CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 362 June 2, 1947

EDITORIAL COMMENT

The Self-examination We Should Practice in Requesting the United States for a Loan

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

Yesterday, at a plenary session, the PPC passed by a majority the resolution proposed by eighty PPC members, including Kiang Yung, that "the Government be asked to start economic reconstruction work as soon as possible and also to start negotiations with the United States for a loan for reconstruction purposes at an early date." It was also decided by the PPC that if and when a loan is obtained, its use be supervised by public opinion organs. This certainly reflects the common wishes of the people. Inasmuch as economic reconstruction in China is such a great task, our Government should immediately negotiate with the United States regarding the use of the projected US$500,000,000 loan. Now, the reason why the much-talked-about loan has not yet been actually extended to China lies with China rather than with the United States.

So far as the United States is concerned, the problem is that of the condition for the loan, namely, a definite plan for using the loan, and so far as China is concerned, the problem is that of the use of the loan, namely, how to prevent waste of the funds and corruption. Now, the PPC has decided that economic reconstruction work be started at an early date and that the loan be used exclusively for reconstruction purposes. It has also decided that the use of the loan be supervised by public opinion organs. This will probably meet partially the United States' demand for a definite plan.

In studying the matter of requesting the United States for a loan, we feel that she ought to realise the principle that "only when the treatment is given before it is too late will it be able to save the patient." On China's side, we ought to do some careful self-examining and to realise that only a strong and highly efficient Government will be able to win the full confidence of our friendly neighbors. (Summary)

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Reign of Terror in Chungking
(Short Comment)

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

In connection with the Government's efforts to suppress student strikes and student demonstrations, a tense situation has been brought about in all the great cities, and especially tense was the scene in Chungking yesterday morning.

Martial law was proclaimed late at night, and gendarmes and police men were mobilized, with the result that several hundred students and newspapermen were arrested and two of the students of the Central Engineering college were shot at and killed. Could all of these people be Communist intriguers and saboteurs? Was it absolutely necessary for the Government to adopt such measures? Arresting newspapermen and killing students, thereby bringing about a reign of terror -- was this a wise measure from the point of view of the Government? Further, the Government has declared that it will gather together all those who have been arrested and then ship them to the Communist controlled area, thus driving them over to the opposition camp This is all the more incomprehensible.

Among those arrested in Chungking yesterday morning were eight reporters of this newspaper. We hereby lodge a protest with the authorities responsible for maintaining peace and order in Chungking, demanding that these reporters be released immediately, or else be handed over to the law court to be dealt with according to law. (Full Translation)

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On "Student Unrest"

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 2, 1947

One stage of the student unrest can be said to have been concluded by this time. However, it can also be said that the student unrest has reached the most serious stage. We feel that this superficial easing of the situation may mean that the situation is actually very tense, and we are of the opinion that the authorities should take advantage of this low ebb to seek a satisfactory solution for this problem and that it should refrain from arresting any more people and from applying further mental pressure upon the students. Those students who have already been arrested should be cautiously and leniently dealt with, and the demands made by the students should be given careful consideration. (Summary)

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Anniversary of Demobilization of Youth Army

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

Today is the anniversary of the demobilization of the Youth Army, which will be elaborately celebrated in this city. It will be recalled that the Youth Army was established during the last stages of the war against Japanese aggression when China was facing a most critical military situation. Although the Youth Army did not fight against the enemy for a long period of time, yet its presence in the jungles in Burma and in the front lines in the Kweichow-Kwangsi area made spiritual contribution which was of inestimable value.

In the present age, what youth need most is the ability to distinguish right from wrong. It can be said that the present nation-wide student unrest has been due to people's inability to distinguish right from wrong over a period of many years. The most important task of youth today is to help society to achieve stability. If youth are unable to enhance social stability but, instead, create social disturbances, it will only do harm to the nation as well as to themselves. (Summary)

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Youth's Fatherland Movement

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 2, 1947

Having been misled by internationalism, many Chinese youths today have very little Fatherland-consciousness. Some youths and even some teachers and professors have gone so far as to sympathise with the rebellion against the Fatherland which is designed to make a gift of our sovereignty to others. Having been misled by the "fifth columnists", many youths have lost their "national consciousness". How deplorable a state of affairs is this?

The dangers and difficulties facing the country today are no less than those of war time. It is the duty of every citizen to defend the Fatherland.

We, therefore, hope that youth today will have a firm belief in the principle of the people first and the country first, and that they will not in the least allow their belief to be shaken by the treacherous party which has rebelled against the country and the people. At the same time, they should organize themselves, so that they will not be overcome by the few Communist secret agents. What is most important is that they should, emulating the example set by the Youth Army, spontaneously take upon themselves the responsibility of defending their Fatherland. (Summary)

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Lifting of Foreign Exchange Controls and Control of Imports

Chung Yang Jih Pao (KMT Organ), Shanghai
June 2, 1947

Not only does the present foreign exchange policy hinder the development of export trade, but because of the short supply of foreign exchange, this policy has not been helpful to legitimate import trade either. Therefore, there are certain practical reasons why foreign exchange controls should be removed, as some people have advocated. However, if the official foreign exchange rate were suddenly changed into a natural foreign exchange rate, it would most probably cause some economic confusion. We feel that if foreign exchange controls are to be removed, such removal must be effected at the right time and in the right way, otherwise it would cause a rise in commodity prices.

In a word, foreign exchange policy and control of imports are an integral part of the national economy, and they must be in harmony with the whole economic policy. If the economic policy were ignored, then even if some results could be achieved, these results would be only temporary and local in nature and, viewed from the whole situation, they would do more harm than good. (Summary)

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Conservativeness of Katayama's Cabinet

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Japan's Katayama Cabinet has already been organized. The organization of this Cabinet indicates that the rightists and the middle-of-the-roaders will be in power, and that the leftists have been left out of the Cabinet. Viewing the Cabinet as a whole, one gains the impression that it is still conservative in character and that its conservativeness will become more and more evident and will be increased as time goes on. The Katayama Cabinet is composed of rightists from the Socialist Party and younger elements from the Democratic Party. They have formed a so-called "middle-of-the-road" Cabinet which General MacArthur has commanded. However, the middle-of-the-roadness of the Cabinet is such that while it will be thoroughly anti-Communist, yet it is prepared to compromise with the conservatives.

So far as the Socialist Party itself is concerned, the position of its leftist members is similar to that of non-government party members. These leftist maintain close relation with the Communist Party which has a membership of 100,000, a fact which has reduced Katayama's strength. The Katayama Cabinet is a weak and unstable one. Inasmuch as internally, both the Democratic and the Socialist Parties are facing problems, and as this Cabinet is an unstable one, it is possible that it will be short-lived if it fails to overcome its many difficulties. (Summary)

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Other editorials not translated:		Dated June 2, 1947
Cheng Yien Pao, Shanghai	--	On the Question of Army Rebuilding in China
Lih Pao, Shanghai	--	Significance of Cabinet Reshuffle in Hungary
Chien Sien Jih Pao, Shanghai	--	The Quieting Down of Student Unrest in Shanghai
Shang Pao, Shanghai	--	Important Requisites for National Salvation -- Understanding and Unity
Yi Shih Pao, Shanghai	--	On the Organization of Political Parties
Tung Nan Jih Pao, Shanghai	--	The Removal of Foreign Exchange Controls and the Abolition of the Control of Import

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POLITICAL NEWS

More Than 500 Professors in North China Appeal for Peace

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 1, 1947

Peiping, May 30---A statement appealing for peace was issued by the professors in North China on May 28th. This statement was signed by 585 faculty members of eight colleges and universities, including 141 faculty members of Yenching University, 144 of Tsinghua University, 105 of Peking University, 6 of Fine Arts College, 6 of Teachers College, 17 of Sino-French University, 89 of Nankai University, and 77 of Peiyang University. The full text of the statement follows:

During recent weeks commodity prices have steadily soared, thus causing a great deal of uneasiness among the people. In Nanking, Shanghai, Peiping and Tientsin there have occurred disturbances. There have been rice riots, and labor and student strikes in these cities. We, the undersigned, have been devoting curselves to cultural and educational work and have never entertained any political ambitions. However, today we see with our own eyes the angry waves of civil war and economic collapse. The situation is not surpassed in seriousness even by that which obtained in France around the time of French Revolution and in Russia around the time of the October Revolution.

We know full well that all the unsettled phenomena today are rooted in the economic crisis, that the economic crisis has resulted from the prolonged civil war, and that all the labor and student strikes are inevitable results of the existing situation. A study made by us convinces us that China is now on the brink of a collapse, politically, militarily, economically and culturally. If the Government continues to deal with the situation half-heartedly and fails to seek a fundamental solution at an early date, the final result will be that it will be destroyed along with all the rest. A continuance of the civil war certainly will not be able to solve the difficulties. If the Party, Government and military authorities want to save themselves as well as the people, the only course open to them is to stop the civil war immediately, to negotiate with the Communists sincerely and then to achieve peace and to establish a coalition government in accordance with the PCC resolutions for the purpose of solving the aftermath problems. There is no other course for them to follow. We know that a cessation of hostilities must be effected by both warring parties, and that it would be best if the people, in their effort to achieve peace, could appeal to both parties simultaneously. However, since we are living in the area controlled

by Government troops, we can only enlist the cooperation of our compatriots in this area in a peaceful struggle. (Summary)

(Signed)

Yenching University

141 faculty members including Y.P. Mei

Tsinghua University

144 faculty members including Fei Hsiao-tung, Quentin Pan

Peking University

105 faculty members including Chow Ping-lin, Chien Tuan-sheng

Fine Arts College

6 faculty members, including Shen Shih-chwang

Teachers College

6 faculty members, including Li Ching-hsi

Sino-French College

17 faculty members including Yeh Ju-lien

Nankai University

89 faculty members including Chen Hsu-chin

Peiyang University

77 faculty members including Chang Kuo-fan

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Chungking Declared Under Martial Law Yesterday; Several Hundred Students, Newspapermen and Citizens Arrested

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Chungking, February 1---Chungking was declared under martial law today, and over 1,000 persons were arrested. After zero hour this morning, the Garrison Headquarters sent truckloads of gendarmes and police to the city proper, the Sapingpah and Tzuhsikou Districts, the Chiulungpo District, and the South Bank to arrest students and newspaper reporters. The people arrested included: 8 newspaper reporters of the Ta Kung Pao, namely, Tseng Min-chih, Chang Hsueh-kung, Fang Meng, Pu Hsi-ping, Miao Yu-chuen, Miao Chung-kwan, Li Kuang-i and his wife, Yuan Wen, 4 of the Shih Chieh Jih Pao (World Daily News), 4 of the Kuo Min Kung Pao (Citizen Daily), 2 of the Shang Wu Jih Pao (Commercial Daily), 7 of the Sin Min Pao, over 30 of the Min Chu Pao (Democracy Daily), Democratic League organ which ceased publication sometime ago, 31 students of the National Chungking University of whom 3 were girls, and 11 students of the Szechuan Education College. As a result of clashes with the police and gendarmes caused by their refusal to surrender themselves, four students of the Central Engineering College were fired upon and wounded, of whom two were seriously injured and succumbed to their wounds. 70-80 professors and students of the Southwest College and over 80 of the Girls' Normal College were nabbed. Three staff members of the New China Dramatic Club were taken away by the police. Besides, many workers and citizens were arrested.

Garrison Commander Sun Yuen-liang who proclaimed the martial law in this city issued a proclamation which reads: "In accordance with Articles 3 and 14 of Martial Law, martial law will be proclaimed temporarily in this city starting from zero hour on the morning of June 1. Beginning from this date, curfew will be imposed from 11 p.m. to 6 a.m. every day. The restrictions will be lifted as soon as the root of unrest is removed."

While conducting the arrests, gendarmes and police carried with them letters addressed by Garrison Commander Sun to the head officials of the Government organs and organizations with which the arrested persons are affiliated. The letter said in part: "All the CP underground agents and their accomplices who are concealing in various schools and other quarters should be concentrated and sent to the CP-controlled areas."

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Strike to Be Continued by Chungking University Students for Indefinite Period of Time

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Chungking, June 1---The Student Self-Governing Body of the Chungking University held an emergency meeting this morning at which the following resolutions were passed: (1) Starting from date, the strike will be continued for an indefinite period of time; (2) The Government should be requested to accord effective protection to the safety of the arrested students, to release the innocent ones, and to severely punish the culprits who opened fire on the students. The school authorities also held an emergency administrative meeting at which they decided to take positive steps to obtain the release of the arrested students. They have wired the Ministry of Education to demand a reasonable settlement of the incident.

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Many People Arrested in Chengtu

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Chengtu, June 1---This morning, the peace maintenance authorities in Chengtu started to arrest people. Out of the several scores of people arrested, two are reporters of the Kung Shang Tao Pao (Industrial and Commercial Herald), one is the worker of the Hsin Min Pao and many are staff members of the Hwa Si Wan Pao (West China Evening News).

Garrison Commander Yen Hsiao-hu gave a press conference this morning at which he stated: "Of late, incidents of setting fire on houses and rice riots have occurred in this city. Meanwhile, worker and student strikes are also in a full swing. As a result of thorough investigation, it was found out that these incidents and strikes were instigated by the insidious CP elements for the purpose of overthrowing the State and the Government in coordination with their over-all armed rebellion. As Garrison Commander of this city, I have to perform my duty and arrest all the rebellious CP elements."

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Martial Law Proclaimed in Mukden, Tientsin, Kaifeng and Foochow

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Mukden, June 1---With a view to coping with the current situation, the Garrison Headquarters in Mukden has proclaimed emergency martial law in the city starting from 1 a.m. today.

Tientsin, June 1---A Martial Law Enforcement Headquarters with Lin Wei acting as Commander was inaugurated here today. Starting from noon today, Tientsin has been proclaimed a "martial law enforcing district". All local newspapers are required to send in their news items to the Headquarters for censorship.

Kaifeng, June 1---With a view to suppressing the CP underground activities, the Kaifeng authorities have tracked down over 100 suspicious elements who are allegedly connected with such activities. Forty-five of them were arrested today.

Foochow, June 1---At the press conference this morning, Liu Chien-shu, Governor of Fukien and concurrently Garrison Commander in Foochow, reported that 32 people of various schools and people's organizations in this city were arrested on May 31. Though the insidious CP elements in Foochow have not carried out their agitations here as strongly as in Nanking and Shanghai, yet they have all the time created incidents of setting fire on houses and other disturbances, so they have to be arrested and confined, Garrison Commander Liu revealed.

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48 Students Arrested in Honan University

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Kaifeng, May 28 (from our correspondent)---On May 28, an unprecedented event occurred in the National Honan University. At around 2 p.m. the school was placed under seige by armed gendarmes, police and plainclothesmen, and up to the time this despatch is flashed, already 48 students of that school have been arrested. As president Yao Chun-wu of the school was then on a visit in Nanking, the whole school was thrown into a state of anarchy. An atmosphere of terror and panic enveloped the whole school. Following is an account of the incident:

On the morning of the 28, more than 20 students of two departments of the Honan University (all of them are demobilized Youth Army men), brought with them a large quantity of written slogans which they posted up all over the school campus. A certain student of the Medical Department who tore off some of the slogans, was immediately assaulted by these 20 odd "school protection" students. When this incident came to the knowledge of the whole student body, a clash ensued. The 20 odd students whose inferior number was no match for the superior number of students against them, one after another took flight. One of the students among them named Liu I-lung, was, however, caught by the other students. Then the latter set up a popular court in the name of the Students' Self-governing Body, to try him. Over a thousand students attended the hearing as observers.

Hardly had the trial been concluded than a student appeared with the information that the school gate was being surrounded. The secretary of the Students' Self-governing Body, named Wang, was arrested. At this time, the vicinity of the school was already heavily posted with plainclothesmen. Chief Commissioner Chi Hui-wu of the Provincial Police Department, Director Yang Wei of the Police Bureau and Commander Chang Hsun-ting of the City Garrison, all appeared outside the university gate.

Later on, two students who went near the school gate, were dragged out by their hair by the plainclothes police and pushed into a truck. At around 3 p.m. two trucks carrying 20 odd "school protection" students, arrived at the school. The first batch of gendarmes and police armed with loaded guns then broke into the school. The "school protection" group divided into three units, followed the plainclothesmen into the school to conduct a search. At that time Liu I-lung who had just been tried by the popular court and released, joined with the intruders.

When the coeds' dormitory was placed under search, the girls cried and wailed at the top of their voices and the scene was most pathetic. The Coeds' Guiding Committee interceded on behalf of the arrested girl students who were all known for their high scholastic records, but in vain. 6 of the coeds were arrested. American handcuffs were put on the wrists of the arrested boy students who were escorted out by plainclothesmen. As the intruders carried a list of names with them, the search lasted for several hours. Only after a large number of students were arrested then did Dean Lu of Discipline, Dean He, and Administrative Officer Tang Yu-feng of the school arrive leisurely.

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Students and Professors of National Wuhan University Arrested

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

Hankow, June 1---On learning of the underground activities carried out by the Communist elements who concealed themselves among the students of the National Wuhan University, the Wuhan Garrison Headquarters mobilized 300 gendarmes and policemen at 3 o'clock this morning to surround and raid the campus of the said University, as a result of which a total of 16 professors and students were arrested. The names of the five professors and one assistant professor arrested are as follows: Chin Ke-mu (Department of Philosophy), Liu Meng-an and Liao Lang-shan (Department of Foreign Languages), Chu Chun-yun (Niece of Chu Ching-nung, former Vice-Minister of Education, Department of Foreign Languages), Liang Kuo-tung (Department of Mechanical Engineering), Liu Chun-i (Assistant professor of Department of Mechanical Engineering).

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Students of Wuhan University Killed in Clashes With Police

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

Hankow, June 1---Around 6 o'clock this morning gendarmes and police raided the National Wuhan University campus to arrest the CP insidious elements, thus leading to clashes with the students. Three students were killed, namely, Huang Ming-kang (Freshman of the History Department), Wang Chih-teh (Freshman of the Civil Engineering Department) and Chen Ju-feng (Freshman of the Political Science Department), while three others were wounded.

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Nankai University Campus Blockaded by Police and Gendarmes

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Tientsin, June 1---Since noon today, the dormitory of the National Nankai University has been blockaded by over 100 bare-handed soldiers, police and gendarmes who prevented the students from going outside.

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Student Paraders in Canton Beaten Up by Ruffians

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 1, 1947

Canton, May 31---Some 2,000 students of the National Sun Yat-sen University and the Chung Hwa Cultural College staged a large-scale anti-civil war and anti-hunger parade this afternoon and were waylaid by ruffians, resulting in a serious bloodshed.

Preliminary investigations have disclosed that 28 students and co-eds were injured, some of whom may succumb to the injuries sustained. The demonstration started out in an orderly manner and when it reached the Bank of China Building along the bund, several scores of plainclothes ruffians, armed with iron rods, iron hooks and bricks, and led by a person wearing Sun Yat-sen uniform, started to attack the paraders. They concentrated their blows on the ten odd students who were riding in the car leading the demonstration. Being unable to run away, these students were badly beaten up by ruffians and seriously injured. The whole car was stained with blood. Later, the paraders were again waylaid by a second batch of ruffians with the result that more students were wounded. Finally, the paraders were re-grouped and on their return journey, they delivered various soap-box speeches to the inhabitants. As soon as they arrived at the starting point, a meeting was called, at which all students shouted that they would revenge for the wounded. At the same time, they started to call for a contribution to comfort the wounded. A total of over CN$1,000,000 was collected on the spot. The students who led the parade then announced the name of the person who led the attackers. It was also decided at the meeting that the Government should be urged to mete out severe punishment to the culprits.

It is also learnt that ten students of the Chung Hwa Cultural College have been arrested by the police.

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Nanking Students' Federation Issues Patriotic School Protection Circular Telegram

Chung Yang Jih Pao (KMT Organ), Shanghai
June 2, 1947

(Local News)---The "Patriotic Students' Federation for School Protection" organized by students of various universities and middle schools in Nanking who are opposed to classroom strikes, dispatched 10 representatives to Shanghai a few days ago and are scheduled to return to the Capital by night train tonight. At 3 p.m. yesterday they gave a press conference at the New Life Movement Club. During the conference, student representatives Liu Chung-teh and Chen Shih-I each reported on the activities of the Nanking Patriotic Students' Federation for School Protection. They also stated that the aim of the student delegation is to get into close contact with all students here who are opposed to classroom strikes so as to join their efforts together to promote the "patriotic school protection movement." The said Federation also sent a telegram to the National Government and to the PPC, respectively, and issued a manifesto addressed to the Chinese Communist Party and to the Democratic League, respectively.

The telegram reads in part: (1) In order to strictly uphold law and discipline and to stabilize society, we vow to oppose riots still the end and we are determined to support the Government. (2) We beseech the Government to safeguard our freedom to attend classes, to severely punish those insidious CP and Democratic League elements who distribute leaflets and instigate strikes and demonstrations under false pretexts. (3) To punish corrupt officials severely, to reform administration, to confiscate the wealth of the powerful and the rich, and to tide over the economic crisis. (4) To urge by wire the CP PPC members to immediately come to the Capital to attend the PPC meeting and to resume the peace talks. If the CP declines this offer again, then the Government is requested to openly launch a punitive expedition against them so as to save the lives of the people.

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Supreme Peace Maintenance Planning Organ Organized Here

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 1, 1947

(Local News)---With a view to strengthening the peace maintenance work in this city, the KMT, Administrative, Military, Police and Gendarme organs here have jointly organized a provisional supreme peace maintenance planning organ to draw up all necessary plans pertaining to the maintenance of peace and order. However, the execution of the plans is still to be entrusted to police and gendarmes, while the said new organ will only supervise the enforcement of various measures.

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Five Newspaper Reporters in Shanghai Arrested

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

(Local News)---Up to yesterday, a total of five newspaper reporters in this city have been arrested, namely, Miss Mai Shao-mei of Wen Hui Pao, Yang Hsueh-chun and Misses Huang Pin and Yao Fang-tsao of Lien Ho Wan Pao and Chang Shen of Hsin Min Wan Pao. Chang was nabbed yesterday.

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Student of School of Journalism in Shanghai Abducted

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 2, 1947

(Local News)---Shen Tse-jen, a student of the China School of Journalism, met a stranger in plainclothes outside the school gate at 5 p.m. on May 31. Shen was subsequently abducted.

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Two Kuanghwa Students Arrested

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

(Local News)---Chu Heng, student of the Education Department of Kuanghwa University, was arrested at his house around 3 o'clock yesterday morning. Wei Liang, student of the Political Science Department of the same school, was found missing day before yesterday.

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Hangchow Adopts Emergency Measures; Arrests 12 CP Underground Workers

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

Hangchow, June 1---With a view to maintaining social order in the city of Hangchow, the Chekiang Provincial Government has adopted emergency measures and arrested 12 CP underground workers.

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Anti-Civil War Strike Staged by Northwest Engineering College Students in Sian

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Sian (By Mail), May 29---While the anti-civil war and the anti-hunger movement is spreading throughout the country, students of the local Northwest Engineering College have staged a classroom strike since May 27.

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Shantung University Students to Stage Parade Today

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Tsingtao, June 1---In response to the anti-hunger and anti-civil war movement, students of the National Shantung University today adopted the resolution to rally students of all private middle schools in the city to stage a general classroom strike and a demonstration parade on June 2. They have proposed to students of all universities in the country that all of them should explain to the people in the CP-controlled areas the significance of the anti-hunger and the anti-civil war movement.

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Student Federation in Kunming Decides to Stage Strike Today

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Kunming, June 1---During these few days, the Students Federation in Kunming has called a series of meetings of representatives from various schools to discuss the steps to be taken to cooperate with the students in Peiping and Tientsin in making June 2 an anti-civil war day and in staging a general classroom strike on that date. At the meeting, a resolution was passed to the effect that all universities and middle schools will proclaim a general classroom strike tomorrow.

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PPC Members Request Government to Negotiate with U.S. for Loan

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 1, 1947

Nanking, May 31---At the PPC general session, Kiang Yung and other PPC members brought forth an impromptu proposal that the PPC should request the Government to immediately negotiate with the United States for a loan. After this motion was brought up for discussion, a hot debate ensued. Voicing his opposition to this motion, Chen Yao-tung said that such a move would make China lose face. Sharing similar views, Jung Chao said, "The bankruptcy of Chinese economy is characterized by the bankruptcy of the Chinese people, not that of the bureaucratic capital. The foreign loan would merely help to fatten the bureaucratic capital, so it is entirely unnecessary." Ho Chi-hung stated, "We should utilize the foreign loan for proper purposes. We should not squander it for dissipation." Therefore, he advocated that the utilization of the foreign loan should be supervised by the public opinion agency. Seconded by Yun Shu-hsien, Chen Po-sheng, and Tsien Kung-lai, the motion was finally passed with the passage "The utilization of the foreign loan should be supervised by the public opinion agency" added to it.

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Proposals Made at General Session of Fukien Provincial Council

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 2, 1947

Foochow, May 31---During these two days over 100 proposals were passed at the general session of the Fukien Provincial Council. Some of the important ones were: 1) Farm tax should be collected in cash instead of in kind, 2) Unlawful searches should be forbidden, 3) Compulsory collection of funds from the people should be strictly forbidden, 4) The Government is to be requested to safeguard the freedom of press and the safety of the newspapermen.

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MILITARY NEWS

General Chen Cheng Arrives in Hsuchow

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

Hsuchow, June 1---Gen. Chen Cheng, Chief of the General Staff of the Chinese Army, arrived here from Nanking by special train this morning. It is learned that he will attend simultaneously the graduation ceremony of the Officers' Training Class of the Army Mechanized Training School and the opening of the first cadet class.

General Li Mo-an, Commander of Government Forces in North Kiangsu, left for Nanking by special train yesterday morning whence he will return to his post in North Kiangsu.

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Admiral Kwei Yun-chin Inspects Shanhaikwan

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 2, 1947

Mukden, June 1---Admiral Kwei Yung-ching, C-in-C of the Chinese Navy, arrived at Shanhaikwan from Chingwangtao at 2 p.m. today for an inspection tour. He visited the city's scenic spots and returned to Chingwangtao at 4 p.m. It is learned that he will make a short stay at the latter place.

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MISCELLANEOUS NEWS

Family Members of U.S. Forces in Shanghai Not Allowed to Go Outside Today

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 2, 1947

(Local News)---With a view to preventing their men from being involved in any untoward incident which may occur today, the authorities of the U.S. Forces here issued an order last night to the effect that all the personnel of the U.S. Forces in Shanghai would not be allowed to go outside on June 2 except on official business. Similar notices were also issued to the family members of the U.S. Forces personnel so that they may not be involved in any untoward incidents.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
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EDITORIAL COMMENT

This Is the Voice of the People!

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

After having met for fourteen days, the PPC session closed yesterday. The PPC passed quite a number of resolutions, and the most important of these is the one regarding the question of peace. This resolution is quite briefly worded, but it is of great timely significance, because it represents the voice of the people. That half of China which extends from north of the Yangtse and the Hwai River through the Yellow River Valley to the Northeast, has now been completely plunged into war. This war must not continue to be waged. In the midst of war the people throughout the country have been living under great hardships, and especially have the people in the North been reduced to extreme poverty. North China has been visited by calamities, both natural and man-made, and the clamor of the PPC members from the North was the blood and tears of the people of the North. The PPC's resolution is the voice of the people, and we earnestly request that both the Government and the Chinese Communist Party will listen to it and unconditionally resume the peace talks as soon as possible, so as to salvage the broken nation and to save the people who are on the verge of death! (Summary)

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Achievements of PPC

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 3, 1947

The only demand of the people throughout the country at the present time is peace, stability and guarantee of their livelihood. Now, the PPC has made the greatest possible efforts in this direction, and has thus acted in harmony with the wishes of the people throughout the country. We hope that the responsible Government will respect this demand of the people. Especially do we hope that the Chinese Communists will change their policy and return peace and stability to the country and the people. (Summary)

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Japan's Katayama Cabinet Established

Chung Yang Jih Pao (KMT Organ), Shanghai
June 3, 1947

The establishment of the Katayama Cabinet marks the revival of the system of party Cabinets in Japan, heralds the rise to power of democratic political parties in that country, and is probably the first step toward the achievement of economic democracy in Japan. Therefore, all quarters expect great things of it. However, it is quite doubtful whether this Cabinet can fulfil its mission smoothly, partly because there are some powerful opposition parties in the Diet, and partly because there are within the Cabinet the Ashida clique and the Cooperative Party, both of which are conservative in thinking. Besides, even within the Socialist Party itself there are leftists and rightists. At any rate, however, the fact that the Socialist Party, which is representative of the democratic forces in Japan, has come into power is at least not a step backward in connection with the historic mission of democratizing Japan. Moreover, it is a historic event that will be helpful to the training of the Japanese people in democracy. (Summary)

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Peace Treaty with Japan Discussed by Britain and America

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 3, 1947

China waged war against Japan for eight long years, sustaining extremely heavy losses both in life and property. She naturally hopes that the peace conference on Japan will be convened as soon as possible, so that she will be able to receive reparations from Japan and so that Soviet Russia will not be able to continue to occupy the Dairen-Port Arthur area under a pretext, thereby making it possible for Chinese troops to land in that area and to garrison it. Therefore, we are no less eager than Britain and America to see the early convocation and successful conclusion of the peace conference on Japan.

There are two problems that must be solved first before the peace conference on Japan can be convened, namely, (1) what countries shall participate in the drafting of the peace treaty, and (2) where shall the peace conference be held. However, so far as China's stand is concerned, she must fight for one thing, whether the peace treaty with Japan is going to be drafted by the Far Eastern Commission or by the Big Five Foreign Ministers Council, namely, that she must be allowed to play a positive role.

As to the site of the peace conference, it should be in China, because China was the first to suffer from Japanese aggression and fought the longest. We want to mete out a "historic punishment" to the Japanese militarists. (Summary)

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Choice to Be Made by Indian People

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 3, 1947

The political situation in India has now developed to a stage where the country is on the verge of civil war. If the Hindu and Moslem leaders cannot exercise their political wisdom, remove their mutual religious discriminations, and find a middle course between national unity and separate rule, we are very much afraid that India is going to step onto the road to self-destruction. It is to be hoped that the British Viceroy, who is acting as mediator, will continue to be impartial and to try to bring about amity and cooperation between the Hindus and the Moslems, so that India will really be reborn. (Summary)

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Other editorials not translated: Dated June 3, 1947

Cheng Yien Pao, Shanghai	--	Announcement Made by House Owners Refuted
Chien Sien Jih Pao, Shanghai	--	Desire for Peace and Clearcut Decision
Lih Pao, Shanghai	--	Immediately Stabilize Education
Ho Ping Jih Pao, Shanghai	--	Opium-Suppression, Rebellion Suppression and National Reconstruction
Chung Hwa Shih Pao, Shanghai	--	Outlook on the Political Situation in Italy
Yi Shih Pao, Shanghai	--	The Aftermath of Student Unrest Should Be Carefully Handled
Shang Pao, Shanghai	--	The Aftermath of Student Unrest in Shanghai
Chin Yung Jih Pao, Shanghai	--	Our Hopes in Connection with the Provincial Banks

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POLITICAL NEWS

Huang Yen-pei and Other PPC Members Urge Government to Discontinue Arrest and to Release Arrested Persons

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Nanking, June 2---At the PPC general session held this afternoon, Wang Chao-shih, Huang Yen-pei and other Councillors brought forth a written interpellation as follows:

Press reports have it that students in Nanking, Shanghai, Peiping and Tientsin have called off their June 2 demonstration parades. This indicates that they have accepted the advices of the Government and the PPC. However, on the other hand, arrests are still continuing. For this reason, we hereby request President Chang Chun of the Executive Yuan to answer the following two questions:

1) Has the Government considered the immediate release of the arrested students and newspaper reporters?

2) Has the Government considered the immediate discontinuation of the arrests, the lifting of the ban on the three suspended papers and the effective safeguard of civil rights?

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Dr. Hu Shih Expresses Sympathy With Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Peiping, June 2---A memorial service was held by the Students Federation in North China at the Democratic Square at 10 o'clock this morning. At the rally, Dr. Hu Shih, president of National Peking University, delivered a speech as follows:

I perfectly understand and sympathize with the young students for their dissatisfaction with the existing situation in the country and their anxiety and concern about the present political and economic conditions. At the discussion party held under the sponsorship of the Generalissimo's Peiping Headquarters on May 18, I said that it was impossible for one or two persons to instigate the current student movement, therefore I expressed the hope that the Government would realize this point and make necessary effective reforms. I hope that the students will have regard for the situation as a whole and will not neglect their studies.

Then speeches were delivered by professors Wu Chih-tsun, Chow Ping-lin, Tsien Tuan-sheng and Yang Hsi-meng.

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Tsinhua University Students in Peiping Decide to Strike for Three Days

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Peiping, June 2---The Tsinghua Students Association has decided to strike for three days starting from tomorrow in sign of protest against the incident wherein several scores of Youth Army men were posted at the south gate of the Tsinghua University campus today. Telephonic communications between Tsinghua and outside have been disrupted for the whole day.

Tsinghua students initiated a sign-the-name movement this evening. They have decided to abstain from taking supper on the 4th so as to save funds for comforting the wounded and arrested students in various localities.

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Two North China College Students Arrested Yesterday

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Peiping, June 2---Several scores of unidentified plainclothes men broke into the North China College campus at 10 o'clock this morning and arrested two students of whom one was a co-ed.

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Resolution Passed at Shanghai City Council Session to Accord Effective Protection to Press and Newspapermen

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

(Local News)---At yesterday's Shanghai City Council session, Councillors Chao Chun-hao, Feng Yu-chen and Chang Chih-han who represented the press circles in Shanghai brought forth a proposal that the Central Government should be requested to order governments of various grades and military, police and gendarmerie organs throughout the country to accord effective protection to the press and newspaper workers in various localities, so as to uphold the spirit of freedom of the press.

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Shanghai Professors Clarify Views on Student Movement

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

(Local News)---76 university professors here, including Profs. Shen Ti-lan and Ma Yin-shu, issued a written statement yesterday entitled "Our views on the student movement" which reads in part:

"The recent student movement has already spread to the whole country. The major aims of this movement are to oppose civil war, to oppose starvation, to fight for the realization of democracy and to save education. After pondering over this problem again and again, we came to the conclusion that these aims could hardly be considered wrong, and that if each could be thoroughly carried out, it would help save the country and the nation from a disastrous fate. It is a pity that the Government has not accepted these views.

"The student movement clearly indicates that there is still a ray of hope in the rejuvenation of the nation, hence there is nothing to be feared; both the latest facts and past history testify to this. The basic intention of the Government is to maintain social order. However, the measures employed by it only serve to aggravate restlessness and panic in society. This is evidently a failure on the part of the Government.

"Today, the flames of the civil strife are spreading to almost all parts of the country. Nearly every one is threatened by hunger and starvation, democracy and freedom are entirely without protection, and the whole educational foundation is shaking. The country and the nation are at the

threshold of a life-and-death crisis. If at this critical moment we still pretend to be blind and prefer rather to be reticent, then we are disloyal to the country and perfidious to the nation. For the sake of the future of the country and the nation, we here set forth our sincere views for the reference of the Government:

"(1) To immediately release the arrested students and to guarantee against similar occurrences in future.
(2) To safeguard the people's freedom of the person, of speech, publication, assembly, organization, lecture and petition parade, and to annul the 'temporary measures for maintaining social order.'
(3) To increase the educational budget and to replenish the school facilities and equipment.
(4) To increase the subsidies of the Government-supported students in accordance with the COL index and to raise the salaries of educational personnel.
(5) To oppose the civil war, to establish a democratic form of Government and to bring about lasting peace."

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More Students in Shanghai Arrested and Missing

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 3, 1947

(Local News)---Chu Shih-jung and Hsiao An-min, senior class students of the Chemistry Department of University of Shanghai, were arrested at their houses by plainclothes men on May 31. Chu is the chairman of the Chemistry Club of that university.

It is also learnt that three more students of this school were found missing last night.

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Music Student Arrested; Conservatory to Continue Indefinite Strike

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

(Local News)---Hsieh Ming, a fourth year student of the National Music Conservatory, was arrested yesterday. Upon learning of this news, the whole student body of the said school called a meeting at which it was decided to continue their classroom strike indefinitely.

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Intruder Breaks into St. John's Campus at Midnight

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

(Local News)---An alarm was raised on the campus of St. John's University yesterday. Shortly after 1 a.m. yesterday morning, Prof. Pan Shih-tzu of the Political Department of the said school who was reading in bed, overheard the breaking of a window pane on the sitting room below and he also saw a man clad in khaki uniform on the point of climbing into the parlor. Prof. Pan then alerted the servants of the school who then started a chase of the intruder. When they entered into the Chung Shan Park, the man suddenly drew out a pistol and fired a shot into the air to intimidate his pursuers, and then disappeared out of sight.

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Parade Staged by Kunming Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Kunming, June 2---In response to the call of the Peita students in Peiping for a general classroom strike throughout the country, over 20,000 students representing 36 universities and colleges in this city staged a general classroom strike today. At 12 o'clock this noon, they gathered at the playground of Yunnan University and held an anti-civil war, anti-hunger and anti-atrocity meeting. After the meeting, they staged a demonstration parade and shouted slogans voicing opposition to the civil war, to conscription, to the collection of Army provisions and to the unlimited issuance of banknotes and demanding lasting peace in the country. A number of primary school pupils and professional youths also voluntarily took part in the parade. The peace maintenance authorities dispatched gendarmes and police to maintain order.

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Arrests Made in Kweiyang

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Kweiyang, June 2---A general census check-up was conducted in this city from 1 to 6 p.m. today. As a result, some 1,800 persons were arrested upon the accusation of violating police regulations and of hiding arms and ammunitions, it is learnt.

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Over 80 Shantung University Students Nabbed

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Tsingtao, June 2---It is learnt that over 80 Shantung University students were arrested and taken away by trucks tonight.

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32 Communist Elements Arrested by Fukien Authorities

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 3, 1947

Foochow, June 1---In dealing with Communist elements who have concealed themselves in this city in an attempt to plot and instigate labor strikes, student strikes, incendiarism, and other subversive activities detrimental to the maintenance of social order, the peace maintenance authorities of the Fukien Province have adopted emergency measures to cope with the situation. On the night of May 31, a total of 32 Communist elements were rounded up. The arrested persons include 11 students of Union College; 10, Provincial Medical College, 4, National Conservatory; 3, Provincial Agricultural College; 1, Fukien College; 1, Kai Chi Middle School and 2 workers of Printers' Union.

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Wu Hsien-tze Returns to Hongkong

Chung Yang Jih Pao (KMT Organ), Shanghai
June 3, 1947

(Local News)---Lu Yi-an of the Democratic Socialist Party told our reporter that Wu Hsien-tze, Vice Chairman of the Party, after failing in his

attempt at mediating in the Party's internal dispute, returned to Hongkong by plane yesterday. Before his departure, Hu indicated that if there is any chance in future, he is still willing to contribute his efforts for the strengthening of unity within the Party. So far he has no intention of accepting the post of State Councillor.

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Hsu Fu-lin of Democratic Socialist Party to Proceed to Kwangtung at the End of This Month

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 3, 1947

(Local News)---State Councillor Hsu Fu-lin of the Democratic Socialist Party told our reporter yesterday that he will take a trip to Kwangtung at the end of this month, because the Party's branch headquarters in Kwangtung urgently needs the expansion of its activities.

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Chow Chien-chung of Young China Party Declines to Be PPC Resident Committee Member

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Nanking, June 2---After the list of names of PPC Resident Committee members elected was published, Chow Chien-chung, Young China Party PPC delegate, who was elected as one of the members told our reporter tonight that since the elected members of the Resident Committee do not include representatives from all quarters, he had declined to accept the post.

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Port Arthur and Dairen Survey Party on Its Way to Destinations

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 3, 1947

Mukden, June 2---The Port Arthur and Dairen survey party left the north station of Mukden for West Chinchow by train this morning whence they will proceed to Hulutao and then leave for their destinations aboard the gunboat S.S. Chang Chih. Led by General Tung Yen-ping, Deputy Chief-of-Staff of the Generalissimo's Northeast Headquarters, the party is composed of the following members: Special Commissioner Chang Chien-fei of the Ministry of Foreign Affairs in the Northeast; Chiu Nan, Secretary of the Generalissimo's Northeast Headquarters; Chen Szu-nan and Yeh Nan, representatives of the Ministry of National Defense; Wang Chu-ting, Chairman of the Board of the Chinese Changchun Railway Administration; Hsu Ti-hsien, Wang Hsia-min, and Chu Hsin-min, take-over officials for Dairen; three secretaries and servants. They have carried with them gifts to be presented to the Soviet garrison troops in Port Arthur and Dairen. It is learnt that they will stay in those two places for about one week and then return to Mukden.

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SPECIAL & FEATURE ARTICLES

The Way I Look at the Current Student Movement
by
Wang Yun-Sheng
Editor-in-Chief of "Ta Kung Pao"

Ta Kung Pao (Independent, Political Science Group), Shanghai
May 25, 1947

Tientsin, May 21---It is said that as May fever is prevalent in the world at large, every month of May is fraught with unpleasant events. Twenty-eight years ago, a colossal student movement occurred on May 4, and this year May witnessed another giant student movement throughout the length and breadth of the country.

But as history does not completely repeat itself, these student movements of different periods are not quite analogous. For instance, the "May 4 Student Movement" was instigated by indignation arising from diplomatic matters. It rapidly spread to all parts of the country, creating a grandiose and impressive scene, worthy to be sung over in epics. Today, however, the student movement has flared up at a time when the whole country is in the throes of suffering and misery. The scene thus created is most pitiable, and is worthy of being wept over in laments.

Just at this time, I took leave for a trip north. Peiping and Tientsin where the best of everything in the North centered, are now in a wretched and destitute state. Business and trade are flat and the livelihood of the people is in a most miserable condition.

Turbulent Shanghai, despite its precarious situation, has lost none of its glamor and excitement. In desolate Peiping and Tientsin, however, each drop of tear sinks deep into the hearts of the meek people. How can such days be lived through? Can we continue the internal strife? From the rice riots in Nanking and Shanghai to the student movement in Peiping and Tientsin, it is evident to all of us that we are faced with social upheaval and unrest. At this moment, the youthful students thundered forth their "anti-hunger and anti-civil war" roar. This is not the demand of the youthful students alone; it is, in reality, the united clamor of all the meek and law-abiding people throughout the country.

I arrived in Peiping on May 13. On the 15th, 16th and 17th, I addressed the students of National Peking, Yenching, and Tsinhua Universities. I sensed an atmosphere of tenseness and anxiety among the students and I understood what they felt in their hearts. At noon on the 18th, when I spoke to my fellow journalists in Peiping on the subject of news reporting, a young military officer also came to hear me. After the speech, he asked me what my impressions of the recent student movement were. I said just one sentence: "I sympathize." That afternoon the 208th Division of the Youth Army assaulted the students. On the 20th, students in various schools in Peiping held a 10,000-person demonstration parade.

Why do I sympathize with the students? Because I still keep within me the heart of a youth, and so I can still understand youths. China's youths today are beset with afflictions and worries. First of all, they are dejected over the state of affairs in the country. They ask themselves why having won the victory, China should be heading towards destruction by the unceasing civil conflict? Next, they are troubled over themselves. All the students in Peiping and Tientsin are living on tasteless dumplings and they are, on the whole, living a hard life. When they look a bit further into the future, they know that whether it be this year or the next, once they graduate from school it means unemployment for them and no matter where they turn, the road is blocked. Lastly, they turn their gaze towards their homes and birthplaces, as well as on the general masses. The flames of war are raging everywhere and the people in general are unable to pursue a peaceful living. This consideration cast an added gloom to the already depressed hearts of the students.

In an age like this where all the afore-said facts are stark realities, if the youths emit their "anti-hunger and anti-civil war" roar, how could I not sympathize with them?

After addressing the students in Tsinghua University, I was surrounded by a group of collegians who said to me: "Mr. Wang, when you go back, please say a lot of things more on our behalf!" On hearing this entreaty, a gush of warm tears surged to my eyes. My colleague Mr. Chien said to me: "The students of today are more advanced and progressive than those of our school days. First of all, the students of today have a profound understanding of the people's plight and misery, for their own sufferings are blended with those of the masses. Secondly, the students of today have no ambition or passion for leadership. They are now for the community and they no longer seek individual glorification or publicity, hence their organizational power is stronger. Thirdly, the present-day students are more progressive in their ideas and knowledge. To tell the truth, they have caught up with us and even gone ahead of us." I am in complete agreement with Mr. Chien's views.

Some people say that the recent student movement represents a variety of ends and means, some fighting for more government subsidies, others demanding protection for their schools. After the staging of classroom strikes the students began to shout "anti-war" slogans, thus obviously changing the nature of their movement. But to come down to the truth of it, the widespread student movement is a sign of unrest, and the source of this unrest has its root in none other than the civil war and famine that is plaguing the whole country. I who am in the war-stricken North where the flames of internal strife are raging all around us, deeply feel what the most urgent needs of the moment are.

Herewith a few firsthand examples which I have seen with my own eyes: A colleague whom I have known for some 20 years, is running a dairy farm in Peiping. He has over 100 cows which supply him with milk and butter, and he can even manufacture powdered milk as good as any American product. However, his business is flat and the losses he has incurred has sapped away all the savings which he took years to save. This is one instance in which I found an honest businessman forced onto such a pitiful plight.

Another writer friend of mine who is now still engaged in writing, is clad in tattered rags and could hardly eke out a scanty existence. This meek gentleman is struggling with hunger and starvation!

One afternoon while taking a stroll down the street at Liulichan, I happened to notice that the number of pedestrians was quite limited. Even my casual inquiry over prices at the shops was considered quite out of the ordinary. To my question of "How is business," the reply was "Don't even mention it! Alas! We did have to starve!" Replies like this sent a pang into my heart.

After supper I went shopping at the Tung-an market. My wife bought a stone-carved Buddha at a stall for CN$10,000. After we made payment the old stall-keeper tugged at the 10,000-dollar note and said to a bystander: "I waited for a whole day to get this first business." I heard someone sigh: "Alas! Business is flat!"

Out in the street, as soon as one hails a pedicab, a hundred will answer. With CN$1,000 one could ride for a distance of several li. I love Peiping, but I feel deeply within me that Peiping is going to collapse. If Peiping is like this, what about the vast plains in the North? It looks as if the whole thing is going to fall to pieces. If the youthful students thunder forth their "anti-civil war and anti-hunger" roar now, is it not quite a natural thing?

In the wake of the student movement appeared two distinguished figures. One was Dr. Hu Shih, president of Peking University, who while admonishing the students not to stage strikes, at the same time clearly stated that since the affairs of State have reached such a state, it is inevitable that

the students should interfere in politics, and added that the political consciousness of the youths cannot be suppressed by force. Another was Director Li Chung-jen of the Generalissimo's Peiping Headquarters, who knew that pressure could not be used. So he ordered the gendarmes and policemen not to interfere with the students, so much so that "even if the students assault you, you should not resist". Thus the student demonstrations ended peacefully without any untoward incident.

In my daily contacts with people, almost everyone shook his head when the country's affairs were discussed, and everybody sighed when the question of the people's livelihood was touched upon.

Today we are either at the threshold of a crisis or are heading for an abyss. There is still hope in the face of a crisis, but if we are plunging into an abyss we will only fall deeper and deeper. However, it is possible to get out of a muddy hole. So let us immediately stop the civil strife and jump out of this hole!

While the PPC is in session in Nanking, I wish to shout here at the top of my voice: Stop the war quickly! Let there be peace soon! This is the clamor of all the people throughout the country and, above all, is the way whereby the people in the North can survive.

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ECONOMIC NEWS

Important Plans Mapped Out by National Economic Council Yesterday

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 3, 1947

Nanking, June 2---At the conference of the National Economic Council held today, it was decided that:

1) Daily necessities should be amply supplied and rationed in those cities and municipalities where price fluctuations are most violent.

2) The demarcated financial systems of the Central and Local Governments should be readjusted.

3) The payment of funds for those construction works which are not considered urgent should be suspended.

4) The budgets of various government organs should be drastically cut.

5) The levying of tax on property should be started.

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Quota of Land Tax in Kind for Yunnan to Be Increased

Ta Kung Pao (Independent, Political Science Group), Shanghai
May 30, 1947

Kunming, May 28---The 1,500,000 "shih" of land tax in kind to be collected in Yunnan Province for 1946, was originally remitted by the Government. However, as the civil war is still raging and as military provisions are urgently required, the Central authorities have once again changed its previous decision by ordering the collection of 1,500,000 "shih" of rice for two years, i.e. 750,000 "shih" each for 1946 and 1947. Owing to the extreme poverty of the rural districts, even the quota for the last year could hardly be fulfilled.

At the recent National Food Conference, it was decided that the quota of the land tax in kind for Yunnan for the current year should be increased to 2,200,000 "shih" of rice. The Yunnan people have voiced their opposition to this decision adopted by the Government to the utter disregard of the people's livelihood. Therefore, the Yunnan Provincial Government has telegraphed the Central authorities, urging the latter to retain its original decision of collecting 750,000 "shih" so as to relieve the burden of the people.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 364 June 4, 1947

EDITORIAL COMMENT

Be More on the Alert Regarding Japan

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

In the midst of the unanimous desire of the Allied nations for the early conclusion of a peace treaty with her, Japan has been positively making preparations for dealing with the forthcoming international peace conference. According to an AFP despatch datelined Tokyo, June 2, ex-Premier Yoshida on May 10 notified General MacArthur, Supreme Commander for Allied Powers, of Japan's views and hopes regarding the peace treaty with her. The main points of these views and hopes are as follows:

(1) Japan hopes that the Ryukyu Islands will be put under the joint trusteeship of the United States and Japan.
(2) Japan hopes to have the special privilege of sending emigrants to Taiwan.
(3) Japan hopes to have the privilege of fishing in the waters around the Saghalien Islands and the Kuriles.

This is ample evidence of the fact that after having controlled Japan for two years, the Allied nations have been unable to eradicate Japan's aggressive designs. While we must admit that General MacArthur has achieved a certain amount of success in his effort to control Japan, to disarm her, to remove her aggressive designs, and to democratize Japanese politics, yet, viewed from another angle, his treatment of Japan has, under the effort of the Japanese to please him in every way possible, been too lenient. To be too lenient tends to encourage treachery, and the policy adopted by the United States is going to be harmful to others as well as to herself. We cannot but rise and earnestly urge the diplomatic authorities of the United States not to fall into the trap set by the Japanese. (Summary)

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Japan's Ambitions

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 4, 1947

According to an AFP despatch from Tokyo, Japan has recently expressed her hopes to the United States regarding the Ryukyu Islands, the Kurile Islands and Taiwan. Such a report is certainly a serious threat to our country. So far as international relations are concerned, the most important factor contributing toward this state of affairs is the differences between the United States and Soviet Russia. So far China is concerned, the rebellion of the Chinese Communists has made it impossible for her to start any of her national reconstruction work. Since there is no possibility that a strong China will emerge in the near future, it is but natural that Japan should seek to rise again at this time. (Summary)

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Japan's Audacious Intrigue

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 4, 1947

During the past year we have frequently warned our compatriots that the Japanese have been trying to rise again under the protection of the United States. Their foreign policy is one of pleasing the United States, opposing Soviet Russia and despising China; their economic policy has been one of

obtaining the assistance of the United States in reviving their light industries and resuming their foreign trade in the Far East, and their internal policy has been one of keeping secretly all the old and evil forces so as to maintain their existence. From the point of view of the Japanese, the policies they have been pursuing during the past year and more have, on the whole, proved a success. Japanese diplomats have been very crafty. They say they want to control the Ryukyu Islands jointly with the Americans. We trust that the United States, which has always been friendly toward China, will not allow herself to be deceived and hoodwinked by the Japanese. (Summary)

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The Problem of Peace and the Economic Problem

Chung Yang Jih Pao (KMT Organ), Shanghai
June 4, 1947

Those State affairs which are most serious in nature and which most urgently need to be solved are the problem of peace and the economic problem. With regard to the problem of peace, the resolution passed by the PPC urges the Government to reaffirm its policy of resuming the peace negotiations on the one hand, and the Communist Party to send representatives to Nanking as soon as possible to resume unconditionally the peace talks with the Government, on the other. This is certainly a reasonable basis for the achievement of peace. Now, the Government has long ago reaffirmed its determination to resume the peace talks. The question is, whether the Communist Party will send representatives to Nanking at an early date to resume the peace negotiations with the Government authorities unconditionally. If the Communist Party is unable or unwilling to do so, then it will become more evident than ever who should be held responsible for undermining the peace.

The recent session of the PPC also passed resolutions on the economic problem which contain many valuable suggestions, and the Government should do its best to carry out these suggestions. We are of the opinion that as soon as economic conditions have improved, the general situation will also improve, so that the Communists and certain other speculative, ambitious politicians will have no opportunity to stir up trouble. (Summary)

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Another "Ta Kung Pao" Reporter Arrested
(Short Comment)

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

On the early morning of June 1st, wholesale arrests of people were made in Canton, and Chen Fan, our reporter in Canton, was arrested while he was fast asleep. It is really an amazing thing that while our reporters in Chungking who have been arrested have not yet been set free, our reporter in Canton has also been taken into custody.

These professional reporters of ours have only been devoting their energy to their own duties and have never done anything unlawful, and yet they have been put under arrest in the dead of night without any reason at all. Why is this, after all? In this way, both the people's civil liberties and the law have been ignored. Does our nation still want to head for government by law? We hope that the authorities of both Chungking and Canton will release our reporters as soon as possible. If any of our colleagues have violated the law, they can very well be arrested and tried by the law court. (Full Translation)

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Unfortunate Incidents at Wuchang and Chungking

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

We believe that while the Government, in implementing its emergency measures for dealing with the current student unrest, has been a little too radical, yet its traditional love for youth has not been changed. We hope that the people will abide by the law, and that the Government will safeguard the people's freedom of the person. Under no circumstances must there be a recurrence of the unfortunate incidents in Wuchang and Chungking. (Summary)

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Plan for Separate Governments for Hindus and Moslems Announced

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

The execution of the plan for separate governments for Hindus and Moslems is an important turning point in the Indian situation and can also be said to be a major crisis at the present time. We are unreservedly in favor of independence for India, and certainly we should not expect more of the British Government which has already adopted a very liberal attitude toward the Indian situation. The crux of the Indian problem is the movement for two separate governments. The Congress Party has always favored a system of concentrating power in a Central Government, while the Moslem League has demanded a separate government and independence for the Moslems. Now, since separate governments for the two Indias cannot be avoided, the fact that Lord Mountbatten, in compliance with this demand, has agreed to the establishment of two separate governments is a matter for congratulation. We hope that the Hindu-Moslem problem can thus be smoothly solved, and that the British can withdraw from India on schedule in a clear-cut manner. What the Hindus and Moslems should do their best to avoid hereafter is further bloodshed between the two racial groups. We wish to reaffirm here our traditional view of current affairs, namely, that there should be changes but no disturbances. (Summary)

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Crisis Facing Round-table Conference in India

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

The crux of the Indian problem does not lie in the mediation of the British, but rather than in compromise between the Hindu and Moslem leaders. If the Hindus and the Moslems can understand each other and make mutual concessions, then in between utter unification and utter division, there will be plenty of room for compromise. If the deadlock between the Hindus and Moslems is prolonged, it will probably prolong the rule by a foreign Power. We earnestly hope that the leaders of the two racial groups will unite, so that the round-table conference will ultimately prove a success. (Summary)

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Other editorials not translated:		Dated June 4, 1947
Lih Pao, Shanghai	--	The PPC Should Continue to Exert Efforts to Help Restore Peace in the Country
Cheng Yien Pao, Shanghai	--	Several Problems Connected with the Organization of an Associated Import and Export Company

Chien Sien Jih Pao, Shanghai	--	Outlook on Situation in India
Shang Pao, Shanghai	--	On the Liquidation of the Kianghai Bank
Chin Yung Jih Pao, Shanghai	--	Strengthening Administration of Foreign Trade and Simplifying Foreign Trade Agencies
Yi Shih Pao, Shanghai	--	The Government Should Remove the Cause of Anxiety of the People

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POLITICAL NEWS

Special Correspondent of Ta Kung Pao in Canton Arrested

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

Hongkong, June 3---Chen Fan, special correspondent of Ta Kung Pao in Canton, was arrested at his house in Canton at 2 a.m. on June 1. It is learnt that the order of his arrest was issued by the Garrison Headquarters. Quite a number of students of the National Sun Yat-sen University and persons of other circles were arrested on the 1st and the 2nd.

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Arrest of Students in Chungking Continues

Lih Pao (General Labor Union Organ), Shanghai
June 4, 1947

Chungking, June 3---The Chungking Garrison Headquarters continued to arrest the students yesterday. Up to yesterday a total of 226 students have been nabbed. Yen Kung-fu, Democratic Leaguer, has been released on bail.

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President Chiang Kai-shek Deeply Concerned About Unfortunate Incident of Wuhan University

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

Hankow, June 3---President Chiang Kai-shek has shown deep concern about the recent unfortunate incident of the Wuhan University. Today he sent a telegram to the president, the faculty and students of that school through Governor Wan Yao-huang of Hupei which reads in part:

"I have telegraphically ordered Director Chen Cheng of the Generalissimo's Wuhan Headquarters to investigate into the true facts of the incident and to settle the case impartially. Kindly send my best regards to the wounded students and the parents of the deceased."

On hearing the reports submitted by the faculty and students of Wuhan University today, Vice Minister Hang Lih-wu of Education also expressed great dissatisfaction with what the military and police had done to the students and promised to effect a reasonable settlement of the matter after the completion of the probe.

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Wuhan University Professors and Students Arrested by Gendarmes and Police; Three Students Killed

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 3, 1947

Hankow, June 1---Around 10 o'clock this morning, when the Hupeh Provincial Council was holding the opening ceremony of its third plenary session, Liu Ping-lin, acting president of Wuhan University, Chu Chieh-fu, Dean of Discipline, Kwei Chih-ting, head of the School of Science, and professors Tseng Chao-an and Chao Shi-mei carried a petition to the Council from that school at Lokashan and requested all the top Government officials who were present at the session to uphold justice. In an angry tone, they reported:

Around 3 a.m. on June 1st, about several hundred gendarmes and policemen divided into several armed groups broke into the professors' quarters and the boy and girl students' dormitories and proclaimed emergency martial law. Bringing a blacklist with them, they raided all rooms and arrested the alleged CP elements. After they took away two truckloads of professors and students, all the faculty members and students in the school became so indiguant that they protested against the intruders and attempted to rescue the second batch of arrested persons, then a fracas ensued and rifle fire rang out. As a result, Huang Ming-kang, freshman of the history department, who was lying in bed, was hit by a stray bullet and killed instanteously. Chen Ju-feng, freshman of the political department, and Wang Chih-teh, freshment of the civil engineering department, were shot and killed on the corridor joining two dormitories. Besides, five students and one faculty members were seriously injured and were sent to hospital for treatment. Chin Ke-mu, professor of the philosophy department, Liu Meng-an, professor of the mechamical engineering department, Liang Yuen-tung, professor of the history department, Liao Lang-shan, professor of the foreign language department, woman professor Chu Chun-yun and several scores of students were arrested. Realizing that there was no protection for their safety, all faculty members and students of the school became panic-stricken. A memorial service for the deceased was held at the assembly hall around 7 the same night. All those who were present at the service wept bitterly.

Acting President Liu and others called on Director Chen Cheng of the Generalissimo's Wuhan Headquarters and reported to the latter on the facts of the aforesaid incident. Accompanied by them, Kao I-han, Special Commissioner of the Control Yuan for the Wuhan area, Ho Cheng-tsun, Chairman of the Hupeh Provincial Council, representatives of the Wuhan University Alumni Association, representatives of various Government organs and reporters of various vernacular papers went to the scene where the incident occurred and conducted a close probe into the matter. The innumerable bullet marks on the walls of the dormitories and blood stains of the victims could be clearly seen. This made every one of them feel grieved and indignant.

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Small Number of Arrested Shantung University Students Not Yet Released

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

Tsingtao, June 3---An unfortunate incident occurred in the Shantung University in this city yesterday as a total of 152 students were taken away by the police. Late in the night, Chao Tai-mou, president of the university, approached the authorities concerned to obtain the release of the arrested students. 146 of them were released this morning, of whom over 20 sustained minor injuries while six others were seriously wounded. An examination revealed that a girl student had been kicked, badly beaten up and seriously wounded, while another victim named Yang Sou-yuan was in a critical condition.

This morning President Chao together with a number of professors requested the competent authorities to send the wounded students to the Shantung University hospital for treatment, but the latter turned down their request. The school authorities declared that classes be resumed today. However, very few students attended their classes.

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Eight Students of Mukden Medical College Nabbed by Police

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

Mukden, June 3---After the arrest of eight students of the Mukden Medical College, Hsu Sung-ming, president of the College, approached the competent authorities and tried to obtain their release on bail. It is learnt that they are now under inquisition, and the competent authorities indicated that these students might be released.

The school authorities have decided to resume classes tomorrow. The students of the Northeast University returned to classes today.

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Governor of Chekiang Reports on Peace Maintenance Situation

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 4, 1947

Hangchow, June 2---At a press conference yesterday afternoon, Governor Shen Hung-lieh of Chekiang declared that in order to maintain social order, the provincial authorities have to adopt resolute measures to round up all the elements who are concealing themselves in this City and engaging in the instigation of riots and disturbances here. Up to the present, 12 such elements have been nabbed by the military and police authorities, the Governor revealed.

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Newly Elected Members of PPC Resident Committee to Withdraw from Committee

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

Nanking, June 3---It is learnt that Wang Chi-kiang, Fan Yu-sui and Chen Po-sheng, newly elected members of the PPC Resident Committee, will voluntarily withdraw from the Committee, and Tung Pi-wu, Huang Yen-pei and Lin Ko-chi will in all probability be elected to fill their vacancies.

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Carson Chang Postpones Departure for Nanking

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

Nanking, June 3---Carson Chang, Chairman of the Democratic Socialist Party, who is now in Shanghai has decided to postpone his trip to the Capital.

It is further learnt that Mr. Chang was invited by the Washington University to lecture in that school for a period of three months and that he should leave for the States this month. However, as he is unable to go to the State at present, that university will send a man to Shanghai to get his lecture manuscripts. Therefore, Mr. Chang is busy in preparing his lectures during these few days, and he may leave for Nanking the next week.

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MILITARY NEWS

Generalissimo's Northeast Headquarters Enforces Control on Foodstuffs

Lih Pao (General Labor Union Organ), Shanghai
June 4, 1947

Mukden, June 2---With a view to relieving the shortage of Army provisions, the Generalissimo's Northeast Headquarters has enforced control on foodstuffs in the Northeastern Provinces. An order has been issued to this city and other outlying rice producing areas to the effect that the export of rice and other foodstuffs from these places before the end of September will be strictly prohibited. No rice shop is allowed to sell rice to customers.

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Central Government's Army Comforting Groups to Leave for Various Destinations in Middle of the Month

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

Nanking, June 3---The Central Government's Army Comforting Group which has been divided into five sub-groups will leave for the Northeast and the Kiangsu-Shantung, the Hopei-Chahar-Suiyuan, the Honan-Hupeh and North Shensi areas before June 15. The comfort funds are set at CN$1,100,000,000, which will be allocated to these sub-groups according to the size of the areas which they will visit.

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CP Establishes Aviation School in Northeastern City of Tung-an

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

Changchun, June 3---According to new arrivals from Harbin, express trains are operating along all railway lines in CP-controlled areas.

It is further learned from two surrendered CP aviators that the CP moved the Air Force squadron from Tunghua to Tung-an in October last and changed its name into the 61st unit of the Northeast United Democratic Army which, in reality, is an aviation school. The president of the said school is Chan Li-sen, a native of Hopei and in his forties. Part of the instructors are Japanese Koreans. Already two classes have graduated, totalling about 200 graduates who are now instructors in the school. The school has at its disposal more than 10 Japanese planes.

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NEWS OF COMMUNICATIONS

Yaan-Fulin Highway in Sikong to Be Built

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 4, 1947

Ya An, June 2---A Yaan-Fulin Highway Construction Committee in Sikong has been set up. The contrustion work will be undertaken by the people under the supervision and guidance of the Sikong Provincial Government. The Ministry of Communications will be requested to appoint technicians for the construction work. The construction will be started soon.

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SPECIAL & FEATURE ARTICLES

Financial Rule of Chang Chun and Chang Kia-ngau
by
Pai Sin

Wen Hui Pao (Liberal-Leftist), Shanghai
May 16, 1947

Financial rule of the two Changs

When T.V. Soong was President of the Executive Yuan, he appointed Tsu-yee Pei as Governor of the Central Bank of China. Before Chang Chun became Premier, he had prepared beforehand to give the governorship of the Central Bank to Mr. Chang Kia-ngau. China's Premiers have always acted as State cashiers and have never meddled in military and political affairs. T.V. was like this and so is Chang Chung in this respect. The difference between them is that T.V. is well versed in finance and economics so that he could direct Tsu-yee Pei from Nanking, while Chang Chun knows very little about these sciences so that he has had to ask Chang Kia-ngau to move the Central Bank to the Capital where he can easily consult him. So we call this the financial rule of the two Changs.

Chang Kia-ngau was General Manager of the Bank of China (equivalent to the present Central Bank of China) in the days of the Peking Government. He has, therefore, had a wealth of experience in matters of finance and banking. Moreover, as he co-existed and co-prospered with the Kiangsu-Chekiang plutocrats, he was quite popular among the latter. However, after the Northern Expedition he was brushed aside into obscurity. Though later on he re-entered officialdom through compromise with Nanking, which subsequently appointed him Minister of Communications, yet that post was not where he could best exhibit his abilities.

Today he is once again holding the reins of finance. He differs from Tsu-yee Pei in some respects. He is a talented member of the Political Science Group and is capable of undertaking the task of running the country's finance and economy all alone. While Chang Chun's financial and economic reports are usually unsubstantial and unconvincing, Chang Kia-ngau is a daring and ready-to-act personage.

Since the Northern Expedition, H.H. Kung and T.V. Soong had taken turns in controlling the country's finance, never letting this power fall into the hands of an outsider. Today, however, the first exception has been made. This, in reality, is because the existing Government, drained of all economic resources and in a state of financial stringency, stands in urgent need of their help.

When H.H. handed over his duties to T.V., the national Treasury possessed US$800,000,000, plus 5,000,000 'liang' of gold and nearly 10 trillion Chinese dollars worth of enemy property. Now, however, the Treasury is completely drained, so the Government could not but call in Chang Chun and Chang Kia-ngau to help. This is to them another political opportunity.

Chang Kia-ngau has a group of people behind him. We know that under the rule of the former Peking Government, politics could not control finance. The so-called "Four Banks of the South", that is, the National Commercial Bank, Ltd., the Chekiang Industrial Bank, Ltd., the Shanghai Commercial & Savings Bank, Ltd., and the Sin Hwa Trust & Savings Bank, became what is known as the Kiangsu-Chekiang plutocratic bloc. This latter took advantage of the foreign concessions as well as the inconsistencies then existing between China and the foreign countries, to slowly expand their influence and power. The "Four Banks of the North", connected with Chang Kia-ngau and Wu Ting-chang, even resorted to political power to aggrandise themselves on the one hand and to help others on the other, thus making themselves very powerful. This was the reason why Chang Kia-ngau and Sung Han-chang sometimes even dared to defy Government orders and decrees so as to uphold the interests of financial and banking circles.

At the approach of the Northern Expeditionary forces, the Kiangsu-Chekiang plutocratic bloc became unanimously opposed to the attitude of the Southern regime. So they contributed money to help the regime of the Northern Expeditionary forces to consolidate its power and to bring it onto the right track. At this time, H.H. and T.V. represented the Government in borrowing money from them in the form of national bonds at a 40% discount.

The Kiangsu-Chekiang plutocratic bloc, headed by the Bankers' Association (Li Ming and K.P. Chen took turns in becoming Director of the Executive Board), on the one hand helped consolidate the military strength of the Government and save the country from being bolshevized by undertaking to purchase all the Government debentures, and on the other hand derived huge profits from the benefit of the 40% discount in debentures. During those years the Kiangsu-Chekiang Plutocratic bloc grew steadily richer.

However, as fortune never lasts long, in the years preceding the war of resistance these plutocrats were first deprived of their privilege of issuing notes when the Government decided to centralize the issuance of notes, and then the nationalization of silver made them holders of notes only. Moreover, years of inflation steadily reduced their bank deposits. The National Commercial Bank and a few other banks even tried various means to purchase foreign currency. Nevertheless, their strength in general had been greatly impaired. The financial rule of the Kiangsu-Chekiang plutocrats has thus become a thing of the past. To say nothing of Li Ming who was at that time lurking in the United States, even K.P. Chen who was then in Chungking shook his head and heaved a deep sigh over the inflation, and instead, pinned his hope on the postwar period.

