

GOVERNMENT INFORMATION OFFICE

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TENTH WAR ANNIVERSARY BROADCAST
BY PRESIDENT CHIANG

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Following is the text of President Chiang Kai-shek's radio broadcast on the eve of the tenth anniversary of the Chinese-Japanese War (July 7, 1947):

My Fellow-countrymen:

On this, the tenth anniversary of the Double Seventh, I feel called upon to earnestly inform you of the following major happenings since the conclusion of the war: the change of our national situation, the crisis confronting our nation as a whole, and the factors that will determine our destiny.

It was primarily to defend her domain, recover the Northeast and preserve her sovereign and territorial integrity that China fought the Japanese aggressor. She will never attain her war aim so long as her sovereignty and territorial administration in the Northeast remain unrestored, nor will the death of millions of Chinese soldiers and civilians be vindicated. The responsibility, therefore, falls equally on the shoulders of the survivors.

In the Northeast, as everybody knows, there were no Chinese Communist rebels prior to the Japanese capitulation. In the one and a half year, however, since National troops entered that part of the country to take over sovereignty there, Communist rebels at different times launched five offensives against National troops. They besieged and attacked areas already taken over by the Government, carved up the territory, and slaughtered the populace.

Lately, the Communists' reply to the peace proposal from the People's Political Council was first, a barrage of vituperatives through their propaganda machine, and then a series of fanatical thrusts outside of the Great Wall. The latest Communist offensive in the Northeastern provinces, because of its unprecedented magnitude, is especially significant. Since early May, the Communists, in powerful thrusts, have thrown more than 300,000 men against various strategic bases. Finally, they focussed their attacks on one single locality, Sipingkai, employing a force that outnumbered the defenders ten to one. The battle raged for 18 days and nights.

Thanks to the fighting stamina of our forces developed during the war against Japan, the invading Communists were given a decimating blow. Their plot to encircle Changchun and Kirin and seize Shenyang (Mukden) was crushed, and the tide of war turned in our favor.

Under no circumstances, however, will the Communist rebels abandon their consistent, insidious design of ruining their own fatherland. It cannot be conceded that the Szopingkai victory may have fundamentally removed the crisis facing the Northeast. Everyone knows well just how the Chinese Communist rebels entered the Northeast and how the various rebellion units there were organized.

The Chinese Communists patently are heir to imperialistic Japan and the "Manchoukuo" puppets, and they are now in the process of carrying out the pernicious plot to disintegrate China which was left unfinished by their Japanese predecessors. That plot would not permit restoration of Northeast sovereignty to the Chinese nation nor would it allow the Chinese nation to enjoy territorial and administrative integrity.

Worse still, the Chinese Communists have even made a cat's paw of remnant Japanese troops to ravage our territory and people at their command. In perversion, malignancy and treachery, the Chinese Communists indeed are worse than any bandit, traitor or puppet in Chinese history.

Fellow-countrymen, we must realize that, in thus engaging in armed rebellion, the Communists aim to disintegrate all of China and our whole nation. They seek total elimination of our national spirit and hereditary virtues, eternal enslavement of our race, and the complete deprivation of the basic human attributes of independence and freedom.

Should the Communists, indulging in such bestial acts of destroying human instincts and suppressing human ethical concepts, be allowed to continue to exist, the Chinese national ~~would in their future suffer the disaster of national~~ extinction with indiscriminate, wholesale massacre, collective banishment and eternal slavery for all the composite racial groups.

The aim of our National Revolution is to build a new, independent, free China -- of the people governed for the people and by the people -- on the basis of the Three People's Principles. To build such a nation requires, first of all, national unity and peace. Without national unity, however, there can be no national peace. Nor can there be democracy and liberty. National unity is all the more important for the people's welfare. Therefore, if national unity cannot be achieved, the ideal of national reconstruction will remain illusory and the Principles of Nationalism, Democracy and People's Livelihood can never be realized. The people naturally cannot enjoy normal life when their land is being devastated, their economy monopolized, their production destroyed and their communications disrupted by the Communists.

You may still remember my earnest appeal to the Communist Party after V-J Day: "With the devastating war barely ended, there should not be any civil strife." No responsible government or patriotic individual would let the country and the people fall into another war when they are still suffering from the ravages of a large-scale war.

We have never attempted to castigate communism as a theory or ideal. We continued to hope that the Communists might follow the course of democracy, as the Communists in Great Britain and the United States have done for so many years, by appealing to the electorate for support of their platform. We have been consistent for the past ten years, and even more so in the last year and a half, in our attitude toward the Communists. We have practised extreme tolerance and we have made substantial compromises and concessions, in the hope that the Communists would refrain from disrupting national unity, carrying on military regional domination, and undermining the foundation of the nation and that they would contribute their share in national reconstruction. The Government was willing to give full consideration to their opinions. But no peace talk, no mediation, has succeeded in dissuading the Communists from staging a rebellion. We had no way of appealing to their conscience to give up their destructive policy in the interest of the nation and the people.

The activities of the Communist rebels in the past year or so were centered in the destruction of communication lines, industrial and mining plants and the already-depleted farms. Every attempt of the Government to appeal for peace and every issuance of a cease-fire order only brought further expansion and attacks by the Communist rebels, which added more difficulties to the National Armies and increased the sufferings and sacrifices of the people, thus creating unparalleled difficulties in our postwar social revival. Now, all fellow countrymen can rest assured that the Communists, whose rebellious character does not seem to change for the better, have no faith in repentance, and apparently are determined to rebel to the last. Their ambition and intrigues will not be halted until the country is ruined and the world as a whole, menaced. If we do not discern the treacherous plots of the Communists, and if we are not determined to quell their rebellion, not only will the people's livelihood be impoverished, but the whole country will be disintegrated.

It was the pre-determined policy of the Chinese Communists to rebel against the Government after the conclusion of the war. After V-J Day, they openly launched the so-called "join-the-army movement," "social struggles," and "people's liquidation," in the rebel areas. They looted what food and clothing they could find in order to conserve their rebellious strength. Not even the old men and women or the children are spared from their terrorism and wantonness. Youngsters in rebel areas must either follow their dictates or perish, and burial alive or torture are meted out if the slightest opposition is shown. If a man escapes from rebel control, his whole family is executed. Thousands upon thousands of our compatriots in rebel areas have become sacrifices to the Communists, who have opposed the Government and menaced the people.

In provinces away from the front especially in large cities of Central and South China, there are still many who do not realize the gravity of our national crisis and the vicious and sinister terrorism of the Communists. They are deluding themselves into false security. They must realize that if it had not been for the struggles of our soldiers to quell the Communist rebellion, they could not maintain their normal living and would be placed in the same tragic conditions as people in North and

Northeastern China. Therefore, if we weaken the strength of the National Army, we will deprive the people of their right to exist. Because the people remote from the front are not aware of the realities of the situation, the Communists instigate their reactionary elements everywhere to disseminate anti-civil war and anti-conscription of food and soldiers slogans in an attempt to confuse right and wrong, drug people's minds, bewilder the masses and finally weaken the national foundation. This has been done to prevent us from mustering our man power and resources for suppressing the Communist rebellion and hastening reconstruction.

We can say that our people are being poisoned by Communist propaganda. It is evident that the Communists, in order to implement their plot of betraying the country and the people, are trying to blindfold us and deaden our conscience. The aim of the Communists is to confuse the people so they will ignore their national consciousness and the disaster which confronts them and lose their faith in self-improvement and independence, thus falling spiritual captives to the Communists.

The existing confused situation is what the Communists hoped to create. An old saying goes: "A bird nesting on a falling bough is unaware of imminent disaster." As a matter of fact, if the nest eventually falls, none of the eggs will remain unbroken. Fellow-countrymen, procrastination now will bring death in the near future. It will be too late for regret if we fall into the same pit as our compatriots in the rebel areas. Our country and the destiny of all our people face such a serious crisis that I cannot delay calling upon you to be on-the alert.

Fellow countrymen, there are two ways before us and we must immediately choose between them. The first is to vacillate before the ravages and devastation of the Communists and our whole people will perish. The other is to face the facts realistically, put down the rebellious elements and salvage our nation as well as ourselves. Shall we choose to quell the Communist rebellion with concerted efforts, so as to protect our sovereignty, hasten national unity and attain the goal of freedom and democracy? Or, shall we procrastinate before Communist vandalism and see our villages pillaged, our kinsmen humiliated, our children compelled to become instruments of betrayal, and eventually our national life ruined? We must remember how our compatriots are passing their days in North and Northeastern China.

The people in the Northeast underwent more than a decade of Japanese subjugation and enslavement. But since the war ended, Communist terrorism, suppression, looting, and massacring have superseded imperial Japan's despotic rule. During the war, people of North China sustained the greatest losses and underwent the severest tribulations. After the war, instead of having a breathing spell, they were again overrun, this time by the Communists, and thrown into another dark abyss. In their recent offensives the Communists made the "people's militia" spearhead the attacks. Wherever the Communists hit, they looted and took prisoners, not sparing even dogs and poultry. Their wantonness surpassed even that of the Japanese. Whenever the Communists

occupy a place, tens of thousands of the inhabitants at great risk move into the Government-controlled areas to find shelter, leaving their homes and property behind them. Their lamentations are the most tragic human utterances. How can those of us remote from the front who have the same ancestral origin, remain indifferent to their lot. The aim of the Communist rebels is to exterminate the country and enslave us all. We must suppress the Communist rebels, otherwise, we shall undergo the same sufferings in the near future.

With our rehabilitation work yet to be completed, I am fully aware that our people in the recovered areas are leading a hard life. At any rate, they obviously are far better off than their brethren in rebel areas where personal freedom, physical or spiritual, is absolutely forbidden. No whisperings are allowed even between father and son, husband and wife.

Therefore, not only does our suppression of the Communist rebels help to save our compatriots in the rebel areas, but it also helps to save ourselves. If we let the Communist rebellion spread unchecked, we would be inviting ruin. The ambition of the Communists is obvious, and it is our responsibility to quell them.

We suffered cruelly and sacrificed the lives of millions of soldiers and civilians during our war against the Japanese invaders. If we let the Communist rebels attain their goal of destroying the Government and erasing the history of our war of resistance, thus completing the unfinished task of the Japanese to exterminate China, how can the losses we suffered during the war be redeemed?

Suppression of the Communist rebellion, therefore, is aimed at preserving the highest interests of the state and the basic rights of existence, democracy and liberty of the people. Our struggle against the Communist rebels is as sacred as was our resistance against the Japanese aggressor.

The call to crush the Communist rebels is a continuation of the unfinished task of national reconstruction after our war against Japan. This is necessary, as I have told you, if we are to preserve the fruits of victory. Such a struggle is inevitable if we are to secure national independence and liberty. This being the case, the National troops who have fought and died for the cause should be respected by the people the same as those who fought and died in the Sino-Japanese war. Our 450,000,000 people must not shirk the responsibility of supplying sufficient food and munitions to the National troops at the front. In this task of saving the nation and protecting the people, all persons in areas at the front and in the rear should share their joys and sorrows and decide to live and die together.

Fellow countrymen, the Communist rebels' ambition has been completely exposed in the recent battles in the Northeast. The national crisis has become more and more serious. Our people should not harbor the illusion that they may avoid participating in the struggle through some lucky occurrence or temporary peace. We must concentrate on our strength and redouble our efforts in suppressing the Communists and reconstructing the nation, so as to eliminate the seeds of misfortune for our future generations.

We must achieve national general mobilization with the same spirit as we did during the war of resistance, and we must multiply our efforts in eliminating the deficiencies we had during the war of resistance. We must not hesitate to contribute all our manpower, material strength and lives, if necessary, to the war of suppressing the rebellion in a common effort to save our country and people. Only in this way can we preserve the fruits of our victory over Japan, achieve national independence and liberty and retain the hope of again securing social peace and order.

Fellow countrymen, the National Government has issued an order for the enforcement of national general mobilization. The purpose of the order is to awaken the people of the whole country to unify their purpose and concentrate their efforts for the struggle. We must call on all patriotic Chinese to rise for the salvation of their country and themselves.

All the measures taken by the Government will be in accordance with law. The Government has implicit faith in the people's patriotic conscience and will let the people themselves serve the country spontaneously on the basis of the principle of nationalism. Every compatriot must love the country and the people, observe national laws and perform his duty. He must make every effort to contribute his part in the suppression of the Communist rebellion and the promotion of national reconstruction.

The nation's social leaders should guide the people in promoting the cause in every possible way. Our youths in particular, upon whom our national existence depends, must discern right from wrong and fair from foul and promote nationalism to safeguard national existence. Unless the youths of China are willing to be Communist instruments and are indifferent about national extinction, they must recognize that they are descendents of Huang Ti and nationals of the Republic of China. If they wish the nation to achieve independence and existence, so that they may have freedom of thought without oppression by the Communists, they must be determined to face the national crisis. Those who go to schools should devote themselves to study, and those who are engaged in agriculture, industry and business must devote themselves to production, so as to increase national strength. Everybody must play his part and do his duty in an effort to stabilize social peace and order in the rear.

Our people must know that the nation-wide Communist rebellion is coordinated and linked up with the Communist's well-planned destruction of social order. Ever since the beginning of our resistance against the Japanese, the Communist Party has consistently disparaged the war efforts of the Government with vituperative propaganda in an effort to undermine the Government. This was done to arouse discord between the Government and the people, weaken our strength in the war, relegate the international position of the nation, erase the history of our war of resistance, minimize the people's faith in winning the war and deaden the people's patriotism.

The Communists not only spread rumors and instigate riots in schools, among the people, in factories and in financial markets, but they also openly declare that such riotous and destructive actions are "the second front" as distinguished from "the first

front", military operations. These two fronts are interdependent, so that military operations can disturb the community in the rear and riots in the rear can affect the troops at the front. This is malicious intrigue, and I must call it to your attention so that you may take timely precautions.

I can assure you that the Government's enforcement of national general mobilization will be in accordance with law. All military and administrative organs will respect the basic rights of the people. But anyone who disregards the national crisis and principle of nationalism, and who is willing to take part in the work of "the second front," disturbing social order and jeopardizing public safety under Communist direction, will be punished by the Government according to law, which is responsible for the maintenance of national existence and people's welfare.

At this time, when the war of suppression against the Communist rebels is developing and National troops are fighting at the front, all our patriotic countrymen must struggle with one object in view, -- unified strength, definite aim and positive efforts, -- so as to solidify our military strength and achieve early suppression of the rebellious forces.

The Government's policy regarding the present situation can be seen in the resolution of the State Council. The national general mobilization has been promulgated not only for the suppression of the Communist rebellion, but also for national reform and reconstruction. Therefore, I wish to point out the following two matters:

First, we must work for national reconstruction. To carry the reconstruction work to completion, we must concentrate today on the suppression of the Communist rebellion by marshalling our spiritual and physical strength, thereby realizing internal unity. We must at the same time intensify our efforts to increase agricultural and industrial production so as to frustrate the Communist intrigue to undermine the national economy by throwing obstacles in the way of reconstruction.

The progress made in the promotion of and the preparation for the inauguration of constitutional democracy will not be impeded by the suppression campaign. The Communists renounced constitutional democracy by boycotting the National Assembly and obstructing the progress of national reconstruction, although they have proclaimed that they are dedicated to democracy. From this, we can see that the Communists are fundamentally opposed to the enforcement of constitutionalism in China and to the accomplishment of national reconstruction. If the Constitution is enforced in China, the Communists will have to relinquish their military forces, and they will be deprived of their chief reliance, rebellion.

If China adopts political democracy, the people will become masters of their own destiny, and dictatorship of the proletariat, advocated by the Communists, can never be realized. Following the institution of constitutional democracy, the Government will embark on the necessary work of economic reconstruction, and the Communists will be unable to create social disturbances and capitalize on them to establish a Soviet regime.

It is on this basis that I want to emphasize to my fellow countrymen, and especially to those who are actually striving for the realization of freedom in China and the democratization of our Government, that to attain constitutional democracy we must first eliminate the Communist rebels whose principles run counter to constitutional democracy and peaceful reconstruction. To save China from terror and chaos, we are duty bound to expedite the preparations for constitution enforcement, carry out completely the Principle of People's Livelihood and safeguard the people's basic rights. This being our consistent policy, we shall never slacken our efforts toward its realization.

Second, we must exert our utmost to effect administrative reforms. We have committed ourselves to a dual political program: to quell the Communist rebellion and introduce governmental reforms. Admittedly many defects exist in our administration. Weaknesses can also be found in our way of life. Immediately after the conclusion of the eight-year war, the Communist rebellion began, thus, we have been given no time to put our house in order. Our material resources, already drained by the war, are practically exhausted. The defects and weaknesses in the Government and in our way of life, which first made their appearance in the war, have now become more apparent. The sufferings of the people have immeasurably increased. Unless drastic reforms are introduced, China may not be able to exist in the family of nations. Therefore, political, educational, economic and social reforms, which should be made, shall not be delayed until the conclusion of the suppression campaign, but will be initiated right away.

We should seek to increase our national strength, mitigate the people's sufferings, and concentrate our will power to effect a thorough going reform so as to overcome all difficulties confronting us. Constructive criticisms and suggestions from the people on our political and economic policies and especially ways to alleviate the people's afflictions will be sincerely received by the Government, and measures for improvement will be instigated. It is also expected that people will report, with substantial evidence, mistakes made by governments of all levels, so that reforms may be made.

It was for the purpose of concentrating our efforts to effect an over-all reform and remove all obstacles in the way of national reconstruction that national general mobilization was ordered. It is therefore positive rather than negative in nature; it is nation-wide rather than local in scope. It is obligatory not only for the people, but for governments of all levels to seek improvement.

Dedicated to national revolution. I have struggled for the existence of the country and the people, the realization of the Three People's Principles, unity in the nation and the inauguration of constitutional democracy. I have never been mindful of personal gains or losses, glories or eclipses. All I can offer you is my sincerity to save the country and the people. I cannot betray our founding father and our martyrs. I cannot betray the cause of national revolution, for which I have fought so long. I cannot betray the soldiers and the civilians who died in the War of Resistance. I must preserve to the best of my ability the achievements of the eight-year war. I must lead the nation to crush the enemies who are obstructing the realization of our principles, destroying national unity and interfering

With our efforts for peaceful reconstruction. I shall not waver till the final aim is achieved.

My fellow countrymen! On this solemn occasion, I call for a rededication to the unfinished task of national reconstruction and a revival of the same spirit and energy manifested when we fought against the aggressors. At the conclusion of the war I said that the task of national reconstruction would be ten times more difficult, than the military victory. In view of the accumulated effects of internal troubles and external aggressions over the last hundred years and the infirm basis on which this Republic was founded, we cannot make a new, independent, powerful and prosperous China in a day. But we can count on our long history, large population and the moral strength of our people. I am sure with these assets we shall be able to destroy the force that is hampering our reconstruction.

If only the entire population will rise up against the Communist rebels as they did against the Japanese, if only they will use the same determination and perseverance to deal with the Communist insurgents as they did in the War of Resistance, then the suppression of the Communist rebellion can be effected within a short period of time. Once this great difficulty is overcome, and the final obstacle removed, China will enter upon a glorious stage. We should not be distracted by Communist propaganda or dismayed by present difficulties, but should retain our self-confidence.

I hope we shall always remember our unflinching faith in ultimate victory during the War of Resistance and our strong determination to carry the work of national reconstruction to completion. By quelling the Communist rebellion and overcoming the last obstacle, we can expect to accomplish the important task of national reconstruction, and vindicate the sacrifice of soldiers and civilians who died in the War of Resistance and in the suppression campaign.--END.

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(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

GENERAL CHEN CHENG'S REPORT

Following is the text of Chief of Staff Gen. Chen Cheng's report at the memorial service of the Kuomintang on July 7, 1947:

Ten years ago today, the Japanese imperialists started their attack at the Marco Polo Bridge in the wanton hope that they would be able to beat us to our knees within three months, and then, using China as an operations base, embark upon further aggressions. Under the wise leadership of President Chiang, and with the concerted efforts of the entire population, the Japanese militarists were beaten and final victory was won.

During the war years, we persevered with our hard struggle, believing that a powerful and prosperous China would emerge from the war, and she would occupy a high position in the council of nations.

Almost two years have elapsed since the conclusion of the war. Developments during this period failed to fulfill our expectations. The cause of our disappointment is evident, for the Communist attempt to overthrow the Government and betray the country and the people has brought about another national crisis. Plans for rehabilitation, army reorganization and peaceful reconstruction have been greatly impeded. Last year, the Communists went so far as to boycott the National Assembly and renounce the Constitution. To save the country from utter ruin, the Government was compelled to take military action against them. I wish now to summarize the military situation:

I.

COMMUNIST ARMED STRENGTH AND ITS DISTRIBUTION

A. South of the Great Wall: -- In Shantung, there are some 200,000 Communists rebel troops under the command of Yeh Chien-ying; in south Hopei, some 100,000 under Liu Po-cheng; in south Shansi, some 40,000 under Chen keng; in north Hopei, 90,000 under Nieh Yung-tseng; in north Shensi, 30,000 under Ho lung; and in north Shensi, some 40,000 under Peng Teh-huai. Communist rebels in areas south of the Great Wall total some 580,000, including "people's militia."

B. North of the Great Wall: -- Some 300,000 Communist rebels troops are outside the Great Wall, all under the command of Lin Piao.

The total number of armed Communist rebels is some 970,000 including "people's militia."

II.

CAMPAIGNS FOUGHT

A The Northeast: -- After the National troops crushed the main forces of Lin Piao at Szepingkai last summer two cities, Changchun and Yungki, and three provinces, Liaoning, Liaopei and Kirin, were recovered in succession. In October last year, the Shenyang-Haicheng and Haicheng-Tungliao railways were reopened to traffic and Antung and Liaotung peninsulas were retaken by Government troops.

This year, the Communist rebels in conjunction with some Korean Communists and Japanese war prisoners launched five offensives against Government troops. They were beaten back by Government troops in all these campaigns.

The most recent all-out Communist attack against National troops in the Northeast was launched in the middle of May with a total strength of 200,000 armed rebels. Their main force captured Hwaite on May 17, and then it advanced on Changchun and Kungchuling. On May 23, Lao (old) Szepingkai fell to the Communists, and Hsin (new) Szepingkai was besieged by them. For five days and nights, the Hsin Szepingkai defenders held the city against the attackers, who, having failed in their attempt, attacked and occupied Kaiyuan and Chengtu, which were later lost to them on June 12.

The Communist rebels also intended to attack Shenyang (Mudken). But the strong defenses of that city deterred them. They assembled force of more than 140,000 troops, including Koreans and Mongolians, equipped with 200 big and small cannon, and concentrated their attack on Szepingkai. Garrison troops in that city under the command of General Chen Ming-jen, defended it for 18 days, and at time launched counter-attacks on the Communists in conjunction with operations of the National troops coming to the rescue from Changchun to the North and Tiehling to the south of Szepingkai. After the north column of National troops captured Kaiyuan and Changtu and the south column recaptured Kungchuling, the Communists attack began to crumble. The south column on June 30 joined hands with the Szepingkai defenders, and they are now jointly pursuing the defeated rebels.

B. North China:

1. Shantung-Kiangsu Area: National troops, after recapturing North Kiangsu and opening the Kiaochow-Tsinan Railway for traffic this February, began to encircle and attack the Communist in Shantung. In battles at Sinanchen and Lini, the rebels suffered heavy casualties. At Laiwu and Tuszekow, National troops sustained some losses and the Kaochow-Tsinan Railway was again disrupted.

In April, military operations to suppress the rebels were resumed. After battles at Mengyin, Sintai and Laiwu, rebel-held areas were compressed, but the 74th Division suffered heavy casualties. In June, Government military positions were readjusted, and by the end of this past month, offensives were again launched by Government troops. On July 4, Government troops recovered Lutsun, Nanma, Tanfu, Linchu and Kiaohsien, and they are continuing to attack Communist military bases.

2. North Honan Areas: Communists rebels under the command of Liu Po-cheng had at various times attacked the western section of the Lunghai Railway, but they were repulsed last September by National troops who succeeded in recapturing important points along the railway and advancing to areas north of the Chang River. This March the Communists again attacked National troops and attempted to cross the Yellow River and disrupt the Lunghai Railway. But they were driven back and fled northward.

In April, the Communist rebels, under Liu Po-cheng, again besieged Tangyin and Anyang when the Government troops were being reorganized after suffering a defeat during an attack on Communist positions. After two months of hard struggle, Liu's troops were routed. However, these rebels took advantage of the cease-fire period proposed by UNRRA for the purpose of completing the engineering work of the Yellow River and on June 18 they began to regroup and strengthen their force. On June 30, they crossed the Yellow River under the cover of darkness, and took Tungchow, Yuncheng and Hotseh. They are now being checked by Government troops.

3. Shansi-Shensi Area: Communists in Shansi under the command of Chen Keng attacked the Tatung-Puchow and Chengting-Taiyuan railways in the middle of June last year and cut railway communications in Shansi. In the middle of September, Government troops crushed the main Communists force at Fushan and reopened the Tatung-Puchow railway to traffic for a short time. In the past spring, rebel troops reattacking Yuncheng and Taiyuan suffered heavy casualties.

In March, Government troops under the commands of Generals Tung Chao and Liu An attacked the Yen-an area, then the headquarters of the Communists, via Lochwan and Ichwan, and they recovered Yen-an, Yenchwan, Yenchang and Wayaopao. After the defeat, the Communist Government and its troops escaped northward. One column heading for western Kansu was routed by the National troops in the vicinity of Hoshui. It then fled northward to areas around Sanpien and Ningsia where it is now being halted by National troops.

