems to us that the case of Briggs is one in which the US might well interest itself. In the first place Briggs is an American, while Cardinal Mindszenty is a foreigner. Secondly, the United States has gone on record in the United Nations as being very much interested in the treatment of newsmen throughout the world, while this, to our knowledge, is the first major show of interest in the affairs of a foreign Catholic primate.

There is, moreover, historical precedent for positive American official intervention on the behalf of an American correspondent abroad. It has been done before. During the war, the American Society of Newspaper Editors, with the official blessing of the State Department,

sent a delegation abroad urging leaders in various world capitals to accept the basic principle of a free press. Many countries, including China, incidentally, welcomed the delegation and indicated that they were in sympathy with the group's aims and proposals.

When Congress passed the ECA program, a clause was written into the bill specifically stating that countries receiving such aid would open their doors to American reporters and grant them every reasonable facility to investigate and report upon the use of ECA funds and materials. France is a recipient of ECA aid. While it might be claimed that technically Indo-China is not receiving ECA help and that the provision for inspection by American reporters does not apply, this is a mere technicality since France, very obviously, could not afford her present colonial adventure were it not for ECA aid to the homeland. If the American Government is unwilling to go to bat for American correspondents abroad, whose duty it is to see and report to the American people, there is little hope for enlightened American public opinion on foreign land and questions.

In the past, we believe, Washington officials have made considerable political capital out of the fact that some of the Eastern European countries, as well as Russia, have given summary treatment to representatives of the US press. There are adequate grounds for a protest to the French Government.

Even if there were no grounds, such as signed agreements, both official and unofficial, and precedent, we think a better case could be made out for intervening in behalf of an American reporter barred from a foreign country without specific grounds than for intervening in behalf of a foreign clergyman involved in trouble with his own government. In the case of Mindszenty, there has been little in the way of precedent, yet the American Government feels justified in complaining bitterly about the quality of Hungarian justice. We know of no protests in the past when any of Hungary's traditionally corrupt and unjust governments occasionally slapped people into jail on little or no evidence. If the US can suddenly evidence such interest in the trials of Hungarian citizens before their own courts, it can just as well evidence a little interest in the case of an American newspaperman denied a visa, virtually without grounds and certainly without a hearing, either fair or unfair.

Apology (Army Style)

THE US Army this week tried to ease down gently of the limb it had climbed out on the previous week when it charged writers Agnes Smedley and Gunther Stein were Russian spies and agents. Miss Smedley and Mr. Stein denied the charge, and Miss Smedley, long known as a fierce battler, declared she would sue General MacArthur for libel if he would waive his official immunity, whatever that may be. She also asked President Truman to make the Army apologize.

After a week-long silence during which several newspapers and commentators jumped on it with both feet, the Army finally came out with a half-hearted apology couched in typical official language so that the word "apology" failed to figure in its retraction. The Army admitted that it had no evidence of the charge that the writers were spies and agents and also said it deplored the manner in which the report was released and also regretted the journalistic style in which it was written.

This was pretty good—especially considering the fact that it was probably one of the first times the Army had ever let on that it lacked divine qualities and was therefore infallible. However, to our way of thinking, it is not good enough. Truman, who denounced witch hunts and spy scares in his campaign for re-election, should make good his promises to the electorate and make the Army and General MacArthur personally come out with a flat apology to Miss Smedley and Mr. Stein.

The reason we suggest this is not to rub it in or needlessly to humiliate the Army and General MacArthur before the American public, but to rectify fully the wrong that their combined blunder has caused. An apology, especially by MacArthur, would be front page news and that is what Miss Smedley and Mr. Stein deserve since the accusation was also front page news, while their denials were certainly not. Neither was the weak retraction already issued by the Army. For example, we received a clipping from the *Washington Post* concerning this story which illustrates quite well the need for a more outright apology. This item was clipped from page 12 of the *Post* and was headlined in modest type, "Woman Writer Denies Army's Spy Charge." However, on the back of this clipping was the notation, "continued from page 1" and "Red Spy Ring in Prewar Japan..." Thus, even the *Washington Post*, which is generally considered a responsible and enlightened newspaper not interested in "scare" headlines as much as some other publications, saw fit to place General MacArthur's charge on page 1 and Miss Smedley's denial on page 12!

It should be pointed out here that Miss Smedley and Mr. Stein make their living by writing and lecturing in the United States. It is almost certain that every important editor and lecture manager in America saw the original accusation and made a mental note that these two people were under suspicion by the American Government. We wonder how many of them saw—on page 12—Miss Smedley's denial and how many of them read or even saw the official jumbo which constituted the Army's retraction? In all justice to these two individuals, who have now admittedly been wronged by the US Government, Truman should act. An order from the president will also serve as a warning to government agencies which in the future might be tempted to make a grab for the headlines with similar sensational, but unsubstantiated, charges.

25 Years Ago in *The China Weekly Review*

Trouble Over Silver Dollars

Something of a sensation was produced in Chinese financial and business circles in Shanghai last week through the publication in the *China Press* and the vernacular papers of an analysis of silver dollars recently produced in the Chinese Government mint in Nanking. The dollars analyzed were of the familiar *Yuan* variety containing the likeness of former president Yuan Shih-kai and the date of the third year of the Republic. The analysis was made in the recently installed industrial research laboratory of Shanghai College, an American missionary institution. According to the analysis made at the college the dollars tested showed a silver content about half of one percent below the Chinese government regulations of 1914 which are supposed to govern the production of coins at the various government mints. . . .

If we did not have the visual proof of the depreciation in our daily handling of the coins, the irrefutable proof of the nefarious practice is shown in the fact that since the Republic came in and the militarists got control of things, the purchase and operation of mints has become one of the chief industries of the country. Almost every province now has its mint and the position of mint director is considered to be one of the most valuable "plums" in official life, prices ranging up to \$100,000 being paid for these jobs.

A Foreigner's Qualms

Sun Yat-sen almost succeeded in breaking foreign control of the Customs, being prevented only by the assemblage of foreign warships, a movement which, if anything, moved the Chinese closer towards reunification and increased the opposition to foreign control. Then has come the question of the cigarette tax in Chekiang. If Chekiang can impose a tax on cigarettes, then why not on oil or any other foreign product? And if Chekiang, by declaring provincial autonomy, can get away with it, why cannot other provinces do the same thing, and when a sufficient number have so voted, and the foreigner is driven to the last standing point, the seaports if such happens, and the foreigner remains on the outside looking in, then what is to prevent a unification of these autonomous provinces? The various foreign treaties one by one will have vanished. . . .

10 Years Ago In *The China Weekly Review*

Principles Of New Life Movement

... It is interesting to note the new interpretation given by General Chiang to the four cardinal principles of the New Life Movement—namely, *Li* (propriety), *I* (righteousness), *Lien* (honesty) and *Chih* (honor)—in the light of the campaign of resistance.

In time of war, General Chiang said, the virtue of propriety should mean strict observance of discipline. The laws of the state and the special war-time rules and regulations of the Government must be strictly observed.

Righteousness should mean sacrifice of the individual for the welfare of the state. The armed men should be ready to lay down their lives on the battlefield, while the people in the rear should contribute their wealth to the government to strengthen the country's power of resistance.

Honesty should mean the protection of material resources of the country. The policy of retrenchment should be strictly practised, with a view to saving funds of the Government.

Honor should mean bravery in participating in the national struggle against alien invasion.

Forcible Conscription Forbidden

The Ministry of War in Chungking has been instructed by General Chiang Kai-shek to institute a careful investigation into the application of the conscription law and to punish persons found to have drafted men for military service by "forcible means."

SHOULD CHINA USE TRACTORS?

R. D. Merrick

ANY consideration of attempts to mechanize China's agriculture must include the question of tractors. A large number of tractors and tractor equipment, it will be recalled, was brought to China by UNRRA under its agricultural rehabilitation program. However, this equipment, unlike other agricultural machinery imported under the same program, was considered a temporary expedient at the time. It was recognized that, after UNRRA stopped furnishing imported fuels, lubricants and spare parts for the tractors, the high cost of these items would make tractor operation and maintenance prohibitive for the average Chinese farmer.

On the other hand, it was felt that in one or two years the tractors would not only enable Chinese farmers to produce enough food to compensate for the value of the machinery and operating costs, but would help get them on their feet and thus prove to be more useful in the long run than sending food to China. UNRRA accordingly sent more than US\$7,000,000 worth of tractors and other farm machinery to China (see accompanying table).

FOR a number of reasons, however, some of which would have been foreseeable if we had known more about China to begin with, these plans have almost completely failed.

In the first place, the machinery was late in arriving. Shipments of tractors did not begin to come through until the end of 1946, and major shipments of plows and other equipment were delayed until the middle of 1947. By that time, the spread of the Civil War had made tractor rehabilitation work impossible in many areas where it was most needed, such as Honan Province.

A second obstacle was political opposition to sending the tractors to their original points of allocation.

Most of them had been scheduled for North China and Manchuria, where the land was adaptable for tractor use and where war devastation emphasized the need for rehabilitation. However, due to the attitude of the Central Government and UNRRA's unwillingness to send shipments directly to Communist-held areas through Communist-controlled ports, most of the farm machinery originally planned for the North is either being held in Point Island dumps or has been sent to South China and other areas far less suited to tractor projects. Thus, enormous sums of money have been wasted in financing work that has neither rehabilitated nor increased the productivity of agriculture enough to pay for a tenth of what it cost the Chinese Government alone to administer the project.

Many of these tractors are now standing idle. The rest were supposed to be utilized in so-called "reclaimed" areas where CNRRA-UNRRA dike building or irrigation programs were to release large areas of "new" land suitable for cultivation. However, as has been my experience the Agricultural Machinery Operation and Maintenance Office in Hunan, Kwangtung, Kwangsi, Hupeh, Kiangsu and Chekiang, UNRRA work relief rice or flour was misused to such an extent by corrupt officials that almost all of the dikes or other conservancy construction never came up to specifications and so were no protection for the crops planted with the help of AMOMO farm machinery. The most recent example has been failure of AMOMO crops last year in Hunan, Hupeh, Kwangtung and Kwangsi provinces.

NOW, with the prospect of some real agricultural reform on the offing, the question arises as to whether these tractors can be put to profitable use or whether they should

be discarded. The funds for fuels, lubricants, spare parts and other items now being supplied by the UNRRA-AMOMO legacy of cotton yarn will be depleted by December of this year, and therefore any further use of this farm machinery must be on a strictly self-supporting and economical basis.

With very few exceptions, tractors will prove uneconomical in areas south of the Yangtze River because especially favorable conditions must exist for tractor use in rice growing country. Such conditions, for example, do exist south of Canton in the Pearl River delta region near Ming Ling Tong, where 100 percent of the land is under cultivation and where there is consequently no place to graze water buffalo. Also, the rice paddies in that area are the largest and most level in China, a paddy sometimes covering two or more acres with very low walls separating one paddy from another. A 10 to 20 percent increase was obtained from experimental six to eight inch deep tractor plowing as compared with the yields from fields plowed by water buffalo and wooden plows which can only scratch the fertility of that deep alluvial soil.

In Kwangsi province, on the other hand, the soil is so poor that it cannot possibly yield enough to pay for the expense of tractor maintenance. Moreover, native animals are plentiful and cheap, and year-round grazing is available. They are also, as elsewhere, producers of much-needed fertilizer.

ANOTHER possibility, as yet unexplored, for the use of tractors and other agricultural machinery, is in crops demanding special operations which cannot be done as well by using water buffalo or other native cattle-drawn tools. If the use of tractors in such instances gives better yields for crops which sell for a high price per harvested mow (such as sugar cane in good soil and under irrigation), they may prove profitable even in areas such as South China and Taiwan where intensified methods and the type of crop (mostly rice) as a rule has made the fields too small for the use of machines.

Would-be operators should figure on a minimum "land" length of 200 meters. In some instances, this would entail joining together two or more paddies (by plowing across paddy walls where not too high) into longer stretches of land for fuel economy. Fuel consumption, using a 10-20 size tractor such as Ford-Ferguson or Farmall A, would run to about one gallon per mow for complete soil preparation, including plowing, double disking and harrowing. (These last two operations need to be performed twice for more plastic soils, but once for lighter soils.) Five to

February 1, 1949 Disposal of UNRRA Donated Farm Machinery—in Units

Bought by UNRRA for AMOMO	CNRRA sales	AMOMO sales	on hand (or should be)	
4900 Pumps without engines	—	—	4900	*
4900 Pumps with engines	1300	640	2160	*
1296 Tractors with equipment ..	—	66	1230	*
29 Well drilling rigs	—	—	200	*
290 50 hp. diesel engines	—	200	—	*
300 4 hp. " "	—	300	—	*
85 5 hp. " "	—	85	—	*
290 hammer & plate mills	20	60	120	*
20 flour mills	—	10	10	*
29 combines	—	2	18	*
29 threshing machines	—	—	20	*
200 rice hullers	—	20	180	*

(*) Includes sold and on hand in regional projects as well as in Liberated Areas, which has now taken over in Honan, Northeast, and in Anwei about 478 tractors and also other equipment and machines.

six mows can be prepared daily or, if just plowing is involved, 10 to 12 mows, instead of the 30 mows possible in large fields of medium structure and fertility such as abound in North and Northeast China.

In suitable areas, the tractor may also be used efficiently in cultivating row crops or seeding with a grain drill but, as such places are few in South China, soil preparation before seeding is about the best use to which the tractor may be put. A group of farmers, however, could have a centrifugal pump or rice huller or other uses to which tractors could be put at times when there is no field work.

If a tractor is to be used for nothing except soil preparation, however, at least 800 mows must be prepared and they must give an average yield of at least 50 catties per mow in rice or the equivalent in order to make its use profitable. If it is figured that an operator for the tractor and necessary services costs about 15 catties of rice, fuel and lubricants about 20 catties, and depreciation and spare parts 15 catties, it can be seen that soil preparation in South China costs much more than in the United States or even North China, where productivity is so much greater that operational costs run only about one third as high. Fifty catties per mow, however, is considered a safe margin for soil preparation cost in South China over and above the cost of doing the same work with native cattle in localities where they are cheap and pasture plentiful.

However, local figures are necessary in each case because there are so many additional factors to be taken into consideration, such as poor field drainage, distance to fields, soil structure and texture, contour, rainfall, etc.

THE first step needed is to make a survey of the possibility of tractor use in the southern provinces and to take applications from groups of farmers who are willing to organize and who can supply the primary conditions, as outlined above, for successful exploitation of the tractors and other equipment owned by AMOMO. When the limit of such possibilities is made clear, all other machines and equipment should be shipped to the North, Northwest and Northeast to localities meeting the conditions of greatest need and most economical use. Such a plan would undoubtedly mean the reshipment of most tractors from the southern provinces, with the possible exception of Kwangtung and Taiwan.

This is directly counter to the actions of officials of the Board of Trustees of the Rehabilitation Administration, who have been accelerating the shipment of supplies southward. During the last two months, BOTRA has sent more than 700 tons of AMOMO supplies (in-



cluding some 15 tractors) and huge quantities of National Agricultural Engineering Corporation supplies to Canton. Inasmuch as both AMOMO and NAEC already had sufficient regional set ups in Canton and Liuchow (Kwangsi) to serve the needs of the farmers there, these latest shipments are just a reflection of the "grab while you can" policy of certain Kuomintang elements.

NORTH of the Yangtze, AMOMO has regional centers, together with maintenance, repair and supply offices, at Pengpu, Loho, Peiping, Hankow and Mukden. Through these centers, surveys should be made of the possibilities for agricultural mechanization in the Northern provinces. Since the opportunities for tractor use are so limited in South China, the existing centers there should be continued on a smaller scale for repair and maintenance of tractors, pumps and other machines; and surplus equipment should be shipped north for the establishment of sub-stations to the present centers.

In these northern areas, despite the fact that conditions are almost universally more favorable for tractor operation, certain principles must be observed if the projects are to be successful. Centrally located tractor projects should have a year-round schedule if they are to be more economical than individual farmers or groups owning tractors and operating them themselves. In the winter, when the ground is covered with snow or frozen, all machines should be overhauled, repairs made and, worn parts rebuilt or replaced. The tractor operators should accompany their machines to the central shop and do the dismantling and assembly work themselves under the supervision of trained mechanics, who

should do the more specialized repair work. In this way, not more than 10 or 12 mechanics would be needed for every 100 tractors, including a blacksmith and helper and a welding and soldering expert. While machines which do not need a complete overhauling can often be conditioned at the team headquarters, it is nevertheless desirable that repair and maintenance centers be located, not in the provincial capitals (as most of AMOMO's are) but in an agricultural area preferably within a 50 kilometer radius of the tractors and combines. Where large groups of tractors are working farther away, sub-stations should be set up, but under rare circumstances is it profitable to have shops built for less than 100 tractors unless there are a large number of pumps and other AMOMO machines being operated in the area. The foregoing should not necessitate any great changes in the system of operation now employed by AMOMO.

FIELD operations, however, should be changed greatly. Much better and cheaper service can be furnished by well trained operators working on a piece-work basis. There should be five or six tractors, with the same number of operators, working under a vice-captain. Each of these teams should have an accountant whose duty it would be to keep track of the work done each day and pay the operators accordingly and to issue fuel to each operator according to norms of fuel usage. No job of plowing should be charged to the farmers or credited to operators unless a job sheet is signed by 1) the owner or representative of the farmer group, 2) the team accountant, and 3) the vice-captain in charge of the team. The norms of and of fuel usage

must be worked out separately for each project because different soil types and different conditions take varying amounts of power, especially in plowing.

The vice captains should be versed in organizational procedure and methods so that they can encourage the farmers to organize and pool their holdings in order to have the fields of each culture planted together instead of having a few mows in each of hundreds of small farms that would need to be cultivated separately. How the farmers divide the crop, whether on the basis of how much land each has pooled, or on how much labor each family has put into the year's work is a question that should be settled by the farmers themselves before tractor operations start.

No matter what the farmers' system is, the important point for the success of the tractor project is that it receive "payment in kind." This is the only possible solution in a country without a gold base or a stable monetary system and for an organization that is dependent on foreign supplies. No project should attempt to charge more than is absolutely necessary to carry on operations, and the final bill for the year's work should not be computed until the end of the year when the necessary data is available.

In order to make initial fuel purchases and cover other expenses before the first crop is harvested, the Government should advance credit for the tractor projects. Credit should be given on the basis of budgets which each project should submit in accordance with explicit plans for fulfilling contracts already negotiated with the farmers. For this reason, it would be wise for the Government to use the tractor projects in developing certain export crops such as soybeans so that, after the payment in kind is sold by the projects, foreign exchange can be realized for the purchase of what-

ever foreign supplies are needed.

In North and Northeast China, where there are iron and steel foundries, all tractor projects having steel lathes should be encouraged to make as many spare parts as possible. Each project and sub-station should operate blacksmith shops where plow shares can be kept sharpened and where bolts, nuts and other parts can be made. Home-made edges should be welded to plow shares to preserve them and, in general, nothing should be ordered from abroad that can be made in China.

THE greatest problem, and one that concerns agriculture, is the development of indigenous sources of motor fuel and power so that there can be a wide development of agricultural mechanization. The ideal solution for China, with its scanty supply of fuel, is, of course, hydroelectric power and electric tractors. But, for the present, China would do well to distill wood alcohol and to produce gasoline and kerosene from coal as the Germans did during the last war. There are also great possibilities in adapting gasoline and diesel engines for use with gas generators, thus making use of the great and plentiful Northeastern forests. Still better, as was done in Shanghai before the war, China should manufacture special gas generator type engines which give sufficient power on gas and are more efficient than either gasoline or diesel engines converted to gas generator power. Nevertheless, the AMOMO tractors and trucks can be converted and operated successfully on gas generators by using about 15 percent of the usual consumption of gasoline to enrich the gas. If these methods are exploited to the utmost, the importation of foreign fuels could be cut to the minimum.

However well this problem is solved, it is still evident that trac-

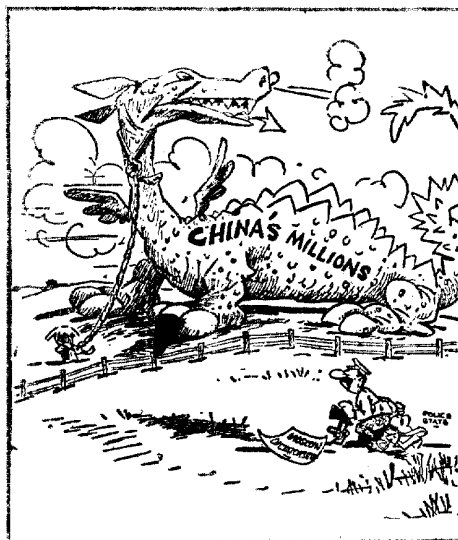
tors will rarely be used in China in locations where cheap animal fodder abounds, as it does in the hilly and mountainous country covering over 90 percent of China's surface. As a matter of fact, livestock raising should be developed even more in order to make use of the rich verdure of areas that cannot be cultivated for crops. Therefore, the financing of tractor projects at this stage should be undertaken with the utmost caution and only in places where the right conditions exist for their economical use.

IN order to effect the program outlined above, it is necessary to have a strong AMOMO central organization which can be closely knit with other related organizations, such as the Agricultural Industries Service, the National Agricultural Engineering Corporation, etc. AMOMO must also conduct an organizational program along the lines of education, research and supplies and services. Many of the machines brought to China by UNRRA were either incomplete or unsuited to particular local conditions, and therefore there is great need for a research program.

Any piece of equipment that has been tested and proved satisfactory and for which there is demand should be manufactured by the NAEC in required quantities and distributed by AMOMO, along with post-sale instruction and repair services. If such a procedure had been followed, the NAEC certainly would not be embarked on a project to manufacture five horse power gasoline engines instead of a type which could use local or cheap fuel.

Since the NAEC, AIS and AMOMO have one purpose, the mechanization of agriculture, they should be completely amalgamated, preferably under the Ministry of Agriculture and Forestry, in order to provide better service to the Chinese farmer.

US Cartoonists Take Dim View . . .



Think You Can Ride Him?



Oily Words



Stalin's Horn of Plenty

THE KUOMINTANG AND CHINESE DYNASTIES

C. C. Lin

IN China, during the last stages of a dynasty, localized regimes often have been established by local authorities or warlords who have wanted to preserve their privileges as long as possible. These regimes have been characterized by the following:

First, the government was changed from a centralized to localized control.

Second, they represented the privileged class which, because of its corruption and inefficiency, was no longer competent to govern.

Third, from beginning to end, there were conflicts, potential or actual, within the regime, and although there was a common enemy, unity and cooperation could not be attained in fighting it.

Fourth, the capital was often moved from place to place or took shelter under another localized regime or in another country. Thus, there was a refugee government.

Fifth, such regimes were short lived and ended by either surrendering to or being annihilated by their enemies.

* * *

Ming Dynasty

THE Ming dynasty may be taken as an example. In 1644, when Cromwell was fighting King Charles the First of England, and Louis XIV had been crowned for just one year, the capital of the Ming dynasty in Peking was first invaded by peasant revolters led by Li Tzyh-cheng (李自誠) and then occupied by the Manchus. A localized regime was established at Nanking soon after the fall of the north capital, with King Fu (福王), or the Lucky Prince, as emperor. But this local-

ized regime lasted for only about a year.

In 1645, Nanking was also invaded and the Lucky Prince was captured by the Manchus. After the fall of Nanking, there were three main localized authorities which successively claimed the right to succeed to the throne of the Ming dynasty.

* * *

Three Claimants

FIRST was King Lu (魯王), who was made the regent or supervisor of the state at Shaohsing in Chekiang province in the summer of 1645 by Chang Hwang-yen (張煌言) and others of Chekiang. Next was King Tang (唐王), who was chosen to be emperor in the bissextile June of the same year. He assumed the throne at Foochow, then called T'ien-hing-fu (天興府), a special name for the refugee capital. He is known in history as Long-wu-ti (隆武帝), in accordance with his year-name. A third localized regime was established in 1646 by King Kuei (桂王), whom historians call Yung-li-ti (永歷帝), or the Emperor Yung-li.

All three regimes apparently belonged to the privileged class. The kings were descendants of the corrupt Chu family of the Mings and the supporters were either local authorities or warlords. The only exception was Chang Hwan-yen, who was a member of the literati, but in a broad sense literati should not be excluded from the privileged class.

King Tang of Foochow was first supported and then betrayed by Cheng Chi-long (鄭芝龍), formerly a pirate leader of Fukien, who surrendered to the Manchus for a

higher position in 1646, leaving the poor refugee emperor to be captured and killed.

King Kuei, or Yung-li-ti, was supported first by the governors of Kwangtung and Kwangsi, and next, after the governors had been killed in the war, by General Li Ting-kuo (李定國), who had been a former follower of the peasant leader or "bandit" Chang Hsien-chung (張獻忠).

The local authorities and warlords used the king as a tool. As long as it was necessary to have a localized regime to maintain their position, they supported him, but when something better came along they ousted him. Cheng Chi-long's action was a good example of this.

* * *

Cheng Cheng-kong

CHENG Cheng-kong (鄭成功), or Koxings, as the Japanese called him, the son of the traitor Cheng Chi-long and his Japanese wife, might be the only one who was qualified to be called a national hero at the end of the Ming dynasty. But he did not earn this title because he had supported the localized regime at Foochow or because he had marched a squadron on to Nanking, in both of which action he failed. He was a hero in Chinese history because he conquered Formosa by repulsing the Dutch from the island in 1661. He died there in 1662, and his son and grandson continued to hold the territory until 1683, when it was turned over to the Manchus.

Nevertheless, Cheng Cheng-kong should be held responsible for much of the inter-regime conflict. In the battle at the mouth of Yangtze-kiang, he refused to cooperate with Chang

Of Chinese Communist Victories



Yessir, That's My Baby

.....Louisville Courier-Journal



Which Has Which by the Tail?

.....Los Angeles Times



Wait Till He Gets To The Next Stall

.....Dowling, in the NY Herald Tribune

Hwang-yen, a supporter of King Lu, because he himself was a follower of King Tang. It is said that King Lu, who took shelter in Taiwan after drifting from one island to another, was drowned in 1662 by the Cheng family.

Cheng Cheng-gong also opposed Kung Kuei's regime. Looking at his actions from the standpoint of history, it seems likely that his struggle with the Manchus was motivated more by his ambition to assume supremacy over Southeastern China than by any loyalty to the fallen Ming dynasty.

Such regimes were certainly doomed to fail. King Lu ruled over Shaohsing merely one year. He then became a refugee until his death in Taiwan in 1662. King Tang lost Woochow the same year that he made that city the capital, and Cheng Cheng-gong moved it to Taiwan, where it lasted some years longer. King Kuei was the most miserable. He fled from Kwangtung to Kwangsi, to Yunnan, and finally to Burma, where he was sent back to be killed by the traitor Wu Shan-kuei (吳三桂) in 1662. Thus ended the tragedy of the localized regimes.

The people did not care about dynastic wars. The longer the war went on, the more they suffered, and they hoped for a quick end of the regime and the dynastic struggles.

* * *

Kuomintang's Future

NOW another dynasty, the Kuomintang, is approaching its end. Mukden and Peiping are gone, and Nanking is destined to fall into the hands of the Communists. What will be the future of the Kuomintang?

As with most dynasties in Chinese history, the end of the Kuomintang must be accompanied first by a change from a centralized government to certain localized regimes.

Although the Kuomintang set up a nominally centralized government in Nanking in 1927, it was never really united until shortly before the war of resistance against the Japanese. Mr. Hu Man-ming died just before the outbreak of the war, and Mr. Wang Ching-wei became a leader of the puppet government just after the war began. With the departure of these two persons, General Chiang Kai-shek became the leader of the Kuomintang, and it was united under his control.

However, nearly three years of civil war has made it evident that Chiang Kai-shek is no longer able to control the members of his party. Although he is the Generalissimo, he cannot command all the high officers of the army belonging to the Kuomintang. Although Tsung-Tsai, or Director General of the party, he cannot unite the different cliques in it. It was inevitable for him to be ousted when the war situation reached its lowest point.

Since the Kuomintang is now split, the Kuomintang's Government is no longer centralized. It will be dismembered into several sections in ac-

cordance with both geographical units and personal relations. Each section will be a localized regime. There will be a feudalistic system to connect the leaders of each section with one another, and the heads of the more powerful sections will dominate the weaker ones.

How many localized regimes there will be cannot be estimated in advance. However, there will be two principal groups of localized regimes. One will consist of the sections of the Southeastern provinces and will support Chiang Kai-shek and his immediate followers; the other will embrace the Southwestern provinces and will follow the Kwangsi Clique or the so-called "Kuei-hsi."

Both groups, of course, represent the privileged class. The Chiang group stands for the "Four Big Families," while the Kwangsi group is in the hands of the old warlords in Southwest China, whose privileges



are directly or indirectly inherited from the old Peking Government.

Conflicts between the Chiang group and the Kwangsi Clique are now visible. The Kwangsi group is one of the old enemies of Chiang Kai-shek, and they did not become friends until the war with Japan. They became enemies again last year when the Chiang group supported Dr. Sun Fo, rather than Li Tsung-jen of the Kwangsi Clique, for vice president. It is said that Chiang was forced to retire from the presidency by some of the local warlords, of whom the Kwangsi General Pai was the most important element.

Although Chiang has retired, prudent observers take a "wait-and-see" attitude as to whether he will disappear from the political scene or return to his post at some time in the future.

Let us interpolate a story. In December, 1931 after the outbreak of the Mukden incident, General Chiang was compelled to resign his post as president of the National Government. However, although he gave up his position, he did not relinquish his power. To a group of his intimate followers, all of them warlords, he gave positions as governors of many provinces surrounding the capital. The central government

Lin Shen, with Dr. Sun Fo as premier. But Lin and Sun could do nothing without support from the local warlords, and subsequently Wang Ching-wei took over the premiership after consulting with Chiang Kai-shek. In the late spring of 1932, Chiang became Generalissimo and the National Military Council was established in order to give him back the power he lost when he resigned as president.

Again at this time, Chiang has appointed some of his immediate followers as chairmen and commanders of pacification headquarters in many important provinces and it is obvious that he is repeating what he did in 1931 and 1932. He has not really given up his power; on the contrary, he has emphasized his grip on Southeastern China and has paved the way toward a resumption of power at any time he likes.

This increases the obstacles facing Acting President Li Tsung-jen, and it is doubtful whether he can exercise any command over the provinces where Chiang's influence is still predominant. It also deepens the gap between the Chiang group and the Kwangsi clique. While they are maintaining nominally normal relations and are under the same government, as soon as anything causes a break in their relations the Government will divide. Each group will then call itself the direct successor of the Central Government at Nanking. The Kwangsi clique would base its claim on the fact that it has the Acting President, and the Chiang group on the fact that it has the Retired President. That is why the Chiang group has emphasized again and again that Chiang's retirement is not a resignation.

* * *

History Repeated

WHEN the Government becomes divided, the tragedy of the end of the Ming dynasty will be repeated. The Kwangsi clique will follow the path of King Kuei and Li Ding-kuo, while the Chiang group will go the way of King Tang and Cheng Cheng-gong.

The Kwangsi clique can link itself with other localized regimes in Szechuen, Kweichow and Hunan provinces, where the influence of the old war lords is deeply rooted and where there is a long tradition of sectionalism. For common safety from the "Red" danger and for the preservation of their feudalistic heritage, they will be forced to unite, with the Kwangsi clique as the de jure leader. This group can also maintain contact with elements in India, Burma, French Indo-China, etc. and obtain aid from those powers which are anxious to avoid a Communist-dominated Asia.

Next comes the question of where the center of the Chiang group will be. Again and again, Nanking has announced and denied the removal of the capital. The Executive Yuan has gone to Canton; yet it is resident Li has

instructions to call Dr. Sun Fo, the President of the Yuan, back to Nanking, and the Legislative and Control Yuan have likewise protested the Canton move. The Acting President remains in Nanking, while the Retired President is in Fenghwa. Where is the capital?

It is more true than not that wherever Chiang goes is the capital. It is said that the radio and telegraph service connecting Fenghwa with other cities is very busy. It is also said that before Dr. Sun Fo went to Canton, he flew to Fenghwa to consult Chiang. Obviously, the local authorities of the Southeastern provinces take orders from Fenghwa rather than Nanking.

* * *

Next Move?

But the war situation will not allow Chiang to stay long at Fenghwa. Where will he go next? Canton, which Nanking has chosen as a refugee capital, is not safe, for after the Communists gain Hankow and Wuchang they will penetrate Hunan via the Canton-Hankow railroad and go on to Canton. Fukien or Taiwan seem preferable.

When Chiang was a general on the staff of Hsu Chung-shih, a commander in Dr. Sun Yat-sen's Northern Expeditionary Troops at the time Foochow was invaded in 1922, he went to Foochow and was appointed magistrate of a certain district. It is not known whether or not he accepted the appointment, but the elders of Fukien often have talked about it. In Kushan, or the Drum Hill, in Foochow, there is a stone on which four words were carved after Chiang became President: "Chi-kai-ju-shek" (其介如石), which comes from the Chinese classic, the "Book of Changing," meaning, "His firm purpose in life is as strong as a stone," and includes the meaning of Chiang's name, Kai-shek. So Chiang is known in Foochow, and should he take shelter there he would be warmly welcomed by the elders, although the radical youngsters might think otherwise.

But no matter whether the Chiang group takes Taiwan or Fukien as its center, the Chiang regime is due to follow the way of King Tang and Cheng Cheng-gong of the fallen Ming dynasty. The Chiang group is using Taiwan as a base from which to prepare a counter-attack—an attempt which Cheng Cheng-gong made and in which he failed. The Chiang regime has made Fukien a stepping stone to link the island base to the mainland—a project that Cheng Cheng-gong also tried and in which he failed.

Eight Chinese words may help explain why the Kuomintang will be defeated: "Shih Wu Dou Chih" and "Ming Yu Er Hsin" (士無鬥志民有灰心) which mean "The demoralization of the troops, and the separation of the people." This is the ending of every dynasty in Chinese history. How can the Kuomintang be an exception?

Life In Red China:

A Chinese Professor's Report

(This open letter, which describes living conditions under the Communist regime, was written by Mr. Wu Han, formerly a professor at Ching Hwa University, and was published originally in a Hongkong newspaper. It was reprinted in the Shanghai paper SHANG PAO on February 18. One of our readers, Mr. Tu Ting-mei, translated it and sent it to us with a note that Mr. Wu was one of the 55 persons who, together with Marshal Li Chi-sun, Shen Chuen-ju, Ma Su-lung, Kuo Mo-jo, Tan Ping-shan and others, wrote the article "Our Opinion On The Present Situation" in January of this year—Editor.)

"Dear Friends:

YOU may feel it strange that I, who lived among you, have suddenly disappeared. But, to tell you the truth, I have come to a new place. Indeed, everything here is new, and, what is more, I have made many new friends.

"First of all, let me tell you something about the liberty we are enjoying here. Formerly, a new book could be read only behind a closed door, a safe place was necessary for discussing a problem, mail articles were often lost, and facilities for travelling were usually paralyzed. In this new place, all these fears and troubles exist no more. People discuss problems in a loud voice, and no one interferes with the reading of books. In fact, people here have long forgotten the problem of liberty, for they feel the problem no longer exists. It is only I, a new comer, who am still haunted by the fear of being deprived of my liberty. I shall visit the various liberated territories so as to teach myself and to adapt myself to the new circumstances.

"When we were together, it was seldom that we had the relish of meat on our table. But here meat is a common fare for every person. In the villages, as well as in the towns, you may see meat steaming in people's bowls. Compared with the state in Shanghai where people struggle to buy meat, this is really a very striking contrast.

"The prices of commodities are very steady. In the 50 days I have been here, there has been almost no change. The government is in possession of all staple products—food-stuffs, cotton, etc. Whenever the market for a certain product is weak, the government buys in at a higher price. If the tendency is the other way, it will sell out its stock. If anyone tries to hoard any kind of material, he will certainly lose his capital, and ruin himself.

"Since the land reformation, all farmers have cultivated their own land, and their living standard is highly improved. Since I have been here, I have seen no person in tatters, nor have I seen a beggar. All loafers have been put to work, helping the government in productive enterprises.

"What you will feel more strange are the papers published here. At first you may not be used to them, but gradually you will think they are really papers of the people and for the people. They are concerned with experiences acquired from land reformation, explanations of commercial and industrial policies, and criticisms of the execution of these policies. There are also questions asked by the people, the government's answers to these questions, and other items of a similar nature.

"You may be anxious to know about the 'problem of thought' in these new territories. Strange to say, this problem does not exist here. A person is entirely free to embrace any faith or creed. All religious orders exist together, including the Roman Catholic Church and various sects of the Protestant Church. No one interferes; the government neither encourages them to attend religious services nor prohibits them from attending. Above the door of every church there are always four characters: (思想自由) 'Szu Hsiang Tze Yu,' meaning 'liberty of thought!'

"The government protects the ownership of private property and for this purpose has promulgated a regulation consisting of 10 articles. As an example of the Government's observation of the regulation, a certain magistrate paid a farmer \$3,500.00 as compensation for injury to his horse.

"Other than certain essential medicines, there is no foreign merchandise in the markets. True, American jeeps and American ammunition may be seen, but these materials were brought to China through the Nationalist Government.

"Under the land reformation program, former estates have been divided into small pieces and distributed to the farmers. Thus the class of landlords has been exterminated, and they, like others, each have a small piece of land. There are no serfs; each is his own master and respects himself as well as others.

"I have been very happy—so happy that words can hardly express my feeling. Now I can write only a short letter, but it will not be long when we can be together again and I can tell you many more interesting things."

Malayan Federation Meets Opposition

Ngiam Tong-Fatt

IN his New Year message to Malaya, the Rt. Hon. Arthur Creech-Jones, Secretary of State for the Colonies, said the Federation Agreement between the Colonial office and the Malaysians, signed last January, was substantially acceptable to all who regard Malaya as their home.

"I do not close my eyes to the debit side," Mr. Creech-Jones stated. "The miserable burden of violence and intimidation which the peaceable peoples of Malaya have had to bear . . . But even in these things there is hope and opportunity. The courage and loyalty of the Malays and the response of the peoples of Malaya has been for me one of the most heartening things of the past year."

Secession Movement

However, it is well known that the people of various races in the former Straits Settlements, particularly those of Penang and Malacca, are not happy about the Federation Agreement. There is a strong movement afoot toward secession from the Federation in these two settlements, and Secession Committees have been formed to make a

strong plea for a return to the pre-war status.

But there is strong opposition to this from the Malays. At a mass rally in Penang on January 8, Dato Onn bin Jaafar, president of the United Malays National Organization, declared that if the Malays did not agree, there could be no secession.

"As far as I know," he said, "the Malays have no desire for Penang or Malacca to break away from the Federation. Let other people claim what they wish. If it is justified, we will grant it; but if it is not, we will turn it down. It is up to us to decide."

This speech did not pass unnoticed by the local press. The *Straits Times* declared editorially: "In Penang, Dato Onn really said no more than that the Malays will resist unjust claims. It was the way he said it which the domiciled communities will not like. We must prefer the phraseology which the leader of the United Malays National Organization used 12 months ago in a New Year message: 'I can give the assurance that the Malays

are prepared and ready to work together with the peoples of all races and communities to recreate a land of hope and promise, working towards the goal of self-government on a sound foundation of understanding and goodwill.' That is the United Malays National Organization's declared policy, and it certainly represents Dato Onn's personal outlook.

"It is going to be hard, however, for the United Malays National Organization to persuade the domiciled communities that this is in fact its policy if the party's leader finds it necessary, when on the public platform, to become almost chauvinistic, as apparently was the case in Penang."

Goodwill Committee

NOTWITHSTANDING all the political differences among the various communities in Malaya, it is gratifying to note that the formation of a Malay-Chinese goodwill committee, with the Commissioner-General, Mr. Malcolm MacDonald, as liaison officer, has resulted from a January meeting of Chinese and

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Malay leaders from Singapore and the Federation.

The Malays are represented by the Mentri Besar (Prime Minister) of Johore and the President of the United Malays National Organization, Dato Onn bin Jaafar; the Mentri Besar of Perak, Dato Panglima Bukit Gantang; a Selangor Legislative Councillor, Inche Saleh Hakim; a Kedah Malay leader, Dr. Mustapha bin Osman; and the Secretary-General of the United Malays National Organization, Inche Zainul Abidin bin Haji Abass.

The Chinese are represented by Dr. Lee Tiang Keng (Penang), Mr. C. C. Tan (Singapore), Mr. Tan Cheng Lock (Malacca) and Mr. Yong Shook Lin (Selangor).

Well Received

The formation of a Malay-Chinese goodwill committee was well received by the Malayan peoples. The Malay Legislative Councillor and president of the Penang United Malaya National Organization, Mr. S. M. Aidid, commented, "Deeds are more important than words. I hope the committee will not only discuss, but will take concerted action, to cement Sino-Malay friendship." Mr. Aidid continued by saying that the economic and educational status of the Malaysians was not as advanced as it should be, and that the Chinese, he hoped, would co-operate with them in both these spheres.

Mr. Cheah Cheng Poh, Hon. Secretary of the Penang Straits Chinese British Association, said that this reaction would mean further friendship, and that no effort should be spared to demonstrate this and to put Sino-Malay relations on a solid basis.

The *Singapore Free Press*, in a leading article on "A New Bid for Racial Harmony," said that all good Malaysians should give the warmest welcome to the efforts of the Malay and Chinese leaders who met to foster interracial harmony and discuss with frankness common problems on which existing differences of opinion may well prove to be much narrower than has sometimes appeared to be the case during the past three years. "May the seeds of better understanding which have now been planted," the article concluded, "flower and bear fruit in abundance."

The Week's Business

THE past seven days have seen little activity on the Shanghai market as most businessmen have preferred to wait until after the rumored economic reform measures are published before taking any important moves.

A hint that something definite is being planned can be seen from Finance Minister Hsu Kan's activities during the week. He has been in Nanking, Shanghai, Canton and other cities, presumably to secure final approval for his reform measures from various high officials who are now scattered all over the country.

Although the money market remained easy with the blackmarket interest rate fluctuating between GY50 and GY70 per GY1,000 per day, quotations for financial articles and commodities actually dropped. Gold bars, which were quoted at GY110,000 on February 16, dropped to GY100,000 per ounce in the early part of this week. Greenbacks, which were quoted around GY2,000 to GY2,200, dropped to GY1,800 during the same period. Prices of yarn, cloth, newsprint, chemicals, and others continued to rule weak because of apprehension on the part of the businessmen over the rumored new measures.

Although the actual measures may be different from the rumors, it is interesting to note that, according to businessmen, the Government will quote the exchange rates for different cities daily, and for Shanghai the rates will be around GY1,000 to one silver coin, GY2,000 to one US dollar, and GY100,000 to one ounce of gold. It was because of these rates that financial quotations and commodity prices ruled weak.

This, together with rumors that trading in gold, silver and foreign exchange will be legalized and that the import controls will be loosened, made many businessmen rush to buy Exchange Clearance Certificates, pushing up the rate from GY1,500 on February 16 to GY1,900. It was reported that the Central Bank of China was a heavy buyer of these certificates. Whether the Government bank bought for short covering or for the profit it could get because of its advance information is hard to say.

Another important point in connection with the reform rumors was a report that the Government may issue half dollar silver coins to be circulated side by side with Gold Yuan as a means to check the issuance of too many Gold Yuan notes. Well-informed circles state that China possesses some 150,000,000 ounces of silver and this large reserve will be used to turn out silver coins.

It was also reported that Government officials and military men may be paid in part by these silver coins. As there are at least 5,000,000 per-

sons in the employ of the Government or the army, it is estimated that the stock of silver would last for two months.

Because of a feeling that the reform measures could hardly succeed in stabilizing China's toppling economy, businessmen started to sell short Gold Yuan notes again on February 23, the day before the scheduled announcement of the reform measures by Minister Hsu Kan.

In the half-hour period immediately following the close of the market at noon on February 23, financial quotations and commodity prices increased. Gold went up to GY120,000 per ounce and the US dollar increased to GY2,200. Silver coins advanced from GY1,300 to GY1,400.

One reason why little can be expected from the new reform measures is the fact that there is practically no government machinery to enforce them. Far more political and economic force than Chiang Ching-kuo was able to muster in Shanghai during the days of the introduction of the Gold Yuan currency would be needed to carry out the new currency reforms. Unfortunately, the military situation in recent months has deteriorated far more than that of last August and the political machinery of Nanking has disintegrated too far to be able to enforce any law.

With note issue the only means of meeting the mounting expenses, it is no surprise that financial quotations and commodity prices are continuing to rise. According to latest reports, the total note issue has reached GY100,000,000,000, while a Government spokesman put it at GY20,000,000,000. When converted into US dollars according to the black market rate, China's total issue was only US\$10,000,000 according to the official figure, or US\$50,000,000 according to the unofficial estimate. This is very small when compared with the total issue of CN dollar notes in 1937 before the war, which was CN\$1,400,000,000 or US\$500,000,000!

It is only natural for prices and quotations to increase far more than the actual rate of inflation because of the speculation and hoarding that accompany it. Consequently, it takes little imagination to predict a skyrocketing of prices in the weeks to come.

The following table gives a comparison of the quotations on February 16 and February 23:

	Feb. 16 GY	Feb. 23 GY
Gold	110,000	120,000
US Dollar	2,000	2,350
Clearance Certificate	1,500	2,150
Silver Dollar	1,600	1,300
20's Yarn	360,000	380,000
Rice	10,000	11,000
Wing On Textile	200,000	262,000

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NEWS OF THE WEEK

Nat'list Peace Moves Weakened By Internal Rifts; G'mo Active

THE Nationalists are having a hard time trying to make peace. For the Government, peace-making presents a two-fold problem. On the one hand, it is doing its best to re-open peace talks with the Chinese Communists. On the other hand, as the result of reported differences between Nanking and Canton, the Government needs internal peace in order to be able to maintain a solid front in bargaining with the Communists. The Kuomintang has reiterated its determination to seek an over-all peace and stressed that it would resist a localized peace under any circumstances. But the independent actions of some of its members and their open defiance of Li Tsung-jen's orders for sweeping political reform have actually weakened the Kuomintang's attempt to conclude an over-all peace. Competent observers are inclined to suspect that the officially sponsored movement against localized peace is nothing but a deliberate attempt to sabotage the peace efforts and continue the war.

The arrival in Peiping of the peace mission headed by Dr. W. W. Yen is the signal for a free and frank exchange of views between the mission and Communist leaders on a great variety of subjects. Latest reports from the ancient capital seem to indicate that the mission was highly impressed with the sincerity of the Communists and was quite optimistic about the future of peace negotiations. It is understood that Dr. Yen and elder statesman Shao Li-tze, grand old man of peace, are expected to leave for Shihchiachuang shortly to confer with Communist leader Mao Tze-tung. The meeting with Mao may clear up the situation and pave the way for a round-table conference to discuss peace.

Vital Conferences

WELL-INFORMED sources in Nanking disclosed that a five-man conference has been scheduled to take place in Peiping presumably to iron out last minute difficulties. Participants in this conference are said to be Chou En-lai and General Yeh Chien-ying of the Communist Party, Shen Chun-ju of the Democratic League, Marshal Li Chi-sen of the Revolutionary Committee of the Kuomintang, and Shao Li-tze, representing Nanking.

It will be recalled that Shen Chun-ju and Li Chi-sen recently made an extensive tour of Communist areas, and both are now believed to be in Shihchiachuang. It is significant to note that in their recent broadcasts, the Communists have stressed the fact that they

Li Tsung-jen Adopts Stiffer Attitude

THE attitude of Acting President Li Tsung-jen toward the Communists seems to have stiffened. In contrast to his previous statements about talking peace with the Reds unconditionally, Li, in addressing a large group of legislators and Government leaders in Canton, made the opening of peace negotiations conditional on the Reds' not crossing the Yangtze River. He warned that if the Reds attacked south there would be no possibility of carrying on peace negotiations.

other democratic factions on the question of peace and are making preparations together with them for eventual peace talks.

Another important conference is being arranged in Nanking. In order to patch up the differences within the Kuomintang and present a united front in dealing with the Communists, President Li Tsung-jen is reported in the press to have invited Premier Sun Fo, General Chang Chun from Szechuen, General Chang Chih-chung from Lanchow, General Pai Chung-hsi from Hankow, General Cheng Chien from Changsha and General Ho Ying-chin to come to Nanking. An official source in the capital disclosed that the conference would discuss the principles for peace with the Communists.

Trip To Canton

PRESIDENT Li Tsung-jen's surprise visit to Canton brought to light the gravity of the rift between Nanking and Canton. Foreign observers in Canton believed that Li's main purpose in going south was to put pressure on Sun Fo to return to the capital with his cabinet and give the president a greater degree of cooperation in the present crisis. If Sun Fo remains obdurate President Li, it is alleged, will back up his pressure with a possible threat of censure at the Legislative Yuan's next session in Nanking. Li's statement, issued on his arrival, that all political parties must "bow to the peace plea" is considered to be aimed directly at Sun Fo and his colleagues. It may also have been directed at Generalissimo Chiang Kai-shek, foreign observers said.

Reuter reported February 20 from Canton: "The decision of the Legis-

possibilities. First, anti-Sun Fo agitation is likely to take on an official nature, culminating most probably in a vote of non-confidence in Sun Fo's cabinet, and forcing Sun's resignation. Such a political crisis, it is pointed out, would throw a monkey-wrench into current efforts to make peace with the Communists. Second, Legislative Yuan members favoring removal of the Yuan to Canton may rally a 'rump session' in Canton in open defiance of Nanking."

A reshuffle of the cabinet is believed certain no matter whether Sun Fo steps down or not. If Sun refuses to play ball, President Li Tsung-jen would be forced to appoint a new premier who could be expected to cooperate with the President. Even if Sun Fo stays, his cabinet will have to be overhauled anyway, because several ministers of the CC Clique and of the Young China Party have resigned.

Power Behind Throne

THE split between Sun Fo and Li Tsung-jen was further complicated by the fact that Generalissimo Chiang Kai-shek, in spite of his "retirement", is still displaying more than usual interest in Government affairs. And it is an open secret that Sun has the backing of the Generalissimo. It was rumored that Sun Fo and Wu Te-chen flew to Fenghua to confer with the Gimo before finally making their decision to move the cabinet to Canton.

A UP story dated February 19 from Nanking revealed that the Generalissimo is as active as ever. The story read in part: "Chiang Kai-shek, officially in temporary retirement, is still giving orders. He is retaining enough presidential powers to give him a veto in the forthcoming peace talks with the Communists and is exercising these powers daily to keep the way open for his return to office. During his 21-year career as China's national leader he has retired twice and returned twice . . .

"The small town of Chikow in Fenghua, Chiang Kai-shek's native place where he is living in a converted sort of temporary presidential headquarters, is assuming the appearance of a third splinter faction in the split of the Chinese capital (Nanking and Canton being the other two splinters) with heavy incoming and outgoing telegraphic and telephone traffic. The traffic brings in reports and sends out instructions. During the first three weeks of Chiang Kai-shek's retirement, when telegraphic facilities were not yet installed, two special planes shuttled back and forth between Chikow, Nanking, Shanghai and Canton, bearing part of the busy traffic. Recently one powerful transmitter was sent to Chikow from Nanking and plane cancellations were cancelled."

Control Over Army & Bank

THE UP also reported that the Generalissimo is still controlling the Army and the Central Bank. "Besides his control of the Kuomintang, in his capacity as party director general, he is still retaining military power," the dispatch said. "He is in constant telegraphic and telephonic contact with the National Defense Ministry in Nanking, receiving reports on the military situation and giving instructions for important troop dispositions and appointments of army and divisional commanders for newly-trained and organized units. The decision of the Ministry of National Defense to abandon Tsingtao on February 8 was made on his order. Yen Hsi-shan, Taiyuan commander who came to Nanking to urge rescinding the decision to ensure ample food air drops to his beleaguered citadel, had to fly to Chikow to see him on the matter.

"He is also retaining his interest in the Central Bank of China and on several occasions telephoned instructions to the bank governor in Shanghai for the removal of gold and silver to safer areas despite Li Tsung-jen's order to keep specie in Shanghai. Li Tsung-jen, who was supposed to take over all presidential power, now has barely more than a free hand in pushing a policy of opening peace talks with the Communists. Besides this, he has practically no other powers. Military power is still in Chiang Kai-shek's hands. Police and economic powers are in the hands of Sun Fo and his cabinet, who would listen more to Chiang than to Li. Several reforms ordered by Li Tsung-jen last month are mostly ignored by local authorities. For example Chang Hsueh-liang and many other political prisoners are not freed, banned newspapers and magazines are not allowed to resume publication, martial law in areas far away from the war zones is not lifted."

Li On Spot

THE Associated Press observed that the Generalissimo's activity has placed Li Tsung-jen in a difficult position. It said:

"Some informed sources in Nanking describe Chiang Kai-shek as the biggest problem confronting Acting President Li Tsung-jen in his efforts to reach peace with the Communists. Reports reaching Nanking from Chiang's place of retirement say that the Generalissimo is unable to keep his hands from the reins of government he left six weeks ago. His activities are increasing steadily, as his restlessness mounts. They include daily telephone conversations with key leaders and military as well as political and economic officials who, while technically under orders of acting President Li Tsung-jen, are still personally loyal to the Generalissimo.

"When Chiang left the presidential office he had the genuine intention to separate himself completely from the Government and let Li Tsung-jen have a full chance to work out a peace with the Communists, accord-

ing to an official source. But, as the days go past without a definite development, Chiang is listening more to those within the Government who are telling him that the only hope for a united China is his return to power. This is being reflected in his increasing contacts with various officials both in Nanking and Canton. This situation is causing great concern to Li Tsung-jen and his supporters. It is raising doubts in their minds that the group which is continuing in close contact with the retired President would join in any agreement which might be negotiated with the Communists."

In this connection, it is interesting and significant to note that rumor has it that acting President Li Tsung-jen and General Pai Chung-hsi are planning to go to Fenghua to talk matters over with the Generalissimo.

Internal Peace Needed

IN addition to the rift between top Government leaders as stated above, peace at a lower level is needed in the provinces. In Szechuen, a powerful movement is under way to kick out Governor Wang Lin-chi, who is known to be trusted follower of the Generalissimo. General Liu Wen-hui, governor of Sikang, is said to have sent several regiments of his troops to the suburbs of Chengtu, capital of Szechuen, to back up his fight for the governorship of the province. Meanwhile, several commanders of the provincial peace preservation corps issued a public statement accusing Governor Wang Lin-chi of corruption and mis-administration.

The situation was further aggravated by the transfer of General Hu Chung-nan's troops from Shensi to Szechuen. The Szechuen provincial council already has voiced opposition to the entry of Hu's forces. It was pointed out that there was no need whatsoever to send "outside" troops to Szechuen at the present time and that the discipline of Hu's units is "notorious." The faculty and the student body of the Szechuen University in Chengtu have refused to vacate their premises to make room for General Hu's headquarters.

General Hu has invited the chairman of the Szechuen provincial council to Sian for a personal talk, and it remains to be seen how the difference will be patched up. It is interesting to note that General Hu Chung-nan is one of the most trusted

subordinates of Generalissimo Chiang Kai-shek. Opposition to the transfer of Hu's troops is indicative of a forthcoming struggle between the local elements and the Gimo's faction.

Compromise Suggested

LEADING major foreign powers in a movement to try to get along with the Chinese Communists, the British have made it clear in recent weeks that they are ready to do business as usual in China.

The British-owned *Far Eastern Economic Review* during the week spoke out in favor of a compromise with the Reds in China. The journal wrote, among other things:

"The time has come to compromise with Communism or face the consequences—World War III. . . No longer can one afford to fulminate against Communism in China or elsewhere. In China the Communists have conducted themselves most credibly. . . ."

"Without foreign trade and foreign help the new masters of China will not succeed with rehabilitation of the devastated country. Therefore relations with foreign nations should be expected to be correct if not cordial."

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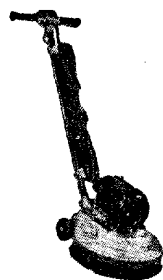
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Chinese Magazine Roundup

World Outlook

IN view of current charges that the United States has been interfering in China's domestic affairs, it is both informative and interesting to learn that the Kuomintang, according to the *World Outlook* of February 5, has also been busy trying to influence internal politics in the United States.

The magazine charges that the Kuomintang spent quite a lot of money on the Republicans in the last presidential election, saying: "According to the most reliable information, the KMT spent some US\$2,000,000 on behalf of Dewey and the Republican Party in last year's American presidential election. This sum was spent both in direct contributions to the Republican headquarters and to various Republican candidates. It is alleged that President Truman obtained definite proof of KMT activities through the FBI, as a result of which he became greatly annoyed with President Chiang."

The magazine further alleged that Madame Chiang Kai-shek is doing her best to influence top American defense leaders through General Albert Wedemeyer.

"The recent apparent inactivity of Madame Chiang in America is deceptive inasmuch as she is actually very busy, especially among military circles," it states. "Major General Chu Shih-ming is helping her out in the work, as General Chu was formerly China's Military Attache in Washington and therefore knows most of America's military leaders well. In this respect they use the argument that, with the communization of China, American lines of defense in the Pacific will be seriously threatened. Their main objective however, is to try to join up with the anti-Marshall camp. It is alleged that General Wedemeyer and Bedell Smith (US Ambassador to Moscow) are both against the policy of Marshall, as they are for adopting the bolder policy of a frontal attack against the USSR.

"It has been reliably learned that Madame Chiang recently directed General Chu to call on Defense Secretary Forrestal. In the course of the interview Forrestal expressed his sympathies for the present predicament of Chiang but pointed out that the problem of helping Nanking is completely dependent on Truman and Marshall. In case Chiang is able to convince Truman and Marshall that giving increased aid to Chiang will not get the US into military difficulties or obstruct the program of the Western Union, the Department of Defense would be willing to oblige. Wedemeyer is also known to have said something of a similar nature. At the present juncture Wedemeyer appears to be the principal link between Madame Chiang and American military leaders."

Another type

activity in the United States, the magazine reveals, is an attempt to make more pro-Nationalist converts of Congressmen.

"The important mission of trying to influence the American Congress is part of the work of the Chinese Embassy in Washington," it says. "The main line of strategy is to join up with Republican Congressmen, to keep in close touch with Southern separatist Democrats and to win over by bribery certain other Democratic Congressmen. It is the Chinese plan to try to make the Chinese problem the center of debate when Congress opens in the early part of February and by so doing, to utilize the American Congress as a means of propaganda for gaining assistance for the reactionary government of China, thus causing a reversal of Truman policy at present and Roosevelt policy of the past."

1949, THE YEAR OF THE COW



This cartoon, from the *Hua Shun Pao* in Hongkong, predicts a happy new year. The doves bring peace the chickens bring luck, the cocks announce the "good tidings of the people's victory" and the cow brings sufficient food and clothing.

Efforts to "buy off" American businessmen by alluring promises of special privileges and trade opportunities, the magazine charges, is also part of the long-range Kuomintang plan to create a strong pro-Nanking group in the States. The article continues:

"Aside from attempting to influence American military leaders and the American Congress, KMT agents are also engaged in enlisting the help of American businessmen. Pei Tsu-ye, as the financial representative of the KMT in America, is solely responsible for this aspect of the work. His approach is very simple namely, to promise American businessmen whatever privileges they may want to have in China in return for their assistance in gaining increased American aid. Unfortunately Pei has been invariably unsuccessful. The American businessmen's answer to his line of sales talk is very much to the point

KMT business propositions since Chiang is not known to have kept his word. Of all the different kinds of KMT activities in the States, Pei Tsu-ye probably failed more miserably than any of the rest."

The magazine goes on to disclose that Church dignitaries are also trying to enlist sympathy and support for the Chinese Nationalists.

"The recent arrival in America of Bishop Paul Yu Pin," it said, "carries with it the important mission of attempting to influence the Catholic Church in America."

Truth Seeking

THE *Truth Seeking* magazine of February 15 protests the action of the military court of the Chinese Ministry of National Defense in acquitting Lieutenant General Yasut-sugi Okamura, Commander-in-chief of Japanese forces in China during the Sino-Japanese war. It writes:

"In staging such unheard of clownish buffoneries, China probably enjoys the distinction of leading all modern nations. As is generally known, the recent Japanese aggression against China may well be taken to be unprecedented both in size of area occupied and in number of people killed, injured or wronged. It is thus indeed a miracle for a Chinese Court to declare that the chief culprit of this foul deed of aggression is 'not guilty' after thousands of lives had been sacrificed and untold sufferings had been borne for the achievement of 'final victory.' In this world you must either be right or be wrong, so if the assailant is not guilty then the assailed must be guilty. Or in other words, oh ye lords of Nanking, to declare that Okamura is not guilty is similar to saying that President Chiang is guilty.

"Well, shall we not then wait for a future Japanese Court of Justice to declare that all Chinese leaders in this war of anti-aggression should be hanged?"

"It is alleged that certain big shots of the Chinese Government, together with their American masters, are of the opinion that, with the kind of experience gained by his killing of thousands of Chinese, Okamura should be considered a godsend who can be employed to direct a mixed force of Chinese and Japanese troops to exterminate the Chinese Communists. In the meantime, a fresh batch of secret agents can also be trained by Okamura to penetrate into the very marrows of China.

"All hunters are aware that, even when forced to run for its life, a snow-white rabbit will still refrain from stooping to get its skin smudged. When those who pride themselves on being progenies from 'Huang Ti' debase themselves to this extent that they are even willing to address the robber as Papa, we really have to say."

US Magazine Roundup

Harper's

CHRISTOPHER Rand, writing in the January 1949 *Harper's* on "The No Man's Land of Asia," discusses present conditions in China's border territories—Sinkiang, Mongolia and Manchuria.

Rand says: "The broadest spread of Soviet influence today is not in Europe or the Middle East, but in the frontier zone that lies below Siberia and Russian Central Asia. Here the Russian border is more than 4,000 miles long, running inland from Vladivostok to the Pamir Mountains, the center of the ancient world. It fronts on a great variety of terrains—mountains, deserts, farmlands, steppes, forests, industrial areas—and a great variety of peoples, all of them technically under the Chinese flag, but many of them non-Chinese in race, language, and culture. Manchuria, the heart of Asiatic power politics, is in this border zone. So is Mongolia, the home of the old nomad conquerors, and Sinkiang, the traditional Central Asiatic buffer.

"In all of them there are now Communist or pro-Soviet movements that hold territory by force, in defiance of Chinese authority. Each is gaining in strength, and the Chinese government seems incompetent to deal with them. The border zone, with an area equal to all non-Russian Europe, seems destined to join the Soviet world before long."

Sinkiang

IN discussing Sinkiang or Chinese Turkestan, Rand says that the Chinese have claimed dominion over this territory for over 2,000 years "but have had effective control for only some 500, and this intermittently. At present the ruling Chinese minority is about five percent of the total."

After tracing the various activities of the British, Russian and Chinese in Sinkiang since the latter part of the 19th century, Rand describes the revolt of the natives in the Ili valley in 1944, which, he says, was stopped late the next year with the help of Russian mediation. The truce, he says, gave China "the essentials of sovereignty" but promised "a great deal of local autonomy to Sinkiang as a whole." This truce was never implemented and, according to Rand, "the Ili zone is now in effect a separate country.

"The Ili party," he says, "has organized leadership, trained in politics, propaganda, and warfare; it represents the nationalist aspirations of Sinkiang as a whole; and it has the prestige of backing by the only strong power in the neighborhood."

Mongolia

TURNING to Mongolia, Rand recalls that when the Manchu dy-

nasty fell in 1911, Outer Mongolia "demanded and got its autonomy. Theoretically it remained under the Chinese flag, but in all practical respects it was independent." In the 1920's, he continues, the area "came under a Marxist government" and the Mongolian People's Republic was formed; and "in 1945 its complete independence was recognized by China."