But T.V.'s postwar policy dealt another blow to them. The four Government banks, that is, the Central Bank, the Bank of China, the Bank of Communications, and the Farmers' Bank, together with the Central Trust as well as the Postal Remittance & Savings Bank, are daily growing in strength and scope and crushed the above-mentioned banks into the rank and file of the 50 native banks and the 100 odd exchange agencies, stripping them of all privileges and authority.

Upon the downfall of T.V. and the rise to power of Chang Kia-ngau, these plutocrats became the latter's supporters. Rumors have it that Chang Kia-ngau has entered into a life-and-death alliance with Li Ming, K.P. Chen, Hsu Chi-ching, Y.M. Chien and Chin Jen-chin. The veracity of this rumor cannot be ascertained, but today it is obvious that the Kiangsu-Chekiang plutocratic bloc is considering staging a come-back. The Government is in a difficult strait now and requires their help. To them, this is an opportunity, and they are in duty bound not to refuse but to extend a helping hand to tide the country over the current crisis.

Chang Kia-ngau is a banker but he may not be as well-to-do as T.V. and H.H. That he was able to rise to power was obviously due to the support given him by the Kiangsu-Chekiang plutocratic bloc at home, and more or less to American help given him from abroad. Gen. George C. Marshall who considers Chang Kia-ngau as his "good friend", naturally cannot remain indifferent. So was it that Chang Kia-ngau dared enter the gold-drained and notes-filled Central Bank building to tackle the unprecedentedly great economic crisis.

The first thing Chang Kia-ngau did in taking over the Central Bank was to reorganize the Board for the Temporary Regulation of Imports, giving the directorship of the said board to Li Ming, and the directorship of the Export Development Board to K.P. Chen. Aside from this, under the pretext of enlarging the extension of low-interest loans, he invited Chin Jen-ching to take charge of the same. Furthermore, during the Government reorganization K.P. Chen was elected State Councillor. This was to streamline their set-up, so to speak.

In order to tide over the crisis, ways and means must be devised to get more money. Hence, the floating of the US$ bonds and the preparations for negotiating loans with the United States.

The first wet firecracker

The floating of the US$ bonds was the first shot fired by Chang Kia-ngau.

The Government's credit has not been good, especially during the administration of T.V. At the same time, the inflation constituted a deadly impediment to the Government bonds. Today, Chang Kia-ngau is trying to conquer the natural obstacles through human efforts. Y.M. Chien and Li Ming tried to encourage him. They were "social celebrities" and their playing a leading role in this matter would surely make the sale of the bonds run smoothly. Besides, the debentures provided the Kiangsu-Chekiang plutocratic bloc with an opportunity of enriching themselves, and this opportunity should not be allowed to slip by. Moreover, once the form of the security deposit has been fixed the capital thus invested would be able to control such semi-government enterprises like the China Textile Development Corporation. Chang Kia-ngau also considered this as a most ingenious scheme. So, in a few days' time order slips of the US$ bonds were issued. Y.M. Chien who was made Director of the Bonds Soliciting Committee, announced on the very first day that currency and banking circles would undertake to purchase one-fourth of the debentures issued, and that if all industrial and commercial circles were to follow this example, the whole amount of debentures would be completely sold.

For the sake of winning the cooperation of banking circles, Chang Kia-ngau departed from his past policies and announced that the Central Bank would become the bank of banks. That is to say, it would broaden the extension of low-interest loans, and all native banks and exchange shops could obtain low-interest credit loans from the Central Bank. Chin Jen-chin was put in charge of this, and he made plain that loans would be extended to industrial, commercial and banking circles.

At the time of the floating of the US$ bonds, Messrs. Li, Chien, Hsu and Chen each made a statement, pointing out unanimously that the funds thus derived would be used by the Government for reconstruction purposes and that just at this time when idle capital was flooding the market, such a measure was quite feasible and necessary. This was perhaps the first time that banking leaders ever gave such unconditional support to a Government scheme.

But at the time of the issuance of the US$ bonds, a general atmosphere of distrust prevailed; first of all, because the Government did not have any US$ reserves, and secondly, because no steps had been taken to restore the confidence of the people in the Government. Hence, the issuance of the bonds encountered enormous difficulties. However, thanks to the support given by the Kiangsu-Chekiang banks, and due to the fact that half of the security deposits had to be in US$ bonds, the sale of these debentures did not meet with complete failure. But up to May 10, the value of national bonds sold amounted to only US$14,070,000, and that of Treasury notes US$3,980,000, totalling in all US$18,050,000, which is the equivalent of CN$216,600,000,000. This first shot, which was a wet firecracker, did not go off.

The relations between banking circles and the Central Bank did not in any way improve. The amount of low-interest loans extended by the Central Bank was quite limited and small native banks and exchange shops hardly dared hope to benefit from it. For instance, the very act of tightening the money market by the Central Bank around May 10, made many a native bank and exchange shop go bankrupt and transferred the deposits of the smaller banks into the bigger banks of the Kiangsu-Chekiang plutocratic bloc.

The US$ bonds which were originally intended for making up the budget deficits, are now a complete failure and disappointment. Chang Chun published the figures, and somehow, settled the muddled accounts left by T.V. and H.H. But could he be sure of success in the floating of the bonds? Not likely at all. If he could not push the sale of this approximately CN$5,000,000,000,000-debenture, was there any other way that could keep him from issuing the CN$10,000-denomination notes?

Finance Minister O.K. Yui reported that in the past the monthly expenditure was CN$1,200,000,000,000, and that henceforth it will be from CN$1,600,000,000,000, to CN$2,000,000,000,000. In reality, however, under the rapid fluctuation of commodity prices, at the end of the current year the monthly expenditure will likely reach at least 3 trillion to 5 trillion dollars. Therefore, the total State expenditure could hardly be only 20 trillion dollars, and is, instead, over 30 trillion dollars. Since both Chang Chun and Chang Kia-ngau are not magicians, what ways and means could they devise which could prevent them from issuing more notes than T.V. and H.H.?

Asking for U.S. loans constitutes second shot fired

Soliciting U.S. loans was the second shot jointly fired by Chang Chun and Chang Kia-ngau. Although in his speech Chang Chun spoke lightly of foreign loans, yet in his heart he knew it was quite the contrary.

The question of asking for loans from the United States has become the principal topic of discussion in Nanking's official circles. Some proposed to borrow US$10 billion to finance the Yangtze hydro-electric power project. This was considered both an attractive and practical suggestion, for once the Yangtze hydro-electric power is constructed by the U.S., material and money will roll in, and under this situation the country's economy will surely make a turn for the better. At the same time, the Americans who have invested US$10 billion, will surely intensify their military aid to this country so as to ensure the safety of American capital and interest.

Another suggestion was to borrow US$1,000,000,000 for currency reform purposes, namely, the issuance of the Sun currency notes at the rate of US$1 to $1 Sun note.

Others approached this problem in a more practical way. That is to say, to borrow US$1,500,000,000, using Kwangtung, Yunnan and Tangku harbor as reconstruction securities. In other words, the said loan is to be negotiated on a "purely commercial basis." Simultaneously, loans for the purchase of American cotton and wheat, loans which China will be free to dispose of in any way she likes (such as, for the purchase of ammunition), and loans for currency reform purposes, will be negotiated. Many were the rumors regarding the securities for the proposed US$1,500,000,000-loan. Some went so far as to allege that the United States had Taiwan and Tsingtao as her objectives.

Both H.H. and T.V. are no longer qualified to serve as the loan negotiators. Rumors have it that K.P. Chen is the most likely person to play this role. Under normal conditions, Chen hardly need to trouble himself with this matter, and could, instead, stick firmly to his present post in Shanghai. But as Chang Kia-ngau was the benefactor who moved the silver from the Bank of China vault to the Shanghai Commercial & Savings Bank during a run on the latter bank, Chen could not but do him a good turn now. Moreover, Chen has been an expert in all past Sino-U.S. financial negotiations. The switching of the Chinese dollar from the Sterling bloc to the U.S. dollar bloc, the purchase of silver by the United States and the subsequent signing of the Sino-American silver agreement, all these were his masterpiece accomplishments. The US$500,000,000-wartime loan was also negotiated by him. He also played a part in the successful negotiation of the Sino-U.S. Currency Stabilization Fund. For he is an American-returned student and, moreover, a schoolmate of the U.S. Ex-Finance Minister, Henry Morgenthau Jr. Besides, he is one of the leading figures of the Kiangsu-Chekiang plutocratic bloc and can thus count on the support of a series of trusts and concerns. Thus, his position could hardly be matched by ordinary politicians.

However, recently rumors have had it that corruption-loathing and face-saving Americans do not have a good impression of K.P. Chen, because the latter was directly responsible for handling part of the US$500,000,000-wartime loan for the purchase of munitions through the establishment of a company called the Universal Trading Corporation. This fact had given rise to suspicion on the part of both Chinese and U.S. quarters who opined that

under such circumstances, irregularities were quite inevitable. How true this allegation was we have no way of finding out. But it is true that he is not warmly welcomed by the Americans. Precisely for this reason, the Central Government disseminated news every day to the effect that K.P. would go abroad to negotiate loans, so as to see what American reactions would be. The pity is that up to this day no good reactions have been forthcoming. So State Councillor K.P. Chen, upon his arrival here from the Capital, denied the allegation concerning his trip abroad for the purpose of negotiating a loan.

Another way of saying this is: The United States attaches absolutely no importance to whoever the negotiator is. That is to say, whether the negotiator be Wellington Koo, H.H. Kung, T.V. Soong or K.P. Chen, if the U.S. wants to extend a loan, China will get it, but if she is unwilling to lend, no matter who the negotiator is, China will not be able to get the loan.

The person now in charge of the Import-Export Bank's loan extension is the ex-U.S. Ambassador to China, Mr. Gauss. He has a profound understanding of the Chinese. According to him, for the sake of the security of U.S. investments, he is absolutely opposed to American investments. But the U.S. State budget for the current fiscal year is characterized by an excess of revenues over expenditures, so there is still plenty of room for her to extend credits. Moreover, President Truman is trying to apply his doctrine in the Orient, while Gen. George C. Marshall is just reading the barometer of U.S.-Soviet relations in the Far East, ready to make this move. Judging from the current situation, the U.S. is surely going to play her trump card and is sure to look for a middleman who enjoys quite a bit of reputation, to handle this task so as to cope with the American public on the one hand and to boost the prestige of a certain party in China on the other. Hence, the loan negotiator will be none other than either one of the two Changs.

Judging from the current situation, whether the second shot of the two Changs will go off with a bang or just frizzle like a wet firecracker depends on whether the Chang "Cabinet" will remain or collapse. Without external aid there is absolutely no way of stabilizing the current critical economy, nor is there any way of carrying on the civil strife. Should this be the case, then the Government's choice of Chang Chun to shoulder this task would have also become quite meaningless, and consequently, all the parties and factions in the country will rise to overthrow him.

Just evaluation

Regarding the two Changs, we must give them a just and reasonable evaluation.

Prof. Ma Yin-chu has said just the appropriate thing: As for talents, Chang Kia-ngau is indeed a man of great ability. K.P. Chen is also a zealous promotor of public wellbeing. If today they float national bonds for the sake of peace and reconstruction, then we should support them. But today they are helping in fighting the civil strife, so we must attack them. As for the foreign loans borrowed by K.P. Chen, we will make the Shanghai Commercial & Savings Bank repay them later on!

After Chang Kia-ngau's ascendancy to power, he has become, in the eyes of the public, a completely different person. Formerly, when he held the regular Friday dinner party, the various organs connected with him as well as the Industrial Association, looked upon him as China's future banking reorganizer. Although he was then in the Northeast, yet his fame spread far and wide both at home and abroad. K.P. Chen and Li Ming were also banking leaders.

However, since Chang Kia-ngau took up a government post, he has incurred the bitter hatred of the Industrial Association because of the import quotas for the 2nd quarter of 1947, he has displeased banking circles because of the forced sale of US$ national bonds, and he has brought upon him the curse of the public because of the issuance of the CN$10,000-denomination notes. Wise as Chang Kia-ngau is, it is hardly conceivable that he would today allow himself to fall into the snare, slowly masticating the evil fruits reaped by H.H. and T.V., and daily sowing for himself the seeds of hatred and enmity.

The two Changs have always been known for their keen observation of the current situation and for their versatility. The deteriorating situation today clearly proves that there are no whole eggs under a destructive civil war. Under a situation like this, either they are going to follow in the footsteps of T.V. and Tsu-yee Pei and share their fate, or they must immediately orientate their course from merely asking for help without any principle to resetting their course to certain principles instead. But we are quite doubtful whether or not the two Changs can stand the test of history and courageously set their own course.

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CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 365 June 5, 1947

EDITORIAL COMMENT

Arrest of Newspapermen and Press Censorship

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Beginning from before daybreak on June 1st, a succession of three misfortunes befell this journal: (1) Eight newspapermen serving on the Chungking edition of the "Ta Kung Pao", including Tseng Min-chih, were arrested; (2) Chen Fan, our special representative in Canton, was arrested, and (3) beginning from June 1st press censorship was resumed at Tientsin, and our Tientsin edition received special attention of the censors. The majority of our despatches and feature articles were subjected to censorship and detained. This is a misfortune of the "Ta Kung Pao"; as a matter of fact, it is also a misfortune of the country.

It is true that a fire is raging in half of China, and the people have been suffering from the civil war. But, after all, we have held a National Assembly, a Constitution has been adopted, the Government has been re-organized into a multi-party one, preparations are being made to conclude political tutelage, elections are going to be held shortly in preparation for enforcement of the Constitution, so that we are taking great strides toward democracy. The minimum requirements of democratic government are respect for the people's civil liberties, safeguarding of the people's basic freedoms, and respect for public opinion. Recent developments have been that due to the student strikes and demonstrations, martial law has been proclaimed in the different major cities and students and newspapermen have been arrested, and press censorship resumed. These certainly go counter to safeguarding of freedoms and respect for public opinion.

As the Government has been so rash and severe in its effort to deal with the student unrest, people have been feeling very uneasy. Moreover, one cannot understand why the Government has been at enmity with newspapermen. At present there are no more newspapers in the Government-controlled area operated by the Chinese Communists or the Democratic League, and the freedom of the independent, privately-owned newspapers is also steadily being reduced. Today, any reporter on an independent newspaper who goes to an educational institution to collect information is liable to be considered as an intriguer who is trying to incite student unrest and is liable to arrest. Most of the eight "Ta Kung Pao" people arrested at Chungking are field reporters. The reason why Chen Fan, our representative in Canton, was arrested is that during the parade staged on May 31st by the students of the National Sun Yat-sen University, he followed the students for the purpose of collecting information and that, having seen personally the tragic incident, he returned to his quarters to prepare and send a despatch (that despatch was detained and our Shanghai office has not received it so far). On that same night, while he was fast asleep, he was arrested by those who were conducting a census check-up. Mr. Chen has done his duty. His telegraphic despatch was detained, and he is now in prison. Under these circumstances, how can newspapermen continue their work? How can one operate a newspaper? Now, even the vocational freedom and personal safety of those working on the "Ta Kung Pao" are threatened, not to mention the fact that this journal has a history of more than forty years and that all of our staff have been people with self-respect and good behavior. This is a misfortune of this newspaper, but will it redound to the country's glory?

Press censorship was an emergency measure for wartime. It has already done a great deal of harm. Due to this system, both the Government and the people have been hoodwinked, crimes have been covered up, and the newspapers have lost the confidence of the general public. That this system violates

the principles of democracy and deprives the people of their freedom, is too plain to need any explanation. Now, due to the student strikes, martial law has been proclaimed, and in Tientsin press censorship has been resumed, thus strangling freedom of information and making the nation go backward. We have given this matter careful consideration, but cannot see any necessity of this evil system being revived.

For the sake of our national honor and for the sake of the vocational freedom of press circles, we earnestly request that the Government set free as soon as possible the newspapermen who have been arrested and abolish the press censorship at Tientsin. (Summary)

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Achieving Peace by Force

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 5, 1947

At this time when they are positively attacking the Government forces, will the Chinese Communists send representatives to Nanking in accordance with the resolution passed by the PPC? As to the "Anti-civil war" clamor on the part of the "democratic elements" and of those youths who have been utilized by the Communists, it is but a means employed by the Communists to create disturbances in the rear of the Government troops. Therefore, if our fellow-countrymen want to achieve peace, they must do so by force.

The Government troops' effort to quell the rebellion is, of course, one form of force for achieving peace. However, this is an effort being made by the Government. The people also have a way of achieving peace by force, namely, by distinguishing right from wrong and loyalty from disloyalty. Let the Government and the people unite to bring pressure to bear upon the rebellious forces which are anti-democratic and anti-Constitution and which have rebelled against the country and the people. (Summary)

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On the Political Crisis in Italy and Hungary

Chung Yang Jih Pao (KMT Organ), Shanghai
June 5, 1947

In view of the fact that following the Cabinet crisis in France, there have been political crisis in Italy and Hungary, we are under the impression that it is possible that Communism is now on the decline in the Western countries. However, Soviet Russia will strengthen rather than loosen her grip on Central and Eastern European, as evidenced by the political crisis in Hungary. As to Italy, she is within the scope of the United States' "perimeter sphere" policy. Therefore, it had long been expected that she would become a third experimental center for "Trumanism".

Now, following the political crisis in Italy and Hungary, the political division of Continental Europe has become more evident than ever before. With the United States and Soviet Russia engaged in a world-wide struggle for supremacy, power politics is being resorted to in an increasingly naked fashion. What we are worried about is that the United Nations Organization which the Allied nations have created with much difficulty may become a second League of Nations and a pitiable forsaken child. (Summary)

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Death Knell Sounded for a Democratic Hungary

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 5, 1947

Recent developments in Europe are worthy of attention. From these we can imagine how "power politics" is being resorted to on that Continent.

If this state of affairs in Europe is allowed to continue, it will undoubtedly affect the general world situation.

What do these developments signify? Needless to say, they indicate that the struggle between Soviet Russia and the Western nations has been intensified. Because relations between Russia and America are steadily deteriorating, both of them want to consolidate their position in East and West Europe, respectively. Hungary has now become the center where the two sides are playing politics. From this we can see why U.S. Secretary of State General Marshall has expressed the United States' friendliness towards Italy. How the European situation develops from now on will be a yardstick of the influence of the United States and Soviet Russia in that part of the world. (Summary)

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Coup d'etat in Hungary

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 5, 1947

The recent political crisis in Hungary is going to have an unfavorable effect both in and outside Hungary. If a country wants to have stability, it must first strengthen its internal unity and then avoid foreign interference. The various political parties in Hungary will not cooperate with one another, and neither Soviet Russia nor Britain and America are willing to loosen their grip on Hungary -- these are the two main obstacles to the democratization and independence of the latter country. Hungary will not have a bright future unless and until these two obstacles have been removed. (Summary)

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On the Japanese Question

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 5, 1947

At this time when the Allied nations have yet to reach a final decision regarding the matter of dealing with a defeated Japan, it has been reported that Yoshida, former Japanese Premier, has expressed to General MacArthur Japan's views and wishes regarding the Japanese peace treaty. It is Japan's wishes that the southern part of the Kurile Islands be still included in the territory of Japan, that she be granted the right to send emigrants to Taiwan, and that the Ryukyu Islands be put under the joint trusteeship of the United States and Japan.

Since Japan surrendered, industries of a non-military character in that country have gradually been revived. Moreover, the United States is planning to extend aid to Japan, so that the latter's foreign trade may return to normalcy at an early date. The United States can be said to have been doing all she can to help Japan, both economically and politically. In the eyes of the Americans who are traditionally democratic-minded, the Japanese have really been able to accept training in democracy and are full of democratic spirit. However, if one can observe the situation in Japan a little more cool-headedly, one will find that this is not the case. Are our American allies really ignorant of the actual situation? There are extremely complicated factors involved in this. Since to the discerning, the situation is and will always be very clear, there is no need for us to go into details here. (Summary)

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Other editorials not translated: Dated June 5, 1947

Lih Pao, Shanghai	--	On the Unfreezing of Cost of Living Indices
Cheng Yien Pao, Shanghai	--	How to Help the Local Banks Tide Over the Present Crisis
Chien Sien Jih Pao, Shanghai	--	On the War Situation in the Northeast
Tung Nan Jih Pao, Shanghai	--	India Steps onto the Path of Separate Governments
Shang Pao, Shanghai	--	The Mission of the Far Eastern Economic Conference
Yi Shih Pao, Shanghai	--	From Friendliness to Peace

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POLITICAL NEWS

Garrison Commander Hsuan Tieh-wu on Arrested People

Chung Yang Jih Pao (KMT Organ), Shanghai
June 5, 1947

(Local News)---Garrison Commander Hsuan Tieh-wu of the Woosung-Shanghai area stated yesterday that the competent authorities will deal with the students and reporters who were arrested on suspicion of being CP instigators according to the results of further investigations. Those who were arrested without substantial evidence against them will be immediately released while those who were taken into custody with substantial evidence against them will be severely punished according to law. As for those who are suspected of having engaged in activities in behalf of the CP, they will be apprehended when necessary, the Garrison Commander revealed.

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Over 1,000 Persons in Canton Nabbed

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Canton, June 3---At 2 a.m. yesterday, the Kwangtung Garrison Headquarters dispatched over 600 soldiers to the National Sun Yat-sen University. After disarming the university guards, they started to arrest students and professors, and took them away by trucks. Kung Si-pin, prominent professor of economics in that school, was also detained. Only through the negotiations of the Dean of Discipline and many professors and students with the raiders, was he released on bail.

Later on, the Dean of Discipline, together with over 10 professors and student representatives, went to the Generalissimo's Canton Headquarters and requested the latter to release the arrested professors and students but in vain.

During the recent parade, around 100 National Sun Yat-sen University students were beaten up and wounded. 16 of those seriously injured ones still remain in hospital, and two of them are in critical condition.

A large number of reporters including Chen Fan, special correspondent of Ta Kung Pao, have been taken into custody by the Garrison Headquarters. Up to the present, they have not been interrogated. Meanwhile, their relatives and friends are forbidden to pay them visits or to send them food. It is learnt that over 70 others in the blacklist have not yet been nabbed. Up to today, over 1,000 people including students, reporters, professors, and Government employees have been taken into custody.

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Measures Decided Upon to Handle Aftermath of Wuhan University Tragic Incident

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Hankow, June 4---Vice Minister Hang Lih-wu of Education officially indicated that the recent tragic incident of the Wuhan University was a blunder committed by the officials who carried out the arrest.

Hankow, June 4---The June 1st tragic incident of the Wuhan University is expected to be satisfactorily settled shortly. Deputy Director Sun Wei-ju of the Headquarters, carrying a letter of condolence, personally called on the university this morning to comfort the students and tendered apology in behalf of Director Cheng Chen of the Generalissimo's Wuhan Headquarters. He gave a check of $200,000,000 to the professors' association and the school authorities for compensating the families of the victims. Then Vice Minister Hang Lih-wu of Education and president Chow Keng-sheng accompanied Sun to visit the place where the incident occurred. Deeply touched, the latter kept silent all the time and shook his head.

At 4 o'clock the same afternoon, Governor Wan Yao-huang of Hupeh also called on the school. Accompanied by president Chow and Dean Chu Chieh-fu of Discipline, he visited the scene of the tragedy. On the spot where Chen Ju-feng, a Taiwanese student, was shot and killed, two Taiwanese students poured out their grief to Governor Wan. In tears they said, "During the past 50 years, the Taiwan people have been suffering miserably from Japan's oppressive rule. It is indeed deplorable that Mr. Chen instead of being killed by the Japanese in Taiwan should have lost his life in the war-stricken fatherland where he was receiving higher education." Governor Wan then went to the gymnasium where in front of the tablets of the three deceased, he extended his apology and condolence to the entire faculty and students of the school in behalf of the Central authorities. At that time, a student stood up and reported on how the incident happened. He said, "Since the occurrence of this tragedy, all people in the school have become panic-stricken. Closely gripped by the feeling of fear, we appeal to Governor Wan to adopt effective measures to accord us protection." His poignant words impressed the listeners so deeply that they all burst into a flood of tears and wept bitterly.

Today over 2,000 students of various schools in Wuhan voluntarily gathered and paraded to the university to extend condolence and sympathy. The Wuhan University bus service which has been suspended for three days was resumed today. All the buses were bedecked with slogans demanding the severe punishment of the chief officials who are responsible for the tragic incident.

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Students of Amoy University Arrested

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Amoy, June 2---Around 3 a.m. on June 1, the Fort Command and other government organs concerned here mobilized gendarmes and police to raid the Amoy University and to arrest students there. At first, the raiding party attempted to make the arrests inside the dormitory. But, after repeated persuasion and opposition by the school authorities, they conceded by making only two arrests, leaving five other students in the hands of the school authorities on the condition that the latter be detained in the house of the school president.

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Students of National Tsinghua University Still on Classroom Strike

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Peiping, June 4---With the exception of the National Tsinghua University, students of all other universities here resumed classes today.

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Ten City Elders Jointly Appeal to Mayor Wu for Release of Arrested Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

(Local News)---It is learnt that recently ten city elders here, namely, Chang Chu-sheng, Tang Wei-chih, Li Pa-ke, Yeh Kuei-chu, Chang Chien-jo, Hu Tsao-ching, Hsiang Lan-sheng, Chien Chih-yen, Chen Chung-shu and Chen Shu-tung, have jointly addressed a letter to Mayor K.C. Wu, Lt. General Hsuan Tieh-wu, Commander of Woosung-Shanghai Garrison Headquarters, and General Chang Chun, President of the Executive Yuan, each, appealing to them for the release of the arrested students. Of the ten elders, Messrs. Chang and Tang are bothover 80 years of age, and the rest eight over 70 years of age. They have devoted themselves to academic research and have never engaged in political activities.

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Shanghai Students Federation Initiates Movement to Obtain Release of Arrested Students on Bail

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

(Local News)---In order to help the wounded and arrested students of various schools in the city, the Shanghai Students Federation has initiated a fund collecting and sign-the-name campaigns to obtain the release of the arrested students on bail. It is learnt that many people have responded to the campaigns.

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Professors of National Fuh Tan University Have Not Yet Called Off Strike

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

(Local News)---A general meeting of the professors including instructors and assistant professors of the National Fuh Tan University was called 2 p.m. yesterday to discuss the return-to-class question. 130 faculty members together with Counsellor Tan of the Ministry of Education, City Councillor Chao Yang-hsiung, and Tuan Mu-kai, alumni member of the school attended the meeting. The following are some of the resolutions adopted:

1) The entire body of university professors will abide by the previously signed declaration that they will not call off the strike until the arrested students have been released.

2) The entire body of university professors will urge the authorities concerned to immediately release the innocent students now under arrest; or to hand them over to the judicial authorities for action.

3) The authorities of the City Government should be urged not to allow gendarmes and police to enter the school premises to make any arrests in future.

4) Those students whose are on the black list but have not yet been rounded up, should not be apprehended; cases of a serious nature should be dealt with by the judicial organs according to law.

5) A 5-man delegation headed by Hsiao Cheng-shen should be dispatched to Nanking to approach the State Council and urge the latter to order the release of the arrested students at once.

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Plan of Instigating Workers in Shanghai Laid Down by CP

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 5, 1947

(Local News)---It is learnt from certain concerned quarters that the CP-sponsored Workers Association in Shanghai has printed a large quantity of publicity pamphlets and leaflets with which to level attacks on the administrative policy of the Government and its officials for the chief purpose of undermining the faith of the workers in the Government and of estranging the workers and the General Labor Union.

A certain Liu, secretary of the Association, has instructed all his men to carry out their activities in accordance with the following principles: 1) to organize and train the workers of various factories so as to further strengthen their determination in the struggle, 2) to win over the the workers who have joined the General Labor Union, 3) to persuade the cadres of a certain clique to join the CP so as to further strengthen the latter's influence, 4) to lay a sound foundation for the extension of activities of the Association and to seek new means of financing the Association, 5) to set up branch district headquarters in various factories. The competent authorities are now taking precautionary measures against the activities of the CP-sponsored workers' association in this city, it is learnt.

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Parade Staged by Students of National Ying Shih University on June 2

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Kinhua, Chekiang, June 2---Students of the National Ying Shih University here staged a parade at 9 a.m. on June 2. Led by the Chinese national flag, a portrait of Dr. Sun Yat-sen and a large white cloth banner on which were written "Rescue Education, Oppose Civil War, Hunger and High-handed Measures", the parade started in an orderly and well-organized manner. Several scores of big posters with cartoons were carried by the paraders. Three of the student paraders were disguised as a bureaucrat, a special service agent and a commonner respectively. When the procession reached the Provincial Kinhua Middle School, students of the propaganda team delivered "anti-civil war and anti-high-handed measures" speeches over the loudspeaker. They also shouted at the pitch of their voices "Unite, National Yingta University and Provincial Kinhua Middle School!" At that moment, many university professors hurried there to join the parade. On passing the gate of the Hsien Government, the paraders shouted, "We sympathize with civil servants" and "We all want to eat!" The gendarmes and police did not intercept the paraders who finally returned safely to their school at 12:30 p.m.

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Democratic Socialist Party Leader Arrives in Nanking

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Nanking, June 4---Hu Hai-men, one of the Democratic Socialist Party leaders in North China, arrived here from Shanghai this morning. He said that since the Party has taken part in the Government, it will have to interpose in the recent incidents wherein students and reporters in various localities were arrested. He will discuss with other representatives of the Party who remain in the Capital, measures to be taken to remedy the situation, he revealed.

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Wu Hsien-tze to Return to Hongkong Soon; Not to Take up Post of State Councillor

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 5, 1947

(Local News)---Wu Hsien-tze, Vice Chairman of the Democratic Socialist Party, came to Shanghai some months ago to mediate in the internal dispute within the Party. It is learnt that a concrete decision has been reached in regard to the settlement of the internal strife within the Party.

Our reporter called on him at his residence yesterday afternoon. During the interview Mr. Wu declared that it was upon the request of the Party leaders of both sides that he took a trip to this city. After arriving here, he decided upon the following principles for the mediation, namely, 1) Both sides should sink their old grudges, 2) They should not discuss the personnel problem. A party affairs readjustment committee should be set up to re-enact all party regulations. However, Carson Chang, Chairman of the Party, insisted on the upholding of the Party discipline and demanded that Wang Shih-ming, Lu Kwang-sheng and Sun Pao-kang, leaders of the dissenters, should voluntarily ask for leave of absence for half a year. Therefore, the mediation finally broke down.

According to Mr. Wu's opinion, the internal dispute of the Party does not lie in the problem of "party discipline", but in the divergent views among the Central Standing Committee members of the party.

Mr. Wu, declared that he would not take side with either group. He would consider the question of taking up the post of State Councillor if the internal dispute of the Party were settled. Since a total split now takes place in the Party, he will not consider this question any more and will return to Hongkong soon. In regard to his refusal to attend the meeting of the organization committee called by Carson Chang, Mr. Wu said that since Carson Chang refused to recognize his right to represent 26 votes for the Party representatives abroad, he declined to attend the Committee meeting. Had he attended the Committee meeting, he would have prevented the passing of the resolution regarding the expulsion of Sun, Wang and Lu from the Party and would have averted the final Party split, Mr. Wu revealed.

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New Appointments Made by KMT Central Political Council

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 5, 1947

Nanking, June 4---At the meeting of the KMT Central Political Council presided over by Chu Cheng, President of the Judicial Yuan, at 9 o'clock this morning, resolutions were passed to the effect that Huang Shao-hsiung be appointed Vice President of the Control Yuan, Li Wen-fan, Vice President of the Judicial Yuan, Hsiyaokatso and Pai Yun-ti, Vice Chairmen of the Mongolian and Tibetan Affairs Commission. Another resolution was that the KMT head officials of various ministries and commissions of the Central Government should be appointed as concurrent supervisory members of the Central political Council.

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MILITARY NEWS

CP Troops in Linyi-Mengyin Hilly Region Reach North of Kiaochow-Tsinan Railway

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 5, 1947

Tsinan, June 4---A greater part of the CP main force in the Linyi-Mengyin area has reached areas north of the Kiaochow-Tsinan Railway. A part of the CP 9th detachment has reached areas east of Pingtu, the 10th detachment, Changchiu, a part of the 8th detachment, Hengtai, a part of the 2nd detachment, Tsitung, and the entire body of the 4th detachment, areas near Changtien. The 4th detachment is moving to the north bank of the Yellow River, together with its supplies and wounded soldiers.

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ECONOMIC NEWS

350,000 Tons of Foreign Rice to Be Shipped to China

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 5, 1947

Nanking, June 4---The Government has already mapped out concrete plans to tackle the rice problem. Beginning from this month, shipments of foreign rice totalling 350,000 tons will be sent to China. Their delivery is expected to be completed within four months' time. It is estimated that the supply will be sufficient to cater to the needs of six million people of various coastal cities and municipalities for at least one year. Of these 350,000 tons of foreign rice, 50,000 tons will be shipped here from various South Sea islands, and 300,000 tons have been purchased from the U.S. with the U.S. relief funds to China.

After the rice stocks are shipped here, they will be rationed to all civil servants, teachers, Army men and workers.

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Gigantic Industrial Concern Set up In Yunnan

Ta Kung Pao (Independent, Political Science Group), Shanghai
May 24, 1947

Kunming, May 22---The Yunnan Industrial Corporation has just concluded its general meeting of shareholders, at which 40 directors including Lu Han and Miao Yun-tai, and 10 supervisors including General Lung Yun and Chou Chung-yo were elected. It was also decided at the meeting that the business program of operating the enterprises of electricity, chemicals, textile, machinery, mining, smelting, rice, cotton, silk worms, mulberry trees, cattle raising, irrigation, import and export trade, transportation and printing, should be defined on the following lines:

1) To strive for the promotion of the interests of the majority and to lay emphasis on the balanced development of provincial economy.

2) To lay emphasis on indirect profits rather than direct ones.

3) To lay emphasis on productive enterprises instead of commercial investments.

The capital of this Corporation is temporarily set at CN$100,000,000,000 divided into 1,000,000 shares, it is learnt.

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MISCELLANEOUS NEWS

U.S. Army Surplus Materials in Szechuan and Kweichow to Be Shipped to Other Areas

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 5, 1947

Nanking, June 4---A meeting was held by the Services of Supply Headquarters this afternoon to discuss the problem of transportating U.S. Army surplus supplies. These materials left behind by the U.S. forces in Szechuan and Kunming were taken over by the Chinese authorities after V-J Day. However, due to the shortage of transportation facilities, large quantities of these materials still remain in Szechuan and Kweichow. A decision was reached at the meeting to the effect that these supplies should be shipped in a short time to various areas which are in need of them. The mode of transportation and the allocation of transportation facilities were also discussed at the meeting, it is learnt.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 366 June 6, 1947

EDITORIAL COMMENT

We Oppose Resumption of Press Censorship

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 6, 1947

According to the editorial of yesterday morning's Shanghai "Ta Kung Pao", press censorship was resumed in Tientsin on June 1st, and most of the news despatches and feature articles are now subject to censorship there. This is indeed very amazing news, and one feels it is even more serious in character than the closing down of the three newspapers here in Shanghai.

Both before and during the war against Japan, we press circles suffered much from the system of press censorship, with the result that those who ran newspapers lost their vigor. The whole newspaper was filled with Central News Agency releases which, being official in character, were monotonous, so that few people would want to read the paper. Now, press censorship has been resumed in Tientsin, so we cannot but say something about this matter.

During the past half year, the Government authorities have declared more than once that they have begun to conclude political tutelage and to take positive steps to prepare for enforcement of the Constitution. They have also more than once announced their determination to put constitutional democracy into practice. They should understand that the most important condition for constitutional democracy is respect for public opinion.

Furthermore, it is the policy of the National Government to win the sympathy of the Americans who are our friendly neighbors, but the Americans have a traditional respect for freedom of information. There can be no doubt that the series of rash actions which the local authorities in various parts of China have taken recently and which infringed the people's freedoms will arouse the dissatisfaction of public opinion in the United States.

The rash actions which the local authorities in different parts of the country have taken recently have already given everybody a sense of insecurity! If this situation continues, not only will it be harmful to the country, but the Government will be faced with very great dangers! We wish to warn those who are in power that they must not misuse their authority and that they must lose no time in rigidly forbidding local governments of various grades and the military and police in different parts of the country to act rashly! (Summary)

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Eradication of Undesirable Elements, Not "Driving People to the Opposition Camp"

-- Misinterpretation by an editorial of the Shanghai "Ta Kung Pao" --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 6, 1947

The effort of the authorities responsible for maintaining peace and order to segregate the small number of people who have been creating disturbances from those who want to devote themselves to their studies, or to ship the former to the "liberated areas", has been designed to eradicate the undesirable elements, and not to "drive people to the opposition camp", as alleged by the "Ta Kung Pao". It is quite plain that the recent "student unrest" was instigated by the Communists and was designed to overthrow the Government and to disintegrate the country. Those who have made irresponsible comments on the matter without regard for the facts and without distinguishing right from wrong can be said to have been taken prisoner by the Communists, so far as their thinking is concerned. (Summary)

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Achievements of Shanghai City Council

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 6, 1947

The Third Plenary Session of the Shanghai City Council was held at a time when the student unrest was at its height and when conditions were unsettled. The City Councillors have unanimously laid special emphasis on "stability" in the resolutions which they have passed regarding what should be started and what should be changed or stopped. The measures which they have proposed for bringing the student strikes to an end are especially praiseworthy. Prior to the opening of the City Council session, Mr. Pan Kung-chan, President of the Council, had made special visits to residents in different districts of this city so as to find out their wishes. He had also convened a seven-day discussion conference on municipal administration for all districts of the city. What he did was also praiseworthy.

Then, we especially appreciate the far-sightedness of the Council and the boldness of the resolutions which it has passed. For instance, it has proposed the organization of a "Committee for Investigating Activities Detrimental to the Interests of the Chinese People". Although, in the beginning Shanghai will be the only city where such a Committee will be organize yet the influence of the Committee will be felt throughout the country later on. This work will make it impossible for terrorists who are bent on infringing the interests of the Chinese people and who engage in sabotage activities against their Fatherland to continue to exist secretly in Chinese society, and is, therefore, of very great importance. There has long existed in the U.S. Congress a "House Committee on Un-American Activities". In carrying out the United States national policy, the U.S. Government often uses the reports of this Committee as important reference materials. The fact that the City Council has proposed the organization of such a Committee is indicative of its far-sightedness and courage. (Summary)

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A Serious Problem Faced by Industrial Circles

Chung Yang Jih Pao (KMT Organ), Shanghai
June 6, 1947

Since the cost of living index for laborers for the month of May was published, industrial circles have been worried and excited because of this problem. The main reason why the cost of living index for laborers has risen so rapidly is that the Government's policy of stabilizing commodity prices has not achieved the desired results. At the same time, technically, the method of calculating wages according to the cost of living index also leaves room for further consideration. Since this problem has now caused great difficulties to industrial circles, we earnestly hope that, for the sake of the continued existence of our whole domestic industry and for the sake of economic stability, labor and capital will, in a spirit of cooperation and mutual understanding, discuss this matter with sincerity, with a view to finding a reasonable solution for the problem. We also hope that the industrialists and merchants will do all they can to assist the Government in implementing its policy of stabilizing commodity prices as well as the people's livelihood, and of alleviating the economic crisis. (Summary)

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Discussing National Reconstruction on Engineers Day

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Today is Engineers Day, and it is easy to tell how one feels in discussing national reconstruction in the midst of war and destruction. At present there is one great engineering project which envisages a beautiful picture of the future of China, namely, the so-called YVA plan. It is to be regretted that owing to its financial stringency, the Government has recently

announced the temporary suspension of the work on this project. The Government should emphasise major issues and be far-sighted, so it should resume the work on the projected Yangtse dam as soon as possible.

There is another great national engineering project which should be completed at the earliest possible date, i.e., the New Harbor project at Tangku. We hope that in the interests of North China and of the whole country, construction work on the New Harbor project will not be suspended and that it will be completed at an early date. Besides, the five-year conservancy plan for the Yungting River has already been begun with the assistance of CNRRA. This engineering project is also of great importance to North China.

Since V-J Day, one important engineering project, namely, the repair of the breach in the Yellow River dyke, has been completed. As a result, the Yellow River has returned to its original course, thus putting an end to the sufferings of the people in the area which had been flooded for nine years. The total cost of this project was nearly CN$40,000,000,000 (?), and UNRRA's help was an important factor contributing to the successful completion of the project. This is a very good example of how foreign resources can help us in our post-war reconstruction.

Conditions in China are such that we urgently need reconstruction, and our foreign friends are willing to help us in our reconstruction. This certainly is a most precious opportunity. Let us cease destruction and cooperate in reconstruction. This is the wish of the engineers throughout the country; it is also the wish of the people throughout the country. (Summary)

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Other editorials not translated: Dated June 6, 1947

Sin Wen Pao, Shanghai	--	1) The Opening of the All-China Water Conservancy Conference 2) Money Market and Commodity Prices
Tung Nan Jih Pao, Shanghai	--	Pay Attention to the Physical and Mental Health of Young Students
Cheng Yien Pao, Shanghai	--	Open the Far Eastern Peace Conference at an Early Date
Lih Pao, Shanghai	--	The Supply and Price of Rice
Chien Sien Jih Pao, Shanghai	--	On Engineers' Day
Chin Yung Jih Pao, Shanghai	--	On the PPC Resolution Re National Finance
Yi Shih Pao, Shanghai	--	Engineering Circles Urged to Encourage Scientific Spirit

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POLITICAL NEWS

45 Students and Reporters in Kaifeng Nabbed by Police on June 1

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Hankow, June 5---According to an arrival from Kaifeng, since the occurrence of the June 1 incident, the local populace in that city has fallen into a panic. From morning to dusk on that date, the police arrested a total of 45 students and reporters and sent them to the Provincial Training Corps for temporary detention. So far the competent authorities have not published the name list of those arrested persons. However, it is learned that the arrested persons connected with the press are Chao Hui-shen (his non-de-plume is Li Juei), Ta Kung Pao special correspondent; Liang Feng, and Sun Liang-tien, editors of the China Times; Li Chin-shih, Ta Kung Pao special correspondent; Wang Man-lo, special correspondent of Southeast Daily news; Liu Shih-ming, editor of Min Chuan News; and Li Chun-sze, of the Industrial and Commercial Daily News. The office of the Min Kuo Jih Pao published by the Provincial Kuomintang Headquarters was also raided. However, no arrests were made.

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Wuhan University Professors Issue Manifesto on June 1 Tragic Incident

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Hankow, June 2---Following is the text of the manifesto on the June 1 Incident issued by the Professors' Association of the National Wuhan University:

"Recently when the tide of student unrest gained momentum everywhere and instability and restlessness prevailed in society, we professors, mindful of the critical situation, patiently admonished the students to be cautious and careful in all things, little expecting that calamity would descend on us in the form of the unbelievable blood incident of June 1. We professors, filled with sorrow and indignation, cannot but make this appeal of blood and tears to our countrymen.

"The incident happened thus: Our faculty and students had recently gone back to classes as usual. Suddenly at around 3 a.m. on May 31, over 1,000 armed police and gendarmes surrounded our school, broke into our school campus and immediately conducted a room-to-room search. 5 professors and several scores of students were then and there arrested and taken away by trucks. All the arrested professors and students were bound with ropes.

"Just at daybreak, the rest of the students seeing that another batch of students were being arrested and loaded on the truck waiting outside the dormitories, tried to rescue these unfortunates. However, the armed police and gendarmes opened fire on these defenseless students, throwing three handgrenades into their rank, while at the same time the volleys of hundreds of machinegun shots rent the air. As the students were crowded at that time, there was no way of escaping. After the incident, an investigation revealed that 3 students were killed, 3 seriously injured and more than 20 slightly hurt. As for the number of missing students, there was no way of ascertaining it at that time.

"On the day this blood incident occurred, the students were neither on classroom strike nor engaged in any illegal activities. The tragic incident took place at the dead of night, the scene of the blood incident was in the students' dormitories, and one of the three victims was then in the dormitory looking out of the window when he was aimed at and fatally shot.

"We are too dull to understand why we, professors and students, who are living peacefully and engaging in the quest of knowledge in the school, should have been guilty of nobody-knows-what crimes which necessitate the taking of such emergency measures as the surrounding of our school at midnight by large squads of armed police and gendarmes and the subsequent arrests of our students and professors. Above all, we cannot understand why those students who were not on the blacklist, should be subjected to such illegal and cruel massacre and slaughter. Even granted that they had offended the police and gendarmes, it was still hardly justifiable to use machineguns and handgrenades cold-bloodedly on them. Moreover, doctors' examinations of the wounds of the victims revealed that the bullets used were the "dumdum bullets" which are prohibited by international law to be used in warfare. Where is protection for the people's lives? Where is human moral and civilization?

"We professors who saw with our own eyes this heart-rending scene, are unanimously determined to temporarily call an all-out strike for one week as from date, in sign of protest and condolence. We also bring forth the following minimum demands to the Government:

(1) To severely prosecute the culprits and to probe the responsibility.

(2) To immediately release the arrested professors and students, and if they are truly suspected of guilt, to quickly hand them over to the court.

(3) To compensate the bereaved family members of the victims and to indemnify all the material and spiritual losses sustained by the injured students.

(4) To guarantee that henceforth no police, gendarmes or secret agents will be dispatched to schools to make illegal and indiscriminate arrests.

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Students' Federation in Shanghai to Set Up Committee to Rescue Arrested Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

(Local News)---The Students' Federation in Shanghai is now planning to set up a committee for rescuing arrested students. The committee will soon be inaugurated and its work started.

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Chinan University Students Try Their Best to Obtain Release of Arrested Schoolmates

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

(Local News)---Since the 18 arrested Chinan University students including Liu Chun-sheng and Lin Wei-yen have not yet been released, most of the students of the university have refused to return to classes. It is learnt that the Rescue-Arrested-Students-Committee of that school is now cooperating with the faculty in initiating a campaign for obtaining the release of the arrested students on bail. Many students have signed their names to go bail for the detained pupils. The Y.M.C.A. of the university has organized a comforting team, it is reported.

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Last Batch of Arrested Students in Peiping Freed

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Peiping, June 5---Students who were arrested on June 2 in this city have been released on bail one after another. The last batch of them, totalling eight, including Tu Mei-ling, all of whom are students of North China College, were freed on bail today through the efforts of the president of the college.

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Allied Army Personnel from Japan Must Have Passports Visaed by Chinese Delegation in Japan

Chung Yang Jih Pao (KMT Organ), Shanghai
June 6, 1947

Nanking, June 5---Passport examining authorities throughout the country have received an order from the Executive Yuan to the effect that any member of the Allied Army personnel in Japan who comes to China either on official visit or for private trip must have his passport visaed by the Chinese delegation in Japan. Failing this, he will not be allowed to enter this country. What is more, the passport examining authorities are expected to report the cases of those Allied Army personnel who have come to China with passports not yet visaed by the Chinese delegation in Japan, to the delegation and the Ministry of Foreign Affairs for investigation. It is learnt that those authorities concerned have instructed their men in charge to carry out the said order accordingly.

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Sino-British Aviation Agreement Passed by Central Political Council

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 6, 1947

Nanking, June 5---The Sino-British Aviation Agreement was passed at the meeting of the Central Political Council on June 3, and will be formally concluded after ratification by the State Council on the 6th. It is learned that the said agreement will be effective for a period of four years. The number of flights and the transportation capacity will be decided upon on the basis of equality and reciprocity. The transportation capacity will be increased or decreased in accordance with the requirements of the areas over which the air routes traverse and of the business conditions there. The air routes to be operated will be: 1) the European routes, one via the American Continent and one via the Middle East, 2) three routes to South sea Islands, 3) the Hongkong-Shanghai and the Hongkong Canton routes, altogether seven routes. China will open Shanghai, Canton, Kunming and Tientsin as airports, while Britain nine places including Hongkong, London, Singapore and Penang as airports, according to the agreement.

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First Press Conference Given by Nanking Branch Headquarters of Democratic Socialist Party Yesterday

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 6, 1947

Nanking, June 5---The Nanking branch headquarters of the Democratic Socialist Party was inaugurated on May 1. The headquarters gave its first press conference at 2 p.m. today. The spokesman revealed that the Party has a total of over 30 branch headquarters both at home and abroad and that there are over 10,000 Party members in Nanking.

In regard to the internal dispute within the Party, the spokesman indicated that since the branch headquarters is a local agency, it will not take part in the dispute.

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National Congress to Be Convoked by Reform Group of Democratic Socialist Party

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 6, 1947

(Local News)---It is learnt that the reform group of the Democratic Socialist Party will convoke a national congress sometime in July. A certain responsible official of the Party revealed that the financial problem of the reform group has been solved with the help of the Central and local branch headquarters. Two-thirds of the Party members most of whom are from North China and the Northeast have joined the reform group. Wu Hsien-tse, vice chairman of the Party, has already clarified his attitude towards the Party's internal strife and will return to Hongkong after this week.

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MILITARY NEWS

CP Troops Transferred to West Hopei; Preparing for Summer Offensive

Shun Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Paoting, June 5---CP troops along the northern section of the Peiping-Hankow Railway have been busily moving to West Hopei and are gradually closing

in on the western side of the railway. The situation on the Peiping-Paoting Railway line, though ostensibly quiet, is in fact quite tense. There is an indication of the CP troops embarking on an offensive.

It is further learned that a part of the CP cavalry troops led by Chu Teh and Hsu Hsiang-chien has reached Fuping. During these few days, a series of meetings has been held by the CP Army leaders in the Hopei area who claimed that the CP troops will unleash a summer offensive in Hopei and Shansi.

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Trains Going South from Mukden Fully Packed with Passengers

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Mukden, June 4---Though incidents frequently occur along the Peiping-Mukden railway line, yet all trains bound for the south are fully packed with passengers. Passenger tickets were booked ten days in advance.

The vernacular paper "Tung Pei Min Pao" (Northeast People's News) has expressed hope that the competent authorities will stop the family members of the Government personnel in the city from evacuating so as to quiet down the anxiety of the populace.

Meanwhile, the trains leaving for Yingkou are also crowded with passengers. It should be understood that there are merchant steamers which sail for Shanghai from Yingkou.

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ECONOMIC NEWS

Serious Drought in North China

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 6, 1947

Hankow, June 5---According to an arrival from Chengchow, the wheat harvest season in Central China will soon be over. Owing to serious drought this spring, the average crop is only 50% of last year's. The collection of farm tax in kind will be started as from July 1, and the amount to be collected has been set at one million "shih". Therefore, the price of foodstuffs there is continuing to soar.

In the midst of the intensifying civil war, rural areas in Central China are experiencing acute shortage of manpower, and all those who are working on the farms are the old and the weak, women and children, because no one can afford to hire able-bodied men by paying each of them one "tou" of wheat every day. Their implements are old oxen and worn-out carts which are unfit for the work. Up to the present, there has not been sufficient rain for the crop, so the prospect of the autumn harvest is hopeless.

Kweisui, June 5---The serious drought in Suiyuan Province has caused great anxiety among the Government authorities and the people there. According to an arrival from West Suiyuan, most of the inhabitants in the rural districts of various hsiens are now living on husks and brans. On the other hand, the amount of exported foodstuffs is on the increase. Large quantities of foodstuffs are being shipped out by the Peiping-Suiyuan Railway every day, thus causing the food price to soar skyhigh which brought anxiety to the people in Suiyuan.

Yesterday, while three hundred sacks of foodstuffs belonging to food dealers were ready to be loaded on the train at the Salatsi station, over 1,000 local inhabitants and students upon learning of this news rushed to the station and lay on the railroad track in an attempt to prevent the foodstuffs from being shipped out. They remained at the station for several

hours. Finally, following the advice of the local Hsien Government and the Hsien Council, they left the station. However, the foodstuffs have also not been shipped out. During these few days, inhabitants near various main stations of the Suiyuan-Poutao Railway are planning to prevent the shipment of foodstuffs to other localities.

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Commodity Prices in Various Places Rise Skyhigh

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 6, 1947

Yuchi, Fukien (By Mail)---Commodity prices in Yuchi Hsien situated along the bank of River Min have jumped skyhigh during the past few days. One "tou" of rice is being sold at over CN$70,000, thereby breaking the record high price of the country. Yet, even at this high quotation, rice is still unobtainable. Owing to the shortage of rice supply on the market, the staff members of Government organs and Kuomintang headquarters and students of various schools here had no meals on May 27th.

Fooan, Fukien (By Express)---A message was received from Footing Hsien by the First District Special Commissioner's office of the Fukien Province the other day to the effect that the rice situation there was extremely grave and that over one thousand people raided and wrecked the rice shops and rice grinding mills and agitated for a general business strike.

Yuchien, Chekiang (By Mail)---Well-to-do families here used to store up surplus stocks of rice before the autumn harvest for hoarding. Therefore, nothing has been sold by them so far. During the months of April, May and June each year, most of the merchants and families of the civil servants have to take wheat, flour, turnip and other cereals to satisfy their hunger. On June 1, two big hoarders surnamed Chu and Kao tried to smuggle around 30,000 catties of rice by 3 trucks out of the city at night. On learning of the news, the inhabitants started to gather a force of over one thousand persons and surrounded these trucks. The crowd, young and old, lay down on the road to prevent the trucks from going out of the city and urged the rice traders to sell the rice to the local populace.

Tangtu, Anhwei (By Mail)---The rice situation here has gone from bad to worse. Rice riots broke out on May 31. Simultaneously, martial law was proclaimed. Troops of the Artillery Battalion of the 63rd Division stationed here were called out to maintain order. Fortunately, the riots were brought under control and seven mobsters were arrested.

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NEWS OF COMMUNICATIONS

Survey of Projected Hangchow-Wenchow Railway Completed

Chung Yang Jih Pao (KMT Organ), Shanghai
June 4, 1947

Hangchow, June 3---The survey of the projected Hangchow-Wenchow Railway by the Chekiang Provincial Government has now been completed. From Hangchow to Wenchow, there will be two lines. One line starts from Hangchow to Lungyu through the Chekiang-Kiangsi Railway, and thence to Yungchia via Chuchang, while the other line stretches along the coast from Hangchow to Ningpo through the Shanghai-Hangchow Railway, and thence to Yungchia via Fenghua and Tientai. A total of over CN$24,600,000 and US$10,000,000 will be required for the purchase of necessary materials for the projected lines. A plan will be drawn up and submitted to the Executive Yuan for approval.

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SPECIAL & FEATURE ARTICLES

Brief History of Youth Army

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 2, 1947

In the autumn of 1943, Generalissimo Chiang Kai-shek autographically ordered the launching of a movement for the mobilization of educated youth throughout the country to serve in the armed forces so as to raise the quality of the National Army. The then responsible officials of the KMT and San Min Chu I Youth Corps drew up the mobilization measures as well as the training program which were subsequently approved. Thus it was that the National Youth Volunteers' Guidance Committee was established in November that same year.

Messrs. Chang Po-ling, Mo Teh-hui, Chiang Mon-ling, Koo Yu-hsiu, Ho Ying-chin, Pai Chung-hsi, Chen Li-fu, Chang Li-sheng, Chow Chung-yu, Ku Cheng-kang, Wu Tieh-cheng, Chang Chih-chung, Chen Kuo-fu, Hsu Yung-chang, Yu Fei-peng, Lo Tso-ying, Chang Ting-fan, Hsu Shih-ping, Liang Han-tsao, Tuan Hsi-peng, Huang Chi-lu, Kang Tseh, Yuan Shou-chien, Li Wei-kuo, Cheng Yen-fen, Yu Ching-tang, Lai Lien, Ti Ying, Chu Chia-hua and Chen Cheng were appointed as members of the said Committee, while Messrs. Ho Ying-chin, Wu Tieh-cheng, Chen Kuo-fu, Chang Chih-chung, Pai Chung-hsi, Chen Li-fu, Chang Ting-fan, Kang Tseh and Hsu Shih-ping were made members of the Standing Committee. At the same time, the Organization and Training Inspectorate was established, with Lo Tso-ying as Inspector-General, Ho Kuei-chang, Huang Wei, Peng Wei-jen and Kao Tse-chu as vice-inspectors, and Chiang Chin-kuo as Director of the Political Department. The Youth Army thus came into being on New Year's Day, 1945.

Herewith, let us trace the growth of the Youth Army stage by stage:

(1) The period of preparation: This period lasted for two full months (from November to end of December, 1944). Then Inspector-General Lo Tso-ying of the Organization and Training Inspectorate was appointed to serve concurrently as Director of Training of the Cadre Training Corps, with Peng Shan as Associate Director, and the two of them drew up plans for training. Youths with excellent records were selected from various military organs, schools as well as the rank and file of the Army throughout the country, and classified for future disposal.

(2) The period of recruitment and organization: Registration for the following recruits began in November 1944: 97,380 youths from various provinces and cities; 2,500 college and university students; 620 professionals and KMT members, totalling in all 100,500 men. These raw recruits were inducted at the end of December and organized into 9 divisions, with insignia ranging from the 201st to 209th Division of the Youth Army Expeditionary Forces, stationed at Pishan, Chikiang, Wanhsien, Luhsien, Chatso, Hanchung, Kunming, Lishan and Shanghang, respectively.

In April, 1945, the 207th Division was ordered to be incorporated into the New Sixth Army, while at the same time 4,467 men were selected from various other divisions to proceed to India to undergo truck driving and mechanical training; 133 interpreters for the Foreign Affairs Bureau; 700 for the Central Military Academy; 296 for the 7th Branch School of the Central Military Academy; 180 for civil aviation in the United States; 1,000 for the Commandos in Kunming; 200 for the Radio Training Class in Kunming; 200 for special Military Police; in all, a total of 7,176 men were selected. After classification, the various divisions and brigades demobilized 6,513 men. In August, 1945, Inspector-General Lo Tso-ying was made Governor of Kwangtung Province and vice-inspector Ho Kuei-chang became acting inspector-general in his place, while Hu Kwei was made associate director of the Political Department.

In October, the Organization and Training Inspectorate, whose mission had been completed, was ordered to fold up. The Youth Army was then reorganized

into the 6th, 7th and 33rd Armies. After the transfer of Commander Ho Kuei-chang of the 6th Army to Yunnan, the vacancy left by him was filled by Liu An-chi who commanded the 202nd, 204th and 205th Divisions. Commander Chung Pin of the 9th Army commanded the 201st, 203rd and 206th Divisions, and Commander Huang Wei of the 31st Army commanded the 208th and 209th Divisions, while the 207th Division was still affiliated with the New 6th Army.

(3) The period of training: The Youth Army was given a three-period education course. As the volunteers were inducted at different periods, they started their regular education course at different periods, too. The first period was given to a general training course which was originally scheduled to be completed within 3 months, but when it was evident that the trainees were still not quite familiar with a number of subjects, another two months were added for re-training. By the end of August that year, the various divisions had more or less completed their training.

The second period of training was not limited to a three-month course. The aim of this course was to augment the knowledge imparted in the first period of training, to promote the combat spirit and tactics of the Youth Army, to complete the battalion and regiment training, and to stage joint maneuvers of all military units below the division, so as to raise the combat power of the troops. This period of training started in September and finished at the end of October, 1945. In the course of the training, as a result of Japan's capitulation and the subsequent preparations for occupation duties abroad, a one-month course of special training was given the trainees in accordance with the Generalissimo's instructions.

Later, however, this plan of taking up occupation duties abroad was abandoned. The Government which had intended to institute the system of non-commissioned officers, had, since the creation of the Youth Army, ordered the Board of Military Training to draw up plans for the training of the non-commissioned cadres. These plans were then adopted for use in the third period of training scheduled to begin in December, 1945 to last until the end of May, 1946.

(4) The period of demobilization: In February, 1946, the Generalissimo who perceived that the term of military service of the educated youths was about to expire, ordered the establishment of a Youth Army Demobilization Administration under the jurisdiction of the National Military Council, with Minister of War Gen. Chen Cheng as Director, and Chiang Chin-kuo, Peng Wei-jen and Teng Wen-i as associate directors of the same. At the same time, orders were issued to the effect that all the educated youthful volunteers in various divisions of the Youth Army, in the Military Police Training Corps of various divisions and in the Motor Transport Corps, with the exception of those to be dispatched to the Northeast and Japan whose specific missions necessitate the postponement of their demobilization until after the completion of their missions and the restoration of communications, will terminate their military service at the end of May, 1946, after due examinations. The aim of demobilization is to enable each discharged veteran to return to his respective station in life. As for those who are unable to pursue their studies or to find jobs, they will be aided by the Demobilization Administration which will open youth middle schools as well as youth vocational training classes for the benefit of these demobilized veteran youths.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 367 June 7, 1947

EDITORIAL COMMENT

Korean Communist Troops in Northeast

Chung Yang Jih Pao (KMT Organ), Shanghai
June 7, 1947

The Chinese Communist troops in the Northeast have launched an offensive. In the judgment of military experts, the attacks launched by the Communist troops to the Northwest of Changchun and Mukden are designed mainly to loot agricultural products and to occupy the mining areas, and the activities of the Communist troops to the east of Changchun and Mukden are designed mainly to help the Communist attacks to the northwest of those two cities. On the whole, the available Communist forces in the Northeast are not strong enough to take Changchun and Mukden, nor are they strong enough to fight a major battle with the Government troops. Therefore, the decisive battle will still have to be fought in Shantung.

However, there is a great danger involved in the military situation in the Northeast, and a clear indication of this danger is the fact that the Korean Communist troops have now participated in the hostilities which the Chinese Communists have started in the Northeast. The fact that there are now more than 100,000 Korean Communist troops fighting in the Northeast clearly shows the serious international nature of the Communist military activities in that part of the country. In participating in the hostilities which the Chinese Communists have started in the Northeast, the Korean Communist troops seem to have made known to the world at large that the hostilities in the Northeast are international in nature, and that they are not just part of an internal war. The Chinese Communists oppose the independence and unity of China, and the Korean Communists oppose the independence of Korea. These help to hinder the realisation of international democracy. It seems that these Communists will not discontinue their activities until there is a recurrence of the second World War. We hope that the people of China and Korea will be on the alert, and wish to call the attention of all peace-loving people in the world to this fact. (Summary)

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Chinese Communists Cooperating With Korean Communists in Invading Northeast!

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 7, 1947

It is a fact known to all the people of China and of the world as a whole that the Chinese Communist Party is a group engaged in international conspiracy. The fact that large numbers of Korean Communist troops have been made to participate in the summer offensive which the Chinese Communist troops have launched in the Northeast is another strong proof of this fact. The situation in the Northeast has become even more delicate, more complicated and more serious. In extending their rebellion from China Proper to the Northeast, the Chinese Communists have completely exposed their own international intrigue of making the Northeast a strategic base for destroying China as an independent nation. (Summary)

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Such Is the Press Censorship!
(Short Comment)

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 7, 1947

More than twenty months after V-J Day, press censorship has again been instituted in Tientsin, and this censorship is so rigid and meticulous that it is inexplicable.

The Tientsin office of this journal reports the press censorship in that city to be as follows:

(1) Although this censorship is called "censorship of information", yet the editorials are also subject to censorship. After the censorship, even if you just polish up the broken sentences a little bit without changing the original meaning, you will receive a warning. (2) You are required to use only Central News Agency releases and the headlines originally used by that news agency; you are not allowed to use any other headline. (3) You are not allowed to publish any of the despatches from different parts of the country regarding the arrests of students. However, the newspapers in Peiping are not subject to censorship, so they can publish such despatches. (4) The news of the arrest of the nine "Ta Kung Pao" reporters in Chungking and Canton was not allowed to be published, which means that the authorities have arrested people on the one hand, and gagged your mouth on the other. (5) There is no criterion for censorship, and the red pencil of the censor is the order.

Who could have expected that the system of press censorship would be resumed in China today, and that it would be this kind of censorship. (Full Translation)

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Freedom of the Nation and Freedom of the People

-- Let us discuss with the "Ta Kung Pao" the phrase "misfortune of the nation" --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 7, 1947

In its editorial the other day, the "Ta Kung Pao" considered the fact that among those Communist suspects who have been arrested there are some "Ta Kung Pao" reporters, as a "misfortune of the nation". We are of the opinion that the most important condition for all the freedoms enjoyed by the people of a democratic country is that such freedoms must not be detrimental to that country's national interests. On the contrary, from the point of view of the State, both those who rebel against the State and the people and attempt to overthrow the Government, and those who, though they do not rebel against the State and the people and attempt to overthrow the Government themselves, act in such a way as to help those individuals or political parties who do so, should be punished. (Summary)

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U.S. Reactions to Hungarian Coup

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 7, 1947

The reactions of the United States to the recent Hungarian coup d'etat are both speedy and far-reaching. The main reason why the U.S. Government authorities are strongly opposed to the Hungarian Communists' wrest of governing power is that they are sympathetic with the vast majority of the Hungarian people, and (2) that they are worried about the expansion of Soviet influence. The recent coup in Hungary was the handiwork of the Soviet authorities.

This coup in Hungary is a great misfortune for the Hungarian people. The policy of arresting and slaughtering people which the Communists are going to adopt will completely strangle the newly-born democracy in Hungary. As to Hungary's economic difficulties, these will be increased, eventually making it impossible for the Hungarian people to continue to live. Internationally, the new Hungarian Government will undoubtedly become a puppet of the Soviet Union and will lose all its independence. At the same time, being afraid of the expanding Soviet influence, the United States will doubtless do everything in her power to increase the difficulties of the new Hungarian Government. (Summary)

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On the Hungarian Coup

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 7, 1947

It is evident that the recent coup d'etat in Hungary was not due to any need for it, but completely to threats from the outside. Just because of some criticism by the Soviet Union, M. Nagy, the former Premier, had to resign his post, and the Communist Party, which was a minority party, took over control of the Government. From this fact alone, it can be seen that the Communists have already become much more dictorial than Hitler was.

From now on, the Hungarian Government will be a 100% puppet government, and there will be no such thing as an independent and free Hungary on the map. (Summary)

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Other editorials not translated: Dated June 7, 1947

Shun Pao, Shanghai	--	Our Hopes Regarding Water Conservancy Reconstruction in China
Ta Kung Pao, Shanghai	--	Stock Exchange and Dealings in Stock
Tung Nan Jih Pao, Shanghai	--	On the Far Eastern Situation
Cheng Yien Pao, Shanghai	--	Two Indias
Chien Sien Jih Pao, Shanghai	--	Labor Management Dispute after the Unfreezing of the Cost of Living Index
Yi Shih Pao, Shanghai	--	How to Implement the Plan of Building a Greater Shanghai
Chin Yung Jih Pao, Shanghai	--	Abolition of the Import and Export Control Board, the Reopening of Foreign Exchange Market, and the Open Sale of State-operated Enterprises
Shang Pao, Shanghai	--	Dispute over COL Index and Cooperation between Management and Labor
Lih Pao, Shanghai	--	Future of Civil War Situation in China Predicted

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POLITICAL NEWS

Macao Reported to Have Been Put Under Martial Law

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 7, 1947

Canton, June 6---A report has been widely circulated to the effect that the Portuguese administration of Macao has proclaimed martial law in that area with a view to preventing the Chinese troops from entering there.

Interviewed by our reporter, the spokesman of the Kwangtung Provincial Government said that the aforesaid report is still premature. Furthermore, the Macao issue can be settled through diplomatic channel. He expressed the belief that the Chinese authorities may not resort to armed force in recovering Macao. Nevertheless, the retrocession of Macao has been the unanimous desire of the Chinese people.

According to an arrival from Macao, market conditions in that place are in confusion, and a general business depression prevails there. The importation of Chinese newspapers into Macao was banned long ago. A report is current that the Macao authorities have sent plainclothes agents to Kwangtung to find out the next move which the Chinese competent authorities will take. Local quarters are of the opinion that if this report were true, such an over-sensitive action taken by the Macao administration is indeed ridiculous.

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New Office for Democratic League in Nanking

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 7, 1947

(Local News)---The Government has designated the House 30 Mei Yuen Terrance in Nanking as the new office for the Democratic League. The League headquarters has been removed to the new office.

A certain important official of the League told our reporter that the general headquarters of the League should have been stationed in the Capital. However, since the chairman of the League is in Shanghai, important officials of the League will henceforth ply between Nanking and Shanghai to keep close contacts with one another. The report regarding the forthcoming removal of the League headquarters to Hongkong is entirely unfounded, the same official said.