4. North Hopei Area: In their defeat at Tatung last year, Communist troops under the command of Ho Lung sustained heavy casualties. As a result, National troops recaptured Malan, reopened the Peiping-Suiyuan Railway, crushed the Communist force in east Hopei and routed troops under Nieh Yung-tseng along the northern section of the Peiping-Hankow Railway. In addition, the Communists arsenals in these areas were thoroughly destroyed, thus making their ammunition supply more difficult.

III.

MILITARY ACHIEVEMENTS

Following is a summary of our achievements in the pacification of rebels in the past year:

A. Recovery of Northern Kiangsu: -- The recovery of Northern Kiangsu, the granary of Communist rebels deployed in southern Shantung, has cut the Communist supply lines to the hilly regions of south Shantung.

B. Destruction of Communist arsenals: -- Since the Government occupation of Kalgan, all arsenals along the Peiping-Suiyuan Railway left by the Japanese have been destroyed by the National troops, thus cutting off a Communist source of ammunition.

C. Occupation of the Communist political center: -- With the recovery of Yen-an, the Communist political center, Communist morale dropped considerably.

D. Defense of the Northeast: -- The aim of our war of resistance was to recover sovereignty over the Northeast. Despite Communist obstruction with foreign assistance, the Government expects to gradually recover all nine Northeastern provinces. Last year, the main force of Lin Piao, Communist commander in the Northeast, was shattered in the battle of Szepingkai, and recent rebel attacks on Szepingkai were again repulsed.

E. Recovery of towns and capture of rebel troops and equipment: -- The following data show our achievements in this respect:

1. Cities and towns recovered, 212.
2. Rifles and cannon captured, 110-13, plus 1,642,333 rounds of ammunition.
3. Communists soldiers taken prisoner, 94,581.
4. Communists surrendered to the Government, 145,285.

It has been almost two years since the surrender of the Japanese. But the country is yet to be unified and peaceful national reconstruction achieved and the Government and the people have not recuperated. Hardships and adversities are intolerable to all. Therefore, in the past year, the Government made the greatest possible concessions to achieve peace and unity. However, the Communist aim has been to overthrow the Government and betray the nation. To insure the existence of the nation and achieve national unity, the Government has decided to quell the Communist rebellion by force. Now that the course is set, all officers and men of the National Army should observe the Government order and spearhead the suppression of rebels. -- END.

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1. Mass Education Plan
2. Chinese Communist
Policy During Last
20 Years

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

MASS EDUCATION PLAN

The Shanghai Sin Wan Pao today calls upon the nation to support the Ministry of Education's mass education program. As constitutional government will soon be inaugurated in China, says the paper, it is absolutely necessary to combat illiteracy.

A five-year-plan for mass education has been drafted and will be enforced by the Ministry of Education, the paper points out. The plan provides for supplementary education to the illiterate masses, thus helping to prepare them for constitutionalism.

The lack of public schools is mainly responsible for the high percentage of illiteracy in China, says the paper. Since our new Constitution ensures the people's right to education, the authorities should strive to establish more public primary schools. -- END.

CHINESE COMMUNIST POLICY DURING LAST 20 YEARS

(Translation of an article by Wang
Hsin-hun in yesterday's Nanking
Ta Kung Pao.)

The history of the Chinese Communist Party during the last 20 years can be divided into three periods, as follows:

1924 - 1937 -- When the Chinese Communists participated in the National Revolution, but finally withdrew after they betrayed it;

1937 - 1945 -- When the Chinese Communists joined in the struggle against Japanese aggression, but, in the latter part of this period, they engaged only in expanding their strength, thereby undermining the war of resistance;

1945 - 1947 --- When the Chinese Communists negotiated with the Government for peaceful national reconstruction but ultimately launched a rebellion.

This sequence of Communist destructive acts has been in flagrant violation of the needs of our country, serving no other ends than the interests of a foreign nation. The leaders of that party cannot escape the blame.

Let us now look at the above-mentioned periods in more detail.

I. Communist Participation in National Revolution

In 1924, Dr. Sun Yat-sen, our national father, reorganized the Kuomintang and convened the First National Convention in Canton. It was resolved by the Congress to permit the Communists to participate in the revolution provided they subscribed to the San-min Chu¹ and gave up their Communistic revolution.

At the same time, the Communist Party also issued a manifesto admitting that Communism was not practicable in China and pledging their whole-hearted support to the National Revolution.

However, after Dr. Sun went to North China in 1924, the Communists, under the aegis of Kuomintang, began to expand and plot the seizure of power. At the central Headquarters of the Kuomintang, they made Tan Ping-shan Minister of Organization and Mao Tse-tung, now Communist leader, Minister of Farmers. Through this, they hoped to usurp power and rally the masses to their support.

To control the army, the Communists planned to seize the Whampoa Military Academy through the Chungshan warship uprising on March 20, 1926. Politically, they intrigued to oust Chiang Kai-shek from the Government. Moreover, they also instigated youths to attack highly-respected senior Kuomintang members with slogans, such as "Down with the West Hill Conference clique," "Down with the Rightists," and "Revolutionists turn left." They hoped that the influential Kuomintang members would be ousted and that leadership would be yielded to them.

After the mutiny of the crew of the Chungshan warship on March 20, 1926, the Plenary Session of the Second Kuomintang Central Executive Committee adopted a proposal by Generalissimo Chiang Kai-shek for the readjustment of party affairs, and it appointed him the head of the party's Organization Board. Then the Northern Expedition began, and the Communists made use of the leftist clan, led by Tong Yeh-ta and Kuo Mo-jou to expand the power of the Political Board. Wherever the Nationalist Revolutionary Army marched, the Communists presumptuously installed their own chosen administrators and agents in power.

In March 1927, with the Communists behind the scene, Wang Ching-wei convoked the plenary session of the Third Kuomintang CEC, and created the so-called Wuhan Government by compelling the central party organ to move from Nanchang to the Wuchang-Hankow area. By this device, the Communists intended to dissolve Kuomintang as a party and establish their rule instead. It was a clear indication of the Communist attempt to convert the national revolution then in progress into a social revolution. It was an open rebellion in defiance of the revolutionary cause.

To save both the nation and itself, the Kuomintang, in response to an appeal from Wu Chih-hui, began the purgation in the party on April 12, 1927.

II. Communist Participation in War of Resistance

Disassociated from the national revolution, Communist elements under Ho Lung, Chu Teh, and Teh Ting led their rebellious troops and joined with Mao Tze-tung in establishing a Red Army base in Kiangsi province. They persisted in rebelling against the National Government, and tried to win the people's support through an anti-Japanese campaign.

In 1935, the Communists, under Chu Teh and Mao Tze-tung, were forced to abandon their Kiangsi base and fled to north Shensi. Chang Hsueh-liang was assigned to suppress the remnant Communists, but, swayed by the Reds, he started the Sian Incident on December 12, putting Generalissimo Chiang Kai-shek into captivity.

The Communists could have done anything to him then but Moscow believed that without the leadership of Generalissimo Chiang Kai-shek, China would have been conquered by Japan, and that, with China lost to Japan, the Soviet Union in the Far East would be greatly endangered. Furthermore, with Hitler poised for invasion in Europe, it was natural that Stalin should support China against Japan, in order to avoid a possible second front.

This explained why the Chinese Communists were instructed to protect the safety of Generalissimo Chiang Kai-shek in the Sian Incident, and it also explained why the Soviet Union actively aided China in the first period of her resistance war. Nevertheless, few people would doubt the sincerity of the Communists in their desire for an anti-Japanese war, if the attitude the Communists displayed in the Sian Incident was the only criterion.

In 1937, the war broke out, and China rose to fight. With the enthusiasm of the whole nation, the Communist Party declared its participation in the holy war of resistance, and it pledged to observe the Three Principles of the People, accept the leadership of Generalissimo Chiang Kai-shek, abolish the border region government, and integrate the Communist troops into the National Army. The reconciliation of the two parties received nation-wide applause. The Communists' victory at Pinghsingkwan, strategic pass in north Shensi, won for them wide recognition especially as it closely followed the retreat of Nationalist troops from the Shanghai front.

When the national capital fell to the Japanese and the war of resistance entered a very difficult period, the Chinese Communist Party adopted a five-year plan for the expansion of its armed forces, preparing to train 2,000,000 crack troops and 3,000,000 people's militia within five years, preparatory to seizing governing power after the conclusion of the war. As a result, armed strength of the Communists increased in proportion to the adversity of the national war effort. While the National troops retreated further westward, the Communist advanced further eastward. While the Japanese took points, the Communists occupied the areas around these points. Sometimes, the National troops were frontally attacked by the Japanese, and at the same time assaulted by the Communist in the rear. Thus, Government troops lost more territory and the Communists got more arms.

It is true, therefore, that the Communist Party did take part in the first stage of the war of resistance. But it is also true that they frustrated the Chinese war of resistance by attacking National troops in the latter stage. This patently demonstrated that they do not hesitate to use any means to achieve their aim.

III. The Period of Communist Participation in Peace Negotiations

After V-J Day, the Government announced its policy of peaceful national reconstruction and declared that the Communist problem would be settled by political means. Unexpectedly, the first Communist move after victory was their contention with the Government for acceptance of the Japanese surrender. Led by Chu Teh, the Communist disparaged the Government and the Chief Executive of the Nation, Chu was then commander-in-chief of the 13th Group Army. The fact that he openly insulted the supreme commander fully revealed the Communist's rebellious intentions.

The Communist Party contended to accept the Japanese surrender, and at the same time shouted for the organization of a coalition government through the convocation of the Political Consultation Conference, so as to exterminate the National Government. The meeting of the Political Consultation Conference did not achieve national peace, but it fully demonstrated the Government's sincerity to seek peace.

The PCC's decisions on the broadening of the Government basis, reorganization of National troops, convocation of the National Assembly and formulation of basic principles for the revision of the Draft Constitution should have laid the foundation for national peace.

But the Communists' demand of increasing their delegates to the States Council and their refusal to nominate their delegates made an immediate reorganization of the government impossible. Regarding the reorganization of the National troops and nationalization of Communist troops, the Communists did not submit the name lists of their officers and men. While the Government reduced and reorganized the National troops, the Communists expanded rather than reduced their army.

The Communist Party and the Democratic League refused to nominate their delegates to the National Assembly, thus trying to undermine the Government's prestige by forcing it to postpone the convocation of the Assembly time and again. They also tried to sabotage work on the Draft Constitution. But the Government with the utmost tolerance finally presented to the National Assembly a Draft Constitution, which was duly revised in accordance with the principles laid down by the PCC.

After the signing of the Cease-Fire Agreement in January last year, the Communists began to initiate more clashes and redouble their efforts in disrupting communications. In March last year, they took advantage of the Soviet troops' withdrawal from the Northeast and utilized ports under Soviet occupation to secretly transport troops to important cities in the Northeast and block the National troops from taking-over. It was expressly stipulated in the Cease-Fire Agreement that Government troops had the right to take over the Northeast. Communist obstruction, therefore, obviously violated the agreement.

Believing that mediation by General Marshall was still the best way to achieve peace in China, the Government did not give up. In May last year, Government troops in the Northeast scored a succession of crushing victories. These triumphs were not exploited because the Government accepted the Marshall proposal for a 15-day truce, which was later prolonged for eight more days till the end of June, when peace talks broke down due to Communist obstructions.

Then General Marshall suggested direct negotiations between the Government and the Communist Party to iron out the problems of local administration and garrison areas for Government and Communist troops. These direct negotiations also failed, as the Communists were not consistent in their demands. When political problems were under consideration, the Communists dragged in military matters; when military questions were discussed, they maintained that any solution of military problems had to await agreement on political issues. Thus, no appreciable results were produced.

After this, General Marshall recommended that discussions of political and military affairs be conducted simultaneously. Again the Government made substantial concessions. The Communists responded by making two impossible demands, thereby closing the door to further peace talks.

One more cease-fire order was issued last November on the eve of the National Assembly, which was first scheduled to convene on November 12, but was postponed to November 15, in an effort to secure Communist participation. The Communists not only adamantly refused to attend the National Assembly, but they went so far as to renounce the Constitution.

On January 12 this year, the Government offered, through U.S. Ambassador Stuart, to send General Chang Chih-chung to Yenai to resume peace negotiations, or to invite a Communist representative to Nanking for the same purpose, if the Communists preferred. This proposal was also rejected by the Communists.

Summing up, the Communists constantly used armed force to further their political aims, and peace negotiations to camouflage their military activities. This lack of Communist sincerity was chiefly responsible for the break down of peace talks. In view of the incorrigible Communist stand, which has been taken on the assumption that the Government faces economic collapse and eventually the Communists will be able to take over the administration, efforts to settle the Communist problem through peaceful means are bound to fail. -- END.

NOTICE

This is to inform you that the Shanghai Edition of the Daily Bulletin will be suspended publication as from July 11, 1947. Those who are in our mailing list will continue to receive our service mailed directly from our Head Office in Nanking from that day on.

Government Information Office
News Bulletin No. 2
July 16, 1947

RESUMPTION OF TRADE WITH JAPAN

Nanking, July 16-- A spokesman of the Ministry of Economic Affairs disclosed today that Chinese industrial and commercial circles are interested in the lift of the ban on private trade with Japan, and the Ministry of Economic Affairs has called a conference to discuss the allocation of export items and the dispatch of commercial representatives to Japan, as well as other problems related to the determination of the qualifications of representatives to be nominated by the business concerns.

The spokesman said that the lift of the ban on private trade with Japan does not mean the beginning of free trade. The Chinese Government will be very careful in the selection of representatives and the exported items. The number of representatives to be sent to Japan is tentatively fixed at 64, and this number is subject to change as conditions change.

SCAP Headquarters in Tokyo will only permit 64 representatives at one time, and they must transact their business speedily, said the spokesman. After they return to China, their vacancies will be filled by other applicants approved by the Ministry of Economic Affairs.--
END

Government Information Office
Daily Bulletin No. 39
July 16, 1947.

1. Economic Reconstruction
2. Recapture of Pehpiao

(NOTE: Editorials or feature translations are for the information and reference of readers of the Daily Bulletin. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

ECONOMIC RECONSTRUCTION

Emphasizing the importance of national reconstruction in the suppression campaign against the Communists, the Shanghai Sin Wan Pao today expresses the hope that the United States will help furnish the necessary materials to accelerate the rehabilitation of Chinese economy.

We are now engaged in a struggle, says the paper, between construction and destruction, democracy and totalitarianism, unity and disintegration. To win, the Government must seek, in accordance with the provisions of the general mobilization order, to intensify the work of economic reconstruction.

This will help to expedite the suppression of rebels, maintain public order, boost agricultural and industrial production and overcome the present economic crisis, opines the paper.--end

RECAPTURE OF PEHPIAO, COAL CENTER

(Condensed from a July 15 Nanking Central Daily News article prepared by the National Resources Commission)

Government troops recently recaptured battle-scarred Pehpiao, coal center east of Chaoyang in Jehol Province, with such speed that the Communists were not able to carry out their customary sabotage of the town's collieries.

On June 28, Pehpiao fell to the Communists for the fourth time since V-J Day when they concentrated more than 10,000 troops against ~~the~~ ~~Prinly~~ ~~Defended~~ city.

Pehpiao has naturally been the target of repeated Communist attacks since it is one of the greatest coal-centers in North China with an estimated coal deposit of about 200,000,000 tons. Up to now, less than six per cent of this has been exploited. In addition, the coke from the coal produced there is particularly fit for the manufacture of steel as it contains very little phosphorous and sulphur.

During the years of Japanese occupation, Pehpiao had a record annual production of 1,600,000 tons of coal. The Japanese made desperate attempts to increase the output, but in doing so, they ravaged the mines, maliciously neglected all safety rules, and allowed safety equipment to fall into disrepair.

The Communists first brought ruin and destruction to the Pehpiao mines on January 3, 1946, when they removed what they could carry away and destroyed whatever they had to leave behind. This almost finished the mines, since they had already been badly stripped of important machinery by the Russians, who occupied Pehpiao for three months immediately following the Japanese surrender.

The Government occupied the mines on January 17, and the taking-over committee spared no time in installing the remnant machinery, salvaging and retrieving lost parts, repairing demolished buildings and enlisting workers and technicians for the revival of the mines. After three months, two of the four mines assumed partial operation. Everything progressed smoothly until the Communists scourge again visited the mining town.

The Communists made their second raid on Pehpiao in May last year, destroying one electric plant and looting more than CN\$2,400,000,000 worth of mining equipment. A month later, they made a third attack on Pehpiao, dynamiting the water-towers, an exhaustor and other essential mining equipment.

Fortunately, the Pehpiao mines are now safe in Government hands. However, from past experiences, we have no way of telling that the Communists will not initiate another attack, unless adequate protection is given to the Pehpiao mines.--end

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

REHABILITATION OF CHEKIANG-KIANGSI RAILWAY

(Condensed from a July 10 Ta Kung Pao
article by Shan Yu-yueh)

Despite the Communist rebellion, bringing death and destruction to China's North and Northeast, in the Government-held areas where peace and order prevail, reconstruction work is being rapidly carried out. The rehabilitation of the Chekiang-Kiangsi Railway is a striking example.

This railway, which traverses Chekiang, Kiangsi and Hunan Provinces, has been reconstructed with unparalleled speed. The project was begun last February, and the 108 kilometer Anhua-Chuki section was completed by the middle of March. On June 5, the 82-kilometer Pingsiang-Chuchow section connecting Kiangsi and Hunan was open to traffic. Ten days later, trains started to run between Nanchang and Kiukiang, a stretch of 128 kilometers.

Three parts of the line are still unfinished; the 32-kilometer Anhua-Chuhsien section, the 202-kilometer Shangjao-Nanchang section and the 292-kilometer Nanchang-Pingsiang section. Given sufficient material, reconstruction of the entire railway is expected to be completed toward the end of this year.

Directing the rehabilitation project is Hou Chia-yan, chief of the Chekiang-Kiangsi Railway Administration. A graduate of the famed Tangshan Engineering College, Hou went to the United States in 1919 to study at Cornell. He came back an accomplished engineer. During the war years, Hou first served as managing director of the Hunan-Kwangsi Railway Administration and later as the director of the Engineering Department of the Kweichow-Kwangsi Railway. Because of his perseverance, he was nicknamed "Water Buffalo".

When Hou first assumed his new office last January, he had to start from scratch. The railway at that time existed in name only. Reconstruction could not be started because there were no materials. Exasperated, Hou went to Nanking to discuss the problem with Yu Ta-wei, Minister of Communications. In two weeks' time, rails, ties and other materials began to arrive for the restitution of the Chekiang-Kiangsi line.

Hou still faces tremendous difficulties. He still needs rails enough for 619 kilometers, 553,438 ties, 1,830,000 rail nails and 240,707 rail clips to get his job done. When traffic on the railway is resumed, to render adequate service, he must get 113 locomotives, 261 passenger cars and 1,596 freight cars to augment the 30 locomotives, 35 passenger cars and 300 freight cars he has now.

The Chekiang-Kiangsi Railway has depended heavily on UNRRA for equipment. Now that UNRRA is about to close its operations in China, Hou will be severely pressed to get the necessary materials to finish the job. -- END.

SLAYING OF INDUSTRIAL EXPERT

Yu Tsai-lin, 39, head of the engineering department of the Pehpiao mining center and one of the most experienced coke-refining experts in China, was slain by the Chinese Communists on July 1 after they took Pehpiao. (The city has since been recaptured by Government troops.) The unarmed engineer was shot in the head at the Awanshan mine, one of the collieries at Pehpiao, and his body was left in the mud. His remains have since been transported to Cainchow.

This case was reminiscent of the slaying of Chang Hsin-fu, reknown engineer and special commissioner of the Government, who was shot by the Communists in the course of taking over the Fushan coal mines.

Mr. Yu graduated from National Peiyang Engineering College in 1930, and he was appointed ^{head} of the fuel section of the Mining Research Bureau of the Ministry of Economic Affairs in 1937. He was director of the coke-washing factory of the Tien Fu Coal Mining Company in 1940. Two years later, he was sent by the National Resources Commission to the United States to study coal-washing and coke-refining methods. After his return to China in 1945, he was appointed coal mining adviser to the War Production Board, and he was concurrently director of the coke-washing factory of the Tien Fu Coal Mining Company.

Mr. Yu was sent to assist in the taking-over of the Fushun coal mines after the end of the war. He joined the Pehpiao Coal Mine as head of the engineering department in January this year.

Mr. Yu is survived by his wife and four children, the eldest is only 13.

"An expert like Mr. Yu belongs to the nation," said Mr. Y. S. Sun, Vice-Chairman of the National Resources Commission. "If the Communist Party were a ' political party ' which intended to win the people's support by industrializing the nation, the Communists would not have killed him." -- END.

Government Information Office
News Release No. 3
Nanking, July 18, 1947

OUTLINE FOR IMPLEMENTATION OF MOBILIZATION
TO SUPPRESS REBELLION AND COMPLETE
CONSTITUTIONAL GOVERNMENT

- - - -

Following is the text of "The Outline for the Implementation of Mobilization to Suppress Rebellion and Complete Constitutional Government" which was adopted by the State Council today (July 18, 1947), to become effective immediately.

Article 1. -- This Outline has been formulated in accordance with the stipulations of the Program for the Enforcement of National General Mobilization to Suppress the Communist Rebellion, Remove Obstacles to Democracy and Realize Constitutional Government as Scheduled, which was adopted by the State Council, and the provisions of the National General Mobilization Act (promulgated by the National Government on March 29, 1942, and put into effect on May 5, 1942).

Article 2. -- Enforcement of constitutional government and conducting of elections in connection therewith shall all be expedited as stipulated.

Article 3. -- Manpower necessary for military, labor and other services required to suppress the rebellion shall be fully mobilized. Any action to evade or obstruct such services shall be punished in accordance with law.

Article 4. -- All materials required to suppress the rebellion, including foodstuffs, clothing, medicine, oil, coal, iron and steel, transportation and communication equipment, and other supplies needed by the military, shall be immediately mobilized. Any action to evade or obstruct requisitioning of such supplies, hoard them or profiteer from them shall be punished in accordance with law.

Article 5. -- Close cooperation shall be maintained between management and labor in all enterprises. All disputes shall be mediated or arbitrated in accordance with law. Sabotage, strikes, lock-outs or any other actions hampering production or disturbing social order shall be punished in accordance with law.

Article 6. -- In order to stabilize the people's livelihood, the Government may institute restrictions or controls over market prices of daily necessities, salaries and wages, the flow of materials, use of capital, and other financial activities.

Article 7. -- The Government shall, in accordance with law, take punitive measures against assemblies where speeches or other actions incite the people to rebellion.

Article 8. -- In areas recovered from rebels, authorities concerned shall consolidate security measures and maintain social order. When necessary, loans may be extended, taxes in the areas suspended and social relief and medical aid carried out.

Article 9. -- Refugees from rebel-held areas shall be given adequate relief, assistance and accommodation by authorities concerned.

Article 10. -- Authorities concerned shall direct and assist especially the operation of food, fuel, textile and metallurgical industries, as well as all other industrial and mining enterprises having special needs. In case of a shortage in capital, Government banks may grant loans in order to increase supplies. If necessary, the Government may exercise control over finished products.

Article 11. -- In areas free from the Communist rebels, local administration shall be revamped and social peace and order safeguarded. To improve the people's livelihood, priority shall be given to urgent projects of production, transportation, irrigation and water conservancy.

Article 12. -- Equitable taxation shall be increased and unnecessary expenditure curtailed in order to finance the suppression of the rebellion.

Article 13. -- Measures shall be formulated to enforce thrift and increase efficiency, for observance by both the Government and the people.

Article 14. -- Basic rights of the people shall be fully respected and adequately safeguarded. Any impingement thereupon shall be strictly prohibited, unless necessitated by laws and decrees required for the implementation of mobilization and the suppression of the rebellion.

Article 15. -- Where there is need for separate detailed measures for the implementation of the Outline, such measures shall be drawn up by the ministries and commissions of the Executive Yuan concerned, and, after their approval by the Yuan, promulgated by mandates for enforcement.

Article 16. -- Violation of Articles 3 to 7 of the Outline or any action that should be disciplined or restrained in accordance with the stipulations of these Articles shall be punished in accordance with the Provisional Penal Regulations for Obstructors of National General Mobilization (promulgated by the National Government on June 29, 1942, and put into force on August 1, 1942).

Public functionaries who, in the exercise of authority delegated to them under the Outline, break the law or neglect their duties shall be punished in accordance with law.

UNITED NATIONS INFORMATION CENTER
212 Embankment Bldg.,
Shanghai.

PRESS RELEASE
UNIC/PR 131
19 July 1947.

ECONOMIC AND SOCIAL COUNCIL - BACKGROUND AND WORK ACCOMPLISHED

The United Nations Social and Economic Council, which is now holding its fifth session in Lake Success, has been aptly described as the most elaborate organization of any organ of the United Nations. Dealing with a wide range of social and economic problems that beset the world, the Council avails itself of the resources, facilities, and expert advice and counsel of numerous commissions, sub-commissions and specialized agencies comprising it in finding a solution to these problems.

Striking proof of the great task with which the Council is charged is the varied program of work being carried out. This includes such diverse projects as collecting funds for feeding needy children, drafting an International Bill of Human Rights, surveying the timber needs of Europe and the possibility of a world shipping organization, translating the world's classics into many languages, tackling currency and employment problems, drafting a world calendar of 13 months, and performing other constructive tasks of economic and social betterment in order, as the United Nations Charter says, to "create conditions of world stability and well-being".