Since 1944, no unbiased foreign observer has visited the country but, Rand says, reports from a trip made there by Henry Wallace and Owen Lattimore during that year and information from before the war indicate that "the country has gone through considerable economic development, led by Russian advisers . . . As in Russian Asia, Marxism is apparently engineering a transition from nomadism to settled, industrial life."

Rand continues:

"The drifting away of Outer Mongolia left two other Mongol territories in China's sphere, or at least outside Russia's. One of these was the strip of plains that runs down the western side of Manchuria, from Siberia to the Great Wall. The other consisted of the Inner Mongolian provinces of Chahar, Suiyuan, and Ninghsia, a band lying between Outer Mongolia and the Great Wall . . .

"Outer Mongolian influence has spread into western Manchuria, where its only rival is a government set up under Chinese Communist auspices at Wangyehmiao, about half way down the Mongol strip. The relation between these two movements—communism via Outer Mongolia and communism via the Chinese—is obscure, but they seem to be cooperating for the present."

Rand declares that the Chinese government's position in Inner Mongolia is weak, with Chinese authority existing in many parts simply at garrison points.

"The Chinese following" he says, "is limited to a few princes, lamas, and rich Mongols who prefer any future, however poor, to communism; and they are of little help because they cannot arm and organize themselves. The Mongol country in Manchuria is flooded by communism already, and Inner Mongolia is becoming so. The important question now is not whether communism will prevail there, but whether it will be communism under Outer Mongolian, or Chinese Communist, or some kind of independent leadership."

Manchuria

DISCUSSING the third of China's border areas, the rich and varied territory of Manchuria, one-sixth the size of the US, and the "root of all the modern Asiatic wars," Rand says: "By now the Communists have gained control of all Manchuria and we

may reasonably expect it to have an unassailable Communist regime, owning allegiance to the Chinese Communist party, but with a strong flavor of Manchurian leadership and with a special position toward Russia. The Manchurian Communists are linked economically to Russia by the Chinese Eastern Railway, which runs through their capital of Harbin, and on which heavy traffic has been reported moving for over a year—Manchurian raw materials going to Siberia, Russian manufactured goods coming back. Some observers also think there is a special tie through Li Li-san, the Manchurian Communists' top political authority, who differs from other Chinese Communists in having spent the past 15 years in Moscow, rather than in the Chinese countryside. It is even argued that Manchuria will set up as an independent country when it goes Communist. But the best experts are inclined to doubt this. They think it will be part of China politically, but with strong autonomy and with an understanding that Russia has a special interest there."

* * *

Minorities

IN summing up Nationalist China's attitude toward the border areas, Rand finds that the Kuomintang pattern is to "ram its views into border areas by force," and to use those who "represent Kuomintang interests." Because of this, he says, "it is understandable that the minorities prefer almost anything to domination by Chiang Kai-shek."

Rand lists three factors as contributing positively to the shift of minority allegiance in these border areas—the Russian or Communist expansion, the revolutionary force of Marxism acting in backward societies, and the pull of economics. Of Russian or Communist expansion, which he says has been carried out through diplomacy and power politics, Rand declares that "the agents of Russian nationalism have reason to congratulate themselves." With regard to the spread of Communism as an idea, Rand refers to the repressive rule by aliens in these areas, the bad local governments, and the outmoded landlord system, and says, "Marxism offers a formula whereby old nomadic and farming peoples can be modernized without losing their identities, an appeal the Kuomintang conspicuously lacks." On the third factor, the economic pull, he points out that "it has been all Russia's way," for the flow of raw materials to Russia and consumers' goods into the border territories has meant comparative prosperity for the areas concerned. These factors, he says, are basic and "are all in tune with the current postwar world. It is hard to see how they can be reversed except by another great war or a completely new Kuomintang policy."

What Chinese Papers Say

THE necessity for cultivating an atmosphere of peace and for effecting drastic political reforms was stressed by the Chinese press. The mouthpiece of the local chamber of commerce advised Premier Sun Fo to step down.

Peaceful Atmosphere

THE *Ta Kung Pao* opined that in order to facilitate the realization of peace, it is necessary to cultivate an atmosphere of peace. The paper expressed regret that, in spite of President Li Tsung-jen's order for sweeping reforms, the local authorities have turned a deaf ear to the President's appeal.

"After Acting President Li's order for the release of political prisoners," the paper said, "it is true that many such prisoners have been set free in various parts of the country. But the restoration of freedom to such persons as Chang Tsueh-liang and Yang Hu-cheng is still being delayed and held up by the competent local authorities, while in some places new arrests are still being made. Recently, the Nanchang Garrison Headquarters has even announced the enforcement of press censorship, restricting the freedom of the press. These facts show that the various local authorities have not been able to appreciate the intentions of the Central Government, and not only have they failed to make sufficient efforts to help cultivate the atmosphere of peace, but have in some cases obstructed its development."

The paper raised objections to the theory of seeking peace by means of preparing for war, pointing out that this theory does not make sense at all.

"In recent days," it said, "the theory of 'making war preparations in order to achieve peace' has gained much publicity. The theory sounds all right, but actually it is most fallacious. The reason is obvious. During the serious fighting in the last three years, a state of war has been in existence and continues to exist to the present moment, and the Government has certainly done a great deal more than being 'prepared for war.' Even now, though the Government is advocating peace, it has not relaxed its war efforts."

Political Reform

COMMENTING upon President Li Tsung-jen's appeal for political reform as part of the Government's plan for bringing about internal peace, the Kuomintang-controlled *Shan Pao* said that, since much has already been said and written on this subject, the most important thing now is to do something about it.

"Acting President Li Tsung-jen in a broadcast statement last Tuesday

evening reiterated the Government's determination to seek peace and to carry out political reform," the editorial said. "He specially stressed the need for political reform, the cleaning up of official corruption and the tightening of military discipline. He has indeed taken the words right out of the mouths of all the people in the country today.

"In discussing the political situation in China of recent years, there is unanimous opinion among domestic and foreign observers about the evils of official corruption and administrative inefficiency, facts which have not been denied even by the



Ta Kung Pao

highest authorities in the Government. But although reforms have been introduced now and again, a new situation has never so far been successfully brought about. What is the crux of the problem? Obviously it is the delocalization of the relationship between the Government and the people. Those holding high authority in the Government have from the very first only sought to enlist the services of men from among the small circle of old and new bureaucrats, and these officials have all along carried out a policy of dillying with the situation and maintaining the established order of things. They have never come into contact with the people, they have never given a thought for the people, and they have failed to discover real talent from among the large masses of the people. Frankly speaking, most of the civil servants of the middle and lower ranks are law-abiding and conscientious workers, and the so-called corrupt and inefficient officials are limited to a small number who indulge in illegal and evil activities, exploit their positions for self-aggrandizement, and will do anything to achieve their

small portion of undesirables can be eliminated, this small group of parasites wiped out, the Government administration will immediately be improved."

The paper called upon the Government to make a thorough job of housecleaning, saying: "If the Government is not prepared, with the greatest determination, to disregard personal relationships and deal with them impartially, these undesirable members within the ranks of the Government will still not be eliminated. We express the hope, therefore, that Acting President Li, in his efforts at political reform, will recognize clearly the situation."

Resignation Demanded

THE *Shan Pao*, generally regarded as the official organ of the local chamber of commerce, came out into the open to demand that Premier Sun Fo get out to make room for a more capable man.

In the opinion of the paper, Sun Fo has created much confusion and uncertainty during the past two months in his capacity as president of the Executive Yuan. Charging Sun Fo with talking big and acting small, the paper said: "Sun Fo's cabinet talked about securing an honorable peace. But Sun proved himself to be a man who has the head of a tiger and the tail of a snake. The Communists had hardly approached Nanking when he lost his presence of mind and fled to Canton with his cabinet. At present we do not know where the Government is located. The administrative machinery seems to have come to standstill. What kind of government is this? We have never seen the like of it before. The people have not yet lost their sense of balance, but the cabinet is all in confusion. How can Sun Fo defend himself before the public?"

The paper continued: "While in Nanking, Premier Sun advocated peace. Having gone to Canton, he began to advocate war. Acting President Li is left alone in Nanking to maintain the Government, and the public are led to suspicions that there is discord within the ranks of the Government.

"We would like to ask Premier Sun: What are your intentions? What is your policy? Do you advocate war or peace? Where are you setting up the Government, in Nanking or in Canton? Are the orders of the Government to be carried out according to the wishes of the President or those of yourself? Will you please think over whether or not you are capable of carrying on. If you cannot carry on, why don't you give way immediately to another official with greater capacity, and with a greater sense of responsibility to carry out the colossal task?"

What US Papers Say

CONGRESSIONAL consideration of financing the Marshall Plan for a second year and Soviet attacks on the proposed North Atlantic pact were discussed in the US press. Comment on the Far East was fairly light.

Full Steam Ahead

THE *Christian Science Monitor* declared the Marshall Plan was "America's greatest bargain" and said there should be no question about Congress appropriating money to finance it for a second year.

"There cannot be many questions in Congress as to the success of the program," the paper said. "To be sure, the future is complicated by the need not only to supply Europe with machinery and raw materials to better the existence of its people, but with arms as well to defend the improvement."

"This need, too, is a tribute to the success of the economic program. But it does mean that both American and European efforts must be divided between productive measures and measures for non-productive defense."

"Fortunately, the trend of aid to Europe already points to a basic change in the European picture. At first, the bulk of shipments under the Marshall Plan was food and agricultural products—food for immediate consumption, agricultural products needed to bolster food production. By last fall, at least half the shipments were industrial. Europe was being retooled for production. This progress was buttressed by improved crop conditions and vital increase in factory output."

"Prospect of a huge dollar deficit in Europe even at the end of the Marshall Plan period in 1952 beclouds these gains somewhat. Likewise Americans are disappointed that European governments have not committed themselves more deeply to economic cooperation among themselves."

"But neither of these factors should militate against going ahead full steam with the program that has paid such huge dividends in its (first) year of operation. Inter-European trade will lessen Europe's dependence on dollars to some extent and the gains which Europeans realize under such cooperation, as they have already achieved, may well persuade them to carry cooperation further."

Plain Talk

THE *Philadelphia Inquirer* praised Secretary of State Dean Acheson's denunciation of Cardinal Mindszenty's trial and his denial of Soviet assertions that the North Atlantic alliance is an "aggressive" move, saying his were "plain words" and should "convince the Russians that the American

intention of being diverted by Communist propaganda."

The paper added: "People of other nations, too, will welcome this new evidence that the official voice of America has given up soft words and complicated arguments in dealing with the Kremlin. On these questions, and many others, the Soviets are wrong, and it's a healthy thing to tell them so . . ."

"Nor are Americans alone aware that the real purpose of the North Atlantic alliance is not aggression, but defense against the threat of aggression which has been made all too clear by the pattern of Soviet expansion. It is nonsense for Moscow to say that formation of a regional defensive alliance is in violation of the United Nations Charter. The right to make such arrangements was spelled out very clearly in the Charter, which the Soviets and other nations ratified . . ."

"It is not only to safeguard their own borders, or their gradually improving material condition, that the nations of Western Europe are forming a mutual assistance pact. They, and the United States, too, are trying to protect their freedom."

"The United States has asserted its leadership in the long war for freedom by helping to rebuild Europe through the Marshall Plan—at a cost of billions of dollars—so that liberty can flourish. We are the moving factor in the North Atlantic alliance."

Korean Admission To UN

THE *New York Times* supported the application of the Republic of Korea for UN membership and felt the Soviet government should neither oppose it nor seek admission for the North Korean regime.

"The argument in the Security Council over the admission of a Korean Government to the United Nations" the paper said, "does not reflect so much a division among the Koreans themselves as a division between Soviet Russia and the rest of the world. The two conflicting governments there—the UN-established republic in the South and the Russian-sponsored government in the North—do not reflect the wishes of the Korean people. They are the creations instead of the two great opposing blocs . . ."

"It is difficult to see what valid argument the Soviets can make for recognition of the North Korean Government or against the membership of the Republic established in the South after a free election. The latter does represent the expressed will of the two-thirds of the Korean people who reside in the South . . . It is not the fault of the Koreans, or of the United Nations, that the election of last May was held only in the US occupation zone. The Russians refused to permit one to be held in the North."

"A Soviet veto of the Republic's application will not further Russian aims for establishment of a Korean Government friendly to the Soviet Union.' Its effect probably will be to oppose, to solidify anti-Russian feeling in South Korea. Certainly it can only widen the breach between Russia and the majority of the rest of the nations of the world."

Calamity-Howlers

THE *Denver Post* noted the change in tactics used by persons who have advocated all-out aid to China, saying:

"Now that the Chinese Nationalist Government is fleeing Nanking, American advocates of all-out aid have dropped a there-still-is-time line and are indulging in an orgy of recrimination and breast-beating . . . This is not the product of reason nor is it conducive to straight thinking. All-outers never did offer a blueprint for success, any guarantee or even warrant that money sent to Chiang would not go the way of previous moneys—down the Chinese rathole. All this aside, it would be helpful of calamity-howlers to offer some suggestions as to the future, rather than carping on the death of an impossible program."

In a discussion of reasons for the Communist Army's victories in China, the *Kansas City Star* declared: "The Chinese Communists have fought a smarter war than the now severely battered Nationalists. Their record of having won every one of half a dozen major campaigns in China since last October is proof that the Reds have been superior, both as strategists and tacticians. The combat leadership of China's Communists has been far more effective than that of the legal Government's defenders. This probably has been the most decisive of various factors responsible for China's engulfment by communism."

The *Des Moines Register* concurred in this, saying: ". . . the only conclusion one can draw is that Chiang and his generals threw the war away. Outward tactics, confusion of command responsibility, Governmental corruption, and serious under-estimation of Communist strength led to overwhelming defeat. Where inspired leadership was needed, it was lacking."

The *New York Herald Tribune*, looking at the situation in China from the standpoint of "poverty and population", warned against accepting superficial solutions for such "exceedingly complex" problems and said: "If extreme poverty could be eliminated in China, the appeal of Communism to Chinese peasants, who have most conservative inclinations when moderately prosperous, would be eliminated at the same time."

The Review's English Lesson — LXXII

THIS week, we shall turn our attention to the questions sent in by our readers, some of whom are old friends, some new—Chinese John the Baptist, although hardly new to the pages of the *Review*, has sent in to this department his first question:

Deadpanned: Means, "in a straight-faced manner". "Dead" is without life, therefore motionless, with no expression—calm, showing no emotion; "pan" is a vulgar term for one's face, countenance, expression. This word usually applies to comic actors, who deliver funny lines in a serious or straightforward way, thus making them more humorous. By extension, therefore, the word applies to 1) a statement by a political or private person which the writer thinks was meant humorously or ironically, but which was said in a serious manner; or 2) a statement which may have been made seriously, but which the writer, by the use of this word, thinks was wrong or foolish—and thus *should* have been made ironically or jokingly.

Our old friend S. K. Yang asks about the following:

Munitions, arms, ammunition: "Munitions" comes from a French word meaning ammunition, also military stores of all kinds (see "materiel"); "arms" means instruments or weapons of war; and "ammunition" means generally any material that can be used in warfare, in offense or defense; or, more specifically, the projectiles thrown against an enemy, such as bullets, shells, grenades and bombs. In common usage, "munitions" (or the word that has lately become much used, "materiel") means warlike instruments in general; "arms" means those weapons carried by soldiers; and "ammunition" means the bullets or cartridges used in those arms.

Cinch: As in, "it's a cinch, there's a lot more private money salted away..." A cinch is an easy or sure thing; usually employed in connection with a bet. Thus, the writer might have meant here that in his opinion, there is considerably more money put in safekeeping by individuals than is supposed (and he is willing to back this opinion by money). "It's a cinch" means, "it's easy", "it's sure", "it's certain" that....

Pollyanna: Originally, the heroine of stories by Eleanor Porter who was portrayed as a girl of irrepressible optimism who found good in everything. Anyone, that is, who is bound to see the bright side of things; usually connected with lack of convictions, as in the quotation ("amiable pollyannas with no backbone or conviction").

To stay put: A colloquialism meaning to remain where one is. To stay is to remain, not to move; the added "put" conveys the idea of being forced into the place where one remains, to be placed there—thus reinforcing the notion of immovability.

Put on the spot: "Put" here again means

"placed", forced; "on the spot" refers to an embarrassing position. In the early days of Chicago gangsterism, "to put on the spot" meant to erase, rub out, kill a member of the opposing faction; owing perhaps to the decline in vigor of these legends, or to the violent events occurring since then, this phrase has lost its sanguinary meaning, and now indicates not so much a violent death at the hands of gunmen, as a position in which one is confronted by accusations or questions about one's actions or ideas.

* * *

MR. A. L. Then, another old friend, takes us rather severely to task about the Lesson in the January 22 issue—the one dealing with simple, compound and complex sentences. He maintains that all readers know these elementary facts. May we have comments on this from others? It seems to us very difficult to devise the perfect English Lesson: As we have pointed out, grammar can be found, and very cheaply, in countless English grammar books; individual words and expressions—except those few which are so colloquial or so new that they do not appear in the standard dictionaries—can easily be found, with exhaustive definitions; and as for analysis of style, we do what we can, but again we remind our readers that we depend upon them for examples and texts.

* * *

WE shall conclude this Lesson by pointing out some errors in an interesting letter which a reader very kindly sent in. We hope that he will not take these corrections amiss; he writes very well indeed; but we notice small faults that seem typical so we wish to correct them, in the hope that this will benefit others as well as the writer:

Concur on: "Concur with" should be used; as in the sentence, "Teachers of English will presumably concur with the statement that students can hardly show great interest in the study of grammar."

Treat: Do not say, "treated of as they should be", better, "(Grammar texts) are not being treated as they should be." Again, instead of "Grammarians seem to prefer treating of this subject....", "treating this subject" is preferred.

The tense: Do not use the article when referring to the general subject of "tense". Use the article when referring to a specific tense, as "the past tense"; but, as in the sentence, "Tense, which has proved to be a great difficulty to Chinese students,...." the article should be omitted.

More or less: As given, the sentence reads, "Students usually find memory work more or less as a dread." Omit the "as"; on the other hand, this idea could be more crisply expressed by: "Students usually dread memory work." It is better to express the idea in as few words as possible.

Drive... at a long distance: The sentence refers to lists of words which the writer maintains have no interest for students. This, instead of "(Lists) are often seen to drive the students at a long distance", is better expressed, "(Lists) often repel students." Ordinarily, in this sense, "drive at" is not used; "drive to (or toward)" is correct.



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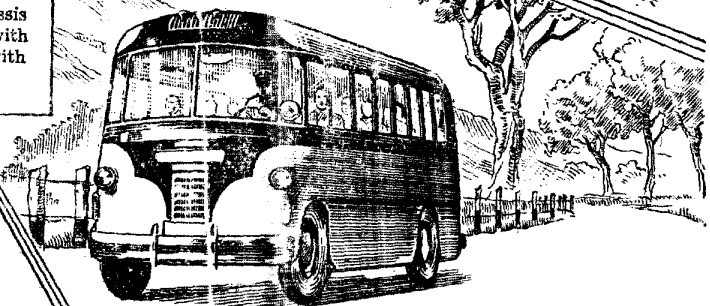
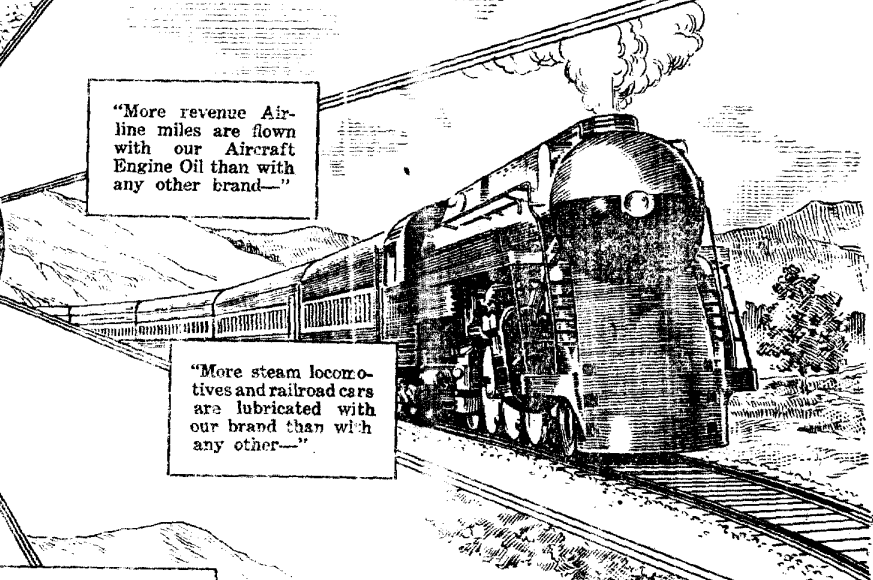
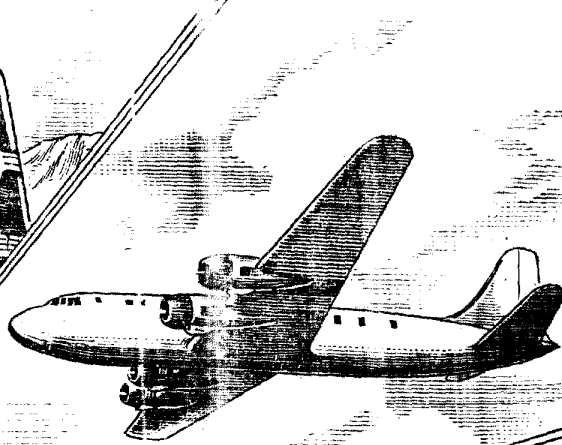
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**THE CHINA
WEEKLY**

REVIEW

報論評氏勒密

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March 5, 1949

PEIPING CLAMP DOWN

AN EDITORIAL

Kunming's Banknote Massacre

Taiwan's Chinese Problem

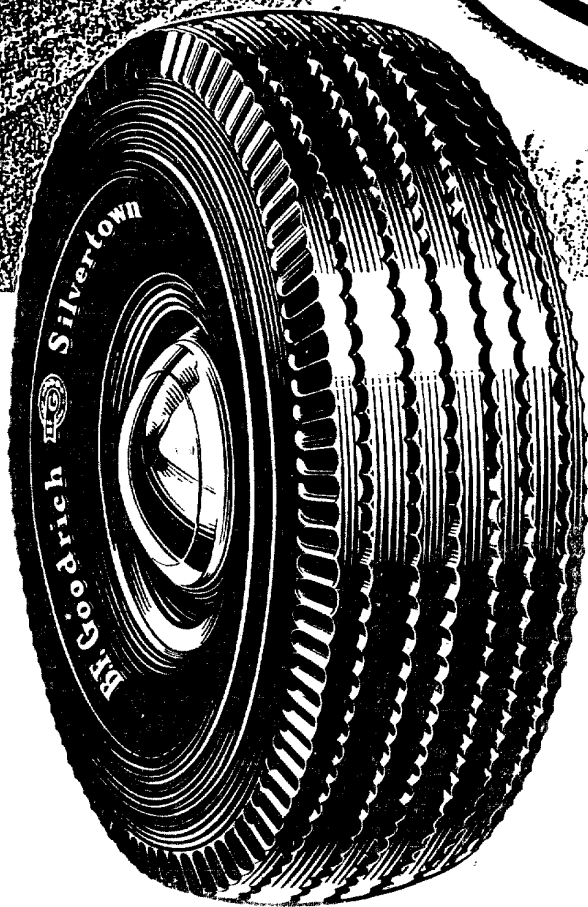
C. F. Coulter

Japanese Philosophy And Politics

Joshua W. K. Liao

GOV'T-FINANCED INDUSTRY

AN EDITORIAL



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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

Calls For Surrender

To The Editor:

In his New Year's statement made as the Red Army marched to the north bank of the Yangtze River, Chiang Kai-shek called for peace. Now the question arises how to win a true peace? What kind of a peace do the people want?

In setting down the possible conditions for establishing a peace, I find there are only two to be considered: 1) that the Kuomintang surrender unconditionally to the Communists, and 2) that the Kuomintang leaders quit China and the Kuomintang field commanders hand over their armies to the Communists.

Because of the deep-rooted differences between them, I think it would be difficult for the KMT and the CP to conclude an agreement and to reach any long-term cooperation. Any temporary compromise between these two parties would not be genuine peace but only a breather in order to regroup their military strength.

Therefore, if the Kuomintang truly loves peace for the sake of the people, it should accept Mao's eight-point peace terms, which in general the people have supported.

If the Kuomintang leaders are statesmen-like, they will examine what they have done to the people and decide to leave China. Otherwise they cannot escape the people's wrath in treating them as war criminals and punishing them sooner or later.

If the KMT insists on wishful thinking: Peace on an equal footing, peace in its entirety, and peace in a conditional sense as reiterated by General Teng Wen-yi, the Ministry of National Defense spokesman, there will be no peace, I am sure. The victorious Communists will continue their domestic housecleaning until the KMT is completely removed from Chinese politics.

Peace must be made on the basis mentioned above. Otherwise the people will prefer an all-out war to eliminate the remnants of feudalism, militarism of war-lords, and the practices of a corrupt bureaucracy.

T. P. W.

Shanghai
February 23, 1949

China's Three Groups

To The Editor:

Since President Chiang's retirement it now appears that China has been split into three parts: 1) The territory north of the Yangtze occupied by the Communists, with the capital in Peiping, 2) the four southwest provinces and Taiwan occupied by the Kuomintang reactionaries, with the capital at Canton, and 3) that section in the Nanking-Shanghai area dominated by the liberal group under Li Tsung-jen, which remains in Nanking.

Of these three groups, the Communists seem to be the strongest and the liberals the weakest. The so-called "peace talks" are between the CP and the liberals, and the die-hard reactionaries in Canton will never participate in this negotiation. If

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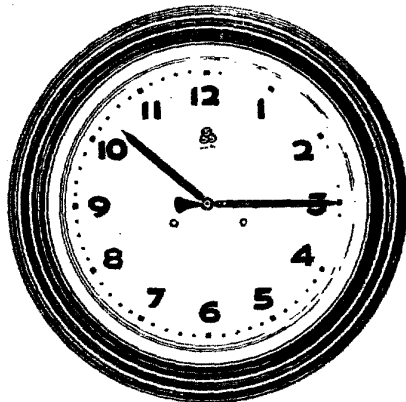
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it can be assumed that the peace negotia-
tion between the Reds and the liberals
will succeed, it may be that three months
later the CP, together with the liberals,
will resume further Civil War against
the reactionaries. Then the end of this
civil strife shall bring about a true,
intrinsic peace.

H. S. C.

Soochow
February 13, 1949

People First

To The Editor:

Everybody wants peace and better
living conditions. The Government has
already expressed its sincerity in wanting
to work toward peace, and proved it last
month by abolishing some unreasonable
laws.

Up to now, however, the Communists
seem unlikely to negotiate with the Gov-
ernment and intend to continue the
wicked Civil War. They insist on the
point of the surrender of the war crimi-
nals. This fully exposes their true
purpose. For the good of the common
people, I cannot but hope the Communists
will give up their ambition at once and
open the way for peace talks.

Most of the people are not interested
in what system of government is adopt-
ed, but only want to be able to live
more comfortably. Therefore, the Com-
munists should think of the people first
and cease fire at once.

Ting Shao-chuan

Nanking
February 13, 1949

Wants Early Peace

To The Editor:

The time which most probably will de-
cide the fate of our country is drawing
near. I hold the conviction that it is
not until the war is over that China
can have a bright future. There is no
room for doubt that thousands and thou-
sands of people have suffered much dur-
ing the Sino-Japanese war and the
present internecine strife. This is espe-
cially true for those people who live in
the provinces of northern and eastern
China.

Now that the authorities are open to
discussion of the peace problem, we
Chinese should take this golden oppor-
tunity to put peace into practice. It is
generally hoped that the KMT and the
CP will take the desires of the people
into consideration and bring about peace
at the earliest possible time. Then there
can be some hope of making China a
powerful nation.

Y. D. CHANG.

Tseliutzing, Szechuen
February 21, 1949

Chaotic Confusion

To The Editor:

Prices for everything have skyrocketed.
Some say this is because of the
fluctuations of the silver dollar.
Peddlers selling these coins are very
cunning and never sell more than two
or three at a time, for within one hour
they hope that the price will have risen.
Sometimes they ask different prices
within the same hour. But there are
many customers who buy these silver
dollars as something which they can hang
on to.

This economic crisis arises directly from
this rotten and confused society. This
crisis foretells the collapse of the pre-
sent society. In a sound and stable
society people do not have to worry
about such chaotic confusion. We have
heard that in the Red areas there are
no such strange phenomena to be found.
The Reds carry out a steady and correct

economic policy to suit the needs of the people.

Of course the present peace talks have had some effect on the market. We Chinese people reaffirm that we want peace, but only a real peace—and a permanent peace. Any false or temporary peace must be abandoned and the people will be deceived no longer. Only with real peace—peace for the welfare of the whole of China—can China, now half-dying, be saved.

C.P.T.

Honan University
Soochow
February 3, 1949

Three Executions

To The Editor:

The execution of the three employees of the Public Bus Company produced a minor sensation in Shanghai and will, it is hoped, check further strikes. While we admire the courage and wise measures adopted by our hitherto tolerant Government, we cannot help sharing sympathetic tears with the families of the victims. For worse instigators and fomenters of trouble have been exonerated, and scoundrels who are creating havoc are still at large.

Insignificant and negligible as the lives of these three people may appear to most of us, a liberal government would have considered the problem seriously. From the legal point of view, we applaud any step taken by our Government which is for the welfare of the people. But we cannot agree that the death sentence is a panacea applicable to all cases. The people have as much right to ask for a decent living as the Government does to maintain law and order. We do not think strikes and other means of violence proper, but the motives behind these foolish and reckless actions deserve our compassion.

I am not suggesting the abolition of the emergency measures which are considered necessary to preserve peace and order in this city, but I hope that our Government will do something to check the rampaging prices, and that the same law which was meted out to the offenders last Thursday will also be applied to those who intentionally create confusion for their own gains.

H. C. HUANG.

Shanghai
February 19, 1949

Turnabout

To The Editor:

In Nanchang, a number of legislators of Kiangsi organized a bandit-suppression group which was in favor of the Civil War. But now, hearing that the Government is too weak to fight any longer, they have changed their purpose to peace improvement.

One of this group said: "We stand for the people and have been working for their interests. We were in favor of the war because we hoped the war would bring them peace. Now the time is coming when we must bring the Civil War to a standstill because the people can live no longer if the war goes on."

Now that the Government has no strength to continue the war, the Government's representatives cannot do otherwise than ask the Communists for peace in the name of the people in order to prolong their own lives. Why did they not advise the Government earlier to come to terms with the Communists?

N. H. Y.

Nanchang, Kiangsi
February 6, 1949

Shanghai's American Daily-- more than "just a newspaper"

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Wants Friend

To The Editor:

Despite a person's ability, if he wants to study a foreign language I believe he must learn the traditions, habits and customs of the nation whose language he wants to learn. Being a self-taught English student and living in a small city in Taiwan without a library to provide this essential knowledge I am most anxious to meet a friend who belongs to the people and speaks English. My address is 104 Len-Ai Road, Kengtung, Taiwan.

A TAIWAN READER.

Kengtung, Taiwan
February 12, 1949

Red Gains

To The Editor:

The following incidents indicate how the Communists in Kwangtung are steadily gaining ground.

In Sinfeng, a hsien of the East River region where Communist activity has been most prevalent, one after another newly appointed magistrate has been ambushed and taken captive on his way to the hsien city where he was to assume office. Up to now the post of chief executive of the hsien has not been filled.

In Suichi, a hsien close to the commercial center of Kwangchowwan, a Communist-inspired revolt broke out in the ranks of the Provincial Peace Preserva-

tion Corps. This was later confirmed by a Communist broadcast. After the resulting death of the commander of the 10th Bandit Suppression Area, together with some of his officers and men, provincial authorities called a series of emergency conferences to discuss ways to cope with the situation.

A pro-Kuomintang Hongkong paper reported that several hundred Red guerrillas were missing at Taiwan, a town in the West Ever valley near Loting, and were preparing to attack Loting.

A couple of months ago, in the very town where I live, a Red detachment launched a surprise night attack on the garrison troops stationed in the suburbs and were forced back only because heavy reinforcements arrived.

I don't see how the provincial authorities will be able to save the province from eventual Red domination short of the success of the peace negotiations between the KMT and the CP.

C. HSU.

Hoiping, Kwangtung
February 17, 1949

Canton Scene

To The Editor:

I arrived in Canton on February 6 to find the weather warm and business prospering. With the continuous influx of government ministries and various other organizations, the housing problem has reached large proportions. Our bank has rented two hotels as temporary dormitories for the staff members.

Prices are alarmingly high as commodity prices are calculated on the basis of Hong Kong currency and the Hong Kong dollar is used freely in open transaction. I doubt whether I shall be able to maintain my livelihood, since my pay is still in gold yuan. The quotation on gold is now \$120,000, with greenbacks at \$2,000, and the Hongkong dollar at 410, and the financial situation is in general disorder.

ALFRED WANG.

Canton
February 18, 1949

Everyone Waiting

To The Editor:

With the repeated defeats of the Government troops and the collapse of the Gold Yuan after only a few months, the Kuomintang Party now faces a situation so critical that no trace of optimism exists. The Government's attempts to check the devaluation of the Gold Yuan have been useless; commodity prices are breaking all records, and silver in Kweilin has doubled and tripled. Many places are said to refuse to accept Gold Yuan and base their prices on rice.

But the salaries of our professors and the Government subsidies for the students are still frozen at the official level. Our February allotment was only enough for food for a few days. Only a loan of rice from the Kwangsi Provincial Government keeps us from starving.

Today as I walked toward Kweilin I saw shocking sights. Our school workmen, clad only in rags and almost barefoot, with no protection from the rain and cold, worked with patient resignation. But how could I help them except to sympathize with them?

Kwangsi was formerly pointed out as the paradise of China. It has now dropped so far from its high standards that everyone is waiting for the great change that is sure to come, for they must live!

HARRY HSIEH

Kwangsi University
Kweilin, Kwangsi
February 8, 1949.

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Relief Medicine Sold

To The Editor:

Thanks for your notice of final expiration of my subscription. I am very pleased to continue my subscription to the *Review* so that I can derive the many advantages from this famous paper in China, but I shall not be able to subscribe to it for two months, when my circumstances may be improved.

I would like to tell you something about this province of Sikang so you may publish it in the *Review*.

The facts of the corruption and avarice of the provincial health administration of Sikang have been known for some time. I will not introduce the name of the head of this health administration here; it should be known, however, that this man has amassed a great deal of wealth by selling for very high prices medicine which was contributed by America, Canada, etc., through UNRRA. Many persons have died because they did not have enough money to buy this medicine.

The Tibetan rural peoples are highly religious-minded, and the people still burn incense and make offerings to the gods when their families are dangerously sick. Their superstitions are no doubt born of ignorance.

We want to ask the Ministry of Health in Nanking whether it has received a detailed report about medical efficiency in this province, and if it is

interested in results being obtained from the medicines it supplies for the welfare of the various provinces.

H. S. LING.

Kangting, Sikang
January 28, 1949

Certainly Not Here

To The Editor:

Since the peace offer from Nanking, every Chinese (and I am no exception) has been prepared to see some miracle worked out. But no peace comes. Will we live to see and enjoy peace in our country?

The corruption of Nanking has boomeranged, and China now faces the question of Communism. No one will mourn for the Nationalists, but what will the government under the Communists be? A police state? A dictatorship? A satellite of Moscow? I am not a student of Karl Marx, nor a disciple of modern democracy, but a Chinese to whom liberty is necessary to life. The USA is not so bad, as I understand that every individual has his dignity and liberty.

Nanking has been too busy to worry about its poor employees, and a clerk must manage to live on one silver dollar a month. Would you suggest a job which pays more than one silver dollar?

MARK DARLIE.

Lanchow, Kansu
February 15, 1949

School Fees

To The Editor:

A meeting in Chungking of the Bureau of Education, schoolmasters, and delegates of the city council was held on the 18th of January to set up the method for collecting the tuition and boarding fees for the next term.

The following resolutions were passed:
1) The tuition fee shall not be greater than the boarding fee. 2) The boarding fee shall be three piculs of rice.

A public announcement was made by the superior officer of the Bureau of Education that no private, middle or primary school shall disobey these resolutions, that any school collecting more than the stated fee would be severely punished.

Our school, Tsing-hwa Middle School, has now set the tuition fee for the next term at 18 silver dollars, which is equal to almost 15 piculs of rice. The school authorities will accept only silver dollars manufactured in the third year of the Chinese Republic with the picture of Yuan Shih-kai on the face. The combined boarding fee and tuition fee is so high that many students will be compelled to leave school. We question, then, if the school is established for the children of the rich or for the poor *lao pai hsing*.

W. D. J.

Chungking
February 3, 1949

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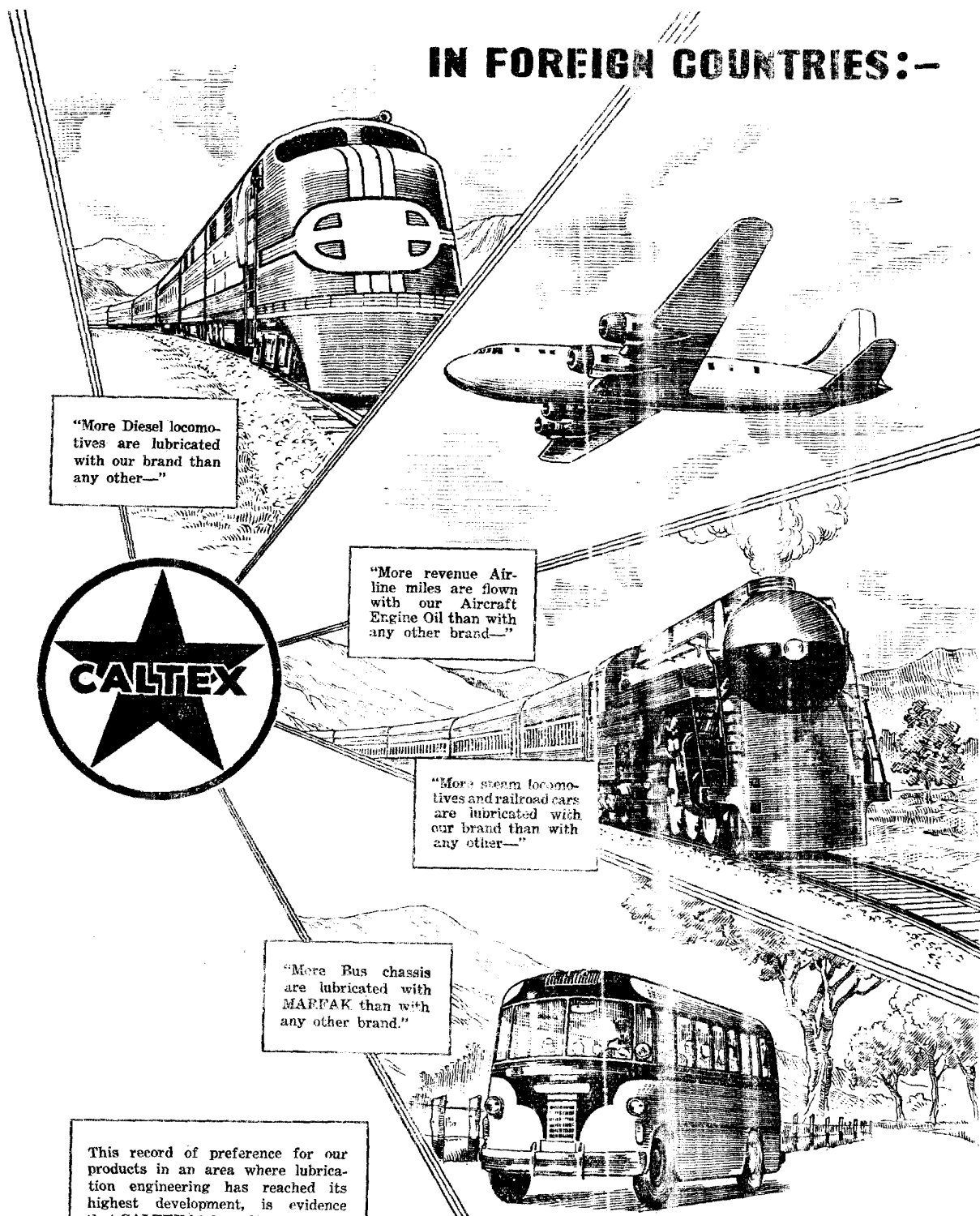
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Vol. 113 Shanghai, Saturday, March 5, 1949 No. 1

Peiping Clamp Down

THE Chinese Communists have ordered all foreign correspondents in Peiping to stop sending stories abroad and to cease their news gathering activities. The order also banned from circulation all foreign newspapers published in Peiping. So far the Communists have not seen fit to explain their reasons for this move further than to state that the city is still the center of military activities and that security demands such action.

In the absence of any news from Peiping, it is well nigh impossible to understand this latest Communist move. However, it is possible to assess some of the repercussions both here and abroad.

Although the Communists may have reasons which, if publicly stated, might make it easier to understand why they have jumped on the foreign press with both feet, we think they have made a bad mistake. From a propaganda point of view, the silencing of the foreign correspondents in Peiping is a first-class blunder. If the Communists had closed telegraphic communications between the city and Nationalist China immediately after they occupied the place—as they have done in other cities such as Mukden and Tsinan—it would probably have caused no more than a lifted eyebrow in the rest of China and abroad. It would have been a move which everyone expected. However, the Communists entered Peiping under somewhat different circumstances than in other major cities previously taken over. The old KMT governing machinery was left intact for weeks, the local press was not touched for quite a while, and foreign correspondents in the city were permitted to continue filing press messages over the radio-telegraph system which continued to function without interruption.

Because of this difference in occupation procedure, the hopes of many people were raised. Previously, we had been told—via the constant barrage of anti-Communist propaganda which issues from official KMT sources—that the first things the Reds did when they entered cities was to rape all the women, force parents to give up their children, and compel husbands and

wives to trade spouses. Many normally intelligent people had had these and similar stories dinned into their ears for so long that they were in a high state of panic and often were giving voice to the opinion that while the KMT was bad, it was the lesser of two evils.

The nature of the Communist occupation did more to discount such horror stories than anything else in recent months. Foreign correspondents, who might normally be considered to be non-partisan in the Civil War, reported daily from Peiping, letting the outside world know what went on. With some exceptions, the reporting, while perhaps not “friendly”, was not actively hostile to the new regime. These correspondents reported that generally life in the city continued as usual. While this may not have constituted praise for the few early reforms instituted by the Reds, it at least denied effectively all the previous rumors and “accounts” of Communist atrocities. This one fact alone, we believe, was a distinct propaganda asset for the Communists.

Now, for reasons unknown, the Communists have suddenly clamped down on the foreign correspondents. What is the reason? We certainly don't know and we doubt if anybody aside from the Red officials responsible for the order really knows. However, the Communists have now given the rumor spreaders another chance. The stories are already starting: The Reds have decided that now is the time to make husbands trade wives and therefore they silenced the press so that people outside would not find out about it. The Reds decided to begin their usual reign of terror, killing all the rich and enslaving all the poor, and they suppressed the correspondents first so that they could not report it. Naturally, we don't believe such nonsense, but there are many people who are all too willing to believe anything bad that they are told. The Communists, we believe, would have done well to consider all the implications which would be drawn from this move before they acted.

Even in more enlightened circles, the sudden ban on foreign reporters causes surprise and suspicion. “What is it,” everyone wonders, “that the Communists don't want the outside world to know.” The normal human reaction is that it must be something “bad.” If it were something “good” or something which would reflect to the Communists' credit, it would only stand to reason that they would most earnestly desire that the foreign correspondents have every facility to report it abroad. The Communists, as their daily round-the-clock broadcasts in Chinese, Japanese, and English testify, are like the rest of us in that they are not inclined to hide their light under a basket.

IF THE Communists had imposed censorship upon the plea of military necessity, or if they had revoked the press cards of some of the correspondents whom they felt were “unfriendly”, we could have understood it better. But the wholesale suppression of *all* correspondents in Peiping, which includes some of the best in the profession, is a puzzler. Many observers, in-

cluding ourselves, who do not believe that the suppression was so much an official desire to hide some nefarious goings on as it was an extremely ill-considered act by officials too preoccupied with obtaining an end to recognize the unfavorable consequences of the method employed, have advanced various theories.

One such guess is that the Communists never intended to permit foreign correspondents to carry on their work in Peiping but that the difficulties of taking the city over—which we alluded to in the foregoing—prevented them from getting around to dealing with this matter until now. In the past, the Communists moved in with a definite city plan and a large number of trained administrators to put it into action. In Tsinan, for instance, some 8,000 especially trained "cadres" moved in as soon as resistance collapsed and set about restoring order and running the city according to Communist ideas of how it should be done. Communications with the outside world were immediately cut. More or less the same situation prevailed in Mukden.

Peiping, however, apparently fell quite some time before the Communists expected and they were caught flat-footed by Fu Tso-yi's early collapse. One report has it that the training classes for future Communist administrators of Peiping had not even been started, since the Reds had figured that Fu would hold out until late April or early May. The sudden handing of the city to the Reds on a platter caused them considerable embarrassment from an administrative point of view. The only course they could then follow was to take it but have the Nationalists continue to run it for them until such time as they were ready to assume the job. This apparently was the course followed, with a week or two elapsing between the time of the official surrender and the entry into the city of the first Communist troops. The Gold Yuan continued to circulate for about a month after the surrender. In fact, a plane load of GY was flown to the city after the surrender talks were under way and the outcome of the talks well known. Altogether, it was an unusual way for a city to change hands.

Viewed in such a light, the suspension of communications facilities for correspondents and the order forbidding them to engage in reporting activities would appear to be in accordance with the previous Communist policy of keeping foreign or outside observers away from places taken over from the Nationalists. If this theory is correct, the Communists would have been well-advised, from a propaganda point of view, to have denied telegraph facilities to the foreign press from the beginning. Such a procedure would have saved them from the present unfavorable comment and the widespread suspicion with which they are now being regarded in so many circles.

Another popular supposition agrees with the foregoing one insofar as the idea that the Communists took some two months before they got around to closing the correspondents down, but has it that the main reason is that Peiping is still under military control and is therefore technically a war area. The ban, according to those

who hold this belief, will be removed once a regular civilian administration takes over control of the city.

* * *

WHATEVER the reason or reasons for the action, we believe that it was not well considered. As we have pointed out, it has put the Communists in a not easily defensible position propaganda-wise. We doubt if the advantages which the Communists hope to gain by this measure, whatever they may be, will offset the bad publicity the move has made for them. While we are not "buying" any of the various rumors about how the iron curtain has been lowered so that the world will not learn of Communist atrocities about to be committed, we are frankly concerned over the matter. As has been pointed out by our American contemporary, the *Evening Post*, various Communist leaders in the past have gone on public record as being in favor of a free press. Being firm believers in the principle of a free and responsible press, we cannot but object to any wholesale suppression of publications or withdrawal of normal facilities to gatherers of news. This is certainly true when the authorities taking such action fail to see fit to state explicitly and publicly their reasons for such action.

We are quite aware that our idea of a free press and the Communists' idea of a free press are at some variance. However, we think that a reporter's abuse of the freedom of the press must be considerable and be proven with documentary evidence before he should be restricted in any manner. This, however, should be well within the power of the Communist authorities. There are, we realize, some representatives in China of the foreign press who have ceased to be objective reporters, having become partisans, leaders for a special cause. We see their handiwork in the press almost daily, and we would be the last to object if the Communists decided to penalize them, providing that proof (which is easily to be had) were given to the public. However, the complete restriction at one fell swoop of *all* the foreign press representatives in Peiping seems to us to be scarcely justifiable.

Government-Financed Industry

PRESIDENT Truman's proposal for legislation which would allow the Government to finance industrial plant construction in order to provide increased manufacturing capacity in the event the nation should need such capacity and private enterprise was unable or unwilling to provide it has touched off a storm of protest in the United States.

While we can understand the cries of anguish in certain quarters, we certainly cannot agree with much of the reasoning employed by those who would oppose such a measure. Charges of controlled economy, socialism, government-in-business, and death blow to free enterprise are some of the descriptions used by critics, who we note have not yet said much about "public welfare."

Theoretically, a system of free enterprise results in the spurring of the individual's desire to undertake risks with his capital. The rewards must be great in order to encourage people with surplus capital to take the risks involved in establishing new businesses or industries. Such a theory may work when there are great opportunities for exploitation of natural resources, or extensive market possibilities. It will also often work reasonably well in small-scale undertakings where not too much capital is required. However, when an economy becomes well developed and integrated, there are not so many natural resources lying around loose, available for exploitation by the first hardy adventurer who comes along with excess money in his pocket. Further, the highly developed nature of the American economy requires those wishing to launch new enterprises frequently to raise almost unbelievable amounts of risk capital. Sometimes it is impossible to find individuals willing to take a chance which involves millions upon millions of dollars, the return from which may be altogether uncertain.

Since the end of the war, we have had an example of how an industry finds it difficult to expand in order to meet the full demand for its products. Throughout the last war there was a shortage of steel, which was largely the result of insufficient plant capacity. The Government stepped in and built a few blast furnaces and mills which increased the total US steel capacity and eased the pinch somewhat. However, at war's end, there was still a steel shortage which continues today.

At first the large steel companies in America argued against plant expansion, pointing out that it was possible that the high post-war demand was temporary in nature and that any plant expansion undertaken at the present time would require large quantities of steel and thus make the present shortage more acute. Further, it was said, if the demand was, as the steel makers believed, temporary in nature, the expanded plant would become a "white elephant" later on.

Since the post-war demand for steel by American industry has remained high, most steel men have accepted the view that additional plant is needed, although some still claim that refinements in technique will enable the existing plant to produce enough additional steel to satisfy demand. The weight of opinion appears, however, to be on the side of those favoring increased capacity. For three years the automobile and oil industries, to mention but two of the most critically affected, have been limited in their output by the steel shortage. Since it seems certain that the American economy is destined to continue expanding for some time to come, it seems

equally certain that more steel, the basis for all heavy industry, will be needed.

While the steel industry has initiated a small amount of new plant construction as a result of Government and public pressure, it still is moving with extreme caution. This is quite understandable. The industry cannot afford to engage in extensive plant modernization and expansion since it is not *absolutely* certain that the demand, say, a decade hence, will be as great as today. Too much expansion now might mean bankruptcy later.

This, it seems to us, is precisely why the Federal Government should step into the picture. The Government should finance the construction of new plants, which when completed need not necessarily be operated by the Government, but which could be rented to private industry. Such a system would relieve the private steel industry of the financial burden and risk of investing tens of millions of dollars in new plant, but would assure adequate steel output at a reasonable price for the needs of the American people. If in the future the demand should slacken, or if private industry's own modernization and expansion activities should prove sufficient, then the Government can temporarily close the plants it built and wait for demand to catch up with capacity. This, we think, is an unlikely possibility since all we have read or heard would indicate that demand will continue to grow rapidly.

We fail to see why legislation authorizing the Government to build plant facilities for increased production of basic materials causes any harm to the system of free enterprise. In fact, it relieves private enterprise of some of the risks inherent in the larger undertakings of modern industry. Also it makes certain that the American people will always have at their command all the necessary production facilities they may need.

TWO ASPECTS OF THE CHINESE QUESTION



"The Losers"
Jacksonville Times-Union

"Holding it up"
San Francisco Chronicle

Some may argue that the entrance of the Government into the plant construction field will reduce opportunities for expansion on the part of private industry. This is not necessarily correct since the proposal, as it now stands, would permit the Government to take action *only* when private industry declined to act. Therefore, private industry could automatically halt Government action by starting construction activities of its own.

The United States has grown exceedingly prosperous through the years, partly, perhaps, because politics has been separated as far as it has from business, but largely due to the fact that the North American continent was a virtual gold mine of unexploited wealth when the founding fathers landed from Europe. These undeveloped resources were a tempting dish for the early rugged individualist who went forth and took from the earth enormous quantities of wealth. The development of these natural resources has given the American people the highest standard of living in the world today. However, as the limits of virgin territory have been reached, development has been along somewhat different lines, involving better and more extensive use of what has already been found. The economic machinery has become vastly more complicated than in the days of the "empire builders." American private enterprise has shown that when surrounded by riches it can produce fabulous amounts of goods. However, it has yet to lick the problem of recurring economic depressions, of providing for the greatest good for the greatest number.

This has been realized and through the years the Government has taken more and more of a hand in regulating economic activity in order to iron out the rough spots. It is our opinion that the Government will do well to think carefully before increasing the extent of its actual *participation* in business, but certainly there is need for even more regulation than now exists. It is in the spirit of regulation that we think the Government might embark upon a modest program of plant expansion in a few of the more essential industries, especially those which require large initial investments which private enterprise either is unwilling or unable to undertake.

25 Years Ago in The China Weekly Review

French Criticism Of US Role In China

March 1, 1924

This unusually interesting and significant French viewpoint on American policy toward China appeared originally in *la Nouvelle Revue* for December 1, 1923, the republican literary and political semi-monthly published in Paris:

It is no secret for those who follow with attention affairs in the Far East that America's growing influence in China is gradually bringing that country under the economic control of the United States.

For several years, and particularly since the war, the missionaries, commercial travelers, and manufacturers of that country have carried on in China a program of peaceful

penetration, successfully and powerfully supported by their government—a government that professes to be the least imperialistic in the world! It is not necessary to wear a sword or to talk in a military imperative in order to be a conqueror; one can often make broader and more enduring conquests with a Bible under the arm or the last Yankee notion in one's pocket. Now China, left unprotected by the arrogance and incapacity of its rulers, falls an easy victim to persuasive advances. Therefore the missionaries and business men of America, the advance guard of a rich and insatiable nation, constitute an economic army far more dangerous than invaders with cannon and rifles.

Salt Tax

Salt has been taxed in China and has been a chief source of governmental revenue since earliest times, some authorities giving the date of origin as far back as 2200 B.C. during the reign of the mythical emperor Yu of the Hsia dynasty. The early records contain frequent references to the production and taxation of salt. In the Tang dynasty, 7th century, A.D., there were said to be eighteen salt lakes and 640 salt wells under the control of the Board of Revenue and that taxes were also levied upon salt produced from sea water. During this dynasty a certain reformer named Liu Yen is reported to have organized a system of salt administration whereby government control was exercised in the producing districts and transit taxes were abolished. Merchants were permitted to transport salt any place they liked and the government maintained stores in remote districts to prevent suffering on the part of the people from a scarcity of this important element of diet.

10 Years Ago In The China Weekly Review

Terrorists Warn Shanghai Dancers

March 4, 1939

In an apparent effort to discourage the elite of Shanghai Chinese society from engaging in frivolous and costly pastimes during the present war period, patriotic terrorists, describing themselves as the "Blood and Soul Traitors Extinguishing Corps" hurled bombs outside of four leading Chinese dancing establishments Wednesday night of this week. The sole casualty was a risha coolie, whose leg was injured.

The paces singled out for attention were the Oriental Hotel, Ciro's night club, the Cathay and Paradise ballroom and the Great Eastern Ballroom. Leaflets showered in the vicinity of the resorts, entitled "A Warning to our Dancing Friends," said in part:

"Dancing Friends: The nation is on the verge of being conquered. We are being crowned with the 'glories' of a conquered people. Hail we, who are 'cheating life' in the Isolated Island, not the shame of a conquered people and still resort to such crazy celebrations?"

"Dancing Friends: Some of you can dance the Fox Trot, others the Waltz. Why don't you go up to the front to kill? Some of you spend lavishly on brandy and whisky; why don't you give the money to our troops so that they can buy more munitions to kill the enemy?"

Recognition For Franco

Full and unconditional *de jure* recognition of the Spanish fascist government of Gen. Francisco Franco was announced Feb. 27 by the British and French governments, thus marking another stage in the civil war which, starting in July, 1936, has raged throughout Spain for more than two and a half years. Recognition of Franco by France and Britain, regarded as inevitable for the past several weeks, caused some heart-burning in London, where sympathizers of the lost Loyalist cause staged a demonstration in Whitehall by way of protest. Labor Party leaders, including Major Attlee, Herbert Morrison and Ellen Wilkinson addressed the crowd which passed a resolution expressing "shame and abhorrence" at the action of the Chamberlain government.

In both London and Paris, government circles spoke of the recognition of Franco with what appeared to be a sigh of relief and declared the step to be unavoidable. Moscow's chagrin was expressed by the government organ *Izvestia*, which, speaking of France's action, said "recognition of Franco is a heavy blow to the Spanish Republic and a still heavier blow to France."

Japanese Philosophy And Politics

By Joshua W. K. Liao

THE Japanese philosophy of power politics and territorial expansion by virtue of military aggression has its roots in the early history of the country and the national legend of the people. In origin, it took shape through the practice of certain creeds in divine wills and ways and was called Shintoism in the literate age as found in the "Records of Ancient Events" (古事記) and the "History of Japan" (日本書紀). In reality, the national religion of Japan grew out of the ceremonial usages followed by her early tribal chieftains and ancient priest-kings. In the main it offered little or no teaching for the conduct of private individuals until it later took on certain Confucian and Buddhist influences.

Worshipping the spirits of the sun and the moon, mountains and rivers, Shintoism is fetishistic and also polytheistic in nature; but, as it asserts its major belief in the Sun Goddess, it is henotheistic. It claims no founder but gives a mythical account of the divine origin of the Mikado (御門), or Emperor which has been traced to Izanagi (伊弉諾) and Izanami (伊弉冉)—the Japanese Adam and Eve. The daughter of this divine couple, by the name of Amaterasu (天照), conferred upon her grandson Ninigi (瓊瓊杵) the divine right to rule over All-under-Heaven he could survey. The great grandson of Ninigi—the sixth descendant of Amaterasu—at the head of the invading Children of Heaven (天孫) appeared in Hihuga (日向 present Miyazaki Prefecture 宮崎) and at once set out on his eastward campaign for territorial expansion. Navigating through the Seto Inland Sea (瀬戸内海), he overcame all obstacles on the way and, after effecting a landing on the Main Island (本州), he subdued all wild tribes encountered and finally ascended the Imperial Throne in Yamato (大和 present Nara Prefecture 奈良縣) on February 11, 660 B.C. Thereupon the victorious chieftain became the founder and first ruler of the only ruling dynasty and was posthumously called Emperor Jinmu (神武), or Divine Militarist, as he has been revered.

Korean Influence

The historic authenticity of the events as such, however incredible to average readers, has been challenged by few or none of the present-day Japanese scholars. None the less tremendous has been the subsequent influence exercised by such a belief. In all probability, the invading tribes entered the archipelago from the Korean Peninsula for, as far back as it can be traced, the standard Japanese language was Ural-Altai in origin, very similar to Korean, and the dominant classes of people in Japan have borne numerous other resemblances to their continental cousins.

THIS article is the first third of a digest of a volume written by the author before Pearl Harbor, the manuscript of which was lost in Hongkong during the war. The second and third parts will appear in future issues. Dr. Liao, a native of Taiwan (Formosa), received his primary and secondary education in Japanese schools from 1913 to 1923. Following this, he attended a Chinese university and subsequently took post-graduate work in America and Europe. He has written several articles for the *Review* in the past, his most recent being a series devoted to the history of Chinese philosophy.—Editor.

Assured of victory by their possession of metallic (probably bronze) weapons, they kept waging battles against the aborigines. Thus, because the demand for *Lebensraum* in the new country necessitated the expansion of territory at the expense of the Ainu (倭奴) in the east and the north and the Kumaso (熊襲) tribes in the south, Emperor Jinmu's successors similarly made their influence felt through military conquest, on the one hand, and the popular practice of the worship of the Sun Goddess, on the other.

The first historic contact between China and Japan was recorded in the "History of the Later Han" (後漢書), which tells us that in A.D. 57 the Ainu (倭奴) Kingdom from the East Sea sent an envoy with tribute to the Chinese Court to whom the Han Emperor Kuang-wu (漢光武帝) granted a seal. According to Japanese sources, that was about the time new campaigns for territorial expansion were under way. For in the year 97, Yamatotakeru (日本武), the able son of the 12th Japanese Emperor Keiko (景行), led a southward expedition to Satsuma (薩摩 western half of the present Kagoshima Prefecture 鹿児島縣) to subdue the Kumaso tribesmen and in 110 he moved eastward to conquer the Ezo (蝦夷) natives and succeeded in expanding the imperial territory as far as Shinano (信濃 present Nagano Prefecture 長野縣). It is believed that he was in possession of a famous sword made of the best steel of the age, whose origin, whether imported or home made, remains untraceable. He passed away during his triumphant return and has been worshipped as the first and one of the greatest Japanese war heroes.

Similarly, in 199, the year following the demise of the 14th Emperor Chyuai (仲哀), the Empress Dowager Jingu (神功), or Divine Merits, led a westward expedition against Korea

and exacted tribute from the Peninsula. She is supposed to have ruled up to 269. According to the Chinese "Records of Wei" (魏志), an envoy from the Ainu queen visited the Wei court in 238, the year which occurred during her reign.

Thus, not only was the right and origin of the *Mikado* traced to divine origins, but also every military or diplomatic success was called a divine accomplishment ordained by Providence. The people, therefore, worshipped both the Sun Goddess and her lineal descendants, who governed them and expanded their living space. So thoroughly did the sentiment of reverence for the *Mikado* permeate the soul of the Japanese nation that even in the subsequent days of the military dictatorship of the *Shoguns* (將軍 1192-1868) the Emperors could still win loyal homage from the masses of the people and claim nominal supremacy over the feudal lords and the actual rulers of the Empire. For the Imperial Household remained the concrete object of worship, functioning as the centripetal force of religious and social order.

Confucianism and Buddhism

Meanwhile, alien ideas, as expounded through Confucianism and Buddhism, began to mould Shintoism into an elaborate code of rites and rules, as well as a system of ideological foundations for the political and social institutions of the country. Although the Japanese must have acquired some knowledge of Chinese culture when they first came into direct contact with the Chinese, their history tells us that in the year 285 the Korean scholar Wa Ni (王仁) presented to the 15th Emperor Ojin (應神) copies of the "Confucian Analects" (論語) and the "Thousand Character Scripture" (千字文). Thenceforth the Chinese script and philosophy spread rather slowly. In 403, the Imperial Court appointed Sinologists—mostly descendants of Korean immigrants—historiographers of the feudal states, and in 513, Kudara (百濟), one of the then three Korean Kingdoms, presented the erudite scholar Tuan Yang-erh (段揚爾) to lecture on the Five Classics (五經). However, when the 30th Emperor Mintatsu (敏達) ordered the historiographers of the feudal states to read the official letter written in Chinese from Korea upon his accession in 572, only one of them could read it.

It was not until the beginning of 603 that the Empress Suiko (推古) adopted the Chinese calendar for the first time. In the fourth month of the same year Prince Shotoku (德聖) promulgated the Constitution of 17 Articles, specifying the distinction between ruler and subject and stressing the latter's loyalty to the former

and the former's consideration of the latter's welfare all after Confucian teachings. In the ninth month, court ceremonies were codified after the Chinese system.

About this time, Monk Nan-yuan (南淵) was sent to China to study. After his return he was more interested and successful in spreading Confucian than Buddhist ideas. From then until the 16th century practically all prominent Sinologists in Japan were Buddhist monks, for under the pressure of the Court nobles and the *Samurais* there had not yet appeared professional teachers and scholars on a par with the Chinese Literati of classic antiquity. Nonetheless, by imperial decrees the "Records of Ancient Events" were completed in 712 and the "History of Japan" in 720, both after the model of Ssu-ma Ch'ien's (司馬遷) "Historical Records" (史記), and the "Collection of Ten Thousand Odes" (萬葉集) was issued in 759, modeled after the "Book of Poetry" (詩經).