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Explanation Given by Gen. Chang Fa-kuei Re Arrest of Ta Kung Pao Correspondent Chen Fan

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 7, 1947

Nanking, June 6---Ta Kung Pao has received a telegram from Gen. Chang Fah-kuei, Director of the Generalissimo's Canton Headquarters, which reads:

"Mr. Chen Fan, special correspondent of your paper in Canton, was taken into custody by the Garrison Headquarters in Canton in compliance with the order from the superior authorities. He is being well treated during his detention. Upon your request for his release, I have already instructed the Garrison Headquarters to conduct further investigation into this case, and then to dispose of it accordingly."

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Over 30 Persons Arrested in Foochow; One Released on Bail

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 7, 1947

Foochow, June 6---On the night of May 31, 32 students and workers were nabbed by the police, of whom Chi Fang-yuen, student of the Fukien College, who signed a statement of repentance was set free on bail. With the exception of those who are found to be involved in cases of serious nature, the rest of the arrested persons can also be released on bail if they sign a statement of repentance. However, their guardians are obligated to guarantee their presence whenever they are summoned by the competent authorities.

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Tsinghua and Nankai Students Return to Classes

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 7, 1947

Peiping, June 6---Students of National Tsinghua University returned to classes today. 600 boy students and 300 girl students did not take their supper last evening so that all the money saved will be contributed to the student strike funds.

Tientsin, June 6---After striking for two days from June 4 in sign of protest over the arrest of students by the authorities in various places, the students of National Nankai University here resumed classes today.

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MILITARY NEWS

Gen. Tu Yu-ming on Military Situation in Northeast

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 7, 1947

Mukden, June 6---Gen. Tu Yu-ming, C-in-C of the Government forces in the Northeast, in an interview with reporters of various papers here today said, "In their recent southward offensive the CP troops have failed to seize the vital points of Changchun and Szeping and their operations are merely mobile in nature. I'll revise the fighting plan and seek out their main force. If the CP troops make an onslaught on Mukden, that would be exactly what I am expecting."

In regard to the exodus of the wealthy and influencial from the Northeast, Gen. Tu declared that with the evacuation of these hoarders and profiteers to China Proper, commodity prices in the Northeast will be stabilized. He expressed hope that those "refugees" will never return to the Northeast.

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Adm. Cooke to Hold Important Talk with President Chiang

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 7, 1947

Tsingtao, June 6---Admiral M. Cooke, Jr., Commander of the U.S. Naval Forces in the Western Pacific, is scheduled to leave for Nanking by a special plane tomorrow at 8 a.m. to call on President Chiang Kai-shek for an important talk. He will return to Tsingtao the same afternoon.

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Admiral Kwei Yung-ching Flies to Tsingtao from Peiping

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 7, 1947

Peiping, June 6---Admiral Kwei Yung-ching, Acting C-in-C of the Chinese Navy, left here for Tsingtao by plane at 8 o'clock this morning to meet Rear Admiral Murray, head of the Navy division of the Army Advisory Group.

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American Military Attache to Make Sightseeing Trip to Soochow

Chung Yang Jih Pao (KMT Organ), Shanghai
June 7, 1947

Soochow, June 6---Major Gen. Suro (?), military attache to the U.S. Embassy in China, accompanied by another military attache of the rank of colonel, is scheduled to leave Nanking this morning (June 7) together with his suite of 5 or 6, to undertake a trip via Changchow and Wushih to the Taihu Lake area where he will study the customs and habits of the inhabitants there. The said party will also make a sightseeing tour of the scenic spots in this hsien. The City Garrison Headquarters here has already made preparations to welcome and to entertain the party.

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Kwan Ling-cheng Reported to Succeed Tang En-po as Commander of First Army Corps

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 7, 1947

Hsuchow, June 6---It is reported that the vacancy left by Gen. Tang En-po as Commander of the First Army Corps, will be filled by Kwan Ling-cheng. However this report has not yet been confirmed by military quarters.

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ECONOMIC NEWS

Issuance of Short-term High-interest Government Bonds to Be Postponed

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 7, 1947

Nanking, June 6---Our reporter learned from authoritative sources that the Government has reached a decision that the issuance of Short-term High-interest Government Bonds should be postponed for the time being.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 368 June 9, 1947

EDITORIAL COMMENT

Trumanism and the Far East

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 9, 1947

Yesterday noon at Kansas City, President Truman made a speech reiterating the United States' strong determination to lead the people of all the other countries in the world in the direction of a lasting peace. He also said that the United States should keep strong, so that she will be able to extend the largest possible amount of aid to those countries which need aid urgently. From this it can be seen that both in her internal politics and her foreign policy, the United States is implementing Trumanism. In the normal course of events, therefore, the United States should be positively extending aid to China, and the projected U.S. Export-Import Bank US$500,000,000 loan should have been extended to her long ago. Why has this loan project not materialized so far? Quite obviously this is because Trumanism is to be implemented in Europe alone and because China lies outside the area where this principle is to be implemented. According to Mr. Gould, Editor-in-Chief of the Shanghai "Evening Post & Mercury" who has just returned to Shanghai from the United States, there has been no fundamental change so far in the United States' conception of China. Americans in general are of the opinion that both China's friends and China herself have made certain mistakes since V-J Day, and that all these mistakes call for reflection, he added.

However, Trumanism is world-wide in scope, so it should not be implemented in Europe alone, for otherwise Trumanism would lose its unity. Furthermore, conditions in China today are not any different from those obtaining in other countries which have been explained by President Truman.

This is high time for Trumanism to be implemented in the Far East! The fact that there have been differences of opinion among U.S. leaders regarding China has caused the present state of inactivity. However, for the sake of a lasting peace in the Far East and also in the interests of the United States herself, she certainly cannot allow this situation to continue indefinitely. Therefore, it is not only possible but also necessary for President Truman to reaffirm his policy towards China within the next few weeks, as has been reported by the United Press. (Summary)

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Cultivation of Stabilizing Forces in Society

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 9, 1947

On the afternoon of June 7th a new organization was inaugurated in Shanghai, known as "Association for Promotion of Social Security in Shanghai". The fact that this organization has been inaugurated at a time when social conditions here are extremely unsettled is of great significance. We hope that the Association will organize itself well and will absorb into its membership the elite of people in all walks of life who have a sense of justice and sound judgment, and that it will put up a prolonged struggle. In this way, it will certainly be able to make a glorious record. (Summary)

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Will There Really Be an Economic Collapse?

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 9, 1947

Although the difficulties of industrialists and merchants are steadily increasing, yet this does not mean that the entire national economy is going to collapse soon. Basically, the Chinese economy is an agricultural economy which certainly will not easily collapse. The serious problem facing China today is political and financial in nature; it is not purely economic in character. If the Communists are really willing to have peace, then the currency system can be reformed and commodity prices press down immediately, so that everything will return to normal. (Summary)

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The Yungting River Problem

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

We need not mention the losses which the people of North China have sustained in the past as a result of the floods caused by the Yungting River. At present, the residents of Peiping and Tientsin have to buy rice at CN$1,000,000 per picul, because so far nothing has been done about the conservancy of the Yungting River.

It is reported that some people in the North are now asking the competent authorities to start conservancy work for that river, and that the machinery and materials which CNRRA has on hand are quite sufficient for this work. Therefore, both the conservancy work on the Yungting River and the destiny of the people of North China for the coming centuries will be decided in the next few days. We hope that the CNRRA authorities will decide to start this conservancy work and that they will go about it seriously, so that the work can be completed within the period fixed. (Summary)

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Japan Should Be Rigidly Controlled

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 9, 1947

Today, Japan has the same evil designs on China as she did at the time of the "Mukden Incident" of September 18, 1931. Besides urging the Allied authorities who are controlling Japan and the Chinese authorities who take part in the control of Japan to implement seriously the policy of "disarming Japan" and "uprooting Japan's desire for aggression", we hope that the peace movement recently launched by the PPC will win the unanimous support of all quarters in the country, so that the civil war will cease and so that our national vitality can be preserved. (Summary)

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Indian Problem Viewed from the Plan of Dividing the Country into Two Parts

Chung Yang Jih Pao (KMT Organ), Shanghai
June 9, 1947

Viewing the Indian problem from the plan of dividing the country into two parts, we regret that India will thus be split in two and also feel that this decision on the part of the British Government has not been able to solve the Indian problem fundamentally. This is because what the Indian people need is both unity and independence; the absence of either of these two things will make it impossible for India to have a bright fugure. (Summary)

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Other editorials not translated: Dated June 9, 1947

Chin Yung Jih Pao, Shanghai	--	The Introduction of a Liberal Economy into China
Shang Pao, Shanghai	--	On the Present Condition of Sino-American Trade
Lih Pao, Shanghai	--	The Seriousness of the Problem of Coal Shortage
Chien Sien Jih Pao, Shanghai	--	Freedom Should Be Based on Justice
Tung Nan Jih Pao, Shanghai	--	Free Economy and Controlled Economy
Cheng Yieh Pao, Shanghai	--	How to Export Goods Adaptable to Market in U.S.
Yi Shih Pao, Shanghai	--	On the Donation of Property by Wu Yun-chu for the Promotion of Public Welfare

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POLITICAL NEWS

Government Decides to Make Continuous Efforts to Feel Out CP's Peace Intention

Chung Yang Jih Pao (KMT Organ), Shanghai
June 9, 1947

Nanking, June 8---After the CP in a broadcast rejected the peace proposal from the PPC, the Government in order to carry out its peace policy decided to issue a statement on the PPC's peace proposal.

According to information released by Government quarters, in response to the peace appeal of the PPC, the National Government will in all probability present a new peace plan to the CP at the end of June. This plan will be discussed and decided upon at the next session of the State Council, it is learned.

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Shen Chun-ju Sued on Charge of Infringement of Civil Rights

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 8, 1947

(Local News)---A few days ago, Kao Tsing-ching filed a suite before the High Court here against Shen Chun-ju, one of the Democratic League leaders, on the charge of infringement of civic rights. As the plaintiff failed to pay the court charges while presenting the petition, the High Court will not be able to try the case for the time being.

The petition briefly reads: "When the Democratic League approved the list of NPA delegates of the League, the said list was placed in Shen Chun-ju's custody. Shen, however, has failed since to hand out this list. In accordance with civil law Article 1 and 342, and according to the League regulations governing "party membership", Shen is guilty of the infringement of civic rights, and the court is requested to proceed the case according to the procedure of law."

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Says Charge Against Shen Chun-ju Groundless

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 9, 1947

(Local News)---According to the responsible official of the Democratic League, Shen Chun-ju is only a member of the Standing Committee of the League

and has never assumed the post of Secretary-General of the League. Moreover, the latter post was first occupied by Chang Tung-sun and later by Liang Sou-ming. The successor of Liang was Chang Tung-sun again. At present this post is filled by Huang Yen-pei, with Chow Hsin-ming as assistant secretary-general.

At present, Shen Chun-ju is being sued by Kao Tsing-ching before the High Court on the charge that when the Democratic League approved the list of its NPA delegates, the said list was entrusted to the custody of Shen who, however, has since failed to hand out the list in question. Kao's charge of infringement of civic rights was indeed absurd. Moreover, since the Democratic League did not participate in the NPA, it certainly had not brought forth any list of its NPA delegates. Besides, among the Democratic Leaguers in Shanghai, there is no member by the name of Kao Tsing-ching, the official revealed.

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Wuhan University Tragic Incident Entirely Caused by Ignorance of Officers Carrying Out Arrests

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 8, 1947

Nanking, June 7---According to an arrival from Wuhan, the Wuhan University tragic incident which occurred at dawn on June 1 was entirely caused by the ignorance of the officers in carrying out the arrests and their over-eagerness to show their accomplishment. It should be understood that since the "Party purge" in Wuhan in 1928, the political situation there has become much simpler than before. Though there are many schools in that area, yet the students in Wuhan are not so active in the patriotic movement as those in other localities. Indeed, Wuhan University has had a long history, yet up to the present, it is still characterized by its rich provincial color. The purity of thought of the faculty and students of that school is well known to the public. Yet the local intelligence agency recently announced that the Wuhan University was the general headquarters of the Communists in the Wuhan region, pointing out particularly that some three hundred CP elements had concealed themselves in that school. This indicates that they are entirely ignorant of the situation and have formed their judgment completely on the basis of unfounded conjecture.

A review of the tragic incident suffices to show that the responsible agency which carried out the arrests had not made proper arrangements beforehand and that it was the inferior technique of its men in the execution of the order of arrest which led to the outbreak of the untoward blood tragedy. After the incident occurred and after the situation had gone beyond control, the authorities concerned began to distort facts and to blockade the release of news, so as to hoodwink the public. On the other hand, due to the inaccurate information the authorities received and the wrong judgment they made, the small number of real CP elements has finally succeeded in making good their escape. It is learnt that among the so-called CP elements of the Wuhan University arrested by the authorities, there were a truck driver and his assistant. Besides, a certain employee of the CNRRA Wuhan Office who called on his friend in the school was also taken away by the police and gendarmes without providing any justifiable evidence. Many of the arrested students of the Chung Hwa University were falsely accused and nabbed. A small number of the police and gendarmes while raiding the girls' dormitories of various schools behaved badly.

After the occurrence of the tragic incident, even the Kuomintang and the San Min Chu I Youth Corps unofficially expressed their dissatisfaction over the actions of the police and gendarmes. Since this incident has aroused the attention of both Chinese and foreign circles, it is generally hoped that the superior authorities will handle this case in accordance with justice so as to pacify the anger of the public.

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Wuhan University Students Ready to Resume Classes After Dismissal of Peng San

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

Hankow, June 8---After the Government order regarding the dismissal of Peng San, Garrison Commander at Wuhan, was published in today's morning papers, general opinion here indicated that the Government was quite prompt in handling the Wuhan University tragic incident. However, it was unanimously hoped that the Government will seriously instruct all the peace maintenance organs throughout the country to exercise due caution in dealing with similar events according to law in future.

The Wuhan University Faculty Association held an extraordinary meeting at 3 o'clock this afternoon, at which they resolved to: 1) agree to the measures taken by President Chiang Kai-shek of the National Government in an explicit order to punish all the officials responsible for the June 1 tragic incident of that school, 2) resume classes for the time being as from next week, 3) call off the plan of sending representatives to Nanking and Shanghai to make appeals and file petitions. However, most of the students of the school still expressed dissatisfaction over the way the Government was handlin this incident. Statements are being drafted to make appeals to the Students Federation of the World and the International Commission on the Protection of Human Rights.

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Students Federation in Shanghai Calls for General Strike

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

(Local News)---In view of the fact that not all the apprehended students of various schools in the city have yet been released, the Students Federation in Shanghai has called for a general classroom strike to be staged on June 10 in sign of protest. All the students in the city will organize petition teams on that date which will undertake to make known their grievances to the public. The Federation has issued a written appeal to various circles, bringing forth the following two demands, 1) All the arrested students in the city should be immediately released, 2) Illegal arrests should be immediate stopped so as to protect the safety of students.

The Federation has recently published a pamphlet entitled "New Historical Events of May." Starting from yesterday, it has put these pamphlets on sale and all the money derived from the sale will be used for the medical or other expenses of the wounded or nabbed students. Besides giving a name list of the students of various schools in Shanghai who were either wounded or arrested in the period from May 2 to June 3 as well as an account of how they were assaulted and apprehended, the pamphlet also contains a number of articles on the recent student movement.

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Statement Issued by Students Association of St John's University on Current Situation

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

(Local News)---The Students Association of St John's University issued a statement on the current situation yesterday, bringing forth the following three demands: 1) That the Government should release the arrested students immediately and unconditionally and to pay all medical expenses for the wounded students, 2) that the Government should accord effective protection to human rights and fulfil President Chiang Kai-shek's 4-point promise, 3) that the Government should immediately put an end to the civil war, resume the peace talks and settle all the pending national issues in accordance with the PCC decisions.

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Chiaotung University Professors Demand Release of Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

(Local News)---The Chiaotung University Faculty Association in Shanghai held a meeting at 10 o'clock yesterday morning, at which they resolved to: 1) request the president, Wu Pao-feng, to return to school immediately to take charge of the administration, 2) elect two members of the faculty to act for the president if the latter refuses to return to the school, 3) request the competent authorities to discontinue the arrest of students and to release the apprehended ones.

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Party Given by Chinan University Students to Welcome Released Collegians

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

(Local News)---Last night, the National Chinan University held a party to welcome the three collegians who were released on the night of June 7. Besides some 800 students of that university, representatives of other schools, namely, Futan, Chiaotung, Tungchi, etc, were present at the party. Fu I-lan, Chen Fang-chow and another released student gave a report on how they spent their 12 days in prison. On hearing their reports, all students present were touched and indignant.

Today is the last day for the Chinan University students to decide whether or not they will resume the strike, because 15 nabbed students of the university have not yet been released. The Students Committee for the Rescue of the Arrested Students of that school has decided to call a general meeting of their schoolmates today to discuss the matter. The three wounded students are still in a serious condition.

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Professors of Great China University Make Open Appeal on Behalf of Arrested Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

(Local News)---Following is an open letter of appeal written by professors of Great China University on the arrests of students of that university:

"Since May, the student unrest has rapidly spread throughout the country. We, professors, deeply aware of the critical situation, strived to fulfil the sacred mission entrusted to us by constantly admonishing and urging the students of this school to devote themselves to studies while the students also gave themselves to studies and attended classes as usual. However, shortly after 4 a.m. on May 30, this school was suddenly surrounded by several hundred armed police and gendarmes who, without the consent of the school authority, trespassed on the school premises, searched the dormitories of the boy and girl students and arrested five students, including Soong Pi-wen.

"The Government has long issued written decrees assuring protection to human rights. But in spite of this, the police and gendarmes carried out arrests in the school and disturbed order there, to the detriment of the dignity of law and discipline. We, professors, are indeed appalled and dismayed at this.

"The school authority had again and again called at the Municipal Government to solicit the cooperation of Mayor K.C. Wu in seeking a reasonable solution to the incident. The Mayor also indicated that if no strikes or demonstrations were staged on June 2, the arrested students would be released. All the students accepted the kindly advice of the Government and the public and "June 2" passed peacefully without any incident. However, the arrested students are still not released, while the school is thrown into a state of terror and restlessness which greatly affects teaching.

"We, professors, prompted by justice, sympathy and teacher-student affection, make this open appeal, hoping that the authorities concerned will immediately release the arrested students and to guarantee against similar occurences in future. Should this be done, then the future of education and the future of the country will be bright."

Signed by 50 professors including Prof. Chen Po-chui.

June 5, 1947

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China International Human Rights Protection Association
Gives Foreign Press Conference

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 8, 1947

(Local News)---A joint press conference was given to foreign pressmen by the International Liaison Committee of the China International Human Rights Protection Association and the Shanghai University Professors' Fraternity yesterday at 4 p.m. Chairman Mrs. Herman Liu made a report, to the effect that during the month of May the approximate number of people arrested, missing or injured in various places as a result of anti-civil war and anti-hunger movement is: Canton, 1,000 persons; Peiping, 10; Tsingtao, 80; Shanghai, 266; Amoy, 8; Szechuan, 1,000; Wuhan, 1,900; Hunan, 48; and Kweichow, 1,800. She also gave an account of the incidents wherein students of universities and middle schools in Shanghai were wounded.

Mrs. Liu was followed by Mr. Wu who explained the meaning of the current student movement. Mr. Shen also analyzed the present student movement from the point of view of human rights.' Then the University Prfessors' Fraternith read the manifesto opposing civil war and starvation as well as clarifying their views on the current student movement, signed and issued by 76 professors here. Lastly, those present answered the questions posed by pressmen. The conference closed at 5:30 p.m.

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MILITARY NEWS

Government Troops Regain Initiative on Shantung Front

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 8, 1947

Tsinan, June 7---After the CP troops in the Linyi-Mengyin hilly region fled northward, the Government forces regained complete initiative on that front. They are now moving in easterly and northerly directions from Laiwu, Hsintai, Mengyin, Tsingtoszu, and Tangtou to mop up the fleeing CP troops. Having been besieged in the hilly region for quite a long time, the CP troops are experiencing acute shortage of water and food, therefore leaving behind a number of men in the region to continue the fight with the Government troops, the greater portion of the CP main force has withdrawn to the two sides of the Kiaochow-Tsinan Railway to seize the new wheat crop from the people and to regroup their men.

During these few days a report has been current to the effect that the main force of the CP troops has withdrawn to the northern bank of the Yellow River and is attempting to attack the northern section of the Tsinpu Railway and to threaten Peiping and Tientsin. According to the judgment of the military experts, this report is entirely unfounded. According to reports available from various sources, the CP troops have had no intention whatsoever of abandoning Shantung. The report that they have transferred a part of their troops to the northern bank of the Yellow River for regrouping may be considered as reliable.

The 9th Detachment of the CP troops has returned to its old position in the East Kiaochow region. The situation on the outer defense of Tsingtao has quieted down after the fierce fight there. The situation on the outer defense of Tsinan also becomes quiet. The railway traffic from the city to Hsuchow has been going on uninterrupted. Peace and quiet also prevails in West Shantung. Commodity prices in Tsinan have gone down during these few days, it is reported.

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ECONOMIC NEWS

Trade Mission to Leave for Japan Soon

Chin Yung Jih Pao (Connected with S. Y. Liu), Shanghai
June 9, 1947

Local News, (Shenchow News Agency)---Our reporter learned from a certain authority of economic circles here that Pan Hsu-lun and Hsiuo I-cheng of the Ministry of Economic Affairs, Chu Chi of the Ministry of Finance, Mr. Li of the Asia and Far Eastern Department of the Ministry of Foreign Affairs, Deputy Director Shen of the Central Trust of China, and Li Chu-chen and Li Chien-ting of the industrial circles have been slated as members of a 7-9-man Trade Mission to Japan. Tang Hsi-hsiang of the China Sericulture Corporation will be appointed adviser to the said Mission. They will spend one month in Japan to study industry and commerce there. July 15 has been set as the official date for the revival of trade between the two countries. However, before the resumption of trade, Japanese merchants are required to obtain the approval of the Trade Board of the SCAP Headquarters, while the Chinese traders must first get the permission from the Chinese Delegation to Japan, so that foreign exchange can still be under the control of the Government.

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Negotiations for Disposal of Chinese Deposits Continue

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 9, 1947

Nanking, June 8---Negotiations for the disposal of the Chinese deposits and properties abroad are still continuing. The difficulty which the competent authorities encountered in the past negotiations is that the foreign banks refused to disclose the names of their depositors. The competent authorities are now planning to levy capital tax on those deposits and properties. The leving of this new tax is entirely different from requisition, so the negotiations are expected to bear fruit in future.

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Industries and Mines in Northeast Seriously Affected by Civil War

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

Mukden, June 7---The production of the various coal mines in Fushun, Penhsi, Peipiao, Fuhsin, Sian and Chefoo, being seriously affected by the civil war and the shortage of electric supply, has marked a sharp decline.

The daily production of Fuhsin and Penhsi coal mines alone reached 10,000 tons in the past, but now that of the six mines altogether is only about 10,-000 tons of which about 4,000 tons are being shipped out every day. Most of the Penhsi coal mines have suspended their operations. Many of the workers in these mines have taken part in the construction of defense works.

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Big Slump in Price of Soya Bean in Northeast

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

Peiping, June 8---According to an arrival from the Northeast, recently the price of soya bean which has been the object of hoarding for a long time has registered a sharp decline. More trains have been used for passenger services instead of transporting commodity goods.

According to the estimate made by the Commodity Readjusting Committee in the Northeast, the amount of idle capital utilized for the purchase and hoarding of soya bean in Mukden early in May reached a total of over $4,000,-000,000 Northeast currency.

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NEWS OF COMMUNICATIONS

Repair Work on Chinghai-Sinkiang Highway to Be Pushed Ahead

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 9, 1947

Peiping, June 7---According to the Chun Wen News Agency, the repair work started last year on the road beds of the section between Taotangho and Tsungchia of the Chinghai-Sinkiang Highway has on the whole been completed according to plan. The construction work was comparatively difficult. The section between Tsungchia and Nutule in the vicinity of Shihfang has also been made passable. Altogether, more than 1,000 kilometers of highways were repaired in 1946.

The said highway was originally planned to start from Tulan to Jochiang. But a survey disclosed that the original highway between Taotangho and Tulan was inadequate for use. Therefore, Taotangho situated 104 kilometers from Hsining on the Chinghai-Sinkiang Highway was chosen as the starting point of the line. From here, repairs were extended to the west and then across Alchin Mountains to the border of Sinkiang, thereby linking the South Sinkiang Highway and shortening the distance to a large extent.

The construction program for the current year has been mapped out as follows:

1) Old road surface should be improved. The laying of road beds between Taotangho and Nutule should be completed.

2) The policy of "building-as-soon-as-surveyed" should still be applied to the construction of the new section between Nutule and Tzuyai.

3) In the section between Taotangho and Chahanwulan, damaged road surface should first be repaired according to the degree of urgency.

4) Bridges and tunnels should be repaired and made passable according to the degree of urgency.

5) The construction work of the section between Taotangho and Tzuyai should be continued and pushed ahead.

From Taotangho to the neighborhood of Tzuyai, the Engineering Department of the Chinghai-Sinkiang Highway Administration has divided the line into one main section and thirty sub-sections, and has mobilized 60,000 laborers to work on the project.

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SPECIAL & FEATURE ARTICLES

My Views on the Student Unrest
by
Carson Chang

Tsai Sheng Weekly (Democratic Socialist Party), No. 166, Shanghai
May 31, 1947

I have been working for political reforms for several decades now, and although I have not made any great contribution toward the solution of the difficult situation in China, yet I am gratified with one thing, namely, that I have never tried to utilize youth.

As to the current student unrest, fundamentally, I am sympathetic with the students. During the past several decades, it has been my consistent position that youth should refrain from appealing to their emotions and should seek to gain knowledge. In spite of this, however, I know full well that sometimes youth cannot avoid appealing to their emotions, because due to the disturbances of the times, they find it impossible to apply themselves closely to their studies. Those responsible for guiding youth should make a great effort in this connection and should seek to understand thoroughly the mentality of youth. If they lightly try to deal with them according to law and to browbeat them into submission, they will only be driving youth to desperation.

The mere mention of the word "law" makes one's heart ache. There is no denying the fact that today there is little respect for law, both among Government circles and among the people. As a matter of fact, today there is no more room in China for enforcement of the law. Since you cannot make your own superiors or your own relatives amenable to law, how can you make the masses amenable to law?

I feel that the Government should not blame youth for their inability to understand its own difficult plight, nor should it think that they have purposely been finding fault with it, nor should it think that they have the intention of overthrowing it. The Government should only blame itself for its inability to understand the youthful students' mental distress. They should accept quickly and without any reduction those demands of the students which can be accepted. As to those demands of the students which cannot be accepted for the time being, they should cite the facts and explain as fully as possible why these cannot be accepted. They should not mention that formidable word "law". In this way, the students will automatically abide by the law, and the student unrest will automatically be solved.

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Closing Down of "Wen Hui Pao", "Sin Min Wan Pao" and "Lien Ho Wan Pao" and Ta Kung Pao's Attitude Towards the Current Student Unrest

-- by Chu An-ping --

"The Observer" Weekly (Independent), Shanghai
Vol. 2, No. 14
May 31, 1947

On May 24, the Woosung-Shanghai Garrison Headquarters issued the following order closing down the "Wen Hui Pao", "Sin Min Wan Pao" and the "Lien Ho Wan Pao":

"These papers continue to publish information detrimental to military affairs, as well as writings and news designed to overthrow the Government and to disturb public order. As this city is one where martial law is in force, such actions should be banned. In accordance with the regulations of martial law, these papers should be ordered to suspend publication as from tomorrow (May 25). Violation of the order is strictly prohibited."

To the general public, these three banned papers were leftist-inclined. By so-called "leftist" was more or less meant that these papers were comparatively progressive in thinking and more outspoken in their writings. According to the publication law, the "publisher" is the responsible man of a paper. In my opinion, the publishers of these three papers are more of businessmen than anything else. The first and foremost thing in their minds is the question of how to make more money -- more positively, hoping to make more money, and negatively, at least hoping that the income and expenditure can be balanced, sufficient for maintaining that paper. To say that they intend to "overthrow the Government" is indeed to lavish too high a compliment on them.

As for the editing staff of these three papers, I cannot but admit that they are mostly more progressive and independent-minded democratic elements. This is quite a normal and natural thing. A country that wishes to make progress must have more of these elements. The reason why we could resist Japan's aggression for 8 long years of painful warfare, was precisely because our people possessed this bit of independent-mindedness.

If you call these papers "leftist", frankly speaking, these three papers were far from being "leftist"; if you call them outspoken, they were also not outspoken enough. I must say candidly that there are many points in the policies of the "Wen Hui Pao" and the "Sin Min Wan Pao" (I rarely read the Lien Ho Wan Pao) which I dare not subscribe to. That is because the editing attitude of these papers is not dignified enough, their writing attitude is hardly serious; I seldom read of any weighty matter in the "Wen Hui Pao".

It is my opinion that the principal reason for the closure of these three papers was not due to their views but rather to their news. These three papers had one common disposition, that is, they took pleasure in publishing news which was considered as most distasteful by the Government. What they published were mostly facts. The pity is that all that happens in society today is what the Government does not wish to let the public know. What the Government is willing to tell the public has all been published by the Central News Agency alone. Somehow, many people do not want to read news released by the latter Agency, and the number of people who do not like to read such news is on the increase. The editing staff of these three papers also like to look for news outside the sphere of the Central News Agency. Since the Government is powerless to basically prevent the occurrence of such "news", it could only devise measures to restrict the publication of same.

In the recent student unrest, the Government was completely at a loss as to how to cope with the situation. To close newspaper offices, as many as three in one single day, is the Hitlerite way of doing things. Newspaper reports have it that in China today President Chiang Kai-shek is leading us onto the road to democracy, so if he had had an alternative, he certainly would not have taken such a course.

As far as I know, there had been constant rumors regarding the banning and closing down of the "Wen Hui Pao". Fortunately, perhaps it is because there is in Shanghai this enlightened and democratic-minded mayor K.C. Wu that the "Wen Hui Pao" could at least continue publication until May 24. What happened this time could best be described by quoting the editor of the "Shanghai Evening Post & Mercury": "The important Government leaders are more or less in the disposition of casting the last dice", hence such an action.

We, who are in the same journalistic field, cannot but tender our deepest sympathy to our fellow journalists of the banned "Wen Hui", "Sin Min" and "Lien Ho" papers. Though the closure is already a reality, yet we hope that the Government will take steps to remedy the situation, to enable the above-mentioned three papers to quickly resume publication, so as to put the journalistic enterprises of a democratic country back onto the normal track.

"Ta Kung Pao"'s Attitude Towards Recent Student Unrest

Regarding the attitude adopted by the "Ta Kung Pao" towards the recent student unrest, we wish here to make a brief comment. In the recent student unrest, the attitude taken by the "Ta Kung Pao" was hardly up to the expectations of the public. We will not speak of the Ying Shih University incident nor the Chiaotung University incident, as these are but part of the problem. At the same time, we will not judge the "Ta Kung Pao" harshly for not publishing the Nanking Central University and Ginling College's two anti-hunger parades on the second page of the news sheet along with other important news items. But when the May 20 Incident occurred in Nanking--an incident so heroic, so tragic and yet so rich in political motive that it shocked the whole country--the "Ta Kung Pao" still refrained from printing it on the second page important news column. May we ask what kind of an editing attitude was this? Moreover,for so serious a piece of news as the Nanking May 20 Tragic Incident, the "Ta Kung Pao" used such a commonplace headline as "An Unfortunate Incident in the Capital". May we ask what sort of an editing technique was this?

As for comment, the "Ta Kung Pao's" short comment on the Nanking incident appearing on the May 21st issue said: "Unfortunately, the people who carried out orders failed in the method they used, to apprehend the affection which the authorities above entertained for youths, thus leading to the occurrence of the tragic incident."

Listen, all ye youths throughout the country: Do you agree with what the "Ta Kung Pao" has said and admit that today those above still have the least intention of caring for all of you, young people? Do you admit that when people let fall their wooden clubs and iron rods on your heads, they are showing you signs of affection and care?

In the "Ta Kung Pao's" editorial dated May 19, it branded the students' petition movement as a "revolution by violence". Its editorial dated May 20, described the "students' recent activities" as "too innocent and childish", regarded the "youths as too simple", and said that the students in their petition movement "thoroughly manifested the mischievous nature of their actio

I have been reading the "Ta Kung Pao" for ten and more years now and never saw any editorial in the "Ta Kung Pao" which was so contrary to public opinion as the above. Of course, I cannot help mentioning here that the reason why the "Ta Kung Pao's" editorial on the recent student unrest was so grey and so incapable of leading the current trend was perhaps somehow connected with Mr. Wang Yun-sheng's untimely visit to the North. If Mr. Wang had been in Shanghai, I believe that under his direction the editorials of the "Ta Kung Pao" would never have wavered or showed cowardice to such an extent. However, I must point out that this time the "Ta Kung Pao" reporters in both Shanghai and Nanking were quite honest, sincere and progressive, as could be seen in their reporting. Their efforts helped in some extent to retrieve the affections of a part of the readers for the "Ta Kung Pao".

I must also say something about the attitude adopted by the "Ta Kung Pao" towards the closing down of the "Wen Hui", "Sin Min" and "Lien Ho" papers. On the May 25th edition of the "Ta Kung Pao", the news of the suspension by order of those three papers was plainly published on page four under a type-headline. Judging by the editing standard of the "Ta Kung Pao", may be such a news item as the closing down of three papers in one single day was less important than gossip about the private life of a movie star. The "Ta Kung Pao" never uttered a word of sympathy toward the suspension of these three papers. Today, May 28, which is already the fourth day of the banning of these papers, the "Ta Kung Pao" has still said nothing. To say nothing else, at least as a contemporary, the "Ta Kung Pao" should write something in protest. Does the silence of the "Ta Kung Pao" mean that the three papers should be closed? Or is it too frightened to speak up? (Since the banning of the "Wen Hui Pao", the "Ta Kung Pao's" reporting on the student unrest has already showed some changes.) More still, is it rejoicing over the misfortunes of others and withholding aid to the needy? I feel that the attitude adopted by the "Ta Kung Pao" this time was quite a disgrace and is indeed a most regrettable thing.

Lastly, I have to make clear a few more points. I am not acquainted with any of the journalists serving on the "Lien Ho Wan Pao", so much so, that I do not even know their names. I can count the most friends among the "Ta Kung Pao" staff. Take just the editing department of the "Ta Kung Pao", six of its editing staff are contributors to this periodical. However, the question we discuss today has nothing to do with any private individual. Whether we take up a political career today or discuss politics, we must leave aside our private emotions!

At this moment when three papers have been banned in one single day and when the uncanny hoot of the police siren can be heard in the metropolis, if we can still ignore danger and bravely speak up, it is because the only bit of justice that is left in the country today is resting entirely on our shoulders. With a sense of duty and of righteousness, we have no time to think of the dangers that are threatening our own safety.

May 28, 1947

(Note: The author of this article, Chu An-ping, is a professor at Fah Tan University and was formerly one of the editors of the "Central Daily News" in Chungking.)

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MISCELLANEOUS NEWS

Group Sent by National Defense Ministry to U.S. to Study Medical Service

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 9, 1947

(Local News)---The 8-man group headed by Chen Li-kai, Deputy Director of the Medical Service Department of the Ministry of National Defense, which is being sent by the Ministry to the United States to study Army medical service there with the approval of President Chiang Kai-shek will leave here for the States aboard S.S. Ottoman today.

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CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 369 June 10, 1947

EDITORIAL COMMENT

After the Chinese Communists Have Rejected the Appeal for Peace

Chung Yang Jih Pao (KMT Organ), Shanghai
June 10, 1947

At a time when the Government is trying to work out some concrete and effective peace proposals based on the peace plan proposed by the PPC, the Chinese Communists have formally rejected the PPC's peace plan by radio broadcast and have charged the PPC's peace plan as being a "civil war plan". Bent on acting in any way they like and desirous of carrying on the rebellion to the bitter end, the Communists do not have the interests of the country and the people at heart. The fact that they have once again rejected the proposal for a resumption of the peace talks indicates that they want to alienate themselves from the people and also to dig their own graves. In the light of the failure of the peace talks of the past, the people throughout the country should now devise concrete ways and means of bringing about peace and unity. A mere appeal for peace will not be of any use, for the Chinese Communists have already flatly rejected the people's demand for peace. (Summary)

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After the Chinese Communists Have Rejected the Appeal for Peace

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

The present situation in China is actually quite a simple one. Peace is unanimously desired by the people and is also something which it is the immutable policy of the Government to achieve. It is the attitude of the Communists which has made it impossible for peace to be achieved thus far. However, after all, the Communists constitute only a small minority in China. Now the Government has already broadened its own basis and has given up the one-party rule of the Kuomintang. It now includes also the Young China Party, the Democratic Socialist Party and independent social leaders, and so is already representative of the people in general. Upon his return to China from the United States the other day, Mr. Gould, Editor-in-Chief of the Shanghai "Evening Post & Mercury", told press reporters, "Personally, I feel that the United States does not want to support the Kuomintang, so as to obtain a dominant position in China...." It should be borne in mind that the present Chinese Government is no longer a Kuomintang government. Anyone who is not near-sighted or color-blind will agree that this Government should be supported. It is for this reason that we are looking forward to President Truman's forthcoming statement on U.S. policy towards China. Internally, we must not allow the present situation to continue indefinitely; we ought to clarify the situation at an early date. (Summary)

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The Question of the Projected U.S. Loan to China

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 8, 1947

The projected US$500,000,000 loan to China has become an important issue which has attracted the attention of people both in China and abroad. Especially since President Truman submitted to Congress the well-known Greco-Turkish aid bill have people regarded the materialization or non-materialization of the projected U.S. loan to China as a barometer of U.S. Far Eastern Policy.

Regardless of how the objective international circumstances have changed and unwilling to hear people say that China can be made a base or a "fortress", we feel that from the moral point of view alone, China is entitled to make such a request. We can foretell that the United States certainly will not leave China out of her plan for extending aid to other countries.

When it first decided to extend a loan to China, the U.S. Government made the broadening of the basis of the Chinese Government and the liberalization of that Government as a condition for the loan. This proposal was made purely in the interest of China's political future. However, events of the past year and more have sometimes proved that our friends do not understand the situation in China as well as we do. For instance, our American friends have suffered from their own miscalculation regarding the fact that it is not easy for the Chinese Communist Party to be converted into a normal political party. Now, the Chinese Government has already invited other peaceful and legitimate political parties to cooperate with it, and the preparations for enforcement of the Constitution are being positively carried on. So far as "broadening of the basis of the Government" and "liberalization of the Government" are concerned, it is only those who blindly believe in force and who depend upon force who cannot be persuaded to participate in the Government. However, we hope that our American friends will consider the past and look ahead into the future, so that we may obtain the urgently-required economic and financial aid. (Summary)

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How We Feel About the Question of the Projected Loan to China

Yi Shih Pao (Chinese Catholic Organ), Shanghai
June 8, 1947

For more than a year now the projected U.S. loan to China has been a pending issue, sometimes looking hopeful, and at other times looking hopeless. However, up to the present the matter has not been settled. Despite the fact that President Truman has proposed the Greco-Turkish aid program, that the State Department has announced that it is considering extending a big loan to China, and that General Marshall, upon his return from Soviet Russia, expressed satisfaction with the reorganization of our Government and urged strongly that the projected loan be extended to China, yet, actually, there is no news yet that China may make use of the loan. Could the fact that our Government has not yet submitted to the Export-Import Bank a plan for using the loan be the crux of the problem? If this were the case, all that China needs to do would be to submit an economic plan. Since the Chinese is an adept in drawing up such plans, the Chinese Government would certainly have submitted the plan long ago.

Then, where does the real crux of the problem lie? In our judgment, there exists in the U.S. Government and among the American people a very serious psychological contradiction. A clear evidence of this fact is that while from the standpoint of international cooperation, the more serious the economic crisis in China becomes, the more anxious the U.S. Government will be to aid China, yet from a commercial point of view, the American people will become more hesitant to extend loans to China. Also, while from the standpoint of anti-Communism, the more unfavorable the position of the Chinese Government troops becomes, the more concerned the U.S. Government will be, yet from a commercial point of view, the American people will become more afraid to extend loans to China.

However, although the United States is a typical democratic nation, yet if the objective conditions are such that it is necessary for her to extend a loan to China, then the determination of the U.S. Government will still be able to overcome the hesitancy of the American people. But this requires a new situation in China. In a word, both Governments should be held responsible for the fact that the United States has so far not reached a decision regarding the projected loan to China. So far as the United States is concerned, the U.S. Government has not had a definite foreign policy; so far as

China is concerned, the military situation in this country has been a rather lukewarm one.

We have no time to discuss here the foreign policy of the United States. However, if a world-wide anti-Communist movement is the principal objective of Trumanism and if it is really the decision of the U.S. Government that it "disfavors the expansion of the influence of the Communist Government in China", then the uncertain foreign policy of the United States really goes counter to the national will of that country. And the lukewarm military situation in China is what has caused this uncertain foreign policy on the part of the U.S. Government. Therefore, we hope that not only will the United States adopt a firmer policy toward China, but that our Government will have a strong determination regarding the Communist problem. (Summary)

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Political Crisis in Hungary and Power Politics

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

This political crisis in Hungary has made us realise the intensification of the international struggle for supremacy and the waste which such a struggle has entailed. The fact that political crises have arisen both in Italy and Hungary indicates that those two countries have become mere pawns. The post-war international struggle for supremacy has already developed to a stage which is far removed from the noble purposes of the United Nations which were announced when that organization first came into being. If this situation is allowed to continue, the results will be too dreadful to imagine. What we are worried about now is not the internal political problem of Hungary, but rather the results of the intensification of the international struggle for supremacy.

Since the outbreak of the Second World War, we have always assumed that as the United States has made great sacrifices in order to maintain peace and order in the Pacific, the Pacific will become the center of gravity of the post-war world and that the future destiny of the United States will lie in the Pacific. However, in view of recent developments in the international situation, the United States has taken over from Great Britain the heavy responsibility of maintaining peace and order in the Middle East. This action on the part of the United States is still understandable. More recently, however, the United States, with its Capitalistic policy, has entered Hungary which lies behind the iron curtain, a fact which is rather surprising. Americans of the post-war period hope to be able to manipulate the international situation by means of their wealth alone. Whether this hope of theirs can be realised, it is hard to say. While we disfavor the system of spheres of influence of the past, yet we feel that the present American policy, which is grandiose and spread out, as indicated by the fact that the United States now even wants to make her voice heard regarding far-away Hungary, is not a wise way of maintaining the good reputation of the United States. (Summary)

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Political Crisis in Bulgaria

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

Judging by her latest actions, we can see that Soviet Russia is now doing everything in her power to gain control of East Europe. Besides the Communist Party, there are still some other political parties in East Europe which remain fairly strong, and Britain and the United States have been extending aid to these political parties from time to time. Having become impatient, Soviet Russia has now caused the Communists in the various East European countries to wrest governing power by force. There can be no doubt that as a result of the political crises in Hungary and Bulgaria, relations between Soviet Russia on the one hand and Britain and America on the other will become more strained than ever before. (Summary)

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The Question of Who Should Control the Ryukyu Islands

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 8, 1947

From a historical, ethnic and cultural point of view, the Ryukyu Islands should certainly be put under the control of China. Moreover, since Taiwan has already been taken back by China, it is all the more important that we take back the Ryukyus, too. If the Ryukyus were put under the control of Japan, then Taiwan would be threatened, so that the security of the Western Pacific would be affected. We should lose no time in collecting reliable evidence and work out a proposal before the peace conference on Japan convene and submit it to the conference for consideration. (Summary)

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Other editorials not translated: Dated June 10, 1947

Cheng Yien Pao, Shanghai	--	On the Popular Education Policy in Shanghai
Lih Pao, Shanghai	--	The Unreasonableness of the Proposed Revival of Pre-War Levels of Basic Wages
Chin Yung Jih Pao, Shanghai	--	We Need a Rational Wage System
Shang Pao, Shanghai	--	On the Completion of the Draft Economic Reform Plan
Tung Nan Jih Pao, Shanghai	--	The Future of the Economic Situation in the Far East
Ho Ping Jih Pao, Shanghai	--	The Desire of the CP to Foment Trouble Throughout the Country

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POLITICAL NEWS

Central News Agency Report Refuted by Lo Lung-chi

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

(Local News)---Dr. Lo Lung-chi of the Democratic League in Nanking stated yesterday as follows:

"I have read a Central News Agency report published in today's newspapers which states that the League members recently brought forth a 10-point interpellation to the top officials of the League and that Chang Po-chun and I gave them a written answer. I find that this report is ridiculous as well as interesting. I have never received any written interpellation from the League members as stated in the aforesaid report, so it is natural that I have never given any written answer to the alleged interpellation. At the 2nd plenary session of the Central Executive Committee of the League held in January this year, a decision was reached to the effect that the membership of the League would henceforth be confined to individuals and that no organization would be admitted to the League as a member. Therefore, the allegation of the Central News Agency that the League has requested the Association for the Advancement of Democracy and the Democratic National Reconstruction Association to join the League is obviously a mistake made by the said agency while fabricating the document. As for the report that Tsai Ting-kai, Tan Ka-kee, and Kuo Mo-jo are all League members, it does not correspond with facts at all.

"The purpose of the Central News Agency in fabricating this document is obviously to emphasis the 7th point in the falsified document which says that the League should obtain the approval of the Communists before it attended the PPC session and also the 9th point which says that the League will be able to come into power in the latter part of the year when the CP will have held out its military campaign till then. However, as the document contains so many mistakes, it is a proof in itself that it is a falsified one."

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Democratic League Spokesman in Shanghai Also Denies Central News Agency Report

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

(Local News)---Yeh Tu-i, spokesman of the Democratic League, made a statement yesterday, denying the Central News Agency report that the top officials of the League recently gave an answer to interpellations by the League members. This report is entirely unfounded and there is not a grain of truth in it, he declared.

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Spokesman of Democratic National Reconstruction Association Denies Report Re Participation in Democratic League

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

(Local News)---In regard to the report published in yesterday's papers that the Democratic National Reconstruction Association has participated in the Democratic League, the spokesman of the said Association made a statement as follows:

"Since its inauguration, the Association has all the time adhered to an independent stand. The Central News Agency report that the Democratic League has requested the Association to join the League is entirely unfounded. As for the participation of the members of the Association in the League, since the Association is not a political party which sides with its supporters and opposes its opponents it naturally finds itself difficult to prevent its members from joining other political groups."

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Democratic Socialist and Young China Parties to Join Government Organs

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

(Local News)---It is learned that the Democratic Socialist and the Young China Parties, besides taking part in the National Economic Council, will also join the Information Bureau, and the Reconstruction and the Examination Committees of the Executive Yuan. They are now selecting their men to be candidates for the posts in these organs, it is learned.

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Democratic Socialist Party PPC Member Expresses Views Re General Election

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

(Local News)---Yang Yu-tze, Democratic Socialist Party PPC member, arrived here from Nanking yesterday morning. Asked by our reporter about his opinions regarding the forthcoming general election, Mr. Yang voiced the hope that the various parties and the Government will consult with one another so as to fix a proportional quota of delegates for various parties, according to which the Kuomintang will represent the majority while the Democratic Socialist and the Young China Parties and non-partisans will share a certain number of seats. Since the Kuomintang has ruled this country for twenty years and is in a superior position and since the forthcoming general election will be the first one ever been held in China, all non-Kuomintang parties and groups will have no chance to get elected if a free election is to be held. Therefore, the above measure is comparatively reasonable, Mr. Yang opined.

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Shanghai City Council to Investigate Anti-Chinese Activities

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

(Local News)---The Shanghai City Council has organized an Un-Chinese Activities Committee in accordance with the resolution passed at the recent session to the effect that a committee will be organized for the investigation of all activities which impair the interests of the Chinese people, so as to assist the Government in stabilizing social order. The Committee is scheduled to hold its first meeting at the SCC assembly hall at three o'clock this afternoon.

* * *

Wuhan University Students Decide Not to Return to Classes Pending Settlement of June 1 Tragic Incident

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

Hankow, June 9---At 9 o'clock last night, Wuhan University students held a general meeting at which the following resolutions were passed, 1) that the faculty association will be requested to postpone the publication of the telegram expressing its willingness to accept the Government measures for the settlement of the June 1 tragic incident, 2) that representatives should leave for Nanking immediately to petition the competent authorities, 3) that the classroom strike will be continued pending the complete settlement of the incident, 4) that a supervisory committee will be organized to supervise the investigation of the incident and the punishment of the officers who are held responsible.

On learning of this news president Chow Keng-sheng, despite his indisposition, hurried to the assembly hall and urged the students to return to classes immediately. However, because most of the students doubted the sincerity of the Government in handling the incident, they refused to accept the president's advice.

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Over 50 Universities and Middle Schools to Stage General Classroom Strike Today

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

(Local News)---According to an announcement made by the Shanghai Students' Federation, more than 50 universities and middle schools here, including the National Chiaotung, Chinan, Fuh Tan, Tung Chi, Utopia, China Industrial & Commercial College and Min Chih School of Journalism, decided to stage a general classroom strike today in response to the resolution adopted by the Students' Federation, and to request the Government to immediately release all the students arrested and missing in this city, to stop all illegal arrests and to protect the safety of the students. They will take this opportunity to sponsor a charity sale of the pamphlet entitled "New Historic Events of May". At the same time, a sign-the-name campaign among the local inhabitants will be launched so as to win the sympathy of the public.

Furthermore, Chiaotung and Tung Chi Universities will respectively hold an "Accusation Commemoration Meet" this morning, while the Shanghai Medical College will also hold a commemoration meeting and the students of Utopia University will organize propaganda teams to extend their publicity campaign.

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Fuh Tan Professors Decide to Resume Teaching as From Date

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

(Local News)---The Alumni Association of Fuh Tan University yesterday invited the whole faculty body of the school to discuss the question of the resumption of teaching and of the rescue of arrested students. Over 110 professors and alumni members participated.

Kiang I-ping reported to the Alumni Association on the negotiations undertaken by the Professors' Association as well as the officials of the Administrative and Supervisory Boards of the school with Mayor K.C. Wu for the release of the arrested students, and on the promises made by the Mayor. Kiang expressed the hope that after the resumption of teaching by the professors, the responsibility of rescuing the arrested students would be entrusted to the school's Alumni Association.

Kiang was followed by Prof. Lu Yu-tao who outlined the aims of the professors' strike as follows: (1) To rescue the students, (2) to protest against illegal arrests and (3) to oppose any infringement on the freedom of learning. Prof. Lu also made a clear explanation of each of the above-mentioned three points, pointing out that students are more urgently in need of freedom than good treatment. He also stated that students' interference in politics is for the purpose of urging the Government to make progress, hence it should not be interpreted as anti-Government. If there are genuine evidence to show that the students are guilty of anti-Government intrigues, then they should be prosecuted in accordance with the procedure of law, he added.

The meeting then passed the following resolutions: (1) To resume teaching as from date. (2) To entrust the responsibility of rescuing the students to both the Arrested Students' Rescue Committee and the Fuh Tan Alumni Association. (3) In conjunction with the Alumni Association, to ask president Chang of the school to remain in his post.

At the same time a written demand will be made to the Government:

(1) To guarantee the safety of the school. Henceforth, without the notification or consent of the school authority, no police or gendarmes should be despatched to the school, and above all, no plainclothes agents should be allowed to trespass on the school premises.

(2) To guarantee the complete and quick release of all the arrested students.

(3) To guarantee not to arrest those students whose names are on the May 30 black list but who are until now still at large.

(4) To guarantee not to arrest those students whose names are not on the May 30 black list.

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Presidents of Various Universities and Colleges in Shanghai to Visit Detained Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

(Local News)---Mayor K.C. Wu revealed that today presidents of various universities and colleges here will visit the places where the nabbed students are being detained. Local pressmen will be invited to visit those places within the next few days, the Mayor disclosed.

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MILITARY NEWS

1st Army Corps in South Shantung to Be Headed by Fan Han-chieh

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

(Local News)---General Tang En-po, C-in-C of the 1st Army Corps in South Shantung, has insisted on resigning from his post. He will be succeeded by General Fan Han-chieh, Deputy C-in-C of the Chinese Army. The report that General Kwan Lin-cheng has been appointed to succeed General Tang is untrue.

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212 Chinese Air Force Trainees Return from U.S.

Chung Yang Jih Pao (KMT Organ), Shanghai
June 10, 1947

(Local News)---212 air force trainees who have completed their training in the United States left San Francisco aboard the U.S. transport S.S. D.E. Aultman on May 22 and arrived here a few days ago. Major General Ma Fu-kuan, who is leading this group of trainees, told our reporter that the majority of these trainees went to the United States in May last year and undertook three months' training in Texas, after which they were sent to various places for advanced training. After returning here, many of them will be commissioned to serve in various combat units. They will be ordered to report their arrival in Peiping, Nanking, Hankow, Sian and Hangchow respectively, Major General Ma said.

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Quota for Conscripts in the Northeast Decided Upon

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

Mukden, June 8---The quota for the conscripts to be drafted in various division and regiment administrative districts in the Northeast has been decided upon by the Generalissimo's Northeast Headquarters, namely, 19,000 men fr the Liaotung division administrative district, 18,000 from the Liaosi division administrative district, 10,000 from the Liapei regiment administrative district, 6,500 from the Antung regiment administrative district, and 3,500 from the Jehol regiment administrative district.

With a view to strengthening the peace maintenance work in this city, the competent authorities have adopted the mutual guaranty system among residents in various districts.

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ECONOMIC NEWS

Plan for Use of US$500,000,000 Loan to China to Be Shortly Submitted to U.S. Government

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 10, 1947

Nanking, June 9---A reconstruction plan for utilization of the American $500,000,000 loan to China has been jointly drawn up by the Ministry of Foreign Affairs, the National Resources Commission and the Ministry of Economic Affairs on the basis of the Five-year Reconstruction Program and passed over to Wong Wen-hao, Chairman of the National Resources Commission, for a final review. This plan will be submitted to the United States Government in the next few days.

On being interviewed by our reporter during the past few days, most of the responsible officials of the Government organs concerned have expressed their confidence in the possibility of obtaining of the loan, and indicated that a concrete agreement on the loan might be reached before the end of June. They also believe that President Truman in his forthcoming speech would certainly mention this matter.

Two separate U.S. loans are now under negotiations between the two countries. As far as the Congress is concerned, the half-billion-dollar credit to be granted to China will be merely a question of time; the crux of the problem lies in whether the Congress will approve the plans submitted by the Chinese Government. The other loan will be similar in character as the U.S. loans to Greece and Turkey.

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Continuous Issuance of Northeast Currency Will Inevitably Lead to Inflation

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

Peiping, June 9---The amount of new Northeast currency notes issued every month is worth about $8,000,000,000. If the issuance henceforth continues, it will inevitably lead to inflation and to the further rise in commodity prices.

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Army Provisions to Be Collected in Yulin

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

Yulin (Shensi), June 8---When the order for the collection of army provisions was received here, the rice merchants became greatly worried over the matter. Owing to the shortage of rice supply on the market, forcible purchases occurred every day. The best white rice is being sold at over CN$800,000 per "shih", while that of the inferior quality at over CN$700,000 per "shih". Both small and large denomination notes are disliked by the people. Silver dollars are the people's prized possessions. The value of one silver dollar is CN$15,000. Exchange in silver dollar coins has become the principal business here.

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NEWS OF COMMUNICATIONS

Repair of Peiping-Kupeikou Railway Partially Completed

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 10, 1947

Peiping, June 8---Under constant destruction by the CP troops, the Peiping-Kupeikou Railway has suffered heavy damages. The repair party of the Railway Administration in Peiping, together with the Railway Army Corps and the Engineering Department of the Tung Hsien Government, has been busily engaged in the repair work during these few days. The repair of the Changhsin-Shunyi section was completed on June 6 and traffic on this line has been resumed. Together with the Railway Army Corps, the repair party of the Railway Administration has started the repair work on the section north of Miyun and will soon meet the other repair party which is now at Changhsin. The train service on the Peiping-Shihhsia line is expected to be resumed within this week, it is reported.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 370 June 11, 1947

EDITORIAL COMMENT

Unbearable Provocation
(Short Comment)

Chung Yang Jih Pao (KMT Organ), Shanghai
June 11, 1947

According to a Central News Agency despatch, one battalion of cavalry troops from Outer Mongolia, under an air cover provided by four Soviet planes, attacked Paitashan, Sinkiang, on the 5th inst. and have penetrated 600 "li" within Chinese territory. As the news despatch is very brief, it is difficult for us to say what the cause of the provocation was and how serious the situation is. However, in order to safeguard the security of our borders, we must urge the Government to give this matter close attention.

A nation's sacred territorial integrity must not be violated. This time, Soviet planes have provided an air cover for the Mongolian troops which broke across the Chinese border, and no matter what the cause for this was, an unbearably serious incident has been brought about. While we sincerely wish to maintain friendly relations with our neighbors, yet we cannot tolerate foreign aggression. We urge that the Government immediately take effective measures to put a stop to these unfriendly acts. (Full Translation)

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Mongolian Troops Invade Sinkiang

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 11, 1947

A news despatch from Tihwa indicates that cavalry troops from Outer Mongolia have, under an air cover, broken across the Sinkiang border. Having occurred all of a sudden, this incident is most perplexing to us.

First, Outer Mongolia used to be a vassal state of China. In the past Mongolian troops have on more than one occasion taken matters into their own hands, and it is possible that they are now doing the same old thing once again. In order to maintain normal relations between the Republic of Outer Mongolia and China, we wish to advise the people of Outer Mongolia not to add to the difficulties of China.

Secondly, the Soviet Union must be held responsible for any actions taken by Outer Mongolia. We have always showed due respect for treaty provisions and have always hoped that there may be normal friendly relations between China and Soviet Russia. We certainly will not allow the present actions of the Mongolian troops to affect this. We only hope that Soviet Russia will effectively check the actions of Outer Mongolia, so that peace and stability may be maintained in the Far East and the world at large.

We expect the following from our Government: (1) The Government must deal with the internal problem of Sinkiang in the right way, observing the ancient teaching that "a thing must first decay itself before there can be maggots in it." (2) Regarding the fact that Mongolian cavalry troops have broken across the border, the Government should, besides lodging a strong protest through the proper diplomatic channels, make the facts known to the whole world and call the attention of our friendly neighbors to the development of this extremely serious affair. (3) The Government should immediately take effective measures to put a stop to these atrocious acts. (Summary)

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Look at Japan's Territorial Ambitions

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

A.F.P., the French News Agency, released some time ago a news despatch from Tokyo to the effect that Japan had made some territorial claims. Then, day before yesterday, Ashida, the Japanese Foreign Minister, again defended Japan's position with regard to this matter by asserting that this does not violate the Potsdam Declaration. We feel that since this old-fashioned Japanese Empire has been restored, she will inevitably make territorial claims. Today, she is demanding the Ryukyu Islands, Taiwan and the Kuriles; tomorrow she will go a step further and demand Korea, "Manchukuo" and the South Sea Islands. The Japanese Empire's sweet dream still lies in the "Greater East Asia Co-prosperity Sphere".

As everybody knows, the reason why Japan has been audacious enough to make territorial claims is that she is taking advantage of U.S. policy towards her. It is the policy of the United States to protect the Japanese Empire and to aid the conservative forces in Japan. Following the historic course, Japan will undoubtedly invade China first. From the standpoint of our patriotism, we must say that the present U.S. policy towards Japan is designed solely to create a strong enemy country for China, and, naturally, also for all the other countries in the Far East. In our eyes, U.S. policy is totally wrong and will also cause heavy looses to the United States herself. First, the United States is going to lose the friendship of several hundred million people in Far East. Secondly, as soon as she has become strong again, Japan will undoubtedly again try to drive the white man from East Asia.

The United States has already begun to draft the peace treaty with Japan. We hope that the Government will adopt an independent foreign policy and voice its views on the Japanese question. (Summary)

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Again on the Question of the Japanese Peace Treaty

Chung Yang Jih Pao (KMT Organ), Shanghai
June 11, 1947

On June 10th General MacArthur issued another statement appealing for the early conclusion of a peace treaty with Japan. China, which is most closely related with Japan, must pay close attention to this problem. If the economic aid which our American friends extend to Japan will benefit the poverty-stricken Japanese people, we shall welcome it. However, if it merely benefits the remnants of the Zaibatsu and the financial oligarchy in Japan and does help relieve the Japanese people of their suffering, it will only whet the desire for aggression on the part of the ambitious elements. We are of the opinion that in connection with preparations for the conclusion of a peace treaty with Japan, our Allies must give the matter very careful consideration and devise some sound measures.

Today, China is one of the Big Five and is also the bastion in Asia for the safeguarding of world peace. The Japanese question is not simply one of a peace treaty with Japan, but is one of making it possible for China and the world at large to enjoy freedom from fear. Therefore, on the one hand we feel that there should be proper preparations for the peace treaty with Japan, while on the other hand, we hope that all the Allied nations will be far-seeing and will lay the foundations of a real and lasting peace for the Far East as well as the world as a whole. (Summary)

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How Can Japan Be Again Encouraged?

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

It is quite clear that during the past several months, defeated Japan has been trying to regain her strength. Militarily, she has asked permission of the Allied nations to maintain "a small armed force". Territorially, she has expressed her desire to control the Ryukyu Islands jointly with the United States and has expressed the hope that she may be given special emigration rights in Taiwan. Economically, the Japanese have also made a number of demands, the most important of which is that the amount of Japanese industrial equipment to be used as war reparations be reduced.

In allowing Japan to be reopened to private trade, the United States is giving Japan great encouragement. Therefore, we must call the attention of the U.S. Government authorities at the top of our voice to the fact that if they are too lenient toward Japan, they will be doing harm to others as well as themselves. We sincerely hope that the U.S. authorities will, in the interests of peace in the Far East and also in the interests of the United States herself, reconsider the matter of reopening Japan to private trade. (Summary)

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Re-opening of Japan to Private Trade

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Following the announcement that Japan will be reopened to private trade, the U.S. State Department expressed the hope that this would arouse the interest of foreigners in investing money in industries in Japan. From this it is quite clear that the U.S. Government wants to help in the recovery of Japan.

From the point of view of China, as light industries are already well developed in Japan and as General MacArthur has strongly insisted that Japan's textile machinery shall not be included in the reparations materials to be handed over to China by Japan, cotton textiles, raw silk, tea and handicraft products which will be exported by Japan once that country is reopened to private trade, will monopolize the South Seas market, thus offering strong competition with our foreign trade and making it impossible for Chinese industries to develop. Therefore, now that Japan will soon be re-opened to private trade, we feel all the more keenly the serious threat facing China. (Summary)

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A Disgrace to Youth of Shanghai

-- A stop should be put to the activities of groups which try to incite unrest --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 11, 1947

Day before yesterday, the Federation of Student Unions in Shanghai issued a notice calling a one-day strike. It is true that the vast majority of the local educational institutions were not affected by this notice, but the fact that today there still remains such an unlawful student organization engaged in openly inciting student strikes must be considered a disgrace to the youth of Shanghai. Regarding the policy of dealing with the student unrest, President Chiang yesterday made a detailed statement on this matter. He said that Shanghai is a place where Communist agents have been especially active and that the Government has already vested the military and police

authorities in this city with the power of taking emergency measures to deal with the situation. Why is it that today, such a "bad organization" is still allowed to cause all the youth of this city to lose "face"? Why do the majority of the students in Shanghai not stand up and say something? Even if they do not reorganize this broken organization, they should all stand up and declare that this incomplete organization should stop its activities. (Summary)

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Other editorials not translated: Dated June 11, 1947

Chien Sien Jih Pao, Shanghai	--	On the Coup D'etat in Hungary
Chin Yung Jih Pao, Shanghai	--	COL Index and Industry
Shang Pao, Shanghai	--	The Grievances of Industrial and Commercial Circles
Lih Pao, Shanghai	--	Iron Curtain over Europe and the Future of American-Soviet Relations
Cheng Yien Pao, Shanghai	--	Hongkong to Become Hotbed of Crimes
Yi Shih Pao, Shanghai	--	Launch a Moral Rearmament Movement in China
Chung Hwa Shih Pao, Shanghai	--	Divided Rule in India

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POLITICAL NEWS

Huang Yen-pei Writes Shao Li-tze and Lei Chen; Resigns as Member of PPC Resident Committee

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

(Local News)---Yesterday, Huang Yen-pei addressed a letter to Shao Li-tze and Lei Chen, Secretary-General and Associate Secretary-Genera of the PPC respectively, tendering his resignation as a member of the PPC Resident Committee. In this letter Mr. Huang says in part:

Among those who were elected as members of the Resident Committee, there were some who did not want to serve on the Committee. In the "Ta Kung Pao" of June 8th I read, "Hsu Hsiao-yen, Chen Po-sheng and Eugene B.Y. Kiang, who were elected members of the PPC Resident Committee, have resigned, and Tung Pi-wu, Huang Yen-pei and Hu Ling will take their place...." If this is true, I dare not accept this honor. Those who proposed this arrangement must have felt that the participation in the Resident Committee of Mr. Tung Pi-wu as a Communist, Mr. Hu Ling as an independent social leader, and myself as a Democratic Leaguer, might be helpful to the working out of the peace proposals. For years I have been following the lead of you gentlemen in working for peace, and hereafter, if there is an opportunity for me to continue my peace efforts without violating the aims of the Democratic League, I certainly will do so. However, the League has been subjected to the greatest possible slander and humiliation. First, Democratic Leaguer Tu Pin-cheng was arrested in Sian; then Democratic Leaguer Fan Pu-chai was arrested in Chengtu, and in Chungking more than thirty Leaguers have been taken into custody, all on false charges, and although their release has been requested, yet they have not yet been set free. Whenever a labor strike occurs, either the Chinese Communists or the Democratic League is blamed, and whenever a student strike takes place, either the Chinese Communists or the Democratic League is held responsible. Yesterday, an account of replies made by the League to certain League members was fabricated. This account was full of lies, and the League was even falsely accused of having declared that if the Communists could hold out militarily, the League would be in ascendancy. This is indeed most ridiculous. In mediating in the inter-party dispute during the past several years, the Democratic Leaguers have had the welfare of the nation at heart, and even though they have been slandered and persecuted, they do not care. On the other hand, I, as a member of the League, have now been asked to participate

in the Resident Committee and to make further efforts in the interest of peace. If you gentlemen were in my place, how could you deal with such a situation?

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Announcement Made by Vocational Education Association

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

(Local News)---Various papers here published on June 9 a Central News Agency report on the answer given by the Democratic League leaders to the interpellations put up by the League members. In reply to the question "who are the leaders of various political groups", the League leaders were alleged to have said that the Vocational Education Association is represented by Huang Yen-pei and Kiang Heng-yuan.

The responsible official of the China Vocational Education Association thus made an announcement as follows: 1) The China Vocational Education Association being genuinely a cultural and educational body has never joined any political group, 2) Kiang Heng-yuan, former head of the general office of the Association and now administrative director of the board, being a non-partisan has never been engaged in political activities. Furthermore, it is also generally known that Chien Yung-ming is the chairman of the administrative board of the Association, while Pan Kung-chan, Ku Shu-shen and Huang Po-chao are administrative directors, 3) As for Mr. Huang Yen-pei, he is also one of the administrative directors. His participation in the Democratic League is his personal affair which has no connection whatsoever with the Association.

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First Meeting Held by Un-Chinese Activities Committee Yesterday

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

(Local News)---The "Un-Chinese Activities Committee" recently organized by the Shanghai City Council held its first meeting at the Council assembly hall on Tangku Road at 3 o'clock yesterday afternoon. Seven committee members, namely, Hsu Chi-chin, Wu Cheng-huo, Tao Pai-chuen, Hsu Yung-tsu, Chow Fei-cheng, Chang Chung-yuan, and Pang Ching-chow, as well as Pan Kung-chan, Chairman of the Shanghai City Council, were present. Chairman Pan expressed the hope that similar committee will be set up in all parts of this country.

Hsu Yung-tsu voiced the hope that the scope of work of the committee will be further expanded so as to include the investigation of the factors causing social insecurity and also to suggest to the Government the measures to be taken to remove them. As a result of the discussion at the meeting, the principles governing the work of the committee were decided upon as follows: Investigation should be confined to organizations, parties, groups and certain special cases, while cases involving individual behavior will not be included, 2) The actual conditions prevailing in the CP-controlled areas will be investigated and disclosed, 3) The work of the committee will be confined to conducting investigations and making reports on the basis of materials collected.