The Council is composed of 18 members first elected by the General Assembly on January 12-14, 1946. The Council held its session from January 23 to February 18, 1946 in London. In the first session, the Council decided to call an International Health Conference and an International Conference on Trade and Employment; established Committees on refugees and displaced persons, and on negotiations with inter-governmental organizations; and set up a Commission on Narcotic Drugs and five "nuclear" Commissions, which acted as preliminary bodies to furnish advice on various problems with which the Council was concerned.

(more)

The Economic and Social Council's second session - the first in the United States - was held from 25 May to 21 June at Hunter College. The Council studied the report of the Technical Preparatory Committee of the International Health Conference (which opened in June); reviewed a proposed constitution for a new International Refugee Organization (IRO) and sent it to U.N. members for comments; recommended that the General Assembly approve agreements with the International Labor Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Food and Agriculture Organization of the United Nations (FAO), defining their relationships to U.N. as Specialized Agencies; and decided on the tasks and membership of Commissions on Economics and Employment, Transport and Communications, Statistics, Human Rights, and the Status of Women.

The Third Session of the Council was held from 11 September to 3 October, 1946. It set up two additional Commissions; submitted a draft constitution for IRO to the General Assembly; recommended the establishment of an International Children's Emergency Fund for the relief of hungry youngsters in war-torn areas; recommended the establishment of an Economic Commission for Europe; and sent to the General Assembly a number of amendments to the agreements which make possible international control of the drug traffic.

All of the newly established Commissions began their work soon after the Council adjourned.

The Commission on Narcotic Drugs held its first session from 27 November to 17 December.

The Social Commission and the Economic and Employment Commission opened their first sessions on 20 January.

The Commission on Human Rights and the Statistical Commission opened their first sessions on 27 January.

The Transport and Communications Commission and the Population Commission began their first meetings on 6 February.

The Commission on the Status of Women opened its first session on 10 February.

(more)

The Economic and Social Council's Fourth Session began on 28 February and ended on 29 March, 1947. The Council reviewed the reports of its Commissions, which by then had concluded their initial meetings and made appropriate recommendations to Member Governments; set up an Economic Commission for Europe and an Economic Commission for Asia and the Far East, both of which had been approved by the General Assembly; selected members for a Sub-Commission (of the Commission on Human Rights) on Freedom of Information and of the Press and a Sub-Commission on the Prevention of Discrimination and Protection of Minorities; and decided to call an international conference on resources and conservation, probably in 1948; a World Statistical Congress, to be held in September 1947, in Washington; and an International Shipping Conference, to take place late in 1947.

The current fifth session of the Council being held in Lake Success is confronted with an agenda containing ^{items} ranging all the way from proposals for a world calendar of 13 months and 13 world holidays, and world oil authority, to reports on the last sessions of the Economic Commission for Europe and the Economic Commission for Asia and the Far East. Chile, a member of the 18-nation Council, has proposed that the Council consider the creation of an Economic Commission for Latin America.

The 5th session will hear reports for the first time from two of the United Nations Specialized Agencies. These are the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO). It will also take up a proposal of the International Co-operative Alliance, a non-governmental organization, that the United Nations create a World Oil Authority, starting with the oil resources of the Middle East. The Authority would, under the ICA proposal, make oil available on a commercial basis on the principles of the co-operative movement.

Of great interest will be the report to the Council from its Sub-Commission on Freedom of the Press and Information and from the Drafting Committee doing spadework for the International Bill of Human Rights.

(more)

The Council will be acting on the proposed agenda for the World Conference on Freedom of Information in Europe next March or April, while from the Drafting Committee will come suggestions on the Declaration on Human Rights and international conventions which might implement them.

Related in a general way will be the agenda topic entitled "Report on the Guarantee of World Trade Union Rights". The last session of the Council referred this matter to the ILO and its own Commission on Human Rights for initial study. At its very recent session at Geneva ILO wrote its thinking into a resolution on freedom of association and so something very specific will come back to the Council from that source.

The original request for United Nations action on the matter came from the World Federation of Trade Unions, one of the non-governmental organizations having a consultative status with the Economic and Social Council.

Directly concerning the populations of Asia and the Far East is the report of the ECAFE which will be taken up by the Council. This deals with the reconstruction program for the devastated countries of this area.

The current meeting is also expected to arrange for the take-over of certain League of Nations functions in the control of traffic in women and children. Cuba has proposed elimination of taxes and tariffs, etc. which interfere with the supplying of consumer countries by basic food raising countries.

The Secretary-General will report on plans for contributions throughout the world from governments and individuals to underwrite the relief program for children. The United States and France have already made governmental contributions. Individual contributions are even now being received.

The termination of UNRRA will be reflected in the Council's agenda in several ways. The Secretary-general has circulated a report on the financial needs of devastated countries after the cessation of UNRRA help.

Sir Ramaswami Mudaliar of India is the president of the Council for 1947. Dr. Jan Papanek of Czechoslovakia, is first vice-president and Dr. Alberto Arca Parro of Peru, second vice-president.

Other members of the Council session are: Chile - Herman Santa Cruz, China - Dr. P.C. Chang, Czechoslovakia - Ladislav Radinsky, France - Pierre Mondes, Thierry de Clermont Tonnerre and Jacques de Folin, Lebanon - Dr. Charles Malik, Netherlands - J.W. Beyen, New Zealand - James Thorn, Turkey - Ali Rana Tarhan, United Kingdom - Hector McNeil, USSR - Professor Alexander Morozov, and Venezuela - Dr. Carlos Dascoli,

Agencies now related with the United Nations have agreements which were approved by the General Assembly at its last session are the:

International Labour Organization (ILO)

Food and Agriculture Organization of the United Nations (FAO)

United Nations Educational, Scientific, and Cultural Organization

(UNESCO), and

International Civil Aviation Organization (ICAO).

Agencies not yet brought into formal relationship are the:

International Monetary Fund,

International Bank for Reconstruction and Development,

International Telecommunications Unions, and

Universal Postal Union.

The portion of the Secretariat assigned to assist in the work of the Council and the Commissions is divided into two departments headed respectively by A.D.K. Owen, Assistant Secretary-General for Economic Affairs, and Henri Laugier, Assistant Secretary-General for Social Affairs.

The Council arrives at its decisions by a simple majority. Each Member has one vote. The Council meets at least three times a year, according to its present rules. It elects a president and two vice-presidents, chosen as individuals, at each year's first session, to serve throughout the year.

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

NATIONAL MOBILIZATION ORDER

Nanking papers today give their full approbation to the Outline for Implementation of Mobilization to Suppress Rebellion and Complete Constitutional Government. Following are excerpts from the editorials:

Ta Kang Pao

Today's Ta Kang Pao calls on the people to fully support the "Rebellion Suppression and National Salvation Campaign," which, it says, is designed to fight for national existence against traitors.

Stipulations of the Outline, the paper says, empower the Government to adopt measures to cope with the present war situation and at the same time help to promote implementation of constitutional government. Successful execution of the suppression campaign will depend on the eradication of disloyal traders, profiteering through speculating and hoarding and those bureaucrats responsible for corruption and inefficiency in the Government.

Central Daily News

The Nanking Central Daily News today calls upon the Government to increase administrative efficiency, protect the people's rights and eliminate corruption in its administration in order to successfully carry out the national general mobilization and expedite the conclusion of the campaign against the Communist rebels.

Administrative efficiency can be achieved, says the paper, by simplification of governmental procedures, through combining or abolishing overlapping Government agencies, and by improvement of the civil service system.

During the war, the Communists increased their strength while Government troops were fighting valiantly against the Japanese, the paper maintains. With the nation's financial resources greatly depleted by the war, and the people's living conditions increasingly worsened, the Communists think that the time has come to overthrow the Government. As an answer, the Government must synchronize the mobilization order with the initiation of economic reforms.

Peace Daily

Judging from the provisions of the Outline, the final aim of the Government is still the enforcement of constitutional democracy, the campaign against the Communists being only a means to that end, says the Nanking Peace Daily today.

While it is true that the Government has been given temporarily extra powers by articles 3 to 7 of the Outline, this is a small price for the people to pay in view of the country's promising future once the Communist rebellion is suppressed.

The paper also urges the nation to answer the call of the Government to practice thrift. In this connection, says the paper, a good example can be set by the wealthy residents of the Nanking-Shanghai area.
-- END.

Government Information Office
Daily Bulletin No. 41
July 18, 1947.

1. Outline For Suppression
Of Rebels
2. Peace Treaty With Japan

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

OUTLINE FOR SUPPRESSION OF REBELS

The Nanking Central Daily News today says that the Outline for the Suppression of Rebels and the Enforcement of the Constitution adopted by the Executive Yuan is the most efficacious program that could be devised for these purposes.

If, the paper says, all the people are fully aware of the seriousness of the present situation and lend the Government their full support, the completion of our punitive campaign against the Communist rebels will be hastened. While articles three to seven in the Outline provide that the Government shall have the right to conscript manpower, mobilize material resources essential to the rebel-suppression campaign, control commodity prices, curb strikes, and restrict assemblies and propaganda designed to incite rebellion, Article 14 stipulates that the people's rights shall be protected and any unwarranted impingement upon them shall be strictly prohibited.

The Outline has made it patently clear, the paper asserts, that while the Government is ready to pacify the Communist rebels, it is also prepared to improve its administration, enforce constitutionalism, stabilize the people's living and protect the people's rights. The full implementation of this program will ensure an early completion of the suppression campaign and achievement of national unity. -- END.

PEACE TREATY WITH JAPAN

The Shanghai Shun Pao today welcomes the United States proposal for a preliminary conference to draft a peace treaty with Japan, and the paper asserts that China, understanding Japan more thoroughly than any other country, should devise proposals to serve as a basis of the discussion.

China suffered the greatest losses in the war against Japanese aggression, and naturally she hopes that a peace treaty will be concluded as soon as possible, the paper says. Though China will not seek vengeance, yet she must endeavor to prevent any future Japanese aggression. -- END.

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JAPANESE PEACE TREATY

Interview with Hsu Shih-ying

Advocating early conclusion of a peace treaty for Japan, Hsu Shih-ying, chairman of the Mongolian-Tibetan Affairs Commission of the National Government and Ambassador to Japan, prior to the outbreak of war in 1937, said in an interview with Central Daily News yesterday that China desires a truly democratic Japan, living peacefully with other countries of the world.

The 75-year old authority on Japan opined that the peace treaty for Japan should be concluded by the end of next June at the latest. In addition to exercising rigid military control over Japan, he further opined, the Allies should direct her to a democratic course. The Japanese may choose their own way of regeneration, but they must be watched lest they embark upon further aggression against other nations, particularly China, Mr. Hsu warned.

It is true that Japan has been disarmed physically, and ideologically the Japanese peasant and workers are as cordial and peace-loving as the Chinese people, the former Chinese emissary to Tokyo said. However, he observed, the middle class in Japan has long been dosed with militarism, and therefore, to disarm the Japanese ideologically, we must start with the reorientation of their educational system.

China should begin preparation now to negotiate a peace treaty for Japan, Mr. Hsu declared. Mr. Hsu suggested that any proposal China brings forward should be based on a 30 year transition period for Japan.

The veteran Anhwei diplomat approved the U. S. proposal calling for a preliminary conference among China, the United States, Great Britain and the Soviet Union to frame the treaty first before the actual peace parley is convened where eleven countries, as well as the Far Eastern Advisory Commission, are to be represented.

Interview with Chen Po-sheng

Stressing the complexities of framing a peace treaty for Japan, Chen Po-sheng, editor-in-chief of the Central News Agency and expert on Japan, day before yesterday in an interview with the Central Daily News defined the fundamental problems of the treaty as demilitarization, reeducation of Japanese youth to democracy and encouragement of Japan's light industries.

"Signing of a peace treaty with Japan is one question while occupation of the islands, another," Mr. Chen said, "Even after the conclusion of the treaty, there should still be Allied military occupation to guide the Japanese government during national reconstruction."

SCAP, which has been conscientiously disarming Japan, destroying her war-making power and dismantling her heavy industries will have to be succeeded by some other organization, he said.

Mr. Chen believes that China, as a close neighbor who has borne the brunt of Japanese aggression should be charged with the onerous duty of reeducating the Japanese.

It is true that many of their textbooks, giving distorted or exaggerated information on history and geography, have been discarded, he admitted, but the reeducation job is far from complete.

The resurgence of light industries in Japan is sure to effect our own economic life, Chen Po-shen warned, and we should strive to improve our own industrial undertakings. Through effective economic measures, balanced development of light industries in both Japan and China could be secured. And, furthermore, markets in the South Seas could be reasonably divided between the two countries. -- END.

ELEMENTARY EDUCATION

The Government spend CN\$ 21,863,334,281 on elementary education for the last academic year, the Ministry of Education announced day before yesterday, adding that 269,937 primary schools were operated during that period. Of these schools, 32,015 were hsiang or chen "nucleus" primary schools; 214,658, pao peoples' schools; 22,236, ordinary 6-year primary schools; and 1,028, kindergartens.

Enrollment in the above schools totalled 21,813,898, of which 5,583,342 were girls. There were 4,688,606 who finished their primary education last semester, of which 1,121,185 were girls.

Of these primary schools, 38 were established by the Central Government, 575 by provincial governments, 254,037 by hsien governments, and 15,287 by private individuals. Faculty members in all these schools totalled 785,224. -- END.

If any financial aid to China is contemplated, it should be chiefly aimed at relieving the sufferings of the Chinese people and promoting the national economy. For the present, China wants some assistance from the United States to curb inflation, says the paper.

Through General Wedemeyer's investigation, it is hoped that the United States may discover that construction projects can still be carried out in certain parts of China despite the internal conflict. Constructive enterprises will gain impetus if technical and financial assistance from the United States is available, the paper opines. -- END.

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SPECIAL RELEASE

July 22, 1947

WEDEMEYER STATEMENT

A statement to the press by Lieutenant General A. C. Wedemeyer on arrival at Nanking, 22 July, 1947, at the opening of his six weeks' "fact-finding appraisal of the situation" in China and Korea (in the words of President Truman's 11 July announcement of the mission):

"It is over a year since I left China after my long and pleasant assignment as Chief of Staff to the Generalissimo and as Commander of American forces. It is most agreeable once more to be here among old friends, whose friendship for my country and whose cordiality to me are gratefully recalled. I have looked forward to a renewal of those friendships. I regret that my presence in China is to be brief. My time and effort must be so continuously applied to labors of prime importance to our countries that I foresee little time for exchanges of that warm hospitality which is traditional among the Chinese people.

"To the work to be done in the coming six weeks I can refer at present only in general terms. I am directed by the President of the United States to make an appraisal of the overall situation in China and Korea, i.e., of present reality in those two countries and of their capabilities with regard to rehabilitation in the foreseeable future. My mission is essentially one of fact-finding, in which I am aided by a small group of men expert in the several fields of economics, finance, engineering and political affairs. We are interested primarily in learning and seeing something of the efficacy of measures taken by the Chinese Government, looking toward Chinese recovery.

"It will be seen (1) that the time is short for the accomplishment of our task; (2) that the mission members must devote practically their entire time to the accumulation and evaluation of information, potentially of immense importance not alone to China, Korea and the United States, but obviously to the world at large; and (3) that if our work is to be of real and timely value, as I am determined it shall be, we must undertake it without prejudgment or commitment of any sort.

"Good results are most likely to be attained through sound and careful planning based not upon what we hope to be true but upon what, through objective and thorough examination, we know to be true.

"This statement explains why I cannot now (or, I suspect, in the near future), offer any statement of expectation or intention save one -- that of carrying out, to the best of my ability, President Truman's directive to me, to ascertain all facts pertinent to the political, economic and military situation, favorable and unfavorable; to relate them to each other; to appraise them in that relationship; and at the conclusion of my mission to present the sum of these labors to the President of the United States."

WEDEMEYER LEAVES FOR CHINA, KOREA

WASHINGTON, July 16 (USIS) -- Lt. Gen. Albert C. Wedemeyer and his staff left Washington today for China and Korea where he will make a fact-finding survey. The mission is expected to last about six weeks. The General will submit a report on his findings to President Truman on his return.

Wedemeyer will head the mission as special representative of the President with the rank of ambassador. Accompanying him will be: Fiscal adviser, David Jenkins of the Far East section of the Treasury Department, political adviser, Philip Sprouse of the Office of Far Eastern Affairs in the State Department; engineering adviser, Rear Admiral Carl A. Trexel of Navy's civil engineer corps; economic adviser, Melville Walker of the State Department's division of economic development; and public relations adviser, Mark Watson of the Baltimore Sun.

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(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

GENERAL WEDEMEYER'S MISSION

Central Daily News

Pointing to international aspects of the Chinese Communist problem, the Central Daily News today expresses the hope that General Wedemeyer will realize the Government must crush the rebellion, not only to unify China, but for the sake of world peace.

The Government, with utmost tolerance, made all possible concessions to secure peace through political means, says the paper. Yet the Communists issued general mobilization order three times during the past year. This past winter the Communist Party shut the door to peace negotiations and denounced the Constitution adopted by the National Assembly. Obviously, the problem cannot be solved by peaceful methods, the paper says.

In the past 100 years, China has suffered greatly from foreign oppression, warlordism, Communist rebellion and Japanese aggression, the paper observes. During the Sino-Japanese war, China sustained enemy blockade and occupation of a large part of her territory. Industrial centers in coastal areas were captured by the Japanese, and agricultural regions in the interior had to contribute their products to meet the needs of war. Consequently, after conclusion of the struggle, China not only bore the physical scars of war, but she suffered from heavy weariness. The paper asks General Wedemeyer to remember this when measuring China's present deficiencies.

The daily says that General Wedemeyer is a great friend of China, who served valuably as a link between this country and the U. S. during the war and immediately after its conclusion. The Chinese Government, the editorial urges, should present facts to him and respect any criticism he makes.

Ta Kang Pao

Despite the brevity of his stay in China, General Wedemeyer left a good and indelible impression upon the Chinese people through the services he rendered this country in the training of her troops and the repatriation of the Japanese prisoners of war, the Nanking Ta Kang Pao states.

As soon as he arrives, General Wedemeyer will see that the Chinese situation has degenerated considerably since his departure early last year. It is our earnest hope that the presidential envoy will avail himself of the opportunity to gather the entire truth about China, on the basis of which a sound U. S. China policy may be formulated, concludes the paper.

Hsin Min Pao

While self-help is primarily important to China during this crucial moment of Communist rebellion and economic crisis, we also need outside assistance badly, the Nanking Hsin Min Pao states today. And, aid from the United States: to help rehabilitate the country, improve the people's livelihood, alleviate the economic crisis and speed up industrial production, is particularly necessary to us now.

Lieut-General Albert C. Wedemeyer with his vast experience in China affairs will supply the United States with facts, the paper states. And on the basis of his mission, U. S. policy should become clearer and more definitive.

Sin Wan Pao

In suppressing the Communist rebellion, the Chinese Government and its people are not only fighting for their own salvation, but also for the maintenance of the world peace, the Sin Wan Pao states today in an editorial welcoming General Wedemeyer.

Since the conclusion of the second world war, there has not been any reconciliation between the two world factions and the Chinese problem is only one manifestation of this conflict, says the paper.

To save the world from ruin, continues the paper, it is the duty and responsibility of the United States to help those nations which are actually engaged in combatting the expansionists. China needs special assistance because of her long and gruelling struggle against the Japanese, the paper concludes. -- END.

Article 17. -- In addition to the stipulations of the Outline, the Executive Yuan may, in accordance with the provisions of the National General Mobilization Act, at any time issue mandates to expedite the suppression of the rebellion.

Article 18. -- The Outline shall be promulgated for enforcement after approval by the State Council.--END.

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WEDEMEYER'S MISSION

Shun Pao

The Shanghai Shun Pao today welcomes General Wedemeyer to China and the paper calls the special envoy's attention to the international aspects of the Chinese crisis.

Since the capitulation of the Japanese two years ago, the position of the Soviet Union in the Far East has become increasingly important, says the paper. Conscious of this change in the Far Eastern situation, China has cultivated the friendship of Russia at great cost. Despite concessions China made in the Sino-Soviet Treaty, industrial equipment in the Northeast was removed, taking-over of the Northeast by the government was obstructed, Sinkiang Province was attacked by Outer Mongolian troops, and Korean Communists are participating in the civil war against the Government. Under these circumstances, how can China be unified politically and stabilized economically, the paper asks.

China suffered greater losses/any other country in the war against Japan. China's war scars can only be erased with foreign help. China and the United States were wartime allies, and now, two years after the end of the war, the Chinese people hope that the U. S. will give them all possible assistance, for the mutual benefit of both countries.

Ta Kung Pao

Stressing the importance of General Albert Wedemeyer's mission, the Ta Kung Pao expresses the hope today that the US envoy will carry on the spirit of General George C. Marshall to help China achieve peace, unity, and democracy. The paper says that since General Wedemeyer is familiar and sympathetic with China, his findings will be a sound basis for U. S. policy toward China.

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DAILY NEWS BULLETIN
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July 23, 1947

SENATE COMMITTEE REPORTS BILL ON MEMBERSHIP IN SOUTH PACIFIC COMMISSION

WASHINGTON, July 22 (USIS) -- The Senate Foreign Relations Committee today voted to report out a bill authorizing U.S. membership in the South Pacific Commission.

The commission was established last year at Canberra by representatives of Australia, France, the Netherlands, New Zealand, the United Kingdom and the United States to encourage international cooperation in the economic and social welfare advancement of non-self-governing territories in the South Pacific.

The bill passed the House of Representatives yesterday.

MOST OF U.S. SURPLUS PROPERTY LIQUIDATED

WASHINGTON, July 22 (USIS) -- Major General Robert M. Littlejohn, reporting on his first year as war assets administrator, said that almost 70 per cent of U.S. war property so far declared surplus has been liquidated.

Disposals by WAA and other domestic agencies for the year ending June 30, 1947 totalled US\$13,600,000,000, of which sales accounted for US\$6,600,000,000 and miscellaneous disposals (leases, scrapping, donation and transfers at discount) totalled US\$7,000,000,000. The net cash return to the Government totalled US\$1,400,000,000.

Littlejohn reported that among the purchasers were veterans and the Federal Public Housing Authority which purchased construction supplies and equipment to promote veteran housing. The administrator added that future acquisitions of surplus property may amount to another US\$7,000,000,000.

Littlejohn pointed out that his agency does not handle the disposal of surplus property in foreign countries, but that credits had been granted to other countries to purchase surplus property in the United States. Finland and France have already been granted such credits, and one for Norway is pending.

STATEMENT ON CHINESE RECEIPT OF U.S. MOVABLE SURPLUS PROPERTY

WASHINGTON, July 22 (USIS) -- The China and Eastern Asia Office of the Foreign Liquidation Commissioner has announced that contrary to previous reports, as of May 31, 1947 about US\$170,000,000 U. S. procurement cost of movable surplus U.S. property had been made available to China. These turnovers were made under the terms of the bulk sale agreement of August 30, 1946. The current figures represent the first part of the US\$500,000,000 of property (procurement cost) provided for by the agreement. Previous to the signing of the agreement, the U.S. Government had turned over to China a total of approximately US\$324,000,000 of property at cost, in addition to US\$500,000,000 of movable goods.

Movable property on which notices of availability have been sent to China includes many types of equipment, including trucks, road and construction equipment, clothing, food and medical supplies, but specifically excluding aircraft, combat material, ships and other marine equipment. The property is located in China itself and on 17 islands of the Pacific, including Guam and Okinawa.

At the end of May, the Board of Supplies of the Executive Yuan had taken possession of US\$59,700,000 procurement cost of movable property. The rate of acceptance by China necessarily lags behind notification by the Office of the Foreign Liquidation Commissioner due to transportation problems and arrangements.

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July 23, 1947

STATEMENT ON CHINESE RECEIPT OF U.S. MOVABLE SURPLUS PROPERTY (Cont'd)

Procedures have been set up and large amounts of movable property have already been transferred to China. The transfer rate is now accelerated, and under these procedures it is to be expected that the transfer operation will be completed within the 22 months allowed by the basic contract.

A State Department spokesman explained that the US\$324,000,000 property turned over to China consisted of fixed installations, such as airfields. Of the US\$500,000,000 in movable goods, China has received about US\$170,000,000 worth. The United States has not received any cash for these movable goods, but did receive the equivalent in services.

"Previous reports" referred to in the first paragraph are understood to refer to a statement by a Chinese official in Nanking, who on June 4 said that China had received only US\$20,000,000 worth of U.S. surplus goods, mostly non-military trucks.

U. S. COMMENT ON INDONESIAN SITUATION

WASHINGTON, July 22 (USIS) -- Early reaction of American newspapers to Dutch attacks on the Indonesians has been generally to regret that the Netherlands has not accepted offers of mediation and has not placed the case before the United Nations.

The New York Herald-Tribune today said: "If permitted to continue, this conflict will bring many deaths and much suffering to a land where the bright hope of self-government has been about all there was to alleviate the distress caused by the long years of Japanese occupation.

"One cause of the war was fear of the Dutch that they might lose all their vast investments in Java. . . . Another cause of the fighting was the political immaturity of the Javanese. . . .

"There has been provocation on both sides. The picture is not one of pure blacks and whites. On balance, however, major responsibility for the war seems to rest with the Dutch. For one thing, they issued an ultimatum which signaled its beginning. For another, they certainly are politically mature and thus should have made great concessions (as the British did in India) to the intense emotions aroused in Asia today by the ideas of independence and democracy.