While Confucianism, dwelling upon life in this world, added to the body of Japan, Buddhism, interested in life hereafter, furnished the country and the people with their soul. The Indian doctrine of Brahman and Atman—the world-being and its manifestation in an individual being—took the form of the doctrine of individual self-mergence into the supreme interest of the nation, and its spirit came to be called the "Yamato Tamashii (大和魂)." With the traditional cult of emperor-worship and the Confucian teaching of loyalty and subordination to superiors, this new idea fitted in like hand and glove. Thus, while stressing filial piety in China, Confucianism in Japan concentrated on loyalty; while talking about the world-being in India, Buddhism in Japan came to enhance the sense of the national soul.

Initial Opposition

Queerly enough, at a time when Buddhism had long before declined in India and had just passed its zenith and was on the decline in China, it started flourishing in Japan. The first Buddha brought to the Japanese Imperial Court from Korea in 552 aroused bitter opposition. Its adherents, however, kept contact with Korean Buddhists first and later sent monks to China to import the new religion. During the Tang Dynasty two Chinese-educated monks, Saicho (最澄) and Kukai (空海), were able practically to transform the cultural, political, and religious life of the Japanese. In 788, the former, for the purpose of preaching Buddhism of the Tien-t'ai School (天台宗), built the famous Enryaku Temple (延慶寺) on Mt. Hiei (比叡山), overlooking the then capital city of Kyoto. On account of its proximity to the political and cultural center of the Empire, discontented politicians, warriors, and unemployed vagabonds very often either sought aid from the temple or found shelter there by joining its monastery. When well supported, they resumed their

political activities and revived their hereditary pugnacity to the extent that in the course of time there appeared a new fighting class of "monk-soldiers" (僧兵) to meddle in State affairs. Thus, while preaching pacifism elsewhere, Buddhism in Japan came not only to tolerate but even to equate militarism.

Hitherto most of the Japanese writers had adopted Chinese characters entirely—some for ideographical designations and some for phonographic purposes—which often caused confusion and complications. It took five centuries of incubation before an indigenous system of writing made its appearance. In 806, Monk Kukai, by selecting and modifying certain Chinese characters, invented the Japanese alphabet of 47 phonographic letters, which brought the literary life of the country to a new level. He founded and preached the True Word School (真言宗) in Japan.

Shinran's School

During the Sung Dynasty a Buddhist Protestant Revolution was launched and led by another Chinese-returned monk, Shinran (親鸞), who had imbibed Buddhism of the Pure Land School (淨土宗). To popularize the religion throughout his native land after his return, he attempted to accommodate it with the mundane needs of life by allowing monks meat and matrimony. The consequent reformed sect, called the "Pure Land True School" (淨土真宗), was small in the beginning but became well-liked at once, so that nowadays the great majority of the Japanese Buddhists are followers of Shinran and almost every non-Christian Japanese is a Shintoist in public but a Buddhist in private life.

In 1253, there appeared the Japanese Buddhist Wesley in the person of Monk Nichiren (日蓮). He began as an expert in the "Lotus Scripture" (法華經) and regarded it as the principal gospel of Buddhism. With his base established at Kamakura (鎌倉), seat of the then *Shogunate*, he decided to preach what he considered to be the sublime phase of the religion and therefore spent most of his time journeying all over the countryside and undertaking a series of revival meetings. So magnetic was his personality that every congregation was nearly hypnotized by his sermons and almost every patient was healed by his contact. He founded the Sun Lotus School (日蓮宗).

Showing his interest in political affairs, Nichiren in 1260 submitted to the Lord Protector Hojo Tokiyori (北條時頼), his doctrine of installing the right man and thereby stabilizing the country, and in 1266 he presented to the Lord Protector Tokimune (時宗) his warning against an imminent Mongol invasion, which actually took place 15 years later in 1281. As the intimacy between politics and Buddhism grew, not only members of the Imperial Household would leave home and become monks and nuns, but even emperors would abdicate and retire to enjoy the monastic life. However, like early Christianity in Rome,

Buddhism in Japan gave politics its best elements—the ethics of social service and self-sacrifice and the metaphysics of idealism and spiritualism, but derived from politics the worst factors, such as intrigue and hypocrisy, pugnacity and dissension.

Bushido and Militarism

In a country like Japan, where constant warfare was waged to expand its territory at the expense of neighbors, the emergence of professional warriors with growing prestige had been a social necessity. The fighting group, who had been taught to worship the Sun Goddess and the *Mikado* and to obey their feudal lords, welcomed the Confucian ethics of loyalty and filial piety, fidelity and justice, but did not develop into a special social class before the rise of the *Shogunate* in 1192. It was the first *Shogun*, or Military Dictator, Minamoto Yoritomo (源賴朝), who, in order to regulate his subordinate warriors, laid down certain precepts which became the germ of *Bushido*, or Way of the Warriors. Whereas Shintoism had hitherto neglected the regulation of the conduct of private individuals, professional warriors were now instructed to be industrious and frugal, orderly and clean, loyal and brave, righteous and chivalrous, thus setting a good example to the commoners. Always and everywhere the ruling authorities inculcated such principles and habits into the minds of the future warriors. Of Buddhism, the Dhyana School (禪宗) in particular advised them to practise Dhyana so as to subdue corporeal desires and devote their individual selves to supreme causes; Confucianism promised to uphold the social status and code of honor to those of the *chun tzu* (君子), or gentry in China.

Thenceforth, *Bushido*, as observed by professional warriors called "Samurai," developed through the blend of Japanese militarism, Chinese moralism, and Indian mysticism, and the *Samurai* emerged gradually to occupy the central position in the social hierarchy of Japan. Just as the cherry blossom among flowers, the *Samurai* among men was regarded as the most brilliant element. Proud of himself, he respected himself, expecting, as well as expected, to live up to every bit of the knightly code of honor. He would prefer death to disgrace. And to die an honorable death he would commit *harakiri* or disembowelment, to reveal his courage and justice. When his superior was wronged, he should, for the cause of loyalty, avenge him even at the risk of his own life. Unlike European Cavaliers, he showed no mercy on weaker elements—even women and children—a trait which has characterized Japanese life.

With the *Samurai* developed into the social elite, the commoners, like flocks of sheep, looked up to them for guidance and example. Every boy admired the warrior, wanted to become a warrior, and felt proud of acting like a warrior. If he later was actually taken into the fighting class, he would thereby bring glory

to his family. Small wonder that, by such a system of military and social education which functioned for six straight centuries, the semi-barbarous islanders were actually transformed into an efficient people of industry and frugality, courage and obedience.

For centuries every feudal lord, to safeguard his position and expand his domains, would keep a number of warriors and henchmen, and every warrior would, in turn, strive to keep his own protégés. In time of peace, the subordinate would gather information for his superior through investigation and espionage and create rupture and dissension among neighbors and rivals by means of tricks and intrigues; in cases of emergency, he would rally round his master and fight so as to get his title promoted and his bounty increased. If his master were lost, unless he could avenge him at once and find a new one, he would become a *ronin* (浪人) roaming from state to state.

National Traits

Therefore, by *Bushido*, too, were formed other national traits of the Japanese—pugnacity and intrigue, cruelty and blind submission or docility which were vividly reflected in the 6-century history of the *Shogunate*.

Fully blood-stained, the whole history in the main narrates the family feud between the Tairas (平氏) and

the Minamotos (源氏) that created all episodes of homicide and suicide, patricide and fratricide, regicide and genocide. Originally descended from the Imperial Family, though at different periods, the two clans early distinguished themselves with military prowess for the *Mikado*; the Tairas in suppressing local rebellions and the Minamotos in subduing the Ainu tribesmen. Meanwhile, they became the worst rivals for power and prestige. In the beginning, the Tairas gained the upper hand, but in 1185 the Minamotos under Yoritomo's leadership, after a successful comeback campaign, exterminated them.

First Shogun

In 1192, Yoritomo became the first *Shogun*; but in 1203 the reins of government fell into the hands of the Hojos (北條氏), a branch of the Tairas, who dared not arrogate the title of *Shogun* but remained contented with being known as Lord Protector (執權). They were overthrown in 1333 and replaced by the Ashikagas (足利氏), olive branches of the Minamotos. Anxious to hold the title of *Shogun* but unable to keep the feudal lords in order, the Ashikagas lingered on to see civil war spreading far and wide. For instance, Yoshimitsu (義満), in order to enhance his dignity, had to acknowledge Chinese suzerainty openly from 1401 onward. In 1573, the line was ended by Oda Nobunaga (織田信長), a descendant of the Tairas.

When Nobunaga was emerging victorious over his rivals, he came to know Portuguese activities in Japan in introducing western firearms, medicine, and Catholic Christianity. He liked things western and so patronized Christians. But his subordinate and successor, Toyotomi Hideyoshi (豊臣秀吉), who had hailed from the social substrata and had driven Nobunaga's son to suicide, was so anti-foreign as to persecute Christians and dispatch expeditions against Korea and China in 1591 and 1597. After his death in 1598, a similar fate befell his own son, who was exiled in 1603 by Tokugawa Ieyasu (德川家康), a descendant of the Minamotos and the founder of the last *Shogunate* in Japan.

Closed-door Policy

For fear that western ideas and munitions might seduce feudal lords of remote states, the Tokugawas were equally anti-foreign and anti-Christian and drove Christian converts into a rebellion at Shimabara (原島) from 1637 to 1638. In 1639, they even promulgated a closed-door policy, forbidding all foreign trade and intercourse except with Chinese and Dutch merchants. This isolationism lasted for two full centuries. Thus, just as the cosmopolitanism of Confucianism and Buddhism became insular after entering the island Empire, so did *Bushido* remain provincial until fused with alien ideas in the 19th century.

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Kunming's Banknote Massacre

(On February 22, a REUTER dispatch from Nanking quoted the Catholic paper *YI SHIH PAO* as reporting that Governor Lu Han of Yunnan province had summarily ordered the execution of 21 civilians in Kunming on February 12, after a crowd of 2,000 persons had stormed the Central Bank to demand that it redeem thousands of what were rumored to be counterfeit GY notes that had been circulating on the market. Three of our readers in Kunming, Messrs. Gordon Young, Galahad Wood, and Shew-han Lin, have sent in accounts of this incident which correspond in almost every detail. The following is based upon their reports—Editor.)

THE inflation of Gold Yuan had become so acute in Yunnan that Kunming newspapers referred to it as a "burning ball" which no one could hang on to. Although GY was still the monetary standard, everyone who had it immediately turned it into rice, gold, silver or something else of tangible value. This is the background of the catastrophe that was to follow.

On the eve of the Chinese New Year, January 28, the rate between GY and the silver dollar was GY67 to one. But on February 11, a cargo plane loaded with GY landed at Wu Chai Pa airfield, just outside of Kunming. The price of silver immediately jumped to GY1,500. That night and the next morning clerks of the Central Bank circulated through the silver market selling purple GY50 notes for silver dollars.

But soon a rumor spread that these notes were counterfeit, and within an hour merchants refused to accept them. Late that Saturday morning people who held these GY bills began to gather in front of the Central Bank to try to exchange them. Unfortunately, however, it was Saturday and the staff of the bank was in a hurry to finish business before the weekend. They therefore stamped the notes "cancelled" and refused to accept them.

Crowd Rushed Bank

As the day wore on, more and more people converged in front of the bank and tempers grew shorter. Finally, about three o'clock in the afternoon someone in the crowd yelled, "Let's go in!" and the crowd thereupon rushed the bank. Windows were broken, accounting books torn up and thrown out the windows, furniture broken up and the telephones and wires pulled out. Upstairs, the mob found stocks of cotton yarn,

nylon hose, foreign soap and shampoos and other luxuries. These, too, were thrown out the windows.

By this time the police and gendarmes arrived on the scene, declared martial law, blocked traffic around the bank and entered the building. At this point the accounts vary slightly. One version said that iron-barred gates of the bank were shut and more than 100 people trapped inside. The other two indicated that some of the persons arrested were caught outside the bank.

At any rate, all the shops on the main streets shut their doors and the crowd waited anxiously for the next step.

Governor Arrives

Around five or six p.m., General Lu Han, the governor of Yunnan, arrived, together with Mayor Chi Shu-whui, General-secretary Wong Yi of the Police Headquarters and Wu Yung, chief manager of the bank. The governor seated himself before a table as temporary judge and the prisoners, guarded by armed police and gendarmes, were brought before him.

One by one he questioned them. The first, a boy of 17 named Fei Chang-anh, was asked three simple questions and then ordered to be shot. No one was asked more than five or six questions and, depending on the governor's whim, punishment was meted out. By the time that 20 people had been questioned and 10 of them shot, most of the provincial authorities standing by were so upset that they tried to persuade the governor to turn the matter over to the police authorities. But with no success. Finally, after 21 persons had been executed some of the military officers suggested tactfully to the general that it was getting late and he needed to rest. At nine

o'clock he went away and martial law was lifted.

The 21 bodies lay in pools of blood in a lane opposite the bank. Some of the other prisoners were released and the rest taken to police headquarters.

The next morning, Sunday, February 13, hundreds of people gathered around the corpses where family members were weeping over the bodies. One young woman carrying a baby rushed to one of the bodies and fell upon it crying bitterly; she was his wife. Almost unconscious with grief, she left her baby beside her husband's corpse. Nobody knew where she went, but the next day a woman's corpse was found in the Pan Lung river outside the eastern gate of the city.

Another man, it was reported, had sold some cotton thread to get money to pay the hospital bill for his wife, who had just had a baby and was ready to leave the hospital. He was given a bundle of the purple GY50 notes and the hospital refused to accept them. He then went to the bank and participated in the riot and was shot. When his wife heard the bad news, she poisoned her child and hanged herself.

People Blamed

The *Central News Agency*, either unaware of the true story or in defense of the bank, blamed the people, saying that the bank had promised to exchange the banknotes, whether they were real or false, and that the people had broken into the bank before the employees could get back to work from the Saturday afternoon holiday. The bank also published a statement saying that from now on all purple notes would be exchanged. But the people were not satisfied, for they could not understand why the bank had refused the notes on Saturday and agreed to accept them on Sunday. They felt full responsibility for the incident should be born by the bank.

Regardless of who is responsible, the feeling was that the incident was a direct result of the inflation and suffering of the people, and that tragedies like this are only the beginning.

An open petition has been sent to the Executive and Control Yuan demanding the punishment and dismissal of Wu Yung, general manager of the bank, and the payment of a pension to the families of the deceased. The Yunnan branch office of the Control Yuan also has sent a document to Governor Lu Han asking for a full explanation of the matter. But this is considered to be primarily a political gesture.

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Taiwan's Chinese Problem

C. F. Coulter

TAIWAN today is swollen with refugees from Communist-threatened areas of China. Businessmen, industrialists, Government officials and defeated generals are moving into hotels or purchasing houses at exorbitant prices.

Between 300,000 and 700,000 mainlanders are estimated to have arrived on the island, and the ships bringing them are carrying two or three times their authorized passenger lists. This is a sizeable amount for an island of Taiwan's size (232 by 92 miles) and population (six and a half million) to absorb.

As a result of this influx, prices are soaring beyond the reach of ordinary Taiwanese, and real estate is experiencing a minor boom. Houses which a year ago sold for US\$5,000 now bring three times that amount. Many mainland Chinese are investing their money in new construction and are making fabulous profits.

This construction cannot satisfy the demand, however, and the Chinese Army, according to reports from Taiwanese, has been confiscating houses and rice. The mainland Chinese, moreover, are taking over political positions formerly held by the Taiwanese. After VJ Day, the Chinese moved into the top positions, but the Taiwanese managed to keep their control at the village level as they had done under the Japanese. Now, however, the streams of Chinese from the mainland are edging into these posts. Almost all of the magistrates, for instance, now are Chinese, and even the village co-operatives are beginning to fall under Chinese control.

Docks Crammed

The migration of Chinese from the mainland has been accompanied by a mass movement of materiel. The docks are crammed with thousands of tons of goods hurriedly shipped from Shanghai, Nanking and North China. Most of it is a hodge-podge, and much is unusable. An American told one correspondent that most of the goods had been "shipped from one junkyard to another."

The docks at Keelung are weighted down with structural steel armored cars, tanks, machine tools and turbines, and so many ships have arrived that sometimes three have to lie alongside each other and unload simultaneously. Rusty airplane engines and bulldozers are piled beside bricks, which Taiwan makes itself, and alcohol, of which the island has an annual surplus for export. The island administration has banned imports of automobiles, but there are numbers of cars bearing Nanking, Shanghai and Tientsin license plates.

The situation is the same at Kaohsiung in South Taiwan, where mosquito bombers, tanks, gasoline,

surplus property from the Pacific islands, and UNRRA property are being unloaded. Fifty thousand bathrobes from America purchased by China out of the US\$125,000,000 military aid program also have arrived. In Kachsiung, incidentally, are the emergency shipments of ammunition which the US rushed to China last fall but which never reached the front.

Much of the confusion has been laid at the feet of the Chinese Army, which requisitioned most ships and loaded them with everything available, while Government agencies with valuable industrial equipment could not obtain shipping space.

Most of the Chinese air force and navy are in Taiwan, and four divisions of the Chinese army are already on the island. There are also 9,000 refugee troops from North China. Thirty thousand officers and men are being trained by General Sun Li-jen, who served under General Stilwell in Burma during the war. General Sun wants to train 30 divisions during the next 18 months, using Taiwan as a staging base in the same way that the United States used England for continental operations.

Trying To Get More Aid

The Chinese are trying to sell America on the idea of Taiwan's strategic importance as a link connecting Japan, Okinawa and the Philippines in case the China mainland goes completely Communist. There are rumors that they are trying to get an additional surplus property arrangement to obtain guns, tanks and ammunition from Okinawa and Japan to arm the troops which are being trained on the island.

Should the United States decide to help establish Taiwan as a military base, the US Military Advisory Group, which was withdrawn from China, still has headquarters in Japan and could be transferred to Taiwan on very short notice.

The US has a primarily strategic interest in the island. The American air force considers it an excellent base for strategic bombers. The Navy, however, is less enthusiastic, feeling that it lacks good harbors and is subject to typhoons.

It is known that General MacArthur has a keen interest in Taiwan. He has told several Americans that the Communists should be resisted in South China but, if that failed, Taiwan should be held because of its importance to America's west Pacific defenses. He also believes that the Economic Cooperation Administration should be used to help preserve America's foothold in China and Taiwan.

ECA officials have been studying the possibility of an expanded program on the island. Roger Lapham, chief of the China mission, has

flown to Washington to present recommendations for a new Taiwan program. ECA originally allocated \$18,000,000 for the Taiwan industrial-agriculture rehabilitation program. These funds were in the US\$70,000,000 industrial allocation which was frozen when Nationalist resistance seemed on the verge of collapsing. Lapham may ask Washington to approve use of the remainder of this money in Taiwan and South China or seek new appropriations from Congress.

The strongest proponents of an economic and military program for Taiwan are the Chinese, who declare that the island can become self-sustaining if America provides the needed capital and equipment. They are trying to establish a firm economic base in Taiwan and make it virtually autonomous from the mainland.

Stabilization Measures

The Government hopes to introduce a separate currency soon to avoid the mainland's inflation. The Central Bank already has shipped between US\$100,000,000 and US\$150,000,000 worth of gold bullion reserve to Taiwan for safekeeping, and remittances of Chinese currency from the mainland have been stopped. Further immigration of Chinese from the mainland, except for certain skilled workers, capitalists with foreign currency holdings and Government officials, will be prohibited after March 1 in order to reduce population pressure and keep political conditions more stable.

Hydroelectric power is considered the key to Taiwan's future development, to run the factories which have been shipped from the mainland and to expand production for export, the only way Taiwan can become self-sustaining. But the island now produces only 150,000 kilowatts, a fraction of its potential. Under the Japanese, Taiwan's annual exports totalled US\$250,000,000, but now they are less than US\$30,000,000.

Taiwan uses 650,000 tons of fertilizer in a normal year, which enables two or three crops to be produced, and has enormous capacities for the production of rice, sugar, tea and other agricultural products. But last year Taiwan manufactured only 30,000 tons of fertilizer, and this year may produce 50,000 tons. Thus, fertilizer imports are a great drain on foreign exchange.

However, it is doubtful whether the Chinese Government will be able to solve the island's economic and social problems. Conditions are almost as feudalistic as on the mainland. Most of the sugar land was held by the Japanese, and taken over by the Chinese Government as "alien property." Five hundred large landowners control the bulk of

the island's fertile rice-producing areas. Most of the peasants own some land, but must rent more to make a living. They are subject to the same abuses of land tenancy, usury, heavy taxation and forced sale of crops at a low price that exist in China proper.

The Taiwanese farmer sells his rice on the open market at 650 times the prewar price. But the price of fertilizer has increased 5,000 times, farm tools 2,500 times, and clothing, salt and matches 3,000 times. A day laborer earns between three and four American cents a day.

The various Chinese cliques already are struggling to gain control of the island's spoils. The CC clique has established itself halfway down the west coast of the island and is buying property, investing in industries and banks and fighting for local power, as are other bureaucrats elsewhere on Taiwan.

While Taiwan could be self-sustaining economically and provide a surplus for export to the mainland, it is now being burdened with the upkeep of Chinese military forces. Exports to the US last year totalled only US\$2,000,000, which would not be sufficient to buy gasoline for the air force.

An example of Chinese economic planning is their desire to increase sugar production in order to get hard currency. But Japan is Taiwan's primary customer at present, and half of the payments must be accepted in Japanese exports, such as machinery and cotton goods. The island needs these products, but the Chinese prefer dollars. And Taiwan cannot compete in dollar areas.

Another instance is in regard to fertilizers. ECA offered to trade fertilizer for rice, which would be shipped to the mainland to fulfill ECA commitments there. The Chinese accepted the arrangement, on the condition that they receive the fertilizer first. ECA insisted that the exchange be simultaneous, whereupon the Chinese refused to consider the proposition.

Most indicative of Chinese administration is the fact that although dealings in foreign currency are theoretically banned, the best black market rate for US dollars can be obtained at the Government's Bank of Taiwan.

The Week's Business

THE financial reform measures were finally promulgated on February 24 at Canton, legalizing the circulation of silver coins, lifting the ban against free trading in gold and silver, permitting the import of foreign goods by private foreign exchange, and the collecting of taxes in silver, commodities and Customs Yuan.

The first reaction toward these measures was skeptical. Both financial quotations and commodity prices increased on February 25, despite the dumping of gold bars, commodities, and large sums of Exchange Clearance Certificates. This spurt was checked on March 1, when the money became tight following the announcement of the cost of living index for the second half of February amounting to 643 against that of 349 for the first half of the month. But prices rose again on March 2, following issuance of the new large denomination notes.

It is expected that these reform measures will be difficult to enforce and that they will confuse rather than improve the financial situation. The authorities as late as March 2 had not yet found it possible to promulgate the detailed regulations governing the enforcement of the measures.

The only sign of Government action regarding the new measures was the announcement by the Central Bank on March 1 that US dollar notes would be bought by the Government bank at the rate of GY2,650. Meanwhile the open market rate was as high as GY3,000. Few people, if any, have sold any US dollar notes to the Central Bank so far, but well-informed business circles believe that the Central Bank could succeed in buying US notes only when the money market suddenly becomes very tight and many of the small banks are forced to part with their US notes to meet their financial obligations.

The only other sign of any change has been the decision of the utility companies to collect their fees in terms of a new unit to be known as the "Utility Unit", which is pegged to 0.625 Customs Yuan which, according to the new regulations, is equivalent to 40 cents US currency.

This new system of payment has been approved by the local authorities and was enforced as from March 1. With this as a precedent, it will not be surprising to see in the near future all kinds of units pegged at different rates to the Customs Yuan for the collection of house rent, doctor's bills, school fees, and what not. Greater confusion than ever will be created in the currency, causing considerable inconvenience and financial loss to the general public.

Latest reports say that a gold market will soon be opened and free trading in gold and silver will be started. In this connection it must be said that the goldsmiths' shops

have reopened for business as from March 1, as the ban against trading in gold has been lifted.

The Shanghai Securities Exchange, which was reopened on February 21, has gradually become an active center of speculation and investment. The daily turnover of business in the Exchange increased from 2,126,011,450 shares on February 21 to 4,697,205,130 shares on February 25. On March 1, the total turnover was 3,496,506,270 shares.

As predicted in these columns that notes of large denominations will soon be issued since it has become too expensive for the Government to issue Gold Yuan notes, the Central Bank starting March 1 has begun to issue notes of GY500 and GY1,000 for circulation. The issuance of these big denomination notes, together with the general increase of public utility, shipping and other rates, and the large increase in the cost of living index, will serve as causes for another high jump of prices and quotations in the near future.

One interesting development during the past few weeks has been the increased value of US dollar notes and commodities against gold. While it took over 600 US dollars to buy one gold bar of 10 ounces some weeks ago, it took only 500 to buy one gold bar last week end. This development was said to be caused by the Government decision to lift the ban against import of foreign goods by private exchange. There was reported to be considerable demand from importers for US dollars.

The increased value of commodities in relation to gold is also noticeable. For instance, it took as much as 200 reams of newsprint some months ago to buy one gold bar of 10 ounces. But now it takes only around 120 reams. This decrease in the value of gold against commodities is due to the fact that the fear of military operations in Shanghai area has disappeared, and with the good news of peace negotiations, businessmen believe that there will be an increasing demand for commodities once trade with the vast North China provinces is resumed. Prices are bound to increase, according to these businessmen, because prices of many commodities in the Communist-controlled provinces are higher than market prices in Shanghai.

The following table gives a comparison of the quotations on February 23 and March 2:

	Feb. 23 GY	Mar. 2 GY
Gold	120,000	183,000
US Dollar	2,350	3,650
Clearance Certificate	2,150	2,890
Silver Dollar	1,300	2,000
20's Yarn	380,000	626,000
Rice	11,000	17,000
Wing On Textile	2.62	3.76

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NEWS OF THE WEEK

Peace Mission Returns Hopeful; Legislative Yuan Now In Session

AFTER a two-week stay in Peiping, the unofficial peace mission headed by Dr. W. W. Yen returned to Nanking on February 27 with something concrete to show for their efforts in the North. In a public statement issued on their arrival in the capital, it was stressed that "the hopes for peace are very high though still facing many difficulties." It was further disclosed that an agreement had been reached in principle with the Communists to facilitate the resumption of telegraphic, mail and shipping relations between Nationalist and Communist China, with the technical details to be worked out by representatives from both sides.

It is understood that the mission had a broad exchange of views with Communist leaders on the question of peace. Two members of the mission, Dr. W. W. Yen, and elder statesman Shao Li-tze, accompanied by General Fu Tso-yi, former Nationalist Commander-in-Chief in North China, also flew to Shihchiachuang to confer with Communist chairman Mao Tze-tung and General Chou En-lai.

The members of the mission refused to divulge the detailed results of their consultations with the Communist leaders. It is alleged that they made a gentleman's agreement with the Communists not to allow any leakage before the formal opening of peace negotiations. However, well-informed sources disclosed that the members of the mission were highly satisfied with their work and were particularly impressed with the sincerity of the Communists' desire for peace. The members of the mission all gained weight during their stay in Peiping and they looked surprisingly robust when they returned to Nanking.

Practical Basis

A HIGHLY reliable source in Nanking disclosed that a more practical basis had been found for negotiations with the Communists through the efforts of Shao Li-tze and Dr. W. W. Yen. An official source further revealed that the "encouraging news" brought back by the mission has dispelled much of the former pessimism inside the Government so that there now is a general hope for peace, with even some war advocates saying that the talks are practicable.

The *United Press* claimed to have learned the following from "sources in the know:"

1. Communist leader Mao Tze-tung sent a long personal letter to

Warship Joins Reds

CHINA'S largest warship, the 5,260-ton cruiser Chung-king, is reported to have deserted to the Reds and is now in the Communist-held port of Chefoo. The ship was a gift from the British and is the pride of the Nationalist navy, with a crew of at least 450 officers and men, the majority of whom were British trained. Ironically, one of her last actions was to cover the Government evacuation of Chefoo.

acting President Li Tsung-jen through the peace mission.

2. A more practical basis has been ironed out through discussion between Communist leaders and the peace mission for opening negotiations on peace.

3. Communist leaders agreed in principle not to renew military offensives during the course of peace talks.

4. The peace mission is convinced of the Communists' sincerity to talk peace, and have taken upon themselves the task of persuading the Government to take the same point of view.

5. The Communists will appoint their delegates some time this month and talks will take place in Peiping.

The *UP* said that although no qualified sources would elaborate on the above-mentioned points, it is known that they formed the key notes in the mission's report to acting President Li Tsung-jen.

Basic Problems

TOP Government leaders in Nanking are having a busy time straightening out their internal disputes and discussing peace plans in anticipation of the forthcoming peace negotiations with the Reds. Leaders of the refugee government in Canton, headed by Sun Fo, are back in Nanking. Top-level field commanders from the provinces either have already arrived in the capital or are on their way. Among them are General Pai Chung-hsi from Hankow, General Cheng Chien from Changsha, General Chang Chih-chung from Lanchow, General Chang Chun from Chungking and General Ho Ying-chin, former minister of war. They are expected to meet under the personal direction of Li Tsung-jen to make a general review of the whole situation.

The *Associated Press* reported February 26 from Nanking: "Across

the river, acting President Li Tsung-jen is giving priority to two basic problems. First is the opening of formal peace talks with the Reds. Second is the rallying of all Kuomintang elements on the basis of peace and not for continuation of the war."

It is revealed that, besides peace and Kuomintang unity, the question of reorganization of the armies after peace will be brought up for discussion. General Pai Chung-hsi, General Ho Ying-chin and Minister of National Defense General Hsu Yung-chang are reported to be studying and drafting a preliminary reorganization plan which would be based on an agreement reached at the original Political Consultative Conference three years ago.

Meanwhile, it is understood that Sun Fo's cabinet has rejected a proposal to reduce the army because of opposition from the generals. It is alleged that the recently-announced new economic reform program included a proposal to reduce the army, navy and air force strength to a total of 2,500,000 men which would have affected the army primarily, because the navy and air force complement is negligible.

Setback For War Mongers

SUN Fo's return to Nanking and the holding of the regular session of the Legislative Yuan in the capital are generally viewed as a setback for the war faction inside the Kuomintang. It is an open secret that this faction wants to run its own show in open challenge to Li Tsung-jen's authority. The sabre-rattling speeches made by Sun Fo and by the Kuomintang's Organization Minister Ku Chen-ting leave no one in doubt as to what this group is up to. However, downright war mongering under present conditions has very little appeal except for a handful of generals and bureaucrats who stand to lose by peace. In spite of bribery and cajoling, the majority of the Legislative Yuan members, following the example of the Control Yuan, decided to meet in Nanking. For fear of losing his job, Sun Fo hurried to Nanking in order to make the best of a bad bargain. It remains to be seen how long he will be able to hang on. The utter confusion and charges of embezzlement of public funds by several ministers during the last flight of the cabinet to Canton have completely discredited Sun Fo and his cabinet.

Peace Formula

PRESIDENT Tung Kwan-hsien of the Legislative Yuan, in his opening address, said that the hope of the Chinese people was undoubtedly peace, which meant political reform. The reforms involved, he

said, more than a mere reshuffle of officials—in other words, what was wanted was a new political system in which the Government would actually represent the people and work for their welfare. He urged the legislators to aim for a Government that would competently protect the liberties of the people and maintain permanent peace in this country. Tung named a Nationalist peace policy, recovery of economic stability and the improvement of the living conditions of both officials and the people as the three most important subjects for debate.

Well-informed sources disclosed that an influential group of legislators is suggesting that the Legislative Yuan at its current session draft and submit a concrete and practical peace formula for the consideration of the Government. This group, headed by San Min Chu I Youth Corps leaders, is reported to be opposed to a localized peace and to be insisting on what they call an over-all peace.

It is felt certain that with the opening of peace talks now definitely in sight, discussion of peace terms is bound to be popular. It is rumored that the rightists in Canton have already mapped out their peace blueprint and Sun Fo has brought it with him to Nanking.

Reds' Blast

THE rumored dropping of the US plan to withdraw from Tsingtao, at the request of President Li Tsung-jen, was bitterly resented by the Communists, who in a recent

broadcast charged that Li still hopes to be able to keep Tsingtao, with the help of the United States Navy, "as a springboard." According to the Communist story, the plans for the evacuation of American marines from Tsingtao were cancelled following a request by Li Tsung-jen to United States Ambassador Stuart. The Red radio further alleged that a policy of supporting Li Tsung-jen was adopted by a Tokyo conference which was attended by Army Secretary Royall.

Charging that notwithstanding his repeated promises Li has accomplished no changes since Generalissimo Chiang Kai-shek went into retirement, the Red radio said: "No matter what he says things are unchanged in the least in the areas controlled by Li Tsung-jen. The Nanking Kuomintang Government is still a government which actively prepares for war and oppresses the people. United States Ambassador Stuart is still Nanking's overlord."

In this connection, James D. White of the *Associated Press* wrote: "Many Chinese say they expect little difference between the Kwangsi group and the Kuomintang. Both, they point out, are the products of the same period in Chinese history. Will the new set of faces look any different, ask many Chinese. Despite the overwhelming military—and therefore political—strength of the Communists, Chinese indicate that once the Kwangsi group becomes able to speak for all of China south of the Yangtze it may become less willing to wage its new power on a peace which necessarily will be pretty much a sight-unseen proposition...."

Political Persecution

THE Communists are particularly bitter against the recent wave of terror. The execution of the three bus strikers in Shanghai and the shooting of 21 persons in Kunming were attacked by the Reds as "bloody crimes" and "criminal acts." A Communist radio broadcast warned Nanking to stop such actions if Nationalist peace efforts could not be trusted. It further declared that many anti-Government political elements imprisoned by the Kuomintang in Shanghai "have either been killed in secret or thrown into the Whangpoo River."

In Sian, the Reds charged, Government authorities are re-arresting political prisoners once released and are "scheming to kill them in secret." It said "these bloody facts show that the hypocritical peace gestures of the moribund Kuomintang gang cannot conceal their criminal acts of murdering peaceful civilians."

Recent summary executions and political arrests have aroused the Control Yuan, which, in a resolution adopted at its last meeting held in Nanking, requested President Li Tsung-jen to do something about the situation. The Control Yuan stressed that persecution at the present time is harmful to future peace talks between the Government and the Communists. As a result, President Li on February 26 reminded the

Executive Yuan sharply of his directive against illegal arrest.

If Li's previous order has been ignored, it will be interesting to see whether his new order will be respected and obeyed.

Red Peiping

PEIPING, the ancient capital of feudalistic China, is reported to be undergoing a drastic transformation in its new role as the headquarters of the Chinese Communists. The Communist People's Government for North China has moved from Shihchiaehuang to Peiping and it is generally believed to be only a question of time before this government begins to function formally as a Communist central authority. More and more democratic leaders and labor leaders are said to have arrived in Peiping. The All-China Labor Federation and the All-China Student Union also have moved to Peiping. Marshal Li Chi-sen, chairman of the Revolutionary Committee of the Kuomintang, and responsible leaders of such other democratic groups as the Democratic League and the Workers and Peasant Party are busy in Peiping. It is understood that the democratic leaders are conferring with the Communists on the question of peace and on joint efforts to build up a new China on the basis of Mao Tze-tung's new democracy.

For security reasons, all correspondents of foreign news agencies, newspapers and magazines in Peiping have been ordered to suspend gathering news and sending it out of the city during the "period of military occupation of Peiping." It is generally felt that measure is temporary in nature in view of the phraseology of "period of military occupation."

The United States Information Service in Peiping, as part of the American Consulate General, also has received orders from the Reds to suspend distributing daily newsletters to the Chinese papers.

Many things have been read into the Communists' action in banning the activities of foreign correspondents in Peiping. What is read into it depends largely on where one sits. Qualified observers believe that future developments in this matter hinge on the war situation and on the attitude of foreigners toward the new regime.

Correction

In the article "Should China Use Tractors?" in last week's issue of the *China Weekly Review* (February 26, 1949), it was erroneously stated that if a tractor is to be used for nothing but soil preparation, each mow "must give an average yield of at least 50 catties per mow in rice or the equivalent in order to make its use profitable." This should have read, "an average increase in yield of at least 50 catties per mow . . ."



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The Review's English Lesson—LXXIII

OUR friend, Mr. A. L. Chen of Wenchow, has sent us another list of words he would like explained:

Move, movement: The former is used as a verb ("move the table over here") and as a noun ("many people have made the move south for the summer"); while the latter is a noun ("The movement of troops").

Wait, waiting: One might say, "After a brief wait, the train moved on"; or, more elaborately, "After a brief period of waiting (or waiting period) the train started." "Wait for me." "He was waiting for me." In "period of waiting", "of waiting" is an adjective phrase describing "period."

Concept, conception: Both mean a thought, opinion, or idea, but the latter is also used to mean the state of being conceived, the beginning, or the power, function or process of forming ideas.

Airport, airdrome, airfield: These terms are often used interchangeably. Strictly, however, the first term means a place where aircraft land and take off (either on land or water); the second means the same; while the third refers to the field attached to an airport.

Toilets, lavatories, latrines, water closets: A "water closet" is a room with a hopper for defecation, fitted with a device for flushing with water (or the hopper itself); a "latrine" is a privy, or water closet, especially in military camps; a "toilet" is either a water closet or bathroom (American usage) or the act of dressing, grooming one's person (British usage); a "lavatory" is a basin, with other conveniences, for washing; or a room fitted out for washing.

All-out, over-all: The former means complete, entire, as "all-out effort"; the latter means including everything, as "the over-all plan." The distinction is not very clear, except that "all-out" is usually connected with the idea of energy, striving, movement, while "over-all" is used with something static, as a plan, view, etc.

Dread, dreadful: Both have the same sense, the former being used either as a noun, adjective or verb, the latter as an adjective only. "To dread" is to fear greatly, to have terror or apprehension of ("I dread going to the dentist.") As a noun: "He had a great dread of the dentist." As an adjective, a line from Blake, "What dread hand, and what dread feet?" Here it means inspiring great fear or awe. "Dread" as an adjective has rather a literary flavor; the more usual word is "dreadful", generally (and loosely) in the sense of awful, detestable, nasty, repugnant. War is dreadful, or a great cataclysm of nature, or intense agony; but in common speech, the word is debased by such uses

as, "He's a dreadful person", "What a dreadful day", etc.

Grand, grandiose: Usually taken as synonymous, meaning high in rank, large, great, comprehensive, main, magnificent, imposing, illustrious. "Grandiose" used in the good sense, adds to "grand" the implication of stateliness or becoming pomp; in the bad sense, it implies affectation or the mere outward appearance of grandeur. Of an overly ambitious and imposing plan, which falls flat, one might say, "the grandiose plan."

Theft, thievery: Synonymous: the act of stealing.

Approach: As in "New Approach in Asia", the meaning is the taking of preliminary steps to knowledge or acquaintance with.

Hysterically: As in "while hysterically attempting to avoid", means a wildly emotional, unreasoning attempt.

Offing: Originally meant that part of the sea where a pilot is not needed; also, distance from the shore. Used as in "a change of government is in the offing," the meaning is in the somewhat remote distance or future.

Foot in the mouth: Awkward, awkwardness, embarrassing position.

Honey carts: A euphemism for the vehicles used to transport fecal and other waste matter which is used as fertilizer.

Integral, integrate: As in "an integral part," the meaning is, essential to completeness. In "to be integrated into", the meaning is, to form into a whole, to unite.

Perspective: Originally, the art of representing, on a plane or curved surface, natural objects as they appear to the eye. As used in "from the perspective of six months", it means, the aspect of objects or events as they are mentally viewed from a distance in space or time.

Override, overridden: In the clause, "Hoffman has been overridden", the meaning is that Hoffman has been overruled, passed over, his views disregarded.

Impact: In "the impact of the West upon old peasant societies," the word means the forcible contact, striking together of Western ways and feudal ways.

Hold-out: ("The hold-out Government in Nanking") the meaning is that the Nanking Government is sticking it out, against odds, without much hope of ultimate success.

Chinese Magazine Roundup

World Culture

COMMENTING on the prevailing popular indignation against the correspondents of two American news agencies in Peiping, the *World Culture* of February 19 points out that the most important thing for foreign correspondents to understand is that Communist China is radically different from the imperialist-dominated China of the past.

The magazine writes, among other things: "As reported in various newspapers, the correspondents Michael Keon of *UP* and Spencer Moosa of *AP* so enraged the people of Peiping by a series of 'false reports designed with malignant intent to humiliate the Chinese people' that the Peiping public was roused to demand their immediate expulsion. . . .

"Then Moosa filed a report from Peiping on the 12th, the very first sentence of which begins with, 'The anti-American movement is gaining momentum in Peiping. . . .' This was followed by a series of excerpts of the opinion of the people of Peiping, all well selected to suit his own ends. Moosa further declared that the sole ground for the movement against him is allegedly a statement, 'The people of Peiping gave the Communist Forces the same welcome as they gave to the Japanese Forces, the American Forces and the Nationalist Forces in the past' attributed to one of his dispatches, but said that he had never made such a statement.

"On first reading over this dispatch, it does appear as if Moosa wrote it without the least bit of bitterness and in all fairness of mind. Actually, however, we should be on our guard against being taken in by the deceptive appearance. In the first place, Moosa artfully makes use of the term 'anti-American' but not the term 'anti-American imperialism.' This is highly misrepresenting when compared with the original statement of the people of Peiping denouncing the American correspondents. The people of Peiping only denounced them for being tools of American imperialism, while nothing has been said against the American people. Do Moosa and Keon consider themselves to be the representatives of the American people? Secondly, Moosa lightly evaded the issue by saying that he has never made such a statement. If this really is the case, are we to take it that over one million of the people in Peiping have lied in a conspiracy to smear the good name of these worthy gentlemen? How do we account for their public indignation? It is alleged that the North Shensi Radio once declared in a broadcast addressed to Moosa and Keon, 'You may be able to send back false reports to America directly and in great secrecy but you are not able to prevent us from receiving them too.' This bit of wry humor probably explains the above discrepancies.

In conclusion, the magazine offers a piece of advice to foreign correspondents in China, saying:

"In a word, unless a correspondent willingly wants to be a fool, then it is certainly necessary for a bona-fide correspondent to orient himself to a new and changed environment; for instance, to realize that the present Peiping does not belong to the same category as Taiwan. It is imperative to have a true understanding of the Chinese people, to have the proper respect for their rights and aspirations and to realize that the quintessence of freedom of the press does not lie in the freedom to lie, to defile or to bandy words."

Newsland



THE *Newsland Weekly* of February 24 discovers a significant change in American policy toward China and charges that Washington now favors the division of China into two parts, with a Communist government in the North and a Kuomintang government in the South. According to the journal, the United States at first suggested that the Government resume peace talks with the Communists and that Generalissimo Chiang Kai-shek get out to pave the way for peace, but now the United States seems to have changed her mind and would like to see war go on in this country.

"Strangely enough," it writes, "now that President Li Tsung-jen's peace movement has gained ground, the American attitude has become more and more dubious. Is the US Government waking up to the fact that after all it will not be possible for a coalition government under Chinese Communist leadership to cooperate with the Americans? Heretofore, the American Government has been led, or rather misled, by erroneous intelligence reports and by the influence of leftist elements within the State Department into thinking that the new masters of China may still allow the Americans to hang on as usual. The measures the Chinese Communists have taken in the Peiping and Tientsin regions, however, have forced the American Government to reconsider its stand. . . .

"It appears odd that the American Government should stand for peace when the Chinese Government wanted to fight, but then as soon as the Chinese Government decides on peace, the American Government should change its mind. On second thought, the reason may be perfectly simple. A coalition government established in China under the present circumstances would definitely not be the sort which would suit American interests. At the present juncture, there is only one thing which America is going to stick to with regard

to her policy towards China; namely, to try, by all means, whether by peace or by war, to keep China divided into a southern and a northern portion. It is also obvious that this end can more easily be attained through war than through peace. Thus the closer Li Tsung-jen gets to establishing peace, the colder becomes America's attitude towards him. . . .

"Washington would very much like to get hold of one or more parties beside Li Tsung-jen as objects of their assistance, and Taiwan has been chosen as the ideal base for carrying out the assistance program. The return of General Barr to China and the dispatch of planes of the American 14th Air Force to Taipeh are all moves taken with a view to strengthening the position of Taiwan."

The magazine concludes that the Communists need peace more than anything else. The reasons are, it says:

"Firstly, the establishment of a coalition government is but an interim measure, but with the organizing powers and the administrative ability of the Communists far above those of the KMT, there is absolutely nothing for them to be afraid of. Secondly, the successful organization of a coalition government would mean that the new government shall automatically take over the legal authority of the Chinese Government. The question of international recognition then would not come up and Chou En-lai would automatically become one of the Chairmen of the UN Security Council. Thirdly, in case active American assistance is really given, it may be very costly for the Communists to attempt crossing the Yangtze. Fourthly, the desire for peace is in itself a power to be reckoned with, while the wishes of the people cannot feasibly be ignored.

"With the above in view, it is absolutely inconceivable that the Communists should forsake this opportunity for peace, which is favorable to them, and instead prepare to sacrifice 400,000 to 500,000 men to go through all the dangers involved in crossing the Yangtze. The Communists are therefore likely to comply with any KMT request for equal representation in a coalition government or insistence upon an equitable reorganization of the armed forces. . . . So now it is the turn of the most powerful members of the KMT to procrastinate, to wait for a decisive change in Washington's China policy. These men plan to concentrate all available forces at their disposal to bargain on an equal footing with the Communists with a view to making the Yangtze the great divide in splitting the country up into two independent administrative parts. They are willing to stop fighting, but they are against the establishment of a coalition government."

US Magazine Roundup

Far Eastern Survey

IN the February 23, 1949 issue of *Far Eastern Survey*, Dr. Dorothy Borg analyzes trends in Chinese opinion based on a study of more than 5,000 newspapers and periodicals, liberal and conservative, since the close of World War II.

Dr. Borg says: "Chinese good will toward the United States has long been recognized as an asset of American foreign policy. This country has traditionally upheld the integrity of China, and after the first World War it led a movement to remove from China the burden and humiliation of international controls. While Chinese often regarded the views of the State Department as limited and its approach as unfortunate, they had for the most part faith in its good intentions....

"Since the second World War there has been a profound change in attitudes in Nationalist China toward the United States. Whether they are for or against the Nationalist Government, most Chinese concerned with political issues have become bitterly opposed to American policy. . . .

"In retrospect it is evident that after the war liberals were the first to look to the United States for assistance and the first to turn away with a feeling of almost violent disillusionment. This change took place during the Marshall mission, when most liberals became convinced that the United States was to blame for the outbreak of civil war."

Each of the major developments of US policy—the Wedemeyer mission, the China aid appropriation, the trend toward rebuilding Japan's economy—have been severely criticized in the Chinese press, says Dr. Borg. On the one hand, the liberals have held the United States responsible for prolonging the civil war; on the other, the conservatives have charged the US with offering insufficient aid and delusive promises.

In discussing the intensifying criticism toward US policy in the Chinese press, Dr. Borg writes: "While most of the press, whether liberal or conservative, concentrated on American policy in China, the *Ta Kung Pao*, the most influential of the independent newspapers, was concerned with American foreign policy as a whole. In a 'Letter to the People of the United States,' written in October 1947, it spoke frankly of the diminishing friendship of the Chinese and American people, placing most of the blame on the United States. The letter said in substance: The Chinese people look to America for world leadership; they conceive of leadership in terms of strengthening the Anglo-American type of democracy; but the United States seeks to dominate the world by means of money and power. In many subsequent edito-

rials the *Ta Kung Pao* accused the United States of denying its democratic heritage in both domestic and foreign policies."

Chinese opinion on the problem of rebuilding Japan was explosive, according to Dr. Borg's study. "American economic plans for Japan," she writes, "were denounced with few qualifications. The United States was accused of recreating Japan's industrial and war potential; of developing the Japanese market in order to monopolize it; and of reviving the principle of 'an industrial Japan and an agricultural China' which was anathema to the Chinese people."

The effect of statements by the US Consul General and the American Ambassador rebuking those opposed to US policy towards Japan was to direct more wrath toward US policy. "Even the customarily reserved *Shih Chi Ping Lun* (*The Century Critic*), Dr. Borg noted, "published an article denouncing Dr. Stuart's statement as one of a long series of incidents that had transformed the affection of the Chinese for the United States into hostile resentment. One nation may be weak and another strong, it said; but to assume the attitude of a superior to a subordinate can only create hatred."

In conclusion, Dr. Borg observes: "During the last few years the United States has been following a policy of limited aid to the Nationalist Government of China. This policy cannot of course be judged solely by its effect on Chinese opinion. Good will is, however, an important factor in international relations, and in terms of securing Chinese good will American policy has been a conspicuous failure."

* * *

The Nation

AN interesting article concerning the arrest of Cardinal Mindszenty in Hungary is carried in the January 8 issue of *The Nation*. Written by Ruth Karpf, a foreign correspondent who recently returned to America from an eight months' stay in Europe and the Near East, the article says that the Cardinal's arrest is the third round of the political battle between the Catholic church and the state in post-war Hungary. It continues:

"In round one, which took place in 1945 immediately after the war, the long-overdue Hungarian land reform was fought tooth and nail by the Catholic church under the leadership of Cardinal Mindszenty.... The Catholic church was the largest landowner in Hungary. In round two, which was fought in the summer of 1948, the issue was the control of Hungary's public schools. . . . The Catholic church had controlled and run 63 percent of the country's schools. Round two was crucial,

and both the Cardinal and the government threw into it all their resources. Round three was then inevitable. The arrest of Mindszenty is but one expression of the state's determination to clamp down on politically active Catholic priests....

"In July the Cardinal ordered all Catholic religious schools closed; in August he forbade ordained teachers to continue their work in public schools; in September he officially threatened with excommunication any Catholic who either in the press or in public criticized him personally or any aspect of his policies. . . .

"He hardly bothered to hide the fact that he had entered the battle over the schools and intended to keep on fighting it primarily for political reasons. . . . He told us that in an exchange of letters between him and the government he had laid down the terms on which he was prepared to 'negotiate.' They had nothing to do with freedom of worship. A daily paper for the church was one of them. Immediate compensation for church holdings that had been given to agricultural workers was another. Of course the government refused to consider any of these conditions, and undoubtedly the Cardinal knew it would refuse, for he is an old hand at politics. It was he who negotiated with Horthy the Concordat which gave the Catholic church in Hungary powers and privileges of exactly the same kind as those the church enjoys today in Franco Spain."

Miss Karpf says Cardinal Mindszenty "has never recognized the Hungarian Republic. He told us. . . that he considers the republic unconstitutional and that for him Hungary is still as it has been for the past thousand years, a monarchy. The land reform, he told us, was 'anti-Christian'.... After the war he refused to change textbooks used in Catholic schools which describe the French Revolution as 'that mob movement of the late 18th century in France which was designed primarily to rob the church of its lands.'"

Miss Karpf reports that there are other Catholic clergymen who feel that religious freedom can be preserved in Hungary if the church "stays out of politics" and "if only Cardinal Mindszenty and others would stop making Christianity synonymous, in the mind of the people of Hungary, with reaction and the return to a feudal past they abhor." She concludes: "The elimination from the political scene of Mindszenty and the Horthy-tainted Catholic hierarchy which he represents would no doubt weaken the political power of the church, and with it all organized opposition to the present government. But it would give Christianity in Hungary a chance to survive."

What Chinese Papers Say

THE resumption of the Legislative Yuan's session in Nanking, the interflow of commodities between Nationalist China and Communist China, and the need for building up a favorable psychological basis for peace were main topics commented on in the Chinese press last week.

Legislative Yuan

THE *Ta Kung Pao* suggested that the Legislative Yuan at its current session help the Government achieve peace. "In the promotion of peace and in the removal of obstacles to peace, there is much the Legislative Yuan can do," the paper said. "When Acting President Li Tsung-jen assumed office, he issued an order announcing the repeal of all laws and regulations in violation of the freedom of the people. He also ordered seven sweeping reforms. But in some districts in the country some of the measures ordered by the acting president have not yet been carried out, while in other districts, the local authorities simply did the contrary. Now it is up to the Legislative Yuan to rectify the situation."

Another job for the Legislative Yuan, according to the paper, is to review what the Government has done during the past two months.

"What the Cabinet has done so far to the knowledge of the public, apart from the announcement, while it was still in Nanking, of its readiness to talk peace and the designation of a peace delegation, are limited to two major measures," the paper said. "The first is the large-scale evacuation with the removal of the Executive Yuan to Canton. The second is the promulgation of the new Financial Reform Program.

"Whether or not the Executive Yuan should be evacuated we do not propose to criticize. But the chaos, lack of coordination, waste of public property reported during the removal, and even such strange incidents as the reported misappropriation of public funds by heads of ministries and commissions are matters for which somebody must be held responsible. And there have been reports of notorious cases of corruption among members of the Cabinet.

"The Financial Reform Program is capable of producing very serious effects on both the financial position of the Government and the livelihood of the people. It has been promulgated only after passage by the Executive Yuan. There is call for the program to be reviewed, to see whether it will prove beneficial to the current situation or not.

"Among the administrative measures of the Executive Yuan in the past two months, apart from another great change in the financial measures of the Government, the public has seen nothing but the removal of government offices, the movements of high officials, the sufferings of public functionaries, and the enlargement

of factional disputes. The people are at a loss to know what is going on. There is need for the Legislative Yuan to make a thorough investigation of this confused situation."

In conclusion, the paper advised the Cabinet to return to Nanking, because the Government cannot have two administrative centers at the same time.

"Finally, we have one more question to ask," it said. "Acting President Li is in Nanking. The Control Yuan is in Nanking. The Legislative Yuan is in Nanking. The Executive Yuan has also resumed its session in Nanking. But the Executive Yuan and its subordinate ministries and commissions are in Canton. Where exactly is our Government? Recently local authorities who approached the Central Government on official business found nobody in Nanking with whom they could deal while in Canton too, they had not been able to contact the relevant quarters. Some local organs directly subordinated to the Central Government have found that they had lost connections with the Government and that their supplies have been cut off. What kind of a situation is this? Our Government cannot have two centers. Let the various component parts of the body be reassembled immediately."

Flow Of Commodities



THE *Shang Pao*, generally regarded as connected with the local chamber of commerce, welcomed the resumption of shipping and trade between Communist China and Nationalist China, pointing out that it is economically beneficial to both sides. Shanghai needs raw materials and coal from North China while Peiping and Tientsin need flour from Shanghai.

Apart from the economic aspect the paper felt the flow of commodities between the North and the South has its political significance, saying:

"We consider that this development has brought the prospects of peace nearer and more hopeful. For today, politically, Shanghai and North China are still separated from each other. But from the standpoint of the people, there is no wall between the two areas. Industrial and commercial interests between the two areas are closely interwoven. From the successful realization of the interflow of supplies between the South and the North, we feel that the dawn of peace is near.

"Acting President Li Tsung-jen has earned the great confidence of the people with his conscientious and untiring efforts to promote peace. The Communists have also lent a willing ear to good advice, and have halted the advance of their Armies so that they too have shown their sincere desire for peace."

Although the peace talks to be opened must necessarily encounter many difficulties in the course of their progress, yet as long as both parties are sincere, all issues can be settled.

"We hold the view that the first successful effort in knocking open the door to peace lies in the resumption of snipping between the North and the South, and the achievement of the interflow of supplies. We hope that the existing practice of bartering coal for flour will be extended to the interflow of all commodities. The two opposing parties must first sink their differences and cultivate a spirit of mutual reliance. The peace envoys may then exert their efforts to bring them closer and closer until peace will come and be followed by reconstruction."

Psychological Basis

THE *Shun Pao* argued that impartiality, toleration, and endurance should be the psychological basis for peace.

"What are the psychological foundations of peace?" it asked. "In the first place, impartiality must be upheld. If both parties assume the attitude as expressed by Acting President Li, that 'not the personal honor of a few leaders but the welfare of the 400 millions of our people is to be taken care of' then party differences can easily be eliminated. In such circumstances, all the peace conditions brought forth by either party can be weighed and appraised to see whether or not they are made in the interests of the people.

"In the second place, there is call for toleration. Both parties should realize that there is need to be more magnanimous and to accept the reasonable views of the opposing party, and particularly the views of the people. Acting President Li in his statement made public in Hankow expressed the hope that the Kuomintang would turn a little to the left and the Communists a little to the right. This may explain the spirit of toleration now required.

"In the third place, there is need for endurance. For years before and up to his recent retirement, President Chiang had been subjected to various kinds of insults and ridicule, and today while he has been spared from official duties, he still refrains from uttering a word in defense of the numerous charges made against him. He has learned the secret of endurance. Acting President Li has also been constantly condemned as a puppet of American intrigue, but he has from the beginning devoted his efforts to the cause of peace. He, too, has learned the secret of endurance. Once a leader cultivates this spirit of endurance, he will have the wisdom to devote his whole efforts for the State and the people and for the achievement of peace."



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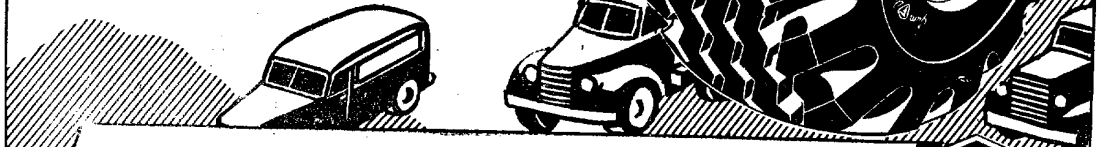
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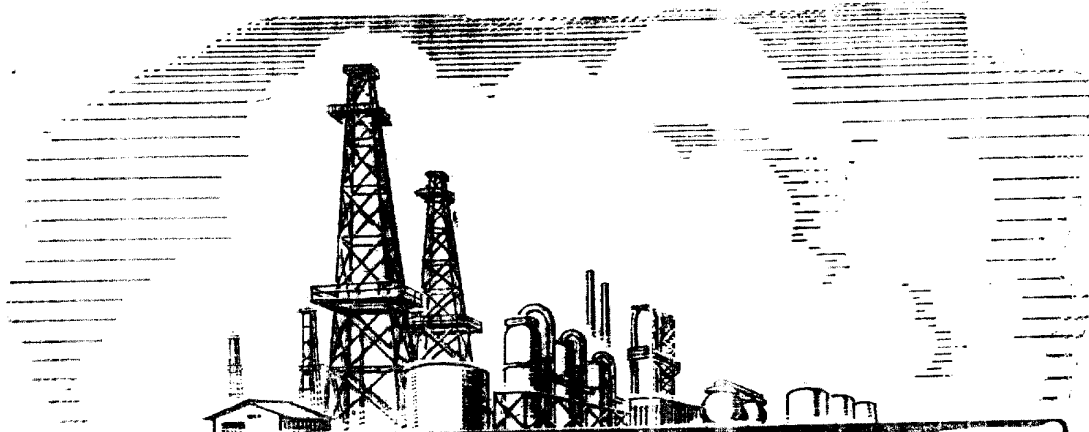
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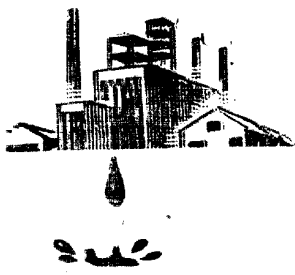
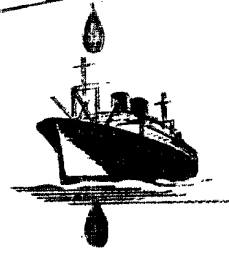
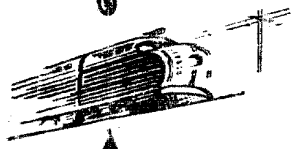
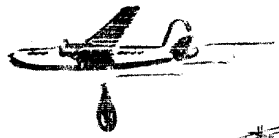


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March 12, 1949

LAPHAM'S AID PROPOSAL.

AN EDITORIAL

How Safe And Sound Is Fukien?

Lin Chen-keng

Nanking College Crisis

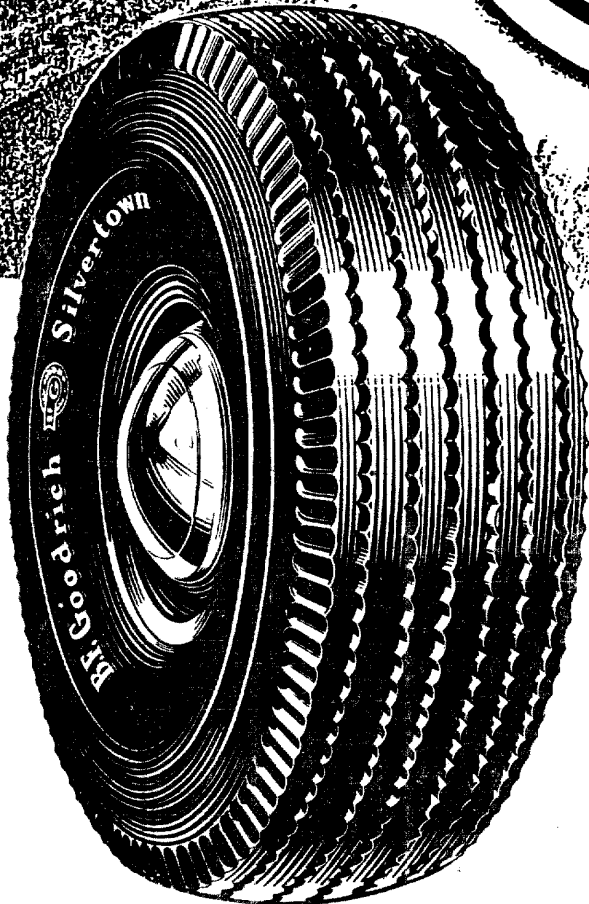
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AN EDITORIAL



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LETTERS From The People

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Missionaries

To The Editor:

I have read the article "What Should The US Do In China" in the *Review* of February 12 and rejoiced over the views expressed by Edgar Snow, Owen Lattimore, Harold Ickes, John K. Fairbank, Annalee Jacoby, Christopher Rand and others, but it was with misgivings that I saw Dr. Edward H. Hume's misconceptions of communism and of the causes of the Chinese Civil War in spite of his more than 40 years close association with medical missionary work in China.

I have known him personally since 1917 or earlier, and I believe that his ideas of Russian support of the Chinese Communists, of the Kuo-Kun Compromise, and of siding with Bullitt and Chennault to advocate further military aid to the outgoing regime are ignorant and threaten not only Sino-US good will but also the future of missionary work in China.

The same holds for the Rev. Thomas O'Melia's overwhelming ignorance of China after his 25 years of work with the Maryknoll Mission in China as shown in his irrational antagonism to communism, while forgetting that Jesus Christ promoted communism among his followers and that the communistic ideology of democracy and the capitalistic ideology of democracy have got to co-exist in this world, peaceably or otherwise.

I just wonder how missionaries of the Hume and O'Melia type could have stayed in China so long and how they could have helped bring about the Kingdom of God on earth. As a Christian by birth and training, if not by profession, and with the highest interests of the Christian religion at heart, I predict the eventual downfall of missionary work of this type in China, and if eventually, why not now?

CHINESE JOHN THE BAPTIST,

Chengtu, Szechuen
February 16, 1949

Hongkong Postage

To The Editor:

The outcries of some Chinese politicians for the rendition of Hongkong may sound premature in view of the utter chaos in the country. The situation, however, does not alter the fact that the population of the British colony is preponderantly Chinese and their culture is fundamentally Chinese. Chinese Government leaders, especially those bombastic irredentists, therefore, should first see to it that the cultural intercourse between China and Hongkong is facilitated by every means and not in the least impeded.

In this connection, the attention of the Government must be called to the exorbitant rate of postage for printed matter for Hongkong which constitutes a serious impediment to smooth cultural exchange between the two territories. Deliberately ignoring its cultural ties, as well as its geographical propinquity, the Chinese post office has all along

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regarded the island as a foreign area in fixing its postal rates for printed matter. According to the international rates of postage announced on March 1, the fee of GY100 is charged for the transmission from Shanghai or Canton to Hongkong of a copy of a newspaper or magazine weighing not more than 50 grams, while the domestic rate for a registered journal of the same weight is only GY2, or a mere fraction of that amount regardless of the distance of the destination, which may be many times farther away than Hongkong.