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Split in Democratic Socialist Party Seems Inevitable

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Peiping, June 10---The split in the Democratic Socialist Party seems inevitable. Carson Chang, Chairman of the Party, has made up his mind to reorganize the Party affairs and to expel Liang Chiu-shui and Wan Wu (one of the 10 sponsors of the National Socialist Party, the predecessor of the Democratic Socialist Party) from the Party. Meanwhile, he has sent a large number of men to various places to win the support of the Party members there.

On the other hand, the Reform Committee has also decided to call a national party congress next month and has sent a number of men to various places to win the support of the Party members. Liang Chiu-shui has already returned here from Shanghai by steamer and will proceed to Tientsin shortly to maintain close contacts with other Party members. Lu Kwang-sheng will soon come here to join Liang in a trip to the Northeast. Wu Hsien-tze, Vice Chairman of the Party, has not yet made up his mind. However, he will in all probability join the Reform Committee in future, or will probably withdraw from the Democratic Socialist Party and re-establish his "Constitutionalism Party". At first he planned to return to Hongkong but later on postponed his departure because a certain non-Government bigwig urged him to remain in Shanghai to watch the further developments in the political situation.

Upon his return here, Liang Chiu-shui in a press interview gave a clear account of how his mediation efforts in the Party's internal dispute had failed. He declared that the Reform Committee of the Party truly represents the Party, because there is a total of 10 sponsors of the National Socialist Party, of whom Hsu Tsiao, Wang Po-sha, and Hu Shih-tsing have passed away, Chen Po-sheng and Chang Tung-sun have withdrawn from the Party, Liu Yu-shu has been detained on charge of treason, while the other four are Carson Chang, Liang Chiu-shui, Wan Wu and Tang Hsiang-ming. Three of these sponsors, Liang himself, Wan Wu and Tang Hsiang-min are in the Reform Committee, while Carson Chang's group has only one, that is, Chang himself, Mr. Liang pointed out.

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Ambassador Stuart Visits President Chiang

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

Nanking, June 10---Accompanied by Philip Fu, his personal advisor, Ambassador Stuart called on President Chiang Kai-shek for a talk at the latter's official residence at 8:30 on the night of June 9 and left at around 10 o'clock.

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US$500,000,000 Loan Under Negotiations

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

Nanking, June 10---Sino-American negotiations for the extension of a US$500,000,000 loan to China by the United States are now underway in Washington.

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Reconstruction Plan for China Carried by Waichiaopu Official to U.S.

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Nanking, June 10---The reconstruction plan for China drafted for meeting the needs of the negotiations for a US$500,000,000 loan from the United States has been carried by a certain high ranking official of Waichiaopu to Washington by plane. Dr. Wellington Koo, Ambassador to the United States, is now negotiating with the U.S. authorities for the loan. It is generally believed that an agreement regarding the loan will soon be reached.

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Negotiations on Sino-American Trade Agreement to Be Started Soon

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Nanking, June 10---It is learned that negotiations on the Sino-American trade agreement following the signature of the Sino-American Commercial Treaty will be started soon. U.S. quarters expressed the hope that both sides will immediately appoint representatives to discuss this matter. This trade agreement will be concluded for the purpose of supplementing the Sino-American Commercial Treaty and of serving as regulations governing the enforcement of the said treaty.

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American Reactions on Arrest Incidents in China

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

New York, June 9 (from our special correspondent)---The American public is shocked over the instances of arrests wherein students and newspapermen in various places in China are involved. They are of the opinion that these acts are evidence of the fear entertained by the Government and of the instability of the existing situation. These violent actions sadden the friends of the Chinese Government, alarm the neutrals, and above all, make those who are critical of the Government indignant.

The American people thoroughly understand the significance of the students' role in the political struggle. They opine that the students' "anti-hunger and anti-civil war" slogans could be regarded as the aspirations of the people for peace and economic stability. The American public is doubtful of the official version charging the CP for instigating student unrest. The majority of the people believe that CP manipulation is possible, but certainly not to the extent of bringing about any decisive effect.

The above-mentioned incidents have led to the following repercussions in the States:

(1) The good impressions created by the reorganization of the Government have, for this reason, been greatly undermined; and (2) The incidents adversely affect American public opinion regarding the granting of U.S. loans to China. Thus the efforts of the American Government to grant loans to China have met with greater obstacles.

Well-known Chinese like Lao She and Yeh Chien-yu who are now sojourning in the United States, are distressed over the incidents. The newspaper "PM" devoted a whole column of its page on June 8, to publish Gen. Feng Yu-hsiang's talk denouncing the assault incidents wherein students were victimized,

and in which he expressed the hope that the enlightened elements in the Government will help prevent the recurrence of similar incidents. He also denounced all acts which trample on the freedom of speech and of the press, and advocated an immediate resumption of the KMT-CP peace talks.

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Head of Port Arthur-Dairen Mission Submits Report to Nanking

Chung Yang Jih Pao (KMT Organ), Shanghai
June 11, 1947

Nanking, June 10---It is learned that the Port Arthur-Dairen Mission has been carrying on its survey tour very smoothly. A telegraphic report has been received here from Tung Yen-ping, head of the mission, which states that preliminary negotiations are being conducted by the mission with Soviet quarters on various outstanding issues. A number of problems will have to be discussed and solved in the negotiations in Nanking, the report adds.

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Simonov's Play Banned

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 11, 1947

(Local News)---Prominent Soviet playwright Simonov's play "The Russian Question" was twice staged in Russian language at the Lyceum Theater in this city and has won great applause from the audience. The Soviet Residents Association planned to stage the same play at the theater for the third time today and has sold out all its tickets in advance. Unexpectedly the Association received a notice from the Social Affairs Bureau yesterday to the effect that the performance of this play should be banned. On learning of this news, all Soviet residents here felt extremely indignant over the incision made by the Chinese authorities.

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Chinan University Student Whisked Away by Plainclothes Men

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

(Local News)---Tao Yu-lin, student of the National China University, was whisked away by several plainclothesmen from the classroom at 1 o'clock on the afternoon of June 9. Up to the present, there has been no news of his whereabouts. Tao is the editor of the student bulletin "Express". His schoolmates are now exerting great efforts to obtain his release, it is learned.

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Number of Committee Members for General Office for Election of NPA Delegates and Legislative Yuan Members Decided Upon

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 11, 1947

Nanking, June 10---The number of committee members for the General Office for the Election of NPA Delegates and Legislative Yuan members, has been decided upon, i.e. 2 for the KMT and 1 each for the Democratic Socialist and the Young China Parties and non-partisans. Chang Li-sheng and Chin Ti-chien may represent the KMT; Chiang Yun-tien, the Democratic Socialist Party; Liu Tung-yen, the Young China Party and Mo Te-hui, the non-partisans.

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MILITARY NEWS

First Round of Summer Battle in Northeast Comes to an End; Second Round to Be Started Soon

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 11, 1947

Mukden, June 9---A certain authoritative military observer here told our reporter that the lull prevailing on various fronts during the past three days shows that the first round of the summer battle between KMT and CP armies in the Northeast has come to an end and that the second round will soon be started. The first round began when the CP troops unleashed an offensive on the 4th of last month and concluded early this month with the Government troops holding out Tiehling while the CP troops halting their advance. During the past month, the CP troops have utilized their strategy of mobile warfare to launch a general offensive on a front of over 3,000 kilometers extending from the Peining Railway to the Liaonan Peninsula. Concentrating their attack on the east of the Chinese Changchun Railway, the main force of the CP troops after crossing the Sungari River first launched a feinting attack on Nungan and then fell upon Huaiteh, besieged Changki and Szeping, closed in on Mukden in the south and made an onslaught on the outlying areas of Pulantien, Wafangtien, and Antung in the north. The CP troops did once attempt to attack the vital points of Changchun, Kirin and Szeping but failed and suffered considerable casualties. However, they have succeeded in seizing large quantities of supplies, particularly foodstuffs, from the vicinity of those places and in hindering land cultivation there.

The strategy which the CP troops are now adopting is to transfer their men from the west of the Chinese Changchun Railway to the east. During the first round of hostilities, they have succeeded in cutting off the land communications between North and South Manchuria which have been under the Government control for more than half a year. They are planning to convert the Changpai mountain range and its plateau east of the Chinese Changchun Railway into their permanent bases so that they can maintain close contact with the northern part of Korea and that they can threaten the Railway at any moment and prevent the Government forces from seizing Harbin. The Government troops are fully aware of such a CP attempt and are devising measures to frustrate it. After the start of the second round, the large-scale hostilities will in all probability break out in the east of the Chinese Changchun Railway. The CP troops will probably mass their men to fight for the seizure of various keypoints.

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Top Officials of the Paoting-Suiyuan Pacification Headquarters Gather in Peiping

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Peiping, June 10---All the top officials of the Paoting-Suiyuan Pacification Headquarters have gathered in this city. General Sun Lien-chung, C-in-C of the Government forces in North China, is in the city. Hou Ching-ju, Commander of the East Hopei Pacification District, arrived here yesterday, while Jen Ming-ko, Deputy Commander of the Government forces in North China, is on his way to this city. New military preparations are being made in Hopei.

General Sun Lien-chung revealed that the offensive launched by the CP troops on the Tientsin-Shanhaikwan section of the Peining line with a view to coordinating with their offensive in the Northeast has already been smashed by the Government forces.

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Kiangsi-Kwangtung Border Area to Be Designated as Bandit Suppression District

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Nanchang, June 10---The Kiangsi Provincial Government has proposed to the Generalissimo's Wuhan Headquarters that the Kiangsi-Kwangtung border area should be designated as a special bandit suppression district, with a special organ to take charge of that district.

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Lt. Gen. Yao Ping-hsun to Assume Post of Commander of 202nd Division of Youth Army

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Soochow, June 10---Lt. Gen. Yao Ping-hsun has been appointed by the Ministry of National Defense as the Commander of 202nd Division of the Youth Army. Yao, a graduate of the third class of the Military Academy, had been holding posts of deputy divisional commander and army commander. He will come here to assume the new post soon.

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NEWS OF COMMUNICATIONS

Nanchang-Kiukiang Section of Chekiang-Kiangsi Railway to Be Open to Traffic

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 11, 1947

Hangchow, June 10---The construction of the Chekiang-Kiangsi Railway has been going on apace. The section between Nanchang and Kiukiang will be open to traffic at the end of this month. The train service of the Pinghsiang-Chuchow line has been extended to I-chun, whence tracks are now being laid to Chuchow.

Owing to the rising tide of the river, the construction work on bridges in Kinhwa, Chekiang, had to be postponed thereby delaying the restorating of traffic until after the end of August. The section between Chukiang and Shangjao is already in operation, while the construction of the section between Shangjao and Hsiangtang will be completed next year owing to slow progress of the work caused by lack of funds.

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MISCELLANEOUS NEWS

20 Skippers of American Fishing Craft on Way to Shanghai to Train Chinese Fishermen

Chien Sien Jih Pao (Connected with Ku Chu-tung), Shanghai
June 11, 1947

(Local News)---20 skippers of American fishing craft have left Seattle for Shanghai by plane of the Pacific Airliners. They will train the Chinese fishermen in the use of UNRRA-donated fishing vessels of the smaller type.

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Professor Fu Shih-nien to Leave for United States

Lih Pao (General Labor Union Organ), Shanghai
June 11, 1947

Nanking, June 10---Professor Fu Shih-nien whose article entitled "Such a T.V. Soong Must Go" has brought him nationwide fame will leave for the United States in the latter part of this month to recuperate his health. According to quarters well acquainted with Chinese politics, Fu's forthcoming trip to the State is connected with that article.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 371 June 12, 1947

EDITORIAL COMMENT

Safeguard the Security of Border Areas

Chung Yang Jih Pao (KMT Organ), Shanghai
June 12, 1947

The invasion of Chinese territory by Outer Mongolian troops was not accidental. A nation's sacred territorial rights are inviolable, and under these grave circumstances, we should not and cannot tolerate such invasion. Moreover, good order has only recently been re-established in Sinkiang Province, and we certainly cannot allow any foreign invasion to cause chaotic conditions in that province. That is why we feel that the Government should seek to safeguard the security of Sinkiang Province both by military and diplomatic means.

Since she became independence, Outer Mongolia has, in effect, become a constituent part of the USSR. Therefore, today, if Outer Mongolia commits any act that is harmful to China, we should blame her for having forgotten that she was originally part of China, and, at the same time, hold Soviet Russia responsible to a certain extent.

We hope that the Soviet authorities will respect the meaning of the Sino-Soviet Treaty of Friendship and restrain Outer Mongolia before it is too late, so that peace in the Far East will not be seriously threatened because of Outer Mongolia's actions. (Summary)

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Warning Signal in North Sinkiang

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 12, 1947

As a result of the last World War which was centered on China's resistance against Japanese aggression, the world situation has radically changed. China has been able to abrogate all her unequal treaties with other countries and to recover the Northeast and Taiwan. However, being desirous of respecting the Outer Mongolian people's aspirations for independence and in order to bring about closer relations with Soviet Russia, China has recognized the independence of Outer Mongolia in the Sino-Soviet Treaty of Friendship. This certainly means that the Chinese people have exercised self-restraint and made a sacrifice. The fact now is that Mongolian cavalry troops have invaded our Sinkiand Province, and that they have been given encouragement by Soviet support. This is entirely contrary to what China originally hoped for. It is what the Chinese people regret most.

Since China has recognized the independence of Outer Mongolia, the Outer Mongolian Government should not have lightly resorted to armed force and invaded their former suzerain State. Soviet Russia is ally both of China and Outer Mongolia, so she should not be partial in favor of either of these two nations. The attack on Paitashan is but a warning signal, and it is not yet too late to solve this problem. We hope that the Outer Mongolian Government will order an early withdrawal of its troops, so that the incident will not be expanded. We further hope that Soviet Russia will be cautious and will avoid doing anything that is harmful to Sino-Soviet relations.

At this time when hostilities in China are spreading, Sino-Soviet friendship is very precious indeed. For instance, in the current fighting in the Northeast there have suddenly appeared the so-called Korean Communist troops, among whom, it is reported, there are large numbers of Japanese prisoners of

war. In the Northeast and North Korea and on Saghalien Island, there have been more than one million Japanese war prisoners in the hands of the Soviet who have not yet been repatriated to Japan. If the Japanese war prisoners now fighting with the Korean Communist troops have come from this source, then it almost means that the Japanese Kwantung Army has again returned to our Northeast to display their strength. How serious a situation this is!

It makes one's heart ache to mention the fact that Chinese history is full of instances where internal disturbances have come simultaneously with foreign aggression. Since V-J Day, hostilities in China have steadily been extended and intensified. The situation is indeed fraught with danger. You must first wrong yourself before others will wrong you. Let us lose no time in ceasing the current internecine warfare. The Chinese Republic which is full of woes and difficulties must not be allowed to be emaciated any further! (Summary)

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Outer Mongolia's Unlawful Act

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

The first noteworthy point is the fact that the invasion of Chinese territory by Outer Mongolian troops is the first time since the Mukden Incident of September 18, 1931, that Chinese territory has been invaded by foreign troops. Although only one battalion of Outer Mongolian cavalry troops have participated in the invasion, although their objective is still not clear, and although judging by the present situation, they are not so ambitious as to grab Chinese territory, yet China is an independent nation, and she certainly will not tolerate the violation of her sacred territorial rights. Even if what the Outer Mongolian troops have done was but an unlawful act committed by local armed forces, the Chinese Government should lodge a strong protest just the same.

The second noteworthy point is the fact that during the invasion of our territory by Outer Mongolian cavalry troops, there were four aircrafts with the Soviet insignia bombing and strafing our lines. If these planes had been sent by Soviet Russia to support the Outer Mongolian troops, then we feel that this was a most unfriendly act toward China on the part of the Soviet. Although Soviet Russia has removed the industrial equipment in China's Northeast and has refused to allow China to take over the Port Arthur-Dairen area, we have exercised patience. However, there is a limit to the Chinese people's patience. Of course, it is possible that these planes with the Soviet insignia may have been used by Outer Mongolian troops under false pretenses. In that case, the Soviet Government ought to explain its attitude to the Chinese Government immediately and also to lodge a formal protest with the Republic of Outer Mongolia. Only in this way can people's misunderstanding be removed.

The Republic of Outer Mongolia is a newly-established independent nation, and yet its actions have been so rash, a fact which is most regrettable. It is to be hoped that our Government will adopt a firm attitude in dealing with this incident, and that the Republic of Outer Mongolia will wake up at an early date by ceasing her unlawful acts. (Summary)

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Invasion of Sinkiang by Outer Mongolian Troops

P20
Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

With regard to the disturbances which have taken place in Sinkiang during the past year or so, General Chang Chih-chung, ex-Governor of Sinkiang, was able to deal with them in a reasonable manner and the attitude of the Soviet Union toward these disturbances was also above reproach.

Whether viewed from Sino-Soviet relations or from Soviet-Mongolian relations, the recent invasion of North Sinkiang by Outer Mongolian troops must be considered an unfortunate incident. So far as Soviet Russia is concerned, she ought to stop Outer Mongolian troops from invading Sinkiang, so as to keep the incident from being expanded. So far as China is concerned, the Chinese Government ought to make quick decisions on the matter and to prevent the Outer Mongolian troops from penetrating deeper into Chinese territory, both by diplomatic means and by action. The situation has not yet been aggravated. The Outer Mongolian troops which have penetrated 600 "li" into North Sinkiang should withdraw at an early date, so as to maintain the friendly relations between China and Outer Mongolian.

At the same time, we feel that before the local authorities in Sinkiang have submitted a detailed report on the true facts of the case, all quarters in China should not get too excited over this unfortunate incident. We must keep cool and believe that the Government will take the necessary measures to put a stop to the actions of the Outer Mongolian troops. (Summary)

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We Protest Against the Invasion of Sinkiang by Outer Mongolian Troops

-- We hope the Government will take effective measures --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 12, 1947

So far as the invasion of Sinkiang Province by Outer Mongolian troops is concerned, we protest strongly against it, and so far as peace in the Far East and the world at large is concerned, we hope that Soviet Russia, which is one of the leading members of the United Nations, will behave herself and will put a stop to this crisis. Finally, we hope that both the people throughout the country and our good Government will express views and take actions in connection with this incident, which are reasonable and effective. (Summary)

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Other editorials not translated: Dated June 12, 1947

Shang Pao, Shanghai	--	On Control of Foreign Exchange
Tung Nan Jih Pao, Shanghai	--	We Hope Youth Will Devote Themselves to Their Studies
Yi Shih Pao, Shanghai	--	The Policy to Be Adopted in Dealing with the Invasion of Sinkiang by Outer Mongolian Forces
Cheng Yien Pao, Shanghai	--	The Amazing Incident in Sinkiang
Chung Hwa Shih Pao, Shanghai	--	How to Find a Way Out for the Present Financial Situation
Lih Pao, Shanghai	--	A Firm Policy Vis-a-Vis Soviet Union Should Be Adopted
Chien Sien Jih Pao, Shanghai	--	Invasion of Sinkiang by Outer Mongolian Forces

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POLITICAL NEWS

Minister of National Defense Will Probably Leave for Sinkiang

Chung Yang Jih Pao (KMT Organ), Shanghai
June 12, 1947

Nanking, June 11---The Central authorities are attaching great significance to the recent invasion of Sinkiang by the Outer Mongolian forces,

and will send an important official to Sinkiang to inspect the situation there. It is generally believed that there is a great possibility of Minister Pai Chung-hsi of National Defense being sent for this mission, because General Pai is a well-known Mohammedan Army man and furthermore, he is quite familiar with the customs and habits of the people in Sinkiang. If General Pai is appointed by the Central authorities for this mission, he will in all probability leave for Sinkiang tomorrow.

General Pai gave a dinner party at his official residence this evening. Minister Wang Shih-chieh of Foreign Affairs, Shao Li-tze, and Director Hsu of the Nanking Office of the Generalissimo's Northwest Headquarters were present. All of them expressed deep concern over the Sinkiang problem, it is learned.

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Minister of National Defense to Be Summoned by President Chiang

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

Nanking, June 11---At 8 o'clock tonight, President Chiang Kai-shek invited Premier Chang Chun to have dinner with him. At 10 o'clock, the President summoned Liu Fei, Deputy Chief of the General Staff of the Chinese Army, for a talk and inquired of him about the invasion of Sinkiang by the Outer Mongolian forces.

Nanking, June 11---It is learned that President Chiang Kai-shek will summon Minister Pai Chung-hsi of National Defense for an interview tomorrow.

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Chief-of-Staff of Peace Preservation Department of Sinkiang Provincial Government Interviews President Chiang

Chung Yang Jih Pao (KMT Organ), Shanghai
June 12, 1947

Nanking, June 11---After interviewing President Chiang Kai-shek and submitting reports to the latter on the situation in Sinkiang, Tsa Ke-chin, Chief-of-Staff of the Peace Preservation Department of the Sinkiang Provincial Government, returned to Tihwa by plane yesterday.

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Vice Minister of Foreign Affairs Explains China's Attitude Towards Sinkiang Incident to Soviet Official

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

Nanking, June 11---Vice Minister Yeh Kung-chao of Foreign Affairs invited Federinco (?), Charge D'Affaire of the Soviet Embassy, to come to the Foreign Office this morning and verbally explained to him China's attitude towards the recent Sinkiang incident. Vice Minister Yeh also told the latter that the Chinese Government had already telegraphically instructed the Chinese Ambassador to the Soviet Union to lodge a protest with Moscow over this matter. Federinco did not express any views and then left.

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Cause for the Invasion of Sinkiang by Outer Mongolian Forces

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

Nanking, June 11---According to quarters which are familiar with the present situation in Sinkiang, the recent incident in that province has a remote cause, and what is more, the cause is quite complicated. Having been subjected to the oppression of the Soviets, the Kazak tribesmen in the Ashan area are extremely hostile toward the Soviet Union. Soviet authorities then picked out one of the Ashan tribesman named Tehningla and sent him to the Soviet Union to undergo training. Upon his return to Sinkiang, Tehningla tried his utmost to win the support of the Kazak tribesmen. As Usman, Government-appointed Special Commissioner in the Ashan area, is always dissatisfied with the Soviet Union, and most of the tribesmen supported him, ... : the attempt on the part of Tehningla to win over the tribesmen has been frustrated.

Usman was taken prisoner by the Outer Mongolian troops in the spring of 1945, and was released in July of the same year. Then he returned to Ashan. However, he still refused to cooperate with Outer Mongolia. After being appointed Special Commissioner by the Central authorities, he was strongly opposed by Tehningla who all the time intended to make trouble with him. In February this year, the native troops stationed in Ili cooperated with Tehningla and expelled Usman from Chenghua, because during the Ili Incident, Usman and the majority of the Kazak tribesmen were in favor of the Central Government, thus inviting their hatred. At the end of the same month, Usman and his men were forced to retreat to Paitashan. Later on, together with the Outer Mongolian cavalry units, Tehningla's men launched an attack on Usman's forces who,together with the Kazaks, offered resistance. After killing several scores of Outer Mongolian cavalry men, they repulsed the attackers. Meanwhile, they continued to hold out their positions in Paitashan. Both sides had been locked in a battle in that area until the 5th of this month when the Outer Mongolian troops intruded into the Sinkiang territory.

The same source revealed that the recent incident has its international background, that is, 1) Certain quarters are dissatisfied with the appointment by the Central Government of Ma Szo Wu Teh as Governor of Sinkiang, 2) Certain quarters are afraid that the United States may convert Sinkiang into a military base, therefore, they have decided to turn Outer Mongolia and Sinkiang into their vital strategic strongholds.

The same source pointed out that in the area which is now being invaded by the Outer Mongolian forces, there are gold as well as uranium deposits.

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Carson Chang Leaves for Nanking

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

(Local News)---The competent authorities are quite cautious in handling the Sinkiang incident and will consult with the leaders of various parties and groups on this matter. Upon the summons of the supreme authorities, Carson Chang, Chairman of the Democratic Socialist Party, left here for Nanking by train last night. Our reporter met Mr. Chang yesterday and asked him about his opinion regarding the Sinkiang incident. The latter replied, "This problem is quite serious in nature. Before I study the situation thoroughly, I dare not give answer to any question on this matter. A thorough investigation into this incident should be conducted first."

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Three Commissions to Be Set up by State Council

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

Nanking, June 11---The National Government State Council will set up three Commissions, i.e., the Political, Economic and Statutory Commissions. The Political Commission will take charge of matters connected with home affairs, foreign relations, communications and education; the Economic Commission will take charge of matters connected with finance, economy, food, agriculture and forestry; and the Statutory Commission will handle matters connected with various kinds of law codes and regulations as well as principles of legislation. It is possible that Chen Pu-lei will be appointed Chairman of the Political Commission, Shao Li-tze, Chairman of the Economic Commission and Dr. Wang Chung-hui, Chairman of the Statutory Commission.

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Detained Shantung University Students Released Yesterday

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 12, 1947

Tsingtao, June 11---Shih Po-yu, Yang Sou-yuan and Liang Pei-chih, Shantung University students who were nabbed by police on June 2, were released today. Up to today, all the detained students of the University have been set free.

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Central Standing Committee Meeting Held by Democratic Socialist Party

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

(Local News)---A Central Standing Committee meeting was held by the Democratic Socialist Party at 3 o'clock yesterday afternoon. A number of resolutions were passed as follows: 1) Feng Chin-pai is to be appointed Deputy Director of the Department of Publicity to replace Sun Pao-kang. Hsu San-hsiang will be slated as Director of the Social Affairs Department to replace Wang Shih-ming, but no final decision has been made in this connection, 2) The resignation tendered by Chiang Yun-tien as spokesman of the Party in Nanking is to be accepted while Hsu Fu-lin appointed to succeed him for the time being. Tsui Shin-i is to be appointed spokesman of the Party in Shanghai in succession to Sun Pao-yi, 3) Yang Yu-chih is to be nominated as Deputy Secretary-General of the Party, 4) Chen Wei-ying is to be nominated as secretary to the Information Bureau of the Executive Yuan, 5) A committee for the discussion of political affairs is to be set up and Li Wei-chen entrusted to make preparations in this connection.

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Shanghai Students Federation Urges Class Resumption

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 12, 1947

(Local News)---The local Students Federation yesterday wrote to students of colleges and universities where no student arrests were made, urging them to resume classes. At the same time, letters were sent to the student bodies of schools where student arrests were made, asking them to re-double their efforts in rescuing the arrested students. The Students Federation also decided to send a delegation of students, professors and guardians of the arrested students to Nanking within the next few days to file a petition with the Supreme authorities and the Executive Yuan, requesting them to order the immediate release of the arrested students.

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MILITARY NEWS

Peng Pi-sheng Appointed Garrison Commander in Mukden

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 12, 1947

Mukden, June 10---Chao Chia-hsiang has resigned from the post of Garrison Commander in Mukden and his vacancy has been filled by Peng Pi-sheng, Deputy Garrison Commander, it is learned.

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Salaries for Army Officers and Men to Be Readjusted as from This Month

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 12, 1947

Nanking, June 11---Salaries for Army officers and men will be readjusted as from this month. The Ministry of National Defense has enacted measures for the readjustment of their salaries, whereby the salary of a general will be increased by 30%; that of a colonel, by 40%; that of a lieutenant or a private, by 50%.

At present the amount of monthly salary for a general is $500,000, while that for a private is $18,000.

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ECONOMIC NEWS

Foreign Exchange Auditing Committee to Be Set up by Executive Yuan

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 12, 1947

Nanking, June 11---The Foreign Exchange Auditing Committee of the Executive Yuan will soon be set up. The post of secretary of the said committee will be held concurrently by the Chief Accountant, Chen Ke-wen.

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Currency Notes of Puppet Mengtsiang Bank to Be Redeemed

Chin Yung Jih Pao (Connected with S.Y. Liu), Shanghai
June 12, 1947

Kalgan, June 11---An order has been received here that the currency notes of the puppet Mengtsiang Bank are to be redeemed at the rate of one puppet dollar to CN$0.40. The period for such redemption is limited to four months, i.e. from June 1 to the end of September this year. Puppet notes totalling $3,400,000 were issued by the said Bank.

After V-J Day, owing to the continued presence of Communist troops here, quite a lot of these notes have already been destroyed by the people for fear of trouble. The amount now in the hands of the people is very small.

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CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 372 June 13, 1947

EDITORIAL COMMENT

A General Discussion of Democracy and Freedom

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Owing to the recent student unrest, martial law has been declared in the various big cities, and many students and newspaper reporters have been arrested. Thus, there has been a reduction in the rights and freedoms enjoyed by the people. At this time when preparations are being made for enforcement of the Constitution, such a state of affairs is certainly a misfortune for the people.

Freedom and government by law must go hand in hand. On the one hand, in carrying on their mass activities, the people should avoid taking actions that are too vehement or even unlawful under the influence of mob psychology, and on the other hand, the Government should not lose its patience and take measures to limit the people's freedom which are not within the scope of the ordinary laws. In the event that the people lose their confidence in, and love for, the law, the loss to be sustained would be very great indeed.

One may very well disagree with what other people say, but one must absolutely respect their right to say anything they like. This is the minimum requirement of a democratic attitude. The reason why in recent years government in China has been so corrupt and inefficient is that due to the over-rigid press censorship in wartime, the administrative defects have gone undetected. Those who criticise the Government are not necessarily those who want to overthrow it. At least they still have expectations of the Government, so, rather, they are the ones who love the Government. It is reported that after students and press reporters were arrested in certain cities, they were subjected to a kind of test during the questioning. For instance, they were asked if they favored or disfavored the civil war. If their answer was in the negative, they were liable to be considered Communists. Should this be true, the method adopted by the authorities of various cities was certainly too dangerous. We hope that everybody will realise that the winning of freedom requires uninterrupted efforts, and that there should be no further vehement actions. Nor should the Government lightly take emergency measures from now on. It should discontinue enforcement of martial law and release the arrested students and press reporters at the earliest possible date. If there is evidence that certain students and reporters have actually attempted to disturb peace and order, these should be handed over to the law court to be dealt with according to law. (Summary)

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Again on Invasion of Sinkiang by Outer Mongolian Troops

Chung Yang Jih Pao (KMT Organ), Shanghai
June 13, 1947

This invasion of Sinkiang by Outer Mongolian troops was really instigated by outside forces and certainly was not just an ordinary border dispute. However, one would be going too far if one were to consider this as the beginning of a large-scale invasion comparable to the Mukden Incident of September 18, 1931. At this time when the whole international situation is far from being settled and when the coup d'etat in Hungary has aroused strong reactions from other nations, there is little likelihood that a major international imbroglio is going to be created in the Far East. Therefore, if the Government and the Sinkiang Provincial authorities can offer stubborn resistance to the Mongolian forces which have invaded Chinese territory and, at the same time, adopt a firm attitude diplomatically and deal with the matter cautiously, it is possible that the incident will not be expanded.

In our opinion, what makes one worry most about the situation in Sinkiang today is the internal disturbances in that province which this incident may give rise to. This is because since the peaceful settlement of the Ining incident, those radical Ining leaders who have advocated the establishment of a "Republic of Eastern Turkestan" have never abandoned their dream. Furthermore, the recent appointment of Masud Sabre by the Government as Chairman of the Sinkiang Provincial Government Committee tends to increase the allegiance of the various racial groups in Sinkiang to the Central Government, a fact which will make it even more difficult for these radical elements to realise their dream. Therefore, it is quite possible that they will, taking advantage of this opportunity, create another disturbance in Sinkiang in co-ordination with the Outer Mongolian invasion.

Finally, we feel that the development and conclusion of this incident will be an important test, not only of the ability of Mr. Masud Sabre, the newly-appointed Chairman of the Sinkiang Provincial Government Committee, to deal effectively with the internal situation and foreign affairs, but also of Soviet Russia's sincerity in carrying out the terms of the Sino-Soviet Treaty of Alliance. (Summary)

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Another National Crisis

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

During the past two days there has appeared in the newspapers the report that Outer Mongolian troops, supported by Soviet aircraft, have penetrated 600 "li" within Chinese territory in Sinkiang, and that our troops and civilians there have been bombed and strafed. At the same time, there has also appeared in the newspapers the report that Teolifo Duarto, Portuguese Colonial Minister, told a delegation from Macao, "Macao will not be returned to China."

After reading through these reports, we should realise that the Chinese nation, which has gone through a national crisis after a long and bloody war, is now facing another crisis.

In explaining the Government's policy of dealing with the recent student unrest the other day, President Chiang said emphatically, "I sincerely hope that educational circles will put the life of the nation above everything else." In discussing the Outer Mongolian invasion of Sinkiang with a group of press reporters upon his return to Tientsin day before yesterday, Dr. Chang Po-ling said, "All the difficulties today are due to the fact that we are not patriotic enough." These are conclusions reached on the basis of our fundamental national illness. Both youth and older people should consider national salvation as the most important thing, and we should pool all our wisdom and our abilities in our effort to achieve this major objective. (Summary)

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Stalin Wants to Play with Fire!

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 13, 1947

Recently, Outer Mongolian troops, supported by Soviet aircraft, invaded Sinkiang Province. This is another shocking incident which has occurred since the Japanese created the Mukden Incident and Hitler launched his attack against Poland. This is because the so-called Republic of Outer Mongolia is an out-and-out puppet created by the Soviet Russia, which has absolutely no independent will of her own. There can be no doubt that the invasion of Sinkiang by Outer Mongolian troops has been instigated by Moscow. This was not an ordinary "incident" or "international dispute"; rather, it was a consistent and planned act of aggression which Stalin has committed against China.

Now, since Soviet Russia has challenged us, we should, besides dealing with the matter in the usual diplomatic way, immediately despatch a force of parachute troops and airborne troops to Sinkiang to resist Soviet aggression. At the same time, Soviet Russia's fifth columnists in Korea have long been cooperating with the Chinese Communists in slaughtering the Chinese people. Now, Soviet troops have invaded Sinkiang in support of the Chinese Communists. This means that the war which is in progress in China Proper and the Northeast is no longer just a civil war, but is purely an international war. No wonder, therefore, that the Chinese Communists are not interested in peace talks. We should launch people's diplomatic campaign and make an urgent appeal to all the democratic nations in the world as follows: This is a prelude to the Third World War. We request that all the democratic nations unanimously sympathise with and aid us, so as to make a common effort to check the expansion of the Red dictatorship which is the most reactionary in the world. (Summary)

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A Word of Advice to the Chinese Communists in the Midst of the Serious Threat of Foreign Aggression

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 13, 1947

"One must first wrong himself before others can wrong him." The strange fact that the Outer Mongolians have invaded Sinkiang indicates that China now faces a most serious threat of foreign aggression. While in outward appearance this incident is somewhat different from the Mukden Incident, yet it is exactly the same in nature as the latter. If the Chinese Communists still consider themselves the offspring of Emperor Huangti, could they be so unreasonable as to continue their rebellion, now that China is facing such a serious threat of foreign aggression? This incident will be an extremely important test of whether the Chinese Communists are still Chinese. (Summary)

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Look Straight at the Present Wage Problem

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

On May 10th, the National Economic Council discussed the wage problem and, after making certain revisions, adopted the temporary measures for the adjustment of wages submitted by the Ministry of Social Affairs. The Council also decided that these measures should be put into effect as from the month of May. The cost of living index for laborers in Shanghai for the month of May, as announced, was 23,500 times the pre-war base, which represented an increase of more than 200% over the January index. Thereupon, unrest arose in economic circles.

The authorities feel that the factories should solve their wage problems individually and make their own arrangements with their workers. We feel that this is a most practicable proposal. By "making their own arrangements with their workers" is meant that each factory should try to reach an agreement with its workers, so an essential condition for the successful carrying out of this proposal is that both management and labor should exercise patience. We hope that the authorities will adopt an extremely sincere attitude in its effort to get both sides to find a reasonable solution for the problem. (Summary)

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Other editorials not translated: Dated June 13, 1947

Tung Nan Jih Pao, Shanghai	--	On the Question of Taxes on Commodities
Shang Pao, Shanghai	--	Income Tax and the Direct Tax Bureau
Chin Yung Jih Pao, Shanghai	--	On Economic Cooperation in Far East
Yi Shih Pao, Shanghai	--	International Character of Rebellion Becomes Manifest
Lih Pao, Shanghai	--	Consolidate Our Diplomatic Front
Cheng Yien Pao, Shanghai	--	New Gesture of Free Economy
Chien Sien Jih Pao, Shanghai	--	The Invasion of Sinkiang by Outer Mongolian Troops

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POLITICAL NEWS

Causes for the Outbreak of the Recent Sinkiang Incident

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Nanking, June 12---There are two versions of the causes for the recent intrusion of the Outer Mongolian troops into Sinkiang: 1) A certain pro-Soviet element in the Ashan area asked for help from the Outer Mongolian forces, 2) The incident is caused by the opposition of a certain important Sinkiang Provincial Government official to Ma Sze Wu Teh (Masud Sabre) who was recently appointed Governor of the said province. These are the views expressed by the Sinkiang residents in Nanking on the basis of their observation of the situation hitherto prevailing in that province. However, actual conditions there are still obscure. Government quarters are also expecting detailed reports from the Sinkiang authorities, it is learned.

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Intrusion into Sinkiang by Outer Mongolian Forces Discussed at Legislative Yuan Session

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Nanking, June 12---While discussing the recent intrusion into Sinkiang of the Outer Mongolian forces at the Legislative Yuan session this morning, Legislative Yuan members Hwa Sheng-mu, Kwang Lu, Liu Tung-yen and Chang Po-lun brought forth an impromptu motion that reporters should be prohibited from attending the session as spectators. With the exception of Premier Chang Chun who was absent because of official business, both Wang Shih-chieh and Pai Chung-hsi, Ministers of Foreign Affairs and National Defense respectively attended the session and made reports. Dr. Wang first made a report on how the Sinkiang incident occurred and said, "Clashes already broke out on June 2 and were later on developed into an incident on the 5th. It was not until the 11th that the Government authorities released the above news, because the local authorities first sent the report to Tihwa through which it was forwarded to the Central authorities, thus delaying the receipt of the information by the latter. The actual causes for this incident still cannot be ascertained at present. What we should do is to seek a rational solution to this matter through diplomatic channel."

Minister Pai made a short report for a little over 10 minutes, because he had to attend another important meeting at 5 o'clock the same afternoon. As to whether or not this incident will come to a close or will be enlarged, both Ministers Wang and Pai said that it is difficult to presage and that the development of the situation will hinge upon whether or not there will be interference by any external factors.

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Reactions of All Quarters in Nanking to Sinkiang Incident

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Nanking, June 12---Commenting on the intrusion of the Outer Mongolian troops into Sinkiang, Yu Chia-chu of the Young China Party said, "We should maintain a calm attitude, the Government should adopt a positive policy in dealing with this matter, while all quarters should be vigilant over the situation."

Commenting on the same subject, Chiang Yun-tien of the Democratic Socialist Party said, "As the true facts of the incident have not been revealed, I would rather refrain from making any comment. However, in handling this matter, we should follow the diplomatic course and should not let the incident be expanded."

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Patriotic Sovereignty Protection Federation Issues Statement

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

(Local News)---With a view to voicing protest over the infringement upon Chinese territorial and sovereign rights by the Soviet Union and Outer Mongolia, the Patriotic Sovereignty Protection Federation in Shanghai issued a statement yesterday, which declared that a blow should be returned for a blow at any cost. It is hoped that the Soviet planes and the cavalry units of Outer Mongolia will voluntarily withdraw from Sinkiang, that severe punishment will be meted out to the Outer Mongolian Army officers who are responsible for the invasion of Sinkiang, and that guarantee will be given against the recurrence of similar incidents. Meanwhile, the statement urged the Chinese management and labor to cooperate in speeding up production, the students and youths to devote themselves to studies, the Government to eliminate all corrupt officials and various parties and groups to immediately cease their armed strife.

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Port Arthur-Dairen Inspection Mission Suddenly Leaves Port Arthur

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Mukden, June 12---The Port Arthur-Dairen Inspection Mission, headed by Tung Yen-ping, suddenly left Port Arthur for this city on board the warship S.S. "Changchih" on June 12. The ship is expected to arrive here on the 13th. This decision seemed to have been made quite abruptly.

Mukden, June 11---The Port Arthur-Dairen Inspection Mission arrived in Dairen on June 8. Divided into separate groups, it started its inspection activities. The first group led by Tung himself will inspect the local administrative set-up, and will start its work from next week, the second group headed by Hsu Chu-san will inspect the harbour installations of Dairen, while the third group headed by Wang Yung-ting will inspect the administration of the Chinese Changchun Railway in the Dairen and Port Arthur areas.

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Disturbances in Tibet

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Chengtu, June 12---According to a Lhasa dispatch released by the Kang Chuang News Agency, the inhabitants in Tibet are divided into two groups, priests who are pro-Chinese and laymen who are pro-British. Internal disturbances broke out there recently as a result of conflicts between priests and laymen. Sometime ago, the local authorities arrested the King of front Tibet, Je Chen, It was reported that his eyes were plucked out by the authorities on May 8. Another report has it that he was poisoned to death. Je Chen was a young priest who was called the reincarnation of the Living Buddha of Hutukhtus by the Tibetans. He was educated in the Tsi-pah-cha-chang (Academic Institute) of Shilatzu monastery,and became the responsible man of the monastery. All the Tibetans were shocked at the news of his arrest. The priests of the three leading monasteries, Shilatzu, Chiehpangtzu, and Koteng-tzu, near Lhasa were dissatisfied with such action taken by the authorities, and the priests of Shilatzu monastery started a fight with the Government troops on the outskirts of Lhasa. Both sides suffered heavy casualties. Due to numerical inferiority, the priests were driven out from the area, and the battleground has been shifted to the Sishan area. The fight is still continuing there.

Being afraid that the clashes will spread to other parts of the region, authorities at Changtu have sent light machineguns and reinforcements to the various army units stationed in different parts of Sikong. Meanwhile, they have sent out scouts to the neighbouring provinces to find out conditions prevailing there and are taking precautionary measures.

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Ambassador Stuart Suffering from Inflammation of Left Arm

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

Nanking, June 12---Ambassador Stuart is recently suffering from inflammation of the left arm. In an interview with our reporter today, he again denied the recently circulated report that he has tendered resignation. In regard to the US$500,000,000 loan for China, the Ambassador said that he has not received any fresh instructions from Washington in this connection. He knew nothing besides the reports published in the press. Refering to the Sinkiang incident, the Ambassador declined to make any comment on it.

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Shih Tai Jih Pao on Falconer's China Story

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 13, 1947

(Local News)---The statement made by Douglas Falconer, formerly Deputy Director of UNRRA in China, on China is a New York dispatch released by the Tass News Agency and not a report published by Pravda in Moscow. The full text of the dispatch was published in this paper yesterday.

The Tass News Agency made this report on the basis of the story published in "PM" in New York and merely quoted the story from that American paper. It is Douglas Falconer and the "PM" which should be held responsible for the accuracy of the said report. The passages quoted by the spokesman of the Shanghai City Government are more or less differont from those in the original despatch.

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Five Workers of China Electric Company Reported Missing

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

(Local News)---A letter addressed by the China International Human Rights Protection Association to this paper yesterday stated that Chow Tsao-lin, worker of the China Electric Company, was suddenly whisked away by four plainclothes men at 10:30 on the night of June 9. These four men were armed with weapons and carried with them a picture of the worker. After identifying Chow, they forced him into a taxi with license plate No. 20138 and then sped away.

The same night, four workers of the same company including Liu Hsing-chun were also kidnapped. Up to now, there has been no news about them.

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Hu Shou-Yang Disappears

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

Hankow, June 12---Yuan Tsi, newly appointed Acting Garrison Commander in Wuhan, assumed his office today. Chen Chi-sheng and Li Tieh-sheng have been promoted as Director and Deputy Director of the Detective Department respectively. Concerned quarters revealed that the whereabouts of Hu Shou-yang, former Director of the Detective Department, is unknown.

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Leaders of Various Circles in Wuhan Organize Association for Promotion of Social Stability

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

Hankow, June 12---In view of the disturbances recently created by subversive elements to upset social order in this area, prominent leaders of various circles in Wuhan including Hsu Yuan-chuan and Hsia Tou-yin, together with various civic bodies and upright personages have organized an Association for the Promotion of Social Stability in Wuhan with a view to eliminating the threat of brutal force.

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Resolutions Adopted by Association for Promotion of Social Stability in Shanghai

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

(Local News)---At a meeting yesterday afternoon, the Association for the Promotion of Social Stability in Shanghai passed a resolution that the Association will raise a fund of $1,000,000,000 with which to comfort the local Army, police and gendarmes on the forthcoming Dragon Boat Festival. The Administrative Board of the Association will study measures for raising money to subsidize the Army, police and gendarmes regularly.

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MILITARY NEWS

General Ma Chan-shan to Be Appointed C-in-C of Sungpei Pacification Headquarters

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 13, 1947

Mukden, June 12---General Ma Chan-shan will be appointed C-in-C of the Sungpei Pacification Headquarters who will be responsible for the pacification of the five Sungpei Provinces. Military operations will be started in North Manchuria.

It is learned that General Ma will proceed to Changki shortly.

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Building of Pohai Highway by CP Troops Completed

Chung Yang Jih Pao (KMT Organ), Shanghai
June 13, 1947

Paoting, June 12---It is learnt that early last month, CP troops mobilized score of thousands civilian workers to push ahead the construction of the Pohai Highway. This highway, the construction of which has now been completed, starts from Chikou in the North to North Shantung via Sinhai, Yenshan, Chingyun and Luling. This highway provides the Communist troops with a retreating route on the one hand, and constitutes a threat to Peiping and Tientsin on the other.

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NEWS OF CULTURE & EDUCATION

Roxby Scholarship to Be Offered by Board of Directors of Sino-British Cultural Fund

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 13, 1947

(Local News)---The Board of Directors of the Sino-British Cultural Fund held its 56th meeting yesterday morning at which it was decided to offer a Roxby Scholarship to students who will be sent to Britain for advanced study so as to promote Sino-British cultural relations.

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MISCELLANEOUS NEWS

4,000 "Tan" of Grain Owned by Kiangyin Hsien Government Stolen and Sold

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 13, 1947

Kiangyin, June 12---As a result of an inspection of the godown No. 1 of the Farm Tax Department of the Kiangyin Hsien Government, the Hsien Council discovered that 4,000 "tan" of grain had been stolen and sold. The whereabouts of the director of the godown is unknown.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 373 June 14, 1947

EDITORIAL COMMENT

How to Promote More Friendly Relations with Other Nations

Chung Yang Jih Pao (KMT Organ), Shanghai
June 14, 1947

On his current state visit to Canada, President Truman of the United States made a historic speech before a joint session of the Canadian Senate and House of Commons on the 11th instant. At the very beginning of his speech, President Truman referred to the friendly relations which had existed between the United States and Canada for many years. What he said is of special significance to us whose borders have recently been violated and who are very much worried about the situation.

In the past, Japan was a nation which liked very much to talk about good neighborliness, but, actually, she merely used this slogan as a sugar-coated poisonous drug calculated to realise her aggressive designs. It was but natural that this situation should have aroused the indignation and resistance of any Chinese. Poor and weak as China was, she was able to put up a determined resistance for eight long years. This was the result of Japan's aggressions. We wonder very much why the statesmen of a certain country are so short-sighted as to want to make the same mistake which Japan has made? Even if all the unreasonable actions which that country has taken were due to its desire for "security", would the kind of security obtained in this way be reliable? Is it military bases and the iron curtain, or is it collective power based on justice and fairplay which can really safeguard the security of a nation? We must point out that these actions will only arouse the hatred of the people of the neighboring country, which certainly will be unworthwhile.

The United States and Canada have a common boundary, and yet they have been able to live in amity with each other for a long period of time, a fact which is indeed most enviable.

Whether or not such good neighborliness can also exist between other countries which have a common boundary depends entirely upon whether or not those countries have the same goodwill and wisdom as the United States and Canada, and whether or not they will give up their desire for expansion and domination. (Summary)

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Recent Developments in the International Situation

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Since the close of the Moscow Conference of Foreign Ministers, the international situation has been developing in the direction of tension and danger. The main cause of this is the deterioration of relations between the United States and Soviet Russia. There are three main reasons why U.S.-Soviet relations have deteriorated: (1) The death of President F.D. Roosevelt and the abandonment by his successor of his foreign policy, which was replaced by the so-called "Big Stick" policy. This latter policy has now developed into the so-called "Truman doctrine", which is mainly one of opposing Communism in a determined and firm manner. For this reason, it has become more difficult than ever for the United States and Soviet Russia to reach agreement. (2) The poor diplomatic technique of Soviet Russia. On the one hand, Soviet Russia has stuck too much to her fixed policy, and on the other, Soviet diplomatic officials are not proficient enough. (3) The most fundamental cause is the problem of atomic energy.

Recently, many highly-placed Government officials and many important military leaders in the United States have daily been making statements about a Third World War. They have been using very dreadful words which have been made even more dreadful by the news agencies and radio stations. This has had a very great effect upon people's psychology, and has certainly been harmful rather helpful to international peace.

Recent developments seem to indicate that both the United States and Soviet Russia have abandoned negotiations as a means of settling their disputes and have, instead, resorted to actions. The many incidents which have recently occurred both in Europe and the Far East have resulted from the decision of both sides to solve the problem by action. However, such a course is fraught with grave dangers. Can't the U.S.-Soviet dispute be solved unless by war? We can see no reason why there must be war between the two countries.

We hope that the various great Powers will show due respect for the United Nations, enhance the prestige of that organization, and refer all their disputes to it for handling. To enhance the prestige of the United Nations is to maintain world peace. (Summary)

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The United States Should Establish an Overall Anti-Communist Front

Yi Shih Pao (Chinese Catholic Organ), Shanghai
June 14, 1947

Soviet Russia's audacious expansionist policy has first amazed, and then exasperated, the whole world. As everybody knows, the only country in the world today which is able to suppress such mad aggression is the United States of America. Today, Communism is engaged in an all-out onslaught, but the United States has been trying to stem this onslaught in only one part of the world.

During the past year or so, we have keenly felt that the United States has emphasised Europe and neglected the Far East. Of course, there are historical, racial and other factors involved in this. However, the situation in the Far East is steadily deteriorating. Especially do recent events in China's Northeast and Sinkiang show that an internal rebellion that is international in nature is becoming more and more evident. Under these circumstances, should the United States neglect the Far East any longer? As a matter of fact, the prelude to a Third World War has already begun and the times are extremely critical. Since the United States has taken upon herself the responsibility of maintaining world peace, she should no longer emphasise Europe and neglect the Far East in all its anti-Communist measures. This is the inescapable responsibility of the United States, and let us wait and see how it develops. (Summary)

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U.S. Policy Towards Japan Going to Prove a Gross Blunder

-- The Allied nations should pay close attention to this matter --

Shih Shih Hsin Pao, Evening Edition (Connected with H.H. Kung), Shanghai
June 13, 1947

We feel strongly that the U.S. policy of helping Japan is wrong, for it will encourage a revival of Japan's desire for aggression. So it is fraught with grave dangers for the future. It is true that the Government and people of Japan are now trying their best to befriend the United States, to curry favor with the latter, and to act in accordance with her wishes. As a matter of fact, however, once Japan, with the economic assistance of the United States, becomes strong again, she will certainly want to dominate China and

the South Seas, which will inevitably threaten the security of the United States and peace in the Far East. We should not too quickly forget Pearl Harbor, and consequently, we should not encourage a revival of Japan's desire for aggression. We hope that the United States, which fought shoulder to shoulder with us during the War, as well as General MacArthur will not commit a gross blunder. (Summary)

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A Further Study of Burma's Independence

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

If under the wise leadership of the British Government, Burma can win her autonomy and independence, not only will it be a blessing for the Burmese people, but Great Britain will never lose their friendship. A friendly Burma will eventually become an invaluable asset to Britain, and will be a Burma which is entirely different from a piece of territory grabbed through power politics against the wishes of the people of that territory. (Summary)

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Other editorials not translated: Dated June 14, 1947

Cheng Yien Pao, Shanghai	--	Our Views Re Sinkiang Incident
Lih Pao, Shanghai	--	On the Frontier Question
Chien Sien Jih Pao, Shanghai	--	Our Expectations of the Far Eastern Economic Conference
Ho Ping Jih Pao, Shanghai	--	On Democracy and Freedom--Press Circles Should Not Interpret These Terms Wrongly to Mislead the Public
Shang Pao, Shanghai	--	Sinkiang Incident Is Not a Local Incident
Tung Nan Jih Pao, Shanghai	--	The World Situation after the Political Crises in Hungary and Bulgaria
Chung Hwa Shih Pao, Shanghai	--	We Need Revolution But Not Riots

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POLITICAL NEWS

Director of Generalissimo's Northwest Headquarters
Sends Report to Nanking

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Nanking, June 13---It is learned that Director Chang Chih-chung of the Generalissimo's Northwest Headquarters sent a telegraphic report to Nanking yesterday on the existing situation in Sinkiang Province. The Central authorities are now studying the report.

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Government Decides to Settle Sinkiang Incident
Through Diplomatic Channel

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Nanking, June 13---According to information received here from Sinkiang, there is no change in the fighting situation in the Peitashan area. However, at this time when the frontier provinces are in constant confusion, the situation in Sinkiang Province is in urgent need of stabilization. The Central authorities are now handling the incident with due caution. Besides ordering the garrison troops in the Peitashan area to defend its position against the invasion of the Outer Mongolian troops, they have decided to seek a rational solution to the incident through diplomatic channel. They

are also studying measures for the settlement of the internal problems of Sinkiang Province. It is learned that after the assumption of his post as Governor of Sinkiang, Ma Szu Wu Teh (Masud Sabre) has not been able to carry out his work smoothly and seems to have met with hindrances in the provincial administration. Whether or not the armed clashes in Peitashan are in direct connection with the internal problems of Sinkiang Province can hardly be conjectured. However, if the internal affairs of that province can be settled at an early date, it would be helpful to the settlement of external problems.

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True Fact of Paitashan Incident Revealed

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Nanking, June 13---It is learned from quarters concerned that the true facts of the Paitashan incident have been gradually disclosed. The crux of the problem seems to lie in the racial question, while the loophole provided by the Sino-Soviet Treaty on the Outer Mongolian boundary issue is the principal cause leading to the outbreak of the incident. The Sinkiang residents in Nanking are expected to clarify their stand toward this issue. This will probably take the form of a written manifesto to the Sinkiang people clarifying two points; one about their attitude towards the invasion of Sinkiang by Outer Mongolian troops, and the other pledging their support to the Central Government and to the appointment of Masud Sabre as new Governor of Sinkiang, and asking the whole Sinkiang to unite to defend the national boundary.

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Hostilities in Tibet Come to an End

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Nanking, June 13---According to the Mongolian and Tibetan Affairs Commission, hostilities in Tibet have already come to an end and peace and order have also been restored there. The Commission telegraphed to the Tibetan authorities bidding the latter not to destroy the Shihlatzu Monastery and to settle by peaceful means whatever disputes which may occur in future.

It is learned that the cause of the recent hostilities in Tibet is that Je Chen, former regent, attempted to wrest political power from the regent now in rule. According to the report submitted by the Tibetan authorities, Je Chen attempted to murder the regent and to wrest political power from the latter, so the Tibetan authorities arrested Je Chen on April 18 and put him into prison. Later on, Je Chen died in jail. Meanwhile, the priests in the Shihlatzu Monastery staged an uprising in an attempt to rescue Je Chen, so the Lhasa authorities sent troops to attack the Monastery. This incident is purely an internal problem of Tibet which has no connection whatsoever with any external factor. After the resignation of Je Chen fifteen years ago from regency, the regent now in rule was appointed to succeed him to take charge of administration in Tibet.

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Shihlatzu Incident in Tibet Causes Anxiety

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Nanking, June 13---The recent political crisis in Tibet and the death of Je Chen have again stirred up strife among various racial groups in this frontier province. However, the incident has come to an end.

The responsible official of the Nanking Office of Panchen Lama told our reporter that though this incident has come to an end, yet similar trouble will come up in future. He seems to be quite worried about the situation in Tibet.

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Views Expressed by Concerned Quarters Re Tibetan Incident

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Nanking, June 13---Our reporter called on concerned quarters and asked them about their opinions regarding the recent Tibetan incident. The latter expressed the views that the Government should immediately adopt the following measures to cope with the situation in that frontier province, 1) The Government should immediately dispatch a high official to Tibet to pacify the people there and to calm down their anxiety, 2) The Government should carry out the various reconstruction works in Tibet, Tsinghai and Sikong Provinces. If the Government authorities neglect the above points, further changes in the relations between the pro-British and pro-Chinese groups in Tibet will be inevitable.

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Kwangtung Provincial Government Makes Public Executive Yuan Decree Regarding Protection of People's Freedom; Arrested Persons Still Detained

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Canton, June 13---While the students, professors and reporters who were arrested by the Kwangtung Peace Preservation Headquarters on May 31 and June 2 have not yet been all released, the Kwangtung Provincial Government has made public a decree from the Executive Yuan bidding the local authorities to accord effective protection to the people's freedom. The decree says that the administrative policy recently announced by the National Government provides for the strict safeguard of the people's freedoms of body, speech, press, assembly and organization and for the strict prohibition of illegal arrests and infringement upon the people's freedom. The decree then points out that a democratic government should first respect the freedom of the people and that such freedoms enjoyed by the people are explicitly stipulated in the Constitution as well as in the administrative policy. Therefore, Government officials of different grades should strictly observe these provisions. As for the cases wherein the freedoms of the people have to be restricted in order to maintain social order and to avert emergency and danger, the restrictions should be imposed only after the State Council passes law statutes to this effect. Pending the enactment of such law statutes, any one who makes any illegal arrests and infringement upon the people's freedom should be severely punished according to law.

At 1 o'clock yesterday afternoon, a number of students of the Law Department of National Sun Yat-sen University burned the Chinese law code in front of the bronze monument of the late Dr. Sun Yat-sen as a sign of protest over the recent arrest.

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Army-Student Incident Throws Hofei City into Confusion

Chung Yang Jih Pao (KMT Organ), Shanghai
June 14, 1947

Hofei, June 13---Over 160 Youth Army men of the Anhwei Cadre Training Corps while attending a movie show on the night of the 8th instant, got into a slight misunderstanding with one Hsia Wei-yao, student of the Hofei Middle School. The incident ended with the serious wounding of Hsia and the besieging of the school by the Youth Army men. Public indignation was aroused over

this outrage, and the next day 8 middle schools here went on a general classroom strike in sign of protest. On the 11th morning, more than 2,000 students of various schools here made ready to stage a demonstration parade, but thanks to the closing of the city gates by the local peace maintenance authorities the enlargement of the incident was averted. However, on that same night, the Youth Army men took away by force over 100 rifles from the Anhwei Cadre Training Corps and on the morning of the 12th began to open fire on the city in sign of intimidation. The situation again became tense. Up to the time of the dispatch of this news, the situation is still deadlocked.

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Youths Distribute Leaflets; Urging People to Oppose Soviet Union and Outer Mongolia

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

(Local News)---Small leaflets were found yesterday all over the city here. Most of them were distributed on the streets by youths riding on bicycles. The contents of these leaflets dealt with the Sinkiang invasion. They were signed by the "Federation of Patriotic Youths for Sovereignty Protection Movement". They contained such sentences as "To give blow for blow", etc. and urged the Chinese citizens to oppose the invasion of Sinkiang by the Soviet and Outer Mongolian troops.

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India to Set Up Consulate in Hankow

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Hankow, June 13---India will set up a consulate in Hankow. It is learned that Shatehasinger(?), Chairman of the Self-Government Association of the Indian Residents in Hankow, has been slated as the first Consul-General.

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MILITARY NEWS

City Defense in Paoting Strengthened

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Paoting, June 12---Transportation of troops along the Peiping-Hankow Railway line has been busy during these few days. A portion of the 16th Army transferred here from Weihsien in Shansi has arrived in this city. The 53rd Army stationed near Paoting was transferred to the Northeast yesterday.

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Ma Chan-shan Appointed Pacification Commander of Sungpei

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 14, 1947

Mukden, June 13---General Ma Chan-shan, Deputy C-in-C of the Government Forces in the Northeast, has been appointed Pacification Commander of Sungpei. The General Headquarters of the Government Forces in the Northeast has decided to organize three cavalry units. It is learned that Chang Tung-kai will be appointed Commander of the 1st Cavalry unit Wang Chao-kwun, Commander of the 2nd Cavalry unit and Li Shou-hsin, Commander of the 3rd Cavalry unit.

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Conscription in Kiangsu to Be Started in August

Sin Wen Pao (KMT-supervised, C.C. Orgar), Shanghai
June 14, 1947

Chenkiang, June 13---Conscription in Kiangsu Province for the current year is scheduled to start simultaneously with that in Nanking and Shanghai as from August 1, according to a recent decision. The conscription will take the form of compulsory drafting as well as that of enlisting volunteers. It is learned that the quota of conscripts to be drafted in Kiangsu Province for the current year is about 48,000 men.

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ECONOMIC NEWS

War Threatens Industry in Northeast

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Mukden, June 12---The flames of war are engulfing the whole of the Northeast. Hsieh Hsu-ying, director of the Northeast regional office of the National Resources Commission and concurrently head of the Fushun Mining Affairs Bureau, and Shao Yi-chow, General Manager of the Anshan Iron and Steel Company, both expressed deep regret over the destruction of Northeast industry by the war. As a result of the fighting, the factories are deprived of electric supply, transportation facilities are wanting, and 10,000 laborers of the Fushan mines are being commandeered to dig trenches while 80% of the laborers of Anshan mines is being mobilized for labor service. If the war could be limited to the present stage, there might be possibility for various factories in the mining area to gradually resume production, otherwise the very foundation of industry in the Northeast will be completely wrecked.

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Yingkow Now Without Electric and Water Supplies

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Mukden, June 12---A near panic broke out in Yingkow on the 11th instant. It happened when the workmen of the China Textile Corporation who were dissatisfied with the amount of termination funds, began to loot the cotton yarns of their mill. This incident, however, soon subsided when the police and gendarmes intervened to maintain order. At the same time the fire of a match factory also caused no small panic among the local inhabitants. At present, as the electric supply provided by the Shiaofengman Power Plant has been cut off, the whole city of Yingkow is thrown into darkness. The city's water supply is also being suspended.

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Measures for Resumption of Navigation and Trade Relations Between China & Korea Considered

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 14, 1947

Nanking, June 13---It is reliably reported that the competent authorities are now considering measures for the resumption of navigation

and trade relations between China and Korea. They have also decided that the import goods belonging to the overseas Chinese residing in Korea which come under the category of "articles importation of which should be temporarily suspended", should all be allowed to be imported after the payment of necessary taxes. It is also decided that, pending the official resumption of trade between the two countries, the importation of commodities other than contraband goods applied for by Chinese residents in Korea should be allowed to go through Customs after the payment of Customs duties; exports are to be banned for the time being.

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150,000 "Tan" of Silk Cocoons Produced in Chekiang This Spring

Sin Wen Pao (KMT-supervised, C.C.Organ), Shanghai
June 14, 1947

Hangchow, June 13---It is estimated by the Chekiang Sericulture Guiding Committee that the total output of silk cocoons in Chekiang for the spring season this year will amount to 150,000 "tan", an increase of 30,000 "tan" as compared with the 1946 figure.

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Over 1,000,000 Catty of Silk Cocoons Produced in Szechuan

Chien Sien Jih Pao (Connected with Ku Chu-tung), Shanghai
June 14, 1947

Local News (UCIB)---The collection and purchase of silk cocoons in Szechuan have now been completed. A total of 1,200,000 "Kung-chin" (catty) of fresh cocoons have been collected, from which 15,000,000 "tan" of silk can be reeled.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 374 June 16, 1947

EDITORIAL COMMENT

Far Eastern Economic Conference Opens

Chung Yang Jih Pao (KMT Organ), Shanghai
June 16, 1947

The United Nations Economic Commission for Asia and the Far East, whose mission it is to promote the economic recovery of the Far East in the post-war period, opens in Shanghai this morning. Nearly two years have elapsed since the conclusion of the Second World War, but the economic recovery work of the various countries has not been able to achieve the desired results so far. The economic recovery work of China has been especially difficult, for not only has she been unable to make up for her war-time losses to a reasonable degree, but she has been unable to build up her post-war productive enterprises. The fact that the first session of ECAFE is being held in this country is of great significance.

The mission of the ECAFE is to study the economic losses which the various Far Eastern countries sustained during the War and then to make recommendations as to how the recovery of these countries can be brought about. The economic losses which China sustained during the War were heavier than those sustained by any other country which participated in the War. We hope that the ECAFE will carefully study and correctly investigate these visible and invisible losses.

Economic relations between nations must be adjusted in accordance with the principle of "reciprocity". The development of international trade between any two countries should have regard for the interests of both those countries. Since the economies of the various Far Eastern countries constitute part of the world economy, there can be no world economic stability, if the economies of the various Far Eastern countries cannot be developed or are even faced with a crisis. Therefore, we hope that in this conference the delegates from various countries will make a deeper study of economic conditions in the Far East and then definitely recommend to the various highly-industrialized countries to extend to the Far Eastern countries the appropriate type of economic aid, so that these economically backward countries will achieve economic prosperity at an early date. (Summary)

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Seeking Stability Through Economic Recovery

-- Dedicated to the ECAFE on the occasion of its formal opening --

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 16, 1947

The United Nations Economic Commission for Asia and the Far East will open in Shanghai this morning with an elaborate ceremony. This is the first international conference to be held in the Far East in the post-war period. The purpose of this conference certainly will not be economic alone, for the conference will no doubt also have an important effect politically. Therefore, whether from the point of view of the noble ideals of the United Nations Organization, or from that of the future of the economic recovery of the Far East, the fact that the ECAFE is going to open in Shanghai this morning is of great significance.

What the countries of Asia urgently need today is not an empty plan, but rather material aid and technical cooperation. While the UNO itself will do its best in this connection, yet we still hope that the United States will enlarge its plan of economic aid. At present, the United States is devising ways and means of extending economic aid to various European countries, and

we hope she will broaden her own vision, that she will by no means ignore the importance of the various Asiatic countries, and that she will immediately extend her economic aid program so that it will cover the various Asiatic countries, too. Therefore, the most important problem facing the ECAFE is that of seeking, in harmony with the United States' plan of extending economic aid to the various European and Asiatic countries, to make it possible for post-war Asia to achieve stability through economic recovery and to achieve prosperity through stability. (Summary)

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What We Expect of the Economic Commission for Asia and Far East

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

We feel that besides paying close attention to the extremely unstable political situation in the Far East, the Economic Commission for Asia and the Far East must consider the solution of the following three important problems as its most urgent task: (1) How to increase the production of foodstuffs in the various Far Eastern countries, so as solve the problem of food shortage in those countries, (2) how to promote the reconstruction of the various Far Eastern countries so as to raise the living standard of the people, and (3) how to bring about closer relations among the various Far Eastern countries themselves and between the various Far Eastern countries and the other countries of the world, so as to meet the needs of such reconstruction work and to lay the foundations of future world economic cooperation.

As to the adjustment of international trade relations, it is naturally very easy for us to think of the problem of the re-opening of Japan to private trade. General MacArthur has already notified China, India and the Philippines that as of August 15, 1947, Japan will be re-opened to private trade. In this connection, the following questions have arisen: (1) Is the re-opening of Japan to private trade going to affect the economic reconstruction of the various Far Eastern countries which were victims of Japanese aggression? Is it going to herald a revival of Japanese aggression against other countries? What steps should be taken, after all, to prevent such an eventuality? We wish hereby to urge the ECAFE to pay close attention to this matter.

Then, while the various Far Eastern countries are engaged in the work of reconstructing themselves, it is inevitable that their foreign trade will show an unfavorable balance, and though this unfavorable trade balance can be covered by foreign loans and foreign investments, yet these Far Eastern countries will eventually have to increase their exports, so as to repay the foreign loans. And the investing nations should increase their imports and stop manufacturing those articles which it is relatively unworthwhile for them to manufacture themselves, and should, instead, import them from abroad. Take, for instance, the United States of America. She ought to stop manufacturing synthetic rubber and nylon and, instead, import natural rubber from Malaya and hog bristles from China. Moreover, the United States ought not to grow tung oil trees in the South or to look for substitutes for tung oil, but she ought to increase the import of Chinese Tung oil. In order to reconstruct the Far East and thus to bring about world economic prosperity, the adjustment of such trade relations must be given careful attention and study. (Summary)

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The Basic Problem Facing Asia and the Far East Is Economic

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 16, 1947

The United Nations has now decided to establish an Economic Commission for Asia and the Far East, and the conference which opens in Shanghai this

morning is the first session of this Commission. This conference is naturally important, because as a result of the conference, at least the delegates of the countries to the conference will have a common understanding of the great but difficult economic reconstruction of Asia and the Far East. Asia and the Far East is a region that is on the verge of starvation. It is only to be expected that there should be political chaos in this region. If we do not promote the economic reconstruction of this region until the political situation here has been stabilized, then the longer we wait, the more serious the problem will become. We hope all the delegates to the conference will fully understand the historic importance of the economic reconstruction of this region.