"The Dutch should have paid more heed to the frightful suffering in prospect if there is a long war in Java and to the possibility that the fighting. . . could be avoided there -- as it has been in India. It should have been possible to reach a settlement through negotiation but even after negotiation failed there was no reason to resort to slaughter. The machinery of the United Nations might have been used -- and still might be used, as urged by President Soekarno of the Republic. An alternative, perhaps a better one, because the Republic is not now a member of the United Nations -- would be to make use of the good offices of London or Washington or both to bring about mediation or arbitration.

"After all, the Dutch long ago accepted the fact that the age of imperialism in Asia is near its end, and the Javanese long ago agreed to gradual transition to complete sovereignty. In these circumstances, it should not be impossible to find middle ground, especially when both parties have so much to gain through peace and so much to lose in war. The Javanese seem anxious to renew efforts to seek peace and surely the Dutch, who themselves have suffered so severely from aggression and whose talents are best suited to a calm world, should be willing to return to the conference table."

The New York Times observed that since the Dutch did not take recourse to British offer to act as arbitrator, "this action cannot be interpreted otherwise, therefore, than as an effort by the Dutch Government to impose by arms what it believed it was not going to gain by negotiation and which it did not choose to submit to arbitration.

(more)

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U. S. COMMENT ON INDONESIAN SITUATION (Cont'd)

"The whole world must feel, as the British Foreign Office put it, 'keenest disappointment' at this outcome. Regardless of the merits of the final deadlock -- and we believe logic was on the side of the Republicans in insisting on a mutual cease-fire order and also insisting on their ability to maintain order in territory over which the Dutch already had publicly acknowledged their de facto authority -- the military action by the Dutch while the Republicans still were announcing their willingness to negotiate the disputed points, or submit the points to arbitration, cannot be condoned.

"In this unhappy situation, it seems to us that some action by the Security Council of the United Nations is clearly called for. . . The best time to put out fire is when it is small."

The St. Louis Star-Times yesterday regretted the Dutch failure to accept offers of arbitration, and noted that they are stronger than two years ago. The editorial added:

"Yet no matter how much stronger the Dutch may be, victory will be costly. It always is against men who believe that they are defending themselves and their homes against an oppressor. And, in the end, just what could it be worth to the Dutch? . . . Better -- as we have said before -- that they should grant freedom and then extend the hand of friendship. As mentors of free Indonesians, the canny Dutch might do well. . . There is no future left for colonial imperialism."

The Pittsburgh Post-Gazette declared:

"The United Nations. . . was created primarily to handle such threats to peace."

BOHLEN BECOMES STATE DEPARTMENT COUNSELOR

WASHINGTON, July 22 (USIS) -- Charles E. Bohlen, special assistant to Secretary of State Marshall, has been nominated by President Truman to succeed Benjamin V. Cohen as counselor of the State Department.

Cohen's resignation, effective July 31, was "reluctantly" accepted by President Truman Monday. In his letter of resignation, Cohen said:

"You appointed me counselor shortly after Mr. Byrnes became Secretary of State. When Mr. Byrnes resigned, I submitted my resignation, but at Secretary Marshall's request I agreed to stay on until after the Moscow conference. It is now my wish, after 14 years of almost continuous Government service, to take a rest free from all official responsibility."

In addition to Bohlen's nomination, the President also named John Carter Vincent, veteran Foreign Service officer and career minister, to be U.S. minister to Switzerland.

The nominations of Vincent and Bohlen were quickly approved by the Senate Foreign Relations Committee today.

Bohlen, 42, was named special assistant to the Secretary of State in November 1946. A Foreign Service officer, his first post was at Prague in 1929. Subsequently he served at Paris and Moscow and attended numerous international conferences. He accompanied Secretary Cordell Hull to Moscow in 1943, attended the Teheran conference in 1943, advised the U.S. delegation at the Dumbarton Oaks talks in 1944, accompanied President Roosevelt to the Crimea conference the following year and served as political adviser at the Berlin conference. He also served at the Foreign Ministers' meetings at London and Moscow in 1945, and at the Paris meeting of Foreign Ministers in 1946.

As counselor, Bohlen will be responsible for advising and assisting the Secretary of State on problems of foreign affairs. He is especially well-versed on Russian relations, speaks Russian, and has participated directly in many meetings between leading U.S. and Soviet diplomats.

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BOHLEN BECOMES STATE DEPARTMENT COUNSELOR (Cont'd)

Cohen began his career as a lawyer and was named general counsel for the U.S. Public Works Administration in 1933. He served on the National Power Policy Commission, 1934-41, and with the Office of War Mobilization, 1943-45. He acted as adviser to the American ambassador to Great Britain in 1941 and assisted the director of the Office of Economic Stabilization in 1942-43. He also served at Dumbarton Oaks and at the Foreign Ministers' meetings. He was appointed State Department counselor in September 1945.

Vincent, 46, attended the Berlin conference and the Foreign Ministers' conference at Moscow in 1945. He served at Geneva as consul in 1939 and as adviser at the 39th session of the International Labor Conference there. He entered the Foreign Service in 1924, his first post being at Changsha, China. His subsequent wide experience in Far Eastern affairs culminated in his appointment as director of the State Department's Office of Far Eastern Affairs in September 1945.

In his Swiss post, Vincent will succeed Leland Harrison, who has been U.S. minister to Switzerland for the past ten years. Harrison is being recalled for special advisory service in the Government, the details of which have not been announced.

FARMERS STRIVING FOR HIGHEST POSSIBLE CORN YIELD

CHICAGO, July 22 (USIS) -- American farmers are exerting every effort to obtain the highest possible yield of this year's corn crop, despite discouraging spring planting conditions and a series of floods which curtailed the prospective crop volume.

Under Secretary of Agriculture Norris E. Dodd, addressing the American Society of Agricultural Engineers here on Monday, specifically took note of the U.S. corn outlook as it affects world food needs, and told how farmers are striving -- by their own zeal and the use of machinery and technological advancements -- to harvest the largest possible crop.

Better weather since July 1 in the principal corn-growing states, extra speed in planting the crop, use of high-yielding hybrid seed, and steps now being taken to offset the effects of probably larger than normal "high-moisture" corn this fall, were pointed out as encouraging factors.

Dodd noted that the national picture indicates a prospective corn crop which is about average for the past ten years. But due to the abnormal times, Dodd observed, "the hungry people of Europe and Asia are still calling on us for food in undiminished amounts -- amounts which completely dwarf our 'normal' exports." Thus, he said, "we will need every kernel of this corn crop that we can possibly save."

Dodd praised the farmers of the Middlewestern corn belt, observing that when the weather finally cleared they "ran their machines day and night, planting at record speed. The fact that they finally planted within 1.3 per cent of their intended acreage is a great tribute to their hard work and superior machinery."

Progress of the crop has been delayed in some states, Dodd said, to the extent that "soft corn, high in moisture content, low in feeding value, and of poor keeping quality is probable this fall." He expressed more concern about potential losses from high moisture than from an excessively short crop. American farmers, aided by the Department of Agriculture, state experiment stations and the farm machinery industry, are preparing to do something about this problem, he said, "and each year has given us a little more information and experience on how to meet such situations."

"Our knowledge of how to use forced hot air to bring down moisture in corn through better ventilation in cribs, so that air can better reach the corn, through clean husking and cleaning out the debris in corn which encourages spoilage, through using corn for silage when moisture is too high for drying -- all of this knowledge is going to make a lot of difference if it can be generally put to use."

(more)

July 23, 1947

FARMERS STRIVING FOR HIGHEST POSSIBLE CORN YIELD (Cont'd)

An Agriculture Department statement, observing that seven of every ten acres of corn is planted with high-yielding hybrid seed this year, said this would be a factor in regaining some of the losses in the corn yield due to adverse weather. Short-season hybrids mature faster, helping reduce pre-harvest frost dangers.

EUROPEAN RECOVERY AND SECURITY PROBLEMS DISCUSSED

WASHINGTON, July 22 (USIS) -- The importance of increasing the coal output of the Ruhr area and the problem of raising the German industrial level so as to fit into an integrated European recovery plan are receiving much attention in American press comment. Editorials also have taken note of the French view that a revived German industry might menace her security, several papers suggesting that to allay such fear the 40-year German disarmament and demilitarization treaty, proposed by the United States last year, might be effected as a U.S.-British-French agreement. A viewpoint frequently expressed is that if a cooperative economic rehabilitation program drawn up along the lines of the U.S. proposals is to succeed, the three major Western powers must resolve their differences as to Germany's economic future without undue delay.

The Washington Post said, in part: "It is absurd to think that we are giving Germany prior consideration. But the fact remains that the United States is responsible for the administration of its own zone in Germany. It is our own task to put a prostrate Germany back on its feet. But what we are aiming at under the Marshall plan is the integration of German resources in a working economy of Europe,

"Actually, the experts in Paris are at work to achieve precisely this objective. To be sure, the political future of Germany still remains to be settled, and we agree with the French that ideally this ought to have been settled prior to any cooperative attempt to reconstruct Europe.

"However, the stumbling block in this respect is the Soviet Union, though there has never been a meeting of minds on this problem among the other Allies. The French could help to promote such a meeting of minds in several ways that would insure to their own security in respect of Germany. They could join their zone with ours, as the British have done. They could have a 40-year pact with this country governing German demilitarization.

"Such actions would insure control of Germany, and it was shown in the years between the wars that it was the atrophy of Allied statesmanship and Allied controls (and, of course, the retirement of America from Europe), and not secret rearmament, that accounted for the comeback of an armed Germany.

"Such gestures on the part of the French would pave the way for an overdue political settlement of the Ruhr, the powerhouse of military Germany. In the meantime, the new object in France's and Europe's interest should be to make the Ruhr the powerhouse for a pacific and progressive Europe."

Commentator Barnet Nover said in part: "From the viewpoint of Europe's overall recovery, there is very much to be said for the new German directive. (the U.S. policy statement made public last week). Nonetheless, bearing France's deep-rooted fear of a powerful Germany in mind, it is essential that France's views regarding the German industrial level be taken into account.

"The French must be persuaded anew that America's basic aim is the recovery of Europe as a whole or at least that part of it which is prepared to join in a program of self-help. Such a program will inevitably require that a greater use be made of Germany's industrial and mineral resources than has been the case since V-E Day. This does not mean and cannot mean restoring Germany's war-making capacity."

(more)

July 23, 1947

EUROPEAN RECOVERY AND SECURITY PROBLEMS DISCUSSED (Cont'd)

The Hartford Courant: "France shies away from increased German steel production, on which German power has been built in the past. Nevertheless, German production of not only steel but also manufactured goods as well is essential to European recovery. Therefore, that production must be increased, without at the same time risking a future military threat.

"There is no way to accomplish this twin objective except through the principle of the Marshall plan -- namely, fundamental changes toward the integration of all Europe's economy. If the nations now struggling at Paris have the will they can find the way, through continued joint control, toward that recovery of their economies that can come only with the help of German industry. And the same will can achieve that recovery without inviting the rebirth of the German army.

"The United States alone cannot bail Europe out. It can only help those who help themselves, even if that involves pioneering mutual economic helpfulness."

HARRIMAN TELLS OF HIS EUROPEAN TOUR

WASHINGTON, July 22 (USIS) -- Secretary of Commerce W. Averell Harriman told a press conference on Monday that if the European countries were able to get together on a coordinated plan along the lines of the Marshall plan, industrial and agricultural production could be increased and Europe's problems solved.

Discussing his observations on a two-week tour of Western Europe, Harriman declared that he found among the European people a will to work. He thought the food shortage was mainly responsible for the lag in Ruhr coal output, which is still only half of prewar production. With better food distribution and some additional equipment, he said, it was hoped to raise this level to about 70 or 75 per cent of the prewar rate.

He stated that the American industrial plan for Germany does not give Germany priority over the rest of Europe in stimulating production, but he pointed to the fact that German production has lagged far behind the quotas set at Potsdam.

Not only Germany but all of Europe would benefit from an improvement in her production, Harriman declared. German industry is now at a level of only 38 per cent of its prewar volume, as against 90 per cent for France and England. This lag must be taken up if Germany is to take its proper place in the European economy, he emphasized.

Harriman visited Germany, France, England and Italy, but he devoted most of his time abroad to a study of the Anglo-American zone of Germany.

(END OF MORNING SERVICE)

Government Information Office
Daily Bulletin No. 47
July 25, 1947.

1. Yellow River Dike Repair
2. Japanese Peace Treaty
3. Stabilization Of China's
Currency
4. Economic Reform Plan

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

YELLOW RIVER DIKE REPAIR

The Central Daily News today warns that millions of lives in north Kiangsu are endangered by the Communist obstructions of the Yellow River dike repair work.

After the closing of the river gap at Huayuankow, dikes along the Honan-Shantung border needed immediate repair, says the paper. In the interest of the people's safety, the Government agreed to the UNRRA proposal to cease hostilities in the designated area, provided that the Communists would also observe the cease-fire order.

The UNRRA project was frustrated, says the paper, because the Communists, spurning the cease-fire offer, crossed the Yellow River in full strength and captured many laborers engaged in dike work.

By their persistent and wanton destruction, the Communists have lost their status as a political party, says the paper, and it is the duty of the Government to bring them to justice and halt their ravaging of the nation. -- END

JAPANESE PEACE TREATY

Sin Wan Pao

Commenting on the Soviet rejection of the U. S. proposal that preliminary talks be held on the peace treaty with Japan, the Shanghai Sin Wan Pao says today that the longer the Japanese peace treaty is delayed, the greater the friction in the Far East.

Should Soviet Russia, like the United States, intend to conclude treaty at an early date, says the paper, differences of opinion regarding the procedure of drafting the treaty will not be very important.

As soon as the treaty is concluded, the tense situation in the Far East, caused by the degeneration of relations between the United States and Soviet Russia since the end of the war, will ease, states the paper.

Southeastern Daily

In the forthcoming conference on the Japanese peace treaty, China should insist on total and perpetual disarmament of Japan, says the Shanghai Southeastern Daily today.

It is generally agreed that the treaty must conform with the principles embodied in the ~~Potsdam~~ Declaration and the United Nations Charter. More important, however, is full implementation of the treaty once it is signed. The example of the German repudiation of the Versailles Treaty, strict as its provisions were, should serve as a warning.

In this connection, methods regarding the supervision of the fulfillment of treaty obligations should be clearly stated. A supervisory commission of the United Nations, permanently stationed in Japan, will greatly help enforcing of the treaty. -- END.

STABILIZATION OF CHINA'S CURRENCY

Stabilization of China's currency is not only indispensable in the revival of her internal economy and the promotion of her foreign trade, but it is also a pre-requisite to the stabilization of Chinese political and social conditions, comments the Shanghai Sin Wan Pao today.

The United Press reported that General Wedemeyer's mission in China will study the problems of stabilizing China's currency and reducing her unproductive armed forces, so as to facilitate the rehabilitation of her economy. We hope that this report is true and that the Government is determined to reform its currency system despite the Communist rebellion, the paper says.

Since the conclusion of the war, China's national economy has been perilously depleted; lines of communications are disrupted, and production is sharply curtailed, the paper states. Because of inflation, the country is facing skyrocketing commodity prices and an overflow of idle capital, and it is absolutely necessary for the Government to contemplate a reform in the currency system. -- END.

COMMENT ON ECONOMIC REFORM

Pending the adoption of a new currency, only over-all planning by the Government to absorb overseas remittances and increase exportation can help China attain equilibrium in receipts and disbursements of foreign currencies, said Huang Yuan-pin, member of the Legislative Yuan, in an interview with the CENTRAL DAILY NEWS yesterday.

Mr. Huang disclosed that some of his proposals on National finance, including currency reform, import and export trade, were incorporated into the new Economic Reform Program recently adopted by the National Economic Commission of the Executive Yuan.

The new economic program is similar to the stringent financial policy at first pursued by former premier Dr. T. V. Soong, Mr. Huang said. Under that policy, "Dr. T. V. Soong, former premier, was steadfast in observing a stringent financial policy until the nation's industries were threatened with bankruptcy, said Mr. Huang, "when he extended loans to them for productive purposes. These loans were abused, for the industrialists, instead of putting the money to productive use, employed it to speculate with gold bars. The failure of these loans tended to strengthen the belief of some financial authorities in the correctness of a stringent policy.

"Personally I have advocated for years that the extension of Government loans be liberalized, provided they are used in productive enterprises. This policy has been carried out effectively in the United States, Germany and recently in Sinkiang of China. It was also effectively practiced by the defunct War Production Board."

With the issuance of the General Mobilization Order, the legislator opined, imported articles should be limited to productive machinery, fertilizers, books and laboratory equipment. -- END.

Government, Information Office
Daily Bulletin No. 48
July 26, 1947.

1. American China Policy
2. Sino-American Friendship
3. Effective Food Administration
Urged

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

AMERICAN CHINA POLICY

In an editorial today, the Shanghai Ta Kung Pao points out the following two things for the reference of General Wedemeyer and his mission in investigating conditions in China and Korea prior to the reorientation of the American policy towards China.

The paper says that the aim of General Marshall's mediation in China's internal strife was to help China achieve peace, unity and democracy. After this failure, this American policy was replaced by Trumanism, and the American world strategy has since been inclined to anti-Soviet and anti-Communism. Japan, therefore, has been assuming a more important position than China, and this defeated country, with full-fledged support of General MacArthur, is gradually getting on her feet again. General Wedemeyer's mission in the Far East is to investigate conditions in China and Korea. We are afraid that the result of General Wedemeyer's mission will be the evolvement of an American Far Eastern Policy that will place greater emphasis on Japan than on China and Korea. We hope that the starting point of any American policy towards China shall be to help China achieve peace, unity and democracy, for the Chinese people's self-respect forbids them to follow the American blindly.

In the second place, says the paper, if the United States wants to maintain or expand its China markets, she must begin by assisting China's constructive enterprises and strengthening the Chinese people's purchasing power under the pre-requisite of economic reciprocity. This, the paper says, is one kind of assistance the Chinese people desire from the United States. -- END.

SINO-AMERICAN FRIENDSHIP

Reviewing Sino-American relationship since 1900, today the Central Daily News says, the chief deterrents to the good friendship between these two countries are Communist propaganda, Chinese tradition and the absence of a positive U. S. China policy.

The Chinese Communists and their fellow travelers, in inciting anti-American movements and assailing the American government, are working hand in glove with the Communists and Communist sympathizers in the United States, who have never slackened their efforts to disparage the Chinese Government, says the paper. Their purpose is to undermine the good relationship between the two countries and compel the United States finally to withdraw from China.

China, continues the paper, was under monarchical rule for two thousand years, yoked with unequal treaties for more than 100 years and threatened by Japanese invasion for 50 years. Under these handicaps it was only natural that reforms were slow in coming. And the reforms introduced by the Government in the past one and a half years have failed to achieve the desired results because of Communist obstructions. The American people, maintains the paper, seized by anxiety to see improvement in China, tend to belittle the achievements of the Chinese Government.

In the past six months the United States has followed no decisive policy towards China. Her hesitancy in initiating more positive action has caused much speculation and deep concern among the Chinese people, thus giving the Communists fertile ground to foster ill feelings against the United States, says the paper.

With the arrival of General Wedemeyer and his mission in China, opines the paper, Sino-American relationship has entered upon a new stage. And we have good reason to believe that closer cooperation between China and the United States will materialize as soon as the above-mentioned misunderstandings are dispelled. -- END.

EFFECTIVE FOOD ADMINISTRATION URGED

Commenting on the National Food Conference convening in Nanking today, both the Shanghai Sin Wan Pao and the Nanking Ta Kang Pao today editorially declare that effective food administration is imperative if the Government's effort to expedite the suppression of Communist rebels in the country is to succeed.

Sin Wan Pao

As was the case in our war against Japan, successful conclusion of the present anti-rebellion campaign will depend largely on effective measures of food administration. The current conference must evolve practical and feasible concrete measures to extend the requisitioning and borrowing of foodstuffs by the Government.

However, it is essential that, insofar as the peasant population is not over-burdened, the military needs in food consumption should be met, the civilian food supply properly adjusted, and the quotas for foodstuff requisitioning and borrowing augmented.

Ta Kang Pao

Requisition of foodstuffs throughout the country is imperative during this stage of general mobilization and it will shorten the Communist-suppression campaign.

The foodstuff requisitioning policy, first began during the war days. Through it foodstuffs were secured for military consumption, inflation was slowed up and commodity prices were stabilized. However, the complicated procedure for food requisitioning was often attacked and officials in charge of foodstuffs collections were often accused of graft and underhanded actions.

Those attending the Food Conference should seek to simplify such processes, curtail the expenses of such organizations, strengthen supervisory organs and above all, better understand the life and conditions of Chinese farmers.-- END.

Dear Friends,

It isn't the same Wedemeyer who is visiting us now, to judge from the new name this Prussian-American has been given by the Chinese people.

His new name is pronounced Wo de mai ya, which means: "my step-father." A good-for-nothing son often shamelessly urges his mother to marry again, so as to be provided for.

But will it be of any use to get money from the American step-father? The Kuomintang, reactionary, corrupt, thinks it will. At least it knows -- as all the world does -- that it is doomed in a single-handed struggle against the Communists.

It will be an unbelievable miracle if this militaristic mission, headed by Lt.-Gen. Albert C. Wedemeyer, in its fact-finding quest will find out that the fascist regime of Chiang Kai-shek should get no aid, that the United States should stick to a strict "hands off" policy, so that the Chinese people can decide its own fate.

Wedemeyer's fact-finding mission is confined to finding means to help Chiang, so that U.S. dollars and bullets will not be ~~xxx~~ spent in vain.

Wedemeyer may be unprejudiced, but only so far as aid to Chiang is concerned. Definitely, he has no goodwill for the Communists. Neither will he regard the wishes of the Chinese people as a moving factor in his actions.

It is natural, therefore, that the Chinese people regard with great antagonism at the Wedemeyer mission, the Wo de mai ya of the Kuomintang.

N E W A R R E S T S

While some political infants continue to pay heed to the Kuomintang promises of democratization and enforcement of a constitution, illegal arrests of intellectuals continue.

This Newsletter has learned reliably that several distributors of an anti-Kuomintang magazine, the "Magazine Digest", have been kidnapped.

Also, the military observer of the "Shih Dai Jih Pao" has suspended publication of weekly military analysis because KMT secret agents have been on his heels. His exposes of the true picture of Kumotang-Communist warfare, and his frequent allusions to Communist broadcasts, intercepted by a San Francisco radio station, are disapproved by Chiang's bloodhounds.

There is no place for opposition -- Communist or non-Communist -- in the Kuomintang areas. This is probably the kind of "democracy" American government reactionaries wish to sponsor in China.

C H I A O T U N G U N I V E R S I T Y T O B E D I S S O L V E D

Repeated rumors in the course of the past week indicate the imminent dissolution of China's leading engineering university, the Chiaotung University. High Kuomintang

(more)

authorities now consider chiaotung the hotbed of the anti-government student movement. The decision to dissolve the place of learning was to be an operation to remove this mutinous growth, despite the traditions of this university. The decision was reversed, at least temporarily, under pressure of several highly placed alumni, who travelled to Nanking to plead chiaotung's cause.

ARMY RECRUITS JUMP FOR THEIR LIVES

While conscription is underway in Shanghai, reports from cities along the Shanghai-Nanking railroad indicate spreading attempts by newly-recruited soldiers to escape the draft by jumping off moving trains while on their way to the civil war front.

Thus from a train on July 22 private Teng Wei-ping leaped from a fourth class carriage when the train passed swiftly through Tanyang. He was seriously injured. When passing Chisuyeh 13 recruits leaped from the same train. Five suffered fatal injuries, and died instantly. Four suffered serious injuries. The rest, only slightly injured, succeeded in fleeing.

The KMT government is noted for its insufferable treatment of recruits. The enlisted men of Chiang's tottering military machine even now receive CN\$18,000 (or less than ~~US~~ US cents 40) as their monthly wage.

~~XXXXX~~ RICE RIOTS IN THE RICE BOWL -- SZECHUAN

Szechuan was wartime China's rice bowl, feeding the hinterland throughout the eight long years of anti-Japanese war. But the Kuomintang's policy of plunder has impoverished the province. In Neikiang, communications center between Chungking and Chengtu rice prices soared to \$100,000 for a picul. Hungry crowds gathered to take forcibly whatever stocks were hoarded in rice shops along the town's main street. The town magistrate called out his troops, machineguns and all. During the rice riot that followed there were more than three hundred persons killed and numerous wounded. The majority of the killed and wounded were women and children.

In spite of the disastrous floods in Szechuan that province has been ordered to deliver to the central authorities 30 million piculs of cereals. Twenty million piculs already have been shipped away, and the remainder is being collected.

The civil war has emptied China's major rice bowl. Machinegun bullets for rice -- that is how the Kuomintang trades with the Szechuan people.

N O J O B S F O R E V E R

Highly reminiscent of the fascist-like purge of the U.S. State Department and other American government agencies of "subversive" elements, is the order issued to all Kuomintang controlled enterprises, barring from employment members of the staffs of the three "suspended" liberal local newspapers, the Lien Ho Wan Pao, Wen Wei Pao, and Hsin Min Pao.

This was discovered when a former Lien Ho Wan Pao reporter joined the staff of a government newspaper under an assumed name. With his true identity discovered, his editor told him to leave immediately.

"Or else," he said, "both you and I will suffer."

Middle school authorities also display especial caution in employing teachers and other staff members, fearing that these newspapermen may find a job with them.

T h e E n d

Government Information Office
Daily Bulletin No. 49
July 28, 1947.

1. Sino-American Relations At
Their Present Stage
2. Support Of Food Policies
3. China's Compromise Proposal
- ~~4. Financial Report~~

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

SINO-AMERICAN RELATIONS AT THEIR PRESENT STAGE

Uttering "true words from a real friend," the Nanking Peace Daily today editorially offers its observation on three aspects of the Sino-American relations at the present stage of world development, in the hope that the clouds now threatening to overshadow the steadily friendly relations between the two countries will be blown off the sky.