In prewar days, although the same untenable position was taken by the Chinese postal authorities, the postage for printed matter for Hongkong was only two cents per 50 grams against five cents for foreign countries.

At the official rate of the Central Bank on March 1, GY100 is equivalent to about four US cents, which is double the international postage charged by the US post office for a similar quantity of printed matter.

The straitened circumstances of the Chinese post office, which are to be attributed mainly to the vicious inflation, have the full sympathy of the public. Nobody would begrudge it the right to make an honorable attempt to augment its shrinking income, but it must not do so at the expense of the smooth flow of culture between China and her lost child. While China's leaders clamor for the return of the former Chinese territory, how ridiculous it is for her post office to put it under the category of foreign areas and thus heavily increase the cost of spiritual victuals from their fatherland required by the Chinese population there.

S. F. WEI.

Shanghai
March 4, 1949

Right Orientation

To The Editor:

I enjoy reading the *Review* very much, but I sometimes find the viewpoints of some of the contributors faulty. For example, there was an article entitled "A Plea for Malthus" in the January 29th issue in which Mr. J. R. Kaim repeats the connections of food supply and increasing population of Malthus in attempting to attribute the ills of the social system to natural conditions. The writer argues that the main way for the world to solve the serious problem of overpopulation is by improving food production on the one hand and by effecting birth control on the other.

As a matter of fact, the proverb, "The seeds ye sow, another reaps," is what is causing more unemployment and hunger at the moment than anything else. The present undesirable distribution must be entirely uprooted and a new rational one established in its stead if men are to be well fed, even



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if food productivity steadily increases. If this periodical is to be run for the interests of mankind, it should purify its standpoint by rejecting those compositions purposely written for the benefit of a certain class and not for the people of either China or other countries, in order to ensure showing the numerous readers of the *Review* the right orientation.

In addition, as a subscriber to the *Review*, although merely for some five months, I am of the opinion that you should include literary articles. It seems too bad to cover only economic, political and military developments and leave out literature, since a great number of the readers would probably be very interested in reading prose, drama and poetry. In view of the fact that to increase the volume for this purpose would make the price of the magazine higher and thus impose a heavier burden on subscribers, it might be preferable to shorten the section devoted to "News of the Week" to one page and do away with some pieces of advertising in order to make space for the abovesaid literature.

P. F. Wang

Amoy, Fukien
March 3, 1949

(The Review also has been considering the desirability of including more literary and cultural material and hopes to be able to devote space to it at a future date. As for Mr. Wang's suggestion that we "purify" our articles, material in the Review, with the exception of the editorials, does not necessarily reflect our own opinions. In the selection of articles, particularly on controversial subjects, those which present a reasonable statement of a case, whether or not that case happens to coincide with our own views, are considered worthy of publication—Editor.)

Military Interview

To The Editor:

Recently the writer had a talk with a high military commander here in Nanking. According to this general, General Tang En-po, commander-in-chief of the Shanghai-Nanking garrison headquarters, made a visit to Fenghua a short time ago to ask Generalissimo Chiang Kai-shek whether the troops should be paid two silver dollars each to improve their living conditions since commodity prices were skyrocketing. The Generalissimo's reply was "no," as he believed the situation in the future would be much worse and the silver dollars should therefore be reserved for such a time.

Asked the number of troops which the Nationalists still had, the general replied, "Still five million on the books." This would mean that 10,000,000 silver dollars would be needed if each soldier were to be paid two dollars a month.

Turning to the situation in North China, the general declared that General

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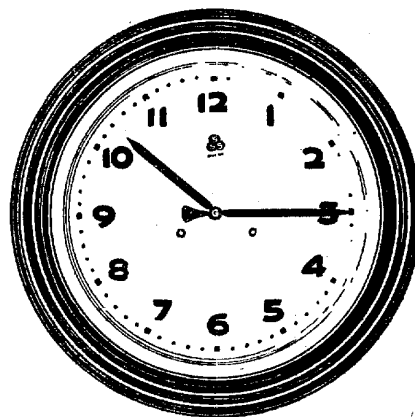
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Fu Tso-yi should have continued to fight instead of surrendering to the Communists since he had more than 100,000 troops of his own plus the Nationalist Army. General Fu's action, he said, also brought about a big financial loss to the Government, since about 13 tons of gold and some 900,000 silver dollars could not be shipped out from the Central Bank at Tientsin.

Asked whether he thought General Fu surrendered willingly to the Communists, the general said that the Communist underground workers had infiltrated into the Government and public organs and it was too late for General Fu to carry on the battle even if he had wanted to.

MARK M. LU.

Nanking
February 27, 1949

Train Ride

To The Editor:

I am sure that I have learned the true feeling of a refugee's wretchedness as a result of a 13-hour expedition on one of the so-called Shanghai-Hangchow express trains.

Just imagine having to plant your feet on a space of only a few square inches without being able to move them for hours because the train is so crowded. Fortunately I got a seat after we had gotten under way. I was perfectly content with this situation, especially when night fell and I started to doze off with curled-up legs.

The train pulled out of Shanghai at four p.m. and was scheduled to arrive in Hangchow at nine p.m. that night. Nevertheless, this grand cruise did not end until well past five a.m. the next

morning, since nearly all along the line our train favored many small stations with stops ranging from a few minutes to an hour.

The most dramatic moment came when the train was at a minor stop about two miles from Hangchow. The porter made a sudden appearance and announced that the train was not going any farther for the rest of the night and he advised passengers traveling light to get out and walk to Hangchow. A few followed his advice and went off, but his unexpected announcement could not make me instantly realize that I was to pass the night on this jampacked train. As it turned out I did just this, although I could not actually sleep.

My legs were literally numb from being curled up as I jumped off the train at the Hangchow station. With a heart that is burning with anger I put down this unhappy story.

LOO SHIH-CHENG

Hangchow, Chekiang
February 9, 1949

Dirty Deed

To The Editor:

Your editorial "Strike Leaders Executed" in the February 26th issue of the *Review* aroused public attention and indignation. The execution of these three workers for leading a strike is, as you said, the most barbarous act I ever heard of. During these times of rapid currency depreciation, the workers' lives are miserable and their monthly pay is not sufficient even to buy food, let alone other necessities.

I think their demands for salary adjustment and emergency funds were

reasonable. This kind of pay has been given to the staff of certain Government institutions. I don't care about their violation of martial law—the action was necessary to call attention to their plight. Such an execution as the Shanghai-Woosung Garrison headquarters carried out is not only a gross blunder but a dirty deed that will go down in Chinese history.

W. S. L.

Shanghai
March 5, 1949

Students Disappear

To The Editor:

Recently some 382 students, one fourth of the entire student body at this university (National Hunan), have disappeared. Two thirds of this group are said to have gone to the liberated areas to study and the other third have returned to their homes.

This term the registered students amount to only 1,598, but only 1,123 students are at the school and the rest scattered in Nanking, Shanghai, Hangchow, etc.

It has been rumored that the Yangtze River, at Chinkiang, has been opened for passengers to pass through and that the Communist troops have set up relief organizations at Yangchow, 30 miles north of Chinkiang, for the refugee students going to the liberated areas.

Why these students are going to the liberated areas is a problem meriting the attention of our Government.

H. S. C.

Soochow
February 23, 1949

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Lapham's Aid Proposal

ROGER LAPHAM, head of the Economic Cooperation Administration's China program, last week said he hoped that Congress would authorize the continuation of the ECA aid program in China for the next fiscal year, which begins on July 1. Mr. Lapham, according to press association dispatches, did not specify any exact amount of money, although he did say that about US\$20,000,000 monthly could be spent to good advantage in maintaining the food and industrial raw materials supply programs which have been in existence for the past year.

Twenty million dollars a month would work out to about US\$240,000,000 for a year. This would be spent for food and industrial raw materials only and would not include any military aid or any industrial or other rehabilitation or construction activities. It was not clear from Mr. Lapham's statement just how much "new" money would be required for such a program since he apparently envisages using this past year's unspent ECA funds during the coming fiscal year. Monies originally appropriated for many industrial construction undertakings and many reconstruction jobs have not, we understand, been wholly spent because of the shifting tides of the Civil War, the length of time it takes to build industrial plants, etc. This money, it would appear, cannot be spent for the purposes originally intended and therefore might as well be used for food rationing, raw cotton and other programs which ECA apparently feels are of a more urgent nature and which also can be handled easily and quickly.

While it is obviously difficult to form an intelligent opinion about this matter before the proposal is made officially and formally and all pertinent details are known, it is interesting to note that ECA hopes to continue its work for another year. Mr. Lapham is reported to have specifically mentioned that his recommendations were for aid in Nationalist areas alone, thus saying in effect that he has no plans for aid to regions taken over by the Communists. This would seem to be a change in attitude on the part of ECA since the time of ECA Chief Paul Hoffman's press conference in Shanghai late last

year when he indicated that ECA might consider working with Communist-dominated areas if a satisfactory agreement with the Reds could be reached.

However, this shift does not come as a complete surprise since it has been evident for the past two or three months that ECA was in the process of curtailing its activities in regions directly threatened by the Reds and concentrating its attention upon the island of Taiwan and other South China areas.

It is also significant to note that Mr. Lapham does not seem prepared to ask for any funds for industrial aid other than money to buy raw materials, such as cotton, for factories. The large-scale plan for repairing and reconstructing industrial facilities, which was contained in the first year of the program for China, seems to have been jettisoned.

The fact that Mr. Lapham specified a non-military program should occasion no surprise. ECA in China never was a direct military matter. The funds voted for military aid last year had nothing to do with ECA. They were added because of the insistence of a small group of China-philis who were so tied to the KMT emotionally or materially that they were unable or unwilling to foresee the certain results of such a military program.

It is a bit difficult to reconcile all that Mr. Lapham is reported to have said. He is quoted as requesting further funds for areas still controlled by the KMT, while at the same time he is reported to have been of the opinion that the Reds could cross the Yangtze whenever they want to "without experiencing much military opposition." He further said, "Most Chinese are tired of war and want peace."

What, we wonder, does Mr. Lapham feel that the aid program he is asking for will accomplish under such circumstances? He doesn't want to aid Red-controlled areas, but he does want to help the people living in KMT areas. At the same time, he seems to feel that if the Communists so wish, these KMT areas will speedily cease to exist. He also appears to indicate his belief that the program of aid to KMT areas may be of short duration since he proposes only food and raw material aid—a type of help which can almost be maintained on a day to day basis and which, therefore, could be cut off the instant a city or region changes hands in the Civil War.

This all seems very confusing unless one wishes to attribute some underlying motives, such as political reasons, to the ECA director's words. Whether or not such an attribution is justified, it is true that his informal statement has had some major political results in this country. The mere fact that he said that he was formally going to recommend to Congress that the aid program be continued throughout the coming year bucked up the morale of the Nationalists greatly. As one reporter described it, the effect in the Nationalist capital could be likened to oasis water flowing through a hope-dry city. Other observers reasoned that the prospect for more American aid would give the KMT a better bargaining position with the Com-

munists, since it would plainly indicate to the Reds that Washington has not washed its hands of Nanking and that if the war continues, the Nationalists may expect to receive more aid from America. It is also possible that such encouraging words from across the sea may strengthen the hands of Acting-President Li Tsung-jen who is currently engaged in a many cornered fight for power with members of his own side. The prospect of twenty million American dollars a month, which presumably would be controlled to some extent by the legal government, might serve to draw into line a few of the more recalcitrant generals who have felt that the Nanking feed trough was empty.

* * *

WHILE—as we pointed out in the foregoing—it is perhaps unfair to criticize Mr. Lapham's statement until such time as it is presented in detail to Congress, we think that the idea of more aid under the present circumstances is not wise. Certainly, it is going to provoke a further wave of anti-American feeling from Communist areas. ECA has now definitely gone on record as being opposed to aiding the Chinese people as such. It is willing to carry out its humanitarian work of combatting unemployment and hunger among the Chinese people, but only provided that the people continue to live under the KMT. The plight of these same people ceases to be a concern of the United States once they pass under Communist rule. This certainly is partisan aid.

The proponents of exclusive aid to the Nationalists may point out that on the basis of ECA experience in Peiping, it has been found impossible to work with the Chinese Communists and that therefore ECA has had no choice in the matter but to turn exclusively to the people in this country who welcome American aid and who will cooperate with those Americans sent here to direct its distribution. We doubt if this is a valid argument.

ECA claimed it had a certain amount of food-stuffs stored in Peiping and talked a lot about it during the period preceding Communist occupation, stating publicly that this would be a test case. A short time after taking over the city, Communists simply appropriated the food-stuffs. ECA officials—and many other people—immediately began to yelp, "We told you so. You can't do business with the Reds." The Communists, however, have claimed that the materials in question had already been turned over to the KMT authorities and, therefore, were in the nature of enemy goods and thus automatically became the property of the new government.

This is a very interesting point. We think ECA should tell the public the exact status of the supplies. Had they or had they not been turned over to the KMT officials? Most observers have seen fit to assume that the supplies be-



longed to ECA and that they were in effect stolen by the Reds. This assumption has been based on the statements made by ECA before the Communists occupied Peiping. Now the Communists have disputed ECA's contention of ownership and ECA has not replied. By not making any further public statement, ECA has led people to believe that its original statement of ownership was correct. We wonder.

When one gives aid, one naturally expects some return. The United States, we believe, long ago gave up any ideas it may have had of receiving cash dividends upon any investment in China. We imagine that hope even for a return of principal has disappeared. The returns presumably were to be in the form of good will, plus whatever personal satisfaction might be gained from the act of giving. We would hazard a guess that returns will be forthcoming, but they will not be what the American people expect them to be. They will be in the form of increased animosity from a Communist regime which, whether America likes it or not, is slated to play a dominant, if not absolute, role in this country.

We still think that aid should be forthcoming, but we think it should be for the relief of the Chinese people during this present critical period, regardless of their political beliefs. That, we think, is the way to win friends. The policy of one sided aid, especially when it is going to an organization which seems incapable of making good use of it, is both wrong and foolish.

Ten Million Houses

CHINA'S housing needs are estimated at 10,000,000 units, according to a survey made by CNRRA some time ago and recently published in a United Nations study entitled, *Housing and Town and Country Planning*. These houses should average about four rooms each and thus would mean that China actually is in need of some 40,000,000 rooms. If one estimates that a minimum of three people live in one room in China, the country's total population needing housing would come to, say, 120,000,000 or approximately one-fourth of the population. CNRRA's former director, Dr. T. F. Tsiang, blames the Sino-Japanese War for much of the housing shortage, estimating that 42,000,000 people moved a distance of between 100 and 1,000 miles from their homes during the war.

While such figures are at best mere approximations, it is obvious to any observer here that millions of new homes are needed, both for the homeless and for the hopelessly over-crowded.

The report pointed out that CNRRA had abandoned its house construction program because of lack of funds and that the Chinese Government was now faced with the problem.

It was further said that the destruction caused by the war actually offered municipal and other authorities an excellent opportunity for city planning. Studies, it said, had been made in some areas such as the Wuhan cities of Wuchang, Hanyang and Hankow, where a survey, investigation and research activities, training of staff and technical personnel, and financial questions had all been "considered." There were, though, the report indicated, certain difficulties anticipated because the high land values, the acquisition of real estate by wealthier individuals as a hedge against inflation, shortage of technical personnel and capital all constituted rather formidable hurdles.

While one might be inclined to shrug off this report as another piece of CNRRA foolishness, it is all too true that China is desperately in need of housing. It is more than likely that Dr. Tsiang's exact figures, which probably were obtained from a source about as reliable as a crystal ball, may turn out to be in error only because they are too small. Dr. Tsiang's estimates were all made on the basis of destruction caused by the war with Japan. Since then there has been some pretty extensive destruction in parts of the country not affected, or only lightly touched, by the Sino-Japanese conflict. In places such as Tientsin and Peiping, extensive house destruction was carried out by Government troops clearing fields for fire just before the surrender. Nationalist bombing of cities surrendered to the communists has added to the destruction.

Even under the best of conditions, say, before the Japanese attack, there probably were millions of people in China who needed houses. In addition, it might be guessed that the vast majority of the population already housed is in need of new quarters or at least extensive repairs to their existing homes.

A walk through any Chinese city or village, including Shanghai, will reveal the pitiful state of the nation's housing. Sometimes, when one passes a doorway and observes a half dozen or more people sitting in the semi-darkness of one room, it is difficult to imagine how China escapes with only periodic outbreaks of epidemic diseases.

Perhaps nowhere else in the world is the crowding so great. The fact that this has been a more or less traditional condition can possibly be seen in many of the characteristics commonly thought of as being peculiar to the Chinese. Things such as the ability to concentrate in the midst of what seems to a foreigner to be complete bedlam and the general absence of any apparent desire for privacy can, we believe, be traced back to the crowded housing conditions universally found in this country.

If Dr. Tsiang's report impresses upon the United Nations and the individual governments in a position to lend aid the need for a helping hand in solving the housing problem, it will have been well worthwhile. This is certainly one of the first problems to be tackled once the Civil War ends. Millions of people will need transportation back to their native places and, when they arrive, they will need housing. This will be a major

task for the authorities and if some assistance can be obtained from abroad, it would indeed be in a good cause.

Capitalist Confusion

IN its battle against the spread of communism, the United States, as the leading capitalist nation, is spending a lot of money and effort on foreign aid programs, propaganda, and other instruments designed to bolster its position and influence the people of other countries. The communists, led by the Soviet Union, are doing their best to counter these moves. At the present time, it is an all-out battle, involving many methods which the squeemish may view with distaste. So far, the struggle has been short of actual shooting, although it is often referred to as a "cold" war which is getting "hotter" by the minute.

While we are far from being of communist persuasion, we must admit that the Reds are past masters in spotting shortcomings in the capitalist system. All too often, we believe, the capitalist world, instead of examining itself and attempting to plug up some of the holes, seems content to deny that any weaknesses exist and to claim that anyone who says he sees a soft spot is merely echoing the communist line.

The economic machinery in the United States frequently develops a rough spot which needs to be smoothed out. Last week, we pointed out that there was ample justification for the Government to engage in building some additional industrial plant facilities, particularly in the case of steel mills, as a means of ensuring an adequate supply of steel for the nation's economy.

Another indication that all is not so rosy as some propagandists would have us believe can be seen in the periodic agitation from various interested quarters for legislation which would artificially protect markets. Since the American system is theoretically based on the idea of free enterprise, the very thought of erecting tariff

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barriers or other artificial blocks is a contradiction. An example of how a narrow vested economic interest operates was contained in a press agency dispatch this week from Washington which reported that a group of congressmen from Western states were lodging a protest with the US Army for buying Argentine beef for shipment to American occupation forces in Japan.

These men, representing the cattle-growing section of the US, are interested primarily in keeping beef scarce so that the price will remain high. Their view is extremely short-sighted in that they seem unable to realize that a price rise in one major product, no matter whether artificially induced or a consequence of factors beyond human control, will most certainly result in following price hikes in other items. Any advantage to be gained will be shortlived at best. It goes without saying that these men show no concern whatsoever for the consuming public.

These are the same congressmen, it might be pointed out, who are forever attempting to force the US Government to mint more silver dollars so that the silver producing areas, also in the Western part of the United States, will enjoy greater prosperity. Some of them have, upon more than one past occasion, suggested the granting of a silver loan to China. Their interest is not in China, but in the silver mining areas of the US.

Such events illustrate all too well the fact that some producers in America and their representatives in government are interested only in narrow economic ends and refuse to survey the situation as a whole. The fact that such interests as these are able, from time to time, to gain their ends is proof that the system is not faultless. No system is perfect which permits the few to profit at the expense of the many.

A more extreme example of the narrow economic outlook was contained in a recent story from Rio de Janeiro which reported that Brazilian business circles were most disturbed over the prospects for development of tropical Africa. These circles were said to be opposed to the British and American plans for opening large areas in British Africa to agricultural and other development. Such an attitude is, of course, ridiculous in a world as short of food as this one is.

The capitalist system is having a rough time today. If present indications are any criterion, it is on its way out in many countries which have decided that a socialist form of economy will work better. The United States is a very wealthy country and probably can continue in its present fashion for a more or less indefinite period. However, considerable streamlining is needed. Increased regulation of certain lines of endeavor to make certain that the public interest is being served is in order. If the American system fails—or if it fails to impress others—it will be because of faults left uncorrected.

25 Years Ago in *The China Weekly Review*

Telephone Service

March 8, 1924.

The newspapers recently contained reference to methods for improving telephone service in two widely separated parts of the globe. In Minneapolis, Minn., George S. Grimes brought suit against a telephone company for G.\$3,000 damages charging loss of business and wear and tear on nerves resulting from inefficiency of the telephone service. He finally compromised the case for G.\$475. The other case happened in Canton when General Chen Lu, commissioner of police, after experiencing considerable difficulty in getting the telephone operator to connect him with his office, sent for the operator and put him in jail for several days as punishment for inefficiency.

* * *

River Pilots

All the pilots who take steamships between Ichang and Chungking have gone out on strike after having received a threatening letter from the native junk men which states that they want to murder all these pilots as the former have deprived the latter of means of livelihood. These pilots after having received the letter solicited the Customs authorities to give them necessary protection, but the authorities have put the demand aside and therefore the pilots have carried out a general strike.

10 Years Ago In *The China Weekly Review*

Chekiang Guerrillas

March 11, 1939.

Eighty thousand Chinese peasants in coastal Chekiang province have been given rifles; ten thousand organized guerrillas and a varying but lesser number of regular troops have the anti-Japanese movement of the province well in hand, according to a competent military source near Shaoshing.

Tactics of these armed forces are similar to those of their brothers in the more famous Eighth Route Army and New Fourth Army. Those two organizations are Communists, but Chekiang's forces have no such connections. A few individuals are Kuomintang party men, the rest unaffiliated.

Their tactics include disruption of communications lines, raids on garrison positions, filching of food and ammunition supplies.

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Pacification Of North China

Following the "completion" of Japanese mopping-up operations against Chinese "stragglers," 90 percent of the districts in North China are now subject to the authority of the Provisional Government, a *Domei* message from Peking announced February 24. It was claimed that almost the whole of North China is now safe for travel by civilians, except an area south of the Shihchiachuang-Taiyuan Railway, a hilly region east of the Tatung-Puchow Railway, part of the area southeast of Tsian, part of the easternmost areas of the Shantung promontory, and an area east of the Shensi border.

In apparent contradiction of Japanese claims to have almost completed pacification of North China, reports received in Chungking and relayed to Shanghai by *Reuter* announced, also on February 24, that more than 10,000 Chinese troops under Chen Tung-tai, Pai Hsui-ting, Chow Wen-lung and Hu Shih-hai, who hitherto have fought on the Japanese side, mutinied February 21 at Lianghsiang and Fanshan, on the Peiping-Hankow Railway. The mutinous troops, it was declared, were engaging Japanese forces southwest of Fanshan in the vicinity of Wangfumachuang.

NANKING COLLEGE CRISIS

(The author of this article, a Nanking professor, prefers to remain anonymous—Editor.)

NATIONAL Central University had been quiet on the surface for almost a year. After the troubled days of last spring following the May 20 demonstrations, the students' self-government had been disbanded and all extra-curricular activities prohibited. There were no more public student gatherings and the stately auditorium, the center of such activities, had been locked up for 12 months. Now and then students were arrested for reasons never explained, but this usually occasioned only a few fruitless demonstrations on the part of their fellow students and the collegians, to keep out of trouble, devoted themselves entirely to their studies.

The first sign that this period of hibernation was coming to an end was the panic that seized the city of Nanking as the Communist troops approached near the capital. The frightened bureaucracy stampeded out of the city and the question arose of whether or not to move the university south.

The university authorities, backed up by the Minister of Education, planned to move the whole university, should time and travelling facilities permit and, if this were impossible, at least a part of the library and apparatus, along with a few influential professors. Actual arrangements were made to this effect; books and important documents were packed up and emissaries sent to Taiwan, Foochow and Canton to look for accommodations.

When these measures were announced, however, they met with strong opposition on the part of the faculty and students who, seeing the example of the universities in the North, insisted that educational institutions should not be affected by political changes and that the probable dangers of a short, chaotic period were far more palatable than the hardships of a long, precarious journey.

"Wait-and-see" Policy

This attitude created an awkward situation for the president of the university, Chow Hyun-ching, and he therefore adopted a "wait-and-see" policy, meanwhile trying to work on the professors individually. His efforts in this direction were cut short, however, when the Faculty Council decided by an absolute majority that National Central University should remain where it was and that no plan for removal should be considered.

Chow, consequently, had to pocket his original plan. He next formed an emergency committee, wholly under the control of the school authorities, with himself as president and Professor Li Shu-tan as vice-president. At a meeting of this committee on January 26, Chow disclosed that the university had stocks of some 2,000 piculs of rice and 2,500 tons of coal—enough to meet its needs

for three months. At the same time, he renewed his proposal to move the university, but was vetoed by the professors present at the meeting. Thus, his second attempt was blocked.

The students were on the alert from the beginning of these developments. The so-called "Democracy Wall" resumed its function as a vox populi, and on it were displayed numerous expressions of opinion. On January 26, the students of the College of Sciences proposed the calling of a meeting to represent that part of the student body which remained in Nanking (by this time, two thirds of the students had left the city) for a discussion of problems which might arise in the emergency. The next day, a conference of representatives from 41 departments took place and subsequently a 14-member Students' Emergency Committee was elected, with each college represented by two delegates.

President Leaves

It was at this meeting that the alarming news was received: President Chow, without informing anyone at the university ahead of time, had left Nanking, together with the Dean of Discipline, Sa Sho-king, and the university's business manager, Go Ting-pang. They took with them the university's emergency funds, amounting to some GY70,000,000, and an additional sum obtained through the secret sale of 50 movable houses at Ting Chia Chao.

The Students' Emergency Committee went into action. Going at once to the Comptroller's Office, they found to their dismay that only GY11,000,000 was left. Chow's assurance that the university had enough foodstuffs and fuel for three months also had been false. There were only 450 piculs of rice, 100 bags of flour and 70 tons of coal—a fraction of what he claimed had been stored away.

Meanwhile, the university workmen, who had been on strike since that morning, swarmed around the auditorium demanding GY10,000 each for emergency purposes. Although their claim was justified, it posed a serious problem to the students, for there were more than a thousand workmen and it would take almost all the remaining funds to pay them.

After serious deliberation, however, the students yielded and paid the workmen off to their satisfaction.

By this time it was growing dark and the meeting had not yet decided what to do. One of the professors moved that they parade to the Ministry of Education and present a petition for aid. His proposal met with unanimous approval, and the students joined file and marched to the Ministry.

But they arrived to find only an empty building, since it was after office hours. They next went to the President's office on Kuo Fu Road, intending to appeal directly to Li Tsung-jen, but found him away too. At last a high ranking official came out and promised on his word of honor to hand the petition to the acting President, saying if he failed he would kill himself right before the petitioners.

Better Than Nothing

Just at this juncture, word was received that another group of delegates headed by several professors had managed to see the Minister of Education at his home and had obtained his promise to give them GY10,000,000 or GY15,000,000 to tide the school over. Although this was far less than what the students had hoped for, it was better than nothing, and at about 10 p.m. the procession returned triumphantly to the university.

This was the first public activity in which the students had engaged since last May 20 and, in spite of the lack of preparation and organization, they had conducted themselves in excellent order. The familiar song, "Union Is Strength" and the slogans, "We Want To Live," and "Release the Detained Students" that thundered so mightily in the court of the Ministry of Education brought back memories of the time two years earlier when the University had been active on a similar occasion; it had now come back to life after a long silence.

The next day, January 28, was the eve of the Lunar New Year, a festival of great jubilation in China, but for the students it was perhaps the most difficult day during this troubled period. First, the funds appropriated to the college by the Ministry of Education were not meant for the students alone, but had to be distributed among all members of the University, including the professors and employees, all of whom had the right to demand GY10,000 each for emergency purposes. However, the professors were fully in sympathy with the students and entrusted the funds to the Emergency Committee for the good of the whole institution.

Then another difficulty presented itself. Rumor had it that the workmen, discovering that the students had four or five hundred piculs of rice stored away while they them-



selves had none, planned to take the provisions by force. The guards were doubled and word was passed around that in case of anything extraordinary an alarm would be sounded to summon the students to the defense. Fortunately, the workmen finally listened to reason and after much persuasion came to realize the importance of the whole university's uniting to get by the emergency.

It should be mentioned here that during this period of anarchy not only had the school authorities fled but the school police also had been ordered to withdraw, and the campus was thus left in a defenseless state. Temporary squads of guards and night patrols were organized by members of the College of Engineering. There were other jobs that had to be done. Purveyors were sent out all over the city to collect foodstuffs, and provisions had to be carried from the kitchen storehouse to the cellars below the auditorium and the library. Almost every student was engaged in some sort of emergency work and did his task willingly and in high spirits.

The chaotic condition caused by the departure of the authorities did not last long. On January 30, the Faculty Council held a full meeting and organized a Provisional Executive Committee to be in charge of the University administration. They decided that the University should still open on February 7 and classes commence on February 14 as originally scheduled in the University calendar.

Order Restored

New arrangements were made with regard to the emergency work. It had always been felt that the closer the whole University stood together, the more efficient the work would be. An emergency committee on a university-wide scale was therefore organized, with the professors and students represented by 41 members, the assistants by 14, employees by eight, and the workmen by five. The school police were ordered back and the campus was again restored to peace and order.

The result of the first petition to the Ministry of Education had been GY11,000,000, of which very little was left after the purchase of 340 piculs of rice. On February 1, another appeal was made to acting President Li Tsung-jen for further help, but this was not altogether successful. The delegates were promised GY50,000,000 and 2,500 piculs of rice within three days, but they received only GY30,000,000.

It is now more than a month since the flight of the University authorities and the college has passed safely through its crisis. The number of students returning to the campus increases each day and all academic work is being resumed. President Chow is reported to have sent in his resignation.

There are still hard times ahead. But the students are not afraid. They have learned how to bridge over an emergency by their own united efforts and they feel equal to any tasks that may lie ahead.

Pacific Northwest:

Letter From Seattle

S. F. SHIFRIN

Seattle, February 22.

THE popular tune "On a Slow Boat to China" is still among the top seven best-selling records in the United States. During the past few weeks, to the casual newspaper reader, this country appeared to be slowly making up its mind.

There has been talk of the new Secretary of State Dean Acheson working on a new policy for China. This would only be natural, but so far no official comment has been forthcoming which might give some inkling as to what a new policy would be like. As far as Washington comment is concerned, the events of the last 30 days just never happened.

To the average American the situation must appear very perplexing. For years he has been reading about the corrupt Nanking Government and the series of defeats suffered by the Nationalist armies, and the threatened removal of the capital to Canton probably came as no great surprise. But the question which bothers him now is how a complete Communist victory in China will affect his own country, and what should and can be done about it while the United States is fighting its cold war with Russia.

While the China situation as seen from this side of the Pacific still remains confused and the lines of a hypothetical settlement hazy, experts on Asia are taking it more and more for granted that America will have to face a China under the control of the Communists and are quite willing to go on record about it and even speculate as to the future.

To the importers and exporters of the Pacific Northwest, and for business interests here in general, the question of what relations the United States will have with a Communist-run China is of particular importance because the future of Seattle as a great port city to a large extent, hinges on the volume of trade it has with the Far East.

Last week, during his visit here Mr. Clayton Lane, new executive secretary of the American Institute of Pacific Relations, had something reassuring to say on the subject. It is a significant comment on the importance of news about China in this community that interviews with him were buried on the 18th and 10th pages of the locally-owned "Seattle Times" and the Hearst "Seattle Post-Intelligencer" respectively. The American IPR is an information-gathering and disseminating organization which expresses no views of its own, and Mr. Lane, although on a visit in his official capacity, was speaking for himself and for himself alone. However, he was speaking with the authority of a quarter of a century

in the Foreign Service of the United States.

To a reporter of the "Seattle Post-Intelligencer" he declared: "The Chinese Communists will be adverse to us and our principles, but the compulsion of their requirements will make them turn to us. Then government and business should pursue a policy that will warrant the confidence of the Asiatics.

"If we don't, the other crowd, the Soviets, will contrive to take full advantage of the distress and miseries of Asia. By giving real cooperation to Asia we can have Asia on our side. If we let things drift, it could lead to another conflagration."

Two days later, addressing the annual meeting of the Pacific Northwest division of the American Institute of Pacific Relations he said:

"The Chinese Communists, in whatever area they may control, will probably apply a considerably modified Marxism. They are real Marxists, but they must operate under the circumstances and compulsions of China, which has neither a real proletariat nor a capitalist system. Land reform will be extended, but extensive collectivization is a long way off. Many private enterprises and much private trading will continue."

He continued, "Mao Tse-tung, Communist leader, will emphasize long-range modernization to give China a more balanced economy. This requires capital. To get it from us, as in large part they must succeed, the Chinese Communists must provide adequate assurance of its protection and profitable use and repayment. This will provide opportunities for material benefit and cooperation, both economically and politically. But we must expect the Soviet Union to obstruct such accords. We must also recognize our opportunities when we see them."

"The recent New Delhi conference of Asian and Pacific countries, in all representing half the world's population and a third of the United Nations members, gave us all clear warning that there is a new Asia. Our calculations in our own interest, in our cold war, and for world stability, had better take into account the urgent necessity to keep Asia on our side. The alternative would threaten our own security."

What veteran ex-diplomat Lane seems to have had in mind is some shrewd horse trading with the Chinese Communists, and in return for US capital he seemed to think that this country could get a pretty good deal. Just as interesting at the present juncture is his underlying conviction that America cannot simply ignore a Communist China, or in other words—"You can do business with Comrade Mao."

How Safe And Sound Is Fukien?

Lin Chen-keng

GREAT importance is now being attached to the state of affairs in South China, and plans for building up this area are being put into execution. Fukien province, together with Kwangtung, Kwangsi and Hunan province, is assuming a significant position as more and more Government institutions, industries and cultural organizations shift their activities to this area. Some authorities have even gone so far as to consider Fukien China's future "revivication fortress."

However, from a historical and geographical point of view, Fukien is by no means equal to this task. Fukien has never played an important role in the history of China.

Because of its topography, Fukien has extremely poor communications. It is the only province which does not border on any of the fertile valleys of the Heilungkiang, Yellow, Yangtze or Pearl rivers. It is surrounded by mountain ranges on the north and west and is so isolated that it is not a thoroughfare for inter-provincial communications.

Military Disadvantages

Fukien is also a poor potential war base. Because of its lack of strategic points, Fukien has seldom attracted the attention of military authorities. It has never been the scene of decisive national or regional battles and has usually been left alone in time of war. During the war of Resistance Japanese forces took the important provinces of Chekiang, Kwangtung and Kiangsi in order to control southeastern China, but did not bother about Fukien. They seized Foochow and Amoy temporarily only to resist a possible landing of US forces.

In addition to its poor communications and military disadvantages, Fukien has not had much influence with regard to political affairs and has never been a center of political activity. When the last emperor of the Sung dynasty was forced to move to South China, he chose Kwangtung over Fukien. Another emperor, Yung-li of the Ming dynasty, tried to use Fukien as a revivication base, but he soon shifted to Kwangtung. The "Fukien Rebellion" staged by the "People's Government" was suppressed within a short time. These instances demonstrate that Fukien is not suited for political activities.

Fukien is also poor in natural resources and manpower, and ranks among the least productive provinces. Except for the tea of Wu-yi and fir from the Minkiang valley, both of which can be marketed in con-

siderable quantity, Fukien's agricultural products can supply only local demand. Before the war, Japan went after the natural resources in North-eastern and North China, but made no effort to exploit Fukien, even though it is so close to Formosa. Once the Japanese were told that in Anki, a district in central Fukien, a group of farmers had discovered an iron ore deposit. They sent 17 engineers to the area who dug in vain for half a year.

Economy Precarious

As far as manpower is concerned, Fukien's population is only 11,000,000. The province at best is short of productive labor and could not afford to have its youth conscripted. The majority of Fukienese today can scarcely earn a bare subsistence. Although overseas remittances are received regularly, they can only partly make up for Fukien's inadequate production. Thus, Fukien is in a precarious economic position.

If, in spite of all these disadvantages, Fukien should be called upon to make up a defensive base, however, the outer line of defense would have to be formed along the Yantung mountain ranges (雁荡山) in southeastern Chekiang, the Tienmu mountains (天目) in western Chekiang, the Yellow mountains in southern Anhwei, and Lake Pu-

yang (潘阳) in central Kiangsi. If this is done, the best base of operations would be Chuchow. But the Chuchow Pacification Headquarters has been abolished and a Foochow Pacification Headquarters established in its place. Fukien thus has become the frontier of the defense line. Can it hold out by itself?

Aside from its military disadvantages, Fukien cannot be compared in productivity and economy with Szechuen, the most important base of operations in the Japanese war. Fukien is too poor to feed large numbers of troops and would be placed entirely at the mercy of an attacking force.

No Normandy

Some people envision making Formosa the "revivication fortress" of China, with Fukien as its spearhead. However, it is doubtful whether Formosa can be compared with the British Isles and Fukien with France. If the French people could not protect France against enemy attack, how could the Fukienese guard Fukien? And how can 6,000,000 Formosans be compared with 50,000,000 English people? It is sheer nonsense to think of using Fukien as a Normandy on which to land and launch an attack on 450,000,000 people on the mainland.

As witnessed by US strategy in World War II, the Far East was subordinated to Europe for three years. Should another war break out, General Marshall and his followers would again consider Europe first. And should the Pacific Ocean eventually become a battlefield, the US is likely to use the Japanese islands with a population of 80,000,000 people as the British Isles, not Formosa; and to use Korea as a Normandy, not Fukien which is 6,000 li away from the Northeastern provinces.

The same discrepancies hold true for those who think that since the KMT laid the foundation of the revolution and unification of China in Kwangtung province it can revive itself in Fukien now. Fukien has only one third the population of Kwangtung, and because of its unproductivity it has always been a subordinate province. Economically, its revenues from provincial taxes are less than those of Chungshan (中山) in Kwangtung or even Shaohsing (紹興) in Chekiang. How could it become the leading province in China? How could it even support itself? How could it afford to maintain another Northern Expedition?

Contemporary Characters



景雜海上

Figures familiar to every Shanghailanders are portrayed in this cartoon from a local Chinese paper. From left to right, top row, are pictured: A stockbroker, familiarly known in Chinese circles as a "rat" because he makes money from both buyers and sellers; a member of the "Yellow Ox" gang selling silver coins; and a tram conductor, here dubbed an "official" because of his indifference toward his passengers. Bottom row: A "paper tiger" standing on top of his supply of hoarded paper; a rich person's "branch factory," i.e., concubine; and a tram ticket taker, here called "son of the boss" because he acts as if he owns the street car.

Japanese Philosophy And Politics

Joshua W. K. Liao

(This is the second of a series of three articles on the history of Japanese philosophy—Editor.)

PROHIBITION of foreign aid was not the only Tokugawa way of preventing local rebellion. Every feudal lord was required not only to have a permanent hostage at Edo (江戸 present Tokyo), seat of the Tokugawa *Shogunate*, and visit the *Shogun* annually, but also to accept instructions and publications issued and distributed by the *Shogun*. For the last purpose, shrewd Ieyasu enlisted the support of scribes and scholars from all over the country. Thus, in 1593, he summoned Fujiwara Shoka (藤原惺窩), a Sino-logist of the realist school of Ch'eng Hao (程頤) and Chu Hsi (朱熹), and for over two centuries thereafter Chinese realism became the "government school" of thought in Japan. Cultural stagnation and ideological tyranny reached its peak in 1790, when the Tokugawa *Shogunate* officially patronized only Chu Hsi's brand of thought and proscribed all other channels as heresies.

Realism vs. Idealism

Meanwhile, in 1644, a younger contemporary of Fujiwara Shoka, by the name of Nakae Toju (中江藤樹), began to openly preach the idealist school of Lu Hsiang-shan (陸象山) and Wang Yang-ming (王陽明). Preferring the life of a private scholar, he taught and wrote and earned the epithet of the Sage of Omi (近江聖人), after his native state of Omi (present Shiga Prefecture 滋賀縣). Thereafter practically all of his followers remained in the opposition camp.

From the beginning of the Tokugawa *Shogunate* discontented warriors and liberal thinkers would in private denounce its policies of international isolation and academic discrimination, oppression of the feudal lords and exploitation of the masses of the people. Yet they could not but hide their time. Feudal lords of many frontier states would none the less gladly patronize them.

In 1853, when Commodore Perry arrived at Uraga (浦賀) with four American gun-boats to seek an amicable treaty-conclusion, the anti-foreign *Shogunate*, in view of the foreign superiority in arms, was at a loss what to do. It condescended to consult the feudal lords about the matter but could make no decision.

At the beginning of the next year, Perry again came. The *Shogunate* instructed the feudal lords to consolidate all coastal defenses, but arbitrarily promised the Americans to open two ports, Shimota (下田) and Hakodate (箱館), and to supply them with water, fuel, and food-stuffs. Two months later, a young progressive patriot and adherent of the idealist school, Yoshida Shoin (吉田松陰) was caught trying to go abroad in an American boat. So was

his teacher, Satsuma Zosan (佐藤象山). Both were implicated and imprisoned the following month. When released in 1856, Shoin opened a private village school, teaching Mencius in particular and agitating for revolution against the *Shogunate* and restoration of imperial rule.

To Shoin and his associates, who identified knowledge and conduct as taught by Wang Yang-ming and justified the overthrow of any tyranny as advocated by Mencius, the government's difficulty was always the opposition's opportunity. As expected, the Tokugawa *Shogunate*, which had so long isolated the Empire from the outside world, now found itself hardly able to solve the urgent diplomatic issues to the satisfaction of the displeased *Mikado*, the enraged feudal lords, and the impatient foreigners. In 1857, it referred the matter of treaty-conclusion to the feudal lords and early the next year memorialized it to the Throne. In March, 1858, the *Mikado* refused to authorize the *Shogunate* to conclude any foreign treaty, but in June the latter concluded one with America, and in July treaties with Russia, Holland, and England. This arbitrary action was denounced by the opposition leaders all over the country as usurpation of powers. To subdue the assaults, the *Shogunate* had recourse to terrorism, detecting and arresting all radicals. In consequence, Umetsu Unhin (梅田雲濱) died in jail in 1856, and Yoshida Shoin Hashimoto Sanai (橋本左内) and several other comrades also were put to death.

Anti-Foreign Movement

While airing the wrongs of these young patriots, a number of feudal lords and local warriors assaulted the *Shogunate's* weak-kneed foreign policy and memorialized to the *Mikado* the policy of "expelling foreigners." In consequence of the anti-foreign movement, warriors of Nagato (長門 present Yamaguchi Prefecture 山口縣) bombarded American boats passing by in May, 1863; and in July there occurred friction between the inhabitants of Satsuma and English navigators, when the English shelled Kagoshima. In August, 1864, an allied fleet of English, American, French, and Dutch vessels shelled Shimonoseki (下關) in Nagato. Blaming Nagato for harboring fugitives and antagonizing foreigners, the *Shogunate* now decided to send a punitive expedition against it. Amidst diplomatic and domestic difficulties, the expedition failed to make progress except for provoking Nagato to ally with Satsuma in 1866 and Nagato, Satsuma, and Tosa (土佐 present Kochi Prefecture 高知縣) to agree to restore imperial rule in lieu of military dictatorship. A secret campaign

against the *Shogunate* was planned: a secret edict from the Throne to censure it was issued, too. The *Shogunate* at first thought of offering resistance but, on realizing its unpopularity and precarious position, stopped short and instead towards the end of 1867 offered to return the reins of government to the *Mikado*. In March, 1868, the last Tokugawa *Shogun* personally visited Kyoto to apologize to the Throne. This marked the beginning of the Meiji Restoration—the outcome of the two century struggle between government and opposition, between centralism and feudalism, and between realism and idealism.

In 1869, the feudal lords, too, returned the reins and domains of the local governments and were like hereditary Court ministers made nobles. At the end of the year all *Samurais* were grouped into the class of knights to be distinguished in name from the commoners but deprived of all previous bounties and privileges. Nevertheless, *Bushido* continued to influence Japanese life and thought the more, after being spurred by military conscription from the inside and fused with Prussian militarism from the Occident.

Liberalism And Utilitarianism

JUST as academic Chinese philosophy rose with the Tokugawa *Shogunate*, so was Occidental philosophy introduced and expanded after the Meiji Restoration. Such was the shock created by Commodore Perry's fleet that sensitive Japanese at once perceived the need for cultural reformation, political re-orientation, and social adjustment of the whole country to the world, and as soon as they found the *Shogunate* incompetent for such a task the same needs became the causes of its overthrow and the revival of imperial rule. These farsighted Japanese knew they had to learn Occidental ideas in order to change domestic institutions, and these changes were carried out by both government and people hand in hand.

As early as 1860, Fukuzawa Satoyoshi (福澤諭吉) returned from abroad, founded the Keio Institute (慶應義塾) in 1865, which grew into Keio University later, and in 1866 published his Occidental Affairs (西洋事情). Similarly, Nishi Makoto (西園), sent abroad to study in 1862, came back in 1865 and the next year published his *Thorough Renovation* (百一新論), in which for the first time in Oriental History he coined and used the binomial term *tetsugaku* (哲學) for "philosophy," exactly one year before the Emperor Meiji's accession.

In 1868 the young *Mikado*, in accordance with Kido Takayoshi's (木

戸孝允) memorial, promulgated his five oaths promising the people basic human rights. In 1872, the solar calendar was adopted; the universal military conscription law was promulgated; and the new educational system was inaugurated with stress on scientific studies and nation-wide patriotism instead of feudalistic loyalty. The Army, dominated by the Nagato Clan, was modeled after that of the Germans; and the Navy, dominated by the Satsuma Clan, after the British. For, when Yamagata Aritomo (山縣有朋) from Nagato and Saigo Tsugumichi (西郷從道) from Satsuma returned from an inspection-tour in Europe in 1870, they organized a corps of imperial guards taken from the three clans of Nagato, Satsuma, and Tosa—the leading loyalists in restoring imperial rule. The new troops became the nucleus of subsequent fighting forces with German-educated generals like Nogi (乃木), from Nagato, Katsura (桂), and Kodama (兒玉) as commanders and the English-trained Admiral Togo (東郷) from Satsuma who came to be known as the Japanese Nelson. Thenceforth military leadership remained under warriors from the two progressive and aggressive frontier states, Nagato and Satsuma.

Western Thought

In 1877, the Government founded Tokyo Imperial University, which offered no course on philosophy in the beginning. Though an American Professor of Philosophy was offered a chair in 1878 and a Philosophical Association was organized in 1884, it was not until 1887 that Professor Inoue Enryo (井上圓了) founded the first Department of Philosophy and the same university began to publish the *Philosophical Magazine* (哲學雜誌).

Earlier than this, the introduction of Western thought had already begun, first through translations, then through exposition, and finally through development. In 1871 the Christian Bible was translated. In 1875 the most famous Protestant mission school, Doshisha (同志社), was founded by Joseph Hardy Niishima (新島襄), one of the greatest Christian leaders and educators of Japan. It was Nishi who devoted the remainder of his life to introducing and expanding Western philosophy until his death in 1894, bequeathing to posterity his *Theory of Knowledge* (知説 1874), a Japanese version of Mill's *Utilitarianism* (1876), *A New Theory of Logic* (論理新説 1884), etc. Hattori Toku's (服部徳) Japanese translation of Rousseau's *Social Contract* appeared in 1877; its Chinese version by Nakae Chyomin (江中兆民), in 1882. Likewise, Nagamine Hideki's (永峯秀樹) version of Guizot's *History of European Civilization* appeared in 1877; and Ohishi Masahe's, (大石正巳) translation of Spencer's *Principles of Sociology*, in 1877; and Miyake Ojiro's (三宅雄二郎) translation of Ward's *Sociology*, in 1888.

By such scholastic works the liberal trends of current politics were

certainly revealed. In 1881 Iwakura Tomomi (岩倉具視), head of the goodwill mission sent to Europe and America in 1871, submitted to the Throne his memorial for the drawing up of a Constitution; whereupon the Emperor announced the inauguration of the Diet in 1890 and the promulgation of a Constitution even before that time.

Prior to the Government's move for constitutionalism, there had already appeared the first popular spokesman for liberalism and democracy in the person of Kato Hiro-yuki (加藤弘之). As early as 1865 he compiled a table showing the rise and fall, strength and weakness, of Occidental nations. In the year 1867, when Meiji ascended the throne, he completed his *Discourse on Constitutionalism* (立憲論政體). In 1874, he published his *New Discourse on the Form of the State* (國體新論), *Freedom and Self-Government* (自由自治) in 1876, and *New Theory of Human Rights* (人權新説) in 1882. Deriving his utilitarianism and individualism from Darwin's doctrine of evolution but basing his whole system of thought



on Häckel's materialism, he had difficulty coordinating the former's democratic ideas with the latter's totalitarian tendencies. By the horns of Kato's dilemma were augured the two incompatible forces which have struggled with each other throughout subsequent Japanese politics—liberalism and despotism, democracy and dictatorship.

Meanwhile, Fukuzawa published his *Division of Powers* (分權論) in 1887; Ozaki Yukio (尾崎行雄), his *Representative Government* (代議政體) in 1881; and Nakae, his *Discussion on Parliament* (國會論) in 1888.

The year following Iwakura's submission of his memorial on constitutionalism, Ito Hakubun (伊藤博文) was sent as the head of a delegation to Europe and America to study the constitutions of the various Occidental nations. In the same year (1882), Ohkuma Shigenobu (大隈重信) organized the Constitutional Reformatory Party and also founded Tokyo College, which later grew into Waseda University. Likewise, Fukuchi Genichiro (福地源一郎) organized the Constitutional Imperial Rule Party. So splendid was every preparation made for the adoption of Western ideas and institutions that the Occident suddenly found Japan its most promising pupil in the Orient.

On February 11, 1889 the Constitution of the Japanese Empire was promulgated. It had been drawn up not by the people's delegates to any national assembly but by the brain-trust of the *Mikado*, who later became the *Genro* (元老) or Elder Statesmen. Having found the Anglo-American systems too liberal and the Russian too conservative, these law-makers chose the German for a model. Because the Constitution had to be approved and issued by the Emperor, whom it revered as sacred and inviolable, it was drawn up so that it could be amended only on the Emperor's initiative. Moreover, because loyalist warriors had achieved merit in restoring imperial rule and eventually assumed military leadership, the Constitution not only placed the fighting forces under the Emperor's supreme command but also the Army and Navy Ministers, who were not to be selected by the Premier but suggested by the warriors and appointed directly by the Throne. Thus, while in name these ministers were subordinate to the Premier, in fact they were co-equal with him. Though co-equal, they caused no obstacle if they were cooperative; but if they were not cooperative, they could act at their own pleasure. So long as liberalism and parliamentarianism retained the upper hand, the Military behaved cooperatively. But as soon as Japanese philosophy and politics inclined to despotism and totalitarianism, the Military began to act independently. When Japanese policies of expansionism and militarism fused with German jingoism and Italian Fascism assumed the shape of Nipponism, the Military appeared to dominate every cabinet. In short, from the day their Constitution was published, their policies headed for Mukden and Pearl Harbor, and their surrender aboard the *Missouri* was sealed.

In February, 1889, the Election Law for Representatives and the Organization Law for the Peerage were promulgated. Next year, in July, the Representatives were elected. In December, the Diet was inaugurated, electing Ito Hakubun as Chairman of the Peerage and Nakajima Nobuyuki (中島信行) as Chairman of the House of Representatives. The English-educated Ozaki Yukio, author of the famous *Representative Government*, elected in 1890, has been re-elected every time since, having thus witnessed all the vicissitudes of Japanese liberalism, democracy, and representative government.

Interest In German Philosophy

As politics became more active, public opinion grew calm and philosophical activities became largely academic. However, mature thinkers like Nakae and Kato were still expounding the philosophy of materialism. The latter even advocated atheism and denounced every form of religion.

For a while after the introduction of democratic institutions, evolution-

ism and utilitarianism continued to hold sway. In no time, however, the *Philosophical Magazine* showed a turn in academic interest away from English and French toward German philosophy, with numerous articles on Kant, Hegel's dialectic, English neo-Kantianism, von Hartmann, Schopenhauer, Wundt, Nietzsche, Feils, etc., as well as German-educated American philosophers like Hadd and James. Nakae translated Schopenhauer's ethical writing in 1894; Kiyono Tsutomu (清野勉) wrote his commentary on Kant's *Critique of Pure Reason* in 1896; Mori Ohgai (森鷗外) translated Goethe's *Faust* in 1913; Okamoto Haruhiko (岡本春彦) wrote on *Schelling's Symbolic Thought* in 1918; Amano Sadasuke (天野貞祐) translated Kant's *Critique of Pure Reason* in 1921; and Tanabe Hajimu (田邊元) published his *Hege-ianism and the Dialectic Method* in 1932.

Occidental Influence

During this period an Occidental professor of philosophy who exercised a direct influence upon philosophical studies in Japan was Dr. Raphael Koeber. From 1893 to 1914, he taught in Tokyo Imperial University, and died in 1923. Meanwhile, Occidental-trained Japanese scholars began to apply historical methodology to their research and produced masterpieces in their own language on the History of Philosophy and Religion—for example, Ohnishi Iwau's (大西祝) *History of Occidental Philosophy* in 1895, Anezaki Seiji's (姉崎正治) *History of Indian Religion* in 1897, Ondo Takayoshi's (綱藤隆吉) *History of Chinese Philosophy* in 1900, Kubo Tenjō's (久保天来) *History of Japanese Confucianism* in 1904, Hatano Seichi's (波多野精一) *History of Occidental Religion* in 1921, and U Hakuju's (宇井伯壽) *Studies in Indian Philosophy* in 1924. Likewise, there appeared in Japanese general expositions and textbooks such as *Logic* (1893) and *Ethics* (1896) by Ohnishi, *Introduction to Philosophy* (1900) and *Descartes* (1904) by Kuwaki Genyoku (桑木敬毅), *A Study of Spinoza* (1911) by Anezaki, of *Introduction to Science* (1918) by Tanabe.

The Government nonetheless moved nearer to England and France as indicated by the conclusion of the Anglo-Japanese Alliance in 1902, the victorious war against Russia with Anglo-American aid in 1904 and 1905, and the repeated formation of the cabinet from 1906 onwards by the French-educated Prince Saionji (西園寺公爵), whose public life remained the symbol of Japanese Liberalism till his death in 1940.

Education, on the contrary, looked toward Germany. Berlin and Leipzig, Heidelberg and Freiburg all became the Meccas of Japanese students from the end of the 19th century. Earnest and diligent, they strove to learn as much as they could while abroad, and some of them even made scholarly contributions like Ehrlich-Hata's (秦) co-discovery in 1911.

The Week's Business

THE so-called Financial Reform Measures so far have failed to stabilize market conditions. On the contrary, they have stimulated speculation and pushed up financial quotations and commodity prices, as can be seen from the figures in the bottom of this page.

The UU or Utility Unit, which the utility companies introduced with the approval of the authorities for the collection of utility charges, is meeting strong opposition from ordinary consumers and industrial plants, and is on its way out. It remains, however, for the utility companies and the authorities to work out a satisfactory substitute plan for the collection of utility fees. The cost of living index figure may very likely be applied in this case as it is in the payment of wages and salaries.

Strong opposition was also voiced by manufacturers against the collection of commodity taxes in silver dollars or in commodities. The cigarette manufacturers declared that this change means an increase of the commodity taxes on cigarettes by virtually 120 percent. As a result, it was reported that the authorities are considering the collection of commodity taxes in Customs Yuan, the special currency designed for the collection of Customs duties. Other activities taken by the authorities to enforce the new financial reform measures include the establishment of special finance bureaus in Shanghai and in Canton. The duty of these bureaus is to stabilize the financial market by the sale of gold through the Central Bank once again. The price is to be fixed by each bureau at 9 a.m. daily.

This practice was inaugurated in Shanghai on March 8, when 29 ounces of gold were sold to the gold and silversmiths shops at GY228,000 per ounce. On the next day the Central Bank continued to sell gold at the price of GY250,000 per ounce, but the open market rate shot up immediately to GY310,000. It is hard to see how this system, which has failed repeatedly in the past, will succeed this time in stabilizing the market.

The plan of the Nanking Government to reopen the Gold Exchange in the near future will not be able to absorb the large sums of Shanghai's idle capital any more than the reopening of the Securities Exchange. The only effect it may have will be to legalize speculation and push up financial quotations which in turn will cause further increases in commodity prices.

With increasing idle funds permitted to Shanghai from all parts of the country, especially Taiwan during the past week, the local market money remained on the east side with interest rates quoted at around seven to eight percent per day. They easy trend was accentuated by the issuance of large

numbers of GY500 notes to meet political and military expenses, and the Central Trust's dumping of GY1,000,000,000 on the market on March 8 to pay for frozen eggs also contributed to the easy situation.

Fragmentary reports from the North indicate more and more clearly the conditions under Communist rule. With progress being made in the restoration and resumption of postal service and shipping, observers believe that the time is drawing near for the resumption of normal trade relationships between North and South China.

The Communists are reported to have agreed in principle to the resumption of postal service, and five delegates of the Postal administration are expected to leave for Peiping soon to discuss technical problems with the Communist authorities. Meanwhile, the post offices have started to receive ordinary mail, small parcels, and printed matters for transmission to Tientsin and Peiping.

The telephone and telegraph services have never been cut off during these months of confusion, and at present telegraphic service has been extended to Tongshan, Tangku, and Chinwangtao. Meanwhile, commercial banks in Shanghai have started to accept money for remittances to Peiping and Tientsin.

The most important progress made so far is the resumption of shipping service. Following the successful trip made by the s.s. Greater Shanghai, other ships have been commissioned to sail regularly between Shanghai and Tientsin, and 300,000 bags of wheat flour are expected to be sent to the northern port in exchange for 100,000 tons of coal, which Shanghai's Power Company and industrial plants need desperately as local stocks are diminishing rapidly.

The Shantung Provincial Government under Communist rule has promulgated the first set of import and export regulations, giving in detail the kinds of goods to be imported and the kinds of goods to be exported as well as the amount of customs to be paid. Meanwhile, industrial goods, including yarn and cloth, are being exchanged for coal along the Yangtze ports.

Judging from present developments, trade prospects are bright and if peace can be established, it will not be surprising to see the resumption of normal trade relationships in the near future.

The following table gives a comparison of quotations on March 2 and March 9:

	Mar. 2	Mar. 9
	GY	GY
Gold	183,000	310,000
US Dollar	3,650	6,150
Clearance Certificate	2,890	4,710
Silver Dollar ..	2,000	4,250
20's Yarn	626,000	1,080,000
Rice	17,000	29,500
Wing On Textile	3.76	5.38

NEWS OF THE WEEK

Popular Pressure Brings Sun Fo Resignation; G'mo Asked To Go

UNDER overwhelming popular pressure, Sun Fo, head of the refugee government in Canton, finally tendered his resignation as president of the Executive Yuan. Sun's resignation had been mooted since his return to Nanking. Although he and his right-wing supporters did their best to hang on, public sentiment in the Legislative Yuan and in responsible Government circles was against him. When Sun fled to Canton, together with his cabinet, he thought Nanking would fall to the Communists in matter of weeks and he planned to set up his government in the south to continue the fight against the Communists according to plan. But things did not work that way, and Sun's plan not only misfired but also backfired. The mass exodus of Government agencies from Nanking in a virtual state of panic and confusion and the rumored embezzlement of public funds by several cabinet ministers during the evacuation completely discredited Sun Fo's cabinet. Moreover, in Canton his war talk found little popular support and there was little for him to do in that city. Being afraid of losing his job, he hurried back to Nanking, although only a few days before he still said that his blood pressure was too high for air travel.

Once back in Nanking, Sun Fo immediately changed his tune and talked about peace, telling newspapermen at a press conference that he had come back to the capital to assist President Li Tsung-jen in opening peace negotiations with the Chinese Communists. He stressed that he had been the first Nationalist Government official to suggest making peace with the Communists. But the majority of the Legislative Yuan did not take his remarks seriously and considered him an obstacle to peace. In responsible Government circles, it was thought that Sun Fo's actions had done more harm than good to the Nationalist cause and that the scandals involving several ministers of his cabinet were a glaring disgrace to the Government.

Politically speaking, the downfall of Sun Fo's cabinet may be viewed as an important victory for the peace movement in this country. As things stand nowadays in China, it is utterly impossible for any responsible statesman to openly advocate continuing the civil war without ruining his political life.

Die-Hards To Carry On

ALTHOUGH Sun Fo is gone, the war mongers are as active as ever.

The notorious red-baiter Pan Chao-ying went on record against making concessions to the Communists. He predicted in Canton that any move of the Nationalist Government to hand over China to the Communists under the guise of an "honorable surrender" would result in the setting up of a separate Legislative Yuan at Canton. The majority of the legislators now residing in Canton, however, have already indicated their willingness to return to the capital once a face-saving device can be found.

According to the AP, one of Generalissimo Chiang Kai-shek's strongest backers in Canton also warned Nationalist China against surrender to the Communists. Addressing a weekly Kuomintang rally, Ku Chen-ting, minister of organization of the Central Executive Committee of the Kuomintang, denounced the sort of peace sponsored by General Fu Tso-yi in Peiping. In Ku's view, the Nationalists must overcome the present attitude of "defeatism and surrender." He branded as wishful thinking predictions that Mao Tze-tung would set up a China free of ties with Soviet Russia. The Chinese Communist party is a satellite of Moscow, he said, and the policy of the Chinese Communists is in accord with Cominform plans for world revolution. Ku called the Communist land reform a fraud aimed at gaining the support of the lowest elements of Chinese society.

Peace Formula

IN view of the impending opening of peace talks with the Reds, President Li Tsung-jen has appointed a 10-man special committee to draft a peace formula for submission at the forthcoming peace conference. Serving on the committee are Sun Fo, General Wu Te-chen, General Chang Chih-chung, General Chang Chun, General Ho Ying-chin, General Liu Fei, Shao Li-tze, Chu Chia-hua, Wu Chung-hsin, and Chung Tien-hsin. It is understood that the Committee has already completed a tentative set of peace proposals, which will be thoroughly discussed before the final draft is prepared. General Chang Chun is said to be the author of this draft.

Under the committee there are three sub-committees: A military sub-committee composed of Generals Ho Ying-chin, Chang Chih-chung, and Liu Fei; A political sub-committee composed of Chang Chun, Shao Li-tze, and Wu Chung-hsin; and a foreign affairs sub-committee composed of Sun Fo, Wu Te-chen, and Chu Chia-hua.

It is understood that initial agreement has been reached in principle regarding the basic items of the Government's peace blueprint. In order to seek greater unity, President Li Tsung-jen has summoned General Chen Cheng, Governor of Taiwan, General Chu Shao-liang and General Hsueh Yueh, Governor of Kwangtung, to Nanking for consultation. It is generally believed that the future conference between President Li and these generals, who are known to be faithful followers of Generalissimo Chiang Kai-shek, will have a great bearing on the peace negotiations between the Government and the Communists.

Whither The Gimo

THE future of Generalissimo Chiang Kai-shek is causing considerable speculation in the capital. According to a *Reuter* story dated March 5 from Nanking, the "Chiang Must Go" campaign is gathering momentum. Two members of the 10-man committee entrusted with writing the peace formula (General Chang Chih-chung and Wu Chung-hsin) are understood to have flown to Fenghua to ask the Generalissimo to hand over full powers to Acting President Li Tsung-jen, to cease interfering in the Nationalist peace move, and to go abroad.

Latest reports state that General Chang Chih-chung has been asked to stay with the Generalissimo and his family have been asked to send his summer clothing to Chikow. The future whereabouts of General Chang is being watched with interest.