We feel that from the point of view of the people, the U.S. Security Council is not so important as the U.N. Social and Economic Council. If the people have an adequate supply of clothing, food and shelter, it will be much easier to solve the problem of international security. Economically, the world today must enjoy either common prosperity or no prosperity, and politically, it must enjoy either common peace and security or no peace and security. (Summary)

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Outer Mongolia-Sinkiang Border Incident and U.S. Economic Aid to China

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 15, 1947

It will be recalled that the last World War broke out in the Far East, and we predict that the powder keg leading to the next World War also lies in the Far East. Therefore, in increasing her economic aid to China, the United States will be strengthening the bastion that is China and safeguarding her own security. At the same time, the troops and people of China will be willing to take upon themselves the difficult task of guarding on her behalf the advanced outpost of the United States. The recent invasion of Sinkiang by Outer Mongolian cavalry troops, though superficially an Outer Mongolia-Sinkiang border incident, was actually a Sino-Soviet conflict. While, superficially, it was an attempt of the Soviet Union, with Outer Mongolia as a screen, to grab China's uranium deposits, yet, actually, it was a hint to the United States that Soviet Russia is positively making preparations to "return blow for blow". Thus, in the interests of her own security, the United States must increase her economic aid to China.

Therefore, if she wants to strengthen China's defense, the United States must extend economic aid to China at the earliest possible date. At the same time, China does not hope for the US$500,000,000 loan alone; she hopes that further financial assistance will be forthcoming from time to time. Otherwise, the United States would not be extending an adequate amount of aid to China, and China would not be able to cooperate with the United States as much as she is expected to do. (Summary)

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Again on the Re-opening of Japan to Private Trade

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 15, 1947

General MacArthur has decided that as from August 15 Japan will be reopened to private trade. From the spirit of the Japanese reparations program, it can be seen that it is the policy of General MacArthur, that is, of the United States, to establish a strong Japan which will be under the domination of the United States. China, particularly the Chinese textile and silk industries, will be dealt the heaviest blow by the re-opening of Japan to private trade. While we have to blame U.S. policy for this state of affairs, yet we must also blame ourselves for having failed to give a good account of ourselves. (Summary)

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Other editorials not translated: Dated June 16, 1947

Cheng Yien Pao, Shanghai	--	The Important Problem of the UNO Far Eastern Economic Commission Conference
Chien Sien Jih Pao, Shanghai	--	Economic Reform in Asia
Lih Pao, Shanghai	--	Basic Salary and the Right to Strike
Chin Yung Jih Pao, Shanghai	--	On the UNO Far Eastern Economic Commission Conference
Yi Shih Pao, Shanghai	--	Recognize the Real Face of the Soviet Imperialist
Tung Nan Jih Pao, Shanghai	--	First Anniversary of the Shanghai Edition of the "Tung Nan Jih Pao"
Shang Pao, Shanghai	--	Reopening of Japan's Foreign Trade and China
Ho Ping Jih Pao, Shanghai	--	The Dignity of Independence of Judiciary
Chung Hwa Shih Pao, Shanghai	--	Northeast and Northwest

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POLITICAL NEWS

Democratic Socialist Party Leader on Future Prospect of Peace in China

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

(Local News)---Carson Chang, Chairman of the Democratic Socialist Party, arrived here from Nanking yesterday morning. At a press interview he gave an account of the results of his consultations with the competent authorities while he was in Nanking as follows:

1) In regard to the peace proposal brought forth by the PPC, the Government will hand it over to the next State Council session for discussion. As soon as this proposal is passed by the session, concrete measures will be drafted in this connection. The Government has never abandoned its policy of settling the CP issue by political means. If the CP is willing to resume the peace parleys, the Government is ready to renew the negotiations at any time and furthermore will not insist on the resumption of rail communications as the prerequisite for the restoration of peace.

2) The student unrest has already quieted down. Those students who should be punished have already been punished. The Government Information Bureau expressed deep regret over the arrest of newspaper reporters during the period of student unrest and is now exerting utmost efforts to obtain their release. Director Hollington Tong of the Bureau is now studying the measure to be taken to deal with banned Wen Hui Pao and other two newspapers. In regard to the arrest of Fan Po-tsai, responsible official of the Democratic League in Szechuan, it has been learned that he is now being detained on a farm in a certain village of Szechuan. Mr. Chang is now conferring with the Government on Fan's early release. He also revealed that henceforth the Government will not make arrests again.

(3) The document for the explanation of the Constitution is now being drafted. Its purpose is to explain the meaning and significance of the Constitution, while the work of interpreting the Constitution will be undertaken by the Judicial Yuan.

4) Preparations for general elections are now underway and they are being carried out in accordance with the resolutions of the National Assembly. The Democratic Socialist and the Young China Parties have not set up branch headquarters in various places, they will not be able to compete with the KMT in the coming elections, therefore the two parties will have to make arrangements with the Government before the elections take place. Negotiations are now being conducted with the Ministry of the Interior over this matter.

Asked by the reporters about the recent North Sinkiang incident, Mr. Chang replied, "I am not familiar with the situation prevailing there. However, according to my opinion, the Soviet Union may not have the intention of invading our Sinkiang Province. The recent incident is probably only a China-Outer Mongolia issue."

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National Congress of Democratic Socialist Party to Be Convoked in Shanghai on July 25

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

(Local News)---The Democratic Socialist Party held a regular meeting of its Central Standing Committee at 3 o'clock yesterday afternoon at which it was decided to convoke its national congress in Shanghai on July 25. 200 delegates representing party branch headquarters in various places will attend the congress.

Hsu Fu-lin, newly appointed State Councillor of that party, will leave here for Nanking tonight to assume his new post. He will remain in the capital and will act concurrently as spokesman of the Party.

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Provincial Headquarters Set Up in Kwangtung by Democratic Socialist and Young China Parties

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 15, 1947

Canton, June 14---The Preparatory Office of the Democratic Socialist Party's Kwangtung Provincial Headquarters was recently inaugurated here with Hsu Fu-lin and Lin Cheng-hsuan as Director and Deputy Director respectively.

A provincial headquarters has also been set up by the Young China Party here with Chi Tsai-ching as Director. Mr. Chi is one of the PPC members of that party.

* * *

General Election Should be Postponed, Certain Government Personages Opine

Lih Pao (General Labor Union Organ), Shanghai
June 16, 1947

Nanking, June 15---Certain Government personages are of the opinion that the forthcoming general elections should be postponed because of the following reasons: 1) The existing military situation has not yet been clarified, 2) There is not sufficient time for the preparations, 3) Peace and order in various places has not yet been restored.

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Soviet Vice Consul in Tientsin Takes Trip to Tsingtao

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 15, 1947

Tsingtao, June 14---Dorofeyev (?), Soviet Vice Consul in Tientsin, arrived here a few days ago for negotiations with the Chinese authorities over the release of two detained Soviet residents. After failing to obtain their release, he departed for Nanking by plane. It is learned that he will come here again to press the same demand on the Chinese authorities.

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General Chang Fah-kuei Slated as Governor of Hainan

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

Nanking, June 14---After Hainan Island was made a special administrative district by the Central authorities, Generals Chang Fah-kuei and Wu Chi-wei were slated as Governor and Deputy Governor of that district respectively. General Wu will hold the concurrent post of Garrison Commander in Hainan, it is learned.

The Administration of Hainan Island will be formally set up on July 1, and a preparatory committee for the establishment of the Administration will be organized within this month. General Chang Fah-kuei revealed that competent men will be appointed to various administrative posts of Hainan Island and that all the peace preservation forces of the Kwangtung Province stationed on that island will be transferred to Kwangtung for bandit suppression there. The special service corps of the Generalissimo's Canton Headquarters and a part of Government troops will be transferred to Hainan to take over the defense there, it was added.

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Intelligence Network Set by Police in Shanghai

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

(Local News)---In view of the fact that subversive elements have frequently concealed themselves in the amusement resorts in Shanghai, Chow Wei-ting, Director of the Bubbling Well Police Sub-Station, selected a number of employees from various amusement resorts and gave them training so that they could assist the police authorities in rounding up robbers and bandits. The courses which the trainees took were: general knowledge of detective work, delivery of secret messages, the methods of capturing thieves and robbers, the new life movement, etc. Yu Ting, Head of the Criminal Section of the Police Sub-Station, and heads of other sections were their instructors. Classes were given at 1 to 3 p.m. every Monday, Wednesday and Friday. Two batches of trainees totalling 120 completed their courses of training yesterday.

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Students of China School of Journalism Whisked Away by Plainclothes Men

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 15, 1947

(Local News)---After Shen Chih-jen, boy student of the China School of Journalism, was whisked away by plainclothes men, Cheng Lin-ju, girl student of the same school, was taken away by plainclothes men at 4 p.m. on June 10. It is learned that that girl was one of the four persons on the black list.

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MILITARY NEWS

Chiang Ching-kuo Arrives in Mukden Suddenly

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 16, 1947

Mukden, June 15---Chiang Ching-kuo, President Chiang Kai-shek's elder son, suddenly arrived here today and held important consultations with Director Hsiung Shih-hui of the Generalissimo's Northeast Headquarters, and C-in-C Tu Yu-ming of the Government forces in the Northeast.

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Commander of Government Forces in North China Arrives in Tientsin

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 16, 1947

Tientsin, June 15---General Sun Lien-chung, C-in-C of Government forces in North China, arrived here from Peiping this noon. He called a military conference the same afternoon to discuss measures to be taken to defend the Tientsin-Tschanghsien area and inspected the defense works in Tientsin City.

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CP Troops in North Kiangsu Plunder Wheat Everywhere

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 15, 1947

Chenkiang, June 15---CP troops in North Kiangsu are recently intensifying their diversionary operations and are plundering wheat everywhere in this region. All the wheat crops in Taihsien, Hsiachuang, Tungtai and Maoshan have been taken away by them, it is reported.

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Budget for Repairing of City Defense Works in Peiping Amounts to $4,600,000,000

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 15, 1947

Peiping, June 14---The Peiping municipal authorities have decided to repair the city defense works and the budget for the necessary repair amounts to $4,600,000,000. The expenses will be shared by various shops, banks, and native banks.

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ECONOMIC NEWS

Negotiation for US$500,000,000 Loan to China Enters on a New Phase

Chin Yung Jih Pao (Connected with S.Y. Liu), Shanghai
June 16, 1947

Nanking, June 15---It is learned from a responsible official of diplomatic circles here that the projected US$500,000,000 loan to China has now reached the stage of maturity. Not only have negotiations been conducted between the State Department in Washington and the Chinese Ambassador to the United States, but also between the American Ambassador to China and President Chiang Kai-shek.

The Export-Import Bank in whose custody the half-billion-dollar credit is being kept, has originally intended to consider the question of extending the June 30 deadline for granting the loan to China, or otherwise formulating other plans if necessary. However, spurred on by the deteriorating international situation, negotiations will be concluded before the end of this month.

Negotiations are now centered on whether a part of the U.S. loan to China will be used to stabilize the value of the Chinese currency or whether, in addition to this loan, the U.S. Government will extend another credit to help reform the Chinese currency system.

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Idle Capital from Northeast Causes Confusion on Peiping Market

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

Peiping, June 14---Together with the rich and influential refugees, idle capital in the Northeast has poured into North China. It has stirred up great confusion on the Peiping market. The special phenomenon caused by the influx of this idle capital is that the Northeast currency notes have flooded the market and that the prices of gold bars, U.S. currency notes and foodstuffs, having become the chief objects of speculation, have soared skyhigh.

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First Shipment of Exported Chinese Silk Piece Goods Expected to Incur a Loss of CN$7,000,000,000

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 15, 1947

(Local News)---Our reporter has learned from a certain responsible official of the Silk Weaving Guiding Committee that, since the unfreezing of the cost of living indices, the cost of production of silk piece goods has almost been doubled. The cost of production for the first shipment of the exported silk piece goods will amount to CN$54,504,180,000, whereas the selling price for same totals CN$47,634,370,000, thereby leaving a deficit of CN$6,869,810,000.

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NEWS OF COMMUNICATIONS

Total Length of Railways in Northeast Daily Shortened

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

Mukden, June 12---The total length of railways in the Northeast has been daily shortened. Before the outbreak of the present civil hostilities, a total of over 3,300 kilometers of the Chinese-Changchun Railways and other Government-owned lines was in operation. For the present, only over 1,600 kilometers are open to railway traffic. These include the section of the Peiping-Liaoning Railways outside China Proper.

Originally there was a shortage of rolling stock in the Northeast. Since the beginning of the civil hostilities, of the original 200 odd locomotives, one half has been held up in the neighborhood of Szepingkai; of the 500 odd coaches, 200; and of the 4,800 freight cars, over 2,700. In addition, the rails and sleepers in the Communist-held areas were taken by the CP. Even if these areas were recovered, it would be extremely difficult to make up these losses.

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NEWS OF CULTURE & EDUCATION

Roosevelt Library Set Up by Ministry of Education

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 16, 1947

Nanking, June 15---The Ministry of Education has set up a Roosevelt Library in Chungking on the site formerly occupied by The Central Library.

This library, equipped with a total of 200,000 copies of books, is already open to the public. Lo Wen-yu, secretary of the library, left for the United States in the latter part of last month to collect books for the library. As soon as he returns to the country, the Roosevelt Library will be formally inaugurated, it is learned.

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MISCELLANEOUS NEWS

Chinese Gendarme Attempts to End Own Life

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 16, 1947

(Local News)---One of the gendarmes belonging to the Gendarmerie Corps in Nantao, named Hu Chi-cheng and aged 20, shot himself with his rifle at 4:25 p.m. yesterday in an attempt to end his own life. As the bullet did not hit the vital part of his body, there was hope of recovery. He attempted to commit suicide because he could not live on with his meager income.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 375 June 17, 1947

EDITORIAL COMMENT

The Truman Doctrine and Europe

Chung Yang Jih Pao (KMT Organ), Shanghai
June 17, 1947

The situation which has been caused by the coup d'etat in Hungary has made the strained relations between the United States and Soviet Russia somewhat more strained. Some observers are of the opinion that the political development of the Truman doctrine may be divided into three stages: (1) Taking positive steps to stop the expansion of Communist influence in the areas adjoining the Soviet sphere of influence, (2) using economic power to reduce Communist influence in the areas threatened by Soviet Russia, and (3) thoroughly solving the differences between the United States and Soviet Russia. An analysis of these three stages will show that the Truman doctrine is undoubtedly a kind of anti-Communist plan. However, in the process of carrying out such an anti-Communist plan, a bitter war of nerves is unavoidable, so that the kind of peace which can be maintained is only an armed peace.

We feel that the coup d'etat in Hungary is already indicative of the fact that as a result of resort to power politics, the peace reconstruction of the entire world is going to be affected. The United Nations Organization has been brought into being with great difficulty and is the crystallization of the ideals of peace. Today, however, only a very few people still pay any attention to the matter of the prestige of the UNO, for what people are concerned about most now is the nature of the Truman doctrine and the riddle of Soviet Russia's iron curtain policy. This indicates that resort to power politics has brought a new crisis for world peace. (Summary)

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United States Ratifies Peace Treaties with Four European Nations

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

The other day President Truman signed the ratifications for the peace treaties with Italy, Rumania, Hungary and Bulgaria. However, the conclusion of peace treaties does not necessarily mean the winning of the peace. The Hungarian coup d'etat has resulted in the coming into being of a pro-Soviet regime in that country. Sooner or later, pro-Soviet regimes will also come into being in Rumania and Bulgaria, so that all those countries will become real satellite nations. The British and U.S. Notes on the situation in Hungary have now been rejected by Soviet Russia. If there is no show of force, one cannot but be worried about the future of the whole of the Balkans, and, indeed, the whole of Europe. At this time when the whole of East Europe is about to be grabbed by Soviet Russia, Italy has already become the advanced outpost of West Europe. The United States' line of defense is no longer in the Atlantic, but has been extended eastward to the east of the Aegean Sea. In order to hold this line of defense, the United States finds it necessary to get hold of Italy; she certainly cannot allow Italy to become another Poland. How is Italy going to act under these circumstances? (Summary)

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Expedite Economic Aid

-- How we feel about the opening of the ECAFE --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 17, 1947

The United Nations Economic Commission for Asia and the Far East was opened with an elaborate ceremony yesterday morning. While the scope of this conference is not confined to China alone, yet since China played an important role in the last World War and since she "fought the longest and suffered the most", she needs the economic assistance of the various members of the United Nations the most urgently.

True, there are a small number of people in China who, because they are sympathetic with the rebellion staged by the Chinese Communists, are opposed to economic aid from other countries. However, these people take exactly the same stand as the Chinese Communists do. Since, as a matter of fact, these people have already lost their Chinese nationality and since they constitute only a very small minority, people in the friendly countries naturally need not pay any attention to them. Therefore, we hope that the ECAFE will prove a success, and the sign of its success is that "beginning today", it will extend us economic aid. (Summary)

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A Look at the Situation in the North Worries One Greatly

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

The people are unanimous in their bitter hatred of the civil war, and their hope for peace. The peace proposal passed by the PPC is really representative of the wishes of the people. However, the Government has discussed it without reaching any decision on it, and the Chinese Communists, in their radio broadcast, has denounced it. The people's demand for peace has been ignored in this way. This appeal which we are making is not directed toward the Government alone, but also toward the Chinese Communists. At this critical juncture, the Government should resolutely announce to the people its determination to have peace and its way of achieving same, and the Chinese Communists should also clarify their attitude toward the question of peace. Since the Chinese Communists have their own policy and their own views, they should anyhow put the lives and interests of the people above everything else.

Stop the war immediately, for otherwise the people will not be able to continue to live! (Summary)

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Other editorials not translated:		Dated June 17, 1947
Shang Pao, Shanghai	--	On the Asiatic and Far Eastern Economic Commission Conference
Chin Yung Jih Pao, Shanghai	--	The Principle Governing the Revision of the Customs Tariff System
Yi Shih Pao, Shanghai	--	On the Announcement by the Outer Mongolian Government
Tung Nan Jih Pao, Shanghai	--	The Urgent Problem of Economy in the Far East
Sin Wen Pao, Shanghai	--	1) Social Morale Should Be Improved So As to Maintain Peace and Order More Effectively 2) The Reopening of Germany's Foreign Trade by Britain and U.S.A.

Cheng Yien Pao, Shanghai	--	A Word of Advice to Both Management and Labor in Regard to Dispute Over COL Indices
Chien Sien Jih Pao, Shanghai	--	Several Practical Problems Connected with General Elections
Lih Pao, Shanghai	--	On the Lifting of Foreign Exchange Control
Chung Hwa Shih Pao, Shanghai	--	On the Far Eastern Economic Conference

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POLITICAL NEWS

Hung Lan-yu on General Election

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

Nanking, June 16---Hung Lan-yu, Secretary-General of the National Assembly, told our reporter that the general election will be held on schedule. Various circles are afraid that elections cannot be held in CP-controlled areas, but in fact, out of the 46 electoral districts in the country, only 11 are under the CP control, so elections can be held in two-thirds of the electoral districts. As for the number of political parties which will take part in the election, it has not yet been ascertained. However, according to estimation, there are altogether 78 political parties in the country. No provisions have been enacted to define the legality of a political party, Mr. Hung revealed.

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Student Representatives from Various Places Petition Government to Release Detained Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Nanking, June 16---Ten members of the petition delegation of the Students Federation in Shanghai, headed by Feng Wen, together with 13 representatives of the detained students' guardians including Wen Chung-hsiang and Ke Tze-ching, arrived here at 7 o'clock this morning. Ten student representatives went to the Ministry of Education at 3 o'clock the same afternoon, and were received by Vice Minister Hang Lih-wu of Education. They brought forth the following demands: 1) that the detained students should be immediately released, 2) that the so-called "black list" should be cancelled and that the arrest of students on the "black list" should be stopped so as to uphold law and order, 3) that the culprits involved in the wounding and killing of students should be severely punished, that the families of the deceased students should be duly compensated, and that the wounded and arrested students should be compensated for their losses, 4) that assurance should be given that henceforth no arrests will be made and that no cases of missing students will occur again, 5) that assurance should be given that the detained students after their release will enjoy personal safety as well as the right to continue their studies, 6) that assurance should be given that all students henceforth will enjoy the right to continue their studies as well as their personal safety during the vacation, 7) that the Ministry of Education should not discontinue the services of professors without justifiable reasons. Deputy Minister Hang promised to convey these demands to Minister Chu Chia-hua of Education.

The student delegation gave a press conference at the National Central University at 7 o'clock the same evening, at which it declared that its trip to the Capital is for the purpose of petitioning the Government as well as assuring to the latter that the recent student movement has never been used to serve the purpose of other people. It was hoped that the Government

authorities will: 1) immediately hand over the detained students to the court for trial if any evidence is found against them, 2) immediately release the arrested students if no evidence is found against them. While awaiting reply from the Ministry of Education, the delegation will file appeals with the Legislative Yuan, the Judicial Yuan and the PPC tomorrow.

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Ministries of Education and Social Welfare Request Mayor K.C. Wu to Ban All-China Students Federation

Chung Yang Jih Pao (KMT Organ), Shanghai
June 17, 1947

Nanking, June 16 (Central News Agency)---On being informed of the fact that an All China Students Federation which was established without the approval of the authorities concerned is planning to hold a meeting at the National Chiaotung University, the Ministries of Education and Social Welfare telegraphically requested Mayor K.C. Wu to investigate into this matter and to ban the said federation in accordance with law. They are of the opinion that the purpose of the students' self-government associations is to encourage the students to study hard and their activities are confined to those within the schools, hence these associations are different in character from people's bodies. In organizing a federation of students' self-government associations and extending activities outside the schools, the students are bound to neglect their studies. As there are no stipulations in Government law statutes authorizing the organization of such a federation, the authorities concerned therefore should ban this illegal body, according to the opinions of the Ministries.

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Peita and Tsinghua Students Stage Strike to Mourn Deceased Wuhan University Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Peiping, June 16---Students of the National Peking and National Tsinghua Universities staged a classroom strike for one day today to mourn the deceased students of the Wuhan University who were killed in the June 1st tragic incident. At 10 a.m. today, Professors Hsu Teh-heng, Yang Ya-meng, Fan Hung and Wu Chih-chun were invited to deliver speeches before the students. A public memorial service for the deceased Wuhan University students was held the same afternoon.

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Faculty and Students of Chiaotung University Organize Committee to Rescue Arrested Students

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

(Local News)---After calling off their strike a few days ago, the Faculty Association of the National Chiaotung University admonished the students to resume classes and at the same time, organized a committee to rescue the arrested students. The committee is composed of Wu Pao-fun, president, Chiu Wei-yu and Tsung Shao-lin, representatives of the Faculty Association, Li Kai-ti and Mao Chi-suang, representatives of the Alumni Association, and two student representatives. It will start the rescue work shortly.

The spokesman of the Student Self-Government Association said that the senior class students have already returned to classes, while other undergraduates attend only one hour's class every day and will formally resume their classes after the return of the petition delegates from Nanking.

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Shanghai Medical College Begins Summer Vacation; Students Refuse to Leave School

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

(Local News)---As students of the Shanghai Medical College refused to return to classes, the Faculty Association at a meeting decided to begin summer vacation as from June 15. However, most of the students refused to leave the school and intended to use the opportunity to organize 10 propaganda teams to engage in publicity activities in the rural districts.

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Student of National College of Social Education in Soochow Reported Missing

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Soochow (By Mail)---After the disappearance of Chou I-sou, student of the National College of Social Education, on May 28, the student representatives filed a memorandum with the City Defense Headquarters on this matter. The president of the college personally visited the peace maintenance authorities and requested the latter to conduct an investigation into this case. However, up to the present there has been no news about the missing student.

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Ta Kung Pao Special Correspondent in Canton Released

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Canton, June 16---Chen Fan, Ta Kung Pao special correspondent in this city, who was arrested on June 1, regained his freedom on the 16th, Li Tze-tsung, Chief Editor of the Chien Kuo Jih Pao (National Reconstruction Daily) and Li Shao-mu, General Manager of the same paper, who were arrested on the 1st were released on bail on the 14th. Two professors and three students of the National Sun Yat-sen University have not yet been set free. The school authorities had decided to give the final examination as from the 12th, but the students refused to attend the examination.

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Former Head of Detective Department of Wuhan Garrison Headquarters Commits Suicide

Chung Yang Jih Pao (KMT Organ), Shanghai
June 17, 1947

Hankow, June 16---Hu Shou-yang, the late head of the Detective Department of the Wuhan Garrison Headquarters, was the one who should be held responsible for the June 1 tragic incident in the National Wuhan University because of the negligence on the part of his subordinates in carrying out their duties when they were raiding the schools and making arrests. After the incident, he was discharged from his post and ordered by the authorities concerned to be punished. Ashamed at receiving such penalty, he suddenly disappeared. It was later found out that he had left a letter behind saying that he would drawn himself in the river to end his life. A body was finally discovered in the river in Ngohcheng, and the Generalissimo's Wuhan Headquarters already confirmed that it was Hu's corpse.

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Rice Riot in Chengtu

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Chengtu, June 16---While this city is facing shortage of foodstuffs, a riot broke out on the rice market at the northern gate of the city on June 14. Several hundred poor people including women and children stormed the market but were finally dispersed by the armed police.

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Major General Howard Leaving for U.S.A.

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

Nanking, June 16---Major General Samuel L. Howard, Commander of the U.S. Marines in North China, arrived here from Tientsin by plane this morning. He called on President Chiang Kai-shek to bid him farewell and also held brief consultations with Major General J.P. Lucas, head of the MAGIC. The same afternoon he left Nanking for Shanghai whence he will return to the United States. The U.S. Marines under his command will evacuate Tientsin within a specified period of time as scheduled.

Ambassador Stuart gave a farewell luncheon party in honor of Major General Howard this noon. Minister Pai Chung-hsi of National Defense was invited to attend the party.

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CP Political Agents Sneak Into East Chekiang From North Kiangsu

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

Hangchow, June 16---According to information released by the Peace Preservation Department of the Chekiang Provincial Government, 3-5 groups of CP political agents, totalling some 20 persons, led by Mao Yun, have sneaked into the Sanpei area in East Chekiang from North Kiangsu. The garrison peace preservation corps has arrested a number of them and is now making continuous efforts to round them up.

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MILITARY NEWS

President Chiang Kai-shek Summons General Sun Lih-jen for an Interview

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Nanking, June 16---General Sun Lih-jen, Deputy Commander of the Government forces in the Northeast, proceeded to the National Government Headquarters this morning to interview President Chiang Kai-shek and to report to him on the existing military situation in the Northeast. General Sun said that the report that in his trip to Nanking he had carried with him a letter of Director Hsiung Shih-hui of the Generalissimo's Northeast Headquarters to President Chiang Kai-shek is untrue. He revealed that his trip to the Capital is for the purpose of undergoing training in the Central Training Corps. He will in all probability return to Mukden after one month's stay here, he added.

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Chiang Chin-kuo Arrives in Mukden

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 17, 1947

Mukden, June 16---Upon his arrival here at 6 p.m. yesterday, Chiang Ching-kuo, President Chiang Kai-shek's elder son, called on Director Hsiung Shih-hui of the Generalissimo's Northeast Headquarters and C-in-C Tu Yu-ming of the Government forces in the Northeast and had a long talk with them the same evening. He will in all probability take a trip to Changchun.

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Chiang Ching-kuo Flies Over Szepingkai; President Chiang's Letter Dropped from Air

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

Changchun, June 16---On the way to Changchun from Mukden, the plane carrying Chiang Ching-kuo, President Chiang Kai-shek's elder son, flew over Szepingkai, and circled over the city for a while to drop from the air a letter of encouragement and comfort by President Chiang Kai-shek to General Chen Ming-jen, Commander of the 71st Army stationed in Szeping, it is learned.

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Szechuan to Conscript 58,000 Men for Current Year

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

Chengtu, June 16---According to a decree of the Central authorities, Szechuan is to conscript 58,000 men for the current year. The Ministry of National Defense has ordered the Army administrative District in Szechuan to start the conscription as from the 1st of this month. However, as these few months are the busy season for the farmers, the Szechuan Provincial Government has petitioned President Chiang Kai-shek to postpone the conscription for one month.

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MISCELLANEOUS NEWS

Nanking Cinema in Foochow Wrecked by Youth Army Men

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 17, 1947

Foochow, June 18---Owing to clashes between the employees of the Nanking Cinema in this city and the Youth Army men yesterday, the theater was completely wrecked by the soldiers, and the film of the picture "Wartime Bride" was burned. All the movie cinemas here suspended their business today as a sign of protest and demanded that the Government should seek a rational solution to this incident.

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SPECIAL & FEATURE ARTICLES

Before and After the Reorganization of the Sinkiang Provincial Government

by Lin Yen

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 12, 1947

The Sinkiang Provincial Government has been reorganized. Newly appointed Sinkiang Governor Masud Sabre and Secretary-General Aisa (?) were sworn into office in Tihua on May 28. Masud Sabre is a Uighur, one of the native tribes of Sinkiang. He hails from Ining. He is the first Sinkiang tribesman, particularly a Uighur, who has ever been placed on so elevated a government post through lawful procedures. This amply shows that Sinkiang has entered a new stage.

After the peaceful settlement of the Ining Revolt through the firmness, patience and wisdom of Gen. Chang Chih-chung, an epoch-making government came into being in Sinkiang. This government was very rich in coalition flavor, embracing a variety of youthful politicians and administrators who came from all creeds and beliefs, all traditions and conventions. It was necessary for Gen. Chang Chih-chung to concurrently take a hand in the government of the province because his experience, far-sightedness and patience were valuable and indispensable to the fledgling administration. But as he is the Director of Generalissimo's Northwest Headquarters, the objective of his mission embraces the whole vast Northwest so that he could not concentrate his full attention and energy on the Sinkiang administration alone.

On the eve of the Double Tenth celebration last year, a magnificent banquet was given in Tihua's No. 2 hall, the West Hall. While drinking a toast to the prosperity of the State, Gen. Chang made the following simple address:

"All of us civil servants who come from the interior, carry with us the earnest desire of assisting our compatriots in Sinkiang in the reconstruction of their province, and we sincerely hope that Sinkiang will soon be able to stand on her own feet and govern herself. It is my belief that the next man who succeeds me as governor of Sinkiang will, in all probability, be a native son of the province."

The next day, a diplomat of a friendly nation told me: "Minister Chang's ideas are indeed ahead of many statesmen of your country. I understood quite well what he meant...."

So the appointment of Masud Sabre as Governor of Sinkiang was quite a natural thing.

However, when this news became "news" in society, it did arouse no small surprise and bewilderment in many quarters.

The quickest reaction came from the aboriginal young military clique in Ining who had broken loose from political control. These elements consistently had in mind the pursuance of an extreme course of violent revolution and held obstinately to their ideal and dream of an "Eastern Turkistan Republic." They not only wanted to oust all the Hans from Sinkiang but even the Uighurs and other native tribesmen who were at variance with them. So in their minds, Masud Sabre is the scum of the race. They opine that since Gen. Chang Chih-chung could not concurrently serve as Sinkiang Governor, his successor should at least be a person like Abomatichang or one of his associates.

But another group of people who stood in another corner regarded the rise in power of Masud Sabre with great astonishment. This group of people includes the native-born Hans, the majority of Moslem Kazaks, quite a great

number of Uighurs, Uzebeks, Kirghiz, Tartars, and the law-abiding and patriotic Hsi (?), Su (?), and Manchu races. These people could be said to be a group of very simple-minded innocents. Their only hope for Sinkiang is peace and stability and they are against those who favor the theory of an "Eastern Turkistan Republic." They look upon the post of Provincial Governor as almost sacred, opining that unless the chosen man has some distinguished accomplishments, enjoys international prestige and esteem and at the same time is able to follow the spirit and methods of Gen. Chang Chih-chung by strictly upholding law and discipline, he will not be found equal to the task. They think that Masud Sabre is a good supervisory commissioner and an esteemable old man, but they never thought that so genteel an old man would take upon himself so burdensome a task in the Provincial Government. Since the announcement of Masud Sabre's appointment to this office has now been made, these people feel that "the Government has its own reasons for such a choice." But there are two points which still worry them. These are:

(1) Masud Sabre is, after all, a native of Ining, and in Ining there are not a few extremists who are hindrances to the realisation of the peace agreement.

(2) Masud Sabre is a genteel old man and it is quite likely that the task before him is beset with obstacles and difficulties.

Another very small minority of die-hard Hans and Uighurs are deeply convinced that Masud Sabre will not be loyal to the Central Government. It is, therefore, their opinion that to give the governorship to him is tantamount to giving up Sinkiang.

However, keen observers and just critics are quite satisfied with the recent reorganization of the Sinkiang Provincial Government. They unanimously agree that Masud Sabre, with his lofty virtues and good reputation, coupled with the assistance of young and promising Aisa as Secretary-General as well as the cooperation of Abomatichang and Abasoff (?), is the most appropriate man to guide the destiny of Sinkiang through the transition period preceding the enforcement of the Constitution.

I remember that after the signing of the Ining Peace Agreement last year, the U.S. Consul in Tihua, Mr. Robert Ward, confided to me this: "The security of Sinkiang hinges on four persons, that is, Gen. Chang Chih-chung, Soviet Consul Sarvilov (?), Waichiaopu Special Commissioner Liu Tseh-jung and Chief-of-Staff Sun Hsi-lien (Sung was then Chief-of-Staff of the Generalissimo's Headquarters). All four of them are indispensable and not a single one of them can be left out."

I know what Mr. Ward meant. That is to say, under the peculiar situation prevailing in Sinkiang, the officials in charge of various quarters should have the fundamental traits possessed by the above-mentioned personages, which are: (1) Not to go to the extremes; (2) not to appeal to emotions; (3) not to be narrow-minded and biased; and (4) not to flinch in faith and confidence.

Certain important personages are of the opinion that if Masud Sabre wants to make his mission a success, he must give the afore-said four conditions full attention and thorough consideration.

At present, whether or not the members of his Provincial Government will undergo reshuffle is a matter of deep concern to the people in Sinkiang. The people expressed great regret over the departure of the ex-Secretary-General of the Provincial Government, Liu Meng-chun. Various quarters now pay close attention to the doings of the remaining Han, Moslem and Kazak members of the Provincial Government, like Chu Wu, Wang Tseng-shan, Ku Chien-chi, Pai Wen-yu and Kalimuhan (?). In reality, these men are the indispensable characters of the Sinkiang Provincial Government in future. Whether or not Abomatichang and the other Provincial Councillors coming from among the people in Ining are able to make any effective contributions will be of vital consequences to the Sinkiang Government.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 376 June 18, 1947

EDITORIAL COMMENT

Marshall's Plan of Extending Economic Aid to Europe

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

There is no difference between Marshall's plan of extending economic aid to Europe and the Truman doctrine, because it is the common aim of these two men to "guard against Communism". So far as the United States is concerned, there are two courses open to her: One is to save the world and mankind with her surplus wealth in an entirely unselfish spirit and without the least intention of dominating the world. The other course is to dream of dominating the whole world, as she is now better placed economically and militarily than any other nation, in which case the Truman doctrine will become a new imperialism.

Today, the people of the whole world need economic recovery as well as political freedom. The Marshall plan is worthy of praise because he understands the economic needs of the people of the different European countries. However, political freedom is the soul of a country and a people. It is true that the vast majority of the people of the different countries dislike the Soviet way of instigating the Communists in those countries to wrest governing power by force. However, the United States has been supporting the rightist political parties in the different countries in their struggle for governing power, in oppressing the Communists, and in preventing land and economic reforms which the people of those countries urgently need. This is also disliked by the vast majority of the people of the poverty-stricken countries. We hope that both the United States and the Soviet Union will respect the political freedom of the people of those countries, instead of making the millions of people of those countries victims of their struggle for world supremacy. (Summary)

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Look Straight at the Delicate U.S.-Soviet Relations

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

Mr. Henry A. Wallace, former U.S. Secretary of Commerce, made a speech at Washington yesterday, proposing that the heads of State of the United States and the Soviet Union meet and try to iron out all differences of opinion between the two countries, so as to avert a Third World War.

Not only is the mutual suspicion between the United States and the Soviet Union deepening steadily, but the split of the post-war world in two is becoming more and more evident. The most outstanding characteristic of the plan for economic cooperation among the various European nations which U.S. Secretary of State Marshall has recently proposed is the inclusion of Soviet Russia in the scope of economic cooperation in Europe, with a view to easing the tension between the people of the United States and Soviet Russia. However, there is very little likelihood that the Soviet Union will approve the American plan. While Mr. Wallace's views sound very attractive, yet, after all, they are just a beautiful, impracticable dream. (Summary)

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On Mr. Wallace's Speech

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 18, 1947

We feel that there are two basic causes for the present U.S.-Soviet conflict. One of these is ideological, and the other is due to their struggle for supremacy. If an effort is not made to solve the problem from these two angles, all empty talk will be futile.

As Mr. Wallace has failed to understand the basic causes of the U.S.-Soviet conflict and has blamed only one of the two parties for the conflict, the plan he has proposed will be impracticable and will not be of any help to the present international situation. (Summary)

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Execution of Japanese War Criminals in Shanghai

Chung Yang Jih Pao (KMT Organ), Shanghai
June 18, 1947

Yesterday afternoon, tens of thousands of Shanghai residents enthusiastically witnessed the parading prior to their execution of Harochi Yonemura, the "Wolf of Changshou", and Jiro Shimota, the "Tiger of Kiangyin".

First, we believe that all those who witnessed the parade and who saw the arrogant and disobedient attitude taken by these two executioners before their own execution must have felt that the desire of aggression on the part of the Japanese people has not yet been completely removed, and that it is quite possible that the Japanese militarists will again invade China some day.

Secondly, we also believe that while every Shanghai resident who saw and heard of the parading and execution of these two Japanese war criminals was gratified, yet because of this he deplores all the more the fact that China, which is one of the victor nations, now finds herself in such a plight.

Therefore, we cannot but call upon every one of our fellow-countrymen to wake up and exert his best efforts to remove the obstacles in the way to national reconstruction and to prize and maintain the fruits of victory, so that the remnants of the Japanese militarists will not laugh at us and consider us once again as the object of their aggression. (Summary)

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You Must Not Consider Destruction as Your Objective

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 18, 1947

During eight years of war, China sustained very heavy losses. In recent years the Government has given close attention to the development of heavy industries. The National Resources Commission has secured the services of large numbers of qualified people, and although since V-J Day, the industrial basis which the Japanese have left behind in the Northeast has been largely destroyed, yet Mr. Chien Chang-chao, former Chairman of the N.R.C., after having made an inspection trip to the Northeast, felt that a great deal could still be done. The N.R.C. has taken over control of more than ten industrial and mining enterprises in the Northeast. According to a report which Dr. Wong Wen-hao, the present Chairman of the N.R.C., made to the PPC at its recent session, the Fushun and Fuhsin Mines are capable of producing 6,000 tons of coal daily, and 60 tons of iron can be smelted at Anshan daily. In addition, 400,000 tons of coal can be produced monthly by the Kailan mines in Hopei. These are the most important industrial centers in China. Only by preserving these industries will the industrialization of China be possible.

Unfortunately, the raging war is now approaching these industrial centers. According to a report from our special representative, the output of the Fushun, Penhsi, Peipiao, Fuhsin and Sian mines has been greatly reduced due to the military situation and the shortage of electricity. The repair of the dyke at the Hsiaofengman Hydroelectric Plant has been suspended. Since the Government invested $700,000,000, Northeast currency, in the Penhsi Coal and Iron Company, the equipment and efficiency of that company have been steadily improved, so that it is now capable of producing 165 tons of coal and 50 tons of steel, daily. Now, however, the staff of the company have had to be evacuated, and according to a responsible official of the company, if the equipment is further damaged, it will be very hard to repair it in the future. With war raging in the Northeast, we cannot but be worried about the fate of the industrial and mining enterprises there.

We wish to reiterate here that all public and private equipment is the property of the State and of the people, and should not be considered as an objective of the fighting. During the advance or retreat of an army, such equipment should not be destroyed. Whether from the standpoint of the nation's resources, or from that of the goodwill of the people, or from that of their own political life, the warring parties must be more far-sighted and must stop destroying such equipment at will. (Summary)

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Other editorials not translated: Dated June 18, 1947

Shang Pao, Shanghai	--	New Crisis Facing Industry and Commerce
Chin Yung Jih Pao, Shanghai	--	The Technique of Carrying Out the Savings Policy
Yi Shih Pao, Shanghai	--	Obstacles to Economic Reconstruction in the Far East
Tung Nan Jih Pao, Shanghai	--	The Concentration of Capital in the Cities
Chien Sien Jih Pao, Shanghai	--	Marshall's Program for Aiding Europe
Lih Pao, Shanghai	--	Sinkiang Incident and China's Foreign Policy
Cheng Yien Pao, Shanghai	--	China Should Be Given Aid First in Order to Rejuvenate the Far East
Ho Ping Jih Pao, Shanghai	--	1) A Survey of the Recent Civil War Situation 2) Unrest in Europe

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POLITICAL NEWS

Negotiations on War Reparations to Be Paid by Italy to China Concluded

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

(Local News)---It is learned that through the efforts of Yu Chun-ki, Chinese Ambassador to Italy, and the Italian Foreign Minister, the negotiations on the war reparations to be paid by Italy to China have been satisfactorily concluded. Italy has agreed to pay a war indemnity of 100,000,000 liras (one pre-war lire was equivalent in value to one Franc or to about US$0.19) and US$20,000 to China. The results of the negotiations will be officially made public as soon as a final decision is made. This indemnity will be used to compensate China for the following losses: 1) the losses which the overseas Chinese in Italy incurred in wartime, 2) the money which the Chinese Government used to accord relief to Italian residents in wartime. How the indemnity will be paid will be decided upon in further consultations, it is learned.

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Democratic Leaguers to Entertain American, British and Soviet Ambassadors

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

Nanking, June 17---Democratic Leaguers Messrs. Huang Yen-pei, Shen Chun-ju, Chang Po-chun and Lo Lung-chi are scheduled to give a dinner party on the 17, 18 and 19 to U.S. Ambassador Leighton Stuart, British Ambassador Sir Ralph Stevenson and Soviet Ambassador Petrov, respectively.

Mr. Chang told our reporter that the dinners to be given are for the sole purpose of returning the hospitalities they received and also to bid farewell to the departing Soviet Ambassador.

It is further learned that since the moving of the General Headquarters of the Democratic League to No. 30, Mei Yuan, preparations for the opening of the new office have already been completed. The League's Standing Committee members, Lo Lung-chi and Chang Po-chun, intend to take up permanent residence in the Capital.

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Detained Student Refuses to Be Released on Bail

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

(Local News)---Of the 18 Chiaotung University students on the blacklist, Yu Shih-kwun and Yang Fu-sheng have already been arrested and detained, while the others have gone into hiding. At 10 o'clock yesterday morning, the students of the said university held a meeting at the gymnasium to show their sympathy for these schoolmates. Pictures of the 18 students with their respective brief biographies were hung over the wall at the gymnasium. Chen Shih-ying, an old professor, delivered a speech urging the students to calm down their anxiety and to return to classes at an early date. If they insist on continuing the strike, the school will have to announce the beginning of the summer vacation as from June 19, Professor Chen said. The students indicated that a final decision will be made after the return of the petition delegates from Nanking.

Yang Fu-sheng who was nabbed and detained by the police is the nephew of a well-known physicist, Sa Pen-tung, and Sa has requested the competent authorities to release Yang on bail and the bail was granted. However, in a letter written to his uncle, Yang said that he would rather share the suffering with the other detained schoolmates than to be released on bail alone.

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MILITAR NEWS

Chiang Ching-kuo Leaves for Fushun and Tiehling to Comfort Government Troops

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

Mukden, June 17---Chiang Ching-kuo, President Chiang Kai-shek's elder son, has postponed his trip to Nanking on June 18. He Will return to the Capital together with Tung Yen-ping and Chang Chien-fei, members of the mission to Port Arthur and Dairen, who will report to the Central Authorities on the findings of their inspection tour.

It is learned that after his arrival here, Chiang Ching-kuo personally delivered President Chiang Kai-shek's confidential letters to Director Hsiung Shih-hui of the Generalissimo's Northeast Headquarters and C-in-C Tu Yu-ming of the Government forces in the Northeast respectively. Chiang left here for Fushun and then for Tiehling by special train today to comfort the Government forces stationed there.

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Measures Promulgated by Ministry of National Defense Regarding Conscription in Nanking, Shanghai and Kiangsu

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 16, 1947

(Local News)---It is learned that the Ministry of National Defense has promulgated the following measures regarding the conscription work in this city:

1) Drafting of conscripts and enlistment of volunteer recruits should be carried out simultaneously. The conscripts should be well treated and receive training for a longer period.

2) The Kiangsu Army administration district should call a meeting of responsible officials in charge of various regiment administrative districts to draw up measures for the enlistment of volunteer recruits.

Enlistment of volunteer recruits in Nanking, Shanghai and Kiangsu will be started as from August 1.

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Explains Setup of Ministry of National Defense

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 16, 1947

Nanking, June 15---Though one year has elapsed since the inauguration of the Ministry of National Defense, its setup is still little known to various quarters. A certain official of the Ministry explained the setup to our reporter as follows:

The Defense Ministry is directly under the Executive Yuan and the Defense Minister is one of the ministers of the Executive Yuan as well military advisor to the President of the National Government. The Defense Minister is responsible for the shaping of the general policy relative to military administration on behalf of the Government, and with all manpower, financial and material resources at his disposal, supervises the enforcement of orders and decrees promulgated by the Defense Ministry.

The Chief of the General Staff is, the same official pointed out, the chief of staff to the Supreme Commander as well as chief adviser to the Defense Ministry in administrative matters. At the same time he is commander of the National Army, commanding all forces on behalf of the Supreme Commander. The C-in-C of all land, sea and air forces are also commanders of the respective forces under them and they carry out their duties in accordance with the plans drawn up by the Chief of the General Staff.

The organization of the Defense Ministry is based on the principle of a clear demarcation of policy-making and administrative power. The Defense Minister exercises the policy-making power on behalf of the Government, while the Chief of the General Staff and the army commanders command all the armed forces. The general military

administration is under the guidance of the Minister, while in the issuance of military orders, the Minister is directly responsible to the Supreme Leader and exercises a unified command over the land, naval and air forces, thus laying the foundation of the most progressive and up-to-date military setup in this country.

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ECONOMIC NEWS

State Operated Factories to
Be Put to Sale Shortly

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 18, 1947

Nanking, June 17---The state operated corporations and factories will soon be put on sale but the sale of the China Textile Development Corporation will be started probably early in the next month.

As to the method of the sale, the buyers may buy either the shares or the entire factory. It is learned that the sale of shares of the China Tobacco Corporation and the Cotton Spinning and Weaving Machine Manufacturing Corporation will be started in Shanghai within this week.

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House-to-house Solicitations for
Subscriptions to US$ Bonds and Treasury Notes to
Be Sponsored

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 18, 1947

(Local News)---A certain responsible official of the Secretariat of the Committee for the Promotion of the US$ Bonds and Treasury Notes is reported to have stated:

"Two large-scale campaigns will shortly be sponsored by the Committee for pushing the sale of US$ Government Bonds and Treasury Notes. The object of the first campaign will be the households. The Police Bureau will be requested by the Committee to notify various district heads and "Pao" and "Chia" chiefs under its jurisdiction to act as guides to the members of the Committee in approaching each and every household with a view to asking them to subscribe to temporary order slips of US$ Treasury Notes. Each household should at least subscribe US$10 worth of Treasury Notes at an official rate of exchange of CN$120,000. A certificate of honor will be pasted on the door of the household making such a subscription as an encouragement. The object of the second campaign will be the public bodies. Temporary order slips will be delivered by the Committee to these organizations, asking the latter to make voluntary subscriptions, the collection of which will be undertaken by shroffs of the Committee."

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Foochow Inundated by Flood; Rice Price Soars

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 18, 1947

Foochow, June 17---This city has been inundated by flood. Rice merchants here have taken this opportunity to hike the price of their stocks. The rice price has reached $580,000 per picul, it is learned.

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Many People in Foochow Commit Suicide as Result of High Cost of Living

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 18, 1947

Foochow, June 17---As commodity prices are extremely high here, the salaried workers find themselves unable to maintain their living. Sometime ago, the wife of Hsu Chun-mei, inspector of the Educational Department of the Foochow Provincial Government, and that of Chen Peng, inspector of the Municipal Police Bureau, committed suicide, while Chen Peng himself also jumped into the river for four times in an attempt to end his life, but each time he was rescued.

On June 16, Lin Hsi, a woman teacher, ended her life by taking twenty sleeping tablets. Besides, a number of persons tried to commit suicide by lying on railway tracks or by drowning themselves in the river, but they were rescued.

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NEWS OF COMMUNICATIONS

Train Services on Peining Railroad Resumed

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

Peiping, June 17---The damaged steel bridge near Lofa on the Peiping-Tientsin railway line has already been completely repaired. Train services along the Peining railroad, which were suspended for several days, are resumed today. The Peiping-Mukden express train left the Peiping station with overcrowded passengers and at a reduced speed.

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NEWS OF CULTURE & EDUCATION

Six Universities and Colleges to Set Up New Schools, Departments and Courses

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 18, 1947

Nanking, June 17---With the approval of the Ministry of Education, six universities and colleges will set up new schools, departments or courses. The Nankai University will set up a school of engineering, the Hunan University, a department of cooperatives and the Nantung College, a department of agricultural economy. The Great China University will restore the department of engineering. The Chung Cheng University in the Northeast will open new courses on Russian language and the Peiping Industrial College will open new courses on varnishing.

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SPECIAL & FEATURE ARTICLES

A Distant Dream

-- On the steps the United States is likely to take --

by
Chu Chi-ping
Ta Kung Pao special correspondent

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 8, 1947

Everybody is aware that the world today is passing through a period of radical changes rarely witnessed in history. Owing to the appearance of the atomic bomb and the victory which Soviet Russia won in World War II, this period is perhaps equal in importance to that of the English Industrial Revolution of the 19th Century and the successful Russian social revolution of 1917, combined. No matter how narrow-minded the people at present are, there is no denying that the atomic energy will, like the introduction of machinery in the past, completely revolutionize industrial and agricultural production in future; and no matter how people dislike or like Soviet Russia, it is a fact that her hard-won victory and growing strength will make her doctrine and influence more strongly felt in the world today than at the time of her first renaissance. I wish here to summarise the situation prevailing in the United States and also to express briefly my views.

To protect capitalism

The current general trend in the United States is: In the midst of the current world trend towards the left, to see how to resist the external and internal pressure, how to preserve the traditions of the country, how to protect private property and how to preserve the capitalistic economic system.

After World War II, Europe is evidently moving gradually towards the left. The countries near Soviet Russia, namely, Poland, Czechoslovakia, Yugoslavia, Bulgaria, Rumania and Albania, are often referred to as satellites of Russia by American papers. But, as a matter of fact, it is not too much to call these countries the friendly allies of Soviet Russia.

The Communist Party in France is a major party and a powerful one in Western Europe. Though recently this party collapsed under the pressure of the Truman Doctrine, yet its influence still remains.

The British Labor Party Government frequently nationalizes major economic enterprises. During the serious coal shortage last winter, the Conservatives were still unable to regain power, for the moderate socialistic measures adopted by the Labor Party had won the support of the practical and full-of-common-sense Britishers.

Even in defeated Germany, the activities of the Communists and Leftists not only overshroud the whole Soviet occupation zone but have also penetrated into the British and American occupation zones. If the British and American authorities had not taken any steps to control and restrict such activities, it is quite likely that the German Communist Party would already have become, through the medium of labor unions, the leader of all political activities in Germany.

In Italy, the Communist Party is very powerful and is growing stronger. The inhabitants of Sicily Island, who are known for their conservatism, also cast their votes for the Leftists.

Look at Asia! In newly rising India where boundless hopes glimmer through thorns, Nehru's rich socialistic ideas will certainly not lead India into the sphere of influence of Capitalism; in the South Seas areas, the movement for racial self-determination is a challenge to the old forces; in unsettled China, there is no denying how powerful the CP is, and the current economic crisis is helping to enhance its influence.

In the New World, in the Central and South American countries, despite the totalitarian regime in Argentina, the leftist trend is growing, for instance, in Cuba and Chile.

In the world today, the United States feels herself becoming more and more isolated. The sphere of activities of Capitalism is narrowing down from day to day. The United States has become the last citadel of Capitalism.

But the progress of Capitalism has not yet come to the end of the road. The richness and abundance of natural resources in America, coupled with the excellent production technique of her people as well as the astounding production capacity, enable the Capitalists to reap huge profits and also assure the hard-working common people a descent living. The vast majority of middle-class people, though critical of the existing system, are not too harsh or severe. America has emotionally no ill feeling against the Capitalism on which the country is founded, and since the people can still exist they have no wish to see it collapse. Since Capitalism has not come to the end of the road and since the people have no wish to see it collapse, it is but natural that something should be done to protect it. Moreover, the objective environment also makes its preservation possible.

Judging from the above viewpoints, we can say that the ruling Truman Government, the Republican-Conservative Congress and Henry Wallace whom the people regard as a traitor, are all pursuing the one common goal of preserving Capitalism, though the methods they use are different. It is through these different methods that we shall look at the U.S. domestic and foreign policies.

Serious economic situation

In the U.S. today, that which causes the greatest public concern is the soaring of commodity prices. Since last year when, under the urge of Capitalists and the half-hearted opposition put up by President Truman, Congress lifted the price controls, commodity prices have been steadily climbing. Before the removal of the price controls when the public was hotly discussing the matter, the "National Association of Manufacturers", representative of the Capitalists, repeatedly stressed the point that once price control was lifted, factory owners would have to increase their output in face of free competition, thus bringing down the prices as a result of the abundant supply of goods. The past year has amply proved the falsity and inaccuracy of this forecast. The effectiveness of Truman's recent appeal for voluntary price control was equal to naught, while no further steps are being taken by the Government in this direction.

Now the price problem has become more serious. Whether among friends, in the newspapers and periodicals, or on the air, this question is constantly made the No. 1 topic of discussion. Despite the attention given to it by the public, the Government has done nothing. Congress is day in and day out occupied in devising measures for curbing labor trouble and for making drastic cuts in the State budget. Truman is forever wearing a smiling face. But the purchasing power of the general public is falling steadily.

A committee headed by the former OPA chief Chester Bowles and composed of 11 liberal economists, recently published a report on the current U.S. economic plans, in which it pointed out that the country is in face of a small-scale economic slump and that a serious depression like that of 1929, is only a matter of 3 to 6 years if no precautionary measures are taken to avert it. If a minor slump cannot be effectively checked, it is then all the more hopeless to cope with a big depression when it comes.

Certain big capitalists secretly hope for a small slump so that they can take the opportunity to incorporate the medium and small-sized industries which can no longer carry on, thus enlarging their own trusts. This may well be an ideal dream, but the point in doubt is that perhaps it will not be easy to check the slump once it comes and that a big depression will follow close in its wake.

Commodity prices may drop as a consequence of low purchasing power, but as a rule after the drop in price, purchasing power cannot be immediately restored, as it takes a certain period of time for its recovery. The longer this period, the graver the situation is, the more unemployment and closure of factories, and subsequently, the crisis will be enlarged and society thrown into chaos. The rising of prices has already brought the U.S. face to face with a serious economic crisis.

At the face of this grave danger, though the Republicans are so short-sighted as to overlook the destructiveness which such a crisis will inevitably and ultimately bring to Capitalism and as to relish on the momentary fat profit and look on with folded arms and though Truman, whose eyes are fixed on the 1948 Presidential election, is unwilling to antagonize the rich people at this time, yet public reactions are strong at times.

The more conservative people hold that the Government should negotiate with the 200 import firms which control all enterprises in the whole country, to establish a lasting organization which will voluntarily and in a spirit of cooperation, endeavor to relieve the crisis. The progressive elements opine that the current critical situation is due to the fact that the big industrialists who amassed huge profits as a result of the raising of commodity prices, have not invested these sums on positive productive enterprises, but instead, have deposited the same as dead savings, and also because the salaried classes and those with fixed income are unable to purchase the goods supplied by productive enterprises with their meager income, So these elements advocate the lowering of commodity prices and the raising of salaries. It is their opinion that as a result of America's growing productive power, the raising of salaries will not greatly affect profits, so that the owners can still make money. They also hold that in order to make the big industrialists reduce commodity prices, increase production and raise wages, it is imperative that the monopolistic control of the big capitalists be shattered. At the same time, their capital should be directed to invest in certain designated fields so that it will not remain idle.

In short, the progressive elements are in favor of restoring the purchasing power of the people, and the means proposed by them for this end are rich in the flavor of planned economy. The opinion of Mr. Henry Wallace on this question is quite similar. He advocated the lowering of commodity prices, the raising of salaries and the nationalization of coal mines as means for tiding over the economic crisis.

To be indifferent to this issue is not a satisfactory policy. The economic crisis is steadily expanding. Whether good or bad, a way must be devised to cope with it. This will be clear within half a year's time.

"Truman Doctrine" depreciating

The "Truman Doctrine" is the core of U.S. foreign policy. At present, this doctrine is no longer as popular as in the days gone by. After the announcement of the U.S. loans to Greece and Turkey by Senator Vandenberg and Gen. Marshall, respectively, all further considerations for future foreign loans have been temporarily shelved until investigations are completed. It is a question whether or not the Republican Congress, under the principle of reducing expenditure, will smoothly pass future motions relative to loan extention.

The attitude of the press has also changed. In an article published in his special column on the May 20 issue of the New York Herald Tribune, Walter Lippmann, famed political commentator, pointed out that the "Truman Doctrine" is hardly welcome in England and Europe. Mr. Lippmann also stated that England will not follow in the steps of this doctrine and, judging from facts, will adopt a constructive policy to serve as a bridge between the U.S. and Soviet Russia so as to avert a war between the two.

But this does not mean that the "Truman Doctrine" is henceforth heading down the slope or taking a temporary respite. Under the constant influence of the capitalist-controlled propaganda machinery, quite a lot of people in America actually believe that Soviet Russia is indeed detestable. Many people are of the opinion that the frictions between America and Soviet Russia will not be easily eased either this year or several years hence and during these years each will continue to extend its sphere of influence. These people also think that it is the firm belief of Soviet Russia that the American-style Capitalism, under the low standard of living prevailing in the world at large where hardly any economic prosperity could be foreseen, will find it hard to keep up; that Soviet Russia believes America will not be able to continue to extend loans to foreign countries and that the result is a total collapse and world depression.

In the minds of these people, the "Truman Doctrine" is an excellent policy to deal with Soviet Russia. They regard the U.S. aid to Greece and Turkey as only a prelude to the establishment of anti-Soviet and anti-Communist governments in these two countries as well as in others.

Rumors from Washington have it that "Trumanism" will, in the coming one year or a half, extend to other countries loans amounting from US$2 billion to US$4 billion, or US$5 billion as some put it. There are also people who associate this doctrine with America's economic situation, saying that Truman and the capitalists intend to use this as a means to solve the domestic crisis.

Will the goal be attained?

As the U.S. Government has no fixed domestic policy, there is no way of discussing this point. As to its foreign policy, will the present one attain the ultimate goal of protecting Capitalism?

In the case of Greece, the United States is giving help to a government which is the most incompetent and corrupt in Europe, and which is a product of feudalistic society and capitalism. The lavish economic aid and the great number of American-equipped Greek national troops may perhaps assure stability in Greece for the time being, but when the money is used up and American arms and ammunitions are exhausted, Greece will face the same old problem as before.

As regards Turkey, frankly and clearly the U.S. is giving her military aid to resist Soviet oppression. The primary aim of assistance to Turkey is to protect the oil fields in the Middle East.

Regarding Germany, the United States, while mindful of the possibility of rearmament and of the revival of the cartels in that country, hopes to restore its unified economic system. America's aim is not only to curtail occupation expenses and to obstruct the Soviet reparations demands but also to see German industry revived, economy restored and society stabilized so that it can resist the kind of socialistic economic policy as well as political pressure exerted by Soviet Russia. In other words, the U.S. wants to make Germany an important stronghold on the perimeter of American Capitalism.

The above points dealt with Europe. Now let us look at Asia. That the Philippines is a prolongation of the United States and Manila an appendage of Washington is quite clear and evident. In American-occupied Japan, the Emperor, the militarists and the plutocrats, who for 6 to 7 decades trampled on China, and who brought calamity to the whole of East Asia, are still left intact today. Not only are these institutions intact but that, with the help of American occupation forces, they still control and rule Japan. Though the U.S. thinks of making Japan an anti-Soviet base, yet could Japan not use this same base to embark once again on a campaign of creating a "Greater East Asia Co-Prosperity Sphere"? The Japanese people are now quite willing to become the running dogs of American capitalists.

It is learned that Southern Korea will soon get a US$75,000,000 to US$100,000,000-loan from the U.S. (not affected by the recent statements made by Senator Vandenberg and Gen. Marshall, as the loan will be appropriated from the budget of the U.S. War Department), for the support of the Rightist movement against the menace coming from Northern Korea.

The "Truman Doctrine" aims at establishing a defense line for American Capitalism throughout Europe and Asia by means of American dollars and troops, and this line may be completed within a short time, thus forcing Soviet Russia to retreat. However, "Trumanism" has three serious weaknesses:

Three weaknesses

(1) By and large, Capitalism is on the decline at the present time. Today, the United States is much stronger than Soviet Russia, but ideologically, the latter occupies a more advantageous position. A planned economy is really better than a free economy. Although she is weak, yet Soviet Russia has no economic crisis. No matter how people may think of the Communists, they are firmer in their faith, better in their organization, and more exuberant in their spirit than the believers of any other "ism". This is what American Capitalistic politics lacks. The source of U.S. strength lies in her matchless productive power, but this involves quite a number of factors, such as the rich natural resources, the technological abilities of the people, and the fact that the country did not suffer directly from the last two World Wars. This does not mean that Capitalism is a sound doctrine. Given the necessary period of time, Soviet Russia will not necessarily lag behind others forever.

(2) Truman has ignored the Socialist tendencies on the Continent of Europe. The fact that many of the European countries have inclined to the left has already been briefly referred to above, so we do not propose to discuss it here. Probably this inclination to the left has been due partially to Soviet influence, but, mainly, it is an indication of the social progress made and has been brought about by the natural development of the situation. This tendency has been caused by the times, and certainly cannot be checked by any reactionary force. The U.S. dollar and U.S. munitions may cause sudden storms in this current, but will never be able to change its course.

(3) In the Far East, the "Truman Doctrine" supports the remnants of feudalism and the bureaucratic capitalists in their effort to resist the people's struggle for the right to decide their own destiny, and to repress the demand of the vast majority of the people for the amelioration of their living conditions. Without discussing the moral significance of this matter, we are sure that even from the point of view of self-interest, the "Truman Doctrine" is doomed to failure in this respect. Like the leftist tendency in Europe, the revolution in the Far East is now at its height, and "those who follow it will be able to exist, while those who go against it will perish."

The "Truman Doctrine" is destined to fail.

There is another course

However, the failure of the "Truman Doctrine" would not mean the failure of American Capitalism. Although Capitalism is on the decline, yet because there are other conditions in the United States, there is still a possibility that Capitalism will be able to continue to exist and even to develop in that country. So far, none of the well-known political personages in the United States has attacked Capitalism and supported Communism. Even Henry A. Wallace has declared that he is anti-Communist.

If the "Truman Doctrine" fails, how is the United States going to maintain her Capitalism? Among the materials available right now, there are the views expressed by Wallace, a leftist member of the Democratic Party, and by Harold Stassen, a progressive member of the Republican Party.

The Wallace Movement

Since his return from Europe, Wallace has been making speeches in different parts of the United States and has writing articles in the periodical, the "New Republic", of which he is Editor, opposing the Truman doctrine and expressing his views. Wallace feels that a movement for world reconstruction should be launched with American resources under the administration of the United Nations. It is his desire to mobilize the reconstructive resources of the world to rebuild the areas that have been devastated by war and to develop the backward countries. He says that this work will require a period of ten years and a sum of US$150,000,000,000, of which one-third will be required by Europe. He feels that one half of the total amount required should be raised locally, but that the United States, which possesses 40% of the total productive power of the world, should be mainly responsible for supplying the various countries with goods. In order to restore the pre-war living standards in Europe and Asia, it will be necessary for the United States to export US$5,000,000,000 per year for a period of five years. In order to raise the living standard in East Europe to the same level as that in West Europe, a similar sum of money will be required. And in order to raise the living standard of the hundreds of millions of people in Asia, it will be necessary for the United States to export US$100,000,000,000 to that part of the world over a period of several decades. Wallace feels that this huge sum of money should be handed over to the International Bank for Reconstruction and Development for administration, and that the United Nations should make proposals as to how the money should be used.

What a great plan this is! Wallace understands the difficulties of the world and also mankind's demand for improvement of their living conditions. He wants the Americans to contribute their money and their energy in order to lay a foundation for a lasting world peace. If American Capitalism really can adopt this course, it will stop declining and will prosper and light the entire world.

Stassen's views

Stassen also feels that the world needs to be rebuilt, though on a smaller scale and in a different way. He feels that a "plan for production for peace", whereby during the next decade the United States will devote 10 percent of the manufactured goods and foodstuffs produced by her each year to the reconstruction of the world, should be carry out. He is of the opinion that this plan should be carried out under the administration of the United States and that the United Nations should only play an advisory role in this connection. The countries receiving aid should, he feels, supply the raw materials, and the governments of the countries receiving aid should conclude treaties with the United States whereby they will undertake to safeguard the economic freedom of the individual and not to socialize the industrial enterprises in their countries by putting them under Government operation. Stassen says that this will also help to solve the economic crisis in the United States itself.

Now, the reader can see that no matter how different in content the "Truman Doctrine", Wallace's world reconstruction movement, and Stassen's plan for production for peace may be from one another, they have three things in common: (1) They all recognize that the world is faced with problems, (2) they all feel that the United States should do something, and (3) they all support American Capitalism.

The American people is the guarantee

Earlier in this article I have boldly forecast that the "Truman Doctrine" will eventually prove a failure. However, the question now is: Will Truman, who is now at the helm of the State and who is implementing this doctrine, bring a major catastrophe before he fails? Moreover, the Congress is now dominated by the conservative elements of the Republican Party.

This, of course, will have to be decided by the American people. In general, people say that the Americans are a young and active people, which is right, but this is no guarantee that they will not induce great calamities. There are two traits of character in the American which can serve as guarantee: (1) He dislikes war. During the War I served with the U.S. Army for half a year, and now I have been in the United States for ten months, during which period I have never met a single American who likes war. In this respect, the Capitalists and the high military leaders cannot represent the people. (2) The American values money very highly, and is especially sensitive to financial matters. For instance, the Republicans have been trying to slash greatly the State budget in order to please the people. If Truman spends huge sums of money without accomplishing anything and without being able to protect American Capitalism, it is quite possible that the Americans will not go in the same direction with him. Especially at a time of economic depression will Truman be unable to solve the problem. However, this does not mean that the Americans are unwilling to spend money; if the money is spent wisely and effectively, they will even be willing to spend a huge sum such as that proposed by Wallace.

The British way of changing

If the United States decides to adopt another course, then the nature of her Capitalism will more or less be changed. Whether Wallace's views or those of Stassen are implemented, they must be implemented in a way compatible with conditions in the world as well as in the United States; it is not certain that large profits can be made at any time. If these views are to be carried out in harmony with conditions in the world as well as in the United States, there has to be some kind of planning, which means that the free economy will have to be discounted. Because of the rich resources of the United States, the process of this change will possibly be a very slow one. If the American Capitalists can see far and if the American people will cooperate, American Capitalism can change in the same way that the British monarchical form of government changed, that is, the change will be effected gradually over a long period of time until the content of American Capitalism becomes entirely different from what it is now, while its outward appearance will remain the same. In the process of change, Socialism will gradually be mingled with Capitalism, so that a glorious revolution can be completed in the economic field without shedding any blood. If this can be done, it will be a great blessing not only to the Americans themselves, but to the entire human race as well.

I would like to dream a dream

If the United States can really change in this way, then the "Truman Doctrine" will be able to exist for one or two years, or at most three or four years. After that, relations between the United States and the Soviet Union will gradually improve, the problem of control of atomic energy will be solved, and atomic energy will be greatly developed in a state of peace, reconstruction and prosperity. Thus, in ten or twenty years, a new atmosphere and a new situation will prevail in the world.