The paper says that the United States is apparently concentrating its attention in Europe, where she is assisting several countries to check the infiltration of Communism. For instance, she is extending military and economic support to Greece and Turkey to forestall the expansion of totalitarianism.

Yet why does the United States neglect the Chinese Communist rebellion? China's Sinkiang province was recently invaded by Outer Mongolian troops and Chinese sovereignty over the Northeastern Provinces has yet to be re-established.

The journal further says that while General MacArthur's achievements in Japan are commendable, the Chinese people are worried lest Japan might become an aggressor again. Since the Sino-Japanese War fifty years ago, China has been invaded by the Japanese for four times or more, and if the Japanese were to embark upon aggression again, their immediate target would undoubtedly be China. It seems that right now the United States is giving help to Japan in the hope that this defeated country might become an auxiliary force of the U. S. in a future world conflict.

Lastly, the paper points out that Sino-American cooperation will constitute a stabilizing factor in the Far East as well as the world at large and this in turn will prove disadvantageous for the spread of Communism. Hence, the Chinese Communists and their fellow-travellers are taking every chance to harm Sino-American relationship. The paper says that the Chinese and American people should be on guard lest they be hoodwinked.-- END.

SUPPORT OF FOOD POLICIES URGED

The implementation of the Government's food policies will not only meet the needs of the present Communist-suppression campaign but will also speed up China's program of national reconstruction, the Central Daily News states today.

As agriculture is still the backbone of China's economic life, the demand and supply of vast amount of farm products should be properly regulated, the paper points out. Then for the industrialization of our country, surplus foodstuffs should be exported to pay for essential machinery and equipment.

Meanwhile, to help bring about a stable economy, the farmers' livelihood should be improved and agricultural production boosted, the Central Daily News concludes. -- END.

CHINA'S COMPROMISE PROPOSAL

Dwelling on China's compromise proposal for an informal conference of the Big Four Foreign Ministers, (China, the United States, Great Britain and Soviet Union) to exchange views regarding the Japanese peace treaty prior to the convocation of the U. S. - proposed 11 - nation preliminary conference, and for the adoption of a two-thirds majority vote including China, the U. S., Britain and the Soviet Union in this preliminary parley, the Shanghai Shun Pao today appeals to American and Soviet statesmen and diplomats to have a long-range view and work for a lasting peace in the Far East.

The paper recalls that the United States proposal to convene the Peace Conference on August 19 in Washington, outside of the Far Eastern Commission and to use a simple two-thirds majority vote aims at preventing the Soviet Union from again exercising her veto power. The Soviet Union, in her counter-proposal, seeks a preliminary conference attended by the four major powers only to draft a Japanese peace treaty and then submit this draft to other members of the Far Eastern Commission for final discussion.

It is reported that the United States has decided to convene the preliminary conference despite the Soviet Union's opposition. If this is true, the Shanghai paper says, the United States and the Soviet Union will drift further apart in the Far East. From any point of view, the rise of such a situation will prove disastrous for the Far East, and China will be the first one to suffer.

In the past, China has not been as successful in forming a bridge between the United States and the Soviet Union in the Far East as has France in Europe. This is partly due to the fact that the United States has not always taken China's suggestions seriously.

The Far Eastern situation is worsening. All nations concerned, particularly China, the United States and the Soviet Union should exercise introspection. Unless timely steps are taken to prevent further deterioration, the Far East may again become a source of trouble for the world. -- END.

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CHINESE PAPER'S VIEWS ON THE FUTURE JAPANESE PEACE TREATY

Political democratization, de-industrialization, re-education and total disarmament are urged for Japan by the Nanking Ta Kung Pao today in an editorial commenting on the forthcoming Japanese Peace Conference. In preparation for the conference, the paper opines the Chinese Government should have a group of experts to study all phases of the peace treaty and to draft concrete proposals.

Politically, Japan's aggressive system representing a combination of Mikado with militarists and financial magnates, must be eliminated.

"If we want to have a truly peace-loving Japanese nation, we must positively nurture the democratic and progressive forces in Japan." Therefore, the paper continues, the peace treaty for Japan must clearly stipulate such reforms and the Allied control authorities must be instructed to see that they are carried out.

The paper further says that the Chinese Government should voice opposition to the revival of Japan's industries at the 1930-1934 level.

"We advocate observance of the Potsdam Declaration, which permits Japan to retain only those industries absolutely necessary to her peace-time economy. The rest, particularly the ammunition industries, should be dismantled and distributed among the Allied Nations. The large quantities of treasures partly looted from China during the war and hidden by the Japanese Government, should also be divided among the Allies as reparations, and China should have at least half of them.

Then, the Japanese territory should be confined to the four main islands of Honshu, Kyushu, Hokkaido, and Shikoku. Any pleas for permission to regain control of islands around Japan or the mandated islands north of the equator should be resolutely rejected.

For re-education of the Japanese people, experts from Allied countries should be invited. Japan is a feudal state and her people are mostly conservative. For this reason, the Japanese people can easily be controlled by a small number of schemers. The Allies must try to re-educate the Japanese people so that they will accept Allied control in their hearts and become a really peace-loving and democratic nation.

Militarily, even after the conclusion of the Japanese peace treaty, Japan should still be occupied by Allied forces, including those of the major powers. At the same time, re-armament of the Japanese must be strictly forbidden, and even the police must not be allowed to carry arms.

The Chinese paper recalls that even under the restrictions of the Treaty of Versailles, Hitler's token army of 100,000 strong turned out to be a menace to world peace. In the light of this lesson, any Japanese re-armament must be forestalled. When the Japanese were being repatriated from the Northeast, they said they would be coming back after five years. This shows that their ambition had not ended with their defeat. -- END.

YOUNG CHINA PARTY LEADER ON WEDEMAYER MISSION

The hope that General Wedemeyer, as a result of his present fact-finding mission in China will enable the U. S. Government to formulate a decisive policy in the Far East was expressed by Tseng Chi, member of the State Council and leader of the Young China Party, in a statement to the Central Daily News yesterday.

Mr. Tseng whose party is one of three represented in the National Government recalled that following General Marshall's return to the United States, there has been an interruption in the United States' policy toward China, and this has given rise to a feeling of gloom.

In the opinion of the leader of the Young China Party, if the late President Roosevelt's idea that 'peace is indivisible' is to prevail, China's relation to future world peace cannot be less than that of Turkey and Greece. Hence, he asked why the U. S. has assumed a passive attitude toward China, while giving open and clear-cut help to the two European countries.

Appointed State Councillor during the government re-organization last April when the Kuomintang terminated its one-party rule, Mr. Tseng is one of the four members representing the Young China Party on the highest policy-making organ. He served as member of the People's Political Council for four consecutive terms. After V-J Day he took part in the Political Consultation Conference early in 1946 and later in the National Assembly.

His statement reads as follows:- "Lieutenant General Albert C. Wedemeyer was Commander-in-Chief of U. S. armed forces in China and concurrently Chief of Staff to President Chiang Kai-shek during the war. He had rendered meritorious services not only to China but to the world as well. It is, therefore, a matter of great satisfaction to us that he is again in China this time as President Truman's special envoy.

"Following General Marshall's return to the United States and his subsequent appointment as Secretary of State, there has been an interruption in the United States' policy toward China. As this pause has lasted for quite some time already, it has given rise to a feeling of gloom.

"In view of the farsightedness of many American statesmen, we have found it difficult to believe that the U. S. Government will pursue a permanent sit-back-and-do-nothing policy toward the Far East. If the late President Roosevelt's idea that 'peace is indivisible' is to prevail, China's relation to future World peace cannot be less than that of Turkey and Greece. Then why is it that the United States has assumed a passive attitude toward China, while giving open and clear-cut help to the two European countries?

"In General Wedemeyer's appointment, we are impressed anew by the truth as expressed by President Roosevelt regarding the indivisibility of peace. Because of his personal importance, General Wedemeyer, as a result of his mission, will enable the U. S. Government to formulate a decisive policy in the Far East.

"It is our firm belief that the United States will never forget the costly lesson of the last war. When Japan started on the road of aggression by creating the Mukden Incident in 1931, most people in Great Britain and the United States dismissed it as a local affair. The result, however, was that not only China but the entire world was later engulfed in flames.

"Now though the old menace was gone, a new danger has arisen. We hope that our American friends will, in view of their past 'blood experience,' make positive and timely contributions toward the maintenance of world peace." -- END.

Government Information Office
Daily Bulletin No. 51
July 30, 1947.

1. Opposition To Reopening
Of Sino-Japanese Trade
2. Long Bonds To Be First
Issued In North Kiangsu
3. Loans Made To Boost North-
east Food Production

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

MORE EDITORIAL OPPOSITION TO REOPENING OF SINO-JAPANESE TRADE

Ta Kung Pao

The Shanghai Ta Kung Pao today appeals to the National Government not to reopen private trade with Japan, holding that Sino-Japanese trade is not trade in its real sense but is a struggle of both countries for future markets.

The Japanese initiated a series of "incidents" in the past, attempting to seize China's resources so that their so-called "Japanese-Manchuria-China" bloc would be self-supporting. In the past, China's exports to Japan were materials for heavy industries which are equally needed by Japan and China. If the Japanese procure these materials from China, their industries will prosper and if China loses these materials, her foundation for national reconstruction will be shattered, says the journal.

If China and Japan enter into normal trading relations, Japan should buy China's such surplus products as silk, tea, tung oil, bristles etc, and China should buy Japan's machinery. Generally speaking, the paper points out, the trading conditions between China and Japan at the present time are that Japan does not want to buy what China has to sell, and China should not sell what Japan wants to buy.

Sin Wan Pao

The Shanghai Sin Wan Pao today points out that resumption of commercial transaction with Japan will have important effects on Chinese economy and the paper asks the Government to carefully weigh all factors before it consents to the reopening of private trade between China and Japan.

China should adopt an independent foreign trade policy that will promote domestic industries and also prevent import excesses, says the paper.

However, the Shanghai paper says, the Chinese Government did not carefully enough consider the early reopening of Japan's foreign trade as proposed by the United States.

Today as the revival of Sino-Japanese trade approaches, our Government should study the problem more closely than ever. Should the resumption of trading with Japan effect us adversely, the Government must oppose Sino-Japanese trade. Or, in case under proper regulations, our surplus products could be exported to pay for machinery for industrial manufacture in return, then such trade should be permitted. -- END.

LAND BONDS TO BE FIRST ISSUED IN NORTH KIANGSU

To hasten rehabilitation of rural economy in areas formerly overrun by the Communists, the Farmers' Bank of China has decided to float its first groups of 4 per cent land bonds in certain experimental hsien in North Kiangsu province, namely, Hwaiyin, Tungtai, Sutsien, and Jukao.

The issuance of land bonds, which implements Articles 7 and 8 of the Regulations Governing Land Redisposition in Pacification Areas, aims primarily at an equitable settlement of title disputes resulting from illegal land redistribution during the Communist rule. With the interests of land owners and actual tillers jointly considered, the Government deems it justifiable to place illegally distributed land under Government control and lease it to all who want to till it. At the same ^{time}, land-owners will be compensated for their expropriated property by land bonds of corresponding worth.

Since land worth is assessed on the basis of the land's productivity, the value of the bonds accordingly is denoted in terms of tan, (a unit for weighing crops which is equivalent to 107.24 pounds.) The bond shares are in denominations of 1, 5, 10, 50 and 100 tan. For the present, a total of 1,000,000 tan bonds of different denominations have been printed and are ready for issue.

The bonds will be liquidated annually over a period of 15 years. Payments will be in dollars at the prevailing value of the tans concerned. In the liquidation of debentures, the Farmers' Bank will have to rely partly on taxing those who lease and till the land, through the local governments concerned. Bonds may be used as mortgages and securities in business transactions. -- END.

LOANS MADE TO BOOST NORTHEAST FOOD PRODUCTION

To increase production of foodstuffs in the war-ravaged Northeastern districts of Chongtu, Szeping, Kaiyuan and Changwu, the Northeast Economic Commission is extending a loan of \$ 50,000,000 to each of them, said Pan Chien-liang, special commissioner of the Ministry of Agriculture and Forestry in the Northeast, who returned to Nanking recently to report on his work.

Grants from these loans go to those: 1) whose sons have been taken away by the Communists, 2) whose wagons and horses have been looted by the Communists and 3) whose homes and farms have been ravaged by the war.

In addition, the Chinese National Relief and Rehabilitation Administration is transporting five tons of fertilizers and 1,000 sets of agricultural implements to the Northeast to be distributed free to farmers in Szeping, Chongtu and Kaiyuan.

The Communist occupation is responsible for the food shortage in the Northeast, said Kuo Yuan, member of the Northeast Economic Commission, who estimated that 3,200,000 tons of foodstuffs have been lost in battles since the Japanese capitulation. Mr. Kuo said that for the months of July, August and September, the Northeast will be still short of 410,000 tons of foodstuffs.

Before the outbreak of the Sino-Japanese war, there was a favorable balance of trade in the Northeast, the main export items being broad beans, bean oil and bean cakes. After the Japanese occupied the Northeast, this condition was reversed, with an excess of imports over exports. This excess has become even more marked since the surrender of the Japanese.

In 1944, the Northeastern provinces produced 1,592 metric tons of cereals, while 1,314 metric tons were consumed in that area. Last year, 400 tons of cereals were produced in the recovered areas of the Northeast where 441 tons were consumed.
-- END.

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
Tel. 46389 Ext. 19

Shanghai, China
No. 368
31 July 1947

FOR IMMEDIATE RELEASE

The United Nations Relief and Rehabilitation Administration has suspended all shipments to both Communist and Nationalist areas of North China pending the negotiation by its China Office of more satisfactory arrangements for distribution of a fair share of the UNRRA program to Communist controlled territories in China, UNRRA Headquarters announced today in Washington.

This suspension went into effect from twentyeight July. It applies to all areas of China (including Manchuria) North of the thirtyfourth parallel - thus including all of China's active war zones. All supplies destined for Communist areas, and for Nationalist-held areas of North China, are being impounded in the custody of the UNRRA China Office.

The action followed a statement by the Chinese Government that it was no longer able to protect the distribution operation in war zones, thus stopping the movement of UNRRA supplies into Communist territory. UNRRA noted that its principles of equitable distribution make it essential to distribute supplies on both sides of China's fighting lines in order not to discriminate against any group of needy Chinese and brought the matter to the attention of the UNRRA Committee of the Council for the Far East. This Committee, after investigations, made recommendations to the UNRRA Central Committee, the group of member Governments which decides questions of major policy affecting the work of UNRRA throughout the world.

The UNRRA Central Committee then directed UNRRA to suspend shipments and to place before Generalissimo Chiang Kai-Shek a new plan for shipping into Communist-held territory the 50,000 tons of supplies still undelivered out of the 83,000 ton program previously agreed upon.

The new UNRRA proposals are:

1. To consider Chefoo as a "closed port" under the laws of war during three specified weeks in August, September and October - thus enabling UNRRA to get into Chefoo liberty ships filled with UNRRA relief and rehabilitation supplies. A part of the same proposal is that the Communist authorities would guarantee not to use Chefoo for any military activity including supply shipments while UNRRA ships are in port.

(MORE)

2. To ship 25,000 tons of supplies from Tientsin down the Grand Canal into Communist held territory in two 2-week "blitz" delivery operations, the first in September, the other in October and November. This would involve cessation of hostilities along the Grand Canal from Tientsin south to Potou during the specified periods.

Efforts are also being made to find a working arrangement which will enable continuation of the Yellow River Project which is of such vital concern to millions of Chinese. As a result of the position now reached these operations are at a standstill. If plans along these lines are agreed to by the Government, the China Office of UNRRA has been instructed to secure the necessary guarantees from the Communist leaders.

The Central Committee has set a fifteen-day deadline for agreement by both the Chinese Government and the Communist leaders to this plan. After expiration of this time limit, either the plan will be put into effect, or the future of the China program of UNRRA will be reconsidered by the Central Committee.

The steps announced today by UNRRA followed months of negotiations between the UNRRA China Office and the Nationalist Government directed toward assuring equitable distribution of relief supplies on both sides of China's fighting lines, in order not to discriminate against any group of needy Chinese, while safeguarding the lives of the UNRRA and CNRRA employees engaged in the work. In spite of continued assurances of cooperation by the National Government, there have been several attacks by the Nationalist Air Force on relief ships carrying supplies to Communist ports, and many interferences with the movement of UNRRA supplies and personnel into Communist-controlled areas, including supplies needed in the repair of the Yellow River Dikes. Communist military activity has also on occasion interfered with the distribution of relief and rehabilitation supplies.

Shortly after the issuance of the general mobilization order, the Government requested the removal of all UNRRA workers from Communist areas along the Yellow River and subsequently declared the ports of Chefoo and Shihchiuso closed by naval blockade. It had also been made impossible to use the route southward from Tientsin down the Grand Canal, and restrictions had been placed on the unloading of trucks and other equipment at the port of Yangchiakou.

CNRRA AIR TRANSPORT - PUBLIC RELATIONS
Telephone 34200. Ext. 109.

Shanghai, July 31, 1947.

NOTE TO EDITORS AND CORRESPONDENTS:

Since the text of General Chennault's Air Force Day address already has been circulated as an advance for publication after 3 p.m., Friday, August 1, it is necessary to advise you that the address will not be broadcast over the Armed Forces Radio Station, XMAG, as previously announced.

XMAG has informed us that the record is being withheld.

General Chennault believes therefore it may be inappropriate to publish the speech.

CNRRA AIR TRANSPORT
PUBLIC RELATIONS

Government Information Office
Daily Bulletin No. 52
July 31, 1947.

1. Extension of Trumanism & Marshall Plan To China Urged
2. Japanese Peace Treaty
3. 32 Death Charges
4. Half Of Yenai Population Returned
5. Use Of Foreign Deposits Of Chinese Citizens

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

EXTENSION OF TRUMANISM AND MARSHALL PLAN TO CHINA URGED

The Shanghai Shun Pao today, commenting on the American policy towards China, hopes that the United States will extend the application of Trumanism and the Marshall Plan to China and the Far East.

The United States has her consistent policy towards China, which is to support a strong, independent China. The present chaotic condition within China originated in the Yalta agreement to which the United States was a party, the paper states. Therefore, the United States is morally obliged to more firmly execute her consistent policy and assist in unifying and strengthening China. In doing so, the American Government must give full support to the universally recognized National Government of China.

From a historical point of view, the American policy towards China, represented by the Open Door Policy, the sponsoring of the Washington Conference by the American Government and Secretary of State Stimson's declaration after the Japanese entered the Northeast, has always aimed at unholding a strong and unified China, the paper says.

Now, the Chinese Communists have ostracized themselves, and the Chinese people, with firm determination, are supporting the National Government's suppression of the Communist rebellion in order to restore peace within the country. Thus, not only will the enforcement of the consistent American policy in China be beneficial to the United States, but it will also fulfill the wishes of the Chinese people, the paper concludes. -- END.

JAPANESE PEACE TREATY

The Shanghai Ta Kung Pao points out today that the pending preliminary meeting for the discussion of peace treaty with Japan gives China a rare opportunity to demand justice for herself and prevent further foreign aggression.

China, the paper says, has very few common interests with either the Soviet Union, Great Britain or even the United States, in her relationship with Japan. Being somewhat 'isolated', she should make her own interests clear and keep the veto power intact, Ta Kung Pao urges.

Concluding, the paper suggests, that China, long the victim of Japan's militarism, should be the site of future meetings for concluding the peace treaty with Japan. -- END.

THIRTY-TWO DEATH CHARGES

Communist ruthlessness is once again revealed in a secret order recently captured on the Central Shantung front, in which the rebel leader, Mao Tze-tung, orders persons on the following 32 categories be put to death.

1. Anti-Soviet Union elements.
2. Pro-Chiang elements.
3. Persons who are not friendly to the Communist Party, or who refuse to accept Communist directives.
4. Anti-Communist elements.
5. Deserters from the Communist Party.
6. Persons who oppose the Communist Party.
7. Persons who betray the secrets of the Communists.
8. Persons who do not maintain relations with the Communists.
9. Those who do not report enemy activities known to them.
10. Those who refuse ^{to}/take part in Communist activities.
11. Organizers of Kuomintang activities.
12. Kuomintang special service men.

13. Members of the Kuomintang.
14. Persons who organize public or private bodies for the Kuomintang.
15. Those who have received higher than primary school education in Kuomintang areas.
16. Officers and military personnel in the nationalist Army
17. Those who have served in the Nationalist Government in non-salaried positions.
18. Reporters and correspondents (presumably on Kuomintang newspapers)
19. Other newspaper employees (also presumably on Kuomintang papers.)
20. Staff members of business firms.
21. Those who hold responsible positions in factories.
22. All who have rendered military service under the the Nationalist Government.
23. Those who held offices in the Manchu regime.
24. Persons in grotesque clothes.
25. Soldiers who go insane.
26. Persons aged above 70.
27. Possessors of large fortunes.
28. Big business.
29. ^{Big} money lenders
30. Creditors seeking payment on their loans.
31. Those who conduct themselves improperly
32. Those who harbor improper ideas.

HALF OF YENAN POPULATION RETURNS

About half of the civilian population of Yen-an have returned since Government troops captured it four and a half months ago, a Central Daily News correspondent now visiting the ex-Red "capital" reported in his dispatch yesterday.

On the morning of March 19 when the Government troops entered Yen-an, not a single civilian was found inside the city. The same night, however, some 30 persons came back. A steady trickle was soon under way. Beginning May 1, people began to return in larger numbers. By late June there were already 7,327 persons in the city and 19,928 in the whole district of Yen-an.

Most of these people went in hiding because the Communists had told them that they would all be killed by the Government troops if they should stay behind. When they learned that everything in Yen-an was peaceful and quiet under Government rule, they decided to come home. -- END.

USE OF FOREIGN DEPOSITS OF CHINESE CITIZENS

Although the Chinese Government has attempted to make use of deposits held by Chinese citizens in foreign countries, it has met with practical difficulties, that have thus far frustrated its efforts, the Shun Pao's Nanking correspondent reported on July 28.

Quoting knowledgeable quarters, the correspondent put the total amount of such deposits in the United States at US\$ 350,000,000 instead of US\$ 500,000,000, estimated by foreigners. These same quarters commented on the problems as follows:

During the war, the Ministry of Finance formulated the Measures for Compulsory Borrowing of Foreign Exchange and Assets of Chinese Citizens, and, through the Ministry of Foreign Affairs, asked for the cooperation of the United States and British governments in this matter. They refused to comply with the request on the grounds that bank depositors in the two countries were never required to declare their nationalities, and that it was the responsibility of the banks to keep secret names of depositors and amounts of their deposits.

As such deposits were unfrozen after the end of the war, the problem became more difficult.

In February this year, when the Economic Emergency Measures were promulgated, the Chinese Government again consulted the U. S. and British governments about the problem. However, they restated in their replies that they could not reveal the names of bank depositors.

Although the American government in 1941 made investigations about foreigners' deposits and assets in the United States for the purpose of freezing them, it never disclosed the information collected. Now that deposits have been unfrozen, the Chinese Government can no longer make use of the results of the investigations.

Consequently, the Chinese Government can only ask its people to report voluntarily their foreign deposits to the Government in accordance with the Measures for the Registration and Report of Foreign Exchange and Assets of Chinese Citizens.

The United States Dollar Bonds issued by the Government can be bought with U. S. dollar deposits. It has been also suggested that special assistance should be rendered in the purchase of machinery in the United States with U. S. dollar deposits. Thus, Chinese citizens have been encouraged to use their foreign deposits in the promotion of national reconstruction.

In the Economic Reform Program recently passed by the National Economic Commission, it is stipulated that "foreign holdings of Chinese citizens shall be reported and registered for proper use within a specified time."

The above-mentioned facts show the Government's efforts to use the deposits held by Chinese citizens in foreign countries. Whether the Government will succeed depends partly on the patriotism of the Chinese nationals concerned and partly on the cooperation of friendly nations. -- END.

AGENCE FRANCE-PRESSE

NOTE TO ALL SUBSCRIBERS

Having failed in our repeated attempts at securing from our Shanghai clients subscription rates corresponding to the prevalent wage scale and other costs, we regret to announce that we have been instructed by our Paris Head Office today to suspend publication of our Chinese and English language news bulletins as from tomorrow, August 1.

While temporarily closing our news distribution department here, we wish to thank all our subscribers for their valuable patronage in the past and sincerely hope they will again extend it to us in the future as soon as publication of our news service on a non-deficit basis becomes possible.

AGENCE FRANCE-PRESSE
Shanghai Office

July 31, 1947.

The Shanghai Newsletter

Vol IV., No. 6

Aug. 1, 1947

Dear Friends,

Highlighting last week's events was the story of the Fu Chung and Yangtze Development Corporations.

The Central Daily News in Nanking reported, and was quoted by United Press' world-wide service that US\$334,496,792, or 87% of the total US\$383,564,501.90 released to businessmen between March 4, 1946, and February 1, 1947, was sold to Fu Chung and Yangtze Development.

The public was astonished at this frank revelation of the long-rumoured favouritism toward the Soong and Kung families. This was soon replaced by another bombshell. The very next day after the first publication of the above, the Nanking Central Daily News proclaimed it had made a grave error -- the decimal points had been misplaced. It wasn't US\$334 million, but US\$3 million that led off the figure of foreign exchange released at the official rate to the two favored concerns.

In other words, those two concerns, although long accused by the press as favored business and bureaucratic capital of the worst type, had merely received .87% of the total foreign exchange granted, not 87%.