Meanwhile, the Chinese press in Nanking has been agitating for the Generalissimo to refrain from interfering in Government affairs. According to *Reuter*, one paper said editorially that everybody knows Chiang is continuing to issue orders and that acting President Li Tsung-jen is merely a nominal administrator. "We regret to say," the paper is quoted as saying, "that the situation is even worse than it was before Chiang left Nanking. If the Generalissimo thinks he can succeed in remedying the present situation in China, he should return immediately to Nanking. If he thinks he cannot, it is advisable for him to go abroad immediately."

The *National Salvation Daily* was more outspoken. It editorialized on March 5: "We do not mind whether there will be peace or war, but what is more important for China is that Chiang Kai-shek leave the country. If Chiang Kai-shek continues to command from behind a curtain, we can never have peace.... Consequently, the country will perish. Communist spies everywhere know much better than we

that Chiang Kai-shek still is the overlord in China."

Freedom Of Press

THAT very night, the *National Salvation Daily* was ordered to suspend publication for three days by the garrison commander headquarters on charges of "libeling the good name of President Chiang Kai-shek." A spokesman for the headquarters revealed that the order came from General Tang En-po, Shanghai - Nanking - Hangchow area commander.

Commenting on the ban, *Reuter* wrote: "The crackdown on the paper was carried out only a few hours after the Executive Yuan passed a resolution abolishing the special criminal courts and national emergency regulations. The regulations were the legal means established of prosecuting persons on political grounds during the period of campaign against the Communists. The Executive Yuan resolution followed a decree promulgated by Li Tsung-jen releasing political prisoners and abolishing regulations allowing the arrest and prosecution and punishment of individuals for political reasons."

Reuter added that this was the second newspaper in the capital banned by the garrison command since Acting President Li Tsung-jen announced political reforms for Nationalist China including the lifting of all restrictions on freedom of speech and publication of newspapers.

The ban was resented by most legislators. *Reuter* interviewed a

good number and discovered that they discounted the charges raised by the garrison headquarters. Liu Pu-tung said: "It is unconstitutional and contrary to democratic principles." Another legislator, Fan Yuan-sheng, said: "There is nothing in the editorials harmful to the peace and order in Nanking. Suppression of the paper and the arrest of its editor is improper."

Reuter noted: "The action against the paper may bring to a head increasing complaints from the public and members of the Government against Chiang Kai-shek's continued manipulation of both military and civilian agencies nominally under the control of Li Tsung-jen."

Kung Teh-po, publisher and editor of the *National Salvation Daily* held by the garrison authorities for a "stern warning", refused to be released. He wanted to know why he had been detained.

War Preparation

IN anticipation of any possible breakdown of peace negotiations the Government made no secret of its plans to make the necessary war preparations. *UP* reported March 6 from Nanking that top Government military leaders were discussing a plan for complete reorganization of the army. The army organ *Peace Daily*, disclosed that military leaders were probing the overburdening financial and personnel setup of the army with a view to revamping and reforming the fighting services. It was understood

that a military reform committee has been formed under the direction of General Ho Ying-chin to work with the various pacification commanders in initiating reforms.

The Communists charged that the Government is actually planning an army expansion program to train and equip two and a half million men. Nationalist war preparation measures, as listed by the Reds, are as follows:

1. Reactivation of 120 armies and organization of 400 divisions.
2. Recruiting and conscripting of 2,500,000 new troops.
3. Re-enlistment of demobilized officers.
4. Organization of new armoured corps.
5. Expansion of the air force and "use of American volunteer pilots."

The Red radio further charged that Generalissimo Chiang Kai-shek was personally directing the army expansion plan and that he had told Shanghai Mayor K. C. Wu to wait patiently for three months until the completion of war preparations.

The *Associated Press* revealed that for the time being the Ministry of National Defense in Nanking is raising 30 new Nationalist armies in various provinces, with a total of about 500,000 men.

US Aid Not Wanted

WITH the opening of peace talks between the Government and the Communists now definitely in sight, it is interesting to hear renewed talk about American aid to China. Roger Lapham is reported to have recommended to the Senate-House watchdog committee a US\$240,000,000 aid program for Nationalist China. In Nanking, Lapham's suggestion was hailed with great hope. *AP* reported from the capital: "Acting President Li Tsung-jen was expected to begin weaving the hope of steady American aid to White China into the fabric of current high-level talks on peace negotiations with Red China. The tidings that Lapham had asked for US\$240,000,000 to help China flowed through a hope-dry Nanking like oasis water. One official was quoted as saying the aid prospect alone boosts Nanking's bargaining power with the Reds."

Meanwhile, it is reported that Chinese banker Hsi Teh-mou is on his way to the United States as Nanking's special envoy to seek a silver loan of US\$200,000,000.

A large group of Chinese professors in Nanking issued a manifesto voicing their protest against any foreign aid to China at the present time. The Catholic organ, *Yi Shih Pao*, opposed further American aid to China, charging that American aid to the Chinese Government has been responsible for prolonging the civil war three years. The paper, which in the past has taken a bitterly anti-Communist line, said that the current American program represents political interference.

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Chinese Magazine Roundup

Lao Pai Hsing

THE relative strength of the Nationalist and Communist armies along the middle and lower reaches of the Yangtze River is analyzed in the *Lao Pai Hsing* magazine of February 18. According to the magazine's estimate, the Nationalists have only 400,000 men to defend the Yangtze against a numerically superior Communist task force of 16 columns of regular troops, excluding local irregulars.

"After the battle of Hsuehchow," the magazine writes, "the Nationalists lost the major portion of their crack divisions and a hasty withdrawal southward had to be effected in order to save troops for the defense of the Nanking-Shanghai area. Judging from press reports, the strength of the Nationalists along the middle and lower reaches of the Yangtze is as follows:

- 1) Wuhan area: General Chang Kan's second army group of about 60,000 men.
- 2) Wuhu area: General Liu Luming's army group comprising the 68th, 55th and 96th armies.
- 3) Nanking: The 45th and 52nd armies.
- 4) Shanghai: The 75th army.
- 5) Pukow: General Li Yen-nien's Six Army Group comprising the 39th and 53rd armies.
- 6) Nanking-Shanghai line: The 51st and 4th armies.
- 7) Ichang-Shasi area: General Sung Hsi-lien's army group.
- 8) Anking-Kiukiang area: General Hsia Wei's army group.
- 9) Tsungming Island: The 208th Youth Army.

"To this we must add General Hou Ching-yu's 35,000 men who have been withdrawn from Tangku and General Yang Kai-tsai's 20th army from the province of Szechuen. . . All these units make up a total of less than 400,000 men. It need hardly be said that this force is too small for the defense of the Yangtze River."

Turning to the Communist side, the magazine says: "First, there are the units under the command of General Chen Yi. In the area along the southern section of the Tientsin-Pukow Railway facing Nanking, 11 Communist columns are reported to have been concentrated, not including the native Red guerrillas. In the area opposite Chinkiang, two regular columns of the Communist regulars are massed. An unknown number of Communist troops are understood to be operating on the north bank of the river opposite Shanghai.

"Of General Liu Po-cheng's forces, the 4th and 6th columns are said to be moving toward the Shangyang regions. The first column is in Yen Cheng, the second and third columns in Sia Tsai and the 10th column in Kiang Han.

"The above-mentioned units under the command of General Chen Yi and General Liu Po-cheng alone total 16 columns, to which we must add the native Red partisan bands now scattered everywhere, which are a very important factor to be reckoned with when the Communist regulars start crossing the river."

The magazine does not think that the Yangtze will be able to offer any serious obstacle to the Reds if they intend to attempt to cross over.

"The theory that the Yangtze is an insurpassable natural barrier should not be taken too seriously," it says. "When the Red Army troops evacuated Kiangsi and set out for their historic march westward, they had only tens of thousands of men and the difficulties facing them were many times greater than any they might encounter when they attempt to cross the Yangtze. In spite of all this, the Reds eventually got to Shensi and established their headquarters at Yen-an."

In conclusion, the magazine stresses that in the last analysis it is the man standing behind the gun, and not the gun itself, that counts. "After all," it says, "war is essentially a combat between men. While the battlefields may shift from time to time, men still remain the basic factor."

Masses Weekly



Ta Kung Pao, has drawn a sharp blast from the Communist *Masses Weekly* of February 3. The magazine charges that Liang distorted facts and tried to pull the wool over the eyes of the people.

"Liang's article was published at a time when the American-Chiang coalition, having been beaten by the forces for the liberation of the people, is attempting to change its tactics by conducting a false peace offensive to gain time for making preparations for a comeback," the magazine declares. "Liang, under the guise of impartiality, asserted that now that the war mongers are no longer in power the war should stop. It is quite obvious that his real motive is to halt the progress of the revolution so as to enable the American-Chiang combination to preserve as much of what is left as possible.

"In his article, Liang resorts to leger-de-main to fool the people in an attempt to absolve the United States from all responsibility in China's Civil War. He tries to treat the war merely as a fight between the Kuomintang and the Communists

and ignores completely the true nature of the counter-revolutionary and anti-people's war launched by the American-Chiang coalition, as well as the true nature of the revolutionary struggle led by the Chinese Communists against American imperialism, against feudalism, against bureaucratic capitalism and for the liberation of the people.

"Liang even tries to absolve the Kuomintang reactionary government from responsibility for China's war, or at least to reduce the American share in this responsibility. He says that from July 1946 to November of the same year the Kuomintang wanted to fight and that after this period it was the Communists who wanted war. To his way of thinking, the Kuomintang only wanted to fight for a five-months period, while the Communists have been for war for more than two years. His line of reasoning inevitably leads to the conclusion that the Communists should be held responsible for the prolongation of the Civil War, although he did not say so openly."

Refuting Liang's argument, the magazine points out that the Civil War in this country has been imposed on the Chinese people by the American-Chiang combination.

To Liang's statement that the core of the war problem changed daily, so much so that he could not "point his finger at any specific problem", the magazine replied that in doing so Liang was deliberately trying to make the readers confused. It pointed out that the basic crux of the problem lies in the expansionist policy of American imperialism and in the Kuomintang's scheme to retain its dictatorial rule.

The magazine says that Liang let the cat out of the bag when he said at the end of his article: "What the people expected of the Kuomintang before is what they are expecting of the Communists now. The war mongers are no longer in power so the Civil War should not go on any longer." It commented: "Liang thinks that the Communists of today are like the Kuomintang of yesterday. The Kuomintang wanted war then, and the Communists want war now—that is what Liang is driving at. In the past, the people opposed the Kuomintang for its wanting to continue the Civil War, so the people now must fight the Communists for continuing the war. This is what Liang meant to say, although he used more polite language."

The magazine warns: "Between the revolution and the counter-revolution, between democracy and counter-democracy there can be no real neutrality. If 'neutrality' is insisted on hypocritically, and if even 'impartiality' is claimed, the day must come when the truth will come out."

US Magazine Roundup

US News & World Report



JOSEPH Fromm, US News & World Report correspondent who recently completed an eight month tour of the Far East, reports in the January 28th issue reasons "why the US is failing in Asia." His dispatch says in part:

"Americans are rapidly losing face in the Orient. A reservoir of US good will, built up during World War II, is about drained dry. In a vast expanse that is home for a billion people, affection for America, amounting to hero worship a few years ago, is turning into deep resentment now . . .

"Thoughtful people in Asia are fearful of a US policy intended to build up Japan. They resent America's role in China and are suspicious of US motives in Indonesia, Indo-China and other territories where native leaders are struggling for independence.

"There is a feeling that US policy—or the lack of a comprehensive over-all policy for Asia—not only is alienating a billion friends and potential allies, but has prompted millions of bewildered people to turn to the Communists for leadership . . .

"Hostility toward the US has intensified throughout Asia during the last year or so because of the trend of American policy in Japan. Chinese of all factions fear Japan is being restored to war-making strength by the US. This correspondent, in one week, heard this fear expressed by a premier, a businessman, a labor leader, a newspaperman and a banker. All feel that the attempt to build a strong Japan in a chaotic Orient is tending to preserve the power of the 'old gang' that plotted and ran the war.

"The Chinese are not alone. The people of the Philippines are, if anything, even more bitter about American policy in Japan. The Filipinos, as one of them put it, feel that the vanquished now is emerging as the victor and the victor is being treated as the vanquished."

Fromm concludes: "Throughout Asia, the story of disappointment at the US has been repeated since the end of the Japanese war. It was the American promise of the Four Freedoms, distributed in propaganda leaflets over British protests, that encouraged Burmese nationalists to gain their independence. In Malaya, the people were sure the Americans, not the British, would liberate them from the Japanese. They plastered their towns with signs that read 'Nippon Go—America Come!' US stock was high in those days. But it is high no longer.

"An eight-month tour through 10 countries of the Far East leaves an American correspondent with these impressions:

"Chaos continues in Indo-China and Indonesia and the United States—fairly or not—is being given a large share of the blame.

"US policy of supporting and subsidizing the Chiang Kai-shek Government in China has cost hundreds of millions of dollars without any visible effect on the Communist drive to dominate China. Now US prestige is slipping.

"US policy of pushing recovery in Japan is alienating those Asiatic countries whose cooperation is essential to Japanese recovery. There is increasing speculation in the Far East that the end product of the occupation might be a Japan that will not be solvent, democratic or dependable ally of the West.

"Over all, a correspondent with years of experience in the Orient winds up extensive travels convinced that American policy in the Far East has, in three years, cost the US most of the good will it once enjoyed in this complex region."

* * *

NY Times Magazine

DR. Ho Yung-chi, who is described as a teacher, author, former general and several times emissary of China on international missions, proposes a course of action for the United States to take in China in a letter to the *New York Times Magazine* on December 6.

Commenting on an article written by Nathaniel Peffer which offers three alternatives to the US—continue "frittering away money in the name of aid," make a "forceful intervention in China," or "do nothing at all"—Dr. Ho writes:

"With full respect to the professor, it is contended here that there is a fourth course of action open to the American Government and people which, we think, is the best under the circumstances. This is: To send immediately food, fuel, clothing, and other necessities of life—not guns, airplanes or even industrial machineries—to China and let the International Red Cross administer their distribution to the Chinese people, *not* their officials."

Dr. Ho then answers "some expected questions" regarding his plan. "Why the Red Cross? Why not ECA?" he asks, and replies, "Because ECA is political. By that I mean that ECA is an agency of the American Government and at this stage of Sino-American relations all American Government agencies in China, rightly or wrongly, are viewed with suspicion. This is not only in Communist China, but also in Nationalist China, where recipients of American aid have had a good taste of arrogance borne of the benefactor's being over-conscious of himself. This is why, as an an-

swer to a tongue-lashing by the American Ambassador at Nanking, Chinese professors and students haughtily returned their American ration cards, though they were on the verge of starvation.

"Why International, rather than American Red Cross? Because you can get better results in China by working through an international agency with an international staff and an international outlook than through an American agency, however efficient and high-minded, during a period, which is temporary of course, when the Chinese people are touchy at all things American."

"Then, why not the United Nations? Why not UNRRA? Because UNRRA has been closed and the United Nations is a cumbersome set-up which moves slowly and is often subject to veto. Besides, both have to work through the present Chinese Government alone (because the United Nations recognizes only the present Government) and cannot work directly on the people.

"Then why not let both ends, the sending as well as the receiving ends, be non-political? Because only the American Government, which has much greater resources than a private organization, can make the necessary appropriations commensurate with the immensity of the tragedy in China . . .

"Wouldn't that make the sending, the appropriating end political? Yes, but that is all right if the American Government is willing to consider China aid as pure civilian help, something like the sort of help to US farmers, exacting no political returns. Nevertheless, there will be political returns, though in the case of China, it may take years or even generations before political dividends to America can become evident."

Dr. Ho then illustrates his point with a story about Meng Chang-chun, the Duke of Hsueh and Prime Minister in the Kingdom of Chi in the fourth century B.C., who sent an emissary to collect debts owed him by the peasants and instructed him to buy with the money "something I haven't got here." The emissary burned up all the peasants' promissory notes and returned empty handed, explaining, "You have got everything here except *yi*, or, justice. I bought that for you by burning up all the IOU's." Years later, when the Prime Minister was dismissed by the King and had to flee for his life, the people of his Duchy protected him, and he was saved by the *yi* his emissary had bought.

Dr. Ho draws his moral: "America is the Meng Chang-chun of modern times, as rich and powerful as he when a Prime Minister. But the Wheel of Fortune turns and no man, no nation can remain always on top. Some day America may need a Duchy of Hsueh; but before she can have one hand in time of need, she must first buy *yi*."

What Chinese Papers Say

CHINESE newspapers were significantly divided in their editorial comments on Roger Lapham's proposed US\$240,000,000 aid to Nationalist China. Kuomintang-controlled sheets hailed Lapham's recommendation with enthusiasm, while independent papers rejected the offer lest the peace prospects should be endangered. The replacing of Molotov by Vishinsky as Soviet foreign minister was regarded as a further strengthening of the Soviet diplomatic set-up in anticipation of new developments in the strained world relations.

US Aid



THE *Kuomintang* organ *Shun Pao* went on record as being deeply "touched" by Lapham's statement on future aid to China. It wrote among other things: "Though we have no access to the details of Lapham's China-aid plans, we cannot but feel touched by his statement, which testifies to the valuable sympathy for the Chinese people on the part of our foreign friends. China is an industrially backward country. As the result of eight years of Sino-Japanese War followed by three years of civil strife, the rural districts in China have been ruined to the brink of complete bankruptcy. Under such circumstances, it is only natural that the Chinese people should have expected help from friendly nations."

However, the paper regarded the proposed amount of aid as too little and asked for more.

"A monthly allocation of US\$20,000,000," the paper continued, "is of course an insignificant sum. If this amount is to be used to finance the economic rehabilitation of China, it would be like trying to put out a blazing fire with a glassful of water... It is hoped that the American authorities will be more realistic. If China is to be aided at all, the aid should be given in both military and economic fields. Piece-meal assistance cannot help things."

An opposite view was expressed by the independent *Ta Kung Pao* which points out that American aid to China at the present time is aimed at playing a political game.

The paper read political significance into Lapham's proposed aid to Nationalist China. "There is great difficulty in differentiating between the military and non-military nature of such aid and the issue can only produce unnecessary political disputes in this country," the paper said. "When we have achieved internal peace and unity we shall welcome foreign aid to help our economic rehabilitation."

According to the paper, the very

news of Lapham's proposal has had political repercussions in Nanking and Canton. "Official circles in Nanking and Canton felt jubilant and it is believed that the morale of the Kuomintang army would be greatly lifted and the position of the Nanking Government would be strengthened in bargaining with the Communists," it observed.

Tracing the history of American aid to China, the paper came to the conclusion that such aid has done very little, saying:

"Leaving aside matters of the distant past, let us just look at the American aid given this country during the last year. We find that military assistance was virtually a wasted effort and has only brought about the present situation in which the armies of the two warring parties were facing each other on the two sides of the Yangtze. And what concrete achievements have resulted from U.S. economic aid? During the last year, the budget deficit increased with the changes in the military situation, currency inflation was accelerated, prices rose steadily, and agricultural and industrial production decreased . . .

"The most urgent economic problem in China is the balancing of the State budget and the reduction of the currency issue in order to arrest the continuous soaring trends of commodity prices. For if prices continue to rise uninterruptedly, the domestic economic structure will be disorganized, all economic activities cannot be pursued along normal courses, and all plans for the improvement of the situation will be futile, while no reform measures can be carried out. Tracing the source of the trouble further, we find that the Government is unable to balance its budget because of the existence of a state of war. Since American aid cannot solve the problem of the war, it will not be in the position to assist this country to settle her economic difficulties.

"With reference to the US\$270,000,000 American aid given China during last year, the portions earmarked for industrial rehabilitation and equipment, amounting to US\$70,000,000, and for administrative expenditure, amounting to US\$1,200,000, could not basically be used for the reduction of the budget deficit or for calling in currency notes in circulation. On the other hand, because of rehabilitation activities undertaken, an increase in the currency issue was brought about. The sums earmarked for the purchase of cotton, amounting to US\$70,000,000, were expended for cotton purchases against which cotton yarn was obtained in exchange, half the yarn thus obtained being exported abroad, and the remaining half either sold in the domestic markets or else used for the bartering of farm produce. That is to

say, the whole capital payment in connection with the cotton purchases was practically frozen. The food supplies purchased with US\$70,000,000 of the aid fund were used for rations in the six principal cities in the country, but because of the lack of an established policy in the fixing of food prices, the efforts to absorb currency with the sales were largely wasted. As to the distribution of fertilizer supplies valued at US\$13,800,000, much time and energy was wasted on consultation and red tape, so that the public really did not receive any real benefit."

Soviet Diplomacy

THE *Tung Nan Jih Pao* did not think that Soviet foreign policy will undergo any change under Andrei Y. Vishinsky, the new foreign minister. The paper said:

"The current changes in the diplomatic personnel of the Soviet Union will not affect her foreign policy, but rather constitute an important step for the strengthening of her diplomatic line-up. However, the strengthening of her diplomatic line-up means greater vigor in the implementation of the Soviet foreign policy. At a time when the 'cold war' between the East and the West is carried on to such an intensified extent, the new development is worthy of great attention."

The paper further emphasized the fact that since both Vishinsky and Gromyko have a brilliant record in the diplomatic field, they will be expected to strengthen the diplomatic front of the Soviet government, saying:

"In recent years Vishinsky has represented the Soviet Union in both the General Assembly of the United Nations, and also at the Danube Conference. His pointed statements and sharp words have made him one of the outstanding diplomats. His promotion to the head of the Foreign Ministry not only shows that the foreign policy hitherto pursued by him will be maintained, but also that his methods in handling diplomatic issues have been endorsed and will be continued. At the same time, the newly promoted First Deputy Foreign Minister Gromyko is also world-famous as being the 'expert on the use of the veto power', and his work in the United Nations can well be compared with the activities of Mr. Vyshinsky.


"Moreover, the promotion to responsible positions of Vyshinsky and Gromyko shows that the Soviet Government is doing its best to promote men with capabilities for the handling of international issues, so that the Foreign Ministry may benefit by the practical experiences of these people to prosecute effectively a strong diplomatic war."

What US Papers Say

THE nature of communism and its spread, both in China and elsewhere in the world, was discussed prominently in the American press.

* * *

Internal Affair

 THE *Washington Post* declared that the Revolution in China is an internal affair and cannot be understood outside the context of Chinese history. Russian domination, the paper said, would be impossible. The editorial stated:

"While the dust is settling in China, as Secretary Acheson puts it, let us reflect again on Communism there. It has been our thesis hitherto that what is happening in that great country is another immense convulsion in the travail that China has been undergoing since the Taip'ing rebellion of 1850-1864. The travail developed out of the impact of Western ideas and institutions upon traditional China. For a matter of 40 centuries prior to the Taip'ing rising, China had absorbed everything and everybody that came in contact with China. Its metabolism is a historical phenomenon. From the Nestorians and the Jews to the great Khans and the eighteenth century Russians—intruders disappeared into the mass of China. The last spectacle of the sort was the swift and remorseless way that the Chinese softened the invading Japanese.

"The revolutionary force which is keeping China in a ferment requires a catalytic agent in the form of a leader. None since the Taip'ing leader, Hung Hsiu-chuan, has yet measured up to the titanic task, and even Hung was frustrated after 15 years of conflict by foreign intervention on the side of the decaying Manchu dynasty of China. Will Mao Tze-tung be the catalytic agent?"

"Will Soviet Russia help Mao to complete his task or be asked for help? Either is doubtful. Soviet Russia got badly stung in the intervention of 1927 and, besides, the oldest state in the world is like the world's newest state of Israel in that it is in a fever of nationalism, and this does not comport with subservience. This nationalism is enhanced, moreover, by irredentism. Let us never forget that Nationalists and Communist in China are one in their anxiety to win back Manchuria, and there is only one 'treaty of national betrayal' left for the liquidation that Mao calls for, to wit, the Sino-Soviet treaty of 1945. Thus it is not strange that the Kremlin has been rather quiet about Communist successes in China, and that it has ordered its embassy in Nanking to follow the rump of the Chiang re-

gime to Canton, being the only embassy to shift. Moscow, too, wants to see the dust settle before involvement is risked. It is nonsense to say that Stalin has hitherto given Mao anything substantial in the way of assistance.

"There is another factor to ponder, and that is that Chinese civilization is more alien to Communism than is any other civilization.

"If all this adds up to a potential Tito situation, well, that is merely the addition of ineluctable present-day facts. Mao, to be sure, has denounced Tito, but pronouncements in China are stylized affairs, as when a Chinese government abolished illiteracy by pronouncement. A paper blast against Tito is thus not particularly significant. It is like figuring out how far the tide is going to flow to figure out the future of China. But what may be hazarded in front of a dust that has a Gobi density is that we are not witnessing in China foreign tyranny that is being imposed upon the Chinese people, that the Western World is facing a phenomenon more Chinese than Russian, and that the convulsion cannot be understood outside the context of Chinese history. If Russia took over China, the action would fly in the face of 4,000 years of history, and the sure end would be the absorption of Russia."

* * *

US Role

THE *Christian Science Monitor* criticized the Republican congressmen who have been insisting that Secretary of State Acheson pursue a tougher policy in China, saying they "are probably no less and no more concerned than Mr. Acheson or any other responsible American over what is happening across the Pacific. But they are apparently less well informed of the realities of the Chinese situation than they might be. . . . What is needed is not a firm statement, whose only result would be to give emotional satisfaction to baffled Americans, but a firm grasp of the fact that neither the US nor any other foreign power can expect to pull strings that will make 450,000,000 Chinese dance obediently to its tune."

The *Washington News* continued to advocate support for Nationalist China, maintaining that, "if what remains of Nationalist China is to be saved from Communist occupation, money must be advanced to finance armed resistance. . . . The whole Asiatic front will be exposed to Red attack unless the President and Mr. Acheson bring the State Department policy toward China into harmony with the Truman doctrine."

Communist Bandwagon

THE *Baltimore Evening Sun* commented on the recent statements made by Communist leaders in Western Europe, saying:

"With almost military precision, Communist leaders in Western Europe are lining behind Thorez's assurance that if war should come, good workers should forget their nationalist allegiance and support Russia. With Togliatti in Italy, Pollitt in England and Grotowohl in Germany all on the party line bandwagon, the roll call of major Western European countries is complete.

"The most obvious feature of these declarations is that Communist leaders in the West have finally said, in frighteningly precise language, that their allegiance to Communist Russia overrides their loyalty to France, Italy, England or Germany. But that unhappy truth has been apparent for some time. What is of particular interest is why they now choose to make quasi treasonable declarations that they have carefully avoided in the past.

"One possibility is that they are making another attempt to separate lukewarm Pinks from dependable Reds within their own ranks. In effect they have said 'Let's stop fooling. Choose between your country or Communism.' Another explanation is that for propaganda they are simply making use of the old debaters' dodge—assuming something which would be unwise to debate. In this case Communist leaders have all assumed that possible conflict would be imperialist, aggressive war against the Soviet Union. Transparent as the device is, if the assumption is made often enough and loudly enough, there will be many who will accept it unconsciously.

"Whether such explanations really go to the root of the matter probably only the Kremlin leaders know. But an open confession of disloyalty is a serious matter. We may be sure that the current line was not ordered without serious consideration."

The *Philadelphia Inquirer* noted approvingly that France has arrested one alleged Communist leader and has accused another of turning over defense documents to a Communist newspaper. The paper said: "The French Government isn't remaining idle or indifferent about problems presented by the Reds and Red sympathizers. The time is fast approaching when other nations, including our own, must grapple with this fifth column that calls itself a political party.

"No country can endanger its security by permitting an association under any name that is dedicated to espionage and sabotage on behalf of a foreign power to carry on its treasonable activities unhindered."



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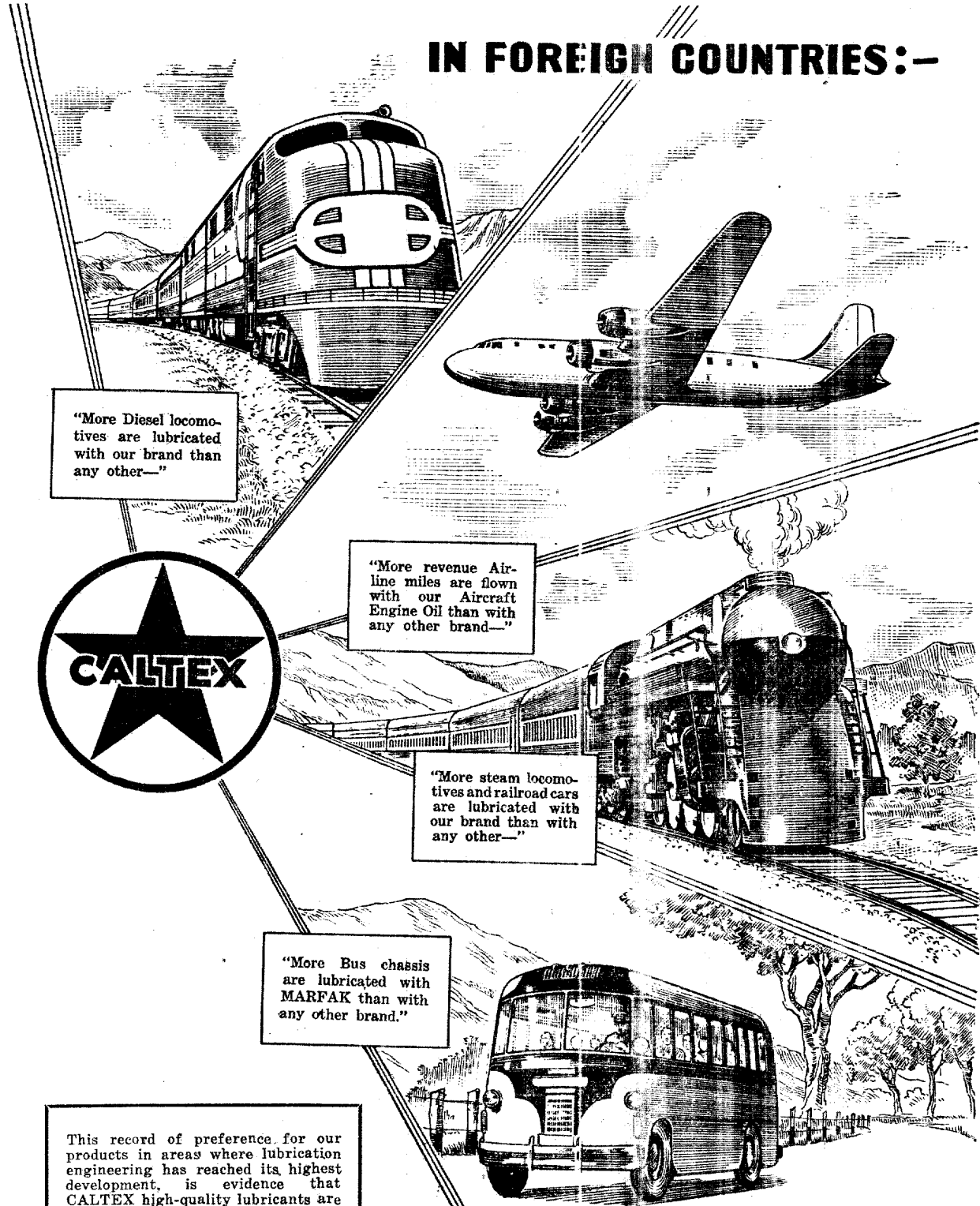
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WEEKLY

REVIEW

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March 19, 1949

BELATED REFORM

AN EDITORIAL

A Chinese View Of American Aid

C. Y. W. Meng

Changing Conditions In Amoy

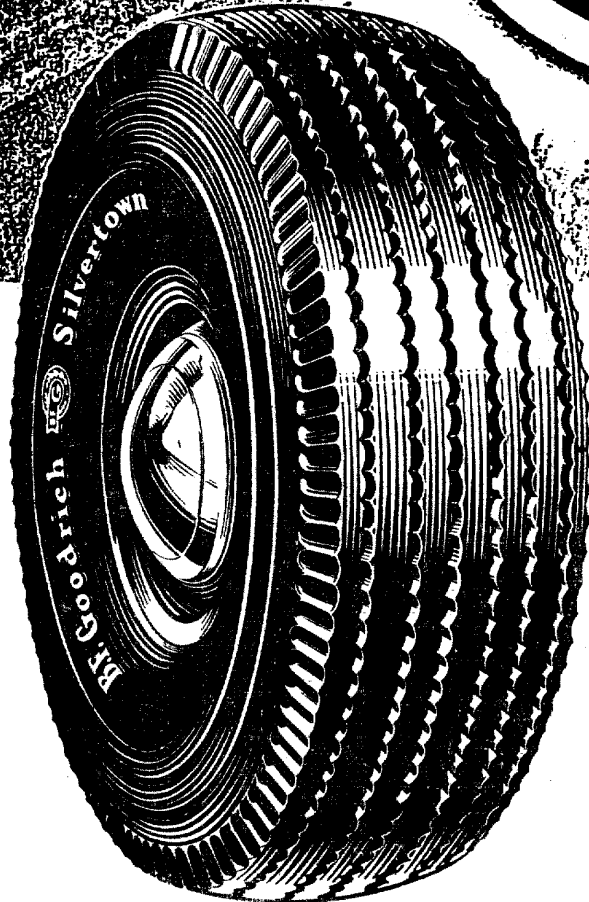
Lin Chen-keug

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US LOAN FOR SPAIN?

AN EDITORIAL



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LETTERS From The People

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White Chinese

To The Editor:

The KMT leaders and wealthy people who have sought refuge here are ironically called "White Chinese" in progressive Chinese circles. Most of them came here when the Hsueh campaign was in progress and it looked as if the Nanking Government would be overthrown overnight. Local reporters estimate that there are from six to seven thousand of these refugees here.

Among the high ranking officials, there are T. V. Soong; Chang Li-shen, one of the CC leaders and a member of the Executive Yuan; Wu Ting-chang, former secretary general of the President; Wei Tao-ming, former governor of Taiwan; Lee Shek-cheng, member of the KMT Central Executive Committee; General Lun Yung, Yunnan warlord; General Hwang Chi-hsiang, former chief of the Chinese Military mission in Germany; Sheng Chun-lien, former secretary general to Mayor K. C. Wu; and Yang Shou-cheng, chief justice of the Nanking local court.

Legislative Yuan members in Hongkong include: Wu Shiang-ying, Sun Fo's man; Yu Yu-shu, member of the PCC; King Chen-yu, Yu's wife; Tung Chi-shin; Tai Ti-wu; and Chow Yi-tze, who is also editor of the exiled magazine *Reconstruction*.

There are also a number of KMT propaganda people here, including Tao She-sheng, vice minister of the Propaganda Department of the Central Headquarters of the KMT; Jimmy Wei, former head of the Shanghai office of the CGIO; Teng You-teh, director of the CGIO and Chen Min-teh, publisher of the *Hsin Min Pao*.

Many others are still on the mainland, but their families are here making preparations for their eventual arrival. Owing to the rush for accommodations, rents and prices for houses and land have soared and construction materials are also increasing. All the nice houses in famous districts such as Kowloon Tong in Kowloon and Courseway Bay in Hongkong have already been taken over by these newcomers. (People like Sun Fo, Ho Ying-ching, Chang Fa-kwei and Chang Chung, of course, were far sighted enough to have built houses in Hongkong long before the flood of exiles.)

Also of interest is the fact that the coming of these wealthy Shanghaianders has brought a sudden turn of prosperity for the good hotels, dancing halls, bars and restaurants here. A number of stores are advertising for girl clerks who can speak Shanghai dialect, and the dancing halls likewise are hiring hostesses from Shanghai.

L. FISHER.

Hongkong
March 4, 1949

Life In Prison

To The Editor:

I was one of the 39 university students who were arrested in Nanking in the small hours on the morning of November 26, 1948, when the Battle for Hsueh was in progress. The arrest was made

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under the pretext of checking the census records. A thorough search of the National Central University was conducted by special service men, in conjunction with police officers and gendarmes. The personal diaries, books and manuscripts of the students were carefully examined and some of them taken away. The warrants for arrest were issued by the military tribunal of Nanking's Garrison Commander Headquarters, but they contained only the names of the persons to be arrested without stating the reasons for the arrest.

After the roundup, we were sent by truck to a farmhouse in a village about 30 li from the city of Nanking. There were four rooms in this house, two being used for the offices of our wardens and the others for our prison cells. There were 39 of us, 24 from the National Central University, eight from Nanking University, four from Chin Kuo College of Law and Commerce, an instructor in philosophy and psychology at Nanking University, a newspaper correspondent, and a former student from the Northwest College of Music. We all had handcuffs on and sat like sardines on the ground in the day time. We did not have any time to move about until meals were served, when our handcuffs were removed. Our food was incredibly bad, coarse rice and tasteless cabbage soup.

At first, we did not know one another well. But gradually we became close friends. Our favorite method of killing time was to discuss things. We held regular meetings to discuss a great variety of subjects—book learning, love-making, how to win friends and get along with people, etc. Sometimes we spent several hours engaging in a serious debate on sharing peanuts or other trifling matters. In fact, we simply enjoyed arguing and talking.

After New Year's Day, there was a radical change in the political situation, and we added political problems to our debating subjects.

Another way of killing time was to do group singing. Our favorite tune was the "March of Democratic Youth," which we called "Our Song."

It is indeed no exaggeration to say that we learned a lot of things in prison. We have been steeled into tough fighters for democracy and we have undergone a profound change in our way of thinking and in our mode of living. We know that we are one of the people. Some students said, not without reason, that their prison life was a blessing in disguise.

The trial of our cases was really interesting and amusing. Our answers to political questions were invariably regarded as unsatisfactory by the military judges. At one time, we were asked what we thought of the Kuomintang and the Chinese Communists. Some of our friends replied that their sympathies were on the side of the Kuomintang. The military judges shook their heads incredulously. Others said they never bothered much about politics and therefore had no opinion of their own on this subject. The military judges readily cut them short, saying this was a very dangerous attitude toward the Government. One student from the National Central University replied: "I heartily supported the view of President Wu Yu-shen that all political parties should withdraw from the schools." The prosecutor hastened to refute him, charging that it was this kind of crazy idea that has made it possible for the Communists to have become so popular and powerful.

Some of the military judges were typical army men. They did not bother much about the legal technicalities involved in the trial. They told us quite bluntly: "No matter what you say, you shall be shot." The president of the military tribunal, an elderly officer, some-

times gave us pep talks. But the way he talked made us laugh. One day he said to us: "I am everything for the Leader. If the Leader wants me to die, I will jump into it even if there is a blazing fire in front of me. If the Leader wants me to surrender, I will become a slave."

When the Government agencies started fleeing to Canton, we were released on January 24, 1949 on bail.

NANKING STUDENT.

Nanking
February 25, 1949

Wants News

To The Editor:

About two months ago I received your expiration notice in Wuhu, but I did not reply because at the time I had to rush to my home in Wuwei in a hurry for fear that communication across the Yangtze might be cut.

I have been a reader of your *Review* for more than two years. However I must now say good-bye with great feeling. Unfortunately, I got T.B. last year and therefore I must give up my work and cannot continue to work for at least a year. My doctor has advised me to go to the country and live quietly. Being a poor teacher I know of no way of supporting myself during this enforced retirement, let alone subscribing to papers and magazines.

Wuwei is a small city along the north bank of the Yangtze and has been liberated by the Liberation Army. We live here as lonely as in a drum, and know nothing of what is going on in the world. Could you be kind enough to send me a free subscription in these unfortunate times?

CHU KUO-CHENG.

Wuwei, Anhwei
March 1, 1949

Straight Views

To The Editor:

I regret that since expiration of my subscription to the *Review* I have not been able to afford a renewal. I am a poor student studying at the Ninhsien district middle school. My tuition fees are paid by my eldest brother, and no money can be spared for a subscription to the *Review*.

I can't help but shed bitter tears at having to say good-bye to the *Review* as I have greatly enjoyed reading the straight views published there. I hope to be a regular reader again when my economic situation improves.

C. K. HU.

Ningpo, Chekiang
February 20, 1949

(A three months free subscription is being sent to Mr. Chu and Mr. Hu through the generosity of a reader in the United States—Editor.)

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To The Editor:

Again I appeal to you in the hope that you may introduce me to one of your subscribers who is willing to share his copy of the *Review* after he has finished it every week.

I can't afford to buy your *Review* every week. For more than three weeks I have missed reading it. Of course I know that the price of each copy has been reduced to the minimum and therefore I know that I can't hope to have you reduce the price any further. Consequently, I hope that you can give me the name and address of one of your kind subscribers who is willing to share his magazine and I will write to him and ask for his help. I promise I will re-



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C. L. NIEH.

Chiaotung University
Shanghai
March 10, 1949

Against Extremism

To The Editor:

The Communist blacklist of KMT war criminals has aroused attention in both the East and West. Looking at it from the viewpoint of a revolutionist, tolerance would mean compromise, and compromise would mean reaction. Therefore, even the Chinese Communists themselves

would not dare say anything against it. However, from the viewpoint of the common people, especially the Chinese people, who have been taught for thousands of years to love rather than to hate, this step is too extreme. The terrorism in Russia has alarmed the world in general. They have set most of the peoples in the world against them. Furthermore, conditions in China are quite different. We have no peasant slaves. We do not have many capitalists. The so-called bureaucratic capitalists are just fools who have let go of the golden chance to serve their country merely to enrich themselves. They are too low and too few to justify lengthening the Civil War. As for the KMT military leaders,

they are now willing to sue for peace. Why not give them a chance by fair play? Therefore, in talking about peace our Chinese Communists should not throw such a big obstacle in its path. Both parties should get rid of their suspicion and distrust.

The Review of January 29 clearly pointed out that the war will go on. Most people also think this to be true. But it will be going on entirely against the will of the people.

CHENG WEI-LUNG

Changteh, Hunan
February 17, 1949

Promises

To The Editor:

Before the Kuomintang ruled this nation, in order to get the support of the people, they made many promises. They spoke of the realization of the Three Principles of the People, and the improvement of the people's livelihood. Since then, 37 years have elapsed, and facts prove that all their promises were empty.

Now the situation has changed, and it appears that the Communists will take over in the near future. They are also making many promises to the people. Judging from past experience, I am really puzzled as to whether the Communists will keep their word, once they sit in the driver's seat.

Y. J. SHENG.

Shanghai
March 5, 1949

Wants Reforms

To The Editor:

It is more than two months since the first news of peace talks was heard: what has been going on between the KMT and the Communists? At first, General Mao proposed eight terms and the Government accepted all except the first—punishment of war criminals—which they considered too cruel.

The people are tired of fighting and are looking forward to bright news about peace. The situation today is like the days of the Political Consultative Committee meeting in Chungking just after VJ Day. At that time the Nationalists were in a position of power and would not make concessions to the Communists and the result was that the war spread. But now? They have been defeated by the Communists chiefly because they lost the people's trust. Whoever loses the people's support will be ruined.

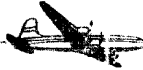
It is impossible to unify a country by military means alone. Therefore, I advise the Communist Party not to rest until they have brought about the political and economic reforms which they have advocated, for it is only with the introduction of these reforms that the people can have any real peace and happiness.

P. W.

Soochow
March 3, 1949

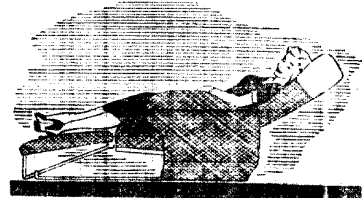
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Vol. 113 Shanghai, Saturday, March 19, 1949 No. 3

Belated Reform

THERE is usually something rather tragic about the reform measures which are issued by various agencies of the Government at irregular intervals. Whenever the Government finds itself in hot water, or whenever it wishes to make an impression upon the people, either here or abroad, its ministries and other departments produce for public consumption complete plans for "improving" some aspect of life.

This periodic performance would provide material for an interesting psychological study if one had the time and inclination to investigate into what makes the average bureaucrat tick. At the very least, the men who day in and day out spend their greatest energies in perfecting and enriching their political machines and who then upon occasion draw up plans for abolishing all that they themselves stand for, must suffer from at least a slight case of split personality, unless, of course, they are complete hypocrites.

The greatest single problem in this country is that of the land system. The vast majority of the other evils in present day Chinese society stem from the archaic land system. The basic nature of this problem, which involves not only such matters as land ownership, tenancy practices, and methods of tax collection, but also the very social organization of the rural areas, makes it one of the most difficult to tackle unless one is willing to upset the whole existing economic, political, and social order. This fact has been realized by many officials and, quite likely, is largely responsible for their desire to do nothing about the problem.

Thus, for twenty odd years the Government has generally neglected the sorry conditions existing in the rural areas. A few pitiful attempts—somewhat similar to the present effort being undertaken by the Joint Sino-American Rural Reconstruction Commission—have been made in the past. However, in all cases they have avoided tangling horns with fundamentals. Such programs, for one thing, have never been very extensive, being limited to model districts or experimental farms. Generally, these efforts at reform, imposed from the top down because that was easier and safer than attempting to

enlighten and organize the peasantry, have undertaken to improve farm conditions by increasing the material wealth of the area without attacking the social evils which have brought about the present material impoverishment. Furthermore, such programs have usually relied heavily upon outside money, outside machinery, outside fertilizer, outside medicine, outside technicians and so on, failing to realize that no small social unit can support such expensive additions unless there is a basic reorganization of the society. Thus, many of these model districts have depended year in and year out upon funds pumped in from outside the community.

Realizing dimly that the combined social, economic and political system in force throughout most of rural China might result in popular upheavals, the KMT has spent considerable energy during the last two decades in attempting to strengthen the administrative machinery which keeps this system functioning. The power of the machinery has been increased whenever and wherever possible.

In a move aimed at diverting attention from this rotten core of Chinese society, the ruling powers have worked hard to prove that the evil did not exist. Numerous studies of rural conditions have been made and figures produced to show that things were not too bad. One such example "proved" by the proper juxtaposition of figures (the reliability of which are open to question), that tenancy was no greater in China than in America. Even if such a statement were true, it completely overlooks the political and social aspects which help make life such a dreary affair for the average Chinese farmer.

It would seem safe to say that, throughout the years, the Government has moved farther and farther away from this problem, recognizing it only when forced to do so by famine, flood, peasant revolt or some other major catastrophe. Recognition upon such occasions, however, has not brought about any honest or realistic attempt to find a solution, but has resulted rather in added efforts to throw dust in the eyes of observers and a tightening of the machinery of control.

* * *

WITH the benefit of hindsight, it is now possible to see clearly how the Chinese Communists have exploited this situation. By tackling the most basic job in the country they have achieved a double effect. They have laid a sound foundation for their movement and have enlisted as enthusiastic allies the vast majority of the population and, at the same time, have struck at the weakest spot in the KMT armor. During the past three years, which have seen the once mighty Kuomintang reduced to secondary stature, the Government has persisted in blindly following its old bankrupt rural policy, apparently unable to realize that such a path led only to ruin, especially since an armed opponent was successfully challenging its ability to keep the old order intact by force. The decay of the old social system immediately became apparent when the oppressed peasantry began cooperating with the Communists, thus enabling poorly-equipped

and generally inferior force to overcome the existing authority. Further, long and intimate association with the feudal rural social set up had weakened the strength of the rulers. In instance after instance, a numerically superior KMT force, armed with the most modern weapons, fell victim to a band of armed peasants because of sheer inability to function properly due to ingrained corruption and inefficiency.

During these past three years, however, there have been some members of the Government who apparently recognized that the only successful method of combatting the Communists was through reform. A review of these efforts only strengthens the logic of the Communists' argument that the KMT was by its very nature incapable of reform.

The best and most generally known example of this inability to change the social structure without fundamentally changing itself was in the case of areas re-captured from the Communists. In the days when the KMT, still fat from post-Sino-Japanese War loot and still digesting UNRRA aid, was capable of mounting first-class military offensives against the poorly armed Reds, considerable territory was brought back under Government control. The lack of enthusiasm with which the people residing in these areas greeted the victorious KMT forces brought home to some of the leaders in Nanking the point that the Communists had actually become popular with the people because of their reform program.

It was thus decided to enforce a reform program in competition with the Reds, and Nanking decreed that special attention should be paid to helping the farmers in recovered areas. Rents were to be reduced to a maximum of about 25 percent of the crop per year. Land already divided by the Communists should not be returned to the landlords except in special cases. Various other regulations which would permit the farmers to retain most of the economic gains which they had achieved under Communist administration were promulgated.

The mere fact that Nanking was willing to introduce such "lenient" measures for recovered areas, while at the same time enforcing the old system in areas which had never been occupied by the Communists, led many people to remark wryly that the farmers were better off if the Reds came and left than if they never came at all!

However, these reform measures, like so many other ones during the past two decades, remained largely paper documents. When Government troops chased the Communists out of an area, the old landlords who had fled the Reds came back and demanded restitution of their holdings and prerogatives. Frequently, these landlords were members of the Government military forces which reoccupied the areas and obviously could not be expected to carry out an order from Nanking which adversely effected themselves. Likewise, the old magistrates and other officials who came back with the victorious troops and were installed in office could hardly

be expected to alter their ideas or change their practices.

In fact conditions in recovered areas frequently became worse after the return of the old gentry and official class than before the Communists had visited the areas. Many were bent on vengeance and on making up for the rents, bribes and other profits which they had missed during the Red occupation. The end result was that, when the Communists came a second time, the peasants were happier than ever to see them and spared no effort in helping them drive out the KMT administrators.

Since then the tide of battle has turned sharply and it is the Communists who are taking over territory. This turning of the tables has resulted in several interesting developments, including the spectacle of a KMT regime growing ever more feudal in its outlook and ever more inefficient and corrupt as the territory it administers shrinks. The top level officers and bureaucrats, driven from their original feeding grounds by the Red advance, are concentrating in greater and greater density in the smaller area left to the Government. Naturally, since they fled the Reds, their basic concept of society has not undergone much of a change, and the area remaining to the KMT is being hard put to it to provide sufficient revenue for the over-supply of officials and gentry.

This has resulted in two main developments. First, the oppression of the people in Government territory is increasing in intensity and, second, conflict and fighting has broken out among the rulers themselves as they vie with one another for what loot is available. It is a strange thing but defeat does not seem to make the inefficient and corrupt tighten their belts and attempt to correct their past mistakes. Rather, it tends to accentuate their shortcomings and their appetites seem to grow as they realize that a definite time limit has been set for their activities.

* * *

HOWEVER, at this stage of the game a very few of the rulers, who now realize the folly of past policy, try to raise their heads and cry for reform. In a way it is pitiful to see people talking of reform plans to be implemented at some future date. One can hardly imagine why anyone bothers to waste breath on such matters at this late hour. One such plan, promulgated by the Kiangsu Provincial Government, calls for sweeping land reforms which will be implemented by December 31, 1949.

The latest such reform plan to make its appearance was announced in Nanking by the Ministry of Land Administration, which said land ownership will be limited and surplus redistributed in China's most sweeping reform since the Nationalist Government sought peace with the Chinese Communists. The announcement failed to say how this was to be done or when it was to be implemented.

This measure, as well as the one envisaged by Kiangsu provincial authorities, will probably die in the planning stage. Any attempt at enforcement, we would guess, would be frustrated

by the same factors which made it impossible to enforce the Government's plans for liberalized land programs in areas recovered from the Communists. What's more, conditions in the countryside are rapidly getting out of hand and it is doubtful if there is sufficient organization to implement such a program in all areas now held by the KMT. Armed uprisings are chronic and become more serious daily in several provinces, such as Kwangtung and Yunnan in particular. Only the other day 1,000 Communist troops were reported to have crossed the Hainan straits from Hainan island, landed on the Luichow peninsula mainland and seized brief control of the city of Luichow. Latest press reports tell of new uprisings in Hunan, scene of some of the Communists' most effective work a couple of decades ago. Further, it is doubtful if the Communists will stand still long enough for the KMT to make very effective plans, let alone implement them. This seems especially true when one realizes that it has taken 20 years for even a small fraction of the rulers to recognize the problem.

In some ways, this sudden concern with rural conditions compares with the last days of the Manchu Dynasty when reforms poured forth from the throne in wholesale lots. However, at that time they came so late that the throne's administrative machinery in the provinces had already broken down to such an extent that it was no longer capable of implementing any orders received from Peiping, especially ones with which the administrative officers themselves were not in sympathy.

Sounds Familiar

The Burma Government, faced with rebel capture of Mandalay and guerilla disturbances within a few miles of the capital city of Rangoon, has agreed to discuss differences with the rebels and has offered the latter a general amnesty if they will just surrender their arms to government forces. —news item.

Seems like we've heard this before somewhere.

US Loan For Spain?

THE United States is considering whether to extend a loan to the Spanish Government of Generalissimo Francisco Franco, press dispatches from Madrid reported last week. The prolonged drought in Spain may cause widespread crop failures and, if this calamity should befall the country, it is said that "anything could happen."

An American loan to Franco, it was pointed out by American Embassy sources in Madrid, would enable the Spanish dictator to tide over this critical period and avoid popular unrest which might unseat his regime. Justification for granting such a loan could be found in the current American program for fighting Communism in Western Europe, it was said.

While there is as yet no indication that the US Government is doing any more than considering the matter, the whole idea is so repugnant that it gives any American who believes that the past war was a just and necessary one pause for thought. One wonders what goes on inside the busy minds of the Washington bureaucrats.



"The Log Carrier," by Chao Yen-nien.

The war against the Axis powers was fought to rid the world of fascism — at least that is what the American people were told by their government. More Americans lost their lives in the conflict against Japan, Germany, Italy and their satellites than in any previous war in which the United States participated. And that includes the American Civil War. Needless to say, the US spent more national treasure on the past war than in any previous similar engagement. All during this war, if our memory serves us correctly, American policy toward Spain was based upon the conviction that Franco, who rose to power with the help of Hitler and Mussolini, was a partner in the Axis, although perhaps not an active one. Commercial embargoes were enforced against Spain because it was felt that anything Franco bought from us that was of military value would end up in Hitler's hands. Upon occasion, this policy was modified, but only when it was felt that the war effort could be expedited by relaxing the economic pressure a bit. On the whole, though, we treated fascist Spain as a potential enemy.

Now it seems that there are people in the American Government who are anxious to give Franco aid in order to help him keep control of Spain. These people rationalize their thinking by explaining that America is fighting communism in Europe and Franco is also fighting communism in his small segment of Europe. The fallaciousness of such reasoning is more than obvious.

As we have pointed out in the past, the United States has become so hysterical about the communist "threat" to the American way of life that it is willing to enter into partnership with all the international crooks, gangsters, and other disreputable elements it can find so long as they profess an aversion to things red. Unless there is a sudden reversal of policy, the United States itself will rapidly become the biggest world threat to free institutions, individual liberties and all the other fine achievements which have become known as the American way of life.

The People's Will

A SPOKESMAN of the French Foreign Ministry last week stated that France had no intention of giving up her Indian possessions before the desire of the local populations can be made known by a referendum. The statement followed an earlier one by Indian Premier Pandit Jawaharlal Nehru, who said that French possessions in India must be integrated with the Indian state.

The French Government's apparent concern for the wishes of colonial subjects abroad might be more touching if we knew less about France's colonial policy. If, for instance, France had given the natives of French India or French Indo-China an opportunity for a referendum to decide whether or not they wanted the blessings of colonial rule in the first place, the idea of a referendum at the present time might sound more logical.

However, when one country imposes its rule upon another by force of arms and then, a few centuries later when the tides of nationalism have finally reached the colonial subjects, begins talking about the wishes of the "people," one may be excused for a certain amount of skepticism. The chief French possession in India is Pondicherry. According to the "Statesman's Year-book," this colony was founded by the French in 1674, taken by the Dutch in 1693, and restored in 1699. The English took it in 1761, restored it in 1765, re-took it in 1778, restored it a second time in 1785; re-took it a third time in 1793, and restored it in 1814. We wonder if, during this period of colonial warfare, the French ever suggested to the Dutch or the British that a popular referendum should be held to determine the desires of the native population?

This solicitude for the people's will is most interesting, especially in view of the policy the French are pursuing in Indo-China. We have heard nothing about a referendum for Indo-China. Perhaps it is because there is no need for one, since the people have pretty well expressed their ideas on the subject by rising in armed revolt and all but driving the French from the country.

Headline of the Week

The following item appeared in the *Shanghai Evening Post* of March 8, 1949 under the headline, "Anti-Spy Law Okayed By Congress:"

"Washington, Mar. 7.—(Reuter)—The United States House of Representatives passed overwhelmingly today a guarded, broadly worded bill to strengthen America's intelligence network abroad.....

"The bill is designed to give the Central Intelligence Agency permanent statutory authority to carry out its work..

"The agency, highly secret nerve center for America's intelligence operations around the world, would be allowed to hide its annual budget in expenditures of other government departments and be excused from publishing its payrolls and expenditures, as other departments are required to do.

"It would also be given authority, with the approval of the Attorney-General, to bring up to 100 aliens into the United States every year in return for information from them."

Anti-what law?

25 Years Ago in The China Weekly Review

Wine And Tobacco Tax

March 15, 1924.

The Bureau of Wine and Tobacco Tax in Hupeh has been reorganized. Under the present system, wealthy merchants are invited to manage affairs of the Bureau and to pay a contracted amount of revenue to the Government every year under the supervision of Government officials.

* * *

Trouble In Chengtu

The difficulties in the way of any elements in China making real headway toward peace and unification are perhaps well illustrated by the spectacle we have here in Chengtu at present. The Federal leaders have been in the city now for a little more than three days. Today, February 13, was declared a holiday in honor of the unification with Peking. The Confederate forces are apparently scattered and, for the time being at least, are no particular danger to the new regime. There is every evidence that many of the units formerly "loyal" to Hsiung Keh Wu are to be welcomed under the new commanders as true sons of China. Three of Hsiung Keh Wu's officers were met today within the space of one street, one in uniform, walking peacefully about as if they had been fully pardoned!

10 Years Ago In The China Weekly Review

US Marines In Shanghai

March 18, 1939.

In discussing a Senate debate on the Neutrality Bill scheduled to expire on May 1, 1939, mention was made in the *Review's* pages of a sharp debate in the Senate over the issue of withdrawing the US Marines from Shanghai and China generally. The recent incident in the American defense sector between Marines and a Japanese search party, reports of which were cabled to the American press, caused two senators to demand withdrawal of the Marines from Chinese soil. The two senators were J. Hamilton Lewis of Chicago and Robert R. Reynolds of North Carolina. Both declared that the presence of American forces in the war zones in China were a "threat to peace." They declared that "America's commercial stake in China was too small to warrant the presence of marines there." Senator David I. Walsh (who opposed the Guam fortifications) challenged that the withdrawal of the Marines "would violate international agreements and leave United States citizens and their interests undefended." Withdrawal of the Marines from China, Senator Walsh declared, "would be tantamount to withdrawing policeman from the streets of Washington and expecting that law and order would prevail as before."

Senator Reynolds declared that the whole of China "is not worth spilling the blood of a single son of any United States mother." He added that American investments only amounted to \$240,000,000 in China and the maintenance of troops to protect the investments "might lead to considerable embarrassment, trouble and possible embroilment."

The debate revealed that a considerable difference of opinion apparently prevails between the War and State Departments on the subject of maintaining the American forces in China. The War Department apparently wants all troops withdrawn, while the State Department insists that they be maintained to protect American nationals.

* * *

Germany Invades Czechoslovakia

German troops marched into Prague on Wednesday of this week to complete the liquidation of the Czecho-Slovak state created by the Treaty of Versailles. All Bohemia and Moravia are now under German military occupation. No resistance was forthcoming and reports from Berlin indicate that the Czech territories are to be incorporated into the Reich under some scheme of local autonomy. The Czech army has already been disarmed and is to be disbanded.

Changing Conditions In Amoy

Lin Chen-keng

OPPPOSITE Taiwan, on the South China coast, lies the city of Amoy. It is an island of 110.8 square miles, and it is said that because the island was originally a nest of herons, or because its geographical features look like a heron, it used to be known as Heron Island.

In the Sung dynasty, the island was part of Tungan hsien in Fukien province. It was not until the Ming dynasty that it became an independent township and a wall was built. The wall was named Amoy and from it the city derives its name.

In 1842, as the result of the so-called "Opium War," Amoy was made one of the five ports for foreign trade. Since then, it has gradually emerged from a barren island to a westernized city. Amoy now holds a place of national importance. It stands guard over the frontier of the South China coast. It holds the key to overseas communications. It serves as a transportation station to the interior of Fukien, and it is a good naval port and commercial town.

Fear Of War

But Amoy is still scarred from the war of resistance. In 1938, to facilitate military operations in South China and maintain communications between Japan, Taiwan and China, the Japanese took the city by storm, and in the years of occupation that followed, hundreds of Amoy's inhabitants were rendered homeless and destitute. It is easy to destroy, but difficult to build up. While the overseas Chinese in Fukien, the builders of modern Amoy, have been trying to undertake the difficult and heroic task of rebuilding the city, events in China have made conditions in Amoy so disheartening that hope and enthusiasm are vanishing under the fear of war.

In recent months, every south-bound China Merchants Steam Navigation Company liner has brought to Amoy officers, officials and wealthy refugees from Shanghai and other northern ports. They are like birds of passage. They can not stand the storm sweeping from the north and move southward in the hope of finding temporary quiet and a comfortable home on this temperate island. But to their surprise, they are finding that another furious current is whirling in Amoy. It is a torrent of hunger, confusion and struggle, and it may become more terrible and destructive than the storm they feared. For look, Peiping has changed hands through peaceful settlement; the storm was nothing but an illusion.

Amoy is a little island, not a rice-growing region, and it has few agricultural products. Before the war of resistance, rice and other foodstuffs were imported mostly from the South Seas and from Siam, Burma and Indo-China. With the outbreak of the war, the supply from the South Seas was cut off, and Amoy had to depend on shipments from Shanghai and Wuhu, as well as Taiwan and the Changchow area in southeastern Fukien.

Now, however, because of the chaotic military and political situation, Taiwan has placed restrictions on its rice exports, the Shanghai and Wuhu supplies have been cut off, and even the crops in the Changchow region are not promising. Amoy thus faces an acute shortage of food. This shortage, together with the hoarding of rice profiteers, has made rice prices exorbitant, and rice rules all other commodities. Even the public utilities—telephone, electricity, water supply, transportation, etc.—are charged according to rice units.

No less serious is the problem of housing. A great many buildings were ruined during the war and the ones that are left are not in good condition. Now that so many Government organizations have moved to Amoy, disputes about housing have arisen on all sides. There have been so many misunderstandings between officers and inhabitants, owners and tenants that the judicial authorities are bored of handling housing cases.

It is gratifying to note that after investigating the situation, the ECA plans to distribute rice in the city. Amoy has a population of 200,000 and needs 50,000 piculs of rice a month. It is learned that ECA may supply 20,000 piculs a month. This will materially help the food situation.

For more than three years, Amoy has had to supply subsidiary foodstuffs to the army, gendarmerie and

police stationed here. In addition, the soldiers are given free transportation, use of public utilities and theater entrance, a burden which the civilians must shoulder. Now many more troops are being transferred here. It is reported that the following groups already have arrived:

1) The Tsingtao Naval College (青島海軍學校) with 600 students and 800 teachers, officers and their families.

2) The Army Rear Service Headquarters 101st Supply Station (後方聯勤總部101供應站) with 18 officers and 20 soldiers.

3) The Army Service Headquarters 108th Radio Station (勤聯部總108無線電台) with 17 technical personnel and five officers.

4) The First Pacification Brigade First and Fourth Battalions (保安第一團一、四營) with 140 soldiers in Amoy and the rest in neighboring districts.

5) The Nanking Presidential Guard Brigade (南京總統警衛營兵團) with a spearhead of 400 in Amoy. Two battalions of the Brigade, which numbers 3,600 in all, will be stationed on Taiwan.

6) The Air Force Second Radar Squadron (空軍第二航空雷達隊) with 26 personnel.

7) The Air Force 424th Radio Station (空軍424無線電台) with 14 officers and 40 technical personnel.