I feel that there is a possibility that American Capitalism will change in this way, and I am firmly convinced that the character, capability and foresight of the American people will be able to bring about this change. I would like to dream such a distant dream.

New York, May 22, 1947

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CHINESE PRESS REVIEW
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EDITORIAL COMMENT

Prevention of Conspiracy of Fifth Columnists

Chung Yang Jih Pao (KMT Organ), Shanghai
June 19, 1947

Statistics show that among the 370,000 Communist troops in the Northeast, there are 100,000 Korean Communist troops, or more than one quarter of the total number. These do not include the Japanese prisoners-of-war and Outer Mongolian cavalry units. This serious fact indicates that the rebellious activities of the Chinese Communists are obviously international in character. Moreover, while Outer Mongolian troops were invading Sinkiang, there was held in Harbin a parade in celebration of this invasion. This shows that the Chinese Communists have been willing to act as fifth columnists, thus endangering peace in the Far East and attempting to create a second "Mukden Incident". If we do not put a stop to such conspiracy, peace in the Far East and even in the world as a whole will be seriously threatened. At this time when the Chinese Communists, as fifth columnists, are launching offensives and have rejected the appeal for peace made by the people throughout the country, we would like to call upon our fellow-countrymen to be more on the alert. (Summary)

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Look Straight at the Nature of the "Internal Rebellion"

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 19, 1947

The "rebellion" which is in progress in China today is no longer just an "internal rebellion", but is a "rebellion" that is international in character. Today, the armed forces of the Chinese Communists include officers and enlisted men of the former Japanese "Imperial Army". In the Northeast, the people's armed forces from North Korea are fighting shoulder to shoulder with the Chinese Communist troops. Isn't this plainly an international rebellion? And it is at this time that Soviet and Outer Mongolian forces have invaded our Sinkiang Province, in support of the Communists' military activities in the Northeast and North China. Since the Chinese Communists have, in collusion with foreign armed forces, openly rebelled against China, what difference is there between their actions and those of Wang Ching-wei and other traitors?

Since the present disturbed conditions in China have an international background, the friendly nations should no longer act as if they were just disinterested onlookers; they should positively and more plainly make known their own attitude. The Truman doctrine and Marshall's statement ought to include Asia and, indeed, should make Asia the center. (Summary)

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A Study of Marshall's Policy towards Soviet Russia

Yi Shih Pao (Chinese Catholic Organ), Shanghai
June 19, 1947

Secretary of State Marshall's plan of extending economic aid to Europe includes Soviet Russia and the countries of East Europe, while the Truman doctrine holds that the U.S. dollar must not be used to support Communist regimes. Compared to the views of Truman and Wallace, Marshall's policy towards Soviet Russia may be considered as a compromise which is slightly inclined

to the right and which tends slightly to appease the Soviet Union. One cannot but feel confused by General Marshall's present way of doing things. While, internally, the United States is now engaged in a thorough Communist purge, yet in her program of extending economic aid to Europe, she dare not plainly and resolutely exclude Soviet Russia, which is causing the world must trouble, from the program. At this time when special emphasis should be laid on economic reconstruction in Europe and Asia so as to strengthen the Truman doctrine, Marshall has been slow in extending a loan to China, which fought against the Japanese the longest, which requires a large amount of relief, and which is now troubled by the Communists the most, thus allowing her to collapse economically. Even when Outer Mongolian troops, with the support of Soviet aircraft, invaded Sinkiang, a matter which was just as serious in nature as the "Mukden Incident", General Marshall ignored it. We do not know why, wise as he is, General Marshall has displayed such self-contradictions in his foreign policy. This is certainly a matter for regret.

General Marshall is an old friend of China, and China and the United States have a community of interests. We urge that General Marshall remember this: China is a stabilizing force in the world, and no time must be lost in stabilizing conditions in this country. The most effective way of doing this is to increase the economic aid to China and to establish an anti-Communist front in the Far East. Your attitude must be clear and your actions must be resolute. (Summary)

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How to Save Ourselves in the Face of the Unprecedentedly Serious Threat of Foreign Aggression

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 19, 1947

Since the news of the invasion of Sinkiang by Outer Mongolian troops under the direction of Soviet Russia was published, many of our fellow-countrymen have expressed the fear that this was a second "Mukden Incident". As a matter of fact, however, the threat of foreign aggression today is far more serious than it was at the time of the Mukden Incident.

The corruptness of Chinese politics, the gravity of China's economic crisis, the instability of Chinese society, and the dissatisfaction of the Chinese people today -- almost every one of these is unprecedented in the history of China or of any other country. This is a situation that cannot last long.

The present political forces, which are already corrupt to the core, are entirely powerless to deal with this unprecedentedly serious threat of foreign aggression, so we must have a thorough purge. Only then can this political setup effectively use its strength to stem the foreign aggression which is now at its height.

We need not hope for a U.S. loan, nor do we need to hope that the aggressor will withdraw his hand of his own accord. We should not wait for a Third World War to save us, for the only effective way of saving ourselves is by our own efforts. (Summary)

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How to Reconstruct the Far East

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 19, 1947

Today, the majority of the people in Asia and the Far East are on the verge of starvation, and many of the countries in this region still find themselves bogged down in the quagmire of war. Therefore, the most urgent task in

connection with the reconstruction of the Far East is that of saving the people from death. The task of saving the people from death is an economic problem as well as a political one. War is a continuation of politics. If the problem were just an economic one, then industrial equipment plus capital and technological ability, coupled with aid from the United Nations Organization, would be able to solve it. We are convinced that UNO is willing to assist the Far East in its reconstruction.

Actually, however, the problem is not so simple as that. The greatest trouble today is the fact that aside from the economic problem, there is also the political problem. First Asia and the Far East are situated between two great Powers, the United States and Soviet Russia, and the differences between the Big Two have serious repercussions here. Secondly, the contradictions between many of the colonies in Asia and the Far East and their suzerain States have not yet been completely removed. Thirdly, defeated Japan is being assisted in regaining gradually its strength, so that she will soon become a menace to the security of the Far East again. This situation is extremely complicated, so the task of the ECAFE is a difficult one.

All political contradictions in this region should be removed and should be replaced by unselfish economic cooperation. Only in this way can the man-made economic calamity in the Far East be overcome. This is the crux of the Far Eastern problem, which has to do with the destiny of mankind.

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The Share of Japanese Reparations Which China Ought to Get

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 19, 1947

Day before yesterday, in his speech before the ECAFE, Li Kan, one of the Chinese delegates, said that during the war against Japanese aggression, China sustained losses totalling US$58,500,000,000. On that same day, another report had it that Li Teh-shen, our war reparations representative in Japan, had declared, "The total tonnage of temporary reparations materials has been revised several times, with the result that it has now been reduced from 3,500,000 to 1,560,000 tons. China will be given half of these reparations materials, and her share has been reduced from 1,750,000 tons to 780,000 tons." China requires war reparations so urgently, yet the United States loves her ex-enemy so much. We really do not know how the United States differentiates her friends and her foes, after all.

We wish respectfully to make two proposals to the Government: (1) That we must get reparations sufficient to cover our total loss of US$58,500,000,000, and (2) that part of the reparations should be in the form of goods now being produced by Japan. These demands of ours are quite natural and quite reasonable, and we shall brook no opposition or revision by our friends. (Summa

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Wallace's New Proposal

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 19, 1947

Having the future of mankind at heart, we do not consider Wallace's proposal as novel and amazing. As citizens of an Allied nation, we appeal to the White House to give this proposal due consideration, and as a newspaper, we urge the U.S. press to support the proposal. Public opinion in the United States today is worthy of being carefully scrutinized by the American people. We are afraid that the "Truman doctrine" of today will be considered by historians as a tragic failure, just as "Isolationism" which was advocated after the First World War, has been considered.

Today, in the eyes of certain Americans, Wallace is Public Enemy No. 1. Some people had gone so far as to ask the Federal Court to forbid Wallace to use the assembly hall where he made his speech day before yesterday, but this request was eventually turned down by the Court. We greatly admire Wallace for his courage. The sober Chinese press do not consider the various demands which he made in his speech day before yesterday as novel and amazing, or as not being worthy of any consideration. The times are changing, and the tide of the times is flowing very rapidly. However, this current cannot be checked either by money or armed force. This is the crux of the problem today. How can one ignore completely Wallace's views? (Summary)

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Other editorials not translated: Dated June 19, 1947

Cheng Yien Pao, Shanghai	--	Fulfil the Seven Great Missions of the Asiatic Economic Conference
Chin Yung Jih Pao, Shanghai	--	On the Exercise of the Power of Taxation
Chien Sien Jih Pao, Shanghai	--	Railway Reconstruction in Security Areas
Tung Nan Jih Pao, Shanghai	--	Specialization of the Profession of Teaching
Ho Ping Jih Pao, Shanghai	--	Economic Reconstruction in China
Shang Pao, Shanghai	--	U.S. Dollar Bonds and Treasury Notes Should Be Immediately Sold on the Market
Lih Pao, Shanghai	--	Chinese Laborers' Expectations of Far Eastern Economic Commission Conference

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POLITICAL NEWS

Current Situation Discussed at Central Political Council Session

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 19, 1947

Nanking, June 18---All quarters are paying close attention to the current situation which has reached a critical stage. The subject was brought up for discussion at the Central Political Council session held at 9 o'clock this morning. All the Council members present at the session were of the opinion that it is necessary for the Government to formulate a decisive policy in this connection. Hence they elected Sun Fo and Chen Lih-fu to convey the above views to President Chiang Kai-shek for reference. An extraordinary session will be called in the nearest future for discussing this problem exclusively.

At today's session, many Council members expressed their views. Even Niu Yung-chien who was known for his discretion also stood up and advanced his opinions, declaring that the general situation is exceedingly grave and that the Government should cope with it with a firm resolution. Other Council members were of the opinion that the CP has already rejected the peace talks and treated the National Government as its enemy. Judging from the present civil war situation, the Government should not tolerate further procrastination and instead of being always in a passive position should adopt positive military and diplomatic measures to cope with the situation, so as to enable all quarters both at home and abroad to have a clearer understanding of the present situation. Judging from the existing situation in the Northeast and the Northwest, the CP military operations are evidently taking the form of a small scale international war. For the sake of her nation, her sovereignty

and her territorial integrity, China shoul cope with the situation with determination, while other countries, especially the United States, should also look straight at the existing situation. In the enforcement of President Truman's policy, the United States should treat Europe and the Far East on an equal basis, according to their views.

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Mo Te-hui to Leave Here for Nanking Today

Chung Yang Jih Pao (KMT Organ), Shanghai
June 19, 1947

(Local News)---Mo Te-hui, civic leader in the Northeast, will entrain for Nanking this noon. Owing to illness, he has remained here for sometime to undergo treatment. Now he has completely recovered. Furthermore, the State Council session which is scheduled to take place on Friday will discuss the peace proposal submitted by the PPC, therefore he is anxious to proceed to the Capital to attend that session. In regard to the report circulated both in Nanking and Shanghai yesterday that Marshal Chang Hsueh-liang has arrived here from Taipei, Mr. Mo categorically denied it and said that this report is entirely unfounded. However, he revealed that after his arrival in Nanking he will call on President Chiang Kai-shek and report to the latter on the recent conditions of the young Marshal.

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Lieut. General Hsuan Tieh-wu on Garrison Work in Woosung-Shanghai Area

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 19, 1947

(Local News)---In a press interview yesterday afternoon, Lieut. General Hsuan Tieh-wu, Garrison Commander in Woosung-Shanghai area, said that in dealing with the students arrested during the recent student unrest the authorities concerned have adopted the policy of segregating them from the schools, instead of inflicting any physical suffering on them or endangering their lives. During the period of segregation, the authorities will invite prominent personages to lectures on current situation or on special subjects of learning. In short, the segregation of these students from their schools is entirely for the purpose of education, not for that of punishment.

The Garrison Commander further revealed that besides those already arrested, there are still intriguing elements who conceal themselves in various social strata. However, the Garrison Headquarters is taking a watch-and-see attitude toward them for the time being and refrains from taking any action. If they renew their activities in disturbing peace and order, the authorities will adopt resolute measures to deal with them. Garrison Commander Hsuan also revealed that the arrested reporters are not being detained in the same place with the students and that they are also being well treated.

In regard to the peace maintenance situation in the expanded garrison area, Lieut. General Hsuan disclosed that according to recent reports from Pootung, several hundred bandits are creating disturbances in the Nanwei, Chwansha and Fenghsien hsien. One of these bands in Nanwei after being besieged and attacked by Government forces fled to the sea and landed on Tenghai. Another band fled southward to Fenghsien and then to Sungkiang, Chinshan and Pinghu whence they went to sea and landed on Yuyao in East Chekiang. Peace and order therefore prevails in the 10 hsien under the jurisdiction of the Woosung-Shanghai Garrison Headquarters, the Garrison chief said.

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Six Ta Kung Pao Reporters in Chungking Set Free

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 19, 1947

Chungking, June 18---Tseng Min-tze, news editor of the Chungking edition of the Ta Kung Pao, was set free yesterday. With the exception of Fang Meng who is now still being detained, six Ta Kung Pao reporters, including one of their family members, who were arrested by police on June 1 have regained their freedom.

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Seven Students of Shanghai Law College Released

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 19, 1947

(Local News)---Seven students of the Shanghai Law College, namely, Chu Yuan, Tang Ke-fei, Yang Hui, Hsia Wei, Cheng Cheh-an, Li Shu-chi and Tien Tsi-i, who were arrested by police and handed over to the Shanghai District Procurator's Office for prosecution on charge of assault and had been detained since then, were released on bail at 4 o'clock yesterday afternoon.

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Appointments for Department Heads of Government Information Bureau Announced

Chung Yang Jih Pao (KMT Organ), Shanghai
June 19, 1947

Nanking, June 18---According to an announcement made by the Information Bureau of the Executive Yuan, Chan Chieh-wu is appointed head of the first department of the Bureau; James Shen, head of the second department; Wang Chia-yu, head of the third department, and Huang Yu-hung, Director of the Secretariat. Huang Hsiang-shan, former head of the News Department of the Ministry of Publicity, has been transferred to the post of special representative of the Bureau and he will remain in the Executive Yuan permanently to do the liaison work.

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MILITARY NEWS

General Chen Cheng Returns to Nanking From Hsuchow

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 19, 1947

Nanking, June 18---General Chen Cheng, Chief of the General Staff of the Chinese Army, was scheduled to fly to Peiping from Hsuchow this morning. However, due to special business, he changed his plan and arrived in the Capital by plane at 11 o'clock this morning.

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ECONOMIC NEWS

Spokesman of Government Banks Denies Report
Re Issuance of $50,000 Banknotes

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 19, 1947

(Local News)---A Peiping dispatch reaching here yesterday stated that the Ministry of Finance will issue banknotes of $50,000 denomination, thus causing all commodity prices in this city to rise again. However, the spokesman of the Government banks seriously denied this report and said that it is merely a rumour spread by speculating merchants.

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Flight of Overseas Chinese Remittances into
Hongkong

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 19, 1947

Canton, June 18---Owing to the great difference between the official rate of foreign exchange and the black market quotations, the amount of overseas Cantonese remittances recently fled to Hongkong has been tremendously increased. According to an estimation of the banking circles here, at least over CN$50,000,000,000 of the overseas Chinese remittances which are not under the control of the Government banks, have fled to the Crown Colony each month. If the Government is unable to take effective measures to remedy the situation, all future overseas remittances will be channelled into the Colony, according to their opinion.

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MISCELLANEOUS NEWS

UNRRA Employees and U.S. Reporters to Return to Tientsin
from Tsanghsien

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 19, 1947

(Local News)---The UNRRA China Office received a telegram from the U.S. Consulate in Tientsin last night which stated that the 16 UNRRA employees who are working near Tsanghsien and two U.S. reporters are safe and sound and will return to Tientsin by LST on June 19. The U.S. Consulate in Tientsin received a telegram from Potou yesterday afternoon which stated that all of them are safe and sound. Potou is situated 150 "li" south of Tsanghsien.

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SPECIAL & FEATURE ARTICLES

Foreign Banks Recover With Amazing Speed

Tung Nan Jih Pao (KMT Southeast China Organ), Shanghai
June 11, 1947

(Local News)---In pre-war years, foreign banks in Shanghai played a leading role in local banking circles. The Chinese-owned banks as well as the native banks lagged behind these foreign banks while the latter reached the peak of their prosperity. But, after V-J Day, with the retrocession of the International Settlement and the French Concession, the reverse is the case. On the one hand, the Allied banks suffered terrible losses at the hands of the Japanese because the latter spent their assets lavishly for four consecutive years. On the other, with the over-all control of financial dealings by the Chinese Government, foreign banks are no longer able to enjoy special privileges as heretofore. Therefore, within a year after the conclusion of the war, most of the 13 foreign banks which have resumed business, have been unable to enlarge the scope of their business activities. Not only is their capital too small, but also their deposits are very limited. They can hardly keep pace with the Chinese banks and native banks.

According to investigations made by the Audit Department of the Central Bank of China, the total assets of these 13 banks for the month of January, 1947, were less than those of the Chinese native banks or less than one-seventh of those of the Chinese banks. As regards the deposits, the amount was about one-eighteenth of that of the Chinese banks. Indeed, it pains to compare the present activities of foreign banks with those of the past!

Nevertheless, in spite of extreme difficulty under which the foreign banks have been operating, they have striven hard and proceeded at a fast and steady pace. They advanced with rapid strides when outside people were not paying any attention to their activities. Yesterday, the Audit Department of the Central Bank of China published the statistics of assets of commercial banks for the month of April, 1947. These statistics show that the total assets of foreign banks for the first four months of this year gained a hundred percent increase over those of the Chinese native banks or equaled half of the total assets of the Chinese banks. They also show that both deposits and loans were increased manifold with further increases being expected each day. If the Chinese banks do not forge ahead now, the power which they have been able to wield after V-J Day, will once more fall into the hands of foreign banks. Prior to the extension of the US$500,000,000 loan to China, the Chase Bank here has even tried to organize a United Sino-American Bank with the Central Bank of China. All these make it abundantly clear that the activities of the foreign bankers have been most positive at all times.

The following table shows the statistical figures of assets, deposits and loans of foreign and Chinese banks and native banks:

Total Assets of Local Banks and Native Banks
for Month of April Amount to CN$2,000,000,000,000

Banking Institutions	No. of Banking Institutions Total	%	Assets Total (CN$)	%	Deposits Total (CN$)	%	Loans Total (CN$)	%
Chinese banks	173	61.64	11,719	58.37	5,420	67.17	4,519	64.06
Foreign banks	13	4.62	5,309	26.44	1,042	12.92	1,041	14.76
Native banks	82	29.12	2,479	12.35	1,378	17.08	1,254	17.77
Trust companies	13	4.62	560	2.84	227	2.83	241	3.41
Total	281	100.00	20,076	100.00	8,067	100.00	7,055	100.00

N.B. (1) Source of materials: from statistics of various banks and native banks.
(2) Unit: CN$100,000,000.

The following comparative table shows the statistical figures of assets, deposits and loans of local commercial banks during January and April, 1947:

Banking Institutions	No. of Banking Institutions		Percentage of Assets		Percentage of Deposits		Percentage of Loans	
	Jan.	Apr.	Jan.	Apr.	Jan.	Apr.	Jan.	Apr.
Chinese banks	160	173	77.81	58.37	69.00	67.17	71.23	64.06
Foreign banks	13	13	10.13	26.44	6.84	12.92	3.90	14.76
Native banks	77	82	10.39	12.35	21.40	17.08	21.37	17.77
Trust companies	13	13	1.67	2.84	2.76	2.83	3.50	3.41
Total	263	281	100.00	100.00	100.00	100.00	100.00	100.00

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CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 378 June 20, 1947

EDITORIAL COMMENT

Shanghai Since V-J Day

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

The current issue of the "Atlantic Monthly" contains an unsigned letter from a correspondent in the Far East, which scathingly criticises conditions in Shanghai. What is said in this letter is mostly unfounded or hearsay, and what is especially displeasing is the attitude of the writer of the letter. The writer comments quite dogmatically, "During the past five years everything has deteriorated in Shanghai, and the rapidity with which it has deteriorated is incredible. Especially since the Chinese took over administration of the city have conditions worsened!" At the same time, the writer expresses dissatisfaction with the abolition of extraterritoriality, and regrets greatly that the many special rights and privileges which foreigners enjoyed in Shanghai in the old days have been abandoned.

We are disappointed over the fact that such comment has appeared in a well-known periodical published in a friendly country. We admit that there are many things in Shanghai today with which one is dissatisfied, but we would like to ask: Is it fair to hold the Chinese administration solely responsible for everything that is unsatisfactory in this city?

An analysis will show that there are four reasons why the present municipal administration in Shanghai is not so efficient as it was at the time of the foreign settlements: (1) Lack of balance between the receipts and expenditures of the Municipal Government; (2) the old administrative set-up has been destroyed by the Japanese, and the original efficiency cannot be restored in less than three to five years; (3) in pre-war days, there were three different municipal set-ups in Shanghai, but now, there is only one. The area under the control of the present Municipal Government is twice as large as it was before the war, so that it is now more difficult to administer the city, and (4) the most important reason is the eight years of war against the Japanese. Because of the serious injury sustained, it is impossible to restore the pre-war conditions in Shanghai in a short period of time.

People in the friendly countries ought to understand our difficulties which have been caused by war. Without such understanding, their criticisms are bound to be unfair. (Summary)

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Marshall's Plan Put to the Test

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

Divergent views have been expressed regarding Marshall's plan for putting Europe on its feet again. However, we agree with the statement which the spokesman of the British Foreign Office made the other day, to the effect that this plan is mainly economic in nature. The plan is evidently quite different from President Truman's Greco-Turkish aid program, which is partially military in nature. Therefore, the accusation made by the "Pravda" that Marshall's plan is one of using the U.S. dollar to aid other countries so as to interfere with those countries' internal politics, is untenable.

It would be equally unfair to over-emphasise the economic nature of U.S. aid and to minimise its political character. Viewed from a certain angle, the present U.S. plan of putting Europe on its feet again is tantamount to another challenge to Soviet Russia. After the Second World War, both the United States and Soviet Russia have been trying to extend their influence to the political vacuums in Europe and Asia. Disturbed conditions are favorable to the development of Communism, while Capitalism must seek the stabilization and quieting down of the international situation. This is where the real meaning of the U.S. plan of aiding Europe lies, and whether the East and the West are willing to co-exist and co-prosper will be put to a real test. It seems to us that U.S. foreign policy has now been changed from one of trying to obtain strategic bases to one of establishing U.S. political and economic influence. This is the maximum extent to which one can say that Marshall's plan for extending economic aid to Europe is anti-Soviet in character. It is learned that the Soviet authorities have already declined the invitation of Britain and France. Thus, the international situation has developed to a new stage. (Summary)

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Trumanism and China

Lih Pao (General Labor Union Organ), Shanghai
June 20, 1947

If we want to achieve complete independence, we must adopt an independent foreign policy. There is no reason why we should refuse to accept the economic and military aid envisaged by Trumanism. Trumanism is Trumanism, and we are we. The fact that we are friendly to the United States does not mean that we are unfriendly to Soviet Russia. Conversely, if we are friendly to Soviet Russia, it does not mean that we are unfriendly to the United States. At the same time, we wish to call the attention of the Americans to the fact that the implementation of Trumanism in Japan by General MacArthur may lead to another crisis in the Far East more serious than the last one. (Summary)

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Question of U.S. Loan to China

Chin Yung Jih Pao (Connected with S.Y. Liu), Shanghai
June 20, 1947

The matter of a possible US$500,000,000 loan to China has attracted the attention of people both in China and abroad. Whether from a political or economic point of view, such a loan to China will be beneficial not only to China, but to the United States as well. The only problem in connection with the projected loan now is that of its use. Naturally, the loan, when obtained, must be devoted to reconstruction only and must not be used to meet budget deficits. However, the meaning of reconstruction is very comprehensive, so we can only start with the most urgent phases of it first.

The most urgent task now is that of stopping inflation, so as to stabilize the value of currency. We hope, therefore, that the US$500,000,000 loan, when obtained, will be devoted to currency reform, so that the unstable economic conditions will return to normal. We feel that even if the loan must be devoted to production, at least half of it should be devoted to stabilizing the currency value. (Summary)

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Internal Rebellion and Foreign Aggression

Chung Yang Jih Pao (KMT Organ), Shanghai
June 20, 1947

Oftentimes, a nation's foreign aggression and internal rebellion are interrelated. It is true that it is the disputes between the different racial groups residing in Sinkiang Province that have invited foreign aggression. However, the Ining Incident which grew out of the inter-racial disputes were quite obviously due partially to international factors. In other words, the internal rebellion and foreign aggression in Sinkiang have been interrelated.

Then, so far as the present rebellion in China is concerned, who could be sure that this is a "purely internal rebellion"? If it were an internal rebellion, why have the "Korean Communists" and those Japanese Kwantung Army troops who have not yet been repatriated to Japan been assisting the Chinese Communists in their fighting? Judging by the fact that after the Sinkiang incident occurred, a parade was held in Harbin in celebration of it and that a Chinese Communist newspaper openly declared, "Our ally, Outer Mongolia, is now fighting shoulder to shoulder with us", one can see how the true situation is like. Our present internal rebellion and foreign aggression are closely interrelated.

Although, today, we are not suffering from any obvious foreign aggression, yet we are suffering from an internal rebellion which is similar in nature as foreign aggression. If we want to have "peace", we must first "stabilize the situation in the country", and if we want to strengthen our border defences and to defend our territory, we must first complete our task of "stabilizing the situation in the country" with the greatest possible effort and patience. (Summary)

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A Strange "Border Dispute"
-- We hope that Outer Mongolia will repent at an early date --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 20, 1947

As everybody knows, the recent sudden invasion of Sinkiang by Outer Mongolian troops was an act of aggression. Unexpectedly, however, the Moscow Radio first accused our troops of having attacked Outer Mongolia and then declared that the Peitashan Incident was but a border dispute. Yesterday, Mr. Hollington K. Tong, Director of the Information Bureau of the Executive Yuan, officially stated on behalf of the Chinese Government, "There cannot be the least doubt that Peitashan lies within Sinkiang Province and that it is Chinese territory." At the same time, he reiterated "The Peitashan incident was not an ordinary border incident or territorial dispute, but is related to the comprehensive political problem."

Everybody knows that the Outer Mongolian Government certainly would not have attempted to invade China, which would have been like "striking a stone with an egg", so naturally there was an international conspiracy of an extremely serious nature behind this incident.

By now the world situation seems to have returned to where it was before the War. The same tragic fate which befell Hitler is bound to befall anyone who wishes to become another Hitler. Outer Mongolia used to be a part of China and so can probably understand our Chinese teaching. We hope that she will not act rashly, so that she may not be held responsible for starting a Third World War. (Summary)

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Other editorials not translated: Dated June 20, 1947

Cheng Yien Pao, Shanghai	--	U.S. Program for Aiding Europe
Yi Shih Pao, Shanghai	--	China Will Perish If She Fails to Formulate a Decisive Policy
Tung Nan Jih Pao, Shanghai	--	An Over-All Reform Is Necessary in Order to Avert National Collapse
Yi Shih Pao, Shanghai	--	This Is High Time for the Expansion of Trade in the South Sea Islands
Chien Sien Jih Pao, Shanghai	--	Our Worry About the Precarious Situation in Sinkiang
Chung Hwa Shih Pao, Shanghai	--	The Existing Financial Crisis
Shun Pao, Shanghai	--	Pension System for Government Officials

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POLITICAL NEWS

Young China Party Leaders Write to Shao Li-tze Requesting Latter to Make Proposals on Safeguarding of Human Rights

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

Nanking, June 19---Chow Chien-chung, PPC member of the Young China Party, arrived here from Nanking yesterday. This morning, he called on Ambassador Stuart and held a one-hour talk on the current situation with the latter. Mr. Chow revealed that Ambassador Stuart is greatly concerned over the situation now prevailing in this country.

Chow and Li Huang, another Young China Party leader, wrote a letter to Shao Li-tze, Kuomintang veteran, this morning requesting the latter to make proposals on the safeguarding of human rights at the forthcoming State Council and PPC sessions, so as to quiet down the anxiety of the populace.

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Student Petition Delegates Return to Shanghai Without Achieving Results

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

(Local News)---The petition delegates of the Students Federation in Shanghai returned here from Nanking yesterday. A certain delegate gave an account of the results of their trip to the Capital as follows:

"The petition delegation was received by Pu Shih-feng, Secretary-General of the Executive Yuan, who revealed that there is no possibility of settling the various demands brought forth by the students. However, President Chang Chun indicated that the authorities concerned will be able to seek a rational solution to the problem of the recent student unrest in the near future. Being of the opinion that the filing of petitions with the Government authorities in Nanking by the student delegates in Shanghai is contrary to proper procedure, President Chang has telegraphically instructed Mayor K.C. Wu to find out the true facts of the case at an early date.

"While receiving the delegates, Vice Minister Hang Lih-wu of Education disclosed that the Ministry finds itself not in the position to interfere in the student arrests in Shanghai. The Ministry is now conferring with

all quarters concerned on measures to be taken to deal with this matter. The Ministry also finds itself not in the position to give guarantee against the possible future arrest of students whose names are on the blacklist.

"Shao Li-tze, Secretary-General of the PPC, advised the students not to be too radical. He showed sympathy with the arrested students and expressed the hope that all students will devote themselves to studies, otherwise unpleasant consequences will follow."

Finally, the same delegate said that the trip to Nanking is a complete failure.

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Ministries of Education and Social Affairs Order Dissolution of All China Student Federation

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

Nanking, June 19---The Ministries of Education and Social Affairs have ordered the dissolution of the All-China Student Federation organized during the recent student unrest, on the ground that it has not registered itself with the two ministries. The Students Federation in Nanking has been dissolved today while that in Shanghai will be banned as from this date in accordance with instructions jointly sent to Mayor K.C. Wu by the two ministries.

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Chiaotung University Announces Beginning of Summer Vacation

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

(Local News)---Yesterday morning, the National Chiaotung University announced that the summer vacation for the Freshman, Sophomore and Junior class students would begin as from date, thus causing great surprise among the students.

The Student Self-Government Association called a representative meeting the same afternoon to discuss the problem of vacation, at which the following decisions were reached:

1) that the students should continue to carry on their activities regardless of the school announcement of summer vacation.

2) that the school authorities henceforth should not interfere with the student activities and they should instead protect the safety of the students and make greater efforts to rescue the arrested students. They also should not dismiss students and discontinue the service of professors without justifiable reasons.

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Peiyang University Students to Return to Class Today

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

Tientsin, June 19---Peiyang University students will return to classes today. Efforts are still being made to find out the whereabouts of the missing student named Wang Tse-liang.

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Living Buddha Changka Arrives in Chungking

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

Chungking, June 18---Living Buddha Changka arrived here from Hankow yesterday. He will enplane for Chengtu tomorrow whence he will proceed to Tibet via Sikong. It is learned that his trip is taken with a special mission in view.

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Last Batch of U.S. Marines Leave Tientsin for States

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

Tientsin, June 19---The last batch of U.S. Marines who are evacuating this city boarded the LST No. 855 under the command of Major Appleton at 9 o'clock this morning and will leave direct for Santiago on the west coast of the States.

However, several hundred U.S. Marines are remaining here to wind up the remaining affairs. When they will evacuate cannot be foretold at present.

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Five U.S. Cruisers Arrive in Tsingtao

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

Tsingtao, June 19---Five U.S. cruisers arrived here from Tokyo yesterday. Admiral Charles M. Cooke, Jr., Commander of the U.S. naval forces in the Western Pacific, gave a cocktail party to welcome the officers and men of the cruisers. After staying here for a week, these cruisers will leave for Guam to take over duties there.

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U.S. Motorboat Seized by CP Troops

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

Tsingtao, June 19---According to an arrival from Hungshihya, a U.S. motorboat of a length of over 10 meters, was found drifting along the coast of Huangtao, about 50 "li" southwest of Tsingtao, on the morning of June 14. Upon being informed of this news, the CP troops stationed there towed it to the shore. The boat was in good condition. The CP troops will use it to capture fishing boats and to collect information concerning the Government Army, it is learned.

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ECONOMIC NEWS

Government to Stop Subsidizing Public Utility Enterprises

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

Nanking, June 19---A regular session of the National Economic Council

presided over by Chen Li-fu was held at 3 o'clcok this afternoon with the presence of over 30 members including Chang Chia-ngau, Tso Shun-sheng, Ku Cheng-kang, Chen Chi-tien, Li Fu-sun, Wu Yun-chu, Chien Kuan-san and Liu Tung-sun. At the session, the following subjects were discussed:

1) The Government should stop subsidizing the public utility enterprises so as to lighten the burden of the State Treasury.

2) The Government should cease the operation of unnecessary enterprises so as to realize the retrenchment policy. This proposal will be handed over to the sub-committees on finance and on general budget for further discussion and a list of unnecessary enterprises which are required to wind up will be made.

3) The problem of supply and transportation of coal was discussed in detail. The members present at the session were of the opinion that since all the important coal mines are located in the North, their production has been affected by the civil war situation. Therefore coal mines in Taiwan and in areas south of the Yellow River should be allowed to fix the price of their products according to the cost of production, so as to encourage the coal merchants to boost their production, and new coal mines in the areas south of Yangtze should be exploited.

4) Owing to the fact that registration of private property has never been enforced, the levying of the capital tax therefore should be replaced by that of the national reconstruction tax. This new tax will be collected from the inhabitants in big cities and from the rich people, and in the initial stage only the owners of larger properties are required to pay the tax so as to lighten the burden of the people. The public opinion agencies will be requested to make a list of the rich people from whom the new tax is to be collected by both persuation and compulsion.

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NEWS OF CULTURE & EDUCATION

Students Going Abroad for Further Studies at Own Expense to Proceed to Nanking En Bloc

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

(Local News)---The other day, the Executive Yuan announced that the Government could only supply the students going abroad for further studies at their own expense with the foreign exchange at the official rate for half a year (amounting to U.S. $900). However, the U.S. Consulate General requires each of the students to produce a draft of U.S. $2,500 before a visa can be given. The All China Association of Students Going Abroad for Further Studies at Own Expense held a general meeting to discuss the matter, at which it was decided that the whole body of students should proceed to Nanking and together with their fellow students in Nanking, they will solicit instructions from the Ministry of Education and the Executive Yuan on this matter.

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Eight Students of National Sun Yat-sen University Selected by Ministry of Education to Study in Turkey

Chung Yang Jih Pao (KMT Organ), Shanghai
June 20, 1947

Nanking, June 19---The Turkish Government has recently written to the

Chinese Government, requesting the latter to send students to Turkey for further studies. Therefore, the Ministry of Education has selected eight talented students of the foreign language section of the political science department of the National Sun Yat-sen University and will despatch them to Turkey for advanced studies as soon as they pass the oral examination.

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NEWS OF COMMUNICATIONS

Train Service Along Peiping-Kupeikou Railway Extended to Shihhsia

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 20, 1947

Peiping, June 18---Train service along the Peiping-Kupeikou Railway has been extended to Shihhsia from Peiping since today. That line has been operating satisfactorily.

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MISCELLANEOUS NEWS

Flood in Kwangsi

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 20, 1947

Kweilin, June 19---Fifty-two hsiens in Kwangsi have been innudated by flood and innumerable people have been rendered homeless. The rice prices in various places jump several times a day.

Governor Huang Hsu-chu of Kwangsi together with the chairman of the Kwangsi Provincial Council set out for an inspection tour in North Kwangsi today, carrying with him a little over CN$10,000,000 of relief funds.

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CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 379 June 21, 1947

EDITORIAL COMMENT

China and U.S. Program of Aid to Europe

Chung Yang Jih Pao (KMT Organ), Shanghai
June 21, 1947

The program of economic aid to Europe which U.S. Secretary of State General Marshall proposed in his speech made at the Harvard University Alumni Association at Cambridge, Mass., is an important step in the efforts of the United States to achieve the rehabilitation and recovery of the post-war world. Whether viewed from its economic significance alone or from its political effect as well, this program is of epoch-making significance. As a matter of fact, it is an extension and continuation of the late President F.D. Roosevelt's policy of achieving international economic cooperation.

Economically, this program of aid to Europe is indicative of the fact that the United States has resolutely taken upon herself the moral responsibility of helping the people of Europe to emerge from poverty and misery, and politically, it is designed to safeguard democracy, so that it will not be threatened by Communism. While it is another phase of the Truman doctrine, yet it is more proper and more effective than the Greco-Turkish aid program, which was announced some time ago.

At this time when the U.S. program of aid to Europe is being much discussed, General Marshall on June 19th appealed to the American people to make voluntary contributions for the purpose of relieving the suffering of the Chinese people. All Chinese should appreciate this appeal made by General Marshall. However, today China is experiencing greater economic and financial difficulties than the European countries, and these difficulties cannot be solved by private contributions of Americans alone. The American authorities have declared that the projected US$500,000,000 loan to China will not be actually extended until the situation in China has improved. However, the Chinese Communists are exactly those who "seek to perpetuate human misery in order to profit therefrom, politically or otherwise..." They have been preventing the situation in China from improving, so that the projected loan will not materialize. Therefore, our Government did quite the right thing when it urged the other day that this loan be extended to China and that Marshall's program of aid be extended to Asia. If China continues to be in a state of misery and chaos, then even if the U.S. program of aid to Europe can be carried out, it will not be able to achieve the desired results. This is a matter which the American authorities should consider carefully. (Summary)

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Marshall's Program Scrutinized

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 21, 1947

The program of economic aid to Europe which the U.S. Secretary of State Marshall proposed recently can be said to be a product of the "Truman doctrine". Marshall's program is highly significant in two respects: (1) This plan is not only one of aiding Europe, but also one of aiding the United States herself. (2) The main purpose of Marshall's plan is to make it possible for Europe to recover economically, which, in effect, is an attempt to uproot Communist influence in Europe.

In the interests of herself, the present policy of the United States requires much further consideration. Both the role which the United States is playing in the post-war world and her own interests require that the center

of gravity of her policy be in the Pacific. However, the center of gravity of the present U.S. policy is in Europe, and the United States is now apathetic toward the Pacific and ignores it.

We feel that in her own interests, the United States should shift the center of gravity of her policy to the Pacific. At least, she should attach equal importance to Europe and Asia. At present, Asia, especially China, is poverty-stricken. Poverty and chaos have made Asia an ideal location for the expansion of Communist influence, as evidenced by the fact that during the past decade Communism has been gaining ground here. Now, if Communism succeeds in dominating Asia, its effect upon the entire world will be far greater than that of the Communist domination of Europe. Therefore, no matter from what angle it is viewed, the present U.S. policy of emphasising Europe to the neglect of the Far East is evidently an unwise one, and so should be thoroughly revised immediately. (Summary)

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After Reading the Economic Reform Plan

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 21, 1947

The full text of the new economic reform plan which General Chang Chun, President of the Executive Yuan, has drawn up, was published in this journal yesterday. In general, this plan is in harmony with the economic reform plan passed by the Third Plenary Session of the KMT C.E.C., the only difference being that it contains more explanatory notes and more items. It is not a creative work, but rather a combination and a systematic statement of all past plans, views and programs.

One of the weaknesses of the new plan is that it is too superficial and too general. For instance, most of the measures proposed in the plan are in the form of general principles.

Another weakness is that the actions proposed in the plan are too devious and slow.

A third weakness is the fact that the new plan deals too little with the problems of commodity prices, hoarding, and control.

In a word, the new plan is lucid and, generally speaking, is more nearly perfect than the plan passed by the Third Plenary Session of the KMT C.E.C. However, the definite measures proposed in the plan are still not detailed enough, and before it can be carried out effectively, these definite measures need further study. (Summary)

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On the Economic Reform Plan

Chin Yung Jih Pao (Connected with S.Y. Liu), Shanghai
June 21, 1947

At its meeting yesterday, the State Council decided that the Economic reform plan drawn up by President of the Executive Yuan Chang Chun should be turned over to the National Economic Council for examination. Quite a number of economic and financial reform plans have been drawn up and passed in the past, but none of these has been able to alleviate China's poverty and misery. The greatest common weakness of these plans is that they were not realistic. Therefore, we fervently hope that General Chang Chun's plan will be an effective remedy for the illness. We do not expect it to achieve any good results; we shall consider it a great success if it does not have any adverse effect upon the people. (Summary)

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Understanding of and Expectations from New Economic Reform Plan

Chien Sien Jih Pao (Connected with Ku Chu-tung), Shanghai
June 21, 1947

The measures proposed by Executive Yuan President Chang Chun in the new economic reform plan which he has drawn up are mostly practicable. This plan is more intensive and more extensive than the Emergency Economic Measures, and is more progressive than any of the economic policies of the past.

However, this plan seems to lay too much emphasis upon reforms of negative character and does not lay enough emphasis upon economic reconstruction of a positive character. (Summary)

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Opening of Japan to Private Trade and Chinese Economy

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 21, 1947

The problem of Japanese war reparations has, so far, not been solved and there are no indications as yet as to when the peace conference on Japan will be held. However, without regard for the opposition of the Chinese and Philippine Governments, the Americans have taken the important step of lifting the economic blockade of Japan and have announced that Japan will be opened to private trade as from August 15, 1947. While this action on the part of the United States will be compatible with the economic interests of certain nations and will also greatly accelerate the economic recovery of Japan, yet from the standpoint of Chinese economy, we are much worried about it.

The United States has certainly preserved for Japan too large a percentage of her industries, a fact which is far too incompatible with China's economic interests. We wish to point out once again that the so-called industrial level and standard of living are only relative, and that the Americans should not evaluate Japan according to the American standard, nor should they evaluate everything according to pre-war standards. We ourselves must realise the fact that, although almost two years have elapsed since V-J Day, our economic situation has been steadily deteriorating. Not only have we been unable to develop economically, but our economic situation is now fraught with dangers. A look at the economic situation in Japan certainly pains us greatly. (Summary)

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Other editorials not translated:		Dated June 21, 1947
Cheng Yien Pao, Shanghai	--	After the Perusal of the Economic Reform Plan
Ho Ping Jih Pao, Shanghai	--	1) On Economic Reform 2) Seeing off the Central Troops Comforting Mission
Lih Pao, Shanghai	--	On the Suppression of Rebellion
Shang Pao, Shanghai	--	On the Collection of Tax on Automobiles and Trucks for the Repair of Bridges and Roads
Tung Nan Jih Pao, Shanghai	--	On Marshall's Program for Aiding Europe
Chung Hwa Shih Pao, Shanghai	--	On the Feeling of Security
Yi Shih Pao, Shanghai	--	Government Employees Should Be Saved First in Order to Save the Country

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POLITICAL NEWS

Wallace Gives Exclusive Interview to Ta Kung Pao Reporters in New York

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 21, 1947

New York, June 18 (Ta Kung Pao special correspondent)---In an exclusive interview with Ta Kung Pao reporters Yang Kang and Chu Chi-ping on June 18, ex-Vice-President Henry Wallace, leader of American liberal progressive movement, made the following statement:

"The Chinese Government which promotes peace and stability in the Far East must not only be democratic politically but must also strive to adopt a genuine ly friendly policy towards the U.S. and Soviet Russia. China's basic problem is naturally quite similar to those of other countries in the world, which have emerged from a feudal system. That is to say, it is not enough to resolve the problems exclusively by political means, but that agricultural and industrial technique should be simultaneously applied so as to raise the people's standard of living two or three times higher than the existing one within the next 10 years.

"The U.S. policy toward China as announced by Gen. George C. Marshall this spring, is a sound one. However, I wish to emphasize one more point. That is, granted that the Chinese Government has truly achieved democracy and, moreover, that she is friendly toward both the United States and Soviet Russia, there is still need for her to adopt a firm policy calling for the improvement of agricultural and industrial technique."

Mr. Wallace also pointed out that he was deeply impressed by the statement made by Mr. Nelson upon the latter's return from an industrial inspection in China, to the effect that he believed that simple methods could be used to effect great improvement in industry. In future, when the Chinese Government really becomes democratic, Mr. Wallace added, he hoped that China would adopt the plans drawn up by Nelson's Industrial Mission, for the development of agriculture and industry.

Mr. Wallace termed Marshall's recent plan for extending aid to Europe as the "strategic withdrawal" of the Truman Doctrine. However he continued:

"I doubt whether this plan will be successful becuase it failed to endorse the support of Congress. In order to carry out this plan there must be a new Congress in 1948. But to elect such a Congress the Democrat Government should make special efforts in the shaping of public opinion. So far, however, there are no indications of the Democrats making such an effort. If the press, radio cinema and church could inform the American people of the world reconstruction plan, in which Soviet Russia is included, then they will surely rally to its support."

Mr. Wallace also expressed deep concern over the illegal arrests of 9 t Ta Kung Pao reporters.

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Detained Democratic Leaguers in Chengtu and Chungking Set Free

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 21, 1947

(Local News)---According to information released by the General Headquarters of the Democratic League, the League yesterday received a letter from President Chang Chun of the Executive Yuan saying that Governor Teng Shih-hou of Szechuan on June 12 ordered the release of Fan Po-tsai and Chang Chih-ho, Central Executive Committee members of the League, who were arrested on June 1 and already sent them back to their respective residences. A total of 32 League members in Chengtu has been arrested. With the exception of Chang and Fan who were set free, 30 League members including Yang Po-kai and Tien I-ping, C.E.C. members of the League, are remaining in prison.

According to the same report, a total of 36 League members in Chungking has been nabbed, of whom 25 were released while other 11 including Shu Chun, Tang Hung-jen and Li Kang, members of the editorial staff of Min Chu Pao (Democratic Daily), are still being detained.

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Many Reporters, Students, Workers and Civilians in Chengtu Still Being Detained

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 21, 1947

Chengtu, June 19---With the exception of the reporter of Chengtu Kwai Pao, that of Kung Shang Tao Pao (Industrial and Commercial Herald), and a civilian named Liu Hsing-huan who were set free, all the arrested reporters, students, workers and civilians in this city are still being detained by the authorities.

Since the suspension of its publication on June 1, Hwa Si Wan Pao has not yet resumed its publication. Reporters of all newspaper offices and news agencies in the city have signed names to request the Newspapers' Guild to urge the competent authorities to immediately dispose of cases involving the arrested reporters according to law.

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American Writes Mayor Wu Asking for Release of Wen Hui Pao Woman Reporter

Shih Shih Sin Pao Evening Edition (Connected with H.H. Kung), Shanghai
June 20, 1947

(Local News)---A few days ago, Mayor K.C. Wu received a letter signed by an American named Asbor (?) asking the Mayor to release Wen Hui Pao's woman reporter, Miss Mai Shao-mei, whose arrest was connected with the recent student unrest. The author of the letter pointed out that he was deeply convinced that Miss Mai was not a Communist, and that in a democratic country, any citizen, if dissatisfied with the administration, can make his or her opinion known. Mr. Asbor also solemnly declared that he is an American who loves China deeply and that Miss Mai has been his pupil. If the Mayor cannot immediately order her release, Mr. Asbor added, then he would like to have a reply from the Mayor explaining the reasons.

It is learned that Mayor Wu has already answered this letter stating all the reasons.

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Sin Pao in Mukden Ordered Three-Day Suspension for False Reporting

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 21, 1947

Mukden, June 20---The Sin Pao (New Paper) here carried a special telegraphic dispatch from Nanking dated June 18, to the effect that when the Central Political Council of the Kuomintang was holding a meeting to discuss military problems, a certain member of the Council advocated that the Government should shorten the war front by withdrawing troops from the Northeast and leave the problem to international settlement. The Generalissimo's Headquarters here issued a solemn statement saying that the Central Government attaches great significance to the Northeast and has fought a war of resistance for 8 long years for the express purpose of recovering the Northeast, as repeatedly pointed out by President Chiang Kai-shek. The report published by the aforementioned paper is therefore unfounded. As

beginning from date, Sin Pao is ordered to suspend publication for three days, the statement added.

(Note: The Sin Pao is published by the 207th Division of the Youth Army and is one of the leading papers in Mukden.)

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MILITARY NEWS

Wang Shu-ming and Chiang Ching-kuo Toar Chengteh

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 21, 1947

Mukden, June 20---After his arrival in Chinchow by plane a few days ago, Chiang Ching-kuo, Director of the San Min Chu I Youth Corps, made an inspection trip to Hulutao. He flew to Chengteh from Chinchow today to bring military instructions and messages of encouragement and comfort from the supreme authority to the garrison there.

Peiping, June 20---Wang Shu-ming, Deputy Commander of the Chinese Air Force, and Chiang Ching-kuo returned here from Mukden by plane at 4 o'clock this afternoon. It is learned that in their recent trip they were accompanied by foreign advisers and they inspected the Air Force stationed in North China and the Northeast.

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Volunteer Recruits Enlisted in Peiping

Chung Yang Jih Pao (KMT Organ), Shanghai
June 21, 1947

Peiping, June 20---The quota for the conscripts to be drafted in this city for the current year has been set at 1,626 men. Volunteer recruits will be enlisted to serve as conscripts. Each of the volunteer recruits will receive a family maintenance allowance of $2,000,000 and the total amount of funds required is estimated at $3,000,000,000. The Peiping City Government is now raising funds for this purpose.

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ECONOMIC NEWS

Over 100 Imported Jeeps Arrive in Shanghai from States

Cheng Yien Pao (Local KMT Organ), Shanghai
June 20, 1947

(Local News)---According to information revealed by shipping circles, the steamer S.S. Wilson which recently arrived here from New York carried over 100 jeeps ordered by a certain corporation financed by bureaucratic capital. Despite the imposition of restrictions on the importation of automobiles, the said corporation still can import so many jeeps from abroad, a fact which is indeed interesting to the public.

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NEWS OF COMMUNICATIONS

Hunan-Kwangsi Railway to Be Open to
Traffic at End of Year; Construction Work on Kwangtung-Kweichow
Railway to Start at End of June

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 21, 1947

Hankow, June 20---According to the communication circles here, a plan is being formulated whereby the network of railways in South China will be expanded. (1) The road beds of the section between Hengyang and Kweilin of the Hunan-Kwangsi Railway are now being laid. This line will be open to traffic at the end of this year. (2) The survey work on the section between Kwangchowwan and Liuchow of the Kwangtung-Kweichow Railway has been completed. Construction work will be started towards the end of this month. (3) The repair of railroads of the section between Kukong and Kanhsien is now underway..

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MISCELLANEOUS NEWS

Gen. Hu Chung-nan Marries;
Bride is Professor of Ginling Girls' College

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 21, 1947

(Local News)---According to a new arrival from Yenan, Gen. Hu Chung-nan's wedding took place at Tsinglungling, Wangchu, in the vicinity of Sian on May 28. Only 8 persons attended the wedding. These included chief military adviser Wang Chung-shan, director of the political department Koo Hsi-ping, vice directors of the pacification headquarters Kao Kwei-tse and Shih Chin-ting,and cheif of staff Shen Wen.

The bride had been residing in the States for 10 years. It is said that she was highly regarded by the late Gen. Tai Li, and rumors also have it that she had undertaken special training in Chungking in 1939. The surname of the bride is Yeh, while her name is kept secret for the time being. She is a professor of Ginling Girls' College.

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Rich People in Peiping
Anxious to Leave for South

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 21, 1947

Peiping, June 19---Peiping is no longer a paradise to the rich people. All the bureaucrats and rich people here are busy in making arrangements with the aviation corporations to book passages for Hongkong and Shanghai. All business here has been paralyzed.

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CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 380 June 23, 1947

EDITORIAL COMMENT

The United States Should Make a Wise Decision at an Early Date

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 22, 1947

Yesterday, Harold K. Milks, AP correspondent in Nanking, telegraphed saying that diplomatic observers in the Capital are unanimously of the opinion that the political, military and economic developments in China during the past several months have been such that U.S. policy towards China must choose between all-out aid to China and complete abandonment of this country. We feel that Milks' observation is quite reasonable.

In observing the political situation in China, Americans are apt to see only the surface without being able to understand the true facts. They even lack a thorough understanding of Chinese history and the customs and disposition of the Chinese people, and that is why sometimes the conclusions reached by them are superficial. Since China has cooperated with the United States in defeating the aggressor nations, Germany, Italy and Japan, since she has, upon the advice of the United States, relunctantly made great concessions to Soviet Russia in accordance with the Yalta secret pact, and since she has been made a fool of by a friendly nation which has created internal rebellion in this country which tends to result in another "Manchukuo", we feel we have the right to ask the United States this question: What, after all, are the attitude and policy of the United States towards the Far East?

We remember that when President Truman first announced "Trumanism", he made a high-sounding statement. Comparing China with Greece and Turkey, we are utterly unable to understand why, since the United States has every reason to aid Greece and Turkey, she does not extend aid to China at this time?

We believe that if the United States has some great statesmen, she will reach a new decision at this time when a Far Eastern crisis is imminent, for otherwise there would be a day when the United States will be forced to withdraw from the Far East. It is up to the Government and the people of the United States to make a wise decision. (Summary)

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We Wish to Advise Soviet Russia and Awake the World

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 22, 1947

Day before yesterday, Dr. Sun Fo, Vice-President of the National Government, told a UP correspondent that a new World War is in the making in the Northeast, and that unless the United States and Great Britain will lead world public opinion in calling a halt to it, the Soviet Union will establish a puppet government in the Northeast similar to those which she has established in Europe.

We have always opposed China taking advantage of the contradictions between the United States and Soviet Russia, for we believe that the right thing for China to do is to act as a bridge between the United States and Soviet Russia. We believe that liberal people throughout China have this same wish. However, what the Soviet Union has recently been doing before the eyes of the Chinese people is gradually reducing the forcefulness of

what we and the liberal elements have to say. We hope that the Soviet authorities will repent before it is too late, that they will value the traditional friendship between our two countries, and that they will try to win the sympathy of the liberal elements in China, so that the two countries will work together for the progress of mankind. (Summary)

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Pay Close Attention to the Northeast

Chung Yang Jih Pao (KMT Organ), Shanghai
June 22, 1947

If the Balkans constitute a powder keg in Europe, then, undoubtedly, the powder keg in Asia lies in China's Northeast. Although the military situation in the Northeast has recently become tense, yet it would not be difficult for the Government troops to restore the situation which obtained prior to the Communist offensive, if they fought hard. However, the Northeast is not just a question of the Government troops quelling the Communist rebellion, for, in reality, it has already become a serious international problem. The puppet regime which the Japanese militarists invested sixteen years ago is now being used as a model by others. The Northeast has not become a stabilizing factor in the Far East; on the contrary, it has become a new source of international crisis and international trouble, a fact which is greatly deplored by the Government and people of China. (Summary)

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Serious Crisis in Northeast

-- The United States and Britain should increase their aid to China --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 22, 1947

Quite obviously, the Soviet Union has sowed the seed of a widespread conflagration in the Northeast, and naturally, the different nations of the world should take up their responsibility. The Yalta secret pact, which the Soviet Union has been using as a pretext, is closely related to Britain and the United States. Whether from the moral standpoint or from the standpoint of their own interests, Britain and the United States should support our stand on the Northeastern problem to the best of their ability. Therefore, we hope they will attach special importance to the appeal made by Dr. Sun Fo, Vice-President of the National Government. This is really high time for them to begin to act by increasing their aid to China. (Summary)

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Don't Trust Japan Too Much!

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 23, 1947

Although he has been in Tokyo for less than two years, General MacArthur not only does not have any doubts about everything Japanese, but believes it implicitly. Sometimes, his estimates are more optimistic than those made by others -- even one hundred or ten thousand times more optimistic. In the interests of the United States and for the welfare of the entire human race, we find it necessary to point out the wrongness of General MacArthur's conceptions. We would advise him not to trust the hypocritic Japanese too much. (Summary)

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U.S. Congress Re-discusses Labor Law

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 23, 1947

While we feel that American laborers should not lightly go on strike, yet we are of the opinion that the undemocratic, high-handed policy of the Republican Party will not fundamentally solve the labor unrest. Because the United States is a rich country, American laborers live relatively comfortably, so they cannot be easily affected by Communist propaganda and instigation. The most effective way in which a Government can prevent the spread of Communism is to try and stabilize the livelihood of the laborers. Now, however, the Republican Party is not trying to solve the problem fundamentally, but, instead, wants to abandon democracy and to resort to high-handed methods, so we are afraid the consequences will be very serious. If the Congress persists in the original bill, it will doubtless cause unrest among the laborers, thereby reducing the strength of U.S. foreign policy. In January last, President Truman pointed out, "The two major problems facing the American people now are that of Soviet Russia and that of labor." We feel that these two problems can be solved only by peaceful methods. (Summary)

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Seriousness of Financial Problem of Local Governments

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

The 1947 general budgets of fourteen Provincial and Municipal governments, including the Hopei Provincial Government, were passed by the State Council at its meeting held last week. Just imagine how these Provincial and Municipal governments have managed to get along financially during the past several months, since their general budgets for the current year were not adopted until June of this year. Take, for instance, the Hopei Provincial Government. During the past five months that Government has been depending solely upon some maintenance allowance from the Central Government, and so is now heavily in debt.

Because of the financial stringency of the Government, the Government officials naturally cannot get enough to eat, and the people will also be unable to continue to exist, inasmuch as, owing to the big budget deficits, many of the financial needs of the local Governments have had to be met by compulsory contributions from the people.

These unreasonable phenomena must be corrected. On the one hand, the Central Government ought to have over-all planning, so that there will be a balance between the revenues of the Central Government and those of the local governments, and on the other hand, the local governments ought to be determined to abolish redundant Government agencies, so that the proportion of expenditures for non-salary purposes will be increased. (Summary)

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Other editorials not translated: Dated June 23, 1947

Yi Shih Pao, Shanghai	--	We Mourn for the Great Poet, Chu Yuan
Chung Yang Jih Pao, Shanghai	--	How to Improve Import and Export Trade
Chin Yung Jih Pao, Shanghai	--	On the Problem of Wages
Chien Sien Jih Pao, Shanghai	--	A Grave Historical Lesson
Cheng Yien Pao, Shanghai	--	The Roles of China and the Far East in the Promotion of World Peace and Prosperity
Lih Pao, Shanghai	--	The Crux of the Labor-Management Dispute
Shang Pao, Shanghai	--	Our Expectations of the New Economic Reform Plan
Tung Nan Jih Pao, Shanghai	--	How Britain Tides Over Her Industrial Crisis
Chung Hwa Shih Pao, Shanghai	--	War and Colonies

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POLITICAL NEWS

Wu Hsien-Tze Remains in Shanghai

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 23, 1947

(Local News)---Wu Hsien-tze, Vice Chairman of the Democratic Socialist Party, is still remaining in Shanghai. It is learned that he is now awaiting the results of the meetings to be held by the Party members in the United States on June 20 and 21. As soon as he is informed of the results, he will make known his definite views regarding the Party and State affairs. Though Carson Chang, Chairman of the Party, did not accept his mediation, yet Mr. Wu still hopes that unity and harmony will prevail in the Party some day.

Sun Pao-kang, Lu Kwang-sheng, Wang Shih-ming and other members of the Party's Reform Committee are now keeping close contacts with all the middle-of-the-road parties and groups in the country, including industrial, commercial and student bodies, in an attempt to build a "democratic force" outside the Kuomintang and the Communists.

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Shanghai Peace Delegates Again Appeal for Peace

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

(Local News)---A written appeal was issued by the Shanghai peace delegates. It reads in part:

We, the undersigned, were the representatives elected by over 60 people's organizations in Shanghai to proceed to Nanking today last year to file petitions with the competent authorities for peace. Half of us are over 60 years old. Besides taking interest in matters concerning public welfare, we have never taken part in any other activities.

It is right and reasonable for us to appeal to our Government for peace. Likewise it is legal for us to appeal to the Government for peace in the form of petition. Unexpectedly for us, as soon as we arrived in Nanking, we were beaten up and shed blood despite the heavy guard of police and gendarmes at the station.

We believe that we were beaten not as individuals, and it was glorious for us to shed our blood. The failure to restore peace in this country during the past year has caused the State and nation to face a precarious situation, and such a situation exactly proves that our appeal for peace is a correct move.

Had the Government accepted our appeal today last year, the CP would have had no reason to reject the same. With the exception of the minority of bureaucratic capitalists and their appendages, all the people in our country have been reduced to poverty and destitution. This phenomenon is extremely horrible indeed.

We hope that the Government will have regard for the welfare of the people and will pay attention to our appeal. The people must have a chance to live on, otherwise the country and nation will be led to a path of destruction and death and we shall never be able to tide over our national crisis.

Signed by: Ma Hsu-lun, Chang Chiung-[illegible], Sheng Pi-hwa, Kwei Yen-fang, Pao Ta-san and Lei Chieh-chiung.

June 23, 1947.

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Guardians of Arrested Students
Demand Immediate Release of Their Youngsters

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

(Local News)---Representatives of the guardians of the arrested students in the city gathered at the Shanghai City Government at 2 o'clock yesterday afternoon. Accompanied by officials appointed by the competent authorities, they went to the detention quarters to visit their detained youngsters. After asking the arrested students about their daily life and other conditions in the detention quarters, they left the place in a hurry. All of them were much grieved on seeing their youngsters being confined there.

Last evening, the Federation of Next of Kin of Arrested Students in Shanghai declared that after their visit to their youngsters, all the guardians were of the opinion that though the food for the arrested students in the detention quarters is satisfactory, yet what they hope is not only better treatment fortheir youngsters during the detention but also the respect of human rights by the competent authorities and the immediate release of those innocent students. The Federation has unanimously adopted the resolution to the effect that the court will be requested to issue writs of habeas corpus to the detained students. Preparations in this connection are now underway, and the Federation will file petitions with the judicial authorities in this city requesting the latter to issue writs of habeas corpus in accordance with law, so that the cases involving the detained students can be speedily settled.

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Chu Chia-hua Tenders Resignation from Post
of Minister of Education Twice.

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

Nanking, June 22-Minister Chu Chia-hua of Education has tendered his resignation to the competent authorities twice. Though being persuaded by the competent authorities to remain on his post, Minister Chu has not given up his intention of resigning, it is learned.

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Garrison Headquarters in Taiwan Province Placed Under Command of Governor

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

Taipei (By Mail), June 18---According to the regulations laid down by the Central authorities, the Garrison Commander of the Taiwan area should be subject to the command of the Governor. An order was recently received here from the Ministry of National Defense to the effect that all the land, naval and air forces, gendarmes and the Fort Commands of Keelung, Kaohsiung and Makung as well as the Service of Supplies should be placed under the command of Peng Meng-tsi, Garrison Commander. Therefore, explicit stipulations have been made in regard to the jurisdiction of the military organs in Taiwan.

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Very Few Intellectuals Take Part in Election of City Councillors in Wuchang

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

Hankow, June 22---The Kiangsi Reporters' Inspection Group to Hunnan and Hupeh after completing its tour left this city on board the S.S. Taching for Kiukiang.

The election of councillors for the first City Council took place in Wuchang city today. Though no disputes arose at various polling booths, yet many interesting scenes were witnessed during the election. Very few Government employees, school teachers and intellectuals went to the polls.

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Student Representatives to Visit Yenan

Lih Pao (General Labor Union Organ), Shanghai
June 23, 1947

Nanking, June 21---With a view to enabling all the students in the country to acquaint themselves with the actual conditions prevailing in Yenan, the Ministry of National Defense will invite a number of student representatives in various localities to organize a Yenan inspection group. The representatives will gather in Nanking and leave for their destination next month. The Ministry has written letters to various universities requesting the latter to dispatch student representatives to the Capital for this purpose.

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American Owners of Land Properties in China Not to Be Exempted from Land Tax

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 22, 1947

(Local News)---Recently the United States Consulate-General in Shanghai has written a letter to the Land Administration, requesting exemption from the land tax of the last fiscal year. The said Administration forwarded the same to the Executive Yuan, soliciting instructions in this regard. Yesterday, the reply came from the Yuan as follows:

In accordance with the stipulations of the newly signed Sino-U.S. treaty, all lands owned or leased by the U.S. Government or U.S. nationals, are, according to regulations of Chinese law, taxable. Moreover, the U.S. Government also levies land tax on Chinese Consulates in the States.

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MILITARY NEWS

General Fan Han-chieh
to Proceed to South Shantung

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 23, 1947

Hsuchow, June 22---General Fan Han-chieh, Deputy Chief of the General Staff of the Army, has been appointed Commander of the 1st Army Group in succession to General Tang En-po. He is leaving for the South Shantung defense area today to assume his new post.

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Situation on Anhwei-Kiangsu Border
Becomes Tense as CP Troops Penetrate Into Area North of Lingpi.

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

Pengpu, June 22---After the penetration of the CP field army into the area north of Lingpi in Anhwei, consternation prevailed among the local populace. Garrison forces in Tsuning and Szehsien launched attacks on the invading troops. Heading northward, the CP troops crossed the Tangho River and are pushing their advance in the direction of Yukou. The situation on the Anhwei-Kiangsu border has become more and more tense.

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ECONOMIC NEWS

U.S. LoansChina Six Daily Essentials

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 22, 1947

(Local News)---Recently the United States extended to China a loan in kind in the form of 6 daily necessities to be distributed and sold at equitable prices throughout the country so as to stabilize commodity prices. Governor Chiang Chia-ngau of the Central Bank of China is charged with the duty of organizing a committee to handle the disposal of these essentials. It is learned that Mr. Chang has already come to an understanding with the authorities concerned, whereby the Central Trust will be authorized to form a committee to handle the distribution, sale and management of the same. It is said that Mr. Jen Shin-chun, ex-director of the Communications Department of Taiwan, will head the proposed committee. Among the six essentials, taking the item of rice alone, Shanghai will be alloted as much as 210,000 bags.

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Serious Food Shortages Prevail in West Szechuan and Sikong

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 22, 1947

Chengtu, June 21---West Szechuan and Sikong are still experiencing

very serious food shortages, and rice riots continue to break out in various places. In Chengtu city, despite the sale of rationed rice, prices of stable food have not come down. The Szechuan-Sikong Pacification Headquarters reiterated its order to protect food shipment and to inflict capital penalty without mercy on all rice rioters who resist arrest. The problems of food shortages, peace maintenance and reconstruction were the principal topics of discussion at the Provincial Council meeting which opened on the 20th.

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Big Denomination Notes
Issued in Northeast; Commodity Prices Soar

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 23, 1947

Mukden, June 21---Banknotes of $500 denomination were issued as from today. Prices of foodstuffs and other daily necessities, especially those of cotton yarn and cigarettes, have soared skyhigh.

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MISCELLANEOUS NEWS

Government and CP Organize
Joint Committee for Repair of Yellow River Dykes

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 23, 1947

Chengchow, June 21---The Government and the CP have agreed to organize a joint committee at Linpotsi in Tsaohsien to take charge of the repair of Yellow River dykes. The committee will consist of two representatives from the Government and the CP respectively and one from UNRRA. The Government will be represented by Yen Chen-hsing, technician of the Water Conservancy Board; the CP, by Wang Siao-i; while UNRRA by Mr. Todd (?), advisor to UNRRA.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 381 June 24, 1947

EDITORIAL COMMENT

The Government Must Have a Strong Faith First

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

It is true that the present situation is disconcerting, but the Government should continue to be calm, to have faith, and not to allow itself to be confused. The civil war is a reality which has been in existence for a long time already. It was begun as a conflict among the Chinese themselves, and it had better be settled eventually by the Chinese themselves. Although the situation now tends to become more complicated and to involve international factors, yet since the general world situation does not seem to indicate that a Third World War is going to break out in the very near future, we need not be too jittery. If the Government is too jittery, it is possible that our internal politics will become even more chaotic, which might make those, who otherwise would give us aid, withhold it.

The National Government has been in existence for twenty years now, and it can be said to have done more good than harm to the country. The situation in China is not yet entirely hopeless, so the Government should continue to have a strong faith and should demonstrate its sincere desire to conclude political tutelage and to enforce the Constitution, with a view to bringing the civil war to an end. If the Government can propose a sincere and reasonable peace plan and if, unfortunately, it is rejected by the opposing side, then the latter is to blame and the Government will be excused by the people. More fundamentally, the Government should, at the same time, strive hard for democracy and government by law and faithfully respect the basic freedoms of the people. In this way, the general situation will not become out of hand.