The public was puzzled. Could Fu Chung and Yangtze be branded "favored firms" if they had indeed played so small a role in China's import business? Had the public wronged them by calling them favored firms?

According to well-informed sources the figures of foreign exchange obtained by Fu Chung and Yangtze were not the result of someone's investigation but were provided to the Ministry of Finance by the two corporations themselves. Soong and Kung have been bosses of Minister of Finance C.K.Yui. He wouldn't get tough with them, but accepted their own reports as correct. It is believed that the amount of foreign exchange granted to Fu Chung and Yangtze was considerably larger than the now alleged and advertised .87%.

That is the reason for Commissioner Wang Kuon-wu's statement. He, a member of the Control Yuan, was assigned to investigate the Fu Chung and Yangtze corporations. To the press he said: "The significance of this investigation is far greater than I expected."

That Fu Chung and Yangtze once again became the target of violent attacks is the work of the CC clique: to discredit Soong and Kung at a time when the Wedemeyer Mission is "studying" the China scene. The CC campaign against Soong and Kung is coordinated with the furious protests made to Wedemeyer by American business in China, regarding the special privileges enjoyed by favored firms.

The Nanking Central Daily News is no doubt a CC clique organ. It was the one which first published the Fu Chung-Yangtze exposé. The report was fully carried the next day by the Shun Pao, another CC mouthpiece. And when Fu Chung and Yangtze protestations showed they had received only .87%, the Shun Pao editorially suggested that the Central Bank of China make public complete lists of all firms and amounts of foreign exchange secured by each, presumably convinced that this maneuver will corner the Soong and Kung couple.

(more*)

Aug. 1, 1947

The CC clique, powerful politically, has long felt its economic impotence. That is why -- strange as this may sound -- it has numerically attacked bureaucratic capital. The clique opposes bureaucratic capital as long as it is in the control of other bureaucrats.

Already the CC clique has been successful in elbowing out Soong and Kung from dominant economic positions. The Farmers Bank, for instance, and the treasuries in Nanking and in provincial capitals, now have become the bureaucratic capital of the CC clique.

Thus, even if Kung and Soong are elbowed out of their roosts in China's economy, it will benefit no one except the CC clique, which, with its acute anti-foreignism probably will be even worse a taskmaster.

THE GENDARME-POLICE FRICAS

There was a shooting match between the gendarmeries and the local police recently. The clash occurred when a gendarmerie officer was irritated by the refusal of a police constable to obey his orders. The unarmed policemen were ruthlessly fired upon by the gendarmes and more than ten policemen and civilians were killed during the massacre.

Greatly humiliated, the police staged a strike on the next day. This was the first strike after issuance of the general mobilization order by Nanking. Truckloads of policemen paraded through the streets to appeal to the population for support. Leaflets denouncing gendarmerie brutality were distributed by the police.

No more than two months ago these policemen brutally squashed the student demonstrations. Now they themselves employ student tactics!

Wherever armed forces are maintained against the people -- not by the people -- such cases as this are liable to occur with great frequency. There was complete disregard for private property (the Golden Castle theater was completely ransacked) and for civilian lives (several pedestrians were killed when gendarmes opened fire into the crowd.) And the territory still held by the man who yells all the time about the "bandit" menace to private property.

THE YOUTH PARTY - TRAITOR OF THE PEOPLE

The Youth Party has petitioned Wedemeyer for immediate assistance to Nanking. The party assured Wedemeyer that China is now truly democratic. Example: Youth Party takes part in "multi-party" government.

Ice Cream and Bread Rolls

At Wedemeyer's advice Hazelwood, ice cream manufacturer, and Bakerite, bread factory, are being purchased by Nanking to improve army food manufacture.

All this purchase will effect, we'll wager, is fill kitchens of government officials with more ice cream and bread.

End

CNRRA AIR TRANSPORT --- PUBLIC RELATIONS
Telephone 34200. Ext. 109.

Shanghai
General Release 010847

Nanking --- The conservatism "that sits at polished desks and in legislative halls at Washington" is one of the greatest foreseeable hazards to the development of American air power, Maj. Gen. C. L. Chennault (retired) said in a short address recorded for broadcast today (Friday, August 1) over XMAG, the American Armed Forces radio station at Nanking, in observance of American Air Force Day.

"It is the penny-wise and pound-foolish conservatism of politicians that would rather spend hasty billions in wartime to catch up than invest millions in peacetime to keep abreast of technical advance," the former chief of the Flying Tigers declared.

"It is the conservatism of those charged with planning our preparedness who once saw aircraft only as a means of reconnaissance and observation and not as a superlative weapon.

"It is the conservatism which once grunted "Impossible!" at the idea of a machine-gun synchronized to fire through the arc of a propeller blade.

"It is the conservatism that saw us into the Second World War with the P-40 as our only ready challenge to the Zero and the Messerschmitt.

"It is the conservatism that prepares for the possibility of the next war with the weapons and the tactics of the last.

"Its other names might be traditionalism and inertia. The first of these is a synonym for backwardness and the second is a fancy word for laziness. Neither should be allowed to characterize any aspect of our national defense.

"The United States can ill afford any lag between technical developments in the air and their practical application to our national defense. And we can much less afford to ignore these developments, as we have tended to do several times in the past.

"There was a time when we could dawdle and quibble and postpone. That time is fast running out. The American system of free enterprise which has always made possible the greatest advances in every field is now yielding a rich return in air potential. Let us not waste it."

The general's speech was recorded at Shanghai by radio station XORA under an arrangement by John Townsend Fitch, program director of XMAG, who went to Shanghai for that purpose.

CNRRA AIR TRANSPORT --- PUBLIC RELATIONS
Telephone 34200. Ext. 109

Shanghai
General Release 010847-A

(Advance for publication after 3 p.m., Shanghai time, Friday, August 1.)

(Editors and correspondents: The full text of General Chennault's Air Force Day speech follows, for your information or publication if desired. After 3 p.m., Shanghai Time, Friday, August 1.)

Nanking --- First add Chennault Air Force day speech X X X for that purpose.

The following is the full text of General Chennault's address:

"I wish first to thank XMAG, the American Armed Forces radio station at Nanking, for the invitation to address you briefly on the occasion of American Air Force Day.

"It is a day on which to recall with pride the past achievements of the newest arm of our national defense but it is also an appropriate time to consider its responsibility for the future protection of our national life.

"I believe it to be so fundamental as to be beyond argument that the airpower of the United States must be so maintained and so developed that it will be a constant and tangible insurance that American principles shall not only survive but prevail in this narrowing world of ours.

"This I call life insurance in the broadest possible sense - insurance of world peace and the American way of life.

"I do not want to deliver a fancy speech. I want to speak in the plainest possible terms and point out to you, as fellow Americans and fellow soldiers, one of the greatest foreseeable hazards to the development of our air power. It is foreseeable because it has always been with us and may still be with us.

"Yet it is a danger not readily detected in its specific forms. It is a danger that seldom makes the headlines and never gets into the communiques. It is a danger that may never be concretely revealed to the public at large until it is too late.

"I have seen this danger many times in the past and I still have no adequate and at the same time polite name for it. The nicest thing I could call it now would be official conservatism.

"I hasten to add that this is not the conservatism of our aeronautical^u designers, engineers and technicians. It is not conservatism at the drawing board or in the wind tunnel or at the test block or in the skies. No, that is not our problem or our danger.

"It is rather the conservatism that sits at polished desks and in legislative halls at Washington.

(MORE)

CNPRA AIR TRANSPORT --- PUBLIC RELATIONS
Telephone 34200. Ext. 109.

(Advance for publication after 3 p.m., Shanghai time, Friday, August 1.)

Nanking --- Second add Chennault Air Force day speech (text) (010847-A)
X X X at Washington.

"It is the penny-wise and pound-foolish conservatism of politicians that would rather spend hasty billions in wartime to catch up than invest millions in peacetime to keep abreast of technical advances.

"It is the conservatism of those charged with planning our preparedness who once saw aircraft only as a means of reconnaissance and observation and not as a superlative weapon.

"It is the conservatism which once grunted "Impossible!" at the idea of a machine-gun synchronized to fire through the arc of a propeller blade.

"It is the conservatism that saw us into the Second World War with the P-40 as our only ready challenge to the Zero and the Messerschmitt.

"It is the conservatism that prepares for the possibility of the next war with the weapons and the tactics of the last.

"Its other names might be traditionalism and inertia. The first of these is a synonym for backwardness and the second is a fancy word for laziness. Neither should be allowed to characterize any aspect of our national defense.

"The United States can ill afford any lag between technical developments in the air and their practical application to our national defense. And we can much less afford to ignore these developments as we have tended to do several times in the past.

"There was a time when we could dawdle and quibble and postpone. That time is fast running out. The American system of free enterprise which has always made possible the greatest advances in every field is now yielding a rich return in air potential. Let us not waste it.

" That is the solemn but hopeful thought I would leave with you on American Air Force Day."

-- END --

1. Urge Support Of Food Program
2. UNRRA Proposal
3. Army Food Supply Ensured

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

URGE SUPPORT OF FOOD PROGRAM

The Nanking Central Daily News today, editorializing on the National Food Conference adjourned yesterday, urges complete support of the Government's program to secure sufficient food supplies for the army through taxation in kind and compulsory **borrowing of foodstuffs**.

The most pressing problem **confronting** the Government now is how to hasten the suppression of the Communist rebels and save the people from their suffering, the paper says. If the people want to live a peaceful life, they must fully support the Government.

Collection of taxes in kind and compulsory borrowing of foodstuffs by the Government serve a dual purpose --to ensure food supplies to the armed forces and help stabilize food prices, says the paper. -- END.

UNRRA PROPOSAL

The Shanghai Shun Pao today urges the Government not to consider the UNRRA proposal of shipping relief supplies to Communist-controlled areas in North China.

The UNRRA China office announced yesterday shipments of relief supplies to Government or Communist-controlled areas in North China have been suspended because the Government cannot protect supplies transported there. In principle, the paper says, we agree that UNRRA should bring relief supplies to the Chinese people, in Government and Communist-controlled areas alike, without discrimination. However, the question is whether these supplies can actually reach the suffering people. In the rebel areas, the paper states, the people cannot even keep their own clothing or other daily necessities. Therefore, actually, UNRRA supplies transported to these areas serve no other purpose than to supply the Communist rebels. Now that the Government has decided to quell the Communists by force, it cannot permit such shipments.

UNRRA is different from ordinary charity organizations, the paper points out. It is charged with the responsibility of stabilizing social and economic conditions in the postwar world, and it must, therefore, pay special attention to the practical situations within the war-scarred countries. It has accomplished far less in China than in other countries, because UNRRA workers do not understand thoroughly China's internal situation, and they have not cooperated harmoniously with the Chinese Government -- END.

ARMY FOOD SUPPLY ENSURED

By C. W. Chien
Staff Writer

The National Food Conference, which adjourned yesterday after meeting for four days in Nanking, has approved a Government program to ensure adequate food supplies for the National Army through equitable procurement of foodstuffs.

Chang Chun, President of the Executive Yuan, introduced the Government program to the Conference, which was attended by governors, chairmen of provincial provisional councils and directors of land tax departments of all provinces.

The Premier set the goal of 80,000,000 piculs of foodstuffs to be collected from July, 1947, to June 1948. (A picul equals 113.23 lbs.) Half of these foodstuffs will be secured through land tax in kind and the other half through compulsory food loans, which will be repaid through deductions in land tax in kind prorated over a period of five years, and beginning July, 1952. It is estimated during this first year of the program, in addition to food allotments for government employees and school teachers, the army alone will need from 40,500,000 to 45,000,000 piculs of foodstuffs.

Delegates to the conference from famine provinces expressed fears that their people might be over-burdened. They said that some harvests are so poor that food supplies can just meet local requirements. As a result of these reports, the Program was modified, so that in provinces where no surplus food is available for exportation, money of comparable value may be paid instead of foodstuffs.

Other delegates to the Conference suggested simplification of procedures in the collection of food. Cases were cited in which for every picul of rice collected by the Government, farmers lost twice or even three times that much due to inefficiency or malpractices by food collectors. Members of the Control Yuan, in a memorandum to the conference, pointed out that in recent years,

there has been increasing concentration of land ownership in rural districts, which is contrary to the land policy of the Government.

After hearing the complaints, Yu Fei-peng, Minister of Food, promised that he would do his best to correct these undesirable developments in the countryside. Chairmen of provincial provisional councils were requested to submit any case of abuses in food administration to the Ministry for prompt redress. Big and influential landlords, who seek to withhold their share of foodstuffs, will be severely dealt with by law.

The policy of levying the land tax in kind and compulsory borrowing and purchasing of foodstuffs was first adopted by China in 1941 as an expedient and until the end of the war an average of 60,000,000 piculs of foodstuffs were thus collected annually without which the final victory could not have been won.

During the war, of every picul of food collected, 20 per cent went to the Central Government; 30 per cent, to provincial governments, and the rest was retained by the hsien governments for local demands. Because of the present urgent need for food, the approved Program calls for the total amount of food collected to be put at the disposal of the Central Government. The 80 per cent of food hitherto assigned to hsien and provincial governments will be paid for in cash by the Central Government and the hsien and provincial governments in turn will use these funds to buy food locally for allotment to civil servants and school teachers. -- END.

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No. 619

DAILY NEWS BULLETIN
(EVENING EDITION)

August 2, 1947

HIGH U. S. WHEAT ACREAGE GOAL SET FOR 1948

WASHINGTON, Aug. 1 (USIS) -- The high U.S. wheat acreage of 75,000,000 planted acres (30,352,500 hectares) has been set as the national production goal for 1948, the Department of Agriculture announced today. The Department stated that the high acreage is desirable because the need for exports to meet world food shortages continues urgent. The rye and potato acreage goals for 1948 also were announced.

Wheat acreage, the fourth largest U.S. wheat farmers have ever planted, would produce about 1,070,000,000 bushels (377,068,000 hectoliters) if the average yield approximates the 1937-41 average of 14.3 bushels per acre (1.244 cubic meters per hectare). If, however, the yield should approximate the 1942-46 average of 16.3 bushels per acre (1.418 cubic meters per hectare), production would be about 1,221,000,000 bushels (430,280,400 hectoliters).

The 1948 goal is about the same as the 1947 indicated acreage, excluding volunteer wheat, but is eight per cent larger than the prewar 1937-41 average.

The rye goal is 2,300,000 acres, which is 347,000 acres larger than the acreage indicated for harvest this year. With average yields, rye production would be about 27,000,000 bushels more than this year's indicated production. The Department said the 1948 acreage goal would permit some rye exports, and that the quantity probably will be small in view of the better supply position of other grains.

The total potato goal for 1948 is 2,370,000 acres, with a suggested commercial acreage of 1,512,000. Commercial acreage is defined as that on farms having three acres or more of potatoes. The commercial goal for next year is the same as the 1947 commercial goal. Yield from the total potato acreage would be approximately 375,000,000 bushels.

U. S. FATS AND OILS PRODUCTION SHOWS INCREASE

WASHINGTON, Aug. 1 (USIS) -- U.S. factory production of fats and oils from domestic materials was about ten per cent larger in the first half of 1947 than a year earlier, the Agriculture Department announced tonight.

said

The Department's outlook report that U.S. imports of fats, oils, and oilseeds will be larger in 1947 than in 1946, when 966,000,000 pounds were imported. For the first five months of 1947, 698,000,000 pounds were imported. The main increases were in copra and tung oil.

so

Indicative of how America is directing its agricultural economy/as to help relieve the world shortage of fats and oils, the Agriculture Department reported that the U.S. planted acreage of oil-bearing crops this season is 42,300,000 acres, compared with 36,200,000 acres in 1946. The oil equivalent of the 1947 oilseed crops, assuming average yield, is forecast at 17 per cent more than in 1946.

U. S. export allocations for the current quarter (July-September) have been announced at 153,000,000 pounds of fats and oils. This includes 43,000,000 pounds for the U.S.-U.K. occupied zone in Germany and for the U.S. foreign relief program. Commercial export allocations for the current quarter (July-September) include: 35,000,000 pounds of lard, 3,000,000 pounds (fat content) of margarine; 46,000,000 pounds of shortening and edible oils; 15,000,000 pounds of inedible fats and oils; and 11,000,000 pounds (fat content) of soap.

The report said that export policy for the fourth quarter of the current year has not been determined.

August 2, 1947

WEDEMEYER SPENDS BUSY DAY IN PEIPING

PEIPING, Aug. 2 (USIS) -- Lieutenant General Albert C. Wedemeyer this morning paid formal calls upon General Li Tsung-jen, head of the Generalissimo's headquarters for the Peiping area; General Sun Lien-chung, provincial chairman and chief of the Paoting Pacification Bureau; and Mayor Ho Ssu-yuan of Peiping.

In the afternoon, he received visits from the Rev. Earle Ballou, head of the American Board Mission; Dr. William Adolph, acting president of Yenching University; Dr. Mei Yi-chi, president of Tsinghua University; Dr. Hu Shih, president of Peiping National University; and from three members of the Social Democratic Party.

In addition, throughout the day, there were brief conferences with American personnel at the consulate, the members of General Wedemeyer's mission engaging in individual discussions of specialized subjects in which those members are serving as advisers.

Lunch was informal. In the evening, the mission attended a buffet supper at the consulate at which a number of Chinese officials, American and other foreign residents and members of the diplomatic community were present. After supper, there was a resumption of mission discussion.

INDONESIA TO ATTEND TRADE CONFERENCE IN CUBA

WASHINGTON, Aug. 1 (USIS) -- The Indonesian question came up in the UN Economic and Social Council when India made a successful fight to have the Indonesian Government invited to attend the international trade conference at Havana on November 21.

The Indian proposal, supported by Latin American and Arab delegates, was approved six to four.

Add to Sheet 4 (Marshall Reports etc.):

Operations to-date:

As of June 30, 1947, approximately US\$4,358,000,000, at original cost, of surplus property had been declared in the Pacific-China area. Of this amount, US\$3,599,000,000, or 83 per cent, has been disposed of. Realization to the United States amounts to US\$649,000,000, representing a return of 21 per cent on the original cost of property sold.

Approximately US\$750,000,000, at original cost, of surplus property remained on hand and available for disposal as of June 30. Approximately US\$350,000,000 consists of maritime property and equipment, most of which is located in the Philippine area. Fixed installations with an original cost of US\$72,000,000 are also included in this unsold inventory.

Future operations:

Present indications are that approximately US\$550,000,000 worth of surplus property will be declared to OFLC after July 1, 1947. Most of this property, however, will already have been committed for sale to the Chinese and Philippine Governments under their bulk sale agreements.

The main sales problem which will confront OFLC in future will be in connection with the disposal of maritime property and equipment, most of which is in the Philippines. Concerted efforts will be made during the next six months to dispose effectively of all maritime equipment and property. It is anticipated that maritime disposal operations in China can be substantially completed within 60 days.

A continuing problem for OFLC will be that of effecting deliveries and transfers of all surplus property being acquired by China, the Philippines, and Korea under their respective sales agreements. It appears that at least 15 months will elapse before all deliveries can be completed.

August 2, 1947

SECURITY COUNCIL CALLS ON DUTCH, INDONESIANS TO STOP FIGHTING

LAKE SUCCESS, Aug. 1 (USIS) -- The United Nations Security Council tonight called upon the armed forces of the Netherlands and the Republic of Indonesia to cease hostilities forthwith. It also called upon them to settle their disputes by arbitration or by other peaceful means and to keep the Security Council informed about the progress of the settlement.

The action was taken on a U.S. proposal, with a Polish amendment. These operational parts of the resolution were adopted in the course of three separate but identical votes of eight to zero, with Belgium, France and the United Kingdom abstaining each time.

The Netherlands Government told the Security Council that it was ready to accept the resolution which "invites" the Dutch and Indonesians to cease hostilities immediately, but would object to such an order from the Council. Dr. Felco N. van Kleffens, Dutch ambassador in Washington, made the announcement to the delegates after conferring with The Hague by trans-Atlantic telephone. He did not elaborate on his points.

On the preamble -- in which the Security Council noted "with concern the hostilities in progress" between the opposing armed forces -- there were four abstentions. The Soviet Union joined Belgium, France and the United Kingdom in abstaining. But the preamble was approved with the required seven affirmative votes.

Some delegations -- including that of the United States -- announced that they were reserving their positions on the competence of the Security Council in the matter, since the question of the sovereignty of the Indonesian Republic was not settled.

A clause, originally suggested by France, that the Security Council specifically state in the resolution that it was not in any way deciding the juridical question concerning its competence in the matter, failed to get the seven votes required for approval. On that clause, there were only five affirmative votes -- by Belgium, Brazil, France, the United Kingdom and the United States -- and six abstentions.

A Soviet amendment, saying that the armed forces of both sides should be withdrawn immediately to the positions they occupied before the beginning of military operations, also failed of approval. Only Poland and the Soviet Union voted in the affirmative, and the other nine members abstained.

Council President Faris el Khouri of Syria announced that the Secretariat would be instructed to notify the Netherlands Government and the Republic of Indonesia immediately of the Council's action on the Indonesia matter.

Soviet delegate Andrei A. Gromyko explained that he favored the resolution in general, but he called it "weak and insufficient."

The Council will meet again on Monday to resume discussion of the Balkan dispute.

(END OF EVENING SERVICE)

CHINESE PRESS REVIEW

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American Consulate General, Shanghai, China

No. 414 ----- August 2, 1947 -----

EDITORIAL COMMENT

Military Situation in Shantung

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

By now all the Communist bandits in Shantung Province have been forced to shift frequently from one place to another. However, we cannot yet say that they will soon be forced to cross the Yellow River and to enter Hopei Province and that, therefore, the Government troops can afford to relax their vigilance. This is because as soon as they abandon Shantung, the contacts between the Communist bandits in China Proper and those in the Northeast will be cut off. Moreover, if the bandits cross the River and leave their home, they will immediately disintegrate.

In a word, today the Communist bandits in Shantung are faced with the danger of annihilation, and the total collapse of the Communist bandits in China Proper will also take place soon. If only the Government troops can avail themselves of the opportunity and if they do not in the least relax their efforts, they will be able to bring the campaign to a successful conclusion, thus delivering the people from fire and water. (Summary)

* * *

Bandit-suppression Situation Viewed from Big
Victory at Linchu

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

During the past few weeks, in the fighting in both the plains and the mountainous regions in Shantung, although the bandit troops have offered extremely stubborn resistance to the Government troops, yet they have been unable to escape the tragic fate of a total collapse. Today, all the bandit troops in Shantung Province have been reduced to mere roving bands, and they are unable to re-establish their base in the mountainous regions in central Shantung. However, they will not lightly give up the seaports in East Shantung through which they supply their forces in North China. Eventually, they will doubtless make an attempt to re-establish their base in Shantung peninsula and the Tengchow-Penglai mountainous region, so that they can continue to keep in contact with Port Arthur and Dairen. Since the Government troops have won a major victory at Linchu, which is one of the most glorious victories won since the beginning of the bandit-suppression campaign, they will undoubtedly be able to complete their task. We earnestly hope that the Government troops will exterminate the remnants of the bandits in East Shantung and that they will then turn north to Hopei Province, so as to cut off the bandits' corridor on the coast, thus completing their strategic position in North China. It is with great zeal that we are looking forward to a second and a third big victory like the one won at Linchu. (Summary)

* * *

The Decision to Re-open Trade with Japan Is a
Wrong One

Shang Pao (C.C. Commercial Organ), Shanghai
August 2, 1947

Since the re-opening of trade with Japan, which is opposed by industrial and commercial circles throughout the country, was approved by the Central

Political Council day before yesterday and by the State Council yesterday, it has now become an unchangeable fact. However, speaking from the standpoint of industrial and commercial circles, we feel that in deciding to re-open trade with Japan at this time, the Government has not given the matter a sufficient amount of careful consideration.

We wish to call attention to the fact that Japan's plan for trade with China, which she has used as a trial balloon, aims at getting more than US\$55,000,000 from China in the form of a favorable balance of trade with China during the three and a half months ending December 31, 1947. Now that the Government has decided to re-open trade with Japan, it is possible that the investigation group will be leaving China for Japan in half a month's time. After that, those business men who want to get rich quick through speculation, will undoubtedly go to Japan to make purchases. In less than a month Japanese goods will begin arriving in this country and will be put on the market for sale. They will undoubtedly deal a heavy blow to Chinese products.

Some people have said that the re-opening of trade with Japan was first proposed by General MacArthur and then carefully studied by the various Allied nations, so that it has undoubtedly become a common action on the part of all the Allied nations which waged war against Japan. With this statement we certainly cannot agree. We are fundamentally opposed to the decision reached by the Far Eastern Commission, and we feel that this decision is not binding upon China. Furthermore, we are a nation that occupies an unfavorable position in international trade and cannot compare with Britain or the United States. If you do not believe it, wait and see the evil consequences which will arise after trade with Japan is re-opened. In conclusion, we wish to say that in deciding to re-open trade with Japan, the Government has made a grave mistake. (Summary)

* * *

A Wise Decision Made

-- The timely re-opening of trade with Japan is designed to alleviate the crisis facing Chinese products --

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

Although there has been a wide divergency of opinion regarding the question of re-opening of trade with Japan, yet the State Council has decided to approve it. From this it can be seen that the Government is far-sighted, that it has refused to be influence by the views of a small number of people, and that it has been able to see the real interests of the people. This is really a wise decision made. The Chinese industrialists ought to support this policy and unite in trying to emerge victorious from trade with Japan. (Summary)

* * *

Re-opening of Trade with Japan

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

The re-opening of trade with Japan was approved by the State Council at its meeting yesterday. There are two important things to which we should pay close attention and which we should study: (1) What types of goods we should export to and import from Japan? (2) Who should make up the projected investigation group to Japan?