Conscription Doubled

With regard to conscription, the whole town was shaken at the end of last year by the random arrests of able-bodied young men to make up the conscription lists. For several days the youth of the city did not dare go outside, and the protests were so numerous that the authorities had to stop. This year, the city government has been instructed to send twice as many conscripts as last year.

The visit of a representative of the American Consulate in Shanghai to Amoy last month aroused much speculation. It was reported that he discussed with the mayor of Amoy and the governor of Fukien the construction of a modern naval port-wharf in Amoy. According to reports, the port-wharf would be located in southeastern Amoy, and if it is approved by all concerned, work would begin around the middle of April.

With so many developments, the little island of Amoy is dizzy with the prospect of sweeping changes. They may be for the better or for the worse. Oh, people of Amoy, "Beareth all things, hopeth all things, endureth all things!"

"OF MICE AND MEN"—AN ITALIAN COMMENT



Marc Aurelio, Rome.

"In case of war, who would I follow?—That mouse!"

Japanese Philosophy And Politics

Joshua W. K. Liao

(This is the last of a series of three articles on the history of Japanese philosophy—Editor.)

The national trait of obedience now assumed the form of academic subservience and often killed creative genius in the bud—the more so because, by taking a short-cut in order to quickly turn out native leaders, every university, while allowing almost optional class attendance, placed scholarly research on a closely supervised apprenticeship basis. In consequence, the majority of university students would manage to pass the annual examinations but forget most of what they learned, while only a few could form a habit of intensive study and master the method of independent work. As to post-graduate students, each one was supposed to cling to the same professor for three to five years, during which period of time he would work like an apprentice and errand-boy. Expected to help the professor at work and report on his own work regularly, he could neither criticize his teacher and advisor nor deviate in his intellectual exploration from the beaten track of his predecessor. There was no final examination or debate; he merely submitted his dissertation to his supervisor for approval in order to receive the doctorate degree, which was thus conferred by the university in name but in fact by his supervising professor. The five-years of supervision and subservience stereotyped his mind and personality and his knowledge was so one-sided and specialized that it failed to appreciate most of the allied subjects. For such reasons, in proportion to the high percentage of literacy and the enormous number of university graduates and professional academicians, creative scholars in Japan have been few and far between.

Growth Of Nationalism

Just as every budding scholar worshipped his teacher, advisor, and predecessor, so did the Japanese people whole-heartedly admire the Germans. Having found German ideas and institutions nearest to theirs and therefore easiest to learn, they considered everything German the best. To become united and powerful, the Germans had waged and won three successive wars. So, then, must the Japanese also fight their neighbors successfully and successively. In 1895 they defeated China and in 1905 Russia. In 1914, the Government joined the Allies and fought Germany, but the people remained pro-German. Prince Ito was adored as the Japanese Bismarck; the Emperor Meiji, worshipped as the Japanese Kaiser William I.

After the victorious war against Russia, the Japanese became not only self-confident but also conscious of world affairs and prospects, and

this spurred academic interest in the idealism of Berkeley and Hume, Eucken and Bergson, as well as of Kant and Hegel. As nationalism, capitalism, and imperialism rose, interest in Hegel and Nietzsche, in Adam Smith and the Mills gradually gained academic orthodoxy.

On the whole, the philosophical interests of Tokyo Imperial University remained historical and critical, while those of Kyoto Imperial University were analytical and systematic. Founded in 1897, the latter began the publication of the *Philosophical Studies* (哲學研究) in 1916, whereafter neo-Kantianism in particular was introduced and expounded, and for years German thinkers like Rickert, Windelband, Husserl, Dilthey, and Simmel were favorite subjects of discussion.

Meanwhile, Rickert's pupil Sayuda Kiichiro (左右田喜一郎), while teaching in the Tokyo College of Commerce, expounded his system of culturalism and theory of value, revealing neo-Kantian influences. In Waseda University, Professor Kaneko Umaharu (金子馬治), and in Tokyo Imperial University, Professor Kuwaki Genyoku, too, developed similar trends of culturalism.

During the First World War the focus of interest turned from neo-Kantian to neo-Hegelian idealism. With the latter as his starting point, Professor Nishida Kitaro (西田幾太郎) built up his system of thought in innumerable volumes—e.g., *Studies in Good* (1911), *Thinking and Experiencing* (1915), *Intuition and Reflection in Self-Consciousness* (1917), *The Philosophy of New Idealism in the Present Age* (1917), *Problems of Consciousness* (1900), *Art and Morals* (1923), etc. According to him, at the bottom of self-consciousness lies pure experience exhibiting the absolute free will, and self-consciousness is the synthesizing process of such antinomies as rationality and irrationality, being and non-being, affirmation and negation, etc. He conceived of "non-being" (無) in terms of "inability to be a predicate of a true being." Thus, anything that cannot predicate anything else cannot be in existence. This novel idea, developed in detail in his recent work *From Workers to Seers* (1927), is peculiar to his thought and shows such originality that the German philosopher, Rickert, spoke highly of him as the leading Japanese philosopher of the day. In him appeared the first Japanese thinker of initiative after half-a-century of introduction of Occidental academic philosophy.

The Leftist Movement

As in 19th century Germany, so in 20th century Japan Hegelian split into rightist and leftist fac-

tions. In 1895 appeared Tsuta Sanemichi's (津田真道) *Materialism* in Japanese. In 1901 the Social Democratic Party was formed by Abe Isoo (阿部磯雄), Katayama Sen (片山潛), and Kotoku Akimizu (幸得秋水) and was dissolved by order on the same day. Kotoku published his *Gist of Socialism* in 1903, became an anarchist and atheist, and was found guilty of high treason in 1910 and sentenced to death.

In 1907, Katayama founded the Commoners' Association and in 1911 organized the Socialist Party. Following the Russian Bolshevik Revolution, he openly avowed communism and in 1920 promoted the publication of the periodical *Socialism* and in 1921 the rise of proletariat literature in Japan. The Japanese Communist Party was first organized in 1920, reorganized in 1926 and its influence spread rapidly. When another communist leader, together with wife and nephew, Ohsugi Sakae (木杉栄), was assassinated by a young officer in 1923, Katayama managed to escape to Russia, where he lived in exile as a Central Executive Member of the Third International until his death in the nineteen thirties.

Heterodox Thinkers

Inside the academic circle, while rightist thinkers were registered as orthodox, leftist elements were always ostracized as heterodox. Unlike the former, who confined themselves to the classrooms, the "bad boys" always looked to the marketplace to keep abreast with the tide of world affairs. Abe, for instance, remained a socialist professor in Waseda but published his famous *The Age of Socialism* in 1924 and organized the Socialist Mass Party when universal suffrage was inaugurated in 1926. As Party President he was well liked but was often maltreated by agents of the Military following the outbreak of the Mukden Incident in 1931.

Abe's younger colleague in Waseda, by the name of Sano Marabu (佐野學), who published his *Prospects of the Historical Process* in 1928, has been a staunch ideological spokesman of the leftist movement in Japan. Yet, so far the most prolific author and professor has been Kawau Hajimu (河上肇) of Kyoto Imperial University, author of such widely read books as *The Fundamental Conception of Economics* (1910), *Studies in the Materialist View of History* (1921), and *The Basic Theory of Marxian Economics* (1929). Thanks to his literary efforts, Marxism spread far and wide, reaching its climax of popularity in 1926, when the liberal Minseitō (民政黨) was in power. In 1927, the *Japanese Workers and Farmers' Daily* was

founded and the complete works of Marx and Engels appeared in Japanese.

Following the general round-up of Communist Party members on March 15, 1928 by the reactionary Seiyukai (政友會) cabinet under the war-lord Premier Tanaka (田中義一), a number of leftist authors and thinkers, including Kawaue and Sano, were arrested, questioned, and detained for harboring dangerous thoughts in the hope that they would change their minds while sitting in jail. Some of them died "mysteriously" inside jail while others remained there till the end of the Second World War.

Since then, the Japanese leftists have separated into the Socialist and Communist Parties. Yet, in the Japanese translation of Mao Tsé-tung's *New Democracy*, both have found their New Testament, distributing free copies like noon extras. When the first Socialist Cabinet appeared on the stage in 1947 under Premier Katayama Tetsu (片山哲), it showed considerable resemblance to the British Labor Party. In the recent election, however, the Communists seem to have gained at the expense of the Socialists. And their basic difference seems to lie between nationalism, monarchism, and moderation on the one side and internationalism, republicanism, and extremism on the other. The Communists alone have dared to demand and have been agitating for the earliest deposition of the *Mikado*—the seed and root of Japanese imperialism, militarism, and capitalism.

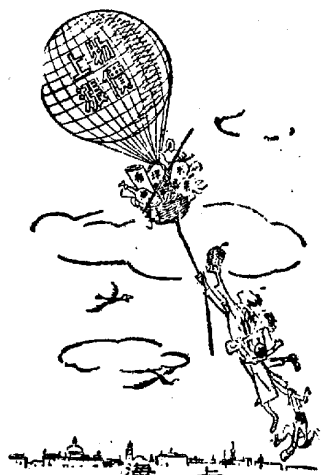
Nipponism And World-Conquest

The year 1931, when Japanese philosophers celebrated the 100th anniversary of Hegel's death, marked both the merging of German absolutism with Japanese spiritualism and the resurgence of totalitarianism in Japanese politics. Between the horns of Kato's dilemma, the pendulum once again swung back to military dictatorship. During the ascendancy of the liberals the fighting caste, though pushed to back seats, had to keep calm in view of the repeated diplomatic successes and victorious foreign wars under liberal leadership. But it was biding its time to launch a comeback. The struggle was to be waged between the sword and the pen.

Strangely enough, almost the entire era of seven decades (1867-1937) was lived out by two opposing patriarchs—Prince Saionji and Toyama Mitsuru (頭山滿). Unlike Saionji, who stayed in the limelight all his life, Toyama preferred to move the strings behind the scenes while keeping a flock of young die-hards around him. He wanted the quickest mastery of Western technology, importation of foreign machines, and utilization of foreign weapons all for accomplishing expansionism and militarism. Aside from these developments of the west, he hated anything of foreign origin. To him, any further Westernization was national betrayal and Shintoism and Bushido should be revived as bul-

warks against foreign influence. So in the wars against China and Russia he gladly inspired Japanese boys to march to the fronts. When the Treaty of Portsmouth, concluded between Japan and Russia through Theodore Roosevelt's mediation, was found to grant Japan no reparations except the southern half of Sakhalin and the South Manchurian Railway, a growing number of Japanese patriots became so indignant that demonstrations of discontent were staged in Tokyo and Yokohama. The envoy Komura (小村壽太郎) upon his return had a narrow escape. Japan should at least have received the North Manchurian Railway and extended her sphere of influence as far as the Amur River, they insisted. Malcontents, naming themselves after the river called Kokurynko (黑龍江) meaning the Black Dragon River, secretly formed the Black Dragon Society with Toyama as their patriarch and leading spirit. Advocating northward expansion on the Asiatic Continent, they promoted the continental policy and prepared for another war against Russia.

GONE WITH THE WIND



This cartoon, from the *Shun Pao*, shows the skyrocketing of commodity prices.

隨「風」而去

• 畫少弄繪 •

Assassinations

At the end of the First World War, when communist propaganda and infiltration were gaining influence, the Japanese super-patriots became anti-Communist as well as anti-Russian. Denouncing what they called racial discrimination in the Versailles Peace Conference in 1919, naval discrimination in the Washington Conference in 1921, and the United States Immigration Law of 1924, they began to harbor anti-Anglo-American sentiments, too. During the first decade after the War, though liberal elements were still holding sway, the super-patriots, backed by the Military, waged sporadic war against both liberals and leftists through public demonstrations and private assassinations. Thus, Premier Hara Kci (原敬) fell a victim to the dagger of a young die-hard in 1921; Ohsugi Sakae was murdered in 1923; and

unarmed Koreans were massacred after the earthquake of 1923. Likewise, right after the London Naval Disarmament Conference in 1930, which had appeared distasteful to Japanese expansionists, Premier Hamaguchi received a mortal wound from an assassin from which he died the next year. In the same year, 1930, Kihira's (紀平正美) *Japanese Spirit* (日本精神) appeared.

As Hegel had considered history the "embodiment of spirit in the form of events" and the world-spirit to be revealed in world-history, authors on the Japanese Spirit now came to hold and prove that the Divine Will, as first outlined by the Sun Goddess, had been fulfilled through the life of the Yamato race in its four phases—the Way of the Gods, the Yamato Tamashii, the Way of the Warrior, and finally the Japanese Spirit. In response to Spengler's *Decline of the West*, which challenges Hegel's teleological philosophy of history, academic philosophers like Tanabe after 1930 redoubled their efforts to study Hegel's dialectic and philosophy of history. Thereafter appeared a number of writings on Japanese thought, political ideas, and historical philosophy by Watsui Tetsuro (和辻哲郎), Miki Kiyoshi (三木清), Takahashi Satomi (高橋里美), etc.

The Imperial Way

With the culmination of the worldwide post-war economic depression in 1930 and international politics losing its balance of power, and with the Chinese Nationalists occupying China Proper, trying to persuade Chang Hsueh-liang of Manchuria to submit, Japanese supremacy was challenged. The Japanese Military, unable to wait longer, finally struck by creating the Mukden Incident in September, 1931. Because world opinion, as evidenced through the League of Nations, was turning against Japan, the then Foreign Minister Shidehara (幣原) of the Wakatsuki (若槻) Cabinet, whose liberal diplomacy had been praised abroad, attempted to halt the Japanese advance into the Great Wall and patch up the situation peacefully by speaking to the *Mikado* personally, but he was manhandled by the Army Minister Araki Sadao (荒木貞夫). In the Diet Araki proudly said: "Who dares oppose our arms when we are prosecuting our holy mission on the Asiatic Continent? We declare to the world that we are a militaristic nation in the cause of Kodo (皇道 the Imperial Way). Let all of us show the spirit of Japan before the rest of the world...." Thereafter the cabinet split and resigned en bloc.

Meanwhile, Araki published his notorious *Addresses to the Japanese Nation* aiming thereby to hammer new ideas of expansionism, militarism, and racialism into the mind of every Japanese.

In fact, every Japanese while a school child had already read about Napoleon and Genghis Khan. The latter conqueror one Japanese author even identified as Minamoto

Yoshitsune (源義經), a younger brother of Yoritomo, and this story was believed by many Japanese. The change of the famous novelist Kikuchi Kan (菊池寛) into a pro-military writer startled nobody, but the transformation of Niitobe (新渡戸) from a liberal into a jingoist justifying Japanese militarism and expansionism both at Geneva, Switzerland in 1931 and at Banff, Canada in 1932 surprised the world and disappointed his Christian friends. On the other hand, Professor Minobe (美濃部), whose organic theory of the emperor was singled out for attack by super-patriots, resigned honorably from the Peerage in 1932; and Professor Takigawa (滝川) of Kyoto Imperial University College of Jurisprudence, whose liberal interpretation of the Constitution was disapproved by the then Education Minister Hatoyama (鳩山), retired gracefully into private life in 1933.

At the end of 1931, a Seiyukai cabinet under Inukai (犬養毅) appeared. Also unable to satiate the Military's territorial hunger, Inukai died in his official residence at the hands of young officers in May, 1932. In 1933, Japan withdrew from the League of Nations; in 1934 she abrogated the Nine Powers' Pact. In 1935, Japanese warriors penetrated into the Peking and Tientsin area. For the Military, the move was neither fast nor smooth enough because "pro-foreign" elements had been the constant drawback. Some of the young officers decided on a coup to purge the whole Government of "traitors" and "self-seekers." So on February 26, 1936, ex-Premier Saito (齋藤實内) and Takahashi (高橋是吉) and several other top-ranking statesmen were murdered. The next cabinet fell to the then Foreign Minister Hirota (廣田弘毅), a Black Dragon Society member, who became the man of the hour acceptable both to the *Mikado* and the Military.

United Front

After the outbreak of the China Incident in July, 1937, totalitarianism rose at the expense of parliamentarianism with all parties whipped into a united front. After the fall of France and the rise of German prestige in 1940, most Japanese politicians were urged to form the Imperial Rule Aid Association with a view to launching a one-party system. From then on ensued a dictatorship with no dictator; for nobody dared to act absolutely freely under the sacred shadow of the *Mikado*.

With the Tripartite Alliance, the fusion of Japanese militarism with German and Italian jingoism reached its crowning phase. When converging on Moscow in December, 1941, Japan's European allies wanted her to sandwich the Russians in Siberia. Instead, the Japanese Military, thinking southward expansion much easier and more profitable than any northward move, struck at Pearl Harbor and marched southward. Within four years came the Co-Prosperity Sphere in

Greater East Asia—the largest *Lebensraum* ever attained by the Children of the Sun Goddess—appeared and disappeared like a dream. Nevertheless, at the Pan-East-Asia International Conference held in Tokyo in 1944, the War Premier Tojo Hideki (東條英機) harangued the delegates from the puppet governments of the various occupied countries by re-affirming: "Whereas the Occident talks about the Human Way and China about the Heavenly Way, the Imperial Way of Japan is the Divine Way handed down from time immemorial through the Emperors. The Japanese people are Children of the Gods; their Emperors are literal heirs of the Sun Goddess Amaterasu. Descended from a divine origin the race is entitled to world leadership. To accomplish their divine mission, the Japanese must establish the Co-Prosperity Sphere in Greater East Asia first and finally all over the world. Therefore, all friendly nations must follow Japan and go the way of the Imperial Forces (*Kogun* 皇軍)...."

New Liberalism?

As the tide of the Second World War turned against the Axis, Japanese liberals in hibernation gradually raised their heads. As Saipan and Okinawa fell, the voice for peace became more and more audible. Still, the Potsdam Declaration was not taken so seriously as the atomic bomb. On midnight of August 9, 1945, in the presence of the *Mikado*, the last emergency conference was held attended by the Premier, Foreign Minister, Army Minister, Navy Minister, Chief of Staff, and Chief Commander. After a heated debate of several hours, these policy-makers split evenly: The Premier, Foreign Minister, and Navy Minister wanted peace-talks; the other three, more war. Liberalism and pacifism having thus regained enough strength to match the forces of despotism and militarism, the *Mikado*, when asked to choose, tipped the balance by joining the peace faction. Die-hards attempted to destroy the report on the final decision on its way to the press, but with no success.

Following the surrender ceremony aboard the *Missouri*, a new era of liberalism began. Soon the Japanese Constitution was amended to the satisfaction of the SCAP: the political parties were dissolved and re-organized; women were granted suffrage; financial magnates were liquidated; the educational system was reformed; and textbooks were revised for democratic indoctrination. The country, disarmed and occupied, the people, awakened once again to the realities of world affairs and the deceptions of their former warrior leaders, have changed. Persuaded by their enlightened leaders that their greatness could be demonstrated through defeat more than through victory, they now bow to their conquerors and want to learn from them. Unable to send millions of students abroad to study, they have made

the most of the presence of occupation forces, regarding every GI as an instructor and philanthropist as well as a conqueror and supervisor. When subjugated, the Japanese can act more subservient than any other people. The victorious Occident once again finds the Japanese very teachable. Moreover, by demonstrating their habits of industry and frugality, they have appealed honestly and earnestly to the Americans for aid and sympathy. In view of their ability and determination to achieve reconstruction and rehabilitation, America considers them worth helping and has been extending aid to them.

In their heart of hearts the Japanese are longing and planning for a comeback and another showdown. Their thinking is in terms of centuries rather than decades. Despite the growth of Communist influence, they openly utter anti-Russian sentiments, resenting the stab in their back in reply to their request for mediation. When a referendum was held to decide between monarchism and republicanism, the overwhelming majority voted for the *Mikado*—the center and basis of their unity and enthusiasm, paving the route and goal of their national resurrection. During the trial of war criminals, a number of their witnesses received telephone warnings from anonymous callers. By pretending to help the occupation forces maintain peace and order, they have asked for the right to re-arm, partially but gradually. When evacuating Formosa, they regretfully but vehemently said, "*Sayonara, junengo ni mata aimasho* (Good-bye, see you again in ten years!)"

Want Comeback

To be sure, mere occupation and re-education for 10 or 20 years cannot possibly make a democratic and peace-loving nation out of a Fascist, war-like people who have for two millennia imbibed the philosophy of expansionism and militarism. Yet neither permanent occupation nor mass-migration abroad for transformation is possible. Meanwhile, the Third World War might break out, a development which the Japanese would welcome at the earliest moment as a means of giving them the opportunity to strike back.

When hitting back, they will hit harder. And the worst victims in the Japanese comeback will again be the Chinese and the Koreans. Ironically enough, the minute the Japanese laid down their arms, the Chinese Nationalists and Communists picked up Japanese arms and resumed their decade-long fratricidal war. American aid to Japan has been resented, though the Nationalists and Southern Koreans have themselves sought further American aid. Why do they not stop fighting among themselves first, set about reconstruction and rehabilitation, and then ask for further aid? As it is impossible to change overnight the national philosophy and race-psychology of Japan, all Chinese and their allies must guard against Japan's military comeback.

A Chinese View Of American Aid

C. Y. W. Meng

THE present US\$400,000,000 program of American military and economic aid to China will expire on April 3 of this year. Mr. Roger D. Lapham, chief of the ECA China mission, now is reported to have proposed a new US\$240,000,000 aid program for "Nationalist" China.

Unlike the UNRRA program which, by agreement, was supposed to apply to the entire country, the proposed new American aid would be used only in that part of China which is still under Kuomintang rule. The present American mentality can perhaps be illustrated by an editorial in the *New York World Telegram* which said that "if what remains of Nationalist China is to be saved from Communist occupation, money must be advanced to finance armed resistance."

At the time when Mr. Lapham was reported to have suggested a new China aid program to the US Congress, some recent issues of a few leading American magazines reached me, and I read their contents with great interest. Some of the most interesting articles were Demaree Bess' "Does ERP Mean War or Peace?" in the January 29th issue of the *Saturday Evening Post*; "Why US Is Failing in Asia," in the January 28 issue of *US News & World Report*; Isabel Cary Lundberg's "World Revolution—American Plan," in the December issue of *Harper's*; and Elmer Davis' "What Are Wars For?" in the January issue of *Harper's*.

All these articles by American writers have added strongly to my personal conviction that no new American aid, economic and/or military, should be given to China pending the conclusion of the present peace negotiations between the Kuomintang and the Communists.

Changes In ERP Program

In discussing the ERP, Demaree Bess observed: ". . . the present status of our great European Recovery Program seems to demand a more coldly critical attitude, because new factors now are threatening to alter the course and objectives originally assigned to it. . . . These changes have crept into the program almost imperceptibly. . . . The immediate effect was to divide Europe into two distinct camps. . . . Marshall Plan countries will be transformed into a grand alliance against Russia, and the ERP will become an economic subsidiary to a military alliance. . . . The proclaimed purpose of the recovery program would thus be completely altered."

Consequently, Bess continued, the British have hinted that the "Americans are going too fast," and in Europe as a whole, instead of overwhelming gratitude, "there seems to be a growing tendency. . . to feel that the original enthusiasm

may evaporate if our program falls under military domination."

I believe this same feeling is shared in China. Being a poor man myself, I, too, depend on the rationed rice from ECA to help feed my family. On the back of my rice coupon there is a little ECA statement to the effect that "Part of this rationed rice for the people in the Shanghai Municipality comes from the American Government, which has used its dollars to buy rice from Siam and from the United States and which has shipped the rice to Shanghai to assist us in keeping our people fed. Proceeds from the sale are being handed over in entirety to the Chinese Government, and no part of them is returned to the American Government. A large portion of these proceeds is again used to buy the ECA rice for us." The second part of this statement reads: "Beginning from July 1 to the end of December, 1948, the Shanghai Municipality has received a total of 1,500,000 piculs of the ECA rice."

In addition to this statement on the back of each rice coupon, there is a poster displayed at every rice shop where the rationed rice is sold, bearing the Chinese and American flags and carrying the same statement. A picture of Mr. Roger D. Lapham is displayed next to this poster. So far as publicity is concerned, this seems to be adequate, but the results are quite different.

Why Opposition?

I often have read this ECA statement and have showed it to many people. When we discuss the aid problem, they say such things as, "too inadequate," or "too many political strings," or "to prolong our civil war." There are very few expressions of gratitude from the eaters of ECA rice. Why?

Mr. Lapham's proposal for new aid to "Nationalist" China was greeted with a quick and unanimous "unwanted" by Chinese professors, editors, liberals, peace-sponsors, and even by some legislators. Why?

So far as I can see, this "why," both in Europe and in China, should provide food for thought for President Truman, Mr. Paul G. Hoffman, Mr. Lapham and the framers of American policy in the State Department, and should cause them to undertake an overall reconsideration of the whole ECA program.

Having been in China first under the UNRRA, then the China Relief Mission, and now the ECA program, I may be permitted to give some of the reasons why, although I am taking this rice, it is not with wholehearted approval.

First, the injection of military overtones into a program which was supposed to be purely economic is most unfortunate and has done a great deal of harm to the ERP in Europe and the ECA in China. As

pointed out sharply by Demaree Bess, "it was our 80th Congress, under various kinds of pressures, which compelled ERP's American administering agency, the ECA, to absorb the military commitments which the United States Government, under the Truman Doctrine, already had made in Greece and Turkey."

Although, Bess declares, "the Truman Doctrine and the European Recovery Program are two distinct projects, the one predominately military and the other predominantly economic. . . . American military chiefs are inclined to regard the ERP as part of their own strategy for rearming the western world. . . ."

AAG Unpopularity

There certainly seems to be much truth in this conclusion. In China, I have witnessed the operation of the ECA program side by side with another program, the AAG (American Advisory Group) program to train the Chinese army and navy in the civil war against the Communists. The AAG has never been popular among the Chinese. And its unpopularity has almost nullified the good effects of the ECA.

My second point is that most Chinese with whom I have discussed the subject have expressed regret that the ECA program was not accompanied by an "inspirational and constructive world leadership" and instead has been almost crippled by the "excessive" American fear of totalitarianism and mass red hysteria.

The United States has long been exporting revolution, and her traditional sympathy is supposed to be with colonial revolt. Theoretically, then, Uncle Sam should give his full support to peaceful movements for political and social change both in Europe and other parts of the world. Many of the uprisings, such as that in Bogota last year, the recent revolutions in Siam and Paraguay, and the already long-drawn-out fight for independence in Indonesia and Indo-China, are in large part drawn from the American example. In every one of these countries there has been oppression by tyrants and no freedom for the people. The population has been underprivileged, uneducated and primarily concerned with the basic necessities of life.

But to many Chinese it appears that Uncle Sam, because of the mass red hysteria, has not thought of the situation in these terms and has never claimed his relationship to it. America has overlooked the important fact that, while there may be some Communists behind all this unrest, of infinite more significance is the poverty, hunger and neglect of the masses in these countries.

Another thing which has alarmed many people in China is America's

policy of counteracting communism at any cost, even if it means an alliance with the former enemy, with extreme rightists and with reactionary ruling classes and corrupt regimes. The premature building up of Japan ahead of other countries has taken a heavy toll in Asiatic good will.

The latest proposed American aid to China is simply another evidence of Uncle Sam's "mental bankruptcy."

Look at China today. For the past 20 years, the country has been under a one-party rule. There has been no democracy, only a "personal government" made up of shifting cliques based largely on personal loyalties. There is no freedom of speech, press or association. The nation is dotted with concentration camps packed with political prisoners, the exact location of which are known only to the special service men. What is most ridiculous of all is that, while hundreds of puppet officials, drug traffickers and ordinary criminals charged with manslaughter, theft, etc., as well as officials convicted of corruption and embezzlement, have been set free, the real political prisoners are still in jail.

While every big city in China is filled with wealthy people, it is also crowded with human misery. The sick, aged, starving, crippled and homeless refugees wander about the streets begging for food and money. At night they sleep in the streets or in the doorways of buildings.

Therefore, I share the conclusion Professor John King Fairbank makes in his book "The United States and China," when he says: "Given the historic background, China was bound to experience shattering revolutionary movements in the first half of the 20th century, with or without the aid of Marxism and the Comintern."

Will US Support Change?

The United States should think carefully whether it wants to welcome and support a peaceful movement for political and social change in China, or whether it is going to permit its mass red hysteria to make it support the reactionary and ruling cliques simply because they scream the loudest against the communists.

In my opinion, the success of the ERP programs depend upon American willingness to support certain principles: Political freedom, economic equality and social security for all peoples, irrespective of race or creed. That is where American aid should go and where the dollar should be invested.

Therefore, America should not think of us as a group of ungrateful people or as communist fellow-travelers. Beneath our "Leave China Alone" appeal there are a good many reasons we have arrived at after a careful study of the situation in China and other parts of the world. While the ERP requires a "one-world" concept, any aid to China must be based on the idea of a changing China, a progressive China and a new China.

The Week's Business

DURING the first five days of the past seven days under review, the Shanghai market ruled steady for many reasons, among them:

1) The Central Bank's sale of gold bars in the open market. On March 7, when the sale started, the gold was sold to gold and silvermith shops at GY228,000 per ounce. It was then extended to the general public and the quotations were raised daily. By March 16, the official selling price was as high as GY75,000 per ounce.

The sale of gold recalled large sums of Shanghai's idle funds and, as a result, the money market became rather tight. As a matter of fact, with the prevailing high interest rate, operators could make little money in the buying and selling of gold, as profits were hardly sufficient to pay interest on the money invested in gold purchases.

2) The decision of the authorities to reopen the gold and silver exchange. The general public was given to understand that hundreds of thousands of silver dollars have been minted by the Central Mint and will be unloaded on the exchange as soon as it reopens. Meanwhile, it is believed that the authorities will dump gold on the gold and silver exchange immediately after its reopening in order to prevent any drastic rise in prices.

Faced with such problems, operators were reluctant to engage in many activities and, as a result, the market ruled steady in general.

3) The announcement of the cost of living index on March 15. It was believed that the cost of living index would be around 1,500 times, and businessmen therefore tried to keep sufficient funds in the banks to pay their workers and staff.

It is easy to understand why both management and the staff members hurried to buy gold, silver and US dollar notes, as well as commodities, when the cost of living index was announced at 1339. This explained the sudden jump of quotations on and after the afternoon of March 15.

During the period from March 9 to 16, the price of gold increased from GY210,000 to GY419,000 per ounce, while the US dollar note advanced from GY6,150 to GY8,350.

While there was a tendency to sell gold and buy commodities and to sell stocks and shares and buy gold during the past few weeks, there are now signs that many operators are shifting their attention once again to gold and US dollars because of the disturbing news of the concentration of large numbers of Communist troops along the northern bank of the Yangtze River and the rumored crossing of the river by small groups of Communists. Furthermore, the political situation in Nanking, following the resignation of Sun Fo, once again created a feeling of pessimism.

The price of silver dollars is greatly overvalued at the present time because of increasing demand for silver dollars on the part of the general public, especially ordinary workers and office clerks. Having no confidence in the Gold Yuan, they convert their wages and salaries immediately to silver dollars and then sell the dollars one by one as they need cash. Silver is preferred because silver dollars are cheaper than US dollars or gold, and members of the Yellow Ox Gang, who have conspicuous control of the silver dollar market, are therefore, enjoying a flourishing business.

During the past few days, there has been a very serious shortage of cash. Although GY1,000 denomination notes have been issued, very small sums have been available for Shanghai as most of the notes have been sent to outports. Meanwhile, because of the demand for notes in order to pay wages and salaries, premiums as high as 10 percent are paid for cash in the market.

Although the Central Bank authorities are reluctant to issue as many GY1,000 notes as are required, it is feared that, in the near future, Gold Yuan notes in denominations of GY10,000 will have to be issued, for as prices continue to increase, more and more cash notes will be required for business transactions.

At week's end, the money market turned comparatively easy, thus removing another check upon prices which began to climb rapidly. However, it was reported that the easy money situation was resulting in an increase in local bank deposits which were estimated to have reached the GY1,000,000,000 figure. A single grain of rice, according to newspaper reports from Hankow, was valued at GY1.80 in that city, thus illustrating graphically the decline in value of the Gold Yuan and emphasizing the need for larger denomination notes.

The tightness of money at the mid-week period could be seen from the interest market, where, it was said, GY10,000 loaned out with the interest compounded daily could be run up to GY174,496.45 in 30 days, an increase of 17 times.

The rapidly-mounting inflation has also increased the sum (in terms of GY notes) which the Shanghai tax collecting bureaus expect to obtain this month. One estimate predicted that Commodity Taxes in Shanghai during March will total more than GY5,000,000,000.

The following table gives a comparison of quotations on March 9 and March 16:

	Mar. 9	Mar. 16
	GY	GY
Gold	310,000	419,000
US Dollar	6,150	8,350
Clearance Certificate	4,710	6,870
Silver Dollar	4,250	6,200
20's Yarn	1,080,000	1,375,000
Rice	29,500	43,500
Wing On Textile	5.38	6.41

NEWS OF THE WEEK

Gen. Ho Ying-chin New Premier; Will Push Army Reorganization

THE appointment of a top-flight army leader, General Ho Ying-chin, as President of the Executive Yuan in succession to Sun Fo has aroused considerable speculation about the future plans of the Nationalists. Some seem to think that Ho's acceptance of the premiership has strengthened the Nationalists' position in negotiating with the Chinese Communists. AP correspondent James D. White held: "In securing General Ho's services as premier, Acting President Li Tsung-jen has got himself in a better position to speak for Nationalist China. At the same time, he has gained influence among military circles (partly through General Ho) and therefore political stature. This automatically increases his bargaining power at the peace conference table and the Communists may find him much less easy to deal with than he may have appeared at first."

Others are of the view that Ho's new appointment is part of the plan of the conservatives to prevent Acting President Li Tsung-jen from "selling out" to the Communists. It was rumored that Ho was chosen by Generalissimo Chiang Kai-shek from a list of four names submitted to him by Acting President Li Tsung-jen, the other three being General Chang Chun, General Chang Chih-chung and Shao Li-tze. It is significant to note that, immediately after the announcement of General Ho's new job, the Kuomintang-controlled press launched a vigorous campaign, pointing out that, in order to be able to cope with the present crisis, General Ho Ying-chin's new cabinet must be a truly responsible cabinet with complete freedom to make decisions and take actions in accordance with the provisions of the Constitution. Several papers advised the acting president and the Legislative Yuan to refrain from interfering in the selection of cabinet officers by the new premier.

Peace Or War?

GENERAL Ho Ying-chin's assumption of the premiership at the present time, according to well-informed sources, serves a double purpose. If peace with the Chinese Communists is possible, the new premier, in his two-fold capacity as a trusted subordinate of President Chiang Kai-shek and a close friend of Acting President Li Tsung-jen, is in a better position than any one else to secure the kind of peace that will be found acceptable by the conservatives and army generals, as well as by other factions of the Nationalists. In addition, he is better

qualified to iron out any differences between the diehards and the liberal elements inside the Kuomintang.

If peace with the Communists is impossible and war is to be resumed, the new premier, who has a widely-respected seniority in Nationalist military circles, second in position only to Generalissimo Chiang Kai-shek, is the best fitted to conduct the war. This is the reason why both responsible Government leaders and the Government-controlled press joined in playing up the reorganization of the Nationalist armies as one of the most important tasks confronting the new cabinet. It was stressed that the army reorganization is just as important as peace negotiations.

In the words of a competent observer, General Ho Ying-chin's new cabinet is one that is killing two birds with one stone. General Tang En-po, garrison commander for the Nanking-Shanghai-Hangchow area, told a press conference in Shanghai that it is the fixed policy of the Government to make war preparations in order to fight for peace. Therefore, the new premier, as a distinguished military leader, is expected to play an important part in the Government's militant peace preparations.

Political Reform

IN addition to peace negotiations and army reorganization, the new cabinet is expected to make a stab at instituting political reforms. The Legislative Yuan has already draft-

ed a blue-print for reform and General Ho also is reported to have reiterated his dogged determination to do something in this respect.

There has been much talk of late about streamlining the Government machinery by closing down some of the overlapping and superfluous Government agencies. It is said that seven ministries will be abolished so that administrative efficiency may be improved.

The Chinese press claimed to have learned on good authority that the new cabinet is going to adopt Socialist measures on the British pattern. But when asked by newspaper correspondents for further clarification, General Ho replied that he had not yet given any serious thought to this matter.

The past two years have witnessed much similar talk about political reform. It remains to be seen whether anything concrete will come of it this time. Commenting on the prospects, the *United Press* wrote March 14 from Nanking:

"The Chinese Government appeared to be trying to supplement the cabinet change with another effort to clean up its own house and begin a new era in Chinese politics. . . Experienced observers, however, are viewing the current housecleaning move with reserve because attempts at drastic reforms have been discussed and made before, but without concrete results due to conflicting interests inside the Government."

No Future

POLITICALLY speaking, Sun Fo, after losing his job as president of the Executive Yuan, is down but not yet out. He is expected to return to Canton for a brief rest.

THE NEW PREMIER—A CHINESE VIEW



This cartoon, from the *Shun Pao*, shows Sun Fo leaving Nanking and Acting President Li Tsung-jen welcoming General Ho Ying-chin, the new premier, and Huang Hsao-hsiung to the capital. Across the Yangtze river are Communist guns.

Although the conservative elements in Canton have sustained a terrible defeat as the result of Sun Fo's resignation, they have not given up their fight. A so-called "safeguarding the constitution" movement has been initiated in Canton by a group of Government officials, legislators and National Assembly delegates. Whether Sun Fo's return to Canton will give fresh impetus to this movement remains to be seen. It is reported in the Chinese press that Sun will confer with Generalissimo Chiang Kai-shek at Chikow before flying to Canton. Sun Fo, in an exclusive interview with the *United Press*, predicted that the new government to be formed by General Ho Ying-chin would meet "even worse diffi-

culties" than the administration he led. A *Reuter* story dated March 9 from Nanking added further light on this point. "Evidence that Kuomintang conservatives contemplated breaking away from Nanking was reported to be accumulating," the story said. "Conservative reaction to the ousting of Sun Fo, who stood for honorable peace, is that the new streamlined peace cabinet may accept the surrender terms at the projected peace negotiations with the Communists. A showdown, perhaps leading to a breakaway movement of the Canton rump government, is expected by some observers to come when the negotiations start."

The *Associated Press* could find no future for such a movement, should

it materialize, saying: "Neither Sun nor any of his supporters have an army, which makes the chances of a successful fight against the Communists nil. The fighting war is over, foreign military men state flatly. They point out that even within Kwangtung province the Government has been barely able to hold its own against the Reds. In some areas southeast and on Hainan Island off the Kwangtung coast, Reds are effectively in control. Of the military units in Canton, many are just on paper and most are far under strength. If any stand is to be made in this area, the military say, it must be made by troops now in the north. These troops include about 225,000 under General Tang En-po in the Nanking-Shanghai area.

"Pai Chung-hsi reportedly sides with Li Tsung-jen in favor of a fight along the Yangtze River line. The future disposition of Tang's troops is not certain, but Tang is a Chiang Kai-shek man and Chiang is reported to be plugging for a southern stand.

One thing at least is certain, strategists say. If the Communists thrust southward, the entire Nationalist front will fall back toward the south and southwestern provinces. The mountainous terrain to the southeast along the Fukien coast precludes any movement in that direction. But under the best conditions it would be six months before the Communists could hope to reach Kwangtung," they add.

CONFECTIONERY

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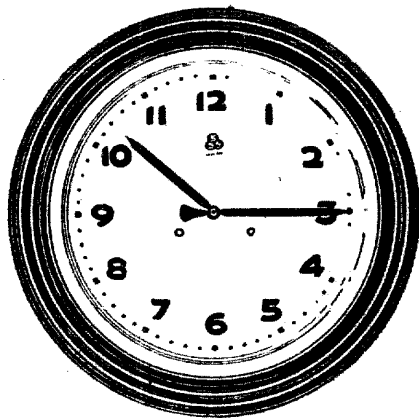
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US Aid

A GROUP of 50 US senators back a proposal sponsored by Senator Pat McCarran to grant US\$1,500,000,000 in new United States military and economic aid to Nationalist China. McCarran indicated he would demand a showdown on the issue before Congress acts on the US\$2,000,000,000 arms for Europe program now being blue-printed to back up the North Atlantic security pact. The Senate Foreign Relations Committee asked Secretary of State Dean Acheson to spell out his ideas on stopping Communism in China before seeking American arms shipments to bolster Europe against the threat of Communist aggression.

It was noted that Acheson had already informed a group of House Republicans interested in aid to China that the situation in China's civil war was far too "fluid" to permit definitive American policy. He advocated a wait and see approach. But with the arms for Europe program scheduled to reach Congress soon, McCarran and his supporters feel they are in a position to demand and get a positive China program.

It is understood that the State Department is preparing a report which will probably indicate America's future policy toward China.

In Nanking, a proposal sponsored by a large group of legislators to refuse American aid has been dropped under Government pressure. It was stressed that such a resolution, if adopted, would seriously affect the prospects for any American aid to this country.

The Review's English Lesson—LXXIV

MR. JO-SAN CHEN, of Yenchow, has sent in some words and phrases he would like to have explained. Some are difficult to make out, since they are out of context (given as single words or phrases only, without the whole sentence); we urge all readers who send in lists of terms, to write out the whole sentence (or clause), underlining the word or phrase to be explained.

* * *

Shroff: A word of Arabic origin (sarraf), used extensively in the East to denote a banker, clerk, changer of money, etc.

Foxhole: A small trench dug by soldiers as a protection against enemy air attacks.

Flak: Anti-aircraft fire.

Frisco: A slangy abbreviation for San Francisco. Also written "Frisco."

Bomb bay: The cavity in the belly, or under side, of a bombing plane where the bombs to be dropped are hung.

Philadelphia: The chief city of Pennsylvania, on the Delaware River. The name means "City of Brotherly Love."

Goofy: A slang term meaning foolish, silly or gullible. A "goof" is such a person; the adverb is "goofily."

Wanna: (See also the three following expressions)—an attempt to reproduce careless or hasty speech by the use of phonetic spelling. The word stands for "want to"; thus, "I wanna go home." It seems easier to slide over the "t", using only the "n" sound, and to let the final "o" sound as a flat "ah". This is, of course, not a "word" in good usage.

Fella: As above, this stands for "fellow"; again, the final "oh" sound is more difficult to produce than "ah", so in careless or uneducated speech many words ending in "o" or "oh" are said as if they ended in "ah".

Kinda: This reproduces the phrase "kind of". Here, the elision is the word "of", which becomes merely an "ah" sound. "I think she's kinda nice."

I'd'a: Represents "I would have". The contraction of "I would" to "I'd" is of course now accepted; but the contraction of "have" to "ah" is considered vulgar, very poor speech.

Take it all in: "To take in" means either to admit, receive (as a guest, or wanderer), or to absorb, comprehend (as a lecture, news, etc.) "Take it all in" has the latter meaning.

Spill the beans: To give away, as a secret, usually inadvertently. "The surprise party was spoiled because he spilled the beans"—because he revealed the plan to the one who was to be surprised.

A blind date: A "date" is either one's partner or companion for an evening or outing; "blind" means unseen: hence, someone who has been asked by a friend to accompany you, but whom you do not know. Or, the outing or evening itself.

Huh! is used to express contempt or disdain.

* * *

WE cannot identify "canotite" or "vermol's." Perhaps if Mr. Chen will supply the context we shall be able to help him out. A letter has been received, which contains some grammatical faults. We hope the writer will forgive our use of his letter as a text for part of this Lesson.

Expect: "To expect" takes a direct object. "Do you expect mail today?"

Information: Unless there is some special case which we cannot bring to mind at the moment, this word should be singular. Do not say, "get some informations"; information is an overall, inclusive concept. You either get information or you do not. It is permissible to say, "several different kinds of information". The same applies to "staff"; this word is often incorrectly used in the plural. "Staff" is a collective noun, denoting the several individuals employed in a factory or office. When this group in a single office is meant, use the word in the singular. Of course, in the special case where many separate offices are concerned, one could say, "the staffs of all the steamship companies walked out yesterday."

* * *

MR. Chin Wei-fong, of Nanking, asks the following questions:

Hippocratic code: Also, "Hippocratic oath": The oath, embodying a code of medical ethics, generally sworn to by recipients of the M.D. degree.

Gentlemen Prefer Blondes: This is the title of a frothy and very popular book which appeared in the US when we were very young; in our hazy recollection, it dealt with the adventures of a couple of chorus girls and their sugar daddies in Paris and along the Riviera in the heedless 'twenties'. It's by Anita Loos, if Mr. Chin wants to look it up, but we don't think it's very important.

Gossip: The quotation submitted is, "We have what is called gossip, in which persons are very real and everything either creeps or crawls or marries." Gossip is idle tattle, usually although not always malicious, concerning the petty or intimate details, real or imagined, of one's friends, enemies, or public figures. We have an idea that the phrase tries to illustrate the idea of gossip: odious little creatures creep and crawl, and people marry—and thus provide the raw material for gossip.

Chinese Magazine Roundup

Newsland

IN spite of all the talk about peace, an undercurrent movement against peace is still strong in Nationalist China. The *Newsland* magazine of March 10 warns Acting President Li Tsung-jen that his present peace efforts may very likely result in his being made a sacrifice on the altar of peace.

According to the magazine, the pro-peace group in Nanking is making use of the peace movement to strengthen the position of Li Tsung-jen at the expense of Chiang Kai-shek. "The group has been busy since the return of Dr. W. W. Yen's peace mission from Peiping," the magazine says. "Let us see what they have been doing. 1) They are trying to find a way to take off the word 'acting' from Li Tsung-jen's title as Acting President. 2) They are thinking of some way to send President Chiang Kai-shek abroad. 3) They are planning to turn Chiang's troops into Li's troops. 4) They are trying to persuade the Chinese Communists to accept the democratic elements inside the Kuomintang, that is, the elements under the leadership of Li Tsung-jen, as political friends in the joint reconstruction of China."

The magazine further charges that the movement now under way to get rid of Generalissimo Chiang Kai-shek has profound political significance.

"Why should they want to have the word 'acting' deleted from Li Tsung-jen's official title?" it asks. "With the President still in China, he cannot but feel concerned over some of the measures the Acting President has taken. Furthermore, the continued presence of the President in China can always be taken to mean that the danger of a renewal of the fighting is not definitely ruled out. On this point, it is necessary to erase the modifier 'acting' from Li's official title before the confidence of the Chinese Communists can be gained.

"The next logical step is to ask the President to go abroad. From the standpoint of the constitution, it is more significant for the President to go abroad than to step down. As long as the President retains his concurrent post as director-general of the Kuomintang, he is legally entitled to direct the political activities of all party members. But the moment he leaves China for a foreign land, a new director-general of the Kuomintang will have to be elected. It is with this possibility in mind that elder statesman Yu Yu-jen, President of the Control Yuan, is being kept available. If President Chiang went abroad, Yu Yu-jen would be elected director-general of the Kuomintang. For all his age, Yu is definitely progressive in thought. With such a man at the helm of the Kuomintang, Li

Tsung-jen would be assured of a free hand in conducting State affairs."

The magazine holds that the appointment of General Ho Ying-chin as the President of the Executive Yuan is a clever move by Li Tsung-jen to strengthen his control over the Government troops in order to curry favor with the Communists.

"In negotiating for peace," the magazine says, "the thing most expected of Li Tsung-jen by the Chinese Communists is for Li to hand over a certain number of Government troops to be reorganized and incorporated into the Communist armies. As the negligible number of Kwangsi troops under Li Tsung-jen hardly satisfies the Communists, and inasmuch as the Communists still think highly of Chiang's troops, the Chinese Communists hope that Li Tsung-jen will tighten his control over the Government troops in order to facilitate the forthcoming peace negotiations. This is the reason why Li Tsung-jen wanted the cooperation of General Ho Ying-chin."



The purchasing power of a Chinese professor's salary is portrayed in this cartoon from the *Shun Pao*.

Li Tsung-jen's policy, the magazine says, thus would facilitate the Communist domination of the whole of China and Li would have no one but himself to blame if he also became a victim some day.

"As things stand now," the article concludes, "we can expect that peace negotiations will eventually take place, but it is also certain that they will break off as soon as a certain stage is reached. After that, armed conflict will ensue. In the opinion of a qualified observer, the peace talks will be carried on only up to the time when the Kwangsi factories of the Kuomintang has become strong enough, when the Communists have completed all their necessary preparations, and when Nanking and Shanghai can be 'liberated' without a fight.

"... In negotiating with Li Tsung-jen for peace, the Communists are seeking to work the mind of Li to such a state that he will be ready to do anything just for the sake of peace. And it looks as if Li ultimately will be made a sacrifice on

the altar of peace."

Since the *Newsland* magazine is generally regarded as having a powerful background, its views on Li Tsung-jen's peace efforts are believed to be particularly significant.

World Culture

COMMENTING on the appointment of General Dwight Eisenhower as special consultant and chairman of the US Chiefs of Staff, the *World Culture* of March 5 declares that the appointment is connected with the projected Atlantic pact.

"It can be seen," the paper writes, "that after the conclusion of the Atlantic Pact, there is every possibility that General Eisenhower will be named to command the armies of the Atlantic Pact nations."

According to the journal, the reasons why an American general should be appointed as commander-in-chief under the Atlantic Pact are as follows:

1) It is the United States that will bear the burden of supplying the total armaments for the defense of Europe.

2) The United States will maintain complete control of the strategic air command.

3) An American general would be the only one in such a command who would not be looking elsewhere for arms.

Continuing its analysis, the magazine says: "The first point indicates that the Atlantic Pact is financed by the United States, which naturally has the right to control everything. The second point shows that the Atlantic Pact nations, particularly those in Western Europe, will have to obey the orders of the United States and let their territories be used as bases for strategic bombing operations. The third point is obvious. It shows that the boss is eager to hold his purse strings as tight as possible.

"Why has President Truman brought back to active service this 'retired' general, who is President of Columbia University? It is because Eisenhower was a distinguished general in World War II and he enjoys a high reputation in political and military circles in the United States. He has assumed a false democratic front so that he is able to command a following. Finally, he is in a position to restrain the ambitious military leaders.

"During the presidential elections last year, General Eisenhower declined to run and the American press was full of praise for his statesmanlike attitude. But deep-thinking critics pointed out that it was a gesture to serve ulterior purposes. In the eyes of American monopolistic capitalists, Eisenhower is their last trump card, to be reserved for future use. Now this card is being used to build up a new

US Magazine Roundup

Pacific Affairs

A REPORT on communism in China, prepared by Subcommittee No. 5 (on National and International Movements) of the Committee on Foreign Affairs of the US House of Representatives, is reviewed by M.F.M. Lindsay in the March issue of *Pacific Affairs*. The report is entitled "The Strategy and Tactics of World Communism."

Lindsay says it "presents a general thesis on communism in China and United States policy towards China in the form of a rather rambling account of recent Chinese history and of some aspects of China and Chinese communism."

His review continues: "The general thesis is comparatively simple: Communism in China is the same as Communism in any other part of the world. Its aims are to secure absolute power and to set up a totalitarian police state."

"There are various reasons which make Communism and the Russian system more attractive to the Far East than to the West. But even so, Communism in China has serious weaknesses, in particular its inability to provide any solution for the fundamental agrarian problem."

"United States policy towards China was completely mistaken in trying to secure a coalition government with Communist participation. This would only have led to Communist seizure of power, as in Eastern Europe. Luckily, Chiang Kai-shek had enough experience of Communism to refuse to be pushed into such a fatal step. But while the United States failed to give effective support to the National Government, Russian intervention in Manchuria gave enough help to the Communists to alter the whole balance of power."

"The one-and-a-half billion population of the Far East are not, as yet, committed either to Communism or to Democracy and their role may be decisive in the struggle for the world. The United States should, therefore, take active measures to help China in defeating Communism and in making the social and economic changes necessary for development towards democracy."

"As the report is presumably intended to give background information to members of the Foreign Affairs Committee it does not commit itself to specific recommendations for United States policy but it favors economic assistance to China, greatly increased military aid in the form of equipment and supplies, and a United States 'guaranty' of territorial and political integrity' (pp. 55-57)."

"The report is of considerable interest for an understanding of the forces influencing American foreign policy and for the study of the psychology of political extremism;

but it is too confused to be taken seriously as a study of Communism in China.

"The best section of the report is probably the study of New Democracy as a Communist document. It is called 'the most important Communist writing produced outside of the Soviet Union since before the Russian revolution,' but its novelty is said to be entirely in the technique proposed for the seizure of power, not in any modification of the orthodox Communist drive for uncontrolled power and opposition to constitutional democracy. The report makes its case against the view that New Democracy represented a development incompatible with orthodox Communism, but even here the analysis is somewhat distorted. By leaving out of consideration all of Mao Tse-tung's important writings since 1940, it fails to do justice to some important and unique elements in his thought—his emphasis on respect for popular opinion and criticism of authoritarianism and his views that objectivity is a virtue in thought and subjectivity vice."

"The general level of confusion in most of the report can be seen from the argument, apparently quite serious, that the Japanese invasion of 1937 was the result of a Communist plot to divert pressure from Russia. In later sections the Subcommittee sees no inconsistency in praising Chiang Kai-shek for refusing to be forced into cooperation with the Communists and in blaming the Communists for the failure of American mediation."

"The basic weakness of the Communists is said to be their inability to solve the agrarian problem, but the facts are never considered. It is asserted that Communist agrarian policy has always been simply redistribution of land and that this inevitably reduces food production. There is no attempt to criticize the Communist claims to have increased food production through the greater incentives of the peasant who can retain the whole of any increase in product, through introducing better methods of cultivation through extending cooperation, etc. There is no attempt to examine or refute the evidence indicating increased production in areas where the effects of redistribution were not obscured by local fighting (e.g., Yen-an between 1936 and 1947 and Manchuria after 1946). Certain statements (p. 20) show that the Subcommittee does not even know what Communist land policy was between 1937 and 1946."

"The true statement that the Chinese Communist Party has followed the twists of the Moscow line on world affairs is supported by the completely false assertion that '... from 1939 to 1941 the Chinese Communists slackened their efforts against Japan' (p. 1). In fact, the

biggest and most costly attempt at a general offensive against Japanese-held railways and strong points was the 'Hundred Regiment Campaign' in the summer of 1940. . . .

"THE commonest failing in the report is distortion by omission. On point after point the argument depends on the omission of relevant facts. For example, . . . What was the effect of Soviet intervention in the Far East on the balance of forces in China? The answer cannot be precise, but it can be remarkably simple. A little before the close of the Second World War the Chinese Red Army numbered about half a million men, with not quite enough arms to go around. Now their numbers are just about three times as great, and they have more than enough weapons. The acquisition of Japanese arms. . . (p. 36). If, in accordance with the facts, 'captured American' is inserted before 'weapons,' the whole argument becomes ridiculous. Similar insertions of relevant but omitted facts would make nonsense of a great deal of the account of the Marshall mediation and Truce Agreement. . . .

"The confusion is at its worst when the report considers American policy and the alternatives to Communism. Vague generalization is combined with avoidance of almost every practical question. American attempts to secure a coalition government are criticized on the grounds that governments should be based on 'majority will' and not on a 'straight political deal' (pp. 44-46). No hint is given of how majority will could have been determined in a country that had never held a free election. . . .

"Psychologically, the report is a good example of the way in which fear leads to a flight from reality and rational thought. The Subcommittee seems to be so much in the grip of terror at the spread of Communism that it is unable to face either the elements of real strength in Chinese Communism or the weaknesses of the anti-Communist forces in China."

"If the report reaches China, it will probably be used to provide confirmation of the charges made by Communist anti-American propaganda. But what it really illustrates is the element of pure confusion in American foreign policy. The American political system is not monolithic. However well informed the Secretary of State and the Department of State, and however correct the policies they wish to pursue, they have to work with the Congressional committees on foreign affairs. The report shows the extent to which this may make policy dependent on distorted information and unreasoning prejudice."

What Chinese Papers Say

THE Chinese press hailed General Ho Ying-chin, the new premier, as the right man for the right job under the present circumstances. Kuomintang papers expressed hope that he would be able to form a "truly responsible" cabinet without any interference from the acting president or the Legislative Yuan and that he could strengthen the military position of the Nationalists. Independent papers suggested that the first thing the new cabinet should do is to bring about peace with the Chinese Communists.

New Cabinet



THE *Shun Pao* advised General Ho to form a cabinet that is responsible both in name and in fact, saying:

"That in all these years China has failed to make political progress is chiefly due to the fact that China has failed to establish a political system that is compatible with the requirements of the current age. China today claims to be enforcing a constitution, and the Constitution of the Republic of China clearly stipulates that the Executive Yuan is in the nature of a responsible Cabinet. . . .

"In the process of the formation of the responsible cabinet, not only the Legislative Yuan or the legislators individually have no right to interfere with the President of the Executive Yuan in selecting his cabinet ministers, but even the President should not express his likes and dislikes in the matter. . . .

"We believe that at the present moment when all quarters are demanding the effective enforcement of a responsible cabinet system, Acting President Li Tsung-jen, as well as the members of the Legislative Yuan, will place full confidence in General Ho and give him full freedom in the choice of his ministers prior to his assumption of office. We express the hope that this will mark the beginning of the implementation of a sound political system. We wish to ask General Ho to respect his personal prestige, status, authority, and responsibility, and to proceed in an impartial manner to select the talent for his government. We hope that he will refrain from following the practice of former Premiers who had to 'ask for instructions' here, and to 'act in accordance with orders' there. In attending to administrative affairs, as long as his policies have been agreed to by the Legislative Yuan, he must proceed to carry them out in a responsible manner. He must not, and should not, shirk his responsibility by saying that he is 'asking for instructions' or 'acting in accordance with orders.'"

In addition, the paper advised the new premier to be "realistic."

declaring: "Our stress on realism does not imply that we possess idealism. What are driving at is that one's ideals must not be far removed from reality. . . . Today it is up to China's statesmen to do their utmost to implement reforms and achieve progress on the basis of the current military, political and economic situations in this country."

The *Ta Kung Pao* opined that making peace with the Communists should be given top priority by General Ho's new cabinet. "Peace is the unanimous demand of the people throughout the whole country," the paper said. "Peace is also the sole mission entrusted to the new cabinet. The people want to live, and only with the realization of peace will the people's aspirations be met."

Apart from peace-making, how to institute badly-needed political reform and improve administrative efficiency is also very important, the paper added, saying:

"In the second place, it is also generally expected that the new Cabinet will carry out political reform. Corruption and inefficiency have been prevailing for such a long time it will not be easy to improve the whole situation all at once. And yet it is necessary for the new cabinet to be determined to undertake this task with a free hand. We do not advocate that severe disciplinary measures should be employed, but rather that the Government should seek the cooperation of the people. The simplest step toward cooperation will be the granting of freedom of speech to the people. We consider that the press censorship carried out during the War of Resistance provided an incentive for corruption. At that time the censorship authorities generally prohibited the publication by newspapers of reports exposing cases of corruption on the ground that they would 'reveal the weakness of the Government.' Corrupt officials were thus given encouragement and, in the course of a few years, corruption became a prevalent practice which could no longer be checked. The new Cabinet must call to mind this war-time episode and allow the people to enjoy full freedom of speech and give protection to newspapers and publications so that they may be saved from the oppression of evil influences.

"In the third place, the simplification of the administrative machinery is an urgent necessity. The administrative organs are not only too numerous, but also confusing. There is a great amount of duplication and conflict in duties. The State Treasury is called upon to pay large sums for administrative expenditure, but the public functionaries are underpaid. If the administrative organs are not reorganized and re-

duced, political reform will remain an empty phrase."

US Dilemma

THE *Tung Nan Jih Pao* warned that United States policy in Japan may turn out to be as much of a failure as in China.

"As a result of the rapid expansion of the influence of the Chinese Communists in Continental Asia," the paper said, "the United States has been forced to review her post-war world policy, especially her Asia policy centered around the Japan problem. With the Army Department repeatedly stressing the need to use the main military strength of the United States to cope with the situation in West Europe, even General MacArthur, who is noted for his strong self-confidence, has found himself in a dilemma in dealing with Japan.

"The trends of the Japanese domestic situation during the past two or three months clearly indicate that the US Far East policy pursued during the last three years, particularly the policy in relation to the occupation of Japan, has definitely reached the brink of failure. If this situation continues, and the infantile and short-sighted American military, political and diplomatic leaders do not come to a thorough awakening and effect a change in their policy, then in the same way as US China policy has failed, US Japan occupation policy will also meet a disastrous failure."

For this, the Americans have no one but themselves to blame, the paper maintained, saying:

"On the surrender of Japan, SCAP was in a position to enforce thorough social reform to lead Japan onto the road of genuine democracy and peace. It was a pity, however, that from the very beginning the monopolistic capitalists of the United States gave thought only to the fostering and utilization of Japan. As a result, the conservative influences in that country have been preserved intact and the sufferings of the majority of the people have not been alleviated. With the increasing difficulties in the post-war economic situation, the conflict between the propertied class and the workers has also become more acute. Yet General MacArthur has consistently pursued a high-handed policy which ignores even the legitimate rights of the working classes, with the result that the influence of the Japanese Communist Party is growing. The phenomenal gain of the Communists in the seats in the Diet during the last general elections in Japan fully reflected the opposition of the general Japanese public to the US occupation policy. At the moment, all Japanese, including the most reactionary political influences, have begun to express their dissatisfaction with this occupation policy."

What US Papers Say

EUROPE continued to be the dominant subject in American editorial coverage, with special attention paid to the Atlantic Pact. The resignation of Sun Fo and treatment accorded the press in China, also evoked some comment.

Atlantic Pact

THE *Philadelphia Inquirer* found the Atlantic pact brought on by the menace of Soviet Russia and warned Americans to understand thoroughly its significance. The editorial said in part:

"In many respects the Atlantic security pact, already informally approved by the Senate Foreign Relations Committee, is an expression of the unity of the North Atlantic Nations, brought about now by the inescapable facts of the Soviet menace.

"But when it is ratified the pact will commit this nation to further steps and potential obligations which should be thoroughly understood in advance by the American public as well as by both Houses of Congress.

"If there were danger, as its opponents charge, that the pact would make war inevitable, virtually all Americans would be against it. But to hold this view would be to abandon the idea that wars can be prevented by foreseeing the peril and taking positive steps in time to avert armed conflict.

* "There are, however, risks in any such enterprise. In this case, the Soviets have made it plain that they don't like the pact and will not welcome subsequent moves, clearly implied, to build up and merge the military strength of the free nations of Europe. It is not inevitable, or even probable, but it is certainly possible that Soviet reaction to the pact might be to engage in overt acts.

"This risk must be realized by Congress and by the public. And it must be weighed against the stated purpose of the pact, which is to so increase the collective strength of the North Atlantic nations that the Soviets will find it unwise to do anything that carries with it the likelihood of war.

"That entry into this alliance for the next 20 years binds us closer to Europe than before appears beyond doubt. It is a step beyond the economic involvement undertaken in the Marshall Plan and it may well call for the United States, as a major power and key member of the alliance, to take decisive stands on questions of relations among European members."

The *New York Times* said in part: "The real purpose of the pact goes beyond defense. For its ultimate aim is to restore a balance of power in the world which will not only discourage aggression but also pave the way toward real peace. It is designed to lift from the world the terrifying sense of

insecurity and thereby promote both economic and political recovery. By balancing Russian strength with Western strength, it is intended to persuade Russia to come to terms and to establish at least the same kind of modus vivendi between itself and the rest of the world that enabled both sides to live in peace after the revolutionary wave had exhausted itself following the first world war. Once peace has been established between Russia and the West there is hope that, with French security assured, a way will be found to conclude a formal peace with our former enemies, Germany and Japan. . . ."

Sun Fo's Resignation

NO real significance was seen by the *Washington Post* in the resignation of Premier Sun Fo and his cabinet. The editorial, titled "Eclipse in China," said:

"The resignation of Premier Sun Fo and his entire Cabinet seems to have come as something of a surprise to Nanking. But its suddenness gives it no particular significance. Sun apparently knew he faced an overwhelming opposition in the Legislative Yuan and took the face-saving way of resigning before he was voted out, although he had stoutly denied up to the last that he had any such intention. In fact, it is hard to be sure that Sun's departure has any real significance at all.