We must do everything possible to avoid irritating other nations. It is true that the situations in the Northeast and Sinkiang have caused us much concern, but inasmuch as these situations have not yet developed to a stage where they cannot be amicably solved, we still need to be cautious in dealing with them. The United States is a friend whom we can ask for assistance. The US$500,000,000 loan was originally intended to help us in our peaceful reconstruction. Now if, because of our internal and external situation, we are eager to obtain this sum of money and raise such questions as "does the United States want to abandon China?", it will hinder rather than help matters. The projected loan to China is designed to help peaceful reconstruction in China, and the conditions for the loan are (1) that it shall not be used to finance the civil war, (2) that it shall not be used to meet the budgetary needs of the Government (definite reconstruction plans are required), and (3) that the democratic basis of the Government shall be broadened. The United States is a democratic country where, without the approval of the Congress, neither the President nor the Secretary of State may use a single extra cent. The man in charge of the Export-Import Bank is Mr. Clarence E. Gauss, former U.S. Ambassador to China, who is in a way prejudiced against the National Government. Moreover, behind the Export-Import Bank there is a group of capitalists who have their own plans. So far as the above three conditions are concerned, the reorganization of the National Government resulting in the participation of the Young China Party and the Democratic Socialist Party was a broadening of the democratic basis of the National Government. However, when the student strikes began, the Government closed newspapers and arrested newspaper reporters and students. This made a very unfavorable impression upon public opinion in the United States. Moreover, the fact that the Government leaders are so anxious to obtain the loan at the present time has given the Americans the impression that they are anxiously waiting for the loan to finance the war. Thus, the loan has been delayed instead of being expedited. Common sense tells us that the United States will not lightly abandon

China. The reason why the United States wants to befriend China is that she wants her to become a stabilizing force in the Far East rather than that she wants to find a comrade-in-arms. The projected U.S. loan may yet be extended to us, but we must respect government by law and the people's rights, so that we may look like a democratic nation. (Summary)

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Look Straight at Our Foreign Trade

-- We should try our best to reduce unnecessary misunderstandings between China and the United States --

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 24, 1947

A U.P. dispatch from New York yesterday by Walter G. Rundle, former manager of the U.P. office in China, indicates that China's past record of abuses of financial aid and present policy of discrimination against American interests in China have come back to haunt her current efforts to uncork the earmarked US$500,000,000 Export-Import Bank loan before the June 30 deadline. The despatch further stated that the Far East American Council of Commerce and Industry, the National Foreign Trade Council and the American Chamber of Commerce in Shanghai formally recommended to the United States government that China be required to provide guarantees that furture funds will be used for purposes intended and that restrictive practices which have hamstrung American business during the past eight months be corrected as a prerequisite to future loans or credits.

On this day when quite a large group of well-known American pressmen are scheduled to arrive in Shanghai by plane, we find it necessary to make a candid statement, so as to reduce as much as possible unnecessary misunderstandings between the two great Allied nations, China and the United States.

First of all, we wish solemnly to point out that while China needs the aid of her neighbor, yet she does not depend entirely upon such aid. During the difficult period of war against Japanese aggression, we resisted such aggression with our flesh and blood and our unflinching spirit. We will not forget that the gasoline used by Japanese aircraft had been bought from the United States, and that in the bombs dropped by Japanese planes there was scrap iron which Japan had bought from the United States. This resulted in Pearl Harbor. After Pearl Harbor, under the strategy "Europe first", we were able to pin down a large Japanese army. However, after the Yalta Conference, we were unexpectedly irritated. It has already been proved that the short-sighted isolationism and the narrow-minded doctrine of "Europe first" have been disadvantageous to the United States. At this time, we must not further allow short-sighted and narrow-minded views to be spread. The views referred to in the above-mentioned U.P. despatch are such short-sighted and narrow-minded views.

Then, the despatch also referred to trade conditions in China today. It is necessary for us to impose a certain kind of control on our foreign trade at the present time. This is a fact unanimously recognized by observers in China, and also understood by people abroad. However, in implementing this policy of trade control, quite a number of problems have arisen. As to the charge that goods which American firms have not been allowed to import have often been brought into the China market by official Chinese agencies, this certainly cannot be interpreted to mean that the Chinese Government has already adopted a policy of discriminating against U.S. goods, nor can it be interpreted to mean that the Chinese Government has adopted a foreign trade policy whereby foreign trade is monopolized by the Government to the exclusion of privately-operated trade. In the past, as they enjoyed the privileges of extraterritoriality, foreign business men in China often monopolised China's import and export trade. Since the present situation is different from what it was, they are naturally unhappy. Moreover, in implementing the foreign trade policy, there have been delays on the part of those responsible. There have been these personnel and emotional factors. Such a phenomenon was and is unavoidable, whether today or in ancient times, whether in China or abroad.

The new economic reform plan which General Chang Chun, President of the Executive Yuan, has proposed, refers to the system of linking imports to exports. We are of the opinion that we should be cautious in re-adopting this system. Normally, the system of linking imports to exports is for wartime only. Since the War has now come to an end, import and export trade in general ought to be operated by private interests. Therefore, the system of linking imports to exports, if adopted, would undoubtedly encounter difficulties and would also be criticised by people abroad.

As to the question of re-opening the foreign exchange market, this has been advocated by some people, but this would not mean the removal of foreign exchange control. While the criticisms made by American business men against trade conditions in this country are not entirely convincing, yet they have given us food for thought. We hope that our Government authorities will try to correct the weaknesses as far as possible. (Summary)

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U.S. to Abandon China?

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 24, 1947

In the May issue of the American weekly, "The Nation", there is published an article on U.S. policy towards China, and one of the questions discussed in the article is "Is the Chiang Kai-shek Government Going to Be Abandoned?" Day before yesterday, the Shanghai "Evening Post & Mercury" carried an editorial entitled "Who's Abandoned Whom?" The editorial asked whether America has abandoned China, or vice versa. In discussing the Northeastern situation with a "Sin Min Pao" reporter at Nanking on June 22nd, Vice-President Dr. Sun Fo of the National Government said, "...if the United States reacted apathetically, it would be tantamount to abandoning China." From the standpoint of national honor and national self-respect, we are ashamed of, and embarrassed by, the mere mention of "abandonment" or "no abandonment". However, it was not the Chinese press but rather the U.S. press which first raised this problem. In raising the question, the U.S. press seems to have emphasised the importance of the internal reform of the National Government. We wish to ask our American friends to analyse briefly how Chinese politics can be thoroughly reformed before the hostilities in China can be brought to an end. Now, the reason why the hostilities in China cannot be brought to an end is not because the Kuomintang or the Government is stubborn, but rather because the Chinese Communists are bent, with foreign support, on overthrowing their Fatherland. A case in point is the present situation in the Northeast.

In many respects the Chinese problem today is not a problem of China alone, nor can it be solved through her own efforts alone. To be more frank, the mutual suspicion and conflict between the United States and Soviet Russia have not been created by China, but the latter has been directly affected by same. Since V-J Day, the Government and people of China have done their best to achieve unity and stability in the country. The policy towards China which the United States has been pursuing during the past two years should at least be held responsible for the present state of affairs in China to a certain extent. The United States should now reconsider her policy towards China just as China should reconsider her policy towards the United States. China does not want lightly to raise the question of whether the United States wants to abandon China or not, but the situation today compells us to raise this question. During the past two years, China certainly has not involved the United States in any trouble. The material aid which the United States has extended to China is far from being sufficient to offset the adverse effect which U.S. foreign policy has had upon this country. Especially has U.S. policy towards Russia sandwiched China almost to the point of suffocation. It is time that both the United States and China carefully consider whether each is going to abandon the other. We hope the Government and people of the United States will calmly consider, from the standpoint of the entire international situation, in what way China has involved their country in too much trouble. (Summary)

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U.S. China Policy Taking A Wrong Course

Yi Shih Pao (Chinese Catholic Organ), Shanghai
June 24, 1947

"In our opinion, the current U.S. policy toward China is in reality an exceedingly short-sighted one. As a matter of fact, this indifference on the part of the United States toward China is tantamount to a show of weakness toward Soviet Russia. If no efforts are made to correct this attitude, the security of the world may be jeopardized." (Extract)

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Other editorials not translated: Dated June 24, 1947

Lih Pao, Shanghai	--	The Far Eastern Policy of the Soviet Union
Tung Nan Jih Pao, Shanghai	--	The Way-Out for the Present Economic Situation in China
Ho Ping Jih Pao, Shanghai	--	Annihilate the CP
Chien Sien Jih Pao, Shanghai	--	The Much-Heralded "General Hike in Prices in July"
Chung Yang Jih Pao, Shanghai	--	1) Comfort the Gallant Army Officers and Men Who Are Defending Their Fatherland 2) The Future of Separate Rule in India
Cheng Yien Pao, Shanghai	--	How to Carry on the Work of UNRRA
Chin Yung Jih Pao, Shanghai	--	The Foreign Exchange Policy in the Economic Reform Plan
Shang Pao, Shanghai	--	The Lifting of Foreign Exchange Control and the Adoption of the System of Linking Imports to Exports

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POLITICAL NEWS

Agricultural Circles Appeal for Cessation of Civil Hostilities

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

(Local News)---About 200 persons representing agricultural circles in the country including Tung Shih-tsin, leader of the China Peasant Party; Wu Chueh-nung, manager of the Hsing Hua Tea Company; and Fei Hsiao-tung, professor of National Tsinghua University; issued a written appeal for peace, the general idea of which is summed up as follows:

Though peace atmosphere once thickened in this country, yet it has completely disappeared. On behalf of the farmers throughout the country, we here make an urgent appeal to both the Government and the CP, requesting them to put an end to their hostilities and to order their troops to remain on their respective positions and not to attack each other.

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MILITARY NEWS

Deputy Commander of Government Forces in North China Arrives in Peiping from Nanking

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

Peiping, June 23---Gen. Shang Kwan Yun-hsiang, Deputy Commander of Government forces in North China, arrived in this city from Nanking recently.

At 4 o'clock this afternoon, he called on Gen. Li Chung-jen, Director of the Generalissimo's Peiping Headquarters, and reported to the latter on the results of his trip to the Capital.

Gen. Shang Kwan told our reporter that closely concerned about the existing situation in Peiping and Tientsin, the Central authorities have already mapped out an over-all plan for coping with the situation in North China and have also given detailed instructions to the Army command there. He expressed belief that so far as the strength of the Government garrison forces in Hopei is concerned, it will not only be able to defend Peiping, Tientsin and Paoting but also to smash the main force of the CP troops.

According to a certain important Government official who recently arrived here, the Central authorities are of the opinion that the present situation in the Northeast is most complex and grave, so they will exert all their efforts to cope with the situation there.

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Chiang Ching-kuo Leaves Peiping for Tientsin by Train

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 24, 1947

Peiping, June 23---Chiang Ching-kuo, Director of the San Min Chu I Youth Corps, left here for Tientsin by train yesterday at the request of Gen. Sun Lien-chung, Commander of the Government forces in North China. It is learned that he will confer with Gen. Sun on certain important affairs.

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Six Military Supervisory Groups to Be Sent to Northeast

Lih Pao (General Labor Union Organ), Shanghai
June 24, 1947

Nanking, June 23---The Government will send six military supervisory groups to the Northeast to establish contact with the commanders of the garrison forces in various districts there so as to improve the fighting ability of the troops.

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Head of Central Troops Comforting Mission Gives Press Conference

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

Peiping, June 22---Gen. Lu Tsun-lun, head of the Central Troops Comforting Mission, gave a press conference this afternoon, at which he declared that the comforting mission is to give spiritual rather than material comfort to the troops. The Central authorities are deeply concerned about the low pay of the Army officers and men. To bring spiritual comfort to them is in other words to "pep them up". However, since the soldiers do not have enough to eat and they are not strong enough to fight, it will not be easy to "pep them up", Gen. Lu added.

The Mission will be separated into two groups one of which will proceed to Hopei while the other, to Chahar, Suiyuan and Shansi.

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ECONOMIC NEWS

Written Proposal By Economic Experts Advocating Lifting of Foreign Exchange Control

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

(Local News)---An article on the lifting of the foreign exchange control and the ways of tiding over the present economic crisis was written by the economic experts, Fang Hsien-ting, Yang Yin-pu, Chu Szu-huang, Wu Cheng-Hsi, Chu Fu-kwei, Chu Pai-ying, Li Chung-wen, Ho I-jen, Pan Shih-chieh and Yu Tseng-kang, and published in this paper today. According to the article, free transactions of foreign exchange should be restored, adequate control of trade should be retained, foreign exchange rate should not be pegged at a fixed rate, and all possible facilities should be given to the free movements of foreign investments. The article pointed out that should the foreign exchange control be lifted as proposed, it would produce the following effects: 1) The problem of the prices of export goods will be settled, and the amount of exports will be increased, thus facilitating the revival of China's export trade, 2) Remittances from overseas Chinese abroad will not flow into the black market. Overseas Chinese will be able to buy goods from other countries with their foreign exchange or sell their foreign exchange to the importers at home for the purchase of foreign goods. 3) The capital which has already fled to other countries will be able to find a chance to return to the country in the form of import goods. 4) A part of foreign capital can be absorbed so as to make up the balance of trade. Therefore, the article concluded, the Government should reopen the foreign exchange market at an early date so as to tide over the present economic crisis.

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Export of Surplus Salt to Japan for Second Half of Current Year to Be Suspended

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 24, 1947

Tsingtao, June 23---In an interview with our reporter this morning, Miao Chiu-chieh, Director of the Salt Administration, stated:

1) The estimated amount of salt tax for the current year totaling CN$530,000,000,000 can be fully collected.

2) The total output of salt in various salt-producing districts in the country at present is approximately 70,000,000 "tan". If conditions in the country can be stabilized, the annual output is expected to reach 120,000,000 "tan".

3) The quota of salt to be exported to Japan was originally set at 800,000 tons, but as the price of salt was fixed at too low a level, only 150,000 tons were exported to Japan for the first half of the current year. Export of salt to Japan for the second half of the current year will be totally suspended. Surplus salt will be sold to regions along the Yangtze River.

Satisfactory arrangements have already been made with the Yung Li Salt Corporation to set up four large-scale salt refineries in Tsingtao, Huaipei, Tzuliuching and Tientsin respectively, so as to improve the quality of salt.

* * *

Associated Company for Production and Sale of Chinese Cotton Goods Set Up by Cotton Spinning and Weaving Enterprises in Shanghai

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 23, 1947

(Local News)---Since the announcement by U.S. State and War Departments that private trade with Japan will be resumed as from August 15, Chinese industrial circles here have been greatly perturbed at this decision. Responsible officials of local cotton industries such as Hsu Wen-chao (Ching Foo Knitting Factory), Fu Liang-chun (China A.B.C. Underwear Factory), Hsu Chih-chao (Tung Hsing Factory), Hsu Tzu-sin (Hanyang Factory), Li Tao-fa (Pacific Factory), Kao Cheng-yuan (Ta Sheng Factory) and over 30 representatives of other factories have sponsored the organization of an Associated Company for the Production and Sale of Chinese Cotton Goods. At its inaugural meeting held recently, Hsu Wen-chao was elected Chairman of the Board of Directors and Chien Cheng-hsu, a leading industrialist, General Manager of the said Company.

This Company aims at developing China's cotton goods trade in South Seas markets and obtaining foreign exchange. It is said that this Company is purely a privately-owned enterprise and its constituent members are limited to factories capable of exporting their manufactured goods. "Centralized production" and "standardized products" are the objectives of the Company. According to a certain person close to the said Company, this is the first organized reply of the Chinese industrial circles to the resumption of private trade with Japan.

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Over 3,000 Employees of Factories and Mines in Northeast Evacuated to Peiping and Tientsin

Lih Pao (General Labor Union Organ), Shanghai
June 24, 1947

Nanking, June 23---The evacuation of factory and mine employees and equipment in the Northeast is now underway. Over 3,000 employees have arrived in Peiping and Tientsin. The National Resources Commission is now making arrangements to find work for them.

Sun Yueh-chi, Vice Chairman of the said Commission, revealed that the authorities concerned are now planning to use these employees and equipment to develop the industrial and mining enterprises in areas along the Canton-Hankow railway.

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Chengtu Experiences Acute Shortage of Rice

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

Chengtu, June 23---Food shortage in Chengtu has reached the gravest stage. The price of rice increased $50,000 to $60,000 per "Suang Shih Tan" (equivalent to two "tan") in a single day. Even at the price of $480,000 per "Suang Shih Tan" of rice, one is still unable to get one "tou" (one-tenth of "tan") of the staple food. A considerable number of Government employees, school teachers and civilians are selling their clothes at the public square in order to get money to buy rice.

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General Index of Wholesale Prices for June 1-20 is 29,200 Times That of Prewar Figure

Chien Sien Jih Pao (Connected with Ku Chu-tung), Shanghai
June 24, 1947

(Local News)---According to statistics compiled by a certain financial organ here, the general index of wholesale prices for the period of June 1-20 is as follows:

General index	29,242.67	(an increase of	4,922.34	over	previous	month)
Foodstuffs	29,711.54	(" "	5,547.10	"	"	")
Textile goods	21,208.00	(" "	1,885.73	"	"	")
Fuel	38,775.45	(" "	736.71	"	"	")
Construction materials	34,715.38	(" "	4,926.71	"	"	")
Miscellaneous	13,529.06	(" "	423,35	"	"	")

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MISCELLANEOUS NEWS

Newspaper Office in Kunming Raided and Wrecked by Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 24, 1947

Kunming, June 22---Over 200 students of the Provincial Kunhwa College of Agriculture carrying clubs and shovels stormed the Fu Hsing Wan Pao (Rejuvenation Evening News) office this morning, and wrecked everything therein.

According to the responsible official of the said paper, the students raided the newspaper office because the paper carried a report sometime ago saying that the English standard of the students of that college is so low that they probably will not be able to enter universities after their graduation.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 382 June 25, 1947

EDITORIAL COMMENT

Can Pierson's Sentence Be Set Aside

-- A test of the United States' spirit of government by law --

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 25, 1947

According to an Associated Press dispatch datelined Sumter, South Carolina, June 17th, the Judge Advocate-General of the Navy has recommended that Private Pierson be released from confinement and returned to a full duty status in his previous rank of corporal. This news was totally unexpected, so much so that one almost refuses to believe it.

The Pierson rape case aroused the ire of Chinese society as a whole, especially the Chinese intelligentsia. This American Marine in China who had violated the criminal code of the Chinese Army could not be punished by a Chinese court and so had to be tried and sentenced by an American court-martial. It was generally believed, however, that the Americans would maintain their respect for law and that the American court-martial would maintain a just attitude. On January 17, 1947, the American court-martial began to try the case. A medical report was submitted to the court, the lawyers of both sides defended their respective clients, and the parties directly concerned as well as the witnesses made statements. That Pierson was guilty was fully established. On March 5th, General Howard, commander of the First Division of U.S. Marines stationed in China, approved and announced the sentence handed down by the court-martial that Pierson be demoted to the rank of a private and that be imprisoned for a period of fifteen years. Although this judgment was still considered by some to be too lenient, yet, at any rate, some punishment was meted out to the criminal. Unexpectedly, however, the Naval authorities at Washington have refused to approve this sentence and have concluded that the charge of rape was unwarranted.

This is not the first time that foreign soldiers in China have raped Chinese women. During the last war, Japanese soldiers in China committed such atrocities on a large scale. This aroused the indignation of the Chinese and strengthened their determination to resist, with the result that the account has eventually been settled. However, the same thing is not true of the United States. China and America have been on very good terms, and American servicemen in China have left a favorable impression in this country. There have been "black sheep" among American servicemen in China who have irritated the Chinese people and adversely affected the reputation of American servicemen, a fact which has been regretted by both the Chinese and the Americans. The Americans do not want to offend the Chinese people just because of the unlawful act committed by an American serviceman, and psychologically, it is not difficult to understand why the Chinese attach much importance to this case. Now, if an American serviceman who has raped a Chinese girl can be considered not guilty, then what kind of people will the Chinese be in the eyes of Americans? We, in China, have heard of cases where a Negro who had raped a White woman was sentenced to death, and also cases where a White man who had raped a Negro woman was acquitted, and we have not fully believed such stories. This is because the students whom we have sent to the United States to study American law have praised her spirit of government by law. Moreover, we have invited American legal experts to China to help us reform our judicial system. Now, if there should be facts which would make us change our notion that the United States emphasises government by law, it would be highly regrettable.

This rape case occurred after the case wherein a Chinese pedicab driver was beaten to death, and similar cases, so it had far-reaching repercussions. That is why the court-martial in Peiping handled the case in a serious and

cautious manner. If this case, which has been regretted both by the Chinese and the Americans, could be dealt with strictly in accordance with law, one would not be too disappointed over it. If a crime which has been established by the concerned parties on the spot with ample evidence, both human and material, could be lightly set aside by the Washington authorities who are in another hemisphere, then the terms of the agreement reached by both sides would become meaningless. Certain American news dispatches have asserted that judgment on this case was handed down at a time when there were student demonstrations in Peiping, which is another way of saying that the judgment was handed by the Peiping court-martial under the pressure of the student demonstrations. However, as Dr. Hu Shih has pointed out, this was entirely untrue. If it had been true, the Peiping court-martial would have been too childish. But could the holding of a court-martial been child's play?

We agree with what Dr. Hu has said, "The entire Chinese nation pays close attention to the manner in which this case will develop, because it will be a test of the justice of the United States." If the Naval authorities at Washington feel that Pierson is not guilty, they will, we hope, produce clear evidence, so that we may be persuaded. (Summary)

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Understand China! See the True Situation in the Far East!

-- Welcome to the group of prominent American newspapers now visiting China --

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 25, 1947

Besides extending a sincere welcome to Mr. Howard and his party who are now visiting China, we at least hope that they will take back to the United States the Chinese people's opinion of the world, especially of the United States.

First, the basic attitude of the Chinese people toward the post-war world is one of hope that there will be real international understanding and that world peace can be achieved through international cooperation. During the past few weeks, due to the Outer Mongolian invasion of China's Sinkiang Province, Sino-Soviet relations have become somewhat strained. We find it necessary to tell Mr. Howard and his party that Soviet Russia should be held solely responsible for this state of affairs, and that if only Soviet Russia can observe the Sino-Soviet Treaty of Friendship and Alliance, not only can all the existing problems be solved without difficulty, but it will not be impossible for China and Soviet Russia to maintain friendly and cooperative relations.

Secondly, as regards Sino-American relations, we wish, first of all, to express the hope that Mr. Howard and his party will have more time in the future to study the situation here on the spot. We have always felt that the so-called American "Sinologues" usually have only a superficial knowledge of China. For instance, the local American-owned newspaper, Shanghai "Evening Post & Mercury", carried an editorial a few days ago entitled "Who's Abandoned Whom?", misinterpreting China's request for American aid as having been made from purely selfish motives. Then, again, Mr. Rundle, United Press correspondent, has reported that the reason why the U.S. Export-Import Bank has refused to extend the US$500,000,000 loan which has long been earmarked for China is partly because China has abused past American loans and credits, and partly because the present policy of China is one of discriminating against American interests in China. We are of the opinion, however, that these are distorted facts which need no explanation.

We hope that Mr. Howard and his party, who are prominent American journalists, will take back to the United States the sentiments and thinking of the Chinese people, so that the Government and people of the United States will reconsider their policy towards China on the basis of the two points mentioned above. In this way, the present dark clouds over Sino-American relations can be dispelled without difficulty. (Summary)

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Chinese and American Pressmen Shake Hands

-- China and the United States ought to cooperate closely in maintaining world peace --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 25, 1947

The first thing we wish to remind these foreign friends of ours is that the present tendency is that Chinese and American press circles cannot be separated from each other. The views of Chinese press circles as to how world peace can be rebuilt and the efforts they are making in this direction are exactly the same as those of American press circles. Unfortunately, China now stands once again at the most advanced line in the struggle for the safeguarding of world peace. Moreover, it is quite clear that foreign aggressive forces have already invaded our Northeast and infiltrated into our Sinkiang Province. The children of the Chinese Republic are not afraid of brute force, and if foreign aggression really comes and if finally, their patience is exhausted, they will rise and fight to the bitter end. What they hope for now is that all the nations of the world will pay due attention to this beginning of the threat to world peace as a whole. At this time when we require the moral and economic support of our foreign friends, we hope that press circles in the friendly country will have a deeper understanding of the international crisis and that they will urge the U.S. Government to give us effective aid and to act immediately. (Summary)

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Marshall Doctrine and Future of China

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 24, 1947

As the United States takes positive steps to give economic aid to Europe, the China problem is growing in seriousness. Dr. Sun Fo has made a formal statement on the matter, and many of our fellow-countrymen have blamed the United States, a friendly nation, in various ways. On the other hand, however, our American friends have also criticised us in various ways, and if we examine ourselves, we cannot remain unmoved by these criticisms. (1) The Americans feel that the budget deficit of the Chinese Government has been caused largely by the endless civil war. (2) Since the United States and Soviet Russia have the responsibility of solving their dispute so as to maintain world peace, do the Chinese not have the responsibility of solving their own dispute, so as to maintain peace in this country? (3) Have we not abused the political loan and the Lend-Lease materials at all? (4) The United States does not quarrel with the restriction of imports by the Chinese Government so as to preserve foreign exchange, but there have been many commodities which, while American importers in China have been unable to import, have been imported in large quantities by the quasi-official companies organized by the "favored families", with the special permission of the Chinese Government. That is why organizations like the Far East American Council of Commerce and Industry have strongly demanded that the Chinese Government protect the legitimate interests of foreign business men in China, otherwise the projected loan should not be extended.

China must seek to solve her own difficulties and should not depend entirely upon a friendly nation. If the Government does not do its best to effect reforms, and if Chinese politicians are corrupt and Chinese military men take things into their own hands, then it will automatically collapse even without being attacked by the Russian, Chinese and Korean Communists, and even if the United States extended aid to it, such aid would only benefit its enemies.

Professor Laski of Great Britain welcomes Marshall's plan for aid to Europe, but opposes the United States using the future of Europe as a political football. While both the British and the Europeans want to maintain their independence, how stupid are the Chinese who are willing to let the future of China be used by the United States and the Soviet Union as a political football. (Summary)

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How We Feel about Sun Fo's Statement

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 25, 1947

The severe criticisms which Sun Fo has leveled against Soviet Russia and the urgent appeal which he has made to the world, especially to the United States, merit the attention of all our fellow-countrymen as well as the entire world. The crux of the China problem now lies in the Northeast, and the Northeast problem has originated from the Yalta Conference. This shameful Yalta Conference! Could the United States wash her hands of the matter? Certainly not! (Summary)

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MacArthur's Conception of Japan

Chung Yang Jih Pao (KMT Organ), Shanghai
June 25, 1947

In an interview with an AFP correspondent on June 21st, General MacArthur made a highly optimistic statement regarding the future of democracy in Japan. His statement would seem to indicate that Japan, which has been under Allied control for less than two years, is not only a "model" of peace and democracy, but also a "paradise" on earth.

But what about the facts? The dominating influence of the Japanese Zaibatsu has not been changed much. The militarists still exist. As a result of the establishment last year of the land reform law, the feudal land system of Japan guarantees the improper interests of land-owners. Thus, it can be said that Japanese imperialism which is militaristic and feudal in character, has not been changed. Moreover, on the one hand, the Japanese have not yet been disarmed psychologically, and on the other hand, the Far Eastern Commission has passed a resolution that Japanese industries be maintained at the 1930-1934 level. Therefore, nobody will believe that Japan will be unable to prepare for another war during the next century.

This was the first time that General MacArthur has so unreservedly praised Japan. The Chinese people who have already begun to be afraid of Japan which has been under Allied control for almost two years now, cannot but be more on the alert. (Summary)

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Other editorials not translated: Dated June 25, 1947

Chien Sien Jih Pao, Shanghai	--	Crisis Confronting the Northeast and World Peace
Chin Yung Jih Pao, Shanghai	--	On the Problem of Currency
Shang Pao, Shanghai	--	A New Upward Trend of Commodity Prices Which Should Be Immediately Checked
Lih Pao, Shanghai	--	The Cowardice of the Soviet Union and Her Feeling of Security
Yi Shih Pao, Shanghai	--	We Must Not Slacken Our Vigilance over the Soviet Union
Tung Nan Jih Pao, Shanghai	--	The Americans Should Carefully Consider the Situation in China
Cheng Yien Pao, Shanghai	--	1) An Investigation into the Disarming of Japan's Economic Strength Should Be Conducted 2) Look Straight at the Tentacles of Japanese Economic Aggression
Sin Wen Pao, Shanghai	--	Will the Soviet Union Start to Revise Its Policy?---On the Participation of the Soviet Foreign Minister in the Discussion of the U.S. Plan for Aiding Europe

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POLITICAL NEWS

Central Authorities to
Order Punitive Campaign Against CP

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 25, 1947

Nanking, June 24---The Central authorities will adopt measures to deal with the CP by ordering a punitive campaign against the latter for its rebellion. Meanwhile, they will intensify their military campaign to bring about an early solution to the CP issue. They have organized a number of military supervisory groups to be sent to the Northeast, Central Shantung and North and South Shansi. Members of the Strategy Advisory Committee will be appointed to head these groups, it is learned.

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Sin Wen Pao Reporter Interviews
U.S. Publishers and Editors Making Globe Circling Journey

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 25, 1947

Nanking, June 24---Our reporter while welcoming the arrival of the U.S. publishers and editors who are making a globe circling journey had a brief talk with some of them, including Mr. Howard. The views which the latter expressed can be summed up as follows:

All the American people still have a good feeling for the Chinese people. However, they lack a thorough understanding of the actual conditions prevailing in this country. The general feeling of the American people towards China is reflected in the statements made by Truman and Marshall, that is, the Chinese Government must be democratized. As for U.S. economic aid to China, there is still no likelihood that Marshall's program for aiding Europe will be extended to China at present. There is also no possibility that U.S. Congress will approve any other political loan to China before its recess in November. However, there is hope for China to obtain the U.S.$500,000,000 loan from the Import-Export Bank. What the American people can never figure out is the luxurious life which the Chinese millionaires are enjoying in the United States. For instance, the wife of a certain personage keeps the best suite in the highest class hotel in New York, the daily rental of which is from one to two hundred U.S. dollars. What is more, many first class rooms in a certain big hospital in New York have been reserved by the Chinese millionaires. Even the New Yorkers find it difficult to settle their problems of housing and medical services, yet the Chinese people are squandering their money so lavishly in the States. Hence the American people who donate funds for China naturally would ask why the Chinese millionaires do not donate their money to help their compatriots. This has produced a serious effect on the feeling of the American people towards China. Therefore, though the United States is willing to extend economic aid to China, yet it is earnestly hoped that China will immediately take effective measures to improve her administration. Under the present circumstances, it seems that the United States will not grant the U.S.$500,000,000 loan to China as quickly as generally anticipated.

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Democratic Socialist Party
Members on American Continent
Strongly Advocate Mediation in Internal Dispute

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 25, 1947

(Local News)---Wu Hsien-tze, Vice Chairman of the Democratic Socialist

Party, recently received a cable from the Party's representatives on the American continent, urging him to redouble efforts to mediate in the internal dispute of the Party.

At the interview with our reporter at his residence yesterday afternoon, Mr. Wu disclosed that the Party members in America and Canada held a series of meeting on the 19th and the 20th of this month, at which the following points were discussed:

1) The meeting of the Organization Committee of the Party convened by Carson Chang will not be recognized because the Committee members present at the meeting were not sufficient to form a quorum.

2) Since the 26 members of the Organization Committee residing abroad have not waived their rights, why didn't the Organization Committee allow them to send representatives to attend the meeting?

3) Sun Pao-kang and other members of the reform group, in criticizing the Party leader for his dictatorial rule, should not be considered as having committed a crime, so they should not be expelled from the Party. However, on the other hand, the Reform Committee should also immediately cease its activities.

4) Both sides should accept the mediation and should not convoke separate party congresses.

Mr. Wu has handed over this cable to Carson Chang. He indicated that the latter will in all probability accept the above views. However, it seems difficult for Chang's followers to give him advice. Lu Kwang-sheng of the reform group was also present when Mr. Wu received our reporter, but Lu declined to express his views. Our reporter asked Mr. Wu about his opinions regarding the statements made by Dr. Sun Fo, President of the Legislative Yuan, during these few days. The Vice Chairman of the Democratic Socialist Party smilingly replied, "I do not have a high opinion of Dr. Sun's views."

Mr. Wu, it is further learned, has mapped out a peace plan for dealing with the current situation. He is of the opinion that in order to restore peace in the country, the Government should first show its sincerity by abolishing the Government control policy, abolishing superfluous taxes, and releasing political prisoners. The suggestions which he made include the opening of a peace conference and the resignation of President Chiang Kai-shek from the directorship of the Kuomintang so that he can lead the nation in the capacity of a non-partisan. Meanwhile, the CP Army commanders in active service should also sever relations with their party so that the armed forces in the country can be nationalized. What is more, a coalition government should be set up so as to realize the democratization of the administration. If the proposed measures cannot be adopted and enforced, the two warring parties should demarcate the areas under their control, then exert their efforts to improve the administration in their respective areas so as to stabilize the general livelihood of the people.

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Tung Pei Min Pao in Mukden Ordered to Suspend Publication for Three Days

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 25, 1947

Mukden, June 24---Tung Pei Min Pao (Northeast People's Daily) was ordered to suspend publication for three days as from today. In its editorial yesterday entitled "On the Dragon Boat Festival", the said paper appealed for peace and commented on the crime of betraying the

country and of bringing disaster upon the nation . It cited the defense of Kengchow by Kwan Yu, one of the gallant warriors in the period of the Three Kingdoms, as an example. Though Kwan sacrificed his life for the nation, yet he had committed the serious crime of bringing disaster on the Han Kingdom. On the same date, the said paper also published a letter written by one of the readers, who complained about the drafting of able-bodied men in his native village.

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MILITARY NEWS

President Chiang Kai-shek
Reported to Fly to Peiping

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 25, 1947

Peiping, June 24---It is reported that President Chiang Kai-shek wired the military authorities here sometime ago that he will come to this city for an inspection trip on June 22. However, due to poor weather, he did not make the trip as scheduled. There is no further news as to whether he will pay a visit to this city in the near futire. It is generally believed that if he does not come to the north within one or two days, he will most probably cancel the trip.

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General Chen Cheng
Invites Head of MAGIC for a Talk

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 25, 1947

Nanking, June 24---According to a report released by the Chun Wen News Agency, Gen. Chen Cheng, Chief of the General Staff of the Chinese Army, invited Major General J.P. Lucas, head of the MAGIC, for a talk at around 4 o'clock this afternoon.

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Gen. Fan Han-chieh Assumes
New Post as Commander of 1st Army Group

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 25, 1947

Hsuchow, June 24---Gen. Fan Han-chieh has assumed his new post as Commander of the First Army Group. Gen. Li Yen-nien, Vice Commander of the same Army Group, has been transferred to Chengchow as Deputy Commander of the Army Headquarters there.

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Salaries of Army Officers
and Men Increased Retroactively as from May

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 25, 1947

Nanking, June 24---According to a latest decision of the authorities concerned, salaries of Army officers irrespective of their ranks will be increased by 40%, while those of the soldiers by over 100%. This decision will be officially made public shortly, and will be enforced retroactively as from the month of May this year.

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SPECIAL & FEATURE ARTICLES

One Way of Looking at U.S. Policy toward China

by

Fei Shiao-tung

Professor of National Tsinghwa University

The Observer, Shanghai
Vol. 2, No. 16
June 14, 1947

When Truman announced the huge loans to Greece and Turkey, many people felt that there would be no question about the extention of the US$500,000,000 or even US$1,000,000,000 US loan to China. At the time of Gen. George C. Marshall's departure from China, he had set down the conditions whereby China could obtain the loan. These conditions must be fulfilled in order to save Marshall's face. It was generally believed then that this face-saving could easily be achieved by making the "reactionaries" whom Marshall hinted, move back a step behind the scene, and bring to the fore a few nominally non-Kuomintang groups plus a political organ of high authority but without actual power. In this way the irrevocable conditions laid down by the United States, namely, the setting up of a "Coalition Government" and a "broadening of the basis of the National Government" will be complied with, and money will roll in just for the asking.

As a matter of fact, however, Uncle Same does not deal with China with as much alacrity as imagined. First of all, there came the State Department disclosure that conditions in China differ from those in Greece and Turkey, then came the notice that China should submit her concrete plans before the end of June. At first the U.S. said that if these plans were not presented prior to the expiration of the date, the resolutions already passed by Congress would be considered null and void. Later on, however, the U.S. made known, of her own accord, that a postponement of the deadline would be possible but that China should approach the U.S. for negotiations first.

What about America? If we want to make a conjecture, we'd better fix our eyes a bit further.

There are, of course, quite a number of forces which determine U.S. policy toward China, namely, economic, emotional and military. In my opinion, military considerations are of the utmost importance. Though ostensibly World War II has come to an end, yet in reality a war is still progressing. So in shaping her foreign policy, including her policy toward China, the U.S. naturally has to give first consideration to military factors.

In the Far East, prior to Japan's capitulation, the United States and Soviet Russia had come to an understanding. In China, the Great Wall is the line of demarcation, while Korea is to be halved. These lines not only demarcate U.S. and Soviet spheres of military influence as well as occupation zones, but also serve as boundaries for the two postwar powers. However, under the menace of the atomic bomb, Japan suddenly capitulated. Almost immediately, a serious party conflict broke out inside the Great Wall. This is naturally America's business. So Truman, under the pretext of mediation, intervened.

Naturally, we can believe that America desires a peaceful, prosperous and strong China. But this powerful China must be a China that is close to America. The U.S. has long since regarded China as a satellite state within her sphere of influence.

If there is no serious party strife in China, there is every likelihood that China will take the place of present-day Japan. America could take upon herself the responsibility of defending China against foreign aggression, of making large-scale investments, of exploiting and developing her natural resources and of raising the standard of living of the Chinese people. At the same time the U.S. will make China adopt the American-style economy and mode of living.

Gen. Marshall's mission to China is, on the one hand, to achieve Chinese unity through mediation and, on the other, to plan the defense line for the American sphere. We may rightly presume that Marshall's mission is based on the presumption that in future China will be the outpost of the U.S. sphere of defense and that the imaginery enemy is Soviet Russia. America was quite willing to take pains in achieving this mission and Marshall's repeated air trips to Kuling, despite the extreme heat of summer, were painstaking efforts indeed. But the experiences which Marshall gained during those months of his stay in China affected his overall plans. The failure of U.S. mediation marked the beginning of the re-orientation of this overall plan.

The crux of the failure of Marshall's mediation efforts lies, as Mr. Chang Tung-sun puts it, in the existence of a loophole in the PCC decisions in connection with the Northeastern problem. This loophole was in reality not a neglect on Marshall's part but rather that he had a plan of his own. According to the understanding reached between the U.S. and the USSR during the wartime, the Northeast is not within the U.S. sphere. However, the Northeast is a piece of fertile land. Whether or not the U.S. can include this area within his own sphere is therefore a question which the U.S., from her own standpoint, would like to find out. It is not convenient for the U.S. to bring up this question, so this part of the job is left for China to do. This accounts for the loophole.

What disappointed Marshall was the fact that the Chinese Government which America could use for consolidating her sphere of influence, is too corrupt, too inefficient; all the more so, that under the rule of this regime even American-equipped war machinery was of no avail. All these affected his overall plan. What disheartened him was that in his eagerness to establish the Far East defense line for the American sphere, not only had he not won over suitable collaborators but that he, on the contrary, had offended the Chinese people and ruined completely the traditional friendship between the two countries. The goodwill of the people is an indispensable basis for the establishment of the U.S. sphere. This loss is indeed a serious one. Not only that, he also knew that if America were to continue her "mediation", not only will no results be achieved but that the Chinese people will be drawn more and more into the sphere of her opponent. Herein lies the reason of his departure in disgust.

Marshall must have known already that the object of his support could hardly be propped up at all. This Marshall had frankly pointed out in the statement which he released prior to his departure from this country. He seems to have said in this regard, "Don't think that I must back you up, for the U.S. still has other ways and means."

What are the ways and means? Very simple. That is, if China cannot be helped along, help Japan. Gen. MacArthur has originally advocated to use Japan as a military base for dealing with Soviet Russia. Marshall, however, had not completely forgotten China, so he came over to make an on-the-spot investigation. After a look, he was convinced that, purely from the military point of view, China is absolutely not qualified to become America's anti-Soviet military base. The reasons are manifold.

First of all, if U.S. troops were to fight in the Far East there must be cooperation from the broad masses. If the Chinese people make trouble with U.S. troops, the war cannot be fought. The deterioration of Sino-U.S. friendly relations is a heavy blow to the U.S.

Secondly, if the combat ability of the Chinese Army is too low, once war breaks out, the U.S. will be faced with the responsibility of defending this outpost. This responsibility calls for a tremendous Army which the U.S. is powerless to supply. The records of the American-equipped Chinese troops are too poor, not because the individual soldier is incapable, but because the environment as a whole is not suited for the use of modernized

weapons. So the U.S. dares not extend the war front on the continent of the Far East. China's usefulness to the U.S. is even less than that of Italy to Germany.

On the other hand, however, the conditions possessed by Japan are too favorable. This military base on which the U.S. could firmly entrench in the Far East, serves as naval and air bases. The Soviet Navy is of no match for the U.S. Navy, nor is the Soviet Air Force any superior, though Soviet Army has already surpassed the U.S. Army. Japan is separated from the Far Eastern mainland by a sea just like England is to Europe, and it is easier to defend than attack. If an invincible Air Force and Navy were stationed there, it would be able to blockade the mainland at any time. The security of the Pacific Ocean will then be maintained.

The Japanese people are at least ostensibly docile and obedient. MacArthur has become Japan's benefactor, and whatever he says will be taken to heart by the Japanese. Moreover, the high efficiency of the Japanese Government is hardly to be matched by China. Money must be spent for cultivating friendship. In Japan, however, the effectiveness of this money-spending is more easily seen and the harvest is also more plentiful. The failure of Marshall's mission in China enabled MacArthur to make bold strides in assisting Japan to rise. For the past half a year, the U.S. has spared no efforts in supporting Japan. It is evident that in a short while Japan's economy will be restored. If Japan could listen docilely to MacArthur's commands, in the not very distant future Japan's Army will also be rebuilt. Thus Japan will become richer and stronger than before the last World War.

Ever since the return of Gen. Marshall to the States, the U.S. seems evidently not as much worried about the China situation as before. The situation then was more or less like that existing at the time of Gen. Joseph Stilwell's return to America. The recall of Gen. Stilwell was not due to Roosevelt's desire of not antagonizing others, but rather marked the re-orientation of the Pacific strategy. At the time when Stilwell was in China, the plans were to invade Japan from the mainland. So close attention had to be given to the military developments in China. Later on, however, as a result of the adoption of the island-hopping tactics, the China front had lost its significance. Therefore it was no longer necessary to force China to make improvements in the military field.

Since Japan is now made a defense base in the Pacific, China has lost her importance in the U.S. sphere of defense. Hence it is not necessary to put pressure on China so as to compel her to improve her politics. The Chinese people want the U.S. to withdraw her troops from China. This, the U.S. is quite willing to do since China means nothing to her now.

In the eyes of the American Government, China is not an area which necessitates immediate control. The spokesman of the U.S. State Department has said that China differs from Greece and Turkey. In my opinion, this is exactly where the difference lies.

It is hardly correct to say that the U.S. has forgotten China. At most, the U.S. has narrowed down her desires in regard to China. What America desires now are: (1) That China does not become a satellite in the Soviet sphere of influence, and (2) that Chinese economy will soon be restored so that China will become America's market.

In Marshall's opinion, though the Kuomintang cannot completely exterminate the CP, yet the CP also cannot completely liquidate the Kuomintang. He will wait until both parties, beaten and wounded, are willing to come to terms, and then will he become forward again. The United States is not anxious to have a stabilized China right now. This is the current U.S. attitude.

The U.S. and Soviet Russia, after feeling out each other's intentions in the past, have more or less made the demarcation of their respective spheres of influence quite clear. Europe is more complicated, while solution for Asia is not difficult at all. The negotiations on the Korean question show how simple this side of the problem is. Soviet Russia has long since regarded the Pacific Ocean as America's inland sea, and as long as the actions taken by the U.S. in the Pacific are of a defensive nature, Soviet Russia is evidently not concerned at all. U.S. retreat on the Far Eastern mainland is exactly what Soviet Russia wants and the latter will surely not do anything more to make Uncle Sam take positive actions in the Far East.

On the other hand, the U.S., within the bounds of not offending Soviet Russia, will extend a certain amount of aid to the Chinese Government, but certainly not as drastic and quick as that given to Greece and Turkey. She will not want to see the ruling regime collapse, but she has that patience to wait for the existing regime to move voluntarily onto the road of peace.

After all, the Chinese people are the ones who suffer on this chaotic continent. What does it matter to the United States? The U.S. and Soviet Russia seem to have an acquiescence in regard to the Far East. Moreover, the U.S. has already established a military base in Japan, and China's chaos can no longer lead to world chaos.

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NEWS OF EDUCATION AND CULTURE

Two Professors of Amoy
University Invited by State Department to
Give Lectures in States

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 25, 1947

Foochow, June 24---Dr. Chen Shih-chang and Dr. Chu Pao-hsun, professors of mathematics and economics of the Amoy University respectively, will shortly leave for the United States in answer to an invitation of /the U.S. State Department to give lectures there.

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MISCELLANEOUS NEWS

Draft Plans for Improving
Shanghai's Transit Problem Ready

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 25, 1947

(Local News)---Dr. Conway, ex-American adviser to the Public Utility Bureau here, has completed his draft plans relative to the improvement of transit problem in Shanghai since his return to the States. Recently, he requested the PUB to send Director Hu Hui-chuan of the 3rd Department of PUB to the States to consult with him prior to making public the plans drawn up. The PUB has complied with his request and Mr. Hu will leave for the States on the 28th instant.

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-- E N D --

CHINESE PRESS REVIEW
* * *
American Consulate General, Shanghai, China
No. 383 June 26, 1947

EDITORIAL COMMENT

We Hope Soviet Russia Will Fulfil Her Treaty Obligations

-- We support the Foreign Ministry's Communique on the Port Arthur-Dairen Area --

Chung Yang Jih Pao (KMT Organ), Shanghai
June 26, 1947

The Port Arthur-Dairen problem constitutes an important part of the disturbed situation in the Northeast. Unfortunately, in the diplomatic negotiations regarding the Port Arthur-Dairen area, the Soviets have either distorted the meaning of the treaty provisions, or failed to realise their own treaty obligations, with the result that this problem has now become a most unpleasant episode in Sino-Soviet relations.

The Soviet authorities ought to remember how, when more than twenty years ago the Soviet Union gave up all the special rights and privileges which Czarist Russia had enjoyed in China, she won the friendship and warm love of the Chinese people. However, such friendly relations have already struck snags as a result of Soviet Russia's failure to fulfil her treaty obligations. As to how these snags can be removed, this is a responsibility which lies entirely with the Soviet authorities. It should be borne in mind that the friendship of 450 million people is no ordinary matter, and it would certainly be unworthwhile to exchange this friendship for anything else, however valuable.

The Foreign Ministry's communique has especially called the attention of the Soviets to their two basic obligations under the Sino-Soviet Treaty of Alliance, namely, that Soviet Russia agrees to extend moral and material aid to China, such aid to be extended entirely through the Central Government, and that Soviet Russia fully respects Chinese sovereignty over the Northeastern Provinces and reaffirms her recognition of China's territorial and administrative integrity there. If only the Soviets can fulfil these obligations, the deadlocked situation in the Northeast can be solved without difficulty. (Summary)

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Question of Take-Over of Port Arthur-Dairen Area

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

The Chinese Government has been engaged in negotiations with Soviet Russia regarding the question of the take-over of the Port Arthur-Dairen area for more than a year now, but, so far, no concrete results have been achieved. Yesterday, the Chinese Ministry of Foreign Affairs issued an official communique on this matter. After reading through the communique, we keenly feel that Soviet Russia's attitude is not one which a friendly nation with which we have treaty relations ought to take. Besides urging the Government to continue the negotiations, we cannot but be sorry for the Soviet Union and hope that she will wake up at an early date. (Summary)

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Question of Port Arthur-Dairen Area
(Short Comment)

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 26, 1947

Yesterday, our Ministry of Foreign Affairs issued a communique on the more than one year's negotiations with Soviet Russia regarding the take-over

of the Port Arthur-Dairen area. By referring to the Sino-Soviet Treaty, one can readily see which side is to blame for the failure of such negotiations to achieve any results.

Originally, this was just an ordinary diplomatic issue, but having been mixed up with the civil war in China, it has become more complicated. On the basis of the Sino-Soviet Treaty of Friendship and Alliance, China and Soviet Russia are friendly allies. The Chinese civil war is a great misfortune for China and should be solved by China herself, and all the nations friendly to us should keep away from it as far as possible, so that they will not be suspected of interfering with China's internal politics. In such a spirit, even if there are differences in the interpretation of the Treaty, the Port Arthur-Dairen issue can be settled without difficulty.

Power politics is now in full swing in the world, and China is now in the throes of civil war, which is a double misfortune. If these two misfortunes were interwoven by China, it would be an even greater misfortune. Get away, you power politics! Stop, you civil war in China!
(Full Translation)

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What Have the American Press Groups Seen?

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Another American press group have arrived in Shanghai by Clipper plane, have gone on to Nanking and have returned to Shanghai from Nanking. They are scheduled to leave Shanghai for Tokyo early this morning.

The hurried visits of American press groups to China during the past few years have followed almost the same formula. Since wartime, the actions taken by each and every American press party visiting China have also followed almost the same formula. They would spend a day or half a day in China, during which period they were busy calling upon Government officials or attending social functions given by Chinese and foreign capitalists. In view of the actions taken by the various American press parties visiting China, we would like to ask: What have they seen in China?

The 20th Century is the people's century. When a man who is responsible for public opinion does not do his best to go among the people and to learn of their sentiments and their suffering, but who, instead, always deals with Government officials and the favored families, he is lagging behind the times and is looked down upon by qualified observers.

Today, the United States is the chosen son of the times, and press circles in the United States are the chosen son of American society. However, having seen the actions of these American-style American pressmen in China during the past several years, we are really worried about American civilization. Having seen the actions of the American-style pressmen, we cannot but think of the following: They are members of the gentry and rich people and belong to a special class. The people they want to see are high Government officials and rich people. They have never thought of seeing the real people, nor have they ever thought of getting in touch with the life of the masses. They come from another social group, so they have their own standards of what is right and what is wrong.

From the American way in which American pressmen have acted before the eyes of the Chinese people, we can see that the existence of "two worlds" is not accidental. If the civilization represented by the so-called Western nations is expected to develop and grow and to win the goodwill of the people of the entire world, it needs to be corrected and reconstructed in many respects. And what is most important is the removal of the "vulgarity" and "snobbishness" of Capitalistic society. One must seek to see the people and identify oneself with the life of the people. The way in which the American press parties have acted will only undermine the basis of Christian

civilization in the minds of the people and will only make an unfavorable impression upon the toiling masses. What can they see? Can they speak on behalf of the people? (Summary)

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Why Is the United States Indifferent to China?

Yi Shih Pao (Chinese Catholic Organ), Shanghai
June 26, 1947

Never during the past thirty years has the United States been so indifferent to China as she is today. This attitude, which is harmful to the traditional friendship between China and the United States, is really surprising. We feel that the real reasons why the United States is so indifferent to China are possibly these: (1) It is possible that the United States is bound by some agreement, (2) it is possible that she has changed her strategy, and (3) it is possible that she is dissatisfied with the Chinese Government.

The United States is the strongest nation in the world, and so certainly should not allow her reputation and prestige be lost entirely just because she is afraid of Soviet Russia. Even if she were bound by some such treaty as the Yalta pact, she need not observe such a shameful pact if it would be helpful to the general situation. We feel that the United States ought to make known her real attitude toward China as soon as possible. (Summary)

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The Question of Ordering a Punitive Expedition Against the Communists

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 26, 1947

What we want to point out is that the more you tolerate the existence of an armed force which, basically, cannot co-exist with China, the more dangerous it will become, and that the longer it exists, the stronger it will become. It is certainly better to deal it a blow thoroughly before it is too late. Therefore, we feel that not only theoretically should the Chinese Communists be exterminated, but actually, it is necessary for us to find a way of thoroughly exterminating the Chinese Communists. The Chinese Communist Party is a rebel organization which is international in character and which is threatening world peace. This has already been explained by Vice-President Sun Fo in the interviews which he has granted during the past several days. It is hoped that the nations friendly to us will pay close attention to this matter, that they will support the stand of the Chinese people, and that they will aid China on a large scale, so that the Chinese Communists can be fundamentally exterminated. (Summary)

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Second Anniversary of Signing of United Nations Charter

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 26, 1947

In reviewing world events in the past two years, we find that although the War came to an end and although the United Nations was born in January of the following year at Westminster Abbey, London, yet the two main objectives of the United Nations, namely, peace and security, are still far from being achieved. The beautiful picture of the post-war world which people had dreamed of has disappeared with the passage of time, and has been replaced by the nervousness and uneasiness which the general public feel about the fact that power politics has been in the ascendancy. Therefore, one cannot but feel unhappy on the occasion of the second anniversary of the signing of the United Nations Charter.

Any nation understands what a modern war means. From an economic point of view, there is no nation which can bear the heavy burdens of a modern war. From the fact that the Soviet Government has accepted the invitation to discuss Marshall's plan for aid to Europe, we can see that the future of the United Nations is very bright. If it is found that power politics is impracticable and that for both sides to stand pat will not do anyone any good, so that the hope for peace and security will be pinned entirely upon the UNO, then the brightness of the postwar world will be in sight. (Summary)

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Second Birthday Anniversary of the United Nations Charter

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

The main reason why there has been lack of full faith in the UNO is that the nations have been unable to achieve agreement and that there have been mutual fear and mutual suspicion among them. The Nazis and the Japanese militarists have failed, but, today, there are still people who wish to establish world domination in the same way that they employed. We must eradicate the rule of might which seeks to control the entire world, for only then can there be real international cooperation, and only then can an international organization like the UNO demonstrate its strength.

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Other editorials not translated: Dated June 26, 1947

Shang Pao, Shanghai	--	On the Lifting of Foreign Exchange Control for Exporters and Promotion of Foreign Trade
Chin Yung Jih Pao, Shanghai	--	On the Morality of Employees of Banking Enterprises
Chung Hwa Shih Pao, Shanghai	--	1) Applying to Others for Financial Help Is Not as Good as Self-Help 2) On the 2nd Anniversary of UNO
Cheng Yien Pao, Shanghai	--	1) On the 2nd Anniversary of the Signature of UNO Charter 2) China's Special Role in the Reconstruction of Asia
Tung Nan Jih Pao, Shanghai	--	Officialdom Should Be Cleaned Up So As to Calm Down Anxiety of People
Chien Sien Jih Pao, Shanghai	--	Accuse Before UNO
Lih Pao, Shanghai	--	Peace or War?

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POLITICAL NEWS

Current Situation Discussed at Kuomintang Central Standing Committee Meeting

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Nanking, June 25---The Kuomintang Central Standing Committee held a meeting today at which the current situation was discussed and views on military problems exchanged. It was generally acknowledged that the Government should adopt a decisive policy in coping with the present situation. The discussion lasted for a long time, but no conclusion was reached in this connection. Finally, a decision was made to the effect that a joint meeting will be held by the Central Standing Committee and the Central Political Council to discuss this problem, it is learned.

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Certain Observer on International Situation Declares Sun Fo's Statements Represent Only His Private Opinion

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Nanking, June 25---Commenting on the statements made by Dr. Sun Fo in his recent press interviews with the Chinese and foreign reporters, a certain observer on international situation expressed his opinion as follows: Dr. Sun's statements have been given great significance by all quarters, because he is the Vice President of the National Government. However, pending the announcement of a decisive policy by the Kuomintang and the National Government, his statements represent only his private opinion. Though there is an international background behind the CP troops in the Northeast, yet the Government Army authorities are confident of their ability to defend their vital positions there. There are so far no new developments in the Peitashan area in Sinkiang. This indicates that the Soviet Union may not openly involve itself in the CP issue at this moment.

There is no question about U.S. aid to China and U.S. support for the National Government, the same observer said. However, he expressed the hope that the Chinese Government will be able to adopt a fixed policy of its own and to map out concrete plans regarding the utilization of the U.S. loan and the ways of redeeming it, so that it can negotiate with the United States on the definite date for granting the loan. Therefore, whether or not the United States will abandon China does not constitute a question at all. How the Chinese Government will improve its administration, stabilize general livelihood and suppress the rebellion are China's own domestic affairs which have nothing to do with the extension of a loan to China by the United States, the same observer opined.

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Foreign Minister Invites U.S. Ambassador for a Talk

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Nanking, June 25---Ambassador Stuart called on Foreign Minister Wang Shih-chieh at the latter's request at 10 o'clock this morning and had half an hour talk with the Minister. It is learned that Minister Wang informed the U.S. Ambassador that the Ministry of Foreign Affairs had filed a note with the Soviet Union in regard to the take-over of Port Arthur and Dairen and also told him about the impression which the Port Arthur-Dairen mission obtained during its inspection trip there. It should be recalled that the United States issued a statement sometime ago declaring that she is quite concerned about the take-over of sovereign rights over Port Arthur and Dairen by China.

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Ambassador Stuart to Go to Peiping on June 28

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 26, 1947

Peiping, June 25---Ambassador Stuart is scheduled to come here on June 28 to attend the commencement exercise in Yenching University. As July 4 is the U.S. national holiday, he is expected to return to Nanking before that date.

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T.V. Soong Interviews President Chiang Kai-shek

Chung Yang Jih Pao (KMT Organ), Shanghai
June 26, 1947

Nanking, June 25---T.V. Soong, State Councillor, arrived in Nanking from Shanghai by plane at 11:30 a.m. today. At 12 o'clock he called on President Chiang Kai-shek and discussed with the latter the present economic problems.

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Young China Party Leader Approves UNRRA's Proposal Re Yellow River Inundated Areas

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 26, 1947

(Local News)---Chow Chien-chung of the Young China Party told our reporter yesterday that in compliance with the request of Secretary-General Shao Li-tze of the PPC, he came to Shanghai to invite Hu Lin and Huang Yen-pei, members of the PPC resident committee in Nanking, to go to the Capital to attend the committee meeting scheduled to be held on June 27. He had a talk with them separately but without results. In view of the thickening of the war atmosphere in Nanking, he is also not prepared to go to Nanking to attend the meeting.

Mr. Chow expressed full support for UNRRA's proposal that the Kuomintang and the CP should come to a truce in the Yellow River inundated areas and earnestly hoped that truce will be extended to other areas so that hostilities throughout the country will be brought to an end, so as to enable the people to live peacefully.

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Federation of Next of Kin of Arrested Students Demand Issuance of Writs of Habeas Corpus to Arrested Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 26, 1947

(Local News)---The Federation of Next of Kin of Arrested Students in Shanghai disclosed yesterday that the Federation filed a petition with the Shanghai High Court on June 24, requesting the latter to grant writs of habeas corpus to the students who were arrested by the authorities concerned during the recent student unrest. The first name list of detained students which the Federation has handed in to the court consists of 30 persons, while the second list to be handed in on next Monday consists of twenty persons some of whom have no guardians.

Chang Yih, president of Futan University told the guardians of the arrested students yesterday that he fully approved of their petition. He assured them that the arrested students will be allowed to enrol with the school for the next semester. Their scholastic record for this term will be based on that of their monthly examinations.

The Federation has decided to send representatives to call on Mayor K.C. Wu at 10 o'clock this morning and they will bring forth the following three demands:

1) The City Government should immediately release those students who were illegally arrested. Failing this, it should allow the students to be handed over to the court for trial.

2) The arrested students should be released unconditionally.

3) They should be set free en bloc. They should not be released in separate groups or in accordance with the degree of seriousness of their offences.

Guardians of all arrested students will gather at the City Government on the coming Sunday to proceed to the detention quarters to visit the arrested students.

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Students of Kiangsu Provincial College of Education Prevented from Going to Nanking to Petition Authorities

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 26, 1947

Nanking, June 25---The whole body of students of the Kiangsu Provincial College of Education while waiting at the Hsuchow Railway station for the train to Nanking to petition the Ministry of Education for the reorganization of the said college into a university on June 22 was prevented by a number of persons clad in uniform from making the journey. As a result, forty-two of the students were nabbed while seven seriously wounded. The students also lost a considerable amount of money and a number of wrist watches which they wore at this time.

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MILITARY NEWS

Important Military Conference in Peiping

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Peiping, June 25---Commander Sun Lien-chung of Government forces in North China and Governor Fu Tso-yi of Chahar arrived here from Suiyuan and Tientsin respectively today and are waiting for the arrival of President Chiang Kai-shek. Upon their arrival they interviewed Gen. Li Chung-jen, Director of the Generalissimo's Peiping Headquarters, and held an important conference with the latter. Wang Hung-shao, Chief-of-Staff of the Headquarters, was also present, it is learned.

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Joint Army and Air Maneuver to Be Held by Chinese Army in Nanking

Chung Yang Jih Pao (KMT Organ), Shanghai
June 26, 1947

Nanking, June 25---According to a report released by the Chun Wen News Agency, the General Headquarters of the Chinese Army has decided to hold a large-scale joint army and air maneuver near the artillery school at Tangshan, Nanking.

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Banditry Rampant in Kwangtung Despite of Flood

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Canton, June 25---In the midst of flood came the news of ever intensifying bandit threats in various places in Kwangtung, especially in Yungyun,

Namhung, Chihing, Kukong, Lungchun, Hoyun, Linping, Tungkong, in North Kwangtung and other places in South Kwangtung. The minimum strength of organized bandits found in these places is several hundred strong, and the maximum one or two thousand strong. They are entrenched in mountain villages and are watching for opportunities to plunder towns and cities, seizing arms and weapons from the inhabitants.

Latest reports tell of an attack on Wongchun by over 100 organized bandits from Hoyun. They succeeded to disarm over 80 pieces of rifles from the local Self-defense Militia. More than 300 organized bandits from Pokloh district plundered Munming village and took away more than 10 pieces of rifles. Over 100 organized bandits from Taipo district raided Futse village and kidnapped the mother and nephew of Gen. Fang Han-chieh, vice C-in-C of the Chinese Army. In South Kwangtung and the East River area, the "Democratic Allied Army" frequently appear at important junctions of land and waterway communications, collecting tolls as well as plundering villages.

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Part of Kwangtung Garrison Troops Stage Mutiny

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Canton, June 25---Recently part of the troops of over 100 men belonging to the 2nd Corps of the 8th Brigade of the Kwangtung Garrison Forces staged a mutiny at Taipangwan, conniving with the bandits in the East River area. The Generalissimo's Headquarters in Canton is dispatching troops to suppress these rebels.

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1st Gunboat Unit to Be Transferred to Chinwangtao

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Tsingtao, June 25---With a view to consolidating the defense in the Chinwangtao area, the 1st gunboat unit of the Chinese Navy will be transferred to Chinwangtao from Tsingtao shortly, it is learned.

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Conscription in Chungking to Be Started as from Next Month

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 26, 1947

Chungking, June 25---Conscription in this city will be started as from July 1, and the quota of conscripts has been set at 1,000 men. In principle volunteer recruits will be enlisted first. If their number is not sufficient to meet the quota, then drafting will be enforced to meet the requirements.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 384 June 27, 1947

EDITORIAL COMMENT

The United States Should Make a New Decision

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 27, 1947

The local newspaper, "Shanghai Evening Post & Mercury", carried an editorial entitled "Who's Abandoned Whom" in its June 21st issue. This article not only regards China's request for a loan as having been made from purely selfish motives, but betrays much misunderstanding of present-day Chinese politics. That is why we published an editorial entitled "The United States Ought to Make a Wise Choice at an Early Date", in which we tried to correct the "Shanghai Evening Post & Mercury's" wrong views on Chinese politics. Quite out of our expectations, that newspaper carried another editorial in its June 25th issue entitled "Must America 'Help or Pull Out'?", which misinterprets and distorts our editorial at many points. Naturally, we cannot keep silent and must explain further what we said in that editorial, as follows:

First, it was not with an attitude of coercion that we demanded that the U.S. Government make a wise choice with regard to its Far East policy.

Secondly, the "Shanghai Evening Post & Mercury" holds the view that the reason why the United States has been unwilling to extend the projected loan to China is that Chinese politics is not satisfactory. The "Shanghai Evening Post & Mercury" has been issued in Shanghai for many years, and the man in charge of that paper has been in this country also for many years, and is regarded in the United States as an "expert in the Chinese problem". Both the Government and the people of China have attached importance to the editorial views expressed by that journal from day to day, but after reading these editorial views, we are always under the impression that a "foreigner's views are different". Regarding present-day Chinese politics, the "Shanghai Evening Post & Mercury" should look straight at realities. It should also understand the difficult position in which the Chinese Government finds itself and should not ignore the sentiments and wishes of the vast majority of the Chinese people. There have never been any absolute standards of good politics or bad politics. Anyhow, we certainly cannot admit that Chinese politics today cannot compare favorably with that of Greece or Turkey. We cannot but regret that the "Shanghai Evening Post & Mercury" has misinterpreted Chinese politics.

Thirdly, as regards Sino-American relations, these have become closer since the conclusion of the War. On many occasions we have pointed out editorially that it is not from selfish motives that China demands U.S. aid, but that it is the objective world situation which makes it necessary for China to ask the United States for aid. Yesterday, Secretary of State Marshall announced that the ear-marking of the US$500,000,000 loan, which expires at the end of this month, will not be extended. China certainly is unwilling to ask the United States for alms, and will naturally have a way of working out her own problem. However, the consequences of the United States' failure to give aid to China merit the attention and consideration of the American Government and the American people. If the United States persists in her present policy, there will eventually be a day when she will have to pull out of China completely. Therefore, we believe that if the United States has far-sighted statesmen who do not always think in terms of dollars and cents as a business man does, she will certainly make a new decision regarding the critical Far Eastern situation. (Summary)

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U.S. Far East Policy Scrutinized

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 27, 1947

From the recent series of events, we can see that U.S. Far East Policy is now heading for danger. It is the present Far East policy of the United States, which is based on a most short-sighted realism, to assist Japan and to cold-shoulder China to the best of her ability. China fought shoulder to shoulder with the United States for more than four years, and she certainly had not expected that this would be the result. We doubt if there is still justice and a sense of right and wrong in this world.

Public opinion in the United States holds the National Government of China solely responsible for the present state of affairs, but is this viewpoint fair? The reason why there is no peace in China at present is not that the Government is unwilling to cease hostilities, but that the Chinese Communists persist in carrying on the "armed struggle". A careful analysis of the situation will show that the main reason why it has been impossible to achieve peace in China so far is the Northeast problem. But how has the Northeast problem arisen? It is the result of the Yalta secret pact. During the past year, U.S. foreign policy and the differences and frictions between the United States and the Soviet Union have had a serious effect upon China. Yet some people have even said that China has involved the United States in trouble and have openly advocated "abandoning China". We really do not know why they have done so.

Exotic factors are gradually infiltrating into the China situation, which has now become unprecedentedly serious. If the United States looks on without doing anything, one can imagine what the consequences will be. If she does not change her Far East policy immediately, then in a short period of time, the situation in Asia and in the world as a whole will greatly change. She must no longer let the world suffer just because of her short-sighted realism, the evil consequences of which she herself will also have to suffer.

At the same time, we must reflect deeply. Have we done our duty well? Those who had felt that "the United States finds it necessary to aid us" should now wake up thoroughly. We must first be able to help ourselves before others will help us. (Summary)

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International Character of Northeast Problem

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 27, 1947

The cause of the present situation in the Northeast is the Yalta secret pact. In this connection, while Soviet Russia should be held directly responsible, Britain and the United States cannot escape responsibility either. Especially must the United States be held responsible, because since she has advised China to accept the principles of the Yalta pact and to conclude the Sino-Soviet Treaty, should she look on without doing anything while Soviet Russia violates that Treaty? We hope that Britain and the United States will consider their own moral responsibility regarding the present situation in the Northeast. (Summary)

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Peace and Security; Justice and Discipline

Chung Yang Jih Pao (KMT Organ), Shanghai
June 27, 1947

The main reason why the United Nations Charter deserves our respect and support is not that it seeks to maintain world peace and security, but

that it emphatically declares its determination to uphold international justice and discipline. In evaluating the present international situation, we are not only worried about the fact that peace and security are being seriously threatened, but feel keenly that international justice and discipline are sagging. The principles of collective security and international cooperation, upon which the United Nations Charter is based, have long ago been abandoned by the great Powers and replaced by the revival of power politics and aggression. It would seem that today, the so-called international treaties could only be interpreted to mean, "privileges shall be enjoyed exclusively by the strong Powers, and duties shall be carried out exclusively by the weaker nations." As to the contributions made by the Allied nations during the war and the line of division between friends and foes, these have disappeared following the conclusion of the war. In reading the solemn provisions of the United Nations Charter under these circumstances, we are indeed disillusioned. (Summary)

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On the Port Arthur-Dairen Problem

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

Our Ministry of Foreign Affairs issued a communique day before yesterday regarding the progress of the negotiations regarding the take-over of Port Arthur and Dairen. After reading through this communique, we feel that both from the point of view of law and reason, the stand of the Chinese Government is right. It is quite plain that China has the right to station troops at Port Arthur and Dairen. Yet this question has been under dispute for such a long time. Moreover, it is because of this that the hostilities in the Northeast have steadily been spreading. Isn't this a matter for deep regret?