We feel that only those materials which we do not produce ourselves or which we produce in very small quantities should be imported. As to exports, we should export only those articles of which there is a surplus or which we do not need ourselves.

As to the personnel of the investigation group, we feel that they had better be selected by the Chinese industrialists themselves.

Many people are worried that as soon as trade with Japan is re-opened, there will be a steady influx of Japanese goods into China. However, at the present time when imports and exports are strictly controlled, it seems to us that such worry is uncalled for. However, smuggling of foreign goods is now rampant, and Hongkong, a transshipment port, is a serious obstacle to effective control of trade. It is earnestly hoped that after trade with Japan is re-opened, the authorities will take even more drastic measures, so that the limited imports from Japan will not become unlimited and unofficial re-opening of trade between the two countries. (Summary)

* * *

Whither the British Labor Party

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

The Marshall plan can almost be said to be something that will make possible the continued existence of Great Britain. In an effort to make possible the carrying out of this plan, Britain has gone so far as to discontinue the Anglo-Soviet trade talks. However, it is still hard to tell just how helpful this plan will be to Britain and when it can be implemented. The Labor Party is not quite sure that Britain will be able to tide over the coming winter.

This grave situation has deepened the internal dissension within the Labor Party. The leftist elements of the Party feel (1) that it is not worthwhile for Britain to pay too high a price for U.S. aid, (2) that Britain should obtain foodstuffs from the Soviet authorities by barter, so that she should adopt a policy of being equally friendly to the United States and Soviet Russia, and (3) that Britain should drastically reduce the number of British troops stationed abroad, so as to cut down expenditures and to increase the amount of manpower available. The fact that Prime Minister Attlee has suddenly announced his determination to reduce the number of troops can be regarded as a victory for the Opposition.

In our judgment, whether or not Britain will change hinges on the United States. If the members of the U.S. Congress cannot have a larger vision and continue to lay too much emphasis upon immediate advantages, so that they refuse to extend a large amount of aid to Britain, we are afraid that there will eventually be a day when Britain will quit the Western bloc. (Summary)

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U.S. Dollars, Manpower and Britain

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

Two months have elapsed since the British Labor Party's Annual Conference closed, and the Laborite Government is now faced with another economic crisis. What the British lack now is U.S. dollars and manpower. Because she lacks U.S. dollars, Britain has been unable to import foodstuffs and industrial raw materials, and because she lacks manpower, she has been unable to increase her industrial production. The Marshall plan will, on the one hand, alleviate Britain's economic difficulties and, on the other hand, make it possible for the United States to escape any unfavorable effect which Britain's economic crisis may have on her. The plan for economic aid to Europe will probably be completed before the next summer, and we believe it will not be too difficult for Britain to tide over the brief period between now and then.

The British Government has now drawn up a plan for economic recovery. It has placed before the British people all the fundamental causes for the present economic difficulties, so that they may know in what direction they should strive from now on. At the same time, the Labor Party's socialistic reforms are being positively carried out. While the road ahead of the British is indeed difficult, yet their future is a bright one.
(Summary)

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Other editorials not translated:

Dated August 2, 1947

Tung Nan Jih Pao, Shanghai	--	How to Suppress the Practice of Beating Up People
Cheng Yien Pao, Shanghai	--	The Main Problem of the Bandit-Suppression Campaign
Chien Sien Jih Pao, Shanghai	--	On the Reported Plan of Issuing New Currency Notes
Lih Pao, Shanghai	--	Let Us Interpellate the Waichiaopu Authorities
Yi Shih Pao, Shanghai	--	National Unity Should Be Achieved Without Killing
Chin Yung Jih Pao, Shanghai	--	The Results of the National Food Conference
Chung Hwa Shih Pao, Shanghai	--	On the Fu Chung Corporation and the Yangtze Development Corporation Cases

* * *

POLITICAL NEWS

Governor of Liaopei and Government Department Heads
Tender Resignation en Bloc

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

Mukden, August 1---Governor Liu Han-tung of Liaopei Province and various heads of provincial government departments tendered their resignation en bloc because of manifold difficulties confronting their task. President Chiang Kai-shek wired them asking them to remain on their posts. Governor Liu and the other officials are scheduled to return to Szeiping on August 2.

* * *

Gen. Li Chung-Jen Returns to Peiping

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

Peiping, August 1---Gen. Li Chung-jen, Director of the Generalissimo's Peiping Headquarters, together with Wu Chi-wei and Hsu Chi-ming, newly appointed Deputy Director and Chief-of-Staff respectively, arrived here from Nanking by plane this noon. He told the reporters at the airfield that the reports on the possible reshuffle in the personnel of the military and administrative set-up in the North and on the separation of the pacification and bandit-suppression set-up are unreliable.

Wang Hung-shao, former Chief-of-Staff of the Headquarters, resigned from his post in order to take part in the election as a candidate for Legislative Yuan membership. He naturally cannot take up the post of Deputy Director of the Headquarters.

Gen. Li. revealed that the Central authorities are greatly concerned about the situation prevailing in the North and he expected that the Government forces there will be reinforced. The report that the Ministry of National Defense will set up another command in Peiping and a bandit-suppression headquarters of the Hopei-Chahar-Jehol-Suiyuan area is also groundless. The report on the swap of Governor Hwang Hsu-chu of Kwangsi and Governor Li Pin-sien of Anhwei is absolutely untrue, Gen. Li said.

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Says Wedemeyer Intends to Visit Kalgan and Dairen

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

Peiping, August 1---Gen. Li Chung-jen disclosed to reporters that Gen. Wedemeyer had expressed wish to visit Kalgan and Dairen.

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Mayor of Dairen to Present
Reference Materials to Wedemeyer Re Dairen

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

Peiping, August 1---Kung Hsueh-sui, Mayor of Dairen, will return to Mukden on August 2. He will present reference materials to Gen. Wedemeyer re Dairen when the latter arrives in Mukden.

* * *

Wedemeyer to Make Inspection Tour to Fushun

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

Mukden, August 1---Gen. Wedemeyer will come to this city on August 4 or 5 and will make an inspection tour to Fushun.

* * *

Wedemeyer to Visit Hankow on August 18

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

Hankow, August 1---According to a Nanking dispatch received here today, Gen. Wedemeyer, U.S. Special Envoy to China, and his suite will come to this city on August 18 for a fact-finding trip and also for gathering data on industrial and business conditions here. Upon being informed of this news, local industrial and commercial circles expressed their hearty welcome to the U.S. Special Envoy and will call a meeting of all quarters concerned shortly to discuss measures for collecting reference materials for him.

* * *

Situation in Sinkiang Becomes Stable

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

Lanchow, August 1---According to a Tihwa dispatch, the situation in Sinkiang has gradually become stable. There is no indication that the Lining inhabitants will take any action. The Tulufan and Shanshan incidents have already been settled.

The San Min Chu Yi Youth Corps led by A Sha, Secretary-General of the Sinkiang Provincial Government, is now organizing a large tourist group which will make a sightseeing trip to China Proper so as to enable the Sinkiang people, especially the youths, to have a proper understanding of the actual conditions prevailing in the country and to arouse their patriotic feeling. The group members totalling over 200 will include youths of various tribes.

* * *

Time Limit Set for Publication of Licensed Newspapers
and Periodicals

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

(Local News)---The Social Affairs Bureau yesterday announced that many local periodicals, upon receipt of their licenses issued by the Ministry of the Interior, procrastinated the time of their publication thus violating the provisions of the Publication Law. Henceforth, strict observance of the latter law will be enforced. All newspapers which, after receipt of their licenses for three months, still fail to issue their first numbers, will have their publication licenses cancelled, while the time limit for license expiration of periodicals is set at 6 months.

It is further learned that the local mosquito paper "Chiang Pao" has been ordered to suspend publication by the Social Affairs Bureau in conjunction with the Police because it published its first issue four months after the receipt of its license.

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MILITARY NEWS

Military Bases in Fukien and Chekiang Closed to
Foreign Tourists

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

Foochow, August 1---According to a notification issued by the Chuchow Pacification Headquarters, foreigners are prohibited from making sight-seeing tours in the following military bases in Fukien and Chekiang provinces:

The naval bases of Chowshan, Hsangshan, Wenchow, Santuau, Amoy and Mamoi.

The air bases of Foochow and Hangchow.

Other trouble areas are also closed to foreign tourists during the period of operations conducted by the Pacification Headquarters.

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ECONOMIC NEWS

Equipment of Industrial and Mining Plants Not in
Operation in the North to Be Moved to South

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

Peiping, July 30---According to an order of the Ministry of Economic Affairs received here, the equipment of productive enterprises in North China and the Northeast, chiefly that of the coal and iron mines which are not in operation, will be moved to the South. It is learned that the removal has been planned for a long time. The competent authorities are now drawing up detailed measures for the removal of the equipment.

* * *

Statistics on China's Exports and Imports for First
5 Months of 1947 Released by Customs

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

(Local News)---According to the statistics made public by the Statistics Section of the Chinese Maritime Customs yesterday, China's exports and imports for the first five months of 1947 were valued at CN\$901,397,243,000 and CN\$1,839,418,730,000 respectively, with an import excess of CN\$938,021,487,000. The United States supplied 55 percent of China's imports.

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NEEDS OF CULTURE & EDUCATION

Peiping & Tientsin Sub-Freshmen Appeal for Continuation
of Government-Subsidy

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

Peiping, August 1 (Hwa Lien News Agency)---The Peiping & Tientsin National University Sub-Freshmen Win-the-Government-Subsidy Federation, with a view to appealing to the Ministry of Education to continue the government-subsidy system for universities, issued a "Manifesto to the Public" pointing out the reasons why government-subsidy cannot be cancelled now, and stressed the following three points:

- (1) That the state educational budget cannot be further reduced.
- (2) That the scholarship system cannot solve the actual difficulties of the majority of poor students and elite youths.
- (3) That as long as the civil war continues, the government-subsidy system should continue too.

The said Federation has for the last few days been soliciting opinions from professors of various universities and issued bulletins emphasizing that their demand for the continuance of the government-subsidy system was not aimed at acquiring subsidy for the sub-freshmen only.

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MISCELLANEOUS NEWS

U.S. Task Force 71 to Arrive in Tsingtao
from Japan

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

Tsingtao, August 1---The naval craft of the U.S. West Pacific Fleet stationed in Tsingtao conduct exercises off the coast of Tsingtao every Friday to make ready for participation in the future big naval maneuver in the Far East.

It is further learned that the U.S. Task Force 71 is scheduled to leave Yokosuka, Japan, for Tsingtao on August 3.

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- E N D -

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DAILY NEWS BULLETIN

No. 620

(MORNING EDITION)

August 4, 1947

RYUKYUS' PEOPLE SHOW SOCIAL-POLITICAL PROGRESSION, MACARTHUR REPORTS

WASHINGTON, Aug. 1. (USIS) -- Faced with the major problems of land reclamation, resettlement and industrial reconstruction, the 833,000 people of the Ryukyu Islands are displaying social and political awareness, General of the Army Douglas MacArthur reported in his March-April summary. The report was released here by the War Department with simultaneous release in Tokyo and Manila. Excerpts from the summary follow:

Cultivated acreages on the islands had increased to a point where the estimated domestic food production would fill about two-thirds of the food ration requirements during May, June and July.

Although no political parties had yet been formed, the Ryukyans carried on discussions about self-government.

Favorable prospects for the summer months' indigenous food production developed as the arable lands were increased by more than 3,000 acres released from military occupation. In addition, dikes, seawalls and irrigation would reclaim 1,437 acres of arid sectors and tidal lands, according to engineers of the Ryukyus Rice Authority. Survey work on five land projects began in March.

Okinawa housing projects had produced 2,107 dwellings in March and 1,800 in April, as lumber production in the Ryukyus increased.

In the Southern islands, production of lumber in April totaled 3,188,130 board feet, more than double the combined January-February output. The March lumber output in the Northern Ryukyus also exceeded the February output by about 20 per cent.

The first Okinawan employer-government conference on labor was held on March 21 with more than 30 representatives from the military government and civil agencies attending. Revisions of employment and payment regulations for labor were discussed. Plans included the establishment of maximum-minimum wages and a system of registering skilled workers.

Maximum prices for foods, ferry fares, vehicle parts, and fertilizer were established.

The captains of nine Formosan ships confiscated for black-marketing were sentenced to prison terms of from one to nine months. The Okinawa police department paid particular attention to the fishing industry in its drive against black-marketing and smuggling. Police training courses progressed.

Training programs for nurses went on. Fifty girls were selected for the first-year nursing course at three Okinawa hospitals. The civilian medical warehouse received excess medical supplies from the U.S. Army medical depot.

Ten industrial high schools were opened on Okinawa, with night classes in the regular high school buildings. The technical schools of Okinawa Gunto and the Northern Ryukyus offered specialized training in agriculture, carpentry, forestry, and fishing, in addition to the regular high school curriculum. The needs of individual communities determined the types of training offered.

Re-establishment of a Buddhist temple on Okinawa on March 12 was commemorated with appropriate ceremonies.

RADIO ISOTOPES RESEARCH PROGRAM REVIEWED

OAK RIDGE, TENNESSEE, Aug. 2 (USIS) -- The U.S. Atomic Energy Commission released an anniversary report tonight, summarizing the first year's work of U.S. scientists with radio-isotopes, an atomic energy by-product.

(more)

RADIO ISOTOPES RESEARCH PROGRAM REVIEWED (Cont'd)

One year ago today, the first sale of a beneficial radioactive isotope produced from the uranium chain-reacting pile of the Clinton Laboratories was celebrated here to mark the initial step in the development of peacetime applications of atomic energy. Just four days short of one year from the day when the U.S. Air Forces dropped the atomic bomb on Hiroshima, U.S. scientists began their quiet work to demonstrate the constructive power of atomic energy.

Here, on the site where scientists worked in the deepest secrecy during the war to develop the atomic bomb, they are now working with fellow-scientists throughout the country to give to civilization the secrets of atomic energy which could mean greater health and production than man has ever known.

The U.S. Atomic Energy Commission's summary of the first year of this tremendously potential work is factual and restrained. It reports experiments throughout the country with radio-isotopes, whose most important single contribution to mankind, the commission says, is as a research tool.

The commission describes radio-isotopes as variations of the common elements with the same chemical properties as the stable elements, but exhibiting the property of radioactivity. It is that last word which is the significant -- and understandable -- word to the non-scientist.

As the commission says, the tremendous advantage of radio-isotopes is that they are radioactive and their radioactivity can be detected. Thus, a minute quantity of one of these isotopes can be followed through complicated chemical reactions, through the metabolic process in the body, through entire biological cycles or through other physical or chemical processes, and still be identified.

What this means is the development of the tracer technique. It means that researchers will be able to study many physical, chemical and biological phenomena which heretofore have remained unsolved. The Atomic Energy Commission evaluates radio-isotopes as at least equal to the microscope in opening new fields of scientific endeavor.

Clinton Laboratories here at Oak Ridge are operated for the U.S. Government by the Monsanto Chemical Company. The first shipment of radio-isotopes produced at Clinton Laboratories exactly a year ago was made to the Barnard Free Skin and Cancer Hospital in St. Louis, Missouri, for fundamental research in the growth of tissue. Today, a year later, Clinton Laboratories has made 1,092 shipments of radioactive elements to scientific and industrial research institutions throughout the continental United States and the Territory of Hawaii.

Production of more than 100 varieties of radio-isotopes is continuing at an unprecedented rate today, the commission said. These are some of the uses to which they have been put:

The initial shipment to St. Louis was a unit of radioactive carbon 14, and the research team working with it succeeded in tagging a cancer-producing agent, methylcholanthrene. With this tagged agent, they are gaining a new approach to the problem of cancer development. They emphasized, however, that to make the most efficient use of this new and powerful tool of research has required the development of unique laboratory techniques and equipment. Thus, in a complex problem, such as cancer, their first year has largely been occupied in bringing the new "big guns" up to the front for attack.

An interesting use of radioactive tracers is found in the work being done at the Tulane University school of medicine at New Orleans, Louisiana. There, a scientist has been working with radioactive sodium to determine the causes and cure of edema in congestive heart failure.

In a Los Angeles hospital, a doctor has been using radiophosphorus to compare the circulation of normal hearts and those afflicted with coronary occlusion. As a result, it has been demonstrated conclusively for the first time that the heart contains accessory channels which could take over when occlusion or clogging exists. The same doctor also has been doing considerable research with hyperthyroid patients whose afflictions are too serious to make surgical treatment advisable.

(more)

RADIO ISOTOPES RESEARCH PROGRAM REVIEWED (Cont'd)

A large monthly supply of radioactive phosphorus has been used at Washington University's school of medicine in St. Louis, for the treatment of patients with various types of chronic leukemia.

At the same school of medicine, radioactive iron is being used in the study of anemia.

New York City's Memorial Hospital has undertaken an intensive research program employing radio-isotopes in the study and treatment of cancer; cancer of the thyroid has been vigorously attacked in this study.

In the field of biological study, radio-isotopes have proven as important as in the study of medicine. In Hawaii, for instance, tracer radiocarbon 14 has been used to study the production by plants of organic foods such as sugars and carbohydrates.

The National Institute of Health of the U.S. Public Health Service has found that radiosulphur can be biologically incorporated into crystalline penicillin when penicillin is grown on media containing this substance. This will enable scientists to determine much more about penicillin and why it is able to combat diseases. By using radioactive penicillin, the drug can be traced through the body.

The institute also is using radio-isotopes to tag bacteria. Tuberculosis studies are already under way, and it is believed that many forms of bacteria can be tagged with radiophosphorus and their means of entrance to the body and resulting action determined by the tracer technique.

Radio-isotopes also are being used in industry for experiments in friction, for instance, which may lead to important advances in the treatment and composition of surfaces to reduce frictional wear in all types of machinery. Metallurgists also are finding many uses for radioactive tracer; they are studying such diversified problems as the aging of ferrous materials by following the diffusion of carbon atoms, the thermionic activity of filaments, and the absorption of gases in metals.

In agriculture, use of radio-isotopes in research is expected to provide future dividends for the farmer. Radiophosphorus is being used to study the action of phosphate compounds in the soil, holding promise of improved fertilizers. Another study is investigating the effects of small amounts of minerals, especially copper and cobalt, on the growth of pastures and on cattle grazing on those pastures.

In the field of entomology, radioactive cobalt is being used to trace plant material consumed by insects; in other words, the feeding habits of insects upon plants are being studied. Thus, information may be obtained to enable the farmer to make more effective the control of insect pests.

Radio-isotopes, particularly carbon 14 in the form of carbondioxide, are being used at various research centers to study photosynthesis, a little understood but basic process carried on in green plants.

These are but a few of the many studies and experiments with radio-isotopes which the Atomic Energy Commission reports for the first year of the program. What all of them mean is summed up by Dr. Paul C. Aebersold, chief of the commission's isotope branch. He predicted even greater research results for 1948. He said:

"Great achievements in the fields of medicine, biology and industry already have been made, but those are only infant steps in an entirely new field of endeavor. We can expect to see not only great advances in medical science and the alleviation of suffering and disease, but also a more comfortable and abundant life through the application of this new science to industry and agriculture."

(more)

August 4, 1947

RADIO ISOTOPES RESEARCH PROGRAM REVIEWED (Cont'd)

The Atomic Energy Commission's first anniversary report contains many more details on the radio-isotopes program -- the considerable research behind their production, the working out of the problems involved in transportation, the precautions taken to keep a check on the amount of radiation received by persons handling radioactive substances to prevent excessive exposure.

The report also points out another great value of the Clinton Laboratories' radio-isotopes program: Before the chain-reacting pile was available, most artificially-produced radio-isotopes were made in cyclotrons and in limited quantities. But, for example, the estimated cost of cyclotron-produced C-14 of US\$1,000,000 compares with the present price of US\$50 for the same amount manufactured in the pile.

WEDEMAYER CONTINUES TALKS AT PEIPING; LEAVING FOR TIENTSIN

PEIPING, Aug. 4 (USIS) -- Lieutenant General Albert C. Wedemeyer held an extended conference with American official personnel lasting throughout yesterday morning.

After lunching privately at the American Consulate, he received calls from Hu Lin, editor of Ta Kung Pao; Professor Ch'ien Tuan-sheng, professor of political science at Peita; Professor Yu Hsin-ch'ing, head of the Planning Bureau of the Paoting Pacification Headquarters; Cardinal Tien, ranking Roman Catholic prelate of China, and Dr. Harold Loucks, representative of the China Medical Board, Inc.

In the meantime, a large number of visitors desirous of presenting data of value to the mission were being interviewed at length by advisors from the American group.

In the late afternoon, General Wedemeyer attended services at the Presbyterian Mission. In the evening, he and the members of his mission were dinner guests of General Li Tsung-jen, at the Chung Nan Hai.

This morning General Wedemeyer and his mission will leave for Tientsin. Later in the week, the journey will be continued to Mukden and Tsingtao, ending at Nanking toward the end of the week.

VAN KLEFFENS SEES LOVETT

WASHINGTON, Aug. 3 (USIS) -- The Netherlands ambassador, Dr. Eelco N. van Kleffens, called on Under Secretary of State Robert A. Lovett yesterday, and told the press that the Indonesian question had been discussed.

He declined comment as to whether the Netherlands forces would withhold further action in view of the U.S. offer of its "good offices" in the Indonesian conflict, stating that he was awaiting a message from his Government. He reiterated that the Netherlands "warmly welcomed" the U.S. offer, noting that the acceptance was unconditional.

Queried as to the relationship of the U.S. offer and the action of the UN Security Council in calling for a cessation of hostilities "forthwith" in Indonesia and a peaceful settlement of the dispute, van Kleffens said they were distinct but related and both would be "helpful toward a peaceful solution."

UN ASKS PEACEFUL SETTLEMENT IN INDONESIA

LAKE SUCCESS, Aug. 3 (USIS) -- The UN Security Council's call "to cease hostilities forthwith" in Indonesia and to settle the dispute by arbitration or by other peaceful means was brought to the official attention of the Netherlands Government and the Indonesian Republic yesterday.

(more)

UN ASKS PEACEFUL SETTLEMENT IN INDONESIA (Cont'd)

The Council's action on the Indonesian situation came on Friday night on a U.S. proposal, briefly amending the original Australian resolution, together with a Polish amendment asking both parties to the dispute to keep the Security Council informed concerning progress of the settlement. Taken after only two days of debate, it was the swiftest affirmative decision reached by the Council in its history.

The operational parts of the resolution were adopted in the course of three separate but identical votes of eight to zero, with Belgium, France and the United Kingdom abstaining. These three countries also abstained in the vote on the preamble -- in which the Security Council noted "with concern the hostilities in progress" in Indonesia -- and were joined by the Soviet Union in this abstention on the grounds that it was "too weak." The wording of the preamble, however, received the required seven affirmative votes. Throughout the voting, despite their objections, Great Britain and France did not invoke their right to veto as permanent Council members. The text of the resolution as finally adopted follows:

"The Security Council, noting with concern the hostilities in progress between the armed forces of the Netherlands and the Republic of Indonesia, calls upon the parties: (a) to cease hostilities forthwith, and (b) to settle their disputes by arbitration or by other peaceful means, and keep the Security Council informed about the progress of the settlement."

By adopting the American revision of the Australian resolution, the Council succeeded in preserving the essential parts of that resolution while avoiding an extended legalistic debate as to the Council's competence to handle the Indonesian question and as to the Indonesia Republic's status as a sovereign state. As pointed out by U.S. representative Herschel V. Johnson, "no matter what concept of legality is involved, a shooting war is going on and men are being killed, and that is a matter for the Security Council."

A clause, originally suggested by France, that the Council specifically state in the resolution that it was not in any way deciding the juridical question concerning its competence in the matter, failed to get the required votes for approval. The resolution, as revised on the U.S. proposal and adopted by the Council, served the aim of halting bloodshed, while leaving the Council free to consider other aspects of the question at a future time. The United States as well as other nations specified that they were reserving their position as to the Council's competence and Indonesian sovereignty.

A Soviet-proposed amendment suggesting that the armed forces of both parties should be withdrawn immediately to the positions they occupied before the beginning of military operations, also failed of approval. Only the Soviet Union and Poland voted affirmatively while the other nine members abstained. The U.S. representative and the other Council members said they could not agree to the Soviet proposal on practical grounds that they first need to know about the conditions in Indonesia. They suggested that the Council could act later on this matter, if necessary.

The Netherlands ambassador to the United States announced to the Council that his Government had accepted the U.S. offer of its "good offices" in the Indonesian differences. He said the Netherlands is ready to consult with the United States on the manner of putting these good offices to use.

The Australian delegate, Colonel William Hodgson, read to the Council a message from the former Indonesian Republic Premier, Sutan Sjahrir, stating that Indonesia "will accept any impartial mediation and will abide by any decision of the Security Council."

While keeping the Indonesian matter on the agenda, the Council is scheduled to take up the Balkan question on Monday. The U.S. proposal for establishing a border commission was blocked on Tuesday by a Soviet veto, and this matter subsequently has been a subject for discussion by the Council members with their respective governments. In addition, Greece has submitted a formal charge that Albania, Bulgaria and Yugoslavia have committed "acts of aggression" which merit enforcement action by the Council under the UN Charter.

(more)

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UN ASKS PEACEFUL SETTLEMENT IN INDONESIA (Cont'd)

A U.S. delegation spokesman announced that the United States is giving general support to the Greek position. Also awaiting Council action is a Soviet proposal blaming Greece for the Balkan disturbances, and calling for the withdrawal of foreign military aid from that country.