"Insofar as Sun and Acting President Li Tsung-jen were at odds on the timing and urgency of peace negotiations with the Communists, there may now be some change of atmosphere in Nanking. Li is supposed to be in favor of opening immediate talks on terms not so stiff as Sun desired. But the Communists have given every overt indication of caring nothing about making peace for the moment. Partly, they have asserted the absence of any real government in Nanking they could negotiate with; partly, they have probably felt that the increasing cleavages in Nanking would eventually throw the situation into their hands anyway; and partly they have not wanted to take responsibility for feeding the populations of the large cities, a task beyond their present resources.

"There have been some indications, such as the appearance at Nanking of provincial leaders who had declined to come at Chiang's behest, of a new coalescence around the Acting President. If a strong enough group congeals on the lines indicated, Li's bargaining position may thereby gain some strength. It will, however, need an infusion beyond present probabilities to overcome the fundamental ineptitude and corruption of the Kuomintang."

Press Suppression

THE *New York Herald Tribune* commented on the Nationalists' jailing of a Nanking editor and speculated on what the Chinese Communists would do in a similar situation. The editorial read:

"An editor in Nanking, Kung Teh-po, has been thrown into jail for saying in his newspaper that Generalissimo Chiang Kai-shek should abandon his secret interference in Government affairs and should make his 'retirement' a reality by going abroad. Kung merely expressed a point of view widely held in China, but in doing so he had courage to ignore the fact that freedom of the press does not exist in his country. As he displayed his courage in Nationalist territory, he probably will suffer nothing beyond a short term in prison. If he had displayed equal temerity in Communist territory, by suggesting that Mao Tze-tung get out of China, the consequences might have been more serious.

"The record of the Nationalist Government in China on freedom of the press is by no means perfect but is considerably better than that of the Communists. In provincial cities there often has been much forthright criticism of Nationalist officials. Even in the capitals, Chungking and then Nanking, the Government has permitted mild criticism, most of the time and strong criticism occasionally. The Communists, of course, have acted like communists elsewhere. In regions they have controlled, no public criticism of Communist dogma or of top Communist leaders has been allowed.

"Americans should realize, however, that the contrast between the Government and the Communists on this issue seems more important to them than it does to most Chinese. There is no tradition of freedom of the press in China. Freedom of expression rarely has been tolerated there by Emperors or by war lords, or even by officials describing themselves as believers in democracy. While some intellectuals have shown real enthusiasm for democratic ideals, the people as a whole, mostly illiterate, have shown far more interest in filling their rice bowls than in seeking such rights as freedom of the press.

"It is doubtful, indeed, that Western theories of government can take root in China as long as most of the Chinese have barely enough food for existence and as long as so many of them—estimates run as high as a million—die of starvation in a normal year. Forms of government that give maximum freedom to individuals seem to thrive best where food is not too scarce and where the ordinary man does not have to use all his energy just to feed and clothe himself and his family."

NEW BOOKS OF INTEREST

Chinese Attitudes

AMERICANS IN CHINA: SOME CHINESE VIEWS, by Thurston Griggs. *Foundation for Foreign Affairs Pamphlet, No. 5. Washington, D.C. Foundation for Foreign Affairs, 1948. 59 pages. U.S.\$.75. Reviewed by F.M.R.*

The author of this study has used the Peiping newspapers to show Chinese attitudes in 1947 toward American policy and Americans generally. The year 1947 was selected as a year in which attention was focussed on a number of domestic problems. Disillusionment with postwar Kuomintang policy had become general. Inflation was rapid and economic conditions were worsening. American troops were in some cases behaving badly, giving occasion for hostile Chinese opinion. The enemies of the Kuomintang were angry because of American support given to the regime. "In order to attack the Kuomintang," says the author, "the parties opposed to the Government felt obliged to become anti-American in their propaganda." American policy became a political football.

The Peiping newspapers of 1947 followed a paradoxical policy. "The Nationalist regime was recognized by the United States as the *de facto* and *de jure* government of China . . . the US military units were still helping to train the Army and Navy . . . loans of a minor sort had been extended to it." Nevertheless, during this period the Nationalist and pro-Nationalist press, says Mr. Griggs, constantly expressed Chinese antipathy towards foreigners. This hostility was organized for political ends. The author treats, therefore, the recall of General Marshall and the sending of the Wedemeyer mission in some detail to show how the propaganda was developed.

The pamphlet makes a valuable beginning in the study of the postwar Chinese press. The various political interest groups within the Kuomintang are seen by the author as using their newspapers merely as a mouthpiece for "the desire of their sponsors to influence current developments, or more frequently to justify positions or actions already taken. The collection and presentation of news are wholly secondary functions." The author says of the leading daily newspapers in Peiping in 1947 two were government organs, four were army-sponsored, seven represented Kuomintang cliques and four were independent, though uncritical of the Government.

The author seems to contradict himself when on the one hand he describes the press of China as the voice merely of the ruling class, with but slight influence on the popular mind, yet on the other hand concludes that the Chinese press, taken in the aggregate, and despite the censorship, is a "source of information as reliable in its own way as



the syndicated news upon which the rest of the world depends."

River Craft

THE JUNKS AND SAMPANS OF THE YANGTZE, by G.R.C. Worcester. *Printed and Published at the Statistical Department of the Inspectorate of Customs, Shanghai, 1948. 506 pages; illustrated. Reviewed by A.H.H.*

This scholarly and detailed treatise, together with the author's "Junks and Sampans of the Upper Yangtze" and "Notes on the Crooked-bow and Crooked-stern Junks of Szechwan," provide a painstaking and thorough treatment of indigenous shipping along the Yangtze River and its tributaries. This is not the type of book which one might select to read through in an evening; it contains a veritable wealth of information which is presented in a lucid and readable style.

As the author points out in the first paragraph: "To the stranger it might seem that all junks are alike. This is not the case, for nearly every waterside town and many a village has developed its own ideas of ornamentation or construction; consequently there is a very great variety in the design of hull and sail. Even where differences appear insignificant, they present no possibility of confusion to the junkmen, to whom the part or origin of each craft is at once clear from her appearance." These differences are scientifically demonstrated in almost 200 full page scale plans of junks and a number of photographs and sketches. Excellent detailed maps of various sections of the Yangtze and tributaries are provided.

This is much more than a technical exposition on various types of junks; the sociological aspect of junk life and its effect on those who live it is dwelt upon at length. As Mr. Worcester sets forth in the Epilogue, his self-imposed task was "to try and bring to the notice of the scholar classes of Chinese people the value and worth of a little-known community of simple, unlettered, yet highly skilled people. For generations they have cheerfully and unquestionably accepted a life of unmitigated hardship, and it is surely time some acknowledgement was made of their hardihood and resourceful ingenuity in the face of difficulty, privation and

danger." He is a keen observer, and his observations are backed by over a quarter of a century's service in the River Inspectorate of the Chinese Maritime Customs.

For anyone interested in ships, "The Junks and Sampans of the Yangtze" is an encyclopedia of information. It is a significant book, too, in its accurate and thorough treatment of the historical and sociological background of what is still the most important means of transportation in China, river shipping.

Oceanography

THIS GREAT WIND AND SEA. By Robert E. Coker. *Chapel Hill, University of North Carolina Press, 1947. 325 pages, illustrations, photographs, index. U.S.\$5.00. Reviewed by F.M. Roberts.*

Mr. Coker, himself a man of the sea and a teacher of aquatic biology in the United States, has written a fascinating non-technical book on a subject which literally covers three-quarters of this planet. The book is not merely a compilation of interesting and startling facts about the sea—though it is certainly that—but as one reads it he is impressed by the dependence of mankind upon the sea. The sense of the essential unity of all creation permeates the book as the author gives his vision of the interrelation of physical, chemical, dynamic and biological phenomena. The book may perhaps be used as a reference or textbook, but it is interesting enough to go on the shelf with travel books.

Oceanography is a new science to most people. Explorers and mariners from the time of Babylonia until now have been adding to the knowledge of the sea. Oceanography goes beyond the knowledge of navigation. It is a study of the sea in all its aspects, and as such it is a correlation of various sciences—geography, geology, physics, chemistry and biology, along with some astronomy and "mathematics unlimited." In all fields of the national sciences it is, in fact, becoming more difficult to draw a sharp line between the different standard divisions but this is especially true in respect to a study of the oceans. Scarcely any phenomenon of the sea is capable of satisfactory analysis without coordination of the fundamental natural sciences. Material therefore which would be scattered through many books is brought together here in highly usable form. The reviewer has found some of the chapters well adapted to advanced courses in economic geography.

A few chapter headings will suggest some of the ground covered: Beginnings of Oceanography; Sea Water in Motion; Drifting Life; Life on the Bottom; Life at Large. There is a generous collection of full page photographs and of diagrams to illustrate machines and techniques used in the study of the ocean.

In the war years a growing sea-consciousness has been forced upon the world. Here is a book which will reinforce that consciousness with information.

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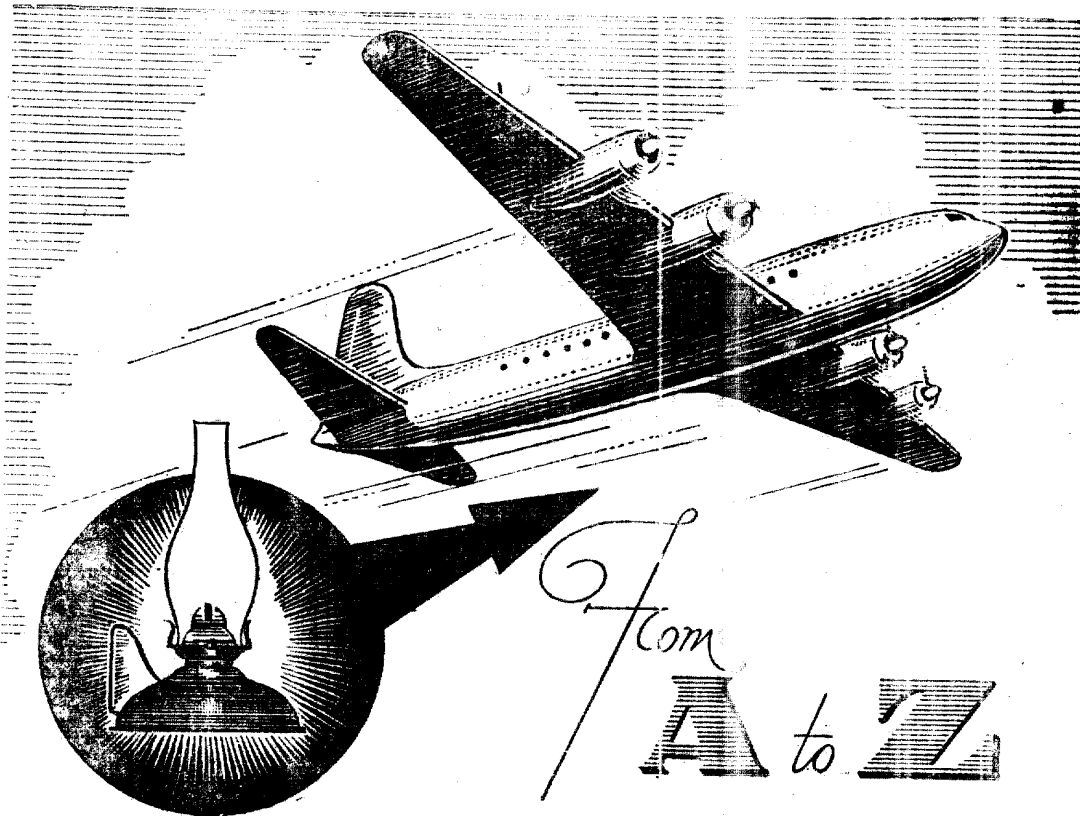
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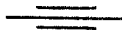
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WEEKLY

REVIEW

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March 26, 1949

FEUDAL JUSTICE

AN EDITORIAL

Political Tides In Yunnan

Galahad Wood

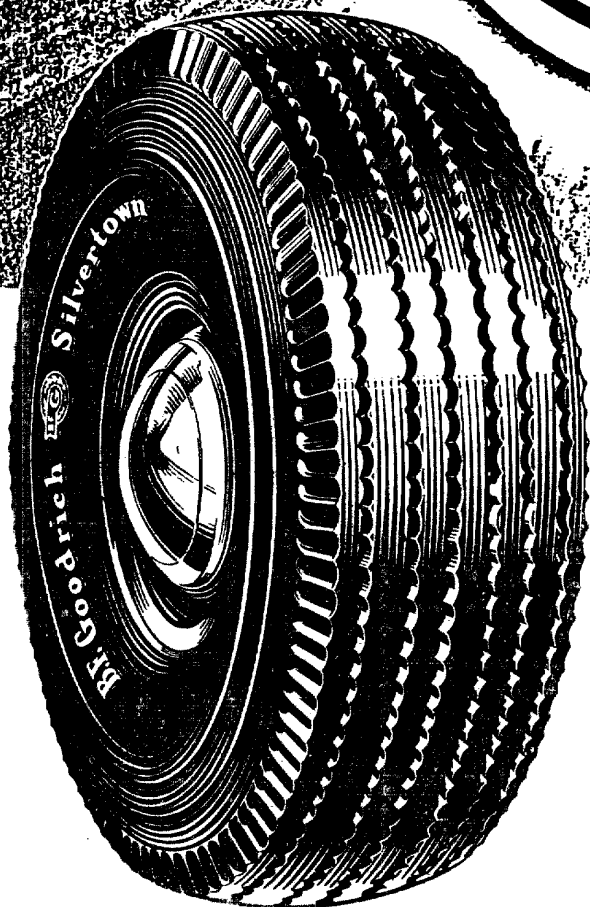
Profile Of Ho Ying-chin

Background Of Burma Uprisings

Lin Wo-chiang

ERP CONTRADICTIONS

AN EDITORIAL



力得固

袖領膠橡

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LETTERS From The People

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of The China Weekly Review.

About Correspondents

To The Editor:

There has been much comment and "I told you so" on the Peiping ban on foreign correspondents. It is not the intention of this letter to criticize or defend the action, but it does seem to me that with things to come it might be advisable for our foreign journalist friends to endeavor to get accustomed to the fact that things are going to be different.

Leaving aside the spectre of iron or bamboo curtains being dropped, the plain fact is that the foreign correspondent, and in about 90 percent of the cases in China this means an American, is going to have to adopt a new attitude. No matter how capable and merely interested in fact finding he may be, the days are fast dimming when this worthy individual can take it for granted that because he represents an important publication from across the Pacific, he is going to have every official and big shot swoon when he sends his calling card in. Simple as it may be, it is quite conceivable that in the near future Chinese reporters might even get to talk to their own officials before a foreign whizbang gets a swipe at the inside story.

When Sun Fo took office as Premier a short time ago it is known that he didn't have anything to say to Chinese reporters until after the foreign journalists had been seen. Now this may be a rather elementary approach, but the sad fact is that our foreign friends in the newsgathering profession operate on this level. While it would be unfair to accuse them of deliberately pushing aside Chinese reporters in their attempts to carry out their jobs, it can be said that the foreign correspondent seems to take it for granted that this is the way things must be. Whether this is done consciously or sub-consciously is not too important. The fact remains that they seem to take it as the most natural thing in the world for the foreign correspondent to have things pretty much his own way.

It is not easy to see the opposite taking place in Washington, for example. While the Government there does not go out of its way to make things difficult for foreign journalists stationed in America, it certainly does not give the news to American reporters last.

Only the future will tell us whether foreign journalists will be allowed to operate here or whether their publications will consider it worthwhile. But if they do continue, it is to be hoped that they will realize that, aside from all the outward changes they may see, there also will be a change in the attitude of the Chinese toward Chinese.

AURELIUS

Shanghai
March 20, 1949

Why The Red Trend?

To The Editor:

In spite of the suffering which we all endured during the last war, the French, the Dutch and the British are still pursuing colonialism in Asia; they still believe in a master society, one in which

THE CHINA WEEKLY REVIEW

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the colored peoples are their slaves. America, our traditional friend, in violation of her own democratic principles, has more or less taken sides with these colonial powers. Does anyone really wonder, therefore, why Asia is going red?

China will never accept any extreme government. She will uphold the cause of liberty and equality. But the time has come when imperialism must be wiped off the face of the earth. Exploitation of mankind must end. Weeping over spilt milk, if we take the case of China in point, is of no use. Evolution is always better than revolution.

If America would use her power to halt communism, she must have a substitute—one that will satisfy the yearnings of the people—and I suggest "initiative socialism," whereby I mean liberty, equality and fraternity. Class distinctions must be eradicated; education for all the people must be free; the old must be cared for; the sick must be helped. If such a program were put into effect, the death knell of communism would ring. If such a policy is not put into execution immediately, the present conflagration will spread.

W. T. C.

Ho-foo, Hunan
March 5, 1949

Twin Tragedy

To The Editor:

The US should realize that the shortcomings of Soviet society do not justify its anti-Soviet campaign. I suggest that President Truman read Eugene Varga's book "Changes in the Economy of Capitalism," in which the author points out the feasibility and desirability of the peaceful co-existence of many economic and political systems in the postwar era. The author says that until the impoverished countries regain their pre-war production levels, which he estimates will take at least ten years, there will be no real crisis for capitalism.

It is unfortunate that those who make US foreign policy misread world developments and thus fail to realize that communism is only a manifestation of profound socio-economic need. China and the US have been acting an exquisite twin tragedy because the USA has overestimated her greatness, while China does not realize her greatness. Unless both countries are able to see farther than a rat (the Chinese proverb on this subject says that a rat can see only an inch ahead), both countries will bring about their own dooms.

CHINESE JOHN THE BATPIST.
Chengtu
March 12, 1949

War Preferable

To The Editor:

According to both the Chinese and foreign press, a large number of people supported Li Tsung-jen because of his readiness to open peace negotiations with the Communists. Actually, Li is ambitious and a war-monger. After a decree promulgated by Li releasing political prisoners and abolishing Communist suppression headquarters, there was no protest from other Government quarters. Then recently the *National Salvation Daily* was ordered to suspend publication for three days on charges of libeling the good name of Chiang Kai-shek.

From all this I understand that Li has no true intentions for peace. When he made an address to his officers in Canton he said he would imitate Hsueh Wang Kan Chien's (越王勾踐) act and word; it is therefore obvious that he will avenge himself and Nationalist China if the opportunity to retaliate falls to him.

Since the Communists were eager for peace and at once agreed to peace nego-

tiations, it is possible that they have been lured into a trap. Chiang Kai-shek's continued manipulation of both military and political factions means that he still controls the Government. I wonder whether Chiang has really been in "retirement" since January 21st, and how much presidential power he handed over to Li Tsung-jen.

On March 8th Sun Fo was subjected to severe attacks from the legislators and had to tender his resignation as President of the Executive Yuan because he had ordered the exodus of Government from Nanking and was charged with embezzlement of public funds during the evacuation. Now a new cabinet will be formed by Ho Ying-chip.

When Chang Chun arrived in Nanking from Yunnan Province a few days ago, a journalist asked how many native Communists there were in Yunnan. Chang replied that there were no native Communists—but there were bandits. From a political point of view, the Government still considers Communists as bandits. This indicates that the Government will continue to carry out so-called Communist-suppression instead of peace negotiations. The Kuomintang will hang on to the last.

Although we want democracy and a permanent peace, we don't want a premature and hypocritical peace under existing conditions. The revolutionists will never permit the Kuomintang to seek peace and prepare for war at the same time. Even though the people have suffered from 11 years of war, we should endure our last five minutes in order to achieve our revolutionary task. War is preferable to a peace really harmful to the people.

C. K. H.

Ningpo, Chekiang
March 14, 1949

Intellectuals' Role

To The Editor:

Not long ago the Communist authorities in Peiping declared that the intellectuals of China should learn from the farmer and the worker.

This is obviously following in the footsteps of the Soviet. Is this proper for China?

China is different from the Soviet for the following reasons: 1) Our farmers and workers are uneducated, whereas in the Soviet Union they were educated or trained; 2) our methods of production and implements are ancient, but in the Soviet, knowledge and experience have improved methods.

I wonder what we can learn from our farmers and workers. These men labor from dawn to night and do not know how to improve their methods of production. I think the chief aim of our intellectuals is to help our farmers and workers; only when we offer our knowledge to improve their production will China become modernized.

H. S. LIU

Chengtzu, Szechuen
March 17, 1949

Decision By Ballot

To The Editor:

At the present stage of the civil war, China is roughly divided into two spheres of military powers. There is now an excellent chance for both political parties to substitute slogans, propaganda, and party political platforms for cannons and bullets, as is usually done in other civilized countries.

Let the Communist Party rule the north, and the KMT rule the south with the Yangtze as the dividing line. Let the people cast their ballots as to which party they prefer. It is said that a majority of the people are in favor of



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The Shanghai Evening Post & Mercury

19 Chung Cheng Road, Shanghai (13).

the Communist Party, as its top-ranking officials are honest, energetic, and hard-working men. They take the welfare of the people into their hearts, and the *too pau hsing* are better off under their rule.

The KMT can't match the CP in battle. The Communist Party has every chance of dominating the whole of China eventually without firing a shot, if they are patient enough. All the cards are now on the table. The sooner a peace is concluded, the better for the masses.

We earnestly hope the CP will accept this realistic view to hasten peace negotiations without requiring a long ceremony as an empty, face-saving showdown.

LEE YEE YUAN.

Shanghai
March 12, 1949

War Criminals

To The Editor:

Although I am only a 16-year old middle school student who is not very well informed on national affairs, the present tension is such that I, too, want to express my views.

According to recent press reports, peace talks are hitting a snag on both sides because of the unwillingness of the Nationalists to accept the Communists' eight terms.

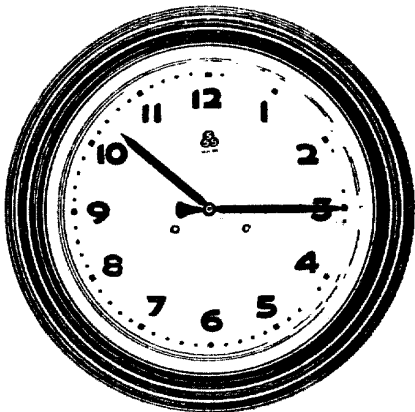
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One of these terms, the confiscation of bureaucratic wealth, simply means helping the destitute by taking away from the present financial magnates. However, the punishment of war criminals seems illogical. According to the Communist broadcasts, the number one war criminal is Generalissimo Chiang. I believe that it is unjust to call him a war criminal. Although it was not his strength alone which defeated the Japanese, it was his inflexible spirit which saved all of us.

I have one request to make of the Communists, and that is that they drop their insistence on the punishment of war criminals. If they really wish to aid the suffering people, they must remove this category. If not, the Generalissimo will fight on, and the blood of Chinese will continue to be shed for years.

TANG WHA-SEN.

Shaoyang, Hunan
March 14, 1949

Silver Coin Sellers

To The Editor:

Six months ago when we first arrived in Soochow it was extremely difficult to sell the silver dollars we had brought with us from Kaifeng. The people seemed ignorant of the silver collars as merchandise. Three months later, speculation in silver dollars was started by Hsuan Miao Kuan, a market place in Soochow, and now this market has prospered and many adjoining places along Kuan Tsien Street are filled with vendors jingling dollars and deafening the passers-by. These vendors are refugee students, soldiers, unemployed public servants, businessmen, and loafers, and the buyers are merchants, public functionaries, wealthy students, etc.

Recently, at least 30 of our school mates have participated in this business. Once a student of the Economic Department was asked, "Why do you choose such an unlawful business?" He replied, "In this chaotic period, we have to live first, and study second. No one can study with an empty stomach. Silver dollars can give me an income of \$Y1,000-2,000 per day, enough to live

on. Besides, it gives practical knowledge to a student of economics."

School, during this interim period, is no longer the center of education—the intellectual elements gather in the market place, and students and teachers have become businessmen. For such an abnormal phenomenon the Government should be held responsible.

H. S. C.

Soochow
March 10, 1949

Mah-jong Club

To The Editor:

In accordance with a circular order from the provincial educational authorities, an Educational Promotion Association has been formed here. Being a school teacher, I was requested to join the association, and paid a sum of HK\$5 for the membership fee. As a member, I naturally expected the institution to do something good in the educational field, for instance, to open a reading room for the general public—a measure decided upon by the association.

Now a number of days have elapsed since the adoption of the resolution, and not so much as a single copy of a newspaper has made its appearance in the so-called reading room of the association. Instead, evening after evening, big lamps illuminate the whole place, and the cracking and rattling sound of mah-jong playing is heard far into the small hours.

It is highly irritable to think that a good deal of the proceeds from membership fees should be expended on electricity for the benefit of mah-jong players. Such an institution should be called a mah-jong club rather than an Educational Promotion Association.

J. H. H.

Hoiping, Kwangtung
March 11, 1949

Teachers' Aid Group

To The Editor:

The January 1st, 8th, and 15th issues of the *China Weekly Review*, donated by you to us needy readers, have just been received. Now I do not have to say "poverty prevents me from progress," even though I know I shall have to say good-bye to the *Review* after the three months subscription you gave us has expired.

I send you my cordial compliments and hope you will keep on sending the magazine to us needy students.

Here at the First Municipal Middle School of Chungking, the teachers are on the verge of starvation. They can only support themselves by borrowing money at high interest rates, or by selling their clothes.

The students of the school have now joined with all the municipal schools in a movement to help support the teachers and to appeal to the Municipal Government and to the Municipal Ministry of Education. We can now boast of an organization like the Teachers' Income Appealing Club of Chungking University.

P. D. HO.

Chungking, Szechuen
March 12, 1949

Teachers' Strike

To The Editor:

I have been a faithful reader of the *Review* for months, even though it is difficult for me to keep up with the increasing price charged by the booksellers. Yet I have never stopped studying English either by borrowing the magazine from the local library or from a schoolmate because I am grateful that the magazine expresses the opinions of the people. Thus, I wish to inform you of

our teachers going on strike for a higher salary.

Three days ago, our teachers told us that their salaries were about GY1300 for last month. Since such a sum is much too small to allow them to exist, they could not but resolve to strike in order to get a decent salary.

We students greatly sympathize with our teachers and therefore have organized a "retrieving organization" to appeal to the public on behalf of our teachers and to remind our Government not to overlook education no matter what the developments on the battlefield.

Oh, the bother is Mars for the way it has ground down the people.

COGENT CHOW

Chungking
March 13, 1949

Big Shop

To The Editor:

Let me tell you about the changes at our school in Chungking. For the last two terms we have had a schoolmaster who was corrupt, inefficient, and a red-baiter. During that time our school was like a big shop: The principal was the manager; the good teachers (except for some secret agents who were incapable of teaching us) were clerks; the students were customers. The principal, together with the secret agents, bought the services of the few good teachers at a very low price, and squeezed money from the students. Our wall newspapers were banned, and student self-government was forbidden. There was no freedom of speech, no publications, and no assembling. We were not permitted to criticize the unreasonable measures of the school authorities.

But this winter vacation we managed to get the schoolmaster and his subordinates discharged, and this term we have a new schoolmaster, who is a graduate of Peita University. In his inauguration speech he said, "This is the 20th century, and we surely want democracy and liberty. Today I come to be your schoolmaster because the situation is changed. In the past two years I would never have come, even if I were beaten to death."

This shows how things are changing in favor of the people.

S. H. WANG.

Chungking, Szechuen
March 3, 1949

Refused Entrance

To The Editor:

I am a Chinese student who has been in school for about 11 years. To be a student is not very easy, especially in China during such a confused period. There are many Chinese boys and girls of school age, but those who can study in school, whether primary, middle-school, or university, are few. Students must struggle through a series of difficulties: they must pay high school tuition and miscellaneous fees; they are forced to pass many unreasonable examinations, and they must study many subjects that will probably be of no use.

For these 11 years I have studied diligently so that one day I might enter a university. Since I knew that in Chinese society one who wishes to do something useful must be of a high academic standard and possess one or more diplomas, I gave up all pleasures and buried myself in my books.

I had reached my senior year at my school in Hsuechow when it fell into Communist hands. Following a group of the Kuomintang army, I fled to Shang-

hai. Now I find that, according to Chinese education laws in Kuomintang areas, no student in senior third year can leave his old school and be accepted in another one. So I have been refused entrance into any school.

Now being a student with no degree, I question those officials of high rank in the Municipal Education Bureau as to what treatment they will give students in the same position as mine.

CHANG CHIH.

Shanghai
March 8, 1949

School Shops

To The Editor:

There are two kinds of rice prices in Changsha: One is the so-called "controlled price," and the other the black market price. In the past the latter has always been higher than the former, and the school authorities in Changsha consequently ordered the students to pay their school expenses according to the black market price.

This year the "controlled price" is higher than the black market price. (That is to say, one can get rice at a lower price than the controlled price.) But the school authorities now want the students to pay their "school rice" at the "controlled price," with payment made in silver dollars. Since the "controlled price" is one silver dollar higher per picul than the blackmarket price, and tuition fees are seven piculs of rice a term, this means the students will have to pay seven silver dollars more this semester. Many country students cannot enter school for this reason.

From the above, one may easily imagine how corrupt the schools in Hunan are, and it is no wonder that most people call them "school shops."

S. W. WU.

Changsha, Hunan
March 7, 1949

Foreign Postage

To The Editor:

It is generally recognized that amidst the dark picture of the other Government bureaus the post office has stood out like a shining light. Many will agree with me that discouraging as the present China situation is we can still take heart over the creditable services of the post office for the past several years.

However, I do think that the international rates for postage are a little too high for the average person and for students in general. While present rates are not large, they too often are balanced in my mind with the approximate price of daily necessities. Fortunately I don't have more than two or three acquaintances living in foreign countries, or I would not have been able to afford to buy the stamps needed every month. I wonder how many people can afford to spend GY1850 for one foreign airmail letter.

LOO SHIH-CHENG.

Hangchow
March 19, 1949

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Medical Service Corps

To The Editor:

In spite of the military situation and the developments around Chingkiang, I was informed my school is still in a state of peace. The students are living together in harmony and the refugee students are not homesick because of the hospitality and good will showed them.

They have now formed a "Medical Service Corps" to relieve the sufferings of the refugees coming down from the north. Every day in spite of rain, snow, and fatigue they go to their appointed medical service stations and give free treatment to the wounded and diseased. Most of the cases have external wounds, skin diseases, or respiratory diseases, and there are countless cases of frostbite.

May both the Communist and Kuomintang parties sympathize with China's long-suffering people and in their interest put down their arms.

YING MING TEH.

National Kiangsu Medical College

Wusih

March 3, 1949

"Isms" And Religion

To The Editor:

The mock trial of Cardinal Mindszenty in Hungary shows that the Soviet Union does not yet have a clear understanding of what religion is and what a difference there is between religion and the principle of any "ism."

"Isms," so far as we can see, is merely a method, or program, or a way which is supposed to be helpful in building up a society in which men can have a better living. But how long could we live, even surrounded by every comfort and luxury, without learning about the mystery of life, the secret of our soul,

the formation of the universe, and many other questions which any "ism" we have known to date has not answered?

Thus has come our demand for religion. Christianity reveals the close relationship between man and God, and that the world is only man's temporary abode. Buddhism, on the other hand, tells us that all living beings originally have a "true self" which is pure and eternal, and later becomes distorted by prejudice and selfish desires. "Isms" however, are concerned only with worldly things.

While the essential task of any religious believer is not to meddle with politics, he should be allowed to enjoy religious freedom without persecution.

CHENG WEI-LUNG.

Changteh, Hunan
March 12, 1949

Selfish Disputes

To The Editor:

In this country the people want nothing to do with wars, and especially war which is undertaken not for their welfare but for settling selfish disputes between rival parties.

Now we have a war in which our own countrymen are being killed and the country's material wealth destroyed. Why could not this human energy and material wealth be saved for the purpose of safe-guarding China against aggression by foreign powers?

When I think of the critical situation in China for the past four or five decades, I can only shed tears of intense grief.

T. S. CHEN.

Yenchow, Chekiang
March 5, 1949

Criticizes Cartoon

To The Editor:

The cartoon "Waiting For Santa" which was originally used in the *Pittsburgh Post-Gazette* and reprinted in the March 12 issue of the *Review* aroused public indignation and was a gross slander to our Chinese dignity.

This cartoon depicts Madame Chiang Kai-shek sitting silently on Uncle Sam's doorstep. Madame Chiang has put her hands over her face and is casting sheep eyes at an old man who is undoubtedly the owner of the White House, wishing to get aid from him. Simultaneously, the latter, it is easy to imagine, treats her with cold indifference.

It is true that Madame Chiang is now living in America. She generally was believed to have been appointed special representative of the Generalissimo. Her duties are to seek more military aid to halt the Chinese Communists.

The cartoon is not only a keen satire on the present situation but slanders our Chinese women. Certainly it is not fitting to reprint such a cartoon in your esteemed weekly. We Chinese are ashamed at seeing such a thing. Mr. Editor, may I have your opinion soon to enlighten me about this matter.

WONG SZE-LIANG.

Shanghai
March 19, 1948

(The cartoon in question, reprinted from a large and reputable American newspaper, is an expression of American opinion on the subject of Madame Chiang's mission to the United States, and therefore was considered of interest to our readers—Editor.)

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Vol. 113 Shanghai, Saturday, March 26, 1949 No. 4

ERP Contradictions

THE three-cornered conflict involving the European Recovery Plan administrators, the Army, and certain American business interests appears to be developing toward an intensity which promises to make the entire ERP scheme such a mass of contradictions that it will fail miserably of its own accord, regardless of any opposition from Russia and the countries of Eastern Europe.

The ERP was originally conceived as a program of systematic and long term aid which, it was hoped in Washington, would provide the necessary capital for improving conditions in the war-damaged countries of Europe to a point where mass unrest would disappear. Politically, it was felt, a program of economic improvement would so lift the standard of living in countries such as France, Holland, Italy, etc. that communism would cease to appeal to the workers and peasants.

Assuming that a struggle exists between the US and the USSR, the basic idea was fairly reasonable. From the beginning we have been unsympathetic to the idea because we have felt that it was still possible to work out an agreement with Russia in order to avoid a contest which might ultimately lead to war. However, since the American Government felt differently about matters and seemed determined to do economic and political battle in Europe, the ERP was not too unsound an idea.

However, since the time when the program was initiated, there have been several developments which, we believe, will cause the whole plan to fail unless there is a general overhauling. Such a shakeup does not seem likely, with the result that a great many billions of dollars will have been squeezed from the American taxpayer for no good purpose.

The men who framed the ERP pointed out at great length that it was not a relief program, but a rehabilitation and reconstruction one. Some emergency feeding might be done, but the emphasis would be upon aiding recipient countries to build up their native industry, commerce and agriculture to a point where they would be able to handle their own recovery and economic advancement problems by themselves. ERP, in

simple terms, was merely a temporary supply organization which would provide capital, materials, and know-how.

The first great mistake made, we believe, was in bringing heavy pressure to bear upon countries accepting ERP aid to force them to cut their economic ties with the countries of Eastern Europe which were not participating in the program and which were considered Russia's allies and therefore America's potential enemies. It was argued that no results of American help such as French or Italian products for export should be allowed to go to Eastern Europe. The idea was to enforce an economic blockade on communist countries.

This forced severance of east-west trade in Europe has slowed the recovery of Western Europe considerably. Historically, the eastern part of Europe has served the function of the farm, while the countries of Western Europe have performed the job of industrial city, taking raw materials from the east and returning finished products. This artificial reorganization forced on Europe by the ERP has resulted in serious dislocation throughout the continent. It is true that this has possibly retarded the development of Eastern European countries and thereby kept America's potential enemies in a weakened state, but at the same time it has had a bad effect on the very countries receiving American aid and certainly delayed their recovery.

Another major error was committed by losing sight of the basic reason for ERP, which, we understand, was to help Western Europe and stave off communism. Now, it seems, the original idea has undergone certain changes and the current aim is two-fold: Halt the spread of communism by building up Europe and aid sagging American industries by providing a ready export market for "surplus" American products. Despite the many statements by Mr. Hoffman and his aides to the effect that ERP will not serve as a vehicle for dumping American goods which are not essential to the rehabilitation of the European democracies, there is ample evidence that more than one American producer has managed one way or another to get ERP to buy essentially useless materials and force them down European throats.

ERP either does not have the wisdom or the power to decide which American products are needed. Entirely too many luxury products such as candy and tobacco have been shipped to Britain and other recipient countries. Such items are pleasant to have, but are consumer goods which people in tight straits may well do without, especially if they cannot afford them, and particularly if they are denied machine tools or other industrial goods because of them.

An equally serious matter has been the export to Europe of non-luxury consumer or even industrial goods which Europe could produce for herself. While we are not so narrow minded as to believe that all countries should be self-sufficient in everything, we think it only reasonable to recognize that it is foolish, for instance, to ship second-hand streetcars to Europe when Europe can make perfectly good new ones for herself.

We understand that the extensive street car manufacturing works in Austria have been forced to close because ERP has bought old street cars from New York and other cities and shipped them to recipient countries. We further understand that France's automobile works are facing severe competition from imported American cars and are finding it increasingly difficult to continue operations.

It is obviously a contradiction to supply raw materials and tools to Austria's street car factories and France's auto works, plus food and cloth for the workers, and at the same time force upon Europe American street cars and automobiles which will cause the native factories to close. If ERP is to aid the industrialization of Europe, then all consumer products—at least the basic requirements of the European people—should be made in so far as possible by Europe's own factories. If, however, the basic idea of ERP is to dispose of second hand and surplus American products, then why waste money on developing industries which we wish to put out of business?

Another contradiction comes from the American military, which apparently views ERP as a means of erecting a military barrier against Russia and the countries of Eastern Europe. Regardless of any political implications which the Atlantic Pact may have, it is placing a financial burden upon its European signatories which none can really afford. The Dutch Finance Minister, Professor Pieter Liefstinck, in a recent press interview, said that the Dutch Government hoped to persuade the people to save more and also hoped to introduce other anti-inflationary measures. However, he admitted that Holland's military commitments under the terms of the North Atlantic Pact would have incalculable inflationary effects upon the country's economy.

France is probably one of the best examples of how ERP aid is not accomplishing its job of aiding and speeding up recovery and development. First, America gives France money—last year at about the rate of US\$1,000,000 per day—to finance a program of recovery. Second, a large portion of the money is required to be spent in the United States for supplies and materials which could be obtained elsewhere, especially in Eastern Europe, at a much smaller cost. Third, a portion of the supplies are of a luxury type which both compete with France's great luxury industries and also force her to spend money for articles which she does not need. Fourth, manufactured products, both consumer and industrial, are supplied by America although France could supply them herself and thus save dollars and help herself at the same time. Fifth, France is carrying on a colonial war in Indo-China where, some reports estimate, she is spending about US\$1,000,000 per day—roughly the amount she is receiving from America. Sixth, France is now required to raise, equip, and support a military establishment which her budget will not stand.

How in the world anyone can expect France to proceed in any direction aside from bankruptcy is beyond understanding.

As we said, we didn't think too much of the ERP idea in the first place. Now that it's been

invaded by American partisan business interests and the military, we think it smells even more. Its failure appears inevitable.

Feudal Justice

WE have observed the renewed efforts of the authorities to rid the city of criminals with mixed feelings. Certainly it is a good idea to crack down on the lawless elements, especially during this critical period. A show of force may make members of the "razor", "cleaver", and "yellow ox" gangs reflect before attempting to take advantage of the general disruption of conditions and plunge the city into a major crime wave.

However, we wonder if some of the deterrents to be employed are wise. Too severe punishment may cause a most unpleasant reaction, aside from being inhumane. The official attitude seems to be that so long as the city is under martial law, the authorities are empowered to kill, maim, or otherwise punish offenders at will. This is a very narrow view and may well result in increased disorder rather than improvement of the situation.

There is nothing wrong with the theory of martial law, during which offenders of peace and order may be dealt with harshly. Society recognizes that in times of great stress, it is frequently advisable to enforce severe military law in order to prevent rioting or other chaotic acts. However, experience has shown that any given group of people will not submit to extreme and harsh controls for more than a short time. Martial law can be enforced only for a brief period covering an emergency situation. Once the crisis is past, public sympathy goes against the authorities if they attempt to maintain such strict controls.

If there is a major disaster such as fire or flood in a city, the majority of the population may desire the authorities to enforce army rule for a day or a week so that looters may be shot on sight. However, as the crisis passes the people resent the continuance of such severe discipline and the majority of the population loses sympathy with the enforcing authority.

Shanghai has been under martial law too long already. In fact, acting-President Li Tsung-jen has ordered martial law abolished, but General Tang En-po, de facto commander of this area, has declined to heed the acting-president's instructions on the ground of military necessity.

The city's economy is deteriorating. More and more factories are closing each week, while food, money, and other essentials are becoming scarcer. The troops stationed in this area are growing increasingly restive and more poorly disciplined. Perhaps General Tang, who undoubtedly realizes the gravity of the situation, feels that only by increasing the severity of martial law penalties can law and order be maintained. We are not so sure that this is the right answer. Despite the increasing lawlessness, the local population is fast losing confidence in the ruling authorities since it is obvious to all that economic, social, and political reforms are the answer, not harsher regulations.

The new police commissioner, General Mao Sen, presided at a conference last week at which additional measures to deal with lawbreakers were considered. The meeting, according to local press reports, discussed and decided to implement an order from General Tang En-po to shoot soldiers who break the law on the spot where the offense was committed. Thus, a soldier causing a disturbance at a theater is to be shot on the sidewalk in front of the theater as a warning to other soldiers and as a show of strength to impress the general public. At the same meeting it was decided to chop off the fingers of all pickpockets when they are caught red-handed. It was not clear whether this decision was made upon the basis of an order from General Tang or whether those at the meeting thought of it by themselves.

In any event, this seems to us a step backward toward the middle ages when men's ideas of justice were a great deal more primitive than today. We don't know just how recently such a punishment has been in vogue in this country, but in the West we imagine that the practice has been outlawed for about a century. The men who thought up such a punishment, in our view, indicate that they possess an almost unbelievably feudalistic concept of society.

Continuance of martial law, made more severe by on-the-spot executions, cutting off the fingers of pickpockets, or any other such miserable ideas which may occur to the authorities, will not preserve order. So long as unemployment grows and so long as the authorities are either unwilling or unable to provide food and other necessities for the city's rapidly-growing army of indigents, the tendency toward chaos will increase. A starving man will attempt to steal the necessities of life no matter how horrible the punishment for such offenses may be.

Too Much Sugar

THE Taiwan Sugar Corporation, a government monopoly, has spent considerable funds during the past three years in developing the sugar industry on the island province and now finds itself with a surplus of sugar which can neither be used in China nor sold abroad. While we dislike saying, "we told you so," it is nevertheless true that the officials engaged in this undertaking have had the benefit of a lot of advice warning them that over-development of Taiwan's sugar industry might lead to ruin.

Present developments would now seem to bear out these past warnings. Land which might have been devoted to rice has been used to plant sugar cane. The result is that rice-hungry China cannot even sell the sugar cane for money with which to buy rice or other food crops from abroad.

In the December 11, 1948 issue of the *Review*, Mr. J. Carlson Lewis, a man who understands agricultural problems quite well and who has conducted a personal investigation of conditions in Taiwan, cautioned against the expenditure of ECA funds for developing Taiwan's sugar refining capacity, pointing out that there was little possibility of a return on the investment.

Mr. Lewis reviewed Japan's experience in this matter, showing that even under efficient management sugar production had been uneconomic. The Japanese subsidized the production in order to sell the refined sugar on the world markets for foreign exchange. The Japs, in effect, simply bought US dollars, pounds sterling and other foreign currencies at a premium. Because of war preparations and the urgent need for imported materials, the Japanese figured that the actual loss incurred in producing the sugar was worth while. The same reasoning can scarcely be applied to China's present plan.

Comparing prewar and postwar sugar and rice prices, Mr. Lewis reasoned that sugar production in Taiwan would be even less efficient today than in the prewar days when the island's economy complemented that of Japan. World sugar production at the present time is about three percent above prewar levels, while world rice production is about four percent below prewar. Further, sugar prices today are about the same as or lower than prewar, while rice prices are higher. Thus, even if China was able to sell the sugar abroad and then buy foreign rice, she almost certainly would lose money on the deal. How much simpler and wiser it would have been to devote the sugar land to rice. The added money spent on foreign fertilizer, equipment for rehabilitation of sugar refining plants, etc. could have been spent on improving the rice yield.

Analyzing the merits of the two crops, Mr. Lewis wrote: "Looking at Taiwan's sugar and rice production from an objective viewpoint, one sees that sugar yields . . . about 4,700 pounds for 12 months. Rice on the island, on the other hand, yields about 2,400 pounds of paddy plus a winter crop per acre every 12 months. Raw granulated sugar imported into China in 1937 cost about US\$.05 per pound.

"The present bulk price of Taiwan sugar to SCAP in Japan in 1948 is also about US\$.05 per pound. In 1937, Southeast Asia rice, in terms of paddy (inferior to Taiwan rice) imported into China was at a rate of about US\$.017 and in 1948, about US\$.055. Southeast Asia rice is the cheapest available on the world market, but its supply is rationed through the International Emergency Food Council of FAO. With Java, the cheapest sugar producer in the world, still supplying comparatively little because of political upheavals there, sugar prices in the future are expected to fall as conditions stabilize and more supplies become available. Rice, still on short supply, on the other hand is expected to become more expensive.

"Thus, at present — considering the world market prices about equal and with sugar yielding nearly twice as much per acre—sugar will be worth twice as much per acre in terms of foreign exchange if all the sugar raised can be sold on foreign markets. This is precisely the point and many students of the problem think that this cannot be done."

From these figures it would seem that a conservative estimate would give sugar a two to one price advantage on world markets. How-

ever, as Mr. Lewis pointed out, this advantage before the war was even greater and at that time the Japanese found that it cost them money to raise sugar. Already the price advantage of sugar has fallen, and, if world market trends are to be taken into consideration, it will fall further in the not so distant future.

Another point is that the cost of producing sugar is much greater than the production cost of rice. First, large quantities of chemical fertilizer are needed for sugar. Second, huge industrial installations are required for the processing of the raw cane. Rice production has, by comparison, only negligible expenses.

Mr. Lewis said that many observers thought that the real hitch would come when China found that there was no market for her sugar. She would then find herself stuck with large quantities of a product which represented a sizable investment. Pursuing the question of possible sugar markets further, Mr. Lewis said:

"It should be noted that the Japanese used about 1,000,000 metric tons of Taiwan raw sugar per year. Now, Taiwan Sugar Company personnel are talking in terms of producing 2,000,000 tons a year with no prospective customer except Japan in sight. And many persons fear that Japan would be very happy to have Taiwan put a large investment into sugar only to find later on that Taiwan would have to sell on Japanese dictated terms since there would be no one else to sell to."

Latest press reports from Taiwan indicate that Mr. Lewis' fears were all too well founded. The sugar expansion program has progressed to the point that production is now estimated at 500,000 tons, or one-fourth of the goal. However, present production has already resulted in a surplus. No foreign markets besides Japan have been found, while the China market has been considerably restricted due to the military situation, with areas such as North China, which had been counted on for heavy consumption, cut off. Meanwhile, in mainland areas still under KMT control, Taiwan sugar has to compete with the output of producing areas such as Szechuen, Kwangtung, and Fukien. Further, many regions which might be considered as potential markets subsist upon locally manufactured sugar.

Perhaps there can be some expansion of the mainland market through sales to cities such as Shanghai, Nanking, and Canton where a premium for super-refined white sugar might be obtained. Most mainland areas, however, make out by using inferior quality, but cheap, local sugar. The end result, though, seems to be that rice-hungry Kuomintang China is now stuck with a surplus of refined sugar, the acquiring of which necessitated the spending of considerable money and labor.

Perpetual Motion

Two hundred tons of old CNC notes were shipped to Taiwan during the past month for the Taiwan Paper Company to be reduced into pulp for paper.—*Ta Kung Pao*.

And when the Taiwan Paper Company is finished with them, perhaps they can be turned over to the Taiwan plant of the Central Bureau of Printing and Engraving, which, we understand, is experiencing a paper shortage.

25 Years Ago in The China Weekly Review

March 22, 1924

Women's Paper

The Women's *Daily News*, a Chinese newspaper for women and the first of its kind in North China, has just been started by several young women in Tientsin, one among whom was formerly a prominent agitator in the students' movement several years ago and was afterwards sent over to France for higher education.

Peaceful Week

The past week has been propitious for the Far East, particularly so in China. No events likely to lead to serious trouble have transpired, previous fears of fighting and knotty complications have been lulled, and minds have turned for the moment to the promotion of affairs for better days through peaceful lawful means. Months and years of the stamp of the past days would bring to business men their fondest hopes for development. Almost the sole topic of press discussion regarding China has had to do with the negotiations with Soviet Russia for the resumption of diplomatic relations. Much of Japan's news, likewise, has been in connection with the recognition of the Soviet. A sharp decline in the Yen has caused uneasiness in Japan business circles, but there was sufficient hope of means being devised to raise the Yen's value to a reasonable market rate. While some likelihood of the United States House of Representatives passing the Philippine Independence bill was reported, the Filipinos and American businessmen in the Islands realize that the *status quo* is to be maintained politically and they are settling down to business.

10 Years Ago In The China Weekly Review

March 25, 1939

"Little Devils"

More than 20,000 homeless Chinese archins and runaway boys from various parts of the country have joined the Chinese 8th Route Army in the Northwest in the fight against the Japanese. Most of the boys range from 11 to 16 years, hence are too small to carry arms, but they make themselves useful as buglers, messengers, mess boys, theater actors and first-aid workers.

Haldore Hanson, correspondent for the *Associated Press*, who spent considerable time in the Northwest, said that these youths, who style themselves "little devils," are the gayest creatures in every camp. They wear discarded uniforms, often three sizes too large, and receive the same pay and food as the regular soldiers—\$1 Chinese dollar a month, equivalent to about 16½ cents in American money. One sun-tanned bugler said that being a "little devil" was more fun than starving on a farm in a Japanese occupied zone.

Hundreds of boys who joined the old Red Army in the days of the civil war are now high officers in the Eighth Army.

Madame Chiang Condemns Corruption

The following excerpt is from Madame Chiang's "Resurgam" series, which appeared originally in the *New Life* Movement supplement of the *Central Daily News*:

"Most high officials who pretended to superiority, but who yearned for the unsavory commission, had underlings to transact the questionable business for them. The underlings in their turn, developed their own technique, and if they failed to secure their price, they contrived means to cause the collapse of the negotiations and the shelving of the project.

Thus this Republic has much to live down, many lingering bad habits, evil notions and distorted conceptions to extirpate. Our past and present diplomatic and industrial highways have been strewn with the corpses of lost causes and the bleaching bones of strangled industries, while innumerable schemes of potential value have been stillborn and have long choked the pigeon-holds and archives of various ministries."

Political Tides In Yunnan

Galahad Wood

WHILE Nanking struggles with the problem of peace, the Communists are making headway in Yunnan, and the Nationalist Government is fast losing its hold over the province.

Just before his retirement, President Chiang Kai-shek summoned a group of governors, warlords and generals to Nanking for a last minute conference which resulted in a re-shuffle of provincial posts in the south and southwestern provinces. In Yunnan, two new commissioners were appointed: An En-pu as commissioner of civil affairs, and Ling Yu-t'ang as commissioner of finance. Governor Lu Han was made concurrently chief of the Yunnan Provincial KMT office and given command of the Nationalist 26th Army. Thus, this governor, who last month was responsible for the execution of 21 persons in the Kunming banknote scandal (see *Review*, March 5), now has combined authority over the government, the party and the army. Recently, he warned all the evening papers in Kunming to stop using information picked up from "unreliable" broadcasts.

New Commissioners

An En-pu, the new Commissioner of Civil Affairs, received his appointment not simply because he is a dependable Lolo relative of Lu Han but also because he is an ex-military man, one-time Commander of the 60th Army, who fought against the Japanese at Taierschuang and whose army was noted for the good discipline of his soldiers. Recently he escaped capture following the Nationalist retreat from Hsuechow. He is expected to play an important role in putting the Nationalist house in order in Yunnan.

Ling Yu-t'ang, the new Commissioner of Finance, a faithful member of the CC Clique and a follower of the ex-Commissioner of Finance, Lu Chung-jen, has had considerable experience in political and economic affairs. During the war, Ling managed to make a tidy profit out of an organization called the "Overseas Banking Corporation of China" which was established in Kunming by a Burmese Chinese named Liang King-shan and of which Ling was a standing director. Ling also heads the *Chen I Pao* (Justice Daily), the mouthpiece of ex-finance commissioner Lu. In 1945, when the Yunnan provincial government was reorganized, Ling was appointed accountant general.

These political appointments are not the only new developments in Yunnan. The resident committee of the Yun-

nan provincial council recently passed a series of resolutions with dangerously separatist potentialities. They provide:

1) That, in order to make both ends of the provincial budget meet, the provincial government should take over all taxation organizations which the Central Government has established in Yunnan;

2) That, in order to lessen the burden on the people and at the same time insure the maintenance of order in the province, Yunnan should reduce the number of soldiers under its authority to 6,000 and the Central Government should be responsible for any expenses for soldiers in excess of this number; and

3) That, for any services which the Central Government asks of Yunnan, it must be prepared to pay all expenses in advance.

Not Sure Of Position

It is interesting to note, however, that Governor Lu Han has refrained from putting any of these measures into effect, partly because he does not believe the time is ripe for such an independent move, and partly because he is not sure of his own strength. His ten Peace Preservation Corps regiments exist, for all practical purposes, in name only, since six of them have been "eaten away" by the local Reds and the remaining four are in the process of organization. He would like to recruit more able-bodied men, but he hesitates because of the Red propaganda against conscription, taxation and rice-borrowing. (The *Sin Wen Pao* reported that the Yunnan provincial government decided on March

12 to suspend conscription and food requisitioning in the province—Editor.)

On the Communist side, it has been estimated that more than 1,500 Communists, veterans of the wartime East River column in Canton, have moved into Yunnan since last April. They are reported to be under the leadership of Chu Chia-pi, who, according to fairly reliable sources, has been appointed by the Communists in North China as vice commanding general of a formally inaugurated Democratic Liberation Army for the Yunnan, Szechuen and Kwangsi areas. The commanding general is said to be Juang Tien.

Guerillas Organized

The Reds have organized the guerilla units into 12 formal columns. (In the Communist Army, a column ordinarily includes three divisions and is equivalent to a Nationalist army. However, the strength of a column must vary from district to district, since it is unlikely that the columns in Yunnan approach this size—Editor.) Seven columns, under the command of Chu Chia-pi, are already in control of a number of hsien east of the Indo-China railway, and the other five, under the command of Hsu Ling-sun (also known as Yu Wei-min), who is a graduate of the Red Academy in Yenan, are responsible for taking over the hsien west of the railway. In addition, the Communists have organized eight local columns in different hsien.

Other prominent Communists in Yunnan are said to be Chow Pao-chun and Liu Foo-tsu. Chow, who is a native of Tali in west Yunnan, was a high ranking military officer during the Sino-Japanese war and has a brother who is a Communist general in North China. He is said to have the backing of the Burmese Communists and operates in west Yunnan with Kawa mountain (on the Burmese border), as his base. Liu is active on the Yunnan-Szechuen-Kweichow border.

One development that aroused a good deal of speculation concerns the activity of the new vice commanding general of the Provincial Recruitment Headquarters, Wan Pao-pang, who was sent south to pacify the "bandits." Wan, who is a large landlord in Mengtzu and was acting commander of the 60th Army during the war, unexpectedly captured the city of Mengtzu instead. When Government reinforcements were sent south, they were ambushed by "bandits." At the present time, Wan and his soldiers are still in the mountains around Meng-



"Pursuit of Light," by Li Hwa.

tsz, and it is not known whether they are on some special confidential mission or whether they are planning to cooperate with the Reds.

"Bandit" Activities

Here are some random examples of "bandit" activities. On the third day of the Chinese New Year they killed the magistrate of Yen-shan hsien in the south and commissioned a new magistrate to take his place. In Kochiu, 110 guards of the Yunnan Consolidated Tin Corporation appropriated a quantity of silver dollars and then joined the Reds with their 110 rifles and four machine guns. A coalition government under local Communist leadership has been set up in Kwangan hsien and the magistrate has been forced to set up a refugee government in one of the

neighboring villages. Another magistrate, Mr. Hsu Yun-hsien, announced recently that he had "liberated" his hsien in accordance with the wishes of the people. He declared he had served the KMT Government for 30 years but got nothing because he was not a good squeezer and now it was time for him to do something for the people. In Yenhsing hsien in west Yunnan, the magistrate shot more than 20 people, including some hsien councillors, on trumped-up charges of "communism" and "rebellion." The people killed him and took over administration of the hsien.

Hsien Captured

Along the Red River, Hsu Ling-sun has already captured a number of hsien including Yuan-kiang, Mai-

kiang, Fu-hai, Ling-er, Lan-tsang, Fenyuang, Szemao and Pu-erh. The local Reds have succeeded in occupying about a third of the 131 hsien in the province of Yunnan. In the areas which have been liberated, the Reds distribute rice, cotton yarn and other necessities to the poor. In cases where people are afraid to become involved in the local political turmoil, the Reds have been known to place gifts in front of their homes.

Those who have actually witnessed the success of the Reds in winning the support of the people state that it is due to a number of reasons: 1) The Reds know they are fighting for something in which they believe; 2) the Reds keep very good discipline and always help the poor in order to gain public sympathy and support. In hsien occupied by them, the relationship between the Reds and the *lao pai hsing* are cordial, and the people call them "Reds" rather than "bandits." In a number of areas the Government still holds the cities but the Reds control all the outlying districts. Every farmer acts as an intelligence agent for the Reds and everywhere they go, the people welcome them. 3) The Reds are reported to be receiving considerable help from Ho Chi-minh in Vietnam in the form of machine gunners, mechanics and technicians; and 4) they are supplied with military materials by "international ammunition smugglers" on the Kwangsi-Yunnan-Indo-China border in addition to what they seize from Government soldiers.

Tightening Circle

In order to isolate Kunming, Red "technical units" cut wires, dismantle communications and destroy coal stocks. It has been reported that production at the Min Liang Coal Corporation is now only 40 percent of its pre-bandit production. Trains on the Indo-China and Kochiu-Shihping railway are stopped regularly. The price of rice in Kunming has increased daily because of transportation difficulties created by the local Reds.

A study of the map shows how the Reds are gradually tightening their circle around Kunming. Every day newspapers in Kunming carry stories of increased Red activity. On February 10, around 700 "bandits" led by Liu Fu-chia attacked Hsiao Hsin Kai, an important railway station between Kunming and Chiu-ching hsien, and seized the American-made machine guns and rifles used by the railway police. They also attacked the dynamo electrical factory of the Kun Fu Electricity Corporation located a few miles from Kunming on February 19, causing all lights to be cut off in Kunming.

In view of the hold the local Reds already have on the province of Yunnan, it is doubtful whether Governor Lu Han or his newly appointed commissioners will be able to save the situation for the Nationalists.

Communist Units Reportedly Operating in Yunnan

Formal Columns	Name of Commander	Description
First Column	Sun Tai-chia	Native of Kwanan. Ex-Chief of Body-Guard Unit of Kwanan Hsien Yamen, surrendered to Chu Chia-pi when Chu captured the city last June 22.
Second "	Ho Hsien-lung	Native of Kwanan.
Third "	Sheng Hsien	Veteran Communist.
Fourth "	Peng Ta Tung	
Fifth "	Liu Pi-ching	Native of Makuan. Former hsien councillor to the Provincial Council. Responsible for capture of Makuan several months ago.
Sixth "	Hang Chow-chung	Traditional Miao leader among his tribe people. Co-operated with Liu Pi-ching in capture of Makuan.
Seventh "	Yang Show-tu	Graduate of Yunnan University. Nephew of Yang Tea-yuan, ex-Vice Speaker of Luliang Hsien Council and now the Chief of Luliang Native Column.
(The above seven columns are under the overall command of Chu Chia-pi.)		
Eighth Column	Hsu Ling-sun	Native of Yunnan. Graduate of Red Academy at Yen-an.
Ninth "	Wang Weng-hwa	A laborer from Shantung Province. Veteran Communist.
Tenth "	Liu Kun-foo	Native of Shihping. A brave Robin Hood.
Eleventh "	Lee Tzen-chow	Veteran Communist.
Twelfth "	Wu Cha	Veteran Communist.
(The above five columns are under the overall command of Hsu Ling-sun.)		
Native Columns	Name of Commander	Description
Kwanan Column	Sun Kwan-ting	Native of Kwanan. A veteran magistrate.
Luliang "	Yang Tea-yuan	Native of Luliang. Ex-Speaker of Luling Hsien Council.
Ping-bian "	Tzo Ting	Once a regiment commander.
(The above native columns east of the Indo-China Railway belong to Chu Chia-pi)		
Lung-wu Column	Mo Tzung-t'ang	Retired military officer.
O-san "	Dong Chien-an	Graduate of the Foreign Language and Literature Dept. of Yunnan University.
Yuan-kiang "	Lee Ho-tsai	Horse-driver, father-in-law of Hsu Ling-sun.
Hsiping Column	Hsu	
Shihping "	Liu Kwan-ching	Retired military officer.
(The above five columns west of the Indo-China Railway are responsible to Hsu Ling-sun.)		

Reconstruction Of Kaohsiung Harbor

James P. Hwang (黃賓)

KAOHSIUNG harbor—the back door of Taiwan—has now been completely rehabilitated following its destruction during the war, and plans are being made to expand it as a major port in the Far East.

The reconstruction work, a major task in view of the many difficulties both on the mainland of China and on Taiwan itself, is significant in the light of the harbor's history and potentialities.

The harbor city, originally known as Takao (打狗), was once a fishermen's village on the southwestern coast of the island. The surrounding waters were full of driftbars and shoals, and the sea waves roared so high that it was a perilous place to anchor. On the conclusion of the Sino-British treaty at Tientsin, the British traveled to the island from Amoy and began to colonize it. They founded a port at Kaohsiung, which, together with sister ports at Keelung, Damsei and Angping, were open to international traffic. There was no attempt, however, to construct a harbor.

In 1899, soon after the forced cession of the island to Japan, the Japanese began to realize the importance of building up a harbor for their future economic encroachment on the South colonies. Engineering work was first started on the harbor in 1908 and was continued over successive years.

Ideal Climate

The harbor boasts an ideal climate. Thermometer readings average 24.42°, and the barometer 758mm. A balmy wind blows westerly north throughout the year except for a short spell between summer and autumn when there are typhoons. The precipitation is light and relative humidity low. The water current in the harbor is around three knots per hour and the tidal fluctuation never exceeds 1.17 meters, thus permitting safe anchorage for all sea goers.

What is more, the harbor has been providentially supplied with two things: First, it is severed from the sea by a long stretch of driftbar at the outer side which constitutes a wall against the ocean waves. Second, two hills, the Hsiao-Shan and the Chi-Hau-Shan, rise haughtily on either side of the entrance within a stone's throw of each other, thereby commanding the waters in and out and giving navigators an excellent target. At the heel of each hill a massive concrete breakwater or "mole" has been constructed which extends some 1,000 meters into the sea. The two breakwaters provide a 350 meter wide entrance for ships coming into the harbor.

The whole harbor, 1500 meters wide by 12 kilometers long, covers a navigable water area of 16.5 square kilometers, with the fairway and mooring acreage combined 1.57

square kilometers, approximately one-tenth of the whole.

Unfortunately, the harbor was utilized by the Japanese as a major base for their southward expansion during the war and it was consequently almost completely wiped out by Allied bombers. At war's end there remained only the dilapidated walls of reinforced concrete buildings, the shattered masses of quay wharves, and piles of stone, husks of sunken ships and the like. The entrance to the harbor was practically blocked and the fairway so choked with silt and dirt that a 300-ton boat could barely make the passage.