China fought for eight long years against great odds, and after Japan was defeated, China concluded a "Sino-Soviet Treaty of Friendship and Alliance" with Soviet Russia, for which China has had to pay a very high price. Of course, this price has been paid in order to obtain the friendship of our neighbor, the Soviet Union. However, Sino-Soviet relations are still filled with dispute and unpleasantness. Besides holding the Government responsible for this situation, the Chinese people are also concerned about one question, i.e., what about Sino-Soviet relations, after all?

We hate civil war and are especially afraid of power politics, but in the Northeast, power politics and civil war are interwoven. Therefore, the Chinese people are greatly worried about this situation.

However, the situation is still remediable. As Chinese citizens, we regret that the Government has been unable to cease the civil war during the past twenty months, and we still hope that it will lose no time in finding a way of achieving peace in the country and that it will deal with our foreign relations in a cautious manner by avoiding as far as possible a further deterioration of Sino-Soviet relations. At the same time, we hope that Soviet Russia will prize the friendship of the 450,000,000 Chinese people, and that she will have regard both for Sino-Soviet friendship and peace in the Far East, so that this problem can be solved in a reasonable way. (Summary)

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Crisis Facing the United States Viewed from the New Labor Law

Lih Pao (General Labor Union Organ), Shanghai
June 27, 1947

We feel that the so-called "Taft-Hartley Law" not only goes counter to the democratic spirit and to the late President F.D. Roosevelt's traditional

policy of love for the laborers, but will also lead the United States to disaster and economic depression. We further feel that President Truman must be held responsible for this law to a certain extent, though he has ultimately vetoed it. There is no fundamental difference between the so-called Truman Doctrine and the policy advocated by such bankers and capitalists as the Republican Party leader Taft, so far as the interests of the laboring masses are concerned. The main objective of the Truman Doctrine is to restrict the activities of laborers and to deprive them of their privileges, thereby consolidating the position of the employers and the big capitalists. (Summary)

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Other editorials not translated: Dated June 27, 1947

Shang Pao, Shanghai	--	Who Causes Export Goods to Rot--On the Lifting of Foreign Exchange Control for Exports
Chin Yung Jih Pao, Shanghai	--	On the Development of Financial Agencies for the Promotion of Agriculture
Tung Nan Jih Pao, Shanghai	--	On the Forthcoming Three Foreign Ministers' Conference in Paris
Yi Shih Pao, Shanghai	--	The Government Should Take Over Port Arthur and Dairen in Accordance with Sino-Soviet Treaty at an Early Date
Cheng Yien Pao, Shanghai	--	The Crisis Facing Citizen's Education and How to Avert It
Chien Sien Jih Pao, Shanghai	--	The Crux of the Problem of the U.S. Loan for China
Ho Ping Jih Pao, Shanghai	--	Defend the UNO Charter

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POLITICAL NEWS

China Orders Usman to Continue to Offer Resistance to Outer Mongolians

Chung Yang Jih Pao (KMT Organ), Shanghai
June 27, 1947

Nanking, June 26---In regard to the Peitashan incident, Outer Mongolia unofficially indicated that the Chinese authorities should recognize the Peitashan area as part of the Outer Mongolian territory, thus serving as a condition for the cessation of hostilities in that area. Minister Pai Chung-hsi of National Defense declared that it is absolutely impossible for Usman and his men to withdraw to Tihwa and that the Chinese authorities will give them full support in continuing their resistance against the invaders.

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Negotiations for Taking Over of Port Arthur and Dairen Continuing

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

Nanking, June 26---Diplomatic quarters revealed that negotiations for the taking over of Port Arthur and Dairen are still continuing. The Chinese authorities will continue to negotiate with the Soviets on the basis of the following principle, namely, the Chinese administrative personnel, troops and police must be allowed to enter Port Arthur and Dairen simultaneously.

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China Peasant Party Representatives Call on Ambassador Stuart

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

(Local News)---Realizing that the intensification of civil hostilities in the country has caused great suffering to the peasants and that the future of the nation is at stake, the China Peasant Party sent its delegates, Tung Shih-tsin, Lu Chung-chu, and Liu Shu-li, to Nanking on June 25 to call on Ambassador J. Leighton Stuart, and request him to mediate in the civil strife in China again for the sake of the Chinese peasants and not to abandon his mediation efforts. The Ambassador indicated that he has deep sympathy for the Chinese peasants and that he is definitely not discouraged in the mediation in China's civil strife. If the Kuomintang and the CP desire to request him to act as mediator, he would be glad to take up the task. He was of the opinion that the civil hostilities if continued, will merely cause suffering of the people and will lead to disastrous results. It is up to the Chinese people themselves to bring an end to their civil war and the United States is naturally unwilling to be suspected of having a hand in the civil hostilities in this country.

The Ambassador declared that the political party which really represents the people should voice opinions on behalf of the people and should appeal to both the Kuomintang and the CP for the restoration of internal peace. Finally, he remarked that the written peace appeal made by agricultural circles which was published in "Ta Kung Pao" a few days ago can truly represent the voice of the Chinese people.

* * *

Legislative Yuan to Discuss Draft Law for Safeguard of Human Rights Today

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

Nanking, June 26---The Legislative Yuan has decided to bring up the question of increase of postal and telegraph rates for discussion at its regular meeting scheduled to be held tomorrow. Any decision to be made in this connection will be submitted to the National Government for approval and enforcement. The proposed increase of railway fares was already approved by the recent session of the State Council held last week, and this increase will be enforced as from next month simultaneously with the hike in postal and telegraph rates. At the same meeting, the Yuan will also discuss the draft law for the safeguard of human rights and the proposal regarding the collection of heavier tax on tobacco and liquor.

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Local High Court to Grant Habeas Corpus Writs to Arrested Students

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

(Local News)---So far, there is still no indication that the local authorities will release the several scores of students arrested here. On the 24th instant, the Next of Kin of the Arrested Students' Association signed a petition to the local High Court requesting it to ask the organs which carried out the arrests to hand over the arrested students to the court for open trial in accordance with the procedure of law. It is learned that this request was accepted by the said court which proceeded to grant habeas corpus writs to the students on the 25th instant. However, if the offenses committed by the students are beyond the jurisdiction of the judicial organ,

the organs concerned can decline to hand over the persons in question for open trial. In future, all the students who are to be tried by this court will receive verdicts each according to the degree of seriousness of his offense. Those whose offenses are of a minor nature will be released on the spot, while those of a serious nature will be handed over separately to the Procurator's Office of the High Court or the District Court for investigation before given an open trial.

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Kwangtung Provincial Government Said to Be Reorganized

Shih Shih Hsin Pao, Evening Edition (Connected with H.H. Kung), Shanghai
June 26, 1947

Nanking, June 26---It is learned that the Kwangtung Provincial Government will undergo reorganization. Lo Cho-ying, Governor of Kwangtung, will be transferred to the post of Vice Minister of National Defense, while Huang Chen-chiu will be appointed Governor of Kwangtung to succeed him.

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Dr. Chu Chia-hua Gives Up Intention of Resigning from Post as Minister of Education

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

Nanking, June 26---Dr. Chu Chia-hua, Minister of Education, has several times tendered his resignation to the Executive Yuan, but every time the latter urged him to remain on his post. Dr. Chu has now given up his intention of resigning.

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MILITARY NEWS

Hostilities Shifted to Northern Section of Peiping-Hankow Railway

Chung Yang Jih Pao (KMT Organ), Shanghai
June 27, 1947

Tientsin, June 26---According to the spokesman of a certain military organ, fighting along the northern section of the Tsinpu Railway has come to a close, while hostilities will henceforth be shifted to the northern section of the Peiping-Hankow Railway.

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Chinese Warships Patrol Sea Off Chinwangtao and Takukou

Chung Yang Jih Pao (KMT Organ), Shanghai
June 27, 1947

Tientsin, June 26---With a view to collaborating with the land forces in consolidating peace and order in North China, the Chinese naval authorities dispatched four warships to the North a few days ago to patrol the sea off Chinwangtao and Takukou. The warship S.S. Mei Yih arrived here yesterday and will set out for patrol duty shortly, it is learned.

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Special Government Organ to Be Set Up in Shanghai to Take Over Japanese Warships

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 28, 1947

(Local News)---According to information released by the First Base Command of the Chinese Navy in Shanghai, 23 Japanese warships which are to be allotted to China and which are now anchored at Yokohama, Sasebo and elsewhere will sail for China shortly. The Chinese authorities have not yet received reports on the types and tonnage of these twenty-three warships. The Ministry of National Defense has issued an order that a special organ be set up in Shanghai to take over these warships. Meanwhile, over 500 personnel of the Navy will be transferred here from various localities to take part in the take-over operations, it is learned.

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ECONOMIC NEWS

MacArthur's Headquarters Notifies Chinese Government to Postpone Trip of Trade Mission to Japan

Shang Pao (C.C. Commercial Organ), Shanghai
June 27, 1947

(Local News)---As General MacArthur's Headquarters will order the resumption of private trade with Japan in the coming month of August, the Chinese Government sometime ago ordered the Ministry of Economic Affairs, Central Trust and other agencies concerned to organize a trade mission which is scheduled to leave for Japan either at the end of June or early in July. It is now learned that in view of the fact that the black market rate of foreign exchange in China is rising every day and that commodity prices are soaring skyhigh, General MacArthur's Headquarters in Japan has realized that no profit can be derived from the resumption of Japan's trade relations with China, therefore under the pretext of reorganizing the foreign exchange market in Japan, it wrote an official letter to the Chinese Government, requesting the latter to postpone the trip of the trade mission to Japan. According to the observation of competent quarters, whether or not the Chinese merchants will be able to take part in private trade with Japan in the same way as the American and British merchants will be quite problematical.

* * *

American Importers in Shanghai Voice Dissatisfaction Over Foreign Currency Allotments

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

(Local News)---Since the Government instituted the import control, all imports have been under the control of the Board for the Temporary Regulation of Imports, whose duty it is to fix foreign currency allotments for importers.

American importers in various parts of China have all voiced their dissatisfaction with the extreme difficult conditions under which American concerns have been operating. They are also of the opinion that most of the import quotas were allotted to the "favored families" and that foreign merchants have been discriminated against.

In a joint memorandum submitted to the State Department the other day, the American importers, besides describing in detail the restrictive practices to which they have been subjected, urged their Government to give careful consideration to any request made by the Chinese Government for aid.

On learning of this news, the Board for the Temporary Regulation of Imports drafted a reply yesterday, setting forth various reasons refuting the charges made by the American importers. The reply will be handed over to the competent authorities for transmission.

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Idle Capital Flee to Safety Zones

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 27, 1947

(Local News)---Of late, considerable deposits have been withdrawn from various banks and native banks here. It is reported that the amount of capital coming here from the North has already reached several hundred billion dollars and that the idle capital in Shanghai has been continuously channelled into South China. The black market charges for remittances to Kwangtung by various banks and natives banks are as high as CN$200-300 per thousand. With the continuous depreciation of the Chinese national currency in terms of Hongkong dollar during the past few days, commodity prices have concomitantly risen skyhigh. If the competent authorities do not take any effective measures to remedy the situation, the future prospect of China's economy will be gloomy.

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NEWS OF COMMUNICATIONS

Train Service from Mukden to Penhsi to Be Resumed at End of This Month

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 27, 1947

Mukden, June 26---Quiet prevails in the Liaonan area. The Mukden Railway Administration is now repairing the damaged bridges on the railway section northwest of Penhsi. Train service between Mukden and Penhsi is expected to be resumed at the end of this month. Due to equipment shortage, it will take some time to resume the train service from Penhsi to Nankungyuan.

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CHINESE PRESS REVIEW
* * *
American Consulate General, Shanghai, China
No. 385 June 28, 1947

EDITORIAL COMMENT

Watch U.S. Far East Policy

Chung Yang Jih Pao (KMT Organ), Shanghai
June 28, 1947

At this time we do not want to form any meaningless conjecture about U.S. Far East policy. We do not believe that the center of gravity of U.S. Far East policy is to help Japan regain her power, nor do we believe that U.S. policy towards China will remain long at the present wait-and-see stage. China's difficult plight today certainly is not due solely to her internal political problem. With the conclusion of the Yalta Agreement, China suffered the first blow from power politics. If it were not manipulated by power politics, the current rebellion certainly would not have become so extensive. The deterioration of the Northeast problem has made it impossible for the Chinese Government to make use of the national reconstruction resources of this region in a leisurely manner. The internal rebellion has already taken on an international character, so it cannot be quelled immediately. In order to enable us to intensify our efforts at peaceful reconstruction and to make a greater contribution to the stabilization of the Far East, we need the economic aid of the United States, a friendly nation.

Judging by the way in which the Northeast problem has been developing, we can see that not only the Sino-Soviet Treaty is facing a serious test, but peace in the Far East is faced with a serious crisis. Since the Yalta Agreement has caused such a state of affairs, we must, besides urging the Soviet Union to do some sincere self-examining and to observe the spirit of the Sino-Soviet Treaty, point out the necessity of the United States re-examining her Far East policy. (Summary)

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Diplomatic Measures That Ought to Be Taken

Chien Sien Jih Pao (Connected with Ku Chu-tung), Shanghai
June 28, 1947

In discussing the Sino-Soviet problem day before yesterday, Dr. Wang Chung-hui expressed the opinion that morally, the United States and Great Britain should not look on without doing anything, but that they should help make it possible for all the pending issues between China and Soviet Russia to be solved in a just and rational manner. But how should the United States and Britain make their efforts in this direction? We have on more than one occasion expressed the opinion that the matter should be referred to the United Nations Organization for handling, for we are afraid there is no other way in which the United States and Britain can intervene in this matter. (Summary)

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Wrong Conception of Japan

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 28, 1947

China should not look on without doing anything regarding the Japanese problem, nor should she always follow the lead of the United States on this problem. It is one thing to be lenient, but it is quite another to work for the welfare of the nation. Vice-President Dr. Sun Fo feels that "Japan should be made a buffer state designed to stem the expansion of Red totalitarianism." Such a view suits exactly the book of Japan's ruling classes, because under the pretext of anti-Communism, they could ask the United States for loans, expand their industries, and increase their military and economic

power. Is Japan really anti-Communist? There is some historical evidence: Germany, Italy and Japan formed an anti-Communist alliance. As a matter of fact, however, Japan did not mobilize a single soldier against Soviet Russia. Upon his return to Tokyo from Moscow after signing a Soviet-Japanese treaty of neutrality, Matsuoka was hailed and praised by the entire Japanese nation, which was supposed to be anti-Communist. Japan was not really anti-Communist; what she really wanted was to occupy China and the South Sea Islands.

The rise or fall of Japan has to do with China's national destiny. We should judge everything by reason and have a correct conception of Japan. (Summary)

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Three-Power Foreign Ministers Conference

-- Success or failure of the Conference hinges on the attitude of Soviet Russia --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 28, 1947

It is a fact that the various European nations urgently require economic aid, and the only nation which is in a position to extend such aid today is the United States. On the other hand, it is also a fact that Soviet Russia is opposed to Britain and the United States. Whether one can be optimistic about the outcome of the Three Foreign Ministers Conference depends upon the attitude of the Soviet Union. (Summary)

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How to Deal with the New Rise in Prices

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 28, 1947

During the past few days commodity prices have again been fluctuating for these reasons: (1) Subsidies to public utility companies have been stopped; (2) wages have been raised as a result of the unfreezing of the cost of living index; (3) the war area has been enlarged and communication lines disrupted; (4) a large amount of idle capital has been shifted to Shanghai from North China; (5) the Economic Supervisory Group has been officially terminated; (6) the note issue tends to be further increased and there are no indications that the Government will stop issuing more notes; and (7) rumors have been circulating that some new taxes will be instituted and that the commodity tax rate will be raised.

The measures for stabilizing prices as contained in the Economic Reform Plan proposed by the Executive Yuan on the 20th instant emphasise the basic solution of the problem as well as general principles and, so far as the palliative and emergency measures are concerned, this plan is far less rigid than the Emergency Economic Measures announced on February 17th. Such measures for pressing down prices as appraising prices, imposing a ceiling on prices, and prohibiting hoarding, are not even mentioned in the new plan, so that there is a strong tendency to let prices take their course.

Since this plan has now been drawn up and submitted for discussion by the Executive Yuan, an early decision will be made regarding it. We further hope that those parts of the plan which have to do with production and commodity prices will be put into effect at an early date, so as to stabilize the people's livelihood and general conditions. We feel that in dealing with this emergency situation, the Government has been acting a little too leisurely. (Summary)

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U.S. Coal Miners Go on Strike

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 28, 1947

Recently, the U.S. Congress passed the Taft-Hartley Labor Law. President Truman felt that this law will not only not be able to prevent strikes, but will increase the number of strikes. Within a few hours of the passage of this law, U.S. coal miners began to strike. Up to the present 225,000 miners, or approximately half of all coal miners in the United States, have already walked out, so that President Truman's forecast has already come true. It was Taft's intention to curb the power of the laborers by means of this law, so as to adjust the balance of power between the capitalists and the labor unions, and his action is understandable. But the law proposed by him is too partial in favor of the industrialists, and is obviously designed not merely to achieve a balance of power. Since this law has now aroused the universal dissatisfaction of American laborers, we are afraid that such dissatisfaction cannot be suppressed by legal pressure alone.

If the U.S. Congress sees clearly that the strikes cannot be settled by legal pressure, the members of Congress should, at this time when the labor strikes have not yet assumed very large proportions, reconsider the labor law as soon as possible. (Summary)

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Other editorials not translated: Dated June 28, 1947

Cheng Yien Pao, Shanghai	--	Molotov's Participation in the Three Foreign Ministers' Conference
Lih Pao, Shanghai	--	Workers Should Not Take Disconcerted Steps
Shang Pao, Shanghai	--	We Interrogate the Soviet Union on the Port Arthur-Dairen Issue
Tung Nan Jih Pao, Shanghai	--	The Way-Out for the Current Situation
Yi Shih Pao, Shanghai	--	Set Aside Our Anxiety and Work Harder
Chin Yung Jih Pao, Shanghai	--	The Greatest Efforts Should Be Made to Curb Fluctuations in Commodity Prices
Chung Hwa Shih Pao, Shanghai	--	China Is Now Faced with a Test

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POLITICAL NEWS

Negotiations for Loan from U.S. Continuing, Chang Chun Reveals

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 28, 1947

Nanking, June 27---In an interview with our reporter today, President Chang Chun of the Executive Yuan hinted that negotiations for loans from the United States are still continuing, though he urged all the people to leave a firm faith in seeking national rejuvenation through their own efforts. President Chang declared that it is erroneous for a number of persons to attach too much significance to the obtaining of loans from the United States. The economic policy pursued by the Government, as enunciated by President Chang for many times, has always been centered on national rejuvenation through China's own efforts. It is on this basic principle that the Government is now drafting a plan for the purpose of bringing about an over-all economic reform of a lasting nature in this country.

The national foundation of China, President Chang pointed out, is built upon agriculture, therefore the center of gravity of her economy should also

lie in agriculture. General attention should be diverted from urban districts to rural areas and efforts should be redoubled to enhance production so that national economy in this country can be put on a normal track of development. Even during the war of resistance, while resisting the Japanese aggression singlehandedly, China was still able to devote herself to the work of national reconstruction in the rear. Therefore, President Chang declared, the Chinese people should continue their efforts to push forward the work of national reconstruction in the same spirit as in wartime. As for the malpractices of speculation and profiteering, the Government is now studying the most effective measures to suppress them. Meanwhile, official corruption should also be eliminated by all means, President Chang said.

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Ministry of Foreign Affairs Hopes U.S. Authorities
Will Uphold Original Sentence on Pierson

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 28, 1947

Nanking, June 27---Vice Minister Liu Chieh of Foreign Affairs called on Minister Butterworth of U.S. Embassy yesterday. He told the latter the Chinese views regarding the Pierson case. U.S. naval authorities recently overruled the original sentence on Corporal William G. Pierson, who was convicted for raping a Peking University girl student last Christmas eve by the U.S. Military Court in Peiping and was sentenced to 15 years of imprisonment, and decided to order his release and return to naval services.

Vice Minister Liu expressed the hope that U.S. quarters will uphold the original sentence passed by the U.S. Military Court in Peiping on the case. A memorandum containing the record of the above conversation was forwarded to U.S. Embassy the same day.

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Says Court Granting of Habeas Corpus Writs to Arrested
Students Not True

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 28, 1947

(Local News)---A certain high-ranking official of the local High Court stated that the said Court is handling the plea of the next of kin of the arrested students for habeas corpus writs with great caution. After giving this request much consideration, no final decision has been made as to whether or not habeas corpus writs should be granted within 24 hours because of the complexity of the case in question. So a compromising measure has been adopted and a letter was sent to the local Municipal Government yesterday requesting it to conduct the necessary investigations and to acquaint the Court of its findings. As soon as the City Government's reply is received, the petition made by the arrested students' next of kin will be examined accordingly, the official explained.

It is also learned that if the accused is guilty of rebellion, he will be turned over to the Procurator's Office of the High Court for interrogation, and if it is only an ordinary criminal offense, the culprit will also have to be turned over to the Procurator's Office of the District Court for investigation. Therefore, the report released by the local press alleging that the arrested students will be granted habeas corpus writs, is unfounded.

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China International Human Rights Protection Association
Holds Discussion Meet

Shih Tai Jih Pao (Soviet-owned), Shanghai
June 28, 1947

(Local News)---The China International Human Rights Protection Association invited various quarters and prominent personages, both Chinese and foreign, to hold a discussion meeting yesterday at 4 p.m. Mr. Chang Chiung-po presided as chairman. Mrs. Herman Liu made the first report saying that since the occurrence in March of missing incidents wherein local citizens were involved, and since the assault and arrest of students in May, the said Association has worked continuously as go-between for the students and the City Government, helped to raise funds for the comforting of wounded students, and kept in constant touch with the United Nations Organization.

The liaison officer of the Association followed by stating that certain special elements were recently reported to have disguised themselves as arrested citizens who had just been released from prison, so as to defraud money from the families of other arrested citizens.

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MILITARY NEWS

Large Number of Government Troops to Be Transferred
to North China

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 28, 1947

Tientsin, June 27---According to a decision made by a joint meeting of the Party, administrative and military authorities today, all universities, middle and primary schools in North China will close at the end of this month. It is learned that a large number of Government forces will be transferred to North China to be stationed in different places. All school buildings in Tientsin will be used as barracks. The number of Government troops to be transferred to the North is over 700,000, it is reported.

* * *

National Defense Ministry to Open Modernized Military
Academy

Chung Yang Jih Pao (KMT Organ), Shanghai
June 28, 1947

Nanking, June 27---Preparations are underway for the establishment of a modernized military academy by the Ministry of National Defense. The 5th Department of the Ministry will call a meeting of all units concerned at 9 a.m. today (June 28) to discuss the questions pertaining to the cadet quota, the standard for physical examination as well as the organs for conducting the entrance examination.

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ECONOMIC NEWS

Penhsi Mine Remains Intact After Withdrawal of CP Troops

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 28, 1947

Mukden, June 26---CP troops have withdrawn from Penhsi. The factories and the coal and iron mines in that area remain intact with the exception of a number of warehouses and offices having been slightly damaged. The installations for supplying electric current in Kungyuan were destroyed, while

the 1st and 2nd power plants remain intact. The 1st power plant has already resumed operation. The employees and workers of the coal and iron mines have returned to Penhsi and are making preparations for the resumption of their operation. However, no output will be turned out this month.

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Over 40,000 Tons of Soya Beans Lost in War Areas in Northeast

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 28, 1947

Mukden, June 26---In regard to the soya bean transactions in the Northeast during the past year since the Government took over the control, a certain responsible official of the Central Trust of China is reported to have stated:

"A total of 75,000 tons of soya beans have been collected, of which 30,000 tons have already been shipped out. These shipments consist of 7,500 tons to Shanghai to be sold at reduced price, 14,000 tons sold to Italy, 5,500 tons sold to the Netherlands and 3,000 tons to Japan as barter transactions. Surplus stocks amounting to 45,000 tons are now being stored up in various parts of the Northeast, of which 5,000 tons are stored up in Mukden, Yingkow and Tiehling and have been requisitioned by Government forces, 15,000 tons are stored up in Changchun, 10,000 tons in Szuping, 10,000 tons in Kaiyuan and 5,000 tons in Meihokow, Sian and Kungchuling. Actual losses resulting from the present hostilities have not yet been ascertained, but as all these places are now occupied by CP troops, it is generally believed that no sizable stocks are being left there. It is problematical as to from where soya beans can again be collected for the current year."

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NEWS OF CULTURE & EDUCATION

U.S. Consulate to Give English Test to Chinese Students Before Granting Visas

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 28, 1947

Nanking, June 27 (Lien Hwa News Agency)---Regarding the question of Chinese students going to the States for further studies, U.S. Ambassador Leighton Stuart told our reporter the following:

Chinese students who go to the States for further studies are often handicapped by insufficient knowledge of English. So the U.S. Consulate-General in Shanghai is giving an English test to all Chinese students desiring to pursue studies in the States before granting them visas, so as to prevent the waste of time and money on the part of the students in question.

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MISCELLANEOUS NEWS

Brig. Gen. McConnel to Return to States

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 28, 1947

Nanking, June 27---According to information released by the Chun Wen News Agency, Brig. Gen. McConnel, head of the air division of the Army Advisory Group, has been summoned to the United States, and Brig. Gen. Charles G. Thomas, Jr. is acting for him. General Chow Chih-jou, C-in-C of the Chinese Air Force, gave a cocktail party in honor of both of them at the Officers' Moral Endeavour Club at 5 o'clock this afternoon. Minister Pai Chung-hsi of National Defense and Gen. Chen Cheng, Chief of the General Staff of the Chinese Army, were also present at the party. The party ended at 7 o'clock.

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SPECIAL & FEATURE ARTICLES

The Civil Uprising in Kwangtung Province

by

Chang Ming

(The following article appeared in a pamphlet "The Northeast in War Conflagration" Serial No. 7, June 5, 1947, published by the Wen Chung Publishing Company, Hongkong.)

In April this year, amidst the intensifying civil strife, the effect of the soaring of commodity prices and the corrupt administration was shown in the deterioration of the peace maintenance work. News of "banditry" poured in from various hsiens in this province, filling up all the newspaper columns, giving a busy time to the high-ranking military and administrative officials of the peace preservation forces, and instilling panic into the hearts of the common people.

Of the 103 hsiens and municipalities in Kwangtung, the majority of them are threatened by banditry in a more or less degree. Of these, the most seriously menaced are the Hainan Island and the five districts of Kochow, Luichow, Yamchow, Limchow and Fongseng in South Kwangtung. Next come the East and North River areas where armed units frequently make their appearance.

Official news release termed these armed units as "bandits" or "treacherous bandits". But these anti-Government forces called themselves the "People's Liberation Army" or the "People's Righteous & Loyal Army", which recently developed into a politically organized and disciplined Army.

As a non-partisan reporter coming from among the people, the author, in rendering an account of these armed revolts, wishes to respect the opinion of the local Government by calling these armed units "bandits".

On the Isolated Hainan Island

Speaking of "bandits" in Kwangtung, everybody knows that banditry is most rampant on the Hainan Island. As far back as 1927, the "organized bandits", under the leadership of Feng Pai-chu, already began to intensify their activities in the Wuchih (Five-Finger) mountain region in the heart of the island. Although for 10 years and more the Government carried on a relentless campaign of "suppression", it never did exterminate these outlaws. When the Sino-Japanese hostilities broke out, these "organized bandits" fought against the enemy under the banner of the "Hainan Independent Brigade" and grew stronger as they fought. By the eve of Japan's capitulation, they succeeded in liberating the majority of enemy-occupied hsiens.

Brigade

In July last, though the CP East River/withdrew to the north, yet the problem of the "Hainan Independent Brigade" remained unsettled, thus leaving the cancer of the Kwangtung civil conflict unremoved.

Two years ago, the troops of the 46th Army under Han Lien-cheng, when taking over the Hainan Island, got into a fight with the bandits. Later on, Han's troops were transferred from the Hainan Island and the Kwangtung Provincial Garrison Headquarters massed 6 peace preservation regiments and established a Banditing Suppression Command in September last year under the command of Tsai Chin-chun, to carry on the "suppression" campaign,

Originally it was planned to carry out the campaign in 3 stages. However, half a year elapsed, yet the plans of the 1st and 2nd stages failed to materialize. With the exception of the recapture of Kingshan, Mencheong and Chenman hsiens. the plans were far from being realized. So on March 12, the vice commander of the Kwangtung Provincial Garrison

Headquarters had to openly admit at a press conference given by its Press Bureau, that the "bandits on the Hainan Island cannot be suppressed as ideally as desired." He also outlined the reasons as follows:

(1) The insufficiency of armed forces at the disposal of the Garrison Headquarters. The bandits are more powerful as there are over 10,000 bandits on the Hainan Island while the strength of the Garrison Headquarters is only over 8,000 strong.

(2) The local inhabitants are being doped by the propaganda of the bandits.

The strength of the "organized bandits" on the Hainan Island, according to a more accurate estimate, is over 16,000 strong. The leader is Feng Pai-chu and the political commissar is Chuang Tien. Under them are four sub-brigades, the first called Chang Sheng (Always Victorious) sub-brigade led by Wu Ke-tze; the second, Shen Yung (Fortitutinous) sub-brigade under Fu Ko-lo; the third, Chieh Fang (Liberation) sub-brigade under Ma Pai-shan and the fourth, Ting Tsin (Courageously Advancing) sub-brigade under Li Chen-ya. The 1st and 2nd sub-brigades frequently appear in the triangular area formed by Kingshan, Mencheong and Onting on the Hainan Island; the 3rd and 4th sub-brigades are scattered in the Paksha, Tam and Lumko hsiens in the northwest as well as in the Lokwui and Manning hsiens in the southeast of the island. The Headquarters of the bandits is situated at Moitungshan in Paksha hsien. They have over one hundred pieces of heavy and sub-machine-guns, 60 pieces of Tommy guns and more than 4,000 pieces of rifles.

In September this year, a provincial government will be established on the Hainan Island. The Government will concentrate its attention on this island which is located to the extreme south of China. The "bandit suprression" campaign will surely be carried out with greater vigor.

Hainan in a State of Unrest

A glance at the map convinces one that only "a tiny strip of water" separates the Hainan Island and the Luichow peninsula. This southern part of Kwangtung is a mountainous region. Hence history often refers to this part as the "haunts of highwaymen and robbers". During the Sino-Japanese war, this region had served as a vital link in the transport of Allied material aid to China from Kwangchowwan into Kwangsi. This region was also the site of the famous Shihwantashan Battle.

Since March 8 this year when Magistrate Tai Chao-en of Suikai, while "suppressing bandits", was killed by the "bandits" near Macheong on the Kwangchowwan-Suikai highway, then did the seriousness of banditry which had long plagued Southern Kwangtung, come to the attention of the public. Following this incident, rumors of "banditry" contined to stream in. Since April, almost not a single day passed without hearing news of bandits attacking this or that place.

According to reliable information gathered, the "bandit" organizations in South Kwangtung can be grouped under two categories: One group with the insignia of "People's Liberation Army", is led by Chen Hsin-chai (a native of Wuchuen), though some say that the wife of the late Gen. Chang Yen, Cheng Kwun-lien, is the leader (Cheng, however, openly stated to reporters at a memorial meeting sponsored by democratic elements in Hongkong in memory of her later husband Gen. Chang Yen on the 2nd anniversary of the latter's death, that she had never left the Colony for the last two years). This group consists of four regiments; Tang Chai-yu commands the 1st Regiment (also called the Tang Chao Regiment, with about 400 men, 7 pieces of heavy and sub-machineguns, being active in the Tiufung and Monko areas south of Suikai). A certain fellow named Chen (also nicknamed Long-fellow Chen) is commander of the 2nd Regiment, with over 300 men, scattered in the Shekhui and Tsimkong areas of Fahsien. Mo Hsiung heads

the 3rd Regiment, with about 400 men, harassing the Matsimling and Onpo areas south of Limkong district. Li I-ming leads the 4th Regiment, with over 600 men, more than 10 pieces of sub-machineguns, being active in the vicinity of Muiluk, Wuchow, Fahhsien and the southern part of Mouming hsien.

The other group, called the "People's Righteous & Loyal Army", is led by Kao Shu-feng and consists of two regiments. Chang Chi-pin is commander of the 1st Regiment, with about 200 men, roaming the waters off the east coast of Kwangchowwan and the west coast of Wuchuen hsien. Fu Chun-mou leads the 2nd Regiment, with some 300-odd men, frequently appearing in the border regions of Hoikong, Suikai and Kwangchowwan.

Since April, it is said that the "organized bandits" in South Kwangtung have already effected a junction with the 300-odd militiamen under Hu Tze-ming, who infiltrated into Fongcheng from Indo-China and thence crossed the sea from the Hainan Island to the Luichow peninsula, together with the 500-odd men who crossed the sea from the Hainan Island to the Luichow peninsula led by Chen Yin-hua (Chen was formerly under the command of Gen. Chang Yen, but at the time of the latter's execution, Chen fled to the Hainan Island), and the 400-odd "bandits" from Lukchuan and Pokpai in South Kwangsi. They planned to organize a Kwangtung-Kwangsi Border Region Government and had already appointed Yeh Cho-chiung as magistrate of Fahsien and a certain Lo as magistrate of Limkong.

In face of this serious development, the military and administrative authorities in Kwangtung hastened to devise counter-measures for coping with the situation. Already a battalion of Hu Chang-ching's 69th Division (Hu originally garrisoned Canton) and a regiment of the 10th Peace Preservation Corps have been dispatched at the eleventh hour to rush to the rescue. Hu's troops, upon arriving in Kwangchowwan on April 19, immediately entered into a fierce fight with the "bandits" and a Bandit Suppression Command of South Kwangtung and Kwangsi was hastily set up with Commander Lin Ying of the South Kwangtung Divisional Administrative District as commander, and Chief of Staff Cheng Kan-fen of the Kwangtung Provincial Garrison Headquarters as vice commander. At the same time, an urgent telegram was dispatched to the Ministry of National Defense asking for more troops so as to be able to exterminate the "bandits" within a short period of time.

"Bandit" Situation in the East River Area

Regarding "banditry" in Kwangtung, with the exception of the Hainan Island and South Kwangtung where the threat is more serious, "bandits" also appear frequently in other areas like the North and East River areas. In the North River area, banditry is often rampant in the Yingtak and Sunfung hsiens along the two sides of the Canton-Hankow railway. The leader of the Yingtak "bandits" is called Hu Chun-chai who has under him over 500 men, equipped with more than 10 pieces of machineguns, and established in the Kwuanyumshan area. The head of the Sunfung "bandits" is Wu Sin-min, with over 400 men who attacked Chuook of the Yungyuan district toward the end of March and again infiltrated into Winghon and the tin mine area of Lamtin at the beginning of April.

"Organized bandits" also appear frequently in the Lokcheong, Namhung and Chinghing hsiens to the farther north of the North River area. Over 200 men of Li Lin and Kuo Chin-ju's troops were reported to have appeared in the Wongpo village and the Icheong border area in the Lokcheong hsien.

As for the East River area, the armed militia there has always been very active. Though the CP East River Brigade which used to dominate Tungwun, Waiyeong and Poklo, has since withdrawn, yet fighting did not seem to have ever ceased. In the border regions of Wuhua, Hoifong, Lukfong and Waiyeong, "organized bandits" of a quite superior number and of high combat ability often come and go as they please. According to

an official estimate, these bandits are from 1,200 to 1,600 strong, carrying with them over 30 pieces of heavy and sub-machineguns and several light artillery pieces. Some rumors have it that these "bandits" are the demobilized troops of the CP East River Brigade, who being dissatisfied with the way they were treated by the Government, again took up arms.

Banditry is less serious in the West River and the Han River regions, though the appearance of small numbers of "bandit remnants" has also been reported in the Hoyun and Linping hsiens.

A Spark of Fire May Cause Conflagration.

Just as what has been said above, of the 103 hsiens and municipalities in Kwangtung Province, there are now at least over 27 hsiens where the bandit situation is either serious or which have completely fallen into hands of the "bandits". Although it is true that from the overall aspect of the civil war, "banditry" in a few hsiens of this province amounts to almost nothing, yet we must not forget that a spark of fire may cause a conflagration. The higher the military pressure, the greater will be the "bandits" resistance. A day will come when the people who "can no longer endure", will all take up arms. Then is the moment for the rulers to find themselves stricken with appendicitis.

April 20, 1947.

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CHINESE PRESS REVIEW
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American Consulate General, Shanghai, China
No. 386 June 30, 1947

EDITORIAL COMMENT

Expiry of the Ear-marking of the U.S. Loan for China and U.S. Policy of Extending Aid to China

Chung Yang Jih Pao (KMT Organ), Shanghai
June 30, 1947

If the new plan for aid to China which the United States has been considering and the sale of the rifle ammunition to this country constitute a first step toward discontinuing the U.S. policy of neutrality, then the fact that the ear-marking of the projected loan to China has been allowed to expire as originally scheduled is a remnant of the policy of neutrality. These two steps are indeed too incongruous. Furthermore, the four principles decided upon by the Congress which, as William Martin has reaffirmed, have been observed by the Export-Import Bank, do not seem to be in harmony with the present policy of the United States. It is true that the Export-Import Bank is commercial in nature, and that the extension of political loans does not fall within its scope of activities, but the U.S. authorities have, so far, not done anything to remedy this situation, but have only appealed to private individuals to make voluntary contributions to China. This is still due to the restraint of the United States' past policy of neutrality. Although the rebellion in China is different in nature and trend from the Spanish civil war, yet the policy of neutrality of the democratic nations has invisibly helped the rebel army in China as it did in Spain. This is not only not in harmony with the present national policy of the United States, but also goes counter to the principles of righteousness and justice.

We hope that the U.S. policy of aiding China will become more definite and that she will reconsider fundamentally the policy as a whole, instead of dealing with the situation piecemeal.

The Export-Import Bank has announced at the same time that it will consider lending money to China for specific projects. The Bank should no longer consider the political situation in China as a condition for such loans. We hope there will not be a recurrence of the case of the US$500,-000,000 loan, where a great deal of effort was wasted. (Summary)

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New Trend of U.S. Policy towards China

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

The U.S. State Department announced on June 27th that the U.S. Foreign Liquidation Commission has entered into a contract with China whereby the Commission has sold to China 130,000,000 rounds of 7.92 calibre rifle ammunition. The Department also announced the lifting of the embargo on military supplies to China. On the same day, William Martin, chairman of the Export-Import Bank, announced that it will consider lending money to China for specific projects. In our opinion, this marks the beginning of a change of U.S. policy towards China.

It can be said that since the conclusion of the Second World War, U.S. policy towards China has gone through three stages. The first stage was when General Marshall first arrived in China in 1945. In this stage, the United States considered the Chinese Communist Party as an ordinary political party, so she repeatedly brought pressure to bear upon the National Government to make concessions to the Communist Party. The second stage began at the time of the opening of the PCC in 1946 and ended at the time of General Marshall's return to the United States. In this stage General Marshall

still had great expectations of the peace talks. Therefore, even though General Marshall had gone back to America, the United States still played a transcendant role. It was at this time that the United States announced the embargo on military supplies to China. The period between General Marshall's return to the States to become Secretary of State and the announcement of the lifting of the embargo on military supplies to China may be said to be the third stage. The United States has now begun to realise that the Chinese Communist Party certainly does not want to become an ordinary political party. She has also begun to realise that the Chinese Communists are determined to wrest governing power by armed force. It is due to this realisation that the United States has now lifted the embargo on military supplies to China.

This action on the part of the United States indicates that she is considering making a new decision. We commend this action, but feel that it is not sufficient, because what China needs most today is economic aid. It is highly regrettable that the ear-marking of the US$500,000,000 loan to China cannot be extended. We hope that the "loans to cover specific projects" as referred to by Mr. Martin will materialise at an early date. We are sure that the Government and people of the United States appreciate the seriousness of the present situation, and we hope that they will no longer consider the question of loans to China from a short-sighted commercial standpoint.

There are still many reforms which the Government should positively effect. The Executive Yuan has been reorganized for more than three months now, but it has not done much. From now on, it should do some things each month. Whether U.S. policy towards China will be greatly changed or not, still depends upon the extent to which we can wake up and effect reforms. (Summary)

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U.S. Begins Making New Decisions Regarding China

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 29, 1947

On June 27th the U.S. State Department announced that the U.S. Government had entered into an agreement with the Chinese Government, permitting the sale of US$650,000 worth of U.S. surplus ammunition to China. At the same time, William Martin, Chairman of the U.S. Export-Import Bank, is still considering extending new loans to China.

During the past several days this journal has published three or four editorials stating our belief that if the United States has far-sighted statesmen, they will certainly make new decisions regarding the Far East which is faced with an increasingly grave crisis. The reports from Washington referred to above make us more convinced than ever that the United States does not lack far-sighted statesmen, and that she has already begun to make new decisions regarding China.

We feel that Sino-American relations have a historical background, and are sure that the United States will make new decisions in line with the needs of the times. However, what we should devote our energy to is the bringing about of a democratic and strong Government. "God helps those who help themselves." At this time when the United States is making new decisions, we should all the more try to strengthen ourselves. (Summary)

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We Welcome U.S. Aid

-- It is the traditional policy of the United States to increase her aid to China --

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 29, 1947

Yesterday, the U.S. Government decided to sell to China a quantity of surplus rifle ammunition. This is, of course, welcomed by the Government and people of China. We hope that our friendly neighbor will know us even better, and that she will increase her economic aid to us, so that the democratization of China can be completed at an early date, and so that China will become an important stabilizing force in the Far East and the whole world. In directly aiding our country, the United States will be indirectly establishing peace in the Far East and the whole world. (Summary)

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Arrest of Chinese Communist Leader Ordered

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

We deeply regret that the arrest of the leader of the Chinese Communist Party has now been ordered. However, if such crimes as the enlistment of foreign aid in forcibly occupying the nation's territory and in rebelling against the State were tolerated, what would become of the law of the nation? The Procurator's Office of the Supreme Court is the highest prosecuting agency in the country. In issuing this order, which is designed to maintain the dignity of law, that Office will win the sympathy of the people.

Although the arrest of the leader of the Chinese Communist Party has now been ordered, yet there are still seats reserved for that Party on the State Council. It is true that the former is a judicial problem, while the latter is a political problem. However, since the leader has been considered as "having done harm to the country and the people and committed a great crime", naturally the party led by him is also not without any problem. While a judicial problem should be dealt with according to law, yet politically, the necessary measures should also be taken in line with the development of the judicial problem. Otherwise, the situation would be somewhat ridiculous. As to what measures should be taken, this calls for careful consideration by the Government authorities. (Summary)

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Is There Going to Be an Economic Depression in the United States?

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

It is possible that an economic depression may occur in the United States in 1948. If it does come, it will be a very serious one, inasmuch as it has a psychological background. On the contrary, it is also possible that a "new deal" may suddenly come both in regard to U.S. internal politics and U.S. foreign relations. How many other nations in the world could be as unrestrained as this wealthy young nation?

As far as China is concerned, whether there will be depression or no depression in the United States, we should do our best to guard against our getting confused as to what steps we should take. If a depression comes in the United States, she will undoubtedly restore immediately her isolationism in her relations with other nations, and internally, it is possible that she may adopt a "new deal" which is even more thorough-going than that carried out by the late President Roosevelt, thus following the same course which the

British Labor Party has been following. The main prerequisite for no depression in the United States is universal peace, which means more friendly relations between her and the Soviet Union, the removal of the iron wall between the East and the West, and the world stepping onto a progressive and bloodless path under a state of peace between the United States and Soviet Russia. In this way, U.S. goods can be sold freely in all parts of the world.

Both these two possible situations will require a peaceful, democratic China which really looks like a modern nation. (Summary)

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Other editorials not translated: Dated June 30, 1947

Chung Hwa Shih Pao, Shanghai	--	Democracy on a Thorny Path
Tung Hwa Jih Pao, Shanghai	--	The Change in U.S. China Policy
Shang Pao, Shanghai	--	An Outlook on Economic Reconstruction in Europe and Asia
Cheng Yien Pao, Shanghai	--	The Cause for a Possible Price Hike in July and the Measures to Be Taken to Curb It
Chien Sien Jih Pao, Shanghai	--	One Europe and One World
Yi Shih Pao, Shanghai	--	U.S. Loans and National Rejuvenation through Own Efforts
Ho Ping Jih Pao, Shanghai	--	A Review of Our Foreign Exchange Policy

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POLITICAL NEWS

Government to Issue Statement Clarifying Nature of Current Civil Strife

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

Nanking, June 29---The issue of an arrest writ for Mao Tze-tung by the Supreme Court attracted great attention from all quarters. Certain high-ranking Government officials are of the opinion that this mandate was issued after careful consideration. A petition was submitted by certain quarters requesting the Central Government to order a punitive campaign against the CP. However, in view of the recent development of the situation, the issue of the said order may not materialize. According to news leaking out from competent quarters, the Government is considering to issue a statement clarifying the nature of the current civil strife, as it is believed that the present internal conflict is taking on a serious international aspect.

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President Chiang Kai-shek to Fly to Peiping Tomorrow

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 30, 1947

Nanking, June 29---According to reliable information, President Chiang Kai-shek after presiding over the KMT Central Standing Committee meeting tomorrow morning will fly to Peiping on July 1 to preside over the military conferences to be held in that city. After the July 7 anniversary, he will in all probability take a trip to the Northeast. He will stay in Peiping for two months.

It is further learned that Peiping will be made the "Summer Capital" for this year.

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President Chiang Rumored to Make Several-Week Stay in Peiping

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

Peiping, June 29---It is widely rumored here that President Chiang Kai-shek will likely fly to Peiping next week. The Generalissimo's Headquarters here has turned the Hou Yuan En Temple into a temporary summer headquarters for the President. It is generally expected that the President will remain in Peiping for several weeks and then will probably make an inspection tour of the Northeast.

It is also rumored that the North China Educational and Cultural Conference, scheduled to be held on the Double Seventh anniversary, will be presided over by President Chiang personally. Professors of all universities in the North will attend the said conference.

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Gen. Li Chung-jen Entertains Peiping University Authorities and Professors

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

Peiping, June 29---Gen. Li Chung-jen, Director of Generalissimo's Peiping Headquarters, invited all university authorities and professors here for a dinner party last night. Local military leaders, namely, Sun Lien-chung, Chen Chi-cheng, Wang Hung-chao and Hsiao I-shan, were also invited. In the course of the dinner, Gen. Li delivered an address, emphasizing the necessity of achieving national regeneration through self-effort and urging the removal of the psychology of depending on others. He also appealed for political reforms as well as reconstruction.

The various professors present also expressed their views in regard to the current situation. Dr. Hu Shih, President of the National Peking University, expressed appreciation toward the local authorities for the conciliatory policy adopted by them during the recent student unrest.

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Dr. Peng Hsueh-pei to Take Trip to Northwest

Chung Yang Jih Pao (KMT Organ), Shanghai
June 30, 1947

Nanking, June 29---Dr. Peng Hsueh-pei, former Minister of Publicity, will take a trip to the Northeast early next month. He will tour Sian, Lanchow, and Tihwa to inspect general conditions there. The report that he has been ordered by the Government to investigate into the Sinkiang incident is not reliable.

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Legislative Yuan Orders Redrafting of Bill on Human Rights Protection

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 29, 1947

Nanking, June 28---At a meeting held by the Examination Committee of the Legislation Yuan this afternoon, detailed discussions on the bill for protection of people's freedom and rights were being made. As the draft bill was found to be imperfect, the following 7 persons were elected to redraft it,

namely, Messrs. Lin Pin, Lu Fu, Liu Ke-chun, Chen Ku-yuan, Tan Li-wu, Wang Shih-hsien and Wang Shih-tseng. Lin Pin was appointed to be the convener of the proposed 7-man draft board. The latter board will intensify its work on the bill during the recess of the Yuan session. The new draft is expected to be completed in two months' time, after which it will be submitted to the Legislative Yuan Examination Committee for study.

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Next of Kin of Students to Petition Administrative Authorities if no Habeas Corpus Writs Granted to Students by Court

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 29, 1947

(Local News)---It is learned that the Next of Kin of the Arrested Students' Association has already engaged six lawyers as defense counsels in the proposed granting of habeas corpus writs to the arrested students. Last night the spokesman of the said Association declared that according to information gathered from various authorities on judicial matters, it is unanimously agreed that since the students are not militarymen, whatever organs concerned are absolutely not justified to turn down the habeas corpus writs served on them by the Court, otherwise the organs in question are guilty of breaking the law. Therefore, the said Association hopes that the High Court will adopt a just attitude in granting habeas corpus writs to the students so that only under the power and diginity of law the students may find the protection available. However, if no results can be foreseen, the said Association will consider to take a further step by petioning the administrative authorities.

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Parents of Arrested Students Visit Detained Youngsters

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

(Local News)---Parents of arrested students in this city gathered at the Shanghai City Government building at 2 o'clock yesterday afternoon and then proceeded to the detention quarters to pay a visit to their detained youngsters. The watchmen of the quarters refused them admittance and expressed hopes that they would pay separate visits to the arrested students. Finally through negotiations the visitors were allowed to make their call. Parents of certain arrested students said that the conditions in the detention quarters remain the same as before, but due to hot weather, a number of students have fallen sick.

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Peita Students Federation Issues Written Statement On Pierson Case

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

Peiping, June 29---The Students Federation of the National Peking University has issued a written statement to express its attitude towards the recent decision made by U.S. naval authorities on the Pierson rape case. It is learned that except issuing that statement, the Federation has not taken any concrete move.

* * *

Rice Riots Again Break out in Chengtu as Man-Made Food Shortage Intensifies

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

Chengtu, June 29---The man-made rice shortage in Chengtu is becoming more and more serious. Today, a general rice riot, involving all hunger-stricken populace, broke out in all parts of this city. The famished inhabitants also began to seize food and eatables on the streets. The local security forces, aside from dispersing the ravenous mob, did not resort to any strong repressive measures. The Municipal Government is now studying the counter-measures to be taken to cope with the situation. Charity bodies here intend to open public soup kitchens or to launch a free rice distributing campaign.

* * *

Police Bureau Ordered to Furnish Information Re Foreign Nationals When Required

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 29, 1947

(Local News)---Since the work of investigating and registering foreign nationals was turned over to the Ministry of the Interior, the latter has designated the police agencies to take charge of the same. It is learned that recently the local Police Bureau has received an order from the Police Headquarters of the Ministry of the Interior, to the effect that henceforth if any organ requires information pertaining to foreign nationals, the police bureau should be ready to furnish the same at all time. The police bureau has already transmitted the order to all its subordinate agencies.

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East Asia Association Inaugurated in Shanghai Yesterday

Chung Yang Jih Pao (KMT Organ), Shanghai
June 30, 1947

(Local News)---The East Asia Association the objects of which are to promote friendship and foster cultural relations among various East Asia nations, and to assist in the extension of international cultural and educational activities, was formally inaugurated in Shanghai yesterday with its office set up in 1177 Lihyang Road. Branch offices will be set up in the leading cities of various East Asia countries. Sponsored by Dr. Peng Hsueh-pei, former Minister of Publicity, Gen. Ho Yao-chu, former Mayor of Chungking, and Gen. Tang En-po, former Commander of the 1st Army Corps, this Association was organized through the merger of the Association for the Study of East Asia Problems of the Ministry of Publicity and Gen. Tang's Kaizo Publishing Company. The membership of the Association includes Lei Chen, Secretary General of the PCC, and Professor Tao Hsi-sheng.

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Representatives of Demobilized Youth Army Men to Take Trip to Yenan Next Month

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 29, 1947

Nanking, June 28---The Yenan inspection group composed of representatives of demobilized Youth Army men from various schools in the Nanking-Shanghai area sponsored by the Ministry of National Defense will leave Nanking for Sian by train on July 5 whence it will proceed to Yenan. Its visit in Yenan will last for five days. The whole trip will take one month, it is learned.

* * *

Mukden to Be Made Special Municipality

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

Mukden, June 27---This city will be officially made a special municipality on July 1. Besides the bureaux and departments which originally exist, a Social Affairs Bureau, an Information Office, and a Department for the Supervision of Government Operated Enterprises will be created, it is learned.

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MILITARY NEWS

Three Military Supervisory Groups Leave for Respective Destinations

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 30, 1947

Nanking, June 29---The Military Supervisory Group of the Ministry of National Defense was organized a week ago. It is divided into six sub-groups each of which consists of seven to nine members headed by a director. The members to be chosen for the group have been kept secret. However, all of them will be appointed by the Ministry of National Defense and they are all Army officers with ranks above major general. It is learned that the sub-groups for the Northeast, Peiping-Tientsin and Shantung areas already left for their respective destinations day before yesterday, while other sub-groups for the Hopei, Shansi and North Shensi areas will leave for those places shortly.

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Martial Law Declared in Border Areas of Kiangsi Province

Sin Wen Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

Nanchang, June 29---As a result of the unsettled conditions prevailing in the border areas where banditry is rampant, the Kiangsi Provincial Government ordered martial law to be declared in 21 hsiens along the Hupeh-Hunan-Kwangtung-Chekiang border, including Pengtze, Tungku, Minkang, Tayu and Yuan-shan.

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ECONOMIC NEWS

President Chiang Kai-shek Drafts Measures to Prevent CP Troops in Northeast from Looting Crops

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

Mukden, June 29---With a view to preventing the CP troops in the Northeast from looting crops so that the food supply for the people there can be well protected, President Chiang Kai-shek has drafted the following measures:

1) The military authorities in various defense areas should immediately adopt measures to protect the people to gather their crops.

2) In areas which have not yet been recovered by the Government forces, the Hsien Governments should mobilize the people in coordination with the armed forces, to go to these areas to gather crops.

3) The bean and wheat crops are to be gathered and stored up in safe places. A portion of the crops will be distributed to the people who return to the Government-controlled areas.

Meanwhile, the General Headquarters of the Chinese Armed Forces in the Northeast has also enacted a four-point measure concerning the armed protection to be accorded to farmers in gathering crops.

* * *

Tight Money Market in Northeast; Puppet Manchurian Notes Circulated Again

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

Mukden, June 27---Owing to the tight money market here, puppet Manchurian banknotes which were already withdrawn from circulation have reappeared on the market. Various rumors are being circulated in the market.

A certain responsible official of the Government Banks revealed that such phenomenon will not last long and that the puppet notes will soon be withdrawn from circulation and then destroyed.

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Surcharge on Farm Tax to Be Collected in Szechuan

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 29, 1947

Chengtu, June 28---With a view to realizing the four reconstruction projects in Szechuan Province, the Szechuan Provincial Government, besides soliciting subsidies from the Central authorities and raising loans from other sources, has decided to collect 3,000,000 "shih" of surcharge on farm tax to be used as funds for reconstructions.

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Gen. Cheng Kai-min Pays Brief Visit to Shanghai

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

(Local News)---Gen. Cheng Kai-min, head of the 2nd Department of the Ministry of National Defense, arrived here from Nanking a few days ago for an official visit. He returned to the Capital by train at 11 p.m. last night.

According to information released by reliable quarters, Gen. Chen paid a brief visit here in compliance with President Chiang Kai-shek's autographic instructions to re-establish an economic investigation network so as to prevent the possible price hike in July.

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160 Cases of New Banknotes Arrive in Shanghai

Ho Ping Jih Pao (KMT Army Organ), Shanghai
June 30, 1947

(Local News)---160 cases of new banknotes printed by a certain British Banknote Printing Company were unloaded from a U.S. steamer yesterday. A rumor is rife that all the new banknotes in those cases are of CN$50,000 denomination. However, the Central Bank of China revealed that this report is untrue, adding that all these new banknotes are of CN$10,000 and CN$5,000 denominations, which will soon be circulated on the market.

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SPECIAL & FEATURE ARTICLES

A Sincere Word of Advice
to the United States Re the China Problem
by
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The China problem, in the strict sense of the word, should be a problem of the Chinese people themselves. Unfortunately, however, the United States has regarded this problem as her own. She, therefore, intends to solve this problem in the way she wants and in the light of her own interests. Thus, not only has she failed to give the wishes of the Chinese people the foremost place, but she has also disregarded the true way-out desired by the Chinese people themselves.

The traditional moral principle on which the Chinese nation is founded is not narrow nationalism; nor is she anti-foreign; so China will not reject any well-intentioned interference in her affairs on the part of any foreign country. However, the current U.S. policy of solving the China problem is really too far from the aspirations of all rational and conscientious progressive elements of this country. This is what compels us to offer a sincere word of advice to the United States.

The United States should understand that after World War II, many countries are striving for liberation and emancipation from within. China is no exception to this. The fact that these countries have fallen prey to fascist countries is due not only to geographical reasons, but to many other factors as well. These countries have mostly been accumulating weakness for a long period of time, either because of ceaseless internal strife or because the government is too corrupt or because the country has been an absolute monarchy for a long time. So when victory dawned, the peoples of these countries began to entertain a twofold hope. The first is naturally to restore their fatherlands; the second is to take this opportunity to effect political reforms. This twofold hope is equivalent to one single hope.

However, postwar Britain and America are pursuing a course diametrically opposed to the aspirations of the people. Though, on the one hand, they are helping these countries to rid themselves of the clutches of the invadors, yet, on the other, they are doing their utmost to help along the former ruling classes in these countries, thus making the postwar politics of these countries even darker than that which existed in prewar days.

In our opinion, this policy on the part of Britain and America could be said to be unwise to the extreme. They must know that the peoples of these countries are only opposed to their own ruling classes, and that they entertain no ill feelings or dislikes toward Britain, the United States and Soviet Russia. Britain and the United States, especially the United States, have consistently supported the ruling classes of these countries in oppressing their own peoples. Naturally, these peoples hate Britain and the United States.

Moreover, as the peoples of these countries want to rise in revolution, they could not but adopt a kind of revolutionary theory as their guide. So they have all turned to the left. They have not done so voluntarily, but, rather, they have been forced to do it. It Britain and the United States had not been so short-sighted and had from the very start focussed their attention on the needs of the people, I dare say very few of these countries would have voluntarily and willingly acted as satellites of the USSR.

Therefore, this British and American way of doing things will only provoke more disputes, but will not solve the problem itself. It looks as if Britain has been able to gradually realize her follies in certain respects. The pity is, the United States not only has failed to awaken, but has, on the contrary, become worse than before.

The above is only a general comment. Now, we shall discuss China in particular.

The United States seems to be able to pursue only three possible courses in China. The first course is naturally that implied in the Joint Moscow Declaration of the Three Foreign Ministers, as announced by Gen. George C. Marshall when he first arrived in China.

This course consists of three points: (1) Immediate cessation of the civil war, (2) formation of a coalition Government and (3) non-interference in China's domestic problems. Although all these points are still welcomed by the Chinese people up to this day, yet the U.S. Government seems to have long forgotten all about them.

The second course is what the United States is currently pursuing. We believe that the United States has no faith in this course, so there is still the possibility of a third course. Here let me first explain the third course:

In order to cope with the USSR, the United States must, before going to war, first build up an encircling wall around the former. Because of China's geographic position, the United States naturally cannot let go this country. Since the United States will not relinquish her hold on China, she must necessarily move a step further by making China an anti-Soviet basis. In order to achieve this objective, the United States is likely to extend a huge amount of military and financial aid to the existing Chinese regime. The methods to be employed may be as follows: Militarily, not only to heldp China arm and equip her troops, but also to undertake the training and instruction of the troops. A great number of American military advisers will henceforth stream into China. Financially, to supplement the US$500,000,000 loan with another US1 billion or US$2 billion-loan. Should this be the case, I feel sure that the United States will look upon the existing corrupt and inefficient Chinese Government will mistrust. Subsequently, the United States will find it necessary to send her own men to take a hand in this country's affairs. Aside from military matters, American Government agents will also have a hand in financial matters. Not only that, a high-ranking official will be dispatched here to effect an overall supervision. It matters little under what pretext this man will come. There was a time when Gen. MacArthur was regarded as the most hopeful candidate for the ambassadorship to China. This was symbolic of this third course.

From our point of view, this third course cannot be smoothly pursued. First of all, though the Kuomintang welcomes U.S. aid, yet they will surely find U.S. interference in all matters very annoying, so that even from the Kuomintang standpoint, there will be opposition. Secondly, will this ceaseless and large-scale support and aid tell on the purse of the United States? Will the United States feel that what she has obtained in return could hardly make up for the losses she will have sustained in extending this aid? Will this arouse strong opposition in the States? Thirdly, to meddle so much in China's affairs would indeed be to infringe too much on China's sovereignty, as a result of which China's intelligentsia will entirely be driven to the anti-American camp. Thus, the United States cannot but give it some consideration.

At least we can say that at present the United States has not the courage and guts to dauntlessly adopt this third course. As a last resource, the second course, one that the United States is pursuing right now, was taken. This second course was what Gen. Marshall proposed in

his statement released on the eve of his quitting China. A few so-called liberal elements were added in the Government; as for the Communists, they can do as they please, whether to join or to keep aloof. The United States can, within the bounds of possibility, extend to such a Government either limited or small-scale aid. But according to our analysis, these measures are surely going to be completely ineffective:

(1) Because if the civil war is not stopped, there is no way of beginning any reconstruction; the financial situation will head more and more for the dead end.

(2) No thorough change in the nature of the Government has been effected, corruption cannot be eradicated and efficiency can hardly be increased. Everything is just as before and the problem itself has not been solved at all.

The reason is that the core of the problem still lies in the KMT-CP conflict. Candidly speaking, there are, besides the above-mentioned method of procrastination, two other ways of solving the KMT-CP dispute: One is to come to terms; the other is to fight in a thorough-going and effective manner until the Communists are completely exterminated. If the latter course is chosen, the strength of the Kuomintang alone is not adaquate to cope with the situation. If the United States is willing to extend a helping hand, then the afore-mentioned third course should be taken. Today, the United States is just as much worried over the China problem as are the Chinese themselves.

As a matter of fact, however, the United States has brought this worry upon herself. America should understand that in so chaotic a country as China, order cannot be restored even in another ten years' time. So what is the use for the United States to forcibly make of China an anti-Soviet base? Therefore, we wish to offer a sincere word of advice to the United States. We are not giving this sincere advice to the American progressive elements who are outside the Government, but rather we are speaking to the U.S. Government authorities, hoping that they will clear up their minds and resort to reason in reconsidering their attitude toward the China problem.

First of all, we want to speak here of China's aspirations. Whether the United States is anti-Soviet or not, China does not want to interfere, and must not interfere. This is the foremost point which China hopes the United States Government will clearly grasp. Do not, under any circumstances, interpret the present Chinese opposition to U.S. unilateral aid to the Kuomintang as that of giving secret support to Soviet Russia on the part of China. Today, China can only mind her own business and save herself. China cannot let the country remain in a state of chaos for long, and must quickly put an end to the civil war. Any country whatsoever that gives aid to whichever side of the Chinese warring parties, is guilty of prolonging and extending the Chinese civil strife.

Up to the present, according to accurate investigation, Soviet Russia has not supplied any arms and ammunition to the CP. On the other hand, however, the combat units of the Central Givernment Army are American-equipped. Therefore, it is a proven fact that the current U.S. China policy serves only to prolong the Chinese civil war. The Chinese people who are all anti-civil war, naturally cannot but feel indignant toward the war instigator and supporter. Originally, China is not pro-Soviet, or rather, it is better to say that the majority of the Chinese intelligentsia and middle-classes entertain no good feelings towards the USSR. But, should the worst come to the worst, and China should one day find it necessary to go over to the side of Soviet Russia, it is the United States which has forced her into it. The United States must, therefore, bear the full responsibility for this.

The aspirations of the Chinese people are very simple: That is, to request the United States not to include China as one of her anti-Soviet bases. If the United States wants to establish an anti-Soviet base, she is cordially requested to look for it elsewhere. She must exclude China.

The U.S. authorities need only to make a careful study of the China situation to arrive at the following conclusion: To make China into an anti-Soviet base would (1) be too expensive; (2) be too troublesome and (3) not necessarily prove successful in the end.

As for the existing situation, China is far from the goal of becoming an anti-Soviet base as desired by the United States. It could be said that the chaos in this country will only be deepened, resulting in not only not turning this land into an anti-Soviet base but in this market of the United States in the Far East being so badly ruined as will no longer serve as a market for U.S. goods.

History teaches mankind not to be puffed up with pride when victory is won. It is my opinion that the reason why the U.S. Government has adopted such an extremely unwise policy which is both detrimental to herself and harmful to others, is because she is too proud over her victory. The U.S. Government must quickly restore its coolheadedness and humility of heart so that she will accept criticisms coming from all quarters.

In the interest of the United States, we opine that if the U.S. Government could resort to reason, conscience and far-sightedness, it must revert to the first course: (1) The Moscow Declaration of the Three Foreign Ministers made in December, 1945, has not been formally abolished. (2) President Truman also referred to this declaration sometime later. (3) Soviet Russia and Britain will not necessarily remain indifferent to the abandonment of this declaration by the United States.

So we believe that no matter how far the United States is from the first course, there is every probability that she will revert to it. Though the pursuance of this course cannot make China into an anti-Soviet base, it can at least make China a very good market. Restoration of peace in China is favorable to the United States while the prolonged chaos in China will surely be harmful to the United States. If China achieves peace through the PCC course, she will certainly not become pro-Soviet. America should not entertain the least doubt on this point. We hope the U.S. Government will show wisdom in this matter.

The way to achieve this is quite simple: That is, when the next opportunity arises for another Foreign Ministers' Conference, the United States should make another proposal for the issuance of a joint declaration, pointing out that the United States will again undertake mediation in the Chinese issue. This would show that U.S. mediation is again endorsed by Britain and the USSR. But America must begin right now to cease all aid to the Kuomintang. We believe that when the moment arrives, the Kuomintang will surely accept U.S. mediation and the CP, because the peace parley is presented on a new basis, will also accept America's good offices. This is the only rational way for the United States to solve the China problem.

April 22, 1947.

(Editor's Note)

The Publisher & Editor of The "Modern Critique" is Chow Ching-wen, former Acting President of the Northeastern University, close follower of Young Marshal Chang Hsueh-liang and a leading member of the Democratic League representing the Northeast. The "Modern Critique" was first published in Hongkong in 1940, advocating strongly the release of Marshal Chang Hsueh-liang and the democratization of the Chinese Government. It ceased publication at the time of Pearl Harbor when the Japanese occupied Hongkong, and resumed publication in June, 1947.

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MORE ECONOMIC NEWS

Local Jobless Persons Reach 200,000

Chung Hwa Shih Pao (Young China Party Organ), Shanghai
June 30, 1947

(Local News)---According to a certain responsible person of the Statistics Office of the Shanghai City Government, the number of persons now out of job in this city is around 200,000, while statistics compiled by the Police Bureau shows that there are 1,200,000 persons without proper jobs, the total of whom represent over one-third of the whole population of Shanghai.

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NEWS OF COMMUNICATIONS

Construction of Highway on
Outer Mongolia Border Completed

Shun Pao (KMT-supervised, C.C. Organ), Shanghai
June 30, 1947

Kweisui, June 28---Kushanpeitzeshalapatoerhchi of the Taerhhan Banner went to Pailingmiao for comforting and pacifying the inhabitants there a few days ago. In his letter received here yesterday, he reported that the construction of a highway extending from the east to the west of the Outer Mongolia border has recently been completed. One unit of border guards is stationed at a point every thirty "li" on the highway, doing patrol duties. Their general headquarters is set up in the Mount of Sulungshan north of Chungkung Banner. It is learned that parallel with the border highway there is a tract of artificial desert which the Outer Mongolians name as the Haiching Highway. This desert is used for checking the traces of footprints of both men and horses. It indicates how strict are the measures which the Outer Mongolian authorities have taken to guard their border.

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MISCELLANEOUS NEWS

Dr. H. H. Kung Arrives in Peiping

Ta Kung Pao (Independent, Political Science Group), Shanghai
June 30, 1947

Peiping, June 29---Dr. H.H. Kung, former President of the Executive Yuan, arrived here by plane today. This is his first visit to the city since V-J Day. It is learned that he is coming here to raise funds for the Yenching University and to attend to his private affairs in Peiping and Tientsin. If possible, he will take a trip to Shansi.

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