This was the situation facing the Chinese Government when it took over the harbor after the war. Engineers sent from Chungking had to start from scratch, with buildings destroyed, communications cut, and supplies and tools lacking.

Rehabilitation Work

The first job was that of clearing away the rubble that filled the quay wharves and the highways and railways, and tearing down the ragged walls of bombed buildings. One half-destroyed reinforced concrete bridge over a railway line took three months of bare-handed labor to tear down. The mammoth job of dismantling and refloating the sunken ships began at the same time. There were 24 steamers wholly or partly submerged in the heart of the harbor, the largest of which was an oil tanker, the Kuoshio Maru, whose displacement tonnage was 10,518, and more than 100 small vessels. Eighteen ships with a tonnage of 71,235 have now been salvaged and three, the Yamazawa Maru, Shonan Maru and Kuroshio Maru, totalling 18,215 tons, have been refloated and repaired for use. The water today is free of obstructions.

Rebuilding godowns and warehouses was another task. In Japanese times, the harbor possessed 24 warehouse buildings, mostly of two-story, first-grade reinforced concrete construction. About 95 percent of these buildings were levelled during the war. Now, despite the lack of materials, they have all been rebuilt and renovated and have a gross storing capacity of 143,781 tons. Three tall godowns facing the No. 4 wharf have steel frame structures with a thin plate walling, the material for which was salvaged from the sunken ships. Each of these godowns is to be fitted with a rolling cargo conveyor. The two-story reinforced concrete buildings are hemmed in by railways both at the front and rear, and there are spacious staging platforms off the second floors so that cargo can be transferred directly from the ships into the godown and from the godown onto the trains by means of crawling cranes railed along the wharves. There are also some

single-story warehouses of temporary construction which were built merely to tide over emergency needs.

In addition, there are a number of newly-erected warehouses, most of which belong to Government concerns such as the Taiwan Sugar Company, the China Navigation Company, and the Taiwan Express Company. Fifty-three of these have been completed and have a storage capacity of 166,134 tons. Local private capital is also pushing construction of numerous warehouses in the harbor area, and there is, in addition, 20,955 square meters of ground for the storage of coal and other materials. Present traffic accommodation is back to 85 percent of the prewar high of 3,200,000 tons in 1939.

Wharves And Shelters

The harbor has 3,170 meters of quay wharves of three types: 1) The reinforced or plain concrete-massive type, 2) the reinforced concrete deck-and-pile type, and 3) the reinforced concrete caisson type with steel sheet-pile lining. The foundation for all wharves was laid well down in the water with a vertical quay wall 10.5 meters high, so as to give deep-drought steamer berthing without tilting at the tides. Although these wharves were badly damaged and bulged over, they have been remolded and repaired. The whole length of 23 berthing seats can, at present, accommodate a tonnage of 134,000 of ships ranging from 3,000 to 10,000 tons. There are also 14 newly-repaired buoys to which some 70,000 tons can be hitched. In addition, the harbor has annexed several shoal-water wharves and shelters of about three meters deep for boats of 100 tons and under. On the right of the outer harbor there is one secluded shelter especially for fishing boats. All these quay wharves and docks are interlocked by a network of railways and highways connecting with the island's central lines.

The soil of the harbor bed is of the silty-loam type. Because it went so many years without being dredged and regulated, the channel was badly choked up. At the end of the war, dredging work was urgently needed but there were no dredgers left intact, and what was worse, no repair plants or fittings to restore the damaged dredgers. Calling on their ingenuity, the workmen did an amazing job of repairing the dredgers with hand tools plus a small amount of equipment they were able to get in Shanghai and elsewhere, and the harbor was dredged. Today the water is 9.5 meters deep at high tide, and 12,000-ton ships can safely anchor in the inner harbor.

There are now two electric-powered suction dredgers of 500 tons and 750 horsepower and one bucket dredger. The suction dredgers are being used to widen the fairway of the harbor from 120 to 150 meters, but since they are not self-propelled

they are not suitable for use on the high seas. In view of the necessity of expanding the harbor for future use, the director of the harbor bureau, Mr. Lin Tse-pin (林則彬) has asked the Ministry of Communications to provide, through American aid, a new ladder-chain or self-propelled suction dredger for this work.

A wireless telegraph station has recently been completed to serve as an inter-port informant and guide to ships. The lighthouse (red, white; C class) on the top of the Kee-Shan, whose beams can be seen 20.5 knots away, forms the main target of the harbor. On the farther end of each of the two breakwaters there are red-green light poles with an illuminating distance of 8 and 10 knots respectively.

The quay wharves are outfitted with cranes of five, 15 and 50 tons and there are floating cranes of 15 and 30 tons. All these hoists, crawling or floating, have been newly repaired and are in fairly good operating shape. The Ministry of Communications has promised to send three new cranes of medium capacity for use in the harbor.

Water Sources

The harbor bureau has eight efficient lighters, the largest being 110.58 tons, and seven boats to water the ships. There are also 29 hydrants along the quay wharves which conduct soft water directly to the ships on berth. All these water sources are supplied from the city water plant, and the bureau also has a soft-water filtering pool on the Siao-Shan for emergency purposes.

As the Kaohsiung oil refinery is located only a short distance away, the harbor is well supplied with refined fuels direct from the plant through newly-laid pipes. The bureau also has one oil boat for prompt feeding in the harbor, and several others will soon be furnished by the oil plant itself.

Because the harbor is so well situated as regards navigation routes to and from the South Seas the city of Kaohsiung has developed into an industrial center, housing such works as a caustic soda manufactory, aluminum and cement plants, an oil refinery, machine works, shipyards, fertilizer chemicals, the Taiwan Sugar Company, etc. The national Government and the local community are now attempting to push the idea of making the harbor an international free port of trade to rival Hongkong.

As a step toward expanding the harbor in this direction, the harbor authority has laid down a tentative three-year plan. The first year would see the construction of a new 1,000-ton dry dock, completion of the No. 19-22 deep-water concrete-block quay wharves, extension of 3,800 meters of railway, floating of four new buoys for 10,000-ton ships, improvement of night-navigating facilities, and the dredging of 190,000 cubic meters of silt from the fairway so as to accommodate ships of 15,000 tons.

During the second year, the plans call for the construction of a 20,000 ton dry dock, paving the masonry

embankments and repairing the shoal-water wharves along the Kee-Haw, regulation of the water area along the industrial district to make it navigable and laying the foundation for deep-water wharves to be constructed during the ensuing period.

Third year plans envisage the construction of three deep-water wharves of the protruding type along the industrial section, laying out new rail

and highway lines around this area, installation of more mechanical conveyors and cranes for cargo transit, erection of more warehouses—preferably by private capital—to increase storage capacity to 720,000 tons, and expansion of the deep-water wharves by 45 more berthing seats for 15,000-ton ships.

If these blueprints become realities, the Kaohsiung harbor should have an interesting future.

Kuomintang Confucianism:

What's In A Name?

FRANK CHEN

ONE of the reasons for the failure of the Kuomintang has been its adherence to the Confucian principle of "Rectification of Names" (正名). This principle, under Kuomintang usage, has degenerated until the name itself has become more important than the function. When something is wrong, as soon as its name is "rectified" the matter is solved.

Let us see how this principle has worked out in the last few years.

In 1946, for the purpose of appearing to lay the ground work for constitutional government the KMT convoked the National Assembly, without the participation of the Communist Party and the Democratic League, and framed a constitution. In 1947, a "general election" was ordered, and in 1948 a new National Assembly was convened to elect a president and a vice president. Chiang Kai-shek's title thus was changed from chairman of the Nationalist Government to president of the Chinese Republic. In other words, a name was rectified.

However, the emergency powers conferred upon the president by the new National Assembly nullified the effects of the constitution. But, so long as there was a constitution on paper and so long as Chiang Kai-shek was given the title of president, "democracy" was supposed to be in existence in China. This is a perfect illustration of degenerated Confucian nominalism.

Soon after the KMT decided to launch the Civil War, it adopted the name, "Bandit Suppression Campaign." To call the Communists "bandits" was, in its view, another name "rectified."

When a number of KMT members tried to make the Civil War an international issue so as to invite intervention by foreign powers, they had a resolution passed by the Legislative Yuan to the effect that the term "Bandit Suppression Campaign" be replaced by "Anti-Aggression War." Although it has never been put into practice, the resolution illustrates the fact that the KMT tried to turn the Civil War in its favor by the magic of merely rectifying names.

Now, because of its military collapse, the KMT has offered the olive

branch to the Communists. But it is now the Communist Party which is in the position to dictate the terms of surrender. For the purpose of "saving face," the KMT authorities call it "peace," perhaps another rectified name.

When the Generalissimo stepped down from his office, he used in his parting message a very ambiguous word *Tui-hsiu* (退休), which is neither "resign" nor "retire." In foreign countries, when a high official retires from his position, he seldom will accept the same position again. A Chinese official may *Tui-hsiu* today, but he may assume the same position tomorrow. Even if Chiang does not re-assume his post, he has never retired officially from the highest position in China. It thus becomes evident that Chiang's last-minute choice of words still follows the Confucian doctrine of rectification of names.

In short, from its rise to its downfall, the KMT has been interested mainly in a nice or "rectified" name. *San Min Chu I* was an attractive slogan, but nothing has come of it. A constitution is an indispensable instrument of democracy, and the KMT had one "made to order" while the Civil War was going on unofficially. A general election is a requisite of democracy and the KMT staged one. There should be a president in a republic, and the KMT, through its controlled National Assembly, conferred that title upon the Generalissimo. A bill of rights was included in the constitution, but the old practice of violating human rights was never stopped.

Ever since the constitution was proclaimed, a one-party, or rather one-man, dictatorship has remained in practice, despite all the nice names of democratic institutions on paper. Secret police, corruption, inefficiency, incompetence, bureaucracy, military feudalism, government by decree, conscription of able-bodied men, exorbitant taxes both in money and in kind, etc., have been the order of the day, while the interests of the people have been totally ignored. All the rectified names in the world cannot change these facts, and a regime which relied entirely on them was bound to collapse even without the armed opposition of the Communists.

Background Of Burma Uprisings

Lin Wo-chiang (林我將)

THE recent political developments in Burma are a source of bewilderment to those not familiar with Burmese affairs and involve a number of contradictions. Burma has fought three wars (in 1824, 1852 and 1885) in an attempt to gain independence from Great Britain. Yet today, because of the internal strife which started soon after her independence was finally won last January, Burma is reportedly considering readmission into the British Commonwealth of Nations.

During the spring of 1948, when war broke out between the Burmese Government and the Burmese Communists, the People's Volunteer Organization gave unreserved support to the Government. But last summer the PVO broke away to side with the Communists, only to rejoin the Government again this winter to help suppress the Karen uprisings.

The Karens, a minority race who had always been regarded as loyal to the British, served the Government of Burma after independence but now have turned against it to fight on the side of the Communists. In short, the political weather in Burma seems to be changing hourly, defying any reasonable forecast.

How Independence Was Won

How Burma got her independence is a long story, but, essentially, it was the result of the post-war realignment of British colonial policy. During the war, Britain's resources were strained to the limit, and she lost so much prestige as the result of her retreat before the Japanese in the Battle of Burma that, when she attempted to restore the status quo ante in Burma after the Japanese surrender, she was strenuously opposed by the Burmese, who, under the leadership of the late General Aung San, commander in chief of the Patriotic Burmese Forces, and other leaders of the Anti-Fascist People's Freedom League, demanded immediate and complete independence for Burma.

Great Britain had such a great stake in India and other parts of the world that she could not afford to become bogged down in the marshes and jungles of Burma. So the Attlee-Thakin Nu treaty, according to which complete independence to Burma, was signed in London on October 17, 1947, and the Government of the Union of Burma made its debut on January 4, 1948, to the chagrin of the British Conservative Party and somewhat to the surprise of a number of Burmese.

The Constitution of the Union of Burma, which was adopted by a Burmese Constituent Assembly on Sep-

tember 24, 1947, became effective at the time of independence. As a state, Burma prefers to be known as the "Union of Burma," since, as provided by the Constitution, it embraces all the racial groups within the confines of Burma—the Burmese, the Shans, the Karens, the Kachins, etc. Burmese lead the different races with a population of about 10,000,000, and the Karens come next, with a population of about 1,500,000. But in the Constitution, the area the Karens occupy is regarded as a special region, while that inhabited by the Shans is given the status of a state within the Union. Because of this seeming discrimination, the Karens have been in armed rebellion during the last few months.

Series Of Uprisings

The people of the Union of Burma were not to enjoy the blessings of independence for long. The peace of the country has been disturbed by a series of political and racial uprisings since April of last year. It is now reaching the stage where the continued existence of Burma as an independent state may be threatened.

The first storm broke out toward the end of last March, when a number of Communists were arrested following a Communist party rally in Rangoon at which the Burmese Communist chief, Thakin Than Tin, openly preached rebellion against the Government. After the arrests, Communist uprisings took place all over the country.

The Burmese Communists, it will be recalled, had been comrades in arms with most of the Government leaders in the Burmese resistance movement against the Japanese. When Japan surrendered, the Communist Party split into two groups, the so-called Red Flag and White Flag Communists. The White Flag group joined the Government, while the Red Flag faction set itself up in opposition, charging that the Government had bartered away the rights of Burma for a mere shadow

of power and independence, and demanding that all British corporations in Burma be confiscated immediately and without compensation.

A few months later, the White Flag Communists also deserted the Government over an issue raised during the party convention of the Anti-Fascist People's Freedom League held last June. The White Flag leaders had proposed that, in order to achieve peace and unity, the rebellious Communists be invited to a conference for peace talks. As the Government was determined to put down the Communist rebellion by force, the proposal was turned down and the White Flag group walked out.

Now a second schism is at hand. As mentioned above, the Karens, who have never been satisfied with their political status in the Union, have been demanding a separate state. The opportunity to force their demands came, therefore, when the Government was confronted with a Communist rebellion, the desertion of the left wing of the PVO, (i.e., the White Flag Communists), and the defection of some Government troops. The Tenasserim area was occupied by the Karens last September, a month after the defection of the First and Third Battalions of the "Burma Rifles." Early this year, Karen armed uprisings spread to the Delta district in the neighborhood of Rangoon. At the present writing, Insein, an important town in this district, is still held by the Karens and Mandalay, the old capital, has also fallen into their hands.

Rangoon Threatened

The latest news is that the Karens in Upper Burma are driving down the Irrawaddy river from Mandalay to join the Karen rebels in the Delta districts, with Rangoon as their objective. The capture of Rangoon by the combined forces of the Karens and Communists may be expected any day during the coming weeks unless effective outside aid is given the Burmese Government. During the past month the Government has repeatedly appealed to Britain for both financial and military aid, in return for which, it is said, Burma would be willing to consider returning to the British Commonwealth as a Dominion.

According to British sources, the British Government has refused to deal directly with Burma on this question for fear of arousing suspicion that it has designs on Burma, and has suggested that Burma approach members of the British Commonwealth instead, particularly India and Australia. It is believed that the re-

STREET EDUCATION



A sidewalk library, from the Shen Pao.

街頭教育
——世相速寫之四
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cent Commonwealth Conference on Burma held in New Delhi and presided in by India, Australia and Ceylon, was the result of Burma's urgent appeal for aid. Although no decision was taken regarding Burma's readmission to the Commonwealth, certain of those who attended the conference expressed belief that sooner or later Burma would return to the fold.

The present situation in Burma puts Britain in a dilemma. The Burmese Government has a treaty with Britain in which Britain is pledged to give military aid to Burma. The defense agreement attached to the treaty says, among other things: "Having regard to the friendly relations signified by the conclusion of this Agreement, the United Kingdom Government agree to give reasonable facilities for purchase of the Government of Burma of war material."

Complicating Factor

On the other hand, the Karens, although looked down on by the Burmese, had been the favorite protégés of the British. When Burma's independence was being discussed, the Karens indicated their preference to remain under British suzerainty as a semi-autonomous state outside the Union of Burma. But the British, to avoid the appearance of pursuing a policy of "divide and rule," decided to leave Burma lock, stock and barrel. However, the matter is now complicated by the disquieting fact that the Karen success in the recent drive against the Government has been achieved largely through the cooperation of the Communists, whose expansion in Burma is feared by both the Burmese and British, since the latter still have an immense vested interest in Burma.

There are three courses open to the British Government. The first would involve giving unreserved aid, both financial and military to the Burmese Government. Britain has a legal or contractual justification for so doing. The second course would be to help the Karens give the finishing blow to the tottering Rangoon Government. Here, however, Britain would have to disentangle the Karens from their present connections with the Communists before whole-hearted support could safely be given. The third course would consist of meditating between the conflicting groups for a peaceful settlement. In this case, Britain would have to offer its good offices before Rangoon is captured by the Karen-Communist forces.

Whatever Britain may do in the coming weeks will have a tremendous bearing on the shape of things to come in Burma and on the general set-up of the British Commonwealth.

The Week's Business

DESPITE the dumping efforts of the Central Bank of China, only small sums of Gold Yuan notes have been recalled by the Government and, with the easy money market, quotations of gold, US dollar notes, and commodities continued to rise during the past seven days under review.

Special features during the period included: 1) a serious shortage of cash notes, 2) the sale of silver dollars by the Central Bank, 3) the reopening of the Gold Exchange on March 22, and 4) the appointment of S. Y. Liu as Minister of Finance.

As it has become very difficult for the Central Printing and Engraving Works to turn out sufficient Gold Yuan notes in denominations of GY100, GY500, and GY1,000 to meet the huge demand brought on by constantly increasing prices, the public found it almost impossible to obtain any cash notes during the past week. The situation was only slightly eased on March 22, when large numbers of GY500 and GY1,000 notes were put into circulation by the Central Bank. Premiums paid for cash notes during the week went as high as 20 percent, and many industrial and commercial firms had to take that discount in order to obtain cash to pay their workers and staff members.

In an attempt to relieve the situation, the Central Bank of China unloaded large sums of silver dollars at the rate of GY7,000 to one silver dollar with the hope that these silver dollars would be used in place of Gold Yuan notes. However, this rate was found unacceptable to the commercial banks, who claimed that many of the silver dollars were valued below GY7,000 in the open market.

With 1,000,000 silver dollars already turned over to the Central Bank by the Central Mint, it is generally believed that large amounts of these coins sooner or later will be unloaded onto the market. This should tighten the money market and recall large sums of Gold Yuan notes.

The reopening of the Gold Exchange after 13 years (the Exchange suspended business when war broke out between China and Japan in 1937) on March 22, was not considered to be anything of great importance in Shanghai's financial circles and, as a matter of fact, quotations dropped on the first day from the opening figure of GY5,500,000 to GY5,100,000 per 10 ounces. However, on the second day, the quotation picked up.

Although the reopening of the Exchange is aimed at helping to generalize trading, unify the rates, and enable the authorities to control the market, it is believed these objectives cannot be achieved unless the general economic situation improves. As long as the Central Bank can-

not supply unlimited quantities of gold to meet popular demand at prices quoted in the market, there will always be a blackmarket.

The appointment of S. Y. Liu, Governor of the Central Bank of China, as Minister of Finance in the new Cabinet of Ho Ying-chin, has created the general impression that the financial reform measures introduced not long ago by Hsu Kan, the outgoing Minister, will be revised again. This will mean more confusion and more intensified deterioration of the general economic situation, as present conditions are not going to be improved by any change in the regulations.

On the whole, interest has grown in gold and US dollar notes due to reports of an imminent crossing of the Yangtze River by the Communists. Prices of commodities during the past week have failed to increase as much as those for gold and US dollar notes.

Furthermore, businessmen who looked forward to the early resumption of trade between Central and North China have now decided to unload their goods here in Shanghai as no definite news has been received for such a long time regarding the restoration of shipping service or the establishment of trade relations. The regulations on trade published by the Communists in North China during the past week were regarded by some businessmen as rather strict, and they believed that it would be more profitable to dispose of their goods in Shanghai.

Businessmen who made large sums of profits some weeks ago in exchanging goods between Hongkong and Manchuria (via Korea), are reported to have lost money in recent weeks. In the early stage of the resumption of trade between Hongkong and North Korea profits as high as 300 percent were realized by these merchants, but recently some businessmen have lost as much as two thirds of their investment.

This was said to be due to the increasing supply of industrial goods sent to Manchuria in recent weeks and the falling off of prices of Manchurian products in Hongkong. It is not expected that any progress of importance will be made regarding the development of trade between Hongkong or Central China and the Communist-controlled areas of North China and Manchuria until the restoration of peace.

The following table gives the quotations on March 16 and 23:

	Mar. 16	Mar. 23
	GY	GY
Gold	419,000	554,000
US Dollar	8,350	12,450
Clearance Certificate	6,870	10,900
Silver Dollar	6,200	7,900
20's Yarn	1,875,000	1,880,000
Rice	43,500	60,000
Wing On Textile	6.41	7.28

NEWS OF THE WEEK

New Cabinet Announced; Atlantic Pact Arouses World Attention

AFTER 10 days' intense work and hard bargaining, Premier Ho Ying-chin finally succeeded in setting up his new cabinet. Immediately after General Ho's appointment, there was much talk about injecting new blood into the Nationalist Government. The Legislative Yuan was particularly insistent that new faces be included if General Ho's cabinet was to be really new in substance as well as in name. The new premier himself also stressed that he would do his best to line up what might be called a "talented cabinet."

But subsequent events showed that General Ho had a very difficult time of it. The men of talent whom he was looking for declined his offers under one pretext or another. Dr. Y. C. Mei, President of Tsinghua University, refused to head the Ministry of Education and flew to Canton. Several members of Dr. W. W. Yen's peace mission did not want to have their fingers burned in the present mess. Even the office-seekers and job-hunters of the Young China and the Democratic Socialist parties, who formerly were only too eager to take any positions they could lay their hands on, thought better of it this time and decided to stand on the sidelines. As a result, General Ho had to content himself with the "next best."

The complete list of the new cabinet members is given below:

- Premier Gen. Ho Ying-chin
- Deputy Premier Chia Ching-teh
- Economic Affairs Sun Yueh-chi
- Interior Gen. Li Han-hun
- Finance S. Y. Liu
- Education Han Li-wu
- Foreign Affairs.... Fu Ping-sheung
- Communications. Gen. Tuan-mu Chi
- Judicial Administration
- Chang Chih-pan
- National Defense
- Gen. Hsu Yung-chang
- Mongolian, Tibetan Affairs
- Pai Yun-ti
- Overseas Chinese Affairs
- Tai Kwei-sheng

Ministers without portfolios are: General Chang Chun, General Chang Chih-chung, Chu Chia-hua, General Ho Yao-tsu and Mo Teh-hui.

The number of ministries has been cut down from 15 to eight in accordance with the Government's plan for streamlining the Government structure in order to save

money and improve administrative efficiency.

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New Roles, Old Faces

AN inspection of the personnel of the new cabinet indicates that the only former minister retaining his job is General Hsu Yung-chang, Minister of National Defense. The other ministers are "new" men. However, their faces are familiar, and they have all served under the Nationalist Government in one official capacity or another for years.

However, the new cabinet has two features that are interesting and politically significant. One is the promotion of Fu Ping-sheung, Chinese Ambassador in Moscow, to head the Ministry of Foreign Affairs. Some foreign observers took the line that Fu's appointment "has advanced the chances of an over-all Nationalist peace with the Chinese Communists." It will be recalled in this connection that sharp controversy took place inside the Kuomintang over Fu's appointment. According to *Reuter*, elements led by the peace advocates threatened to withdraw their support from Premier Ho Ying-chin unless the Chinese Ambassador to Russia was appointed. The Conservatives, fearing radical changes in Nationalist foreign policy if Fu were brought in, favored the appointment of Dr. Chang Peng-chuan, former Chinese Ambassador to Turkey.

But competent observers are inclined to think that Fu's appointment, although politically and diplomatically significant, is unlikely to lead to any immediate and drastic change in Nationalist foreign policy. It is more of a diplomatic gesture than a definite new orientation in Chinese diplomacy.

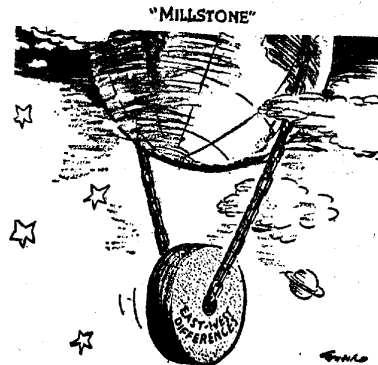
Another feature of the new cabinet is its inclusion of a good number of generals. On this point, *Reuter* commented:

"Among the new cabinet ministers are six generals besides Premier Ho himself—three with portfolios and three without. This has caused some observers to believe that the Premier has not completely overlooked the possibility of a slight prolongation of the active phase of the civil war. Authoritative circles, analyzing the cabinet list, held that General Ho was prompted by a desire to strengthen his military position in negotiating with the Communists."

KMT Veto

WITH the successful formation of General Ho Ying-chin's new cabinet, some long-standing disputes have again come to a head. The problem of whether the Kuomintang's right of veto over the Government shall be maintained became an important issue in China's domestic politics. Undercurrents of opposition to the power of the Central Standing Committee of the Kuomintang over Government policy have recently boiled up into the open. There were indications that those who want authority for the Government to take direct action intend to push their fight to the limit.

The joint meeting of the Control Yuan and the Legislative Yuan held in Nanking on March 20 provided the sounding board for bringing opposition to the Standing Committee out into the open. The overall aim of this campaign is the concentration of more power in the Legislative and Control Yuans and removal of the Standing Committee's power to veto the decisions of the Executive Yuan. Legislators who spoke up in favor of eliminating this means by which the Kuomintang acts as the real governing agency of China argued that efforts to meet with the Communists on a common ground for peace would be speeded and simplified by modification of existing laws and rules to permit direct action. Reference of all Government policy steps to the Standing Committee, they contended, not only causes long delay when speed is necessary, but at the same time continues in existence one of the reasons for the Communists' stubborn objection to talking peace with the Government as now constituted. Instead, it was argued, the Executive, Legislative and Control Yuans should work jointly toward a program that could be submitted direct across a peace table without undergoing review by party leaders before becoming effective. The movement, how-



The Christian Science Monitor

ever, is certain to meet with stubborn opposition from Kuomintang leaders both in and out of the Government. The *United Press* reported:

"The visit to Canton by General Chang Chun to confer with Central Committee members there was rumored connected with the issue of party control, but there was no official confirmation other than the known fact that Chang Chun conferred with top members of the committee there."

Atlantic Pact

THE text of the projected Atlantic Pact, as issued on March 18 in seven major capitals of the world, threw a bombshell into the already strained world international situation. The lineup in the cold war between East and West has become more solidified than ever before. The pact contains 13 articles binding each of the signatories to go to the aid of any member who becomes the object of attack with "such actions as it deems necessary, including the use of armed force." Article Five reads: "The parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all, and consequently they agree that, if such armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the party or parties so attacked by taking forthwith, individually and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area."

The signatories also agreed to consult together in the event of a threat to the territorial integrity, political independence or security of any of the parties. The 20-year pact is expected to be signed in Washington on April 4 by seven nations, including the United States, Great Britain, France, Belgium, Canada, Luxembourg and Holland. Five other nations—Norway, Denmark, Iceland, Portugal and Italy—have been invited to join.

Military Alliance

MOST observers agree that the Atlantic Pact is an iron-clad military alliance directed against Russia and its allies. It is the military aspects of the pact that have aroused attention and suspicion. On the same day the text of the pact was made public, official quarters in London pointed out that the effectiveness of the Atlantic Pact will be determined by the creation of a joint military machine "capable of deterring a potential aggressor." It was further disclosed that, as far as organization is concerned, the hard core of this machine already exists in three bodies. They are:

The Combined Chiefs of Staff (America, Britain, Canada), a relic of wartime cooperation, with its seat in Washington;

The American-Canadian Joint

Defense Board, created before the United States entered World War II; and

The Permanent Military Organization of the Western Union, set up under the Brussels Treaty.

The aims of the Atlantic Union will have been achieved, observers believe, when the functions of these bodies are coordinated and, above all, when each of the members of the Atlantic Union has recruited, armed and trained forces sufficient to implement the overall paper plans which the various staffs have already

started to formulate. The immediate establishment of a Defense Committee to recommend measures for implementing the principles of self-help and mutual aid and of joint action against aggression is provided for in Article Nine of the pact. This committee is expected to be set up during the signing ceremony in Washington next month, so as to enable it to begin work as soon as the treaty is ratified. The immediate tasks to be fulfilled by the committee are said to be the following:

ABOUT PREMIER

CHINA'S new premier, General Ho Ying-chin, is one of the many imponderables in the current preparations for peace talks with the Chinese Communists. No one knows for sure what course General Ho will take or what lies behind his selection at this present time, but there are many, and conflicting, theories.

Some commentators point to the fact that he has the confidence of both Generalissimo Chiang Kai-shek and Acting President Li Tsung-jen and can therefore unite the various factions in the Kuomintang in conducting peace negotiations. Others say that if peace is impossible and war must be resumed, General Ho is the best man to conduct the fighting.

Supporters of Li Tsung-jen believe that Ho will obtain the backing of a number of top Nationalist generals for the drive to make peace with the Communists. Others are convinced that Ho's appointment was made because the Generalissimo felt he would prevent Nanking from agreeing to "unacceptable" peace terms.

It is claimed by some that General Ho has the respect of the Communists and that they will deal with him on the basis of mutual confidence and respect. Others point to the fact that Ho is included in the Communists' list of "war criminals" and that the Communist radio commented on his appointment by saying that he was only a "henchman of Chiang Kai-shek, who is pulling the strings behind the scene."

In fact, General Ho seems to have the quality of being all things to all people. But the fact he has been able to remain prominent in Chinese political affairs for more than two decades testifies to a certain political agility.

General Ho was born in Kweichow province in 1889 and was educated in the Japanese Military Academy in Tokyo, the same school Chiang Kai-shek attended. He became dean of the Whampoa Military Academy in Canton in 1924 and commanded troops (including Communists) in the successful Northern Expedition. In 1927, General Ho, together with Li Tsung-jen and Pai Chung-hsi, defeated the old war lords Sun Chuang-fang and

Chang Tsung-ch'ang in a decisive battle between Shanghai and Nanking which gave Chiang Kai-shek control of the Yangtze Valley.

Ho was made Minister of Military Affairs in 1930 and was active in the "bandit suppression campaigns" against the Communists in the years that followed. When the Young Marshal, Chang Hsueh-liang, kidnapped Chiang Kai-shek in 1936, Ho Ying-chin was named commander-in-chief of the expeditionary forces against the rebels.

It is reported that General Ho at this time wanted to bomb Sian, where the Generalissimo was being held, but was dissuaded. There is a theory that Ho was more interested in getting the Generalissimo killed by one of the bombs, or by his captors in retaliation for the bombing, than in rescuing him. Whatever the case may be, Chiang Kai-shek never fully trusted Ho after that, and the two had an open difference of opinion in 1938, when Ho advocated peace with Japan while the Generalissimo insisted that the war go on.

Ho continued to be Minister of National Defense, however, until General Joseph W. Stilwell managed to have him ousted because Stilwell felt he was sabotaging efforts to reorganize the Chinese armies so that they could fight more effectively against Japan.

Since General Ho's name now figures in discussions of reorganizing the Nationalist armies, it is interesting to recall what General Stilwell had to say about him, as retold in "The Stilwell Papers": "This morning I got a long letter from him (General Ho) telling me some boxes had been broken, and also a bottle of iodine. Explained the procedure he would like us to follow in similar cases. This guy is (ex officio) a combined Henry L. Stimson, George C. Marshall, and political power, and he worries about a bottle of iodine. He pays no attention whatever to the preparations of the Chinese army for a vital campaign, but gets eloquent because a bottle of iodine is spilled in India. The colossal ignorance of responsible officials is simply amazing."

Another time, General Stilwell said "the only way to handle him

1. A decision on total overall strength of the Atlantic Union;
2. A decision on what proportion of this total in men and material should be provided by each member state out of its own resources, or in the shape of aid, primarily from the United States;
3. A decision on how the newly-invited powers are to be brought into the existing planning organization;
4. Necessary legislature by individual member governments to render effective the above decisions.

Supply Of Arms

INFORMED sources in Washington revealed that portions of the plan to help rearm Atlantic Powers will be submitted to President Truman for final approval and made public within ten days. Responsible officials of the State Department and the three service departments have been ordered to speed up their drafting of arms plans. According to these sources, Congress will be asked to furnish US\$1,000,000,000 to US\$2,000,000,000 worth of munitions

to other countries in the first year of the pact's operations. The bulk of the munitions would consist of artillery, tanks, anti-tank guns and other heavy ground equipment. The United States would not lend-lease its big bombers such as B-36 and the world-girdling B-50. Britain and France would be asked to supply many of the planes, including jet fighters, needed for the defense of the treaty area. The United States will not give out atomic bombs.

Coinciding with this imposing display of military might, the State Department in a White Paper warned the "men in the Kremlin" that it would be dangerous for them to underestimate the West's power and determination to "take united action" against any attack. The Department said it wanted to dispel "serious misconceptions" in the minds of leaders of the Soviet Union "about the physical and moral strength of Western democracies."

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Pro and Con

THE Atlantic Pact was hailed by the Government leaders of the West as an "outstanding" contribution toward world peace. President Truman described the pact as a step toward permanent peace. British Foreign Secretary Bevin felt much relieved and safe under the protection of the pact. He said: "This new pact brings us under a wider roof of security."

But opposition leaders in the United States and Britain thought different. Henry Wallace regarded the pact as tending to increase the war danger. Republican Senator George Malone expressed the isolationist view in America when he said: "What we are proposing to do is to freeze colonial possessions all over the world. As a next step we are going to be asked to furnish arms to subdue the people of Asia and Africa. And if the colonial powers get into trouble we will have to defend them. This pact will change our traditional policy, which has been that we never go to war unless our own security is threatened. What we would be doing in this pact is to commit ourselves to go to war to aid some nation that says it is threatened, when our own security may not be involved at all."

British Communist leader Harry Pollitt branded the pact as a "war pact directed against the peoples of Europe" and "as binding Britain to the aggressive war aims of American imperialism."

Communists and Socialists in Italy also voiced violent protest against Italian intention to join the pact, and Italian workers have called strikes throughout the country.

Russia condemned the pact as "a deceptive instrument of war" aimed at Russia. The Russian press said the treaty was the work of warmongers who are trying to wreck the United Nations Organization. They called the pact "the main weapon of the aggressive policy of the ruling circles of the United States, Britain and France."

HO YING-CHIN

(General Ho) is to tell him he is the most wonderful man in the world. A terribly conceited little monkey."

Although General Ho remained inactive for a period after this, he was brought back to the national scene on the eve of VJ Day, when he was named commander-in-chief of the Chinese armies. He was serving in this capacity during the time when General George C. Marshall was attempting to mediate between the Nanking and the Communists, and General Marshall, feeling that Ho was blocking efforts to negotiate a peaceful settlement, succeeded in having him sent abroad.

In this connection, there has been much speculation as to how acceptable General Ho would be to the Communists in conducting peace talks at this time. It is also recalled that in 1940 it was General Ho who ordered the famous assault on the Chinese New Fourth Army, which was operating behind Japanese lines south of the Yangtze river. The Communists demanded then that he be punished for this breach of the "united anti-Japanese front."

However, many people believe General Ho underwent a change of heart while abroad. He was sent to the United States to be the Chinese military representative to the United Nations. While there, he studied American politics and theories of government and wrote several letters to General Pai Chung-hsi, then Deputy Chief-of-Staff in Nanking, commenting on his favorable impressions of democracy and "responsible government." These letters were mimeographed and distributed among officers in the Ministry of National Defense. He also became interested in the Moral Rearmament movement.

When he returned to China last year, General Ho became fairly close friends with General Pai Chung-hsi. Partly this was because General Pai had kept most of Ho's faithful followers in their jobs at the Ministry of National Defense instead of firing them and replacing them with his own men. And partly it was due to the fact that Generals Pai and Ho were united in their common dislike for General

Cheng Cheng, who, as Chief-of-Staff, had bypassed General Pai in the Ministry of National Defense, and as leader of the Pao-ting group, had long been a rival of General Ho's Whampoa clique.

After his return, General Ho stayed out of politics, although he supported Li Tsung-jen for vice president in spite of the fact that he would normally have been expected to support Chiang Kai-shek's candidate, Sun Fo.

Last fall, Chiang asked Ho to become premier. But Ho did not accept because the Generalissimo would not give him the authority he wanted. Ho reportedly had asked for full power to reorganize the government and for complete authority over Nationalist Army field commanders.


General Ho now occupies a peculiar position. Although he has no personal armies which could be used to support Acting President Li, he has considerable influence among other Nationalist generals who do have armies. While ordinarily these ties would give him considerable power, things are disintegrating so fast that most generals are now primarily concerned with preserving their own positions and cannot necessarily be counted on to follow their old loyalties.

Many Chinese believe General Ho is now more far sighted than many of his military colleagues. They think he has been one of the first generals to realize that the Communists can not be defeated militarily and to advocate that the Kuomintang, if it is to preserve any of its power, undergo a complete government reorganization and social and political reorientation while trying to make peace with the Communists.

Whatever the real facts of the situation, there is general agreement that Ho Ying-chin faces an enormous task. The next few weeks will determine whether he can unify a government that is split between Nanking and Canton and draft a peace program that will be acceptable to both the Nationalists and Communists. And they should also indicate whether General Ho will decide to continue conscripting troops to continue the war or reorganize and reduce the Army to peacetime size.

Chinese Magazine Roundup

New Hope

 THE *New Hope* magazine of March 14 notes that Sun Fo's resignation as president of the Executive Yuan has widened the rift inside the Kuomintang. According to the magazine, the appointment of General Ho Ying-chin as successor to Sun Fo was designed to patch up whatever differences there are between the conflicting factions of the Kuomintang and the Government.

"At this critical juncture, when there is the likelihood of internal split and ultimate collapse, Acting President Li Tsung-jen made the inspired move of nominating General Ho Ying-chin to be the next premier of China," the magazine says.

"General Ho Ying-chin is known for his ability to maintain good relationships with all around him. As he is also one who enjoys the confidence of President Chiang, a better man cannot be found to forestall any possible internal rift. Militarily, as the greater part of the military leaders at present in South China are either former pupils or subordinates of General Ho, there can be little danger of acts of rebellions once he decides to take the helm. Politically speaking, Ho has never been known to have come into open conflict with the CC Clique and he has always been on very good terms with the Political Science Group, while he also has overwhelming influence with both the Whampoa clique and the Youth Corps group. Coupled with the fact that General Ho is a good friend of the acting President, a Ho cabinet should be able to unite all the different cliques within the KMT, or at least to prevent them from making an open split."

"Because of Ho's good relationship with Chiang, he will also be able to get along well with the 'Crown Prince clique' when he becomes the premier. In case nothing very much out of the ordinary happens, he might be able to prevent the followers of Dr. Sun Fo from taking any extreme course of action, or at least he will be able to soften any possible split."

However, the magazine warns the public against expecting too much of General Ho in handling the present highly delicate situation. The reasons, as advanced by the journal, are two in number. First, General Ho is a moderate who cannot be expected to take drastic action. Second, he is not trusted by the Communists.

"General Ho Ying-chin is not generally supposed to be a man capable of drastic actions," the magazine says. "In this respect we shall most probably be disappointed if we look to him alone for carrying out

thoroughgoing military and political reforms. And, as the General is a total stranger to economic affairs, he apparently is also not to be expected to be capable of improving the prevailing chaotic economic conditions to any appreciable degree. The one thing we are sure that General Ho would be able to accomplish is that things will definitely not get worse than they are now.

"On the other hand, as General Ho has been listed by the Communists as one of the so-called war criminals, he cannot be taken as enjoying the confidence of the opposing camp."

In the event of a breakdown of the forthcoming peace negotiations between the Government and the Chinese Communists, General Ho Ying-chin will be better able to deal with that eventuality than a man like Sun Fo, according to the magazine, which says:

"The Government is not prepared to consider total surrender. Having partly recovered from the tumult and turmoil of some two and a half months ago, the Government is now less inclined to yield abjectly to Communist pressure. Whereas, the Communists, at a time when they have been carrying everything before them by force of arms, naturally are reluctant to forsake the idea of attaining their goal by military conquest. For the past month, a great deal of troop movements have been observed throughout Communist territories north of the Yangtze. Communist forces of Generals Chen Yi, Chen Keng and Su Yu have been concentrated along the north bank of the Yangtze, while the crack troops of General Lin Piao have been shifted southwards to the plains of the Hwai River and the Yangtze areas. Insofar as the Communists evidently intend to advance to regions south of the Yangtze and are preparing to start fighting as soon as negotiations break up, General Ho Ying-chin is without doubt better suited to the job than Dr. Sun Fo, if unfortunately the worse should happen."

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Many Voices

THE *Many Voices* weekly of March 12 says that the United States has abandoned all hope of reaching a compromise with the Chinese Communists, and has decided to extend new aid to the Nationalists so that the latter may be able to continue the fight against Communism.

"With Nanking gradually recovering its position as the political center of China and with the prospects of peace brightening day by day, more encouraging tidings about American aid are also heard," the magazine says. "Officials of the American Embassy in Nanking have been observed to be in constant contact with high Chinese military and civil officials.

It is also alleged that the period for making use of some \$100,000,000 that is left over from American aid funds shall be extended. All these measures on the part of the American Government cannot be taken as entirely unconnected with the peace talks.

"From the very beginning, the Government has banked on the hope of American aid in its recent drive for peace. Traces of American support can easily be found in Hoffman's statement made before his departure from Shanghai last year, and in the fact that, just before Dr. Sun Fo consented to assume the premiership, Ambassador Stuart repeatedly asked him to try by all means to achieve total peace. The reason for America to ask Sun Fo to work for peace can be easily seen by looking at America's present policy towards China.

"With regard to America's policy towards China, it goes without saying that she would like to have China remain forever completely under American influence. This policy has been in force ever since the days of the PCC, but unfortunately the utter inefficiency and corruption of the Chinese Government has proved to be a great disappointment to the United States. Beginning from the fall of 1947, when the military situation rapidly took a turn for the worse, the disillusioned US was forced to change its stand in order to slow down the headlong deterioration of the Chinese situation.

Then, from another angle, a most important consideration in formulating America's China policy necessarily lies in the problem of protecting American interests in China. According to the United States, America's prevailing volume of trade with China amounts to some US\$400,000,000 a year, and it is not to be expected that America will easily forego the Chinese market. In the unfortunate case that the control of China should be taken from the KMT by the Chinese Communists, all American interests in China would inevitably be lost.

That was why, right after the start of the movement for local peace in the Peiping and Shanghai regions, America, still hoping against hope that the Chinese Communists might give adequate protection to American interests, tried to persuade the Chinese Government to work for peace. However, after local peace was finally established in Peiping, various measures implemented by the Communists turned out to be very far from what had been expected by the US. In disappointment, the US naturally began to lose faith in the prospects of a coalition government under Communist domination. Thus, the American Government has once more changed its mind and is turning to support the prevailing Government in China by means of American aid."

US Magazine Roundup

The Nation

FREDA Kirchwey, writing in the February 19th issue of *The Nation*, discusses the Chase National Bank's recent loan to Spain's Francisco Franco. "Twenty-five million dollars isn't much money as loans to governments go these days," writes Miss Kirchwey, "but when the Chase National Bank lent that sum to Franco the other day, it gave him what he needed most. It gave him the chance to present himself at home and abroad as a dictator who is no longer a pariah. It gave him the right to claim 1) that he is back in the good graces of the State Department, and 2) that he is considered, if not a first-class risk, a suitable recipient of American dollars. The Chase Bank loan will not go far to revive Spain's moribund economy; but it is an opening wedge. Even now, I understand, a second, larger loan is being considered by another New York bank, and an AP dispatch from Madrid reports that Spanish representatives may be leaving soon for Washington to try to get help from the Export-Import Bank.

"It is significant, I am afraid, that the press reported the Chase loan only in passing and followed with a brief note from Washington quoting Secretary Acheson to the effect that the loan was a private one indicating no change of attitude in the State Department. The intention, plainly, is to minimize the affair as much as possible.... and so to prevent any sharp public reaction....

"Even a year ago, announcement of the loan to Franco would have touched off explosions of protest and speculation; today, no one bothers to challenge Mr. Acheson's assertion that private banks are free to lend where they please. Technically accurate this may be, but anyone even distantly acquainted with financial practices knows that no great bank would lend one dollar to a foreign government agency without making sure it had the approval of the State Department; still less in the case of a foreign state, ostensibly in the department's black books, which has been censured by the United Nations and from which this country has withdrawn its ambassador."

Miss Kirchwey declares that "until the loan was granted, the Spanish government was financially all but on the rocks." Bankers and other official representatives of the regime, she says, have reported that Franco needs US\$250,000,000. A year ago, she recalls, Spanish missions came to the United States looking for money but "went home with empty hands and no encouragement from Washington."

Now, she adds, "much has changed. The cold war is more bitter; its

lines are more sharply drawn.... And during the last six months.... American politicians and military men have booked passage for Madrid, where they have talked with Franco and come away openly advocating a quick reversal of American policy toward Spain....

"For ten years, the Spanish people have suffered under a fascist rule planted on their necks with the acquiescence of the Western democracies. The war which, with fatal logic, followed the fascist victory in Spain, ended in the defeat of Franco's allies, but not of Franco; in the liberation of the Western democracies, but not of the Spanish people. Everyone agrees that Franco could have been toppled out of power in 1945 if the victorious Allies had taken a firm stand.... His present desperate financial crisis offered a new possibility of change.... Now, not even this is likely to happen. Franco again has been reprieved.

"Liberal and labor forces in America must shake off their preoccupation with more intimate issues and realize what this means. It will be their fault if the Administration they elected to office decides to prop up the decrepit Franco as it is trying to prop up the right-wing black-marketeers of Greece."

Business Week

AMERICAN businessmen were advised, in the February 12th issue of *Business Week*, to make allowances in their future plans for the possibility of "better relations with Russia. In an article entitled "From Cold War to Cold Peace?", the magazine says while the State Department will not take Stalin's "peace feelers" seriously until the North Atlantic pact is safely ratified, "for the businessman, right now, it isn't Washington's feelings that matter; it's Stalin's. And there is some evidence that Stalin actually is eager to get off the hook of the cold war."

Until the situation clarifies, the article says, "any long-term business plan that's based on continuation of the cold war needs to have an escape clause in it. It must allow for the drastic shifts in the domestic outlook which would result from a major change in the international picture."

The magazine continues: "As things stand, the prospect over the coming years is for a constantly increasing military budget. But suppose the pressure of these military expenditures were relieved some time fairly soon.

"Today the prospect of ever-increasing military spending acts: 1) as a sort of guarantee against any drastic deflation of the economy; 2) as a ceiling on the ambitious social-welfare projects that the Truman Administration has its heart set on;

and 3) as a distorting force that might warp the economy into patterns that would prove completely unworkable in a peaceful world.

"A constant or declining military budget would change all that.

"President Truman would have more financial elbow room for his welfare programs, public works, and resource-developing projects. The threat of inflation would recede to the remote horizon. The threat of deflation would mount."

The magazine then speculates on what such a shift in policy would mean for the US businessman. From a short-term viewpoint, it says, it would not be too painful: "The big immediate effect of any East-West settlement would be to remove the worst threat of inflation—open-ended military spending. The present uneasy balance, with its gentle tilt toward inflation, would continue. Eventually the scales might swing sharply down. But if they did, they would be moving under their own weight, not in response to the change in the international situation.

"Of course, there would be a psychological shock to business. Companies that have counted on military spending to keep the country going full blast would have to take a new and more critical look at their markets. Some might decide to postpone expansion plans. Others might get worried about their inventories. Business in general would be more cautious, less confident that the boom was going to last."

But from a long-term point of view, the magazine says, the economy of the country would be changed "profoundly." President Truman would substitute welfare spending for military spending, and, according to the article, there is a tremendous difference between "welfare pump-priming and military pump-priming."

"Military spending," it explains, "doesn't really alter the structure of the economy. It goes through regular channels. As far as a businessman is concerned, a munitions order from the Government is much like an order from a private customer.

"But the kind of welfare and public-works spending that Truman plans does alter the economy. It makes new channels of its own. It creates new institutions. It redistributes income. It shifts demand from one industry to another. It changes the whole economic pattern. That's its object.

"The shifts in Government spending that would come with an end of the cold war would make a lot of difference to individual industries. They would make a tremendous difference to business in general.

"It is the possibility of these shifts that business plans now have to take into account."

What Chinese Papers Say

THE Chinese press looked to the future of General Ho Ying-chin's new cabinet with a mixture of hope and skepticism. Reaction to the projected Atlantic Pact was divided, while a similar pact for the Pacific was suggested.

New Cabinet

THE *Ta Kung Pao* noted some differences between General Ho's cabinet and the cabinets of the past.

"The Ho Cabinet differs from its several predecessors both in organization and in personnel," the paper said. "The Sun Fo Cabinet, for instance, consisted of 15 Ministries, three Commissions, and one Bureau, but these departments have been amalgamated and reduced into only eight Ministries and two Commissions. In the past, the number of administrative units under the Executive Yuan was really too large, and in view of the stringent financial position of the Government, the process of amalgamation, reduction and simplification should have been undertaken long ago."

"Moreover, in the present Ho Cabinet, there are, compared with the preceding Sun Cabinet, fewer Kuomintang leaders with high influence within the Party, and this reduction has not necessarily been due to the reduction of the number of ministries. This change is significant. The paper, however, pointed out that the fate of the new cabinet will be determined in the last analysis by its policies, and expressed the hope that the cabinet will be a peace cabinet."

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Atlantic Pact

THE proposed Atlantic Pact was hailed by Kuomintang-controlled papers as a victory for the West in its efforts to preserve world peace, but it was denounced by independent papers as a step forward in the direction of war.

The Kuomintang organ, *Chung Yang Jih Pao*, held that the United States has scored a big victory in bringing the Atlantic Pact to a successful conclusion.

"The Atlantic Pact may be considered a victory for the United States in the cold war," the paper said. "But precisely because the present situation is so patent and tense, the successful conclusion of the Atlantic Pact will be a thorn in the eyes of the Soviet Union."

"In their resistance to the expansion of the Iron Curtain, the Western countries first put up the Marshall Plan, economic in nature; it was followed by the Western Union, political in implication. And now that the Atlantic Pact is concluded, the opposition between the two camps has been carried further to the stage of military opposition."

"In the eyes of the Eastern Bloc, the new Pact cannot but be looked upon as a military alliance of

of a threatening nature. The Soviet Union on January 30 issued a special statement severely criticizing the Atlantic Pact. The Communist Parties of Europe and America immediately came out to issue clearcut statements voicing opposition to the conclusion of the Pact, and expressing their readiness to fight for the Soviet Union. All these developments show that with the stimulant provided by the new Pact, the struggle between the Eastern and Western Blocs has become more acute. In the circumstances, naturally there is general anxiety over world peace."

The *Ta Kung Pao* viewed the pact as a war instrument, saying: "As is known to everybody, the objective of the United States in her sponsorship of the Atlantic Pact is the resistance of the Soviet Union, the promotion of war preparations, and the consolidation of her world hegemony. The leadership of the Pact obviously is held in the hands of the United States who has formed a bloc with the British countries. The Atlantic Pact is the principal instrument with which the US-British Bloc is to consolidate its world hegemony. In setting up army, navy and air bases around the Soviet Union, the military nature of the Atlantic Pact is fully revealed, and it is impossible to conceal its hostile attitude toward the Soviet Union and other East European nations. This of course is entirely in keeping with the world policy pursued by the United States and Britain."

"In the view of the paper, the pact is doomed to failure."

"In the first place," says the editorial, "it violates the basic spirit underlying the United Nations Charter in the creation of belligerent blocs outside the United Nations structure. The participants in the Pact, moreover, are really none other than the super-rich of Wall Street, the imperialists of Western Europe, Fascist Portugal and Spain, Monarchist Greece, and politically backward Turkey. Such an alliance is devoid of spiritual significance, and is incompatible with the new world situation today."

"In the second place, the Atlantic Pact will produce, within the various signatory nations, internal splits of a serious nature. There will be the opposition of the people against the government in each country, and dissension within the ranks of the governments themselves. The Atlantic Pact may bring together the ruling classes of these countries, but in failing to unite the peoples of these countries, it has no access to any real strength."

"Again, the strength possessed by the participating nations is limited. The United States, though superficially strong, is internally weak, and an economic crisis may be due soon. The West European countries are all economically unstable and mil-

itarily weak, so that they can only form a 'paper' front."

"Lastly, at a time when the Atlantic Pact is being completed, the peace movements on the part of various peoples are gaining in strength, and this force against war must not be ignored."

Pacific Pact

A SIMILAR pact for the Pacific was demanded by Kuomintang papers, which stressed the important position China would hold in such a pact.

The *Tung Nan Jih Pao* argued that, from the standpoint of the global resistance to communism, a Pacific Pact is needed as complement to the Atlantic Pact.

The *Shun Pao* raised what it called four prerequisites and particularly called the attention of the major Powers to China's position as the only stabilizing force in the Pacific area. Its editorial said:

"In the first place, the United States should change her present policy of attaching importance to Europe to the neglect of Asia. She should transfer her center of diplomatic activities from the Atlantic to the Pacific. But we see that the United States is still expecting Britain to assume greater responsibility in the Far East."

"In the second place, Britain's views on the Pacific Pact appear to stress the security of her own dominions in Southeast Asia, and she has no long-range plans for the whole of Asia. Her attitude toward the Chinese Communists, moreover, is basically at variance with her motive in the promotion of the Pacific Pact."

"In the third place, China is the sole stabilizing factor in the Pacific region. Any machinery for regional security, whether in the form of a Pacific Pact or a Southeast Asia Alliance, if organized without the participation of China, cannot be expected to produce great effects. Accordingly, whatever plans may be considered for Asia by the United States and Britain, it is necessary that measures be first taken to stabilize the China situation, and to prevent the whole of China from falling into the complete control of the Communist Party."

"In the fourth place, India Premier Nehru does not seem to be very enthusiastic about the Pacific Pact, and he has actually indicated his opposition to it. After studying his motives, we consider that his views merit the close attention of the United States and Britain. It must be known that the present age is the Age of Asia, and the nations of Asia must no longer be treated as colonial possessions as in the past. If the United States and Britain can give facts to allay the anxieties of Nehru, then both India and Pakistan will be ready to participate in the Pacific Pact."

What US Papers Say

COMMENT on the North Atlantic Pact dominated editorial columns and was predominantly favorable. Other topics included Ho Ying-chin's appointment as premier and the mounting difficulties in Burma.

Pact For Peace

NATION-WIDE editorial comment supported the objectives of the North Atlantic Pact as a positive move to maintain peace. The *New York Times* said in part:

"In keeping with the democratic tradition which pays decent respect to the opinions of mankind and calls for open covenants openly arrived at, the Western Powers now submit the text of the momentous North Atlantic security pact to the judgment of their own people and of the world . . .

"It is in the exercise of the right of self-defense that they have made this pact. The pact itself menaces no nation that does not threaten others. Its ultimate purpose is not to prepare for war but to save the peace by restoring a balance of power which will discourage aggression.

"As Secretary of State Acheson points out, the experience of two world wars in less than half a century has taught us that unless the democracies stand together in defense of their heritage they are doomed to fall one by one. In this clear fact lies the justification both for the radical departure in traditional American policy which the pact represents and for the additional sacrifices which the United States will have to take upon itself as the arsenal of the democracies."

The *San Francisco Chronicle* viewed the pact as the most effective way of conveying the Western nations' determination to protect their rights of self-defense. The paper said:

"If this program is carried out in a manner to manifest only the determination of the participants to defend their sovereignty and their principles in concert, it may well prove the positive deterrent to war that we hope. We are gambling here that the present composite temperament of the Kremlin is not unlike that of the schoolyard bully, who will carry intimidation as far as he can, but back down when it appears that further belligerence will involve him in a fight he may not win."

The *New York Herald Tribune* observed: "The North Atlantic pact cannot, of itself, insure peace and stability in the world. It has expectations and limitations and there is no certainty that, even apart from these, a great power might not defy the collective force of the North Atlantic community. But it does express the decision of many nations that peace is worth defending and their resolve that no future aggressor will smash them, one by one,

after the pattern that Hitler set. . . . "No nation that respects the rights of its neighbors need fear the pact; only a guilty conscience could see a threat in its terms."

The *Washington Post* criticized the decision to broaden the pact beyond the original negotiators and supported another course of action, saying: "Without a doubt some military agreement is necessary. Of that the facts of the world situation afford ample proof. . . . The question lay in means. A wiser and less complicated course than a comprehensive alliance of the nature that is now before the American people—assuming the need for comprehensiveness—would have been the plan suggested by Hamilton Fish Armstrong, editor of *Foreign Affairs*. Armstrong had proposed that the Soviet-created gap in the Charter be filled by a new pledge of consultation and action in case the Security Council was veto-tied in enforcement.

"This could have been worked out simultaneously with the development of the original Atlantic community."

New Premier



THE *Boston Herald*, commenting on Ho Ying-chin's appointment as premier, advocated a continued American policy of watchful waiting, saying:

"The appointment of General Ho Ying-chin as premier has created at least a temporary feeling of optimism in Nanking. He is said to be a sincere advocate of peace with the Communists and, despite the fact that his name is high on the Communist list of 'war criminals,' he is considered 'capable of achieving success' in negotiations with them.

"Whether this optimism is justified remains to be seen. Part of Acting President Li Tsung-jen's satisfaction obviously flows from the knowledge that the appointment strengthens his position vis-a-vis Chiang Kai-shek. The general succeeds Dr. Sun Fo, Chiang appointee, who was compelled to resign by the Legislative Yuan for removing the Government to Canton. Formerly Chiang's defense minister and chief of staff, General Ho has recently cooled toward the Generalissimo. His strong personal influence with the Army is expected to bring important waverers back to the support of the Li government.

"But a strong National Government, if not hostile to the idea of peace, may well prove more successful in achieving it. General Ho, though anti-Communist, is an advocate of sweeping political and economic reforms for China. He might well find a basis for agreement with more national-minded Chinese Communists like Mao Tse-tung, and such an agreement is now a virtual necessity for China.

"The American role must continue to be one of watchful waiting. General Ho is quite pro-American as a result of the two years he spent here as chief of the Chinese military mission since the war. And that attitude might be most helpful to us later, if we refrain from the wrong kind of interference now."

Burma Disorders

THE *Baltimore Sun* declared Burma's disturbances could have serious repercussions in Asiatic rice-eating countries. An editorial titled, "Burma Finds Independence Hard Going", said:

"Burma, whose independence was declared on January 4, 1948, is learning the hard way about the responsibilities that go with self-government. During the last year the country has scarcely known a day of peace. Whether the present government can survive is a matter of grave concern.

"If the situation were normal, Burma would have a good chance of survival. Ordinarily there is a large rice surplus that helps to feed India, Ceylon, Malaya and the Netherlands East Indies. Burma's forests, oil and other mineral deposits are potential sources of wealth. But their exploitation depends upon a stable government and internal order.

"No sooner had the independent government been established than leftist forces with Communist elements were in open rebellion, cutting communications and penetrating to the suburbs of the capital city of Rangoon. When, in September, the Government appeared to have the Communist situation in control, it was confronted with an equally serious threat from the Karen tribesmen.

"The Karens are a subdivision of the Burmese, a fierce mountain people. Many of them are Christians, which adds to the difficulty of their coming to terms with their Buddhist brethren. Their objective is an independent state of their own. Joining forces for the time being at least with the Communists, they, too, for the last six months have engaged in open warfare with the Government and are now in Mandalay . . .

"Meanwhile, disorder has reduced the rice export and the production of oil and timber. Keeping an army in the field against the rebels also has been a costly undertaking. A few months ago the Treasury showed a budget deficit of some \$35,000,000.

"Aside from the effect on its own people, the disturbances in Burma are capable of having serious repercussions in the countries which depend on it for rice and which are having their own internal troubles. India, Malaya and the Netherlands East Indies are none too happy over a neighbor whose house is so far from being in order."

The Review's English Lesson—LXXV

THIS week's Lesson, a review of some pronunciation and spelling rules, is contributed by Mrs. Shirley R. Huang.

WHEN I was in primary school, classes in spelling were part of the regular course of study. Of course, once I had learned to spell correctly, I forgot all the rules. Then, many years later, I came to China and started teaching English. All of a sudden, I discovered that rules can be very useful. I dug a few of them from the back of my mind, brushed them off, and am passing them on to you.

One rule was very easy to remember because it rhymed: i before e, except after c. That is when you are trying to decide whether to spell the word ei or ie. For example, believe, but receive. There are always exceptions to rules, particularly in English, and some exceptions to this rule are words with a long a sound, e.g. (for example) eight, weight; and words with a long i sound, e.g. sleight.

When adding an ending to a word ending in y, the y is changed to an i. When adding an s ending, change the y to an i and add es, e.g. try-tries-trial, fly-flies, country-countries, lovely-lovelier.

YOU notice that these spelling rules, when read backwards, can help you with pronunciation. Watch the next rule:

When a word ends in a single vowel-consonant (in which case the vowel is short), double the consonant before adding an ending. Now, when you see a word with a double consonant, the preceding vowel is short.

When a word ends in a vowel-consonant-e (in which case the e is silent and only there to show that the vowel is long) you drop the e before adding an ending. Thus, when you see a word with a single consonant before an ending, the root vowel is long.

These two rules apply particularly to verbs. Here are some examples: write, wrote, writing all long root vowels) written (short i); hit (no final e, so the i is short): ride, rode, riding, ridden; rid (to get rid of) ridden. Some other words with a short vowel-double consonant combination are lettuce (a kind of green cabbage), impress, supply, irrelative.

OF the five vowels, i and e are "soft" and a, o, and u are "hard." The pronunciation of c and g depends on the following vowel. If they are followed by e or i, the c has a soft s sound (cell-

ing, city) and the g a soft j sound (general, regional). There are very common exceptions to this rule: give and get are both hard g sounds. Followed by a, o and u, the c has a hard k sound, and the g a hard sound: cat, cope, cut; gas, goose, gully. Usually, to get a hard g sound with an e or i, u is put between the consonant and the vowel: guerrilla, guide. For a hard c, k is used.

One rule to which there are absolutely no exceptions is that q is always followed by u.

Y, i and j are triplets. They were all three born together. Before the printing press standardized the forms of letters, people wrote pretty much as they pleased, each shaping his letters in a different manner. So you see that j is just i with a tail and y is a combination of ij. That is why you have so many English words in which y, i and j are exchanged for each other.

H does funny things to pronunciation. Gh is sometimes not pronounced, as in bough, and sometimes pronounced like f as in cough, enough. Ght is always pronounced as t: bought, delight, caught. Ph is always pronounced as f: pheasant, emphatic, physical.

I think if you learn these few rules, they can help you a great deal when you have to read or write something and have no dictionary on hand.

ONE of our Shanghai readers, Miss A. L., is puzzled by a few terms appearing in the editorial "Belated Reform" in the March 10th issue.

Tick: In "...what makes the average bureaucrat tick." Literally, this means to make a continuous series of beats, or ticks, as a watch or the heart. The question, what makes a watch tick, indicates curiosity about the mechanism inside the watch responsible for the tick. Thus, by extension, what makes the average bureaucrat, or any other person tick, is to speculate on what makes him think and act as he does.

Tangling horns: "...they have avoided tangling horns with fundamentals." To avoid meeting or trying to solve fundamental issues. The term tangling horns comes from deer, or other horned animals, who settle questions by fighting with their horns. Locked horns is a related term, and by extension, means to engage in a controversy.

Hindsight: "With the benefit of hindsight, it is now possible to see..." Literally, the rear sight of a gun or other firearm. Used colloquially to mean perception of the nature and demands of an event after it has happened.

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