INDONESIA INVITED TO WORLD ITO CONFERENCE

LAKE SUCCESS, Aug. 3 (USIS) -- The UN Economic and Social Council has decided to send its own invitation to the Republic of Indonesia to participate in the world conference on trade and employment scheduled to be held on November 21 in Havana, Cuba.

In completing consideration on Friday of a report by the preparatory committee of the international trade conference currently meeting in Geneva, ECOSOC also added Pakistan to the list of non-member states which the committee had recommended be invited to the Havana conference. This was done on a proposal by India, which also initiated the action for inviting the Indonesian Republic. Others invited are Albania, Austria, Bulgaria, Eire, Finland, Hungary, Italy, Portugal, Rumania, Switzerland, Transjordan and Yemen. Invitations to Burma, Ceylon, Southern Rhodesia as well as to the Allied control authorities in Germany, Japan and Korea were also approved.

The resolution inviting the Indonesian Republic states that the republic enjoys "autonomy in the conduct of its external commercial relations" and its participation would help promote the objectives of the Havana trade conference. The nations favoring the resolution were India, Chile, Cuba, the Lebanon, Peru and Venezuela. Those opposed were France, the Netherlands, the United Kingdom and the United States. The states abstaining were Byelorussia, Canada, China, Czechoslovakia, New Zealand, Norway, Turkey and the Soviet Union, which has consistently abstained on all matters in connection with the ITO preparatory committee which recommended the Havana conference. The Soviet Union was invited but is not attending the current ITO committee meetings in Geneva.

After some discussion, the Council voted eight to four, with six abstentions, that only UN member states might vote at the Havana conference. The preparatory committee report had recommended that all participating states be granted voting rights. This was supported by the United Kingdom, but the United States and Canada argued that a distinction should be made between UN members and non-member states.

MARSHALL SENDS MESSAGE TO ITALY ON TREATY RATIFICATION

WASHINGTON, Aug. 3 (USIS) -- Secretary of State Marshall, in a message delivered to Italian Foreign Minister Count Sforza concerning the Italian Constituent Assembly's ratification of the Italian peace treaty, renewed assurances that the United States would give to the Italian Government "all possible assistance and support" in rebuilding and strengthening "a free and prosperous, democratic Italy." The text of Marshall's message delivered by U.S. Ambassador James C. Dunn in Rome on Friday, was made public here yesterday by the State Department, together with the text of the Italian reply.

Marshall noted that certain treaty provisions were not in accord with the U.S. Government's recommendations or wishes, and said that Italy will now be able to work for such revision of those provisions as may be required "within the framework of the United Nations, or through bilateral arrangements with the nations concerned." The full text of Marshall's message follows:

"The Italian people, through their representatives, have given their approval to the ratification of the Italian treaty of peace. By this step they have removed the last Fascist-created barrier between their country and the other sovereign peace-loving nations of the world.

(more)

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MARSHALL SENDS MESSAGE TO ITALY ON TREATY RATIFICATION (Cont'd)

"This action has been a necessary prerequisite to the return of the new Italy to the community of free nations and to the full participation of the Italian people as equals and as leaders in the restoration of peace and the building of a better world. Certain of the provisions of the treaty are not in accord with the U.S. Government's recommendations or with our wishes. Within the framework of the United Nations, or through bilateral arrangements with the nations concerned, Italy will now be able to work for such revision of those provisions as may be required.

"At this auspicious moment in the history of Italy, I should like to convey through you to Premier de Gasperi the renewed assurance that the U.S. Government will continue in the future, as in the past, to give to the Italian Government all possible assistance and support in its undertakings and endeavors which look toward the rebuilding and the strengthening of a free and prosperous, democratic Italy -- an Italy which must again be a support and an inspiration to democracy and freedom in Europe and throughout the world."

The full text of the Italian reply:

"Speaking in behalf of not only the Government of the Republic, but of the whole Italian democracy, I thank you for your so cordial appreciation of the dolorous decision which the Constituent Assembly took yesterday (Thursday). The Italian people will learn with profound satisfaction that the Government of the United States is convinced that Italy, having destroyed the last barrier that separated her from the peaceful sovereign nations of the world, will be able now in the orbit of the United Nations, or with bilateral accords, to act towards the opportune revision of the treaty.

"Grateful for the active American sympathy for the reconstruction and strengthening of the free democratic Italy which we desire for the peace and happiness of Europe and of the world, I ask you to believe me, sincerely yours, Sforza."

(END OF MORNING SERVICE)

Government Information Office
Daily Bulletin No. 34
August 2, 1947.

1. Reopening Of Sino-Japanese Trade
2. Tokyo War Crime Trial
3. Control Of Japanese Trade Urged
4. Sino-Japanese Trade

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

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REOPENING OF SINO-JAPANESE TRADE

The Nanjing Peace Daily today editorially approves the State Council's resolution to reopen private trade with Japan provided that goods to be imported from Japan will not jeopardize China's national economy.

The Japanese Government has mapped out a plan for Sino-Japanese trade during the next four and half months, the paper points out. According to this plan, China's imports during this period would exceed her exports by more than US\$ 50,000,000. China must have a counter-measure to this Japanese plan, which, if successfully implemented, would have serious economic consequences for China.

In principle, the paper says, we would like to see essential commodities imported. Though private trade with Japan is to be reopened, bartering of goods between the Chinese Government and SCAP headquarters will continue. Commodities to be imported under this barter agreement will be mostly essential goods and not included in private trade with Japan. Thus, the Japanese hope to export luxury items to China. We must, the paper says, clamp rigid controls on our import trade to forestall any danger to our national economy.

The Chinese Government should also try to boost production so we will have large quantities of surpluses for export, the paper suggests. Trade with Japan will be transacted in American dollars, and if our exports to that country grow, our American foreign exchange will also increase. This would be beneficial to the stabilization of our economy, the paper concludes. -- END.

TOKYO WAR CRIME TRIAL

The Shanghai Southeast Daily yesterday declared that the war criminals, whose trial is now in the final stage in Tokyo, must be severely punished in compliance with the Potsdam Declaration.

The Japanese war criminals, said the paper, whose guilt equals that of the Germans tried at Nuremberg, must likewise bear responsibility for the war which they initiated.

The paper added that Japanese big financiers, who supported the ambitious militarists, and extremist propagandists must also share responsibility for the war.

The war criminals must not be given the opportunity to take advantage of conflicting views among the United Nations, and thwart justice. To successfully conclude the trial, the paper said, the United States and the USSR must cooperate. -- END.

STRICT CONTROL OF TRADE WITH JAPAN : URGED

Following the resumption of Sino-Japanese trade, severe measures should be taken by the Government to prevent conditional importation from developing into unlimited trade, urges a Shanghai Shun Pao editorial today.

We hold that imports must be limited to those articles that are not produced in China, the paper says. These goods can meet our urgent needs, but will not endanger the existence of our own factories.

The paper opines that more industrial and commercial representatives should be included in the investigation party to Japan, because they know their own business and will certainly be able to fulfill their mission in the interests of our national industries.
-- END.

LEGISLATOR CHIEN KUAN-SAN'S VIEW OF THE RESUMPTION OF SINO-JAPANESE TRADE

The question is not whether the Sino-Japanese trade should be resumed today or tomorrow, but whether the Chinese are prepared to compete with the Japanese in the world market, said Chien Kuan-san member of the Legislative Yuan yesterday.

Mr. Chien also pointed out what the Chinese should do instead of wrangling over postponing the resumption of Sino-Japanese trade to an opportune date.

First, he said, the Chinese ought to protest strongly against the the April 19, 1947 resolution adopted by the Far Eastern Commission which allows Japan to maintain her industry above prewar level of 1930-34 because this is a flagrant contradiction of the Allies' aim to check Japan from rising again as a threat to world peace.

Second, Japanese activities in the South Seas Islands should be vigilantly watched to prevent possible resurrection of Japanese imperialism, since these Islands were the main market for Japanese commodities in prewar days.

Third, China should endeavor to boost her own exports by modernizing, standardizing and lowering prices of her commodities. She also should strive to increase production of industrial goods in addition to the normal exports, such as bristle, soya bean, ramie, hides, tung oil and herb medicines.

Fourth, China should buckle down and revive her national economy with greater efforts than those of the Japanese, who have already evinced strong determination in this respect.

Fifth, ways and means must be sought without delay to meet the competition of the Japanese textile industry in order to protect China's own textile industry and sericulture. It has been reported that this year Japan may export an estimated \$ 288,000,000 worth of cotton goods manufactured by less than half of the 3,300,000 spindles she now has. Her cotton goods export would certainly be even greater when Japan possesses 6,000,000 spindles, allowed to her under a new SCAP blueprint.

Sixth, the smuggling of Japanese goods through Hongkong and Amoy into China should be strictly banned.

Since no country can be self-sufficient economically, Sino-Japanese trade will have to be resumed sooner or later, Mr. Chien said. At present when the peace treaty with Japan has not yet been concluded, there is still an opportunity for China to keep Japanese goods from coming into this country with a quota system. But after the conclusion of a peace treaty with Japan, if China is still unable to compete with the Japanese in world markets, the consequences will be very serious, he warned. --END.

NEW IMPORT QUOTAS FIXED BY NATIONAL ECONOMIC COUNCIL

In announcing the lowering of import quotas for tobacco, gasoline and wool, the National Economic Council July 31 estimated that this will ~~save~~ \$ US 7,370,000 during the next three months. Of this amount, \$ 500,000 will be made available for importation of laboratory equipment and books.

Stressing the importance of developing the national industry, the Council increased the amount of foreign exchange for the purchase of industrial equipment from US\$ 1,600,000 to US\$ 2,000,000 a month.

These decisions were based on a proposal drafted by the Import Control Committee concerning the revision of import quotas for the third fiscal season, comprising August, September, and October. Council members unanimously agreed that the importation of non-essential commodities should be reduced to a minimum. The complete new quota list soon will be promulgated.

Another important topic under discussion at the Council Session was collection of the new property tax. This compulsory property tax is to be levied at a progressive rate on all property valued at more than CNC\$ 500,000,000.

It was proposed that the highest organ supervising collection of this tax should be composed of members of the Legislative Yuan, Control Yuan and representative organs of the people, together with social leaders and financial experts. Branch organs would be instituted in provinces and municipalities, with the governor or the mayor as the head of each.

This proposal has been turned over to the Council's financial sub-committee for preliminary examination. -- END.

NATIONAL HIGHWAYS UNDER REPAIR

Important national highways, such as those between Nanking and Shanghai, Nanking and Hangchow, Shanghai and Hangchow, Kansu and Chinghai and Chinghai and Sinkiang are now either being improved or are under repair, a spokesman of the Ministry of Communications said yesterday.

The same spokesman also revealed that in the construction of a network of national highways, roads with potentially the heaviest traffic and of strategic importance to national defence would be given first priority for construction. Mechanical equipments will be used on highways more difficult to construct.

The Ministry at present has more than 1,200 sets of different machines used in highway construction. Operators of these machines are now receiving their training in special classes conducted by the National Highway Administration. -- END.

UNITED STATES INFORMATION SERVICE
SHANGHAI

A Calendar of Cultural Activities in Shanghai for the Week of
Aug. 4 - 10, 1947

Weekend Boating

A boat trip on the Whangpoo River has been arranged by the International Culture & Society this Saturday, August 9 at 8 p.m. The cost will be approximately \$30,000 CNC for each person. Those who interested, call Mr. K. T. Chien, Tel. 11330, Rm. 154 Hamilton House before Friday, August 8. Guests are advised to come after dinner and assemble in front of the Bund Garden before 8:00 p.m.

Exhibition

Chow Wei-ming is holding an one-man exhibition from August 1 to 7 at the Ningpo Ass'n, Tibet and Nanking Road. Besides Mr. Chow's own work, a collection of Sung, Yuan, Ming and Ching Dynasty art pieces will be displayed at the same time.

Summer Concerts

Record concerts are given every evening from 8:30 to 10:30 p.m. in the Jessfield Park by the Symposium Music Society. A special program given by well-known Shanghai musicians is featured on Saturday and Sunday evenings. Tickets can be purchased at the Park.

The Municipal Philharmonic Orchestra Concerts are given every Saturday evening at the Canidrome, Rue Lafayette and Albert.

Modern Drama

Lyceum Theatre (Cardinal Mercier) - "The Scandalous Gossip," a four-act melodrama produced by the Shanghai Experimental Dramatic Club. This Week.

Palace Theater (247 Pakhoi Road Tel. 92780) - "The Storm" a tragedy by Wan Chia-pao

Motion Picture

"The Chase," a light comedy starring a new actress, Huang Chung-ying of Peiping, is now showing at Queen's Theater, Foochow and Tibet Rd.

Prepared by USIS
Shanghai Branch Office

Government Information Office
Daily Bulletin No. 55
August 4, 1947.

1. Russia's Defense Of Outer Mongolia
2. Dutch-Indonesian War
3. Foreign Aid For Chinese Economy
4. Chinese Navy
5. Kwangtung Awaiting Relief

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

RUSSIA'S DEFENSE OF OUTER MONGOLIA

The Shanghai Sin Wan Pao today takes Soviet Russia to task for instigating Outer Mongolia to violate Chinese territory. Pointing out that for the sake of Far Eastern peace, China signed the Sino-Soviet Treaty with great sacrifices, the paper says that nevertheless Soviet Russia has failed to abide by the stipulations of the pact which forbids her to interfere in Chinese internal affairs.

Soviet Russia's ingratitude was exposed at the meeting of Qualifications Examination Committee of the Security Council, when China's Dr. Hsu Shu-hsi denounced Outer Mongolia as ineligible to become a member of the United Nations, says the paper. Dr. Hsu pointed out that Outer Mongolian troops, armed with modern equipment, staged repeated attacks on Chinese troops stationed at Peitashan, which lies within Chinese territory. Defending Outer Mongolia, the Soviet representative stated that Outer Mongolian troops only drove the Chinese forces, back into Sinkiang after the Chinese violated the frontier.

It is therefore indisputably clear that Soviet Russia has provoked this Outer Mongolian invasion into Chinese territory, hoping to create a new situation in the Far East, the paper states. After hearing Dr. Hsu's statement, most of the committee members were convinced that Peitashan is Chinese territory, and that Outer Mongolia, not China should be held responsible for the Peitashan Incident. -- END.

For the sake of world peace and the safety of the Chinese nationals in Indonesia, China earnestly hopes that fighting will soon cease in the Dutch East Indies, and the Dutch and the Indonesians will establish a rational relationship through peaceful means, comments the Peace Daily today.

The Dutch-Indonesian war is a racial war, menacing peace in southeast Asia, the paper says. Therefore, the Security Council of the United Nations Organization has the right to interfere.

The paper expresses the hope that the Dutch authorities will accept the Security Council's proposal to cease all hostilities, and that the United States, Australia and India will be able to bring about a proper settlement of the dispute through mediation. However, the paper doubts whether the United Nations can check effectively the spread of the Dutch-Indonesian fighting if the Dutch Government resolves to dogmatically carry on the war. -- END.

FOREIGN AID FOR CHINESE ECONOMY

Foreign investment and technical assistance will be of paramount value to China once she starts to implement the Economic Reform Program newly adopted by the State Council, said Lou Tung-sun, acting secretary-general of the Legislative Yuan, in an interview with the Central Daily News yesterday.

Hailing the economic plan as an epoch-making document whose importance is comparable to that of the Constitution, the noted economist stated that he was in full agreement with those stipulations which call for favorable treatment to foreign capital and technical personnel assisting Chinese industrialization.

"If sufficient foreign aid is assured in the development of her economy," he said, "China can be expected to make substantial contributions toward maintenance of world peace. But if China's national industrialization is further delayed she will again become the victim of foreign economic aggression, thereby creating further unrest, in the world."

"Industrialization cannot be achieved, however, unless the lot of China's millions of farmers is considerably improved. The makers of the plan should be congratulated for those provisions that will introduce drastic reforms in the rural community. This pre-occupation with the welfare of the farming populace is in conformity with the principles of Dr. Sun Yat-sen, founder of the Republic."

Mr. Lou said the Government could not take more effective means to absorb Chinese holdings in foreign countries than the plans provision for compulsory declaration of such assets to the Government, since Western laws tend to protect these deposits.

"More decisive measures could be designed for utilization of Chinese bank deposits in foreign countries," he said, "but we have no way of knowing whether these measures could be enforced. As it stands now, it seems the Government has served notice on those persons with assets abroad that it will not hesitate to use these holdings if conditions warrant such action."

He said that the success of the economic plan is predicated upon increased agricultural and industrial production cannot be stepped up, all other efforts will be of no avail, he warned. -- END.

CHINESE NAVY HAS FOUR SQUADRONS

Reorganized after V-J Day, the Chinese Navy now presses two coast-defense squadrons, one river-defense squadron, one transport squadron and ten gunboat flotillas, Admiral Kwei- Yung-ching, Commander-in-Chief of the Navy stated in a broadcast on July 31. The navy has a total of 72,000 men he said.

Shanghai, Tsingtao, Tsoying, and Yulinkang are China's four naval bases, each with its own headquarters, Admiral Kwei said.

Since the strength of the navy depends largely on ship-building and maintenance Admiral Kwei said, naval authorities have strenuously promoted construction of dockyards with adequate building and repairing facilities. In addition, maintenance workshops have been erected at 11 patrol stations on the sea-coast or along the Yangtze River, including Iaku, Keeling, Whangpu, and Hankow. So far, however, only the Kiangnan dockyard near Shanghai and another yard at Tsingtao are capable of building small war vessels, the Admiral added.

The Admiral disclosed that the first and second groups of Japanese warships allocated to China have arrived in Shanghai, and more ships will be forthcoming. He estimated the total number of Japanese warships allotted to China at more than 50. Being completely disarmed, these vessels need to be completely re-equipped to make them serviceable, Admiral Kwei pointed out.

He further stated that part of the 271 auxilliary ships the United States last July promised to give to China under lend-lease, have arrived, and 90 went to the Chinese navy while others were turned over to the maritime customs. The Chinese supreme naval command, he said, is now preparing to receive the remaining ships.

The Admiral stressed the importance of consolidated training for naval personnel, saying that the Chinese Navy needs well-trained and well-disciplined men, particularly in its formative stage. At present, he said, cadet training is centered at Tsingtao, while crews are trained at the Chinese Naval Training Center.---END

KWANGTUNG AWAITING RELIEF

As an aftermath of the recent flooding of the East, West, North and Han Rivers in Kwangtung, more than 4,000,000 persons are homeless and in urgent need of relief, the Nanking Central Daily News reported August 11.

It is estimated that over 6,000,000 mow of farmland were inundated and tens of thousands of farm houses, plus countless animals, agricultural implements and seeds were lost in the deluge, bringing the total loss to \$4,200 billion. According to the Kwangtung Flood Emergency Relief Committee, relief for a period of 15 days and repair of bridges, railroads and highways which were damaged by the flood will require \$230 billion.

Kwangtung alone cannot undertake such a vast program of relief work, said Lin Yi-chung, Chairman of the Kwangtung Provincial Council, who came to Nanking recently to report to the Central Authorities.

"Kwangtung is not producing enough foodstuffs, particularly rice, for its own consumption," Mr. Lin said, "and in the past, my province had to rely largely on foreign rice, especially from Siam and Indo-China. At the present time, owing to the lack of transportation facilities and other problems, only limited quantities of rice can be imported.

"Under normal conditions, Kwangtung can produce a little over 70,000,000 tan of rice (one tan equals 107.24 lbs) while almost 20,000,000 tan are needed for local consumption."

The Kwangtung leader ascribed the cause of the flood to excessive rainfall, and disrepair of the river dykes during the Japanese occupation. Mr. Lin expressed the hope that overseas Chinese as well as compatriots at home would help the victims of the flood. He believed that the Government should alter the foreign exchange policy so as to encourage more overseas remittances into China.---END

UNITED NATIONS INFORMATION CENTER
212 Embankment Building,
Shanghai.

PRESS RELEASE
UNIC/PR 145
4 August 1947.

Note to Editor: The current session of the U.N. Economic and Social Council in New York is taking up various reports of world-wide concern, one of which is that of UNESCO.

UNESCO MAKES FIRST REPORT

UNESCO, the United Nations Educational, Scientific and Cultural Organization will be reporting for the first time to the Economic and Social Council at the current Council session. Conceived as a supplement to the peace keeping machinery of the United Nations, UNESCO works under a Constitution that embodies for the first time in an international official document the belief that peace "based exclusively upon the political and economic arrangements of governments" would be inadequate since it could not "secure the unanimous, lasting and sincere support of the peoples of the world." It reasons that "the peace must therefore be founded, if it is not to fail, upon the intellectual and moral solidarity of mankind."

UNESCO emerged from its organizational stage in April this year when its executive board approved a 1947 program with three main projects. They are reported in the 62-page document being submitted to the Economic and Social Council. First is the collection of contributions for the rehabilitation of educational, scientific and cultural life in the countries devastated by the war. The report estimates that \$48 million will have been contributed to this work by the end of the year that the amount will have been doubled by the end of June 1948.

Money, fellowships, scientific equipment, exchanges among technical schools, and publications especially for the teacher are among the aids for which UNESCO serves as the stimulus and clearing house. One booklet "The Teacher and the Post-War Child" was made possible by a gift from the Greek Government, which itself has dire need of the assistance rendered by UNESCO. UNESCO has purchased scientific apparatus with its own funds from war surpluses for struggling scientific schools and laboratories.

Second of the three major undertakings is the program to liquidate the world's illiteracy. Over half the world's population cannot read or write, and UNESCO is seeking to coordinate campaigns for a basic minimum education for all people and to aid in the teaching problem by serving as a clearing house for the exchange of information on successful techniques, materials and experts available for consultation.

During 1947 it is hoped to launch three pilot projects in fundamental education in Haiti, China, and the Tanganyika and Nyasaland areas of British East Africa. A group of experts was assembled by UNESCO in April of this year to develop the basic terms of reference. A regional conference on fundamental education will be held in Nanking starting September 1st.

A third major project closely related to UNESCO's objective of maintaining peace through understanding is its project on education for international understanding. This includes once again the familiar clearing house function on methods used in the primary, secondary and higher schools for developing international understanding. A teachers' seminar on the subject is being held in Paris this summer.

(more)

UNESCO's fellowship program also budgets for exchange of personnel from the formerly occupied countries so that they may be brought up to date on educational, scientific and cultural development in other parts of the world.

Julian Huxley of Great Britain is the Director General of UNESCO. The Organization was enabled to get underway pending the receipt of contributions from its 31 member states by a loan from the working capital fund of the United Nations. An additional four members have been approved for membership since the Constitution was signed and will be confirmed at the Second General Conference of UNESCO at Mexico City starting November 6th. Thirteen signatories to the Constitution have yet to deposit ratifications of their signatures. The member states are Australia, Belgium, Bolivia, Brazil, Canada, China, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Egypt, France, Greece, Haiti, Holland, India, Lebanon, Liberia, Mexico, New Zealand, Norway, Peru, Philippines, Poland, Saudi Arabia, Syria, Turkey, United Kingdom, United States, Union of South Africa, and Venezuela. States which have signed the Constitution but have not deposited instruments of acceptance are Argentina, Chile, Colombia, Cuba, El Salvador, Guatemala, Iran, Iraq, Luxembourg, Nicaragua, Panama, Uruguay, Yugoslavia. And the states which have applied for membership are Austria, Hungary, Italy, Switzerland.

In addition to the broad activities cited above, the UNESCO program includes specialized projects within its constituent fields of education, science and culture. In the educational field, for example, there is a project underway studying the tensions affecting international understanding. Four hundred and fifty social scientists have been asked for their comments on a basic memorandum prepared by the UNESCO staff.

In another device to leaven the scientific level in areas remote from world centers of science and technology, UNESCO is opening Field Science Cooperation Offices. It is expected that one will be located in the Amazon area as a result of the conference in August among countries interested in this four million square miles of forested country. Offices are expected to be located in the Far East and Middle East this year, and a fourth one is scheduled for establishment in southern Asia in 1948.

The compilation is already in progress of film catalogs on fundamental education, international understanding, painting and culture, libraries and museums, agriculture, town and country planning, health, medicine and surgery.

Commissions on technical needs to survey the war damage incurred by press, radio and film enterprises will receive reports in a Paris meeting in August so that a composite statement may be presented to the Mexico conference and to the United Nations Subcommittee on Freedom of Information.

CNRRA AIR TRANSPORT - PUBLIC RELATIONS
Telephone 34200. Ext. 109

General release 050847

SHANGHAI --- Maj. Gen. C.I. Chennault, whose American Air Force day speech was banned from broadcast at Nanking last Friday by U.S. Army authorities, was urged by telegrams today (Tuesday, Aug. 5) to forward a record of it for broadcast over two radio stations in Louisiana, one in Texas "and possibly quite a few other stations."

Former Governor James A. Noe of Louisiana reported a spontaneous public demand to hear the General's own words on the air. Mr. Noe owns two radio stations in Louisiana - WNOE at New Orleans and KNOE at Monroe.

Mr. Noe first asked for the original record and General Chennault replied that he understood that it had been destroyed. He offered to make another recording of the four-minute speech and send it to Louisiana by air if desired.

The latest telegram from Mr. Noe said:

"Since my (first) cable to you and your cable which we read over the air we have had literally hundreds of people to ask that we have your Air Force day speech broadcast. Please send it to us as soon as possible.

"We will carry it over WNOE and KNOW, also KNET in Texas and possibly quite a few other stations."

Mr. Noe's first telegram, 300 words long, said that "we here in Louisiana are mighty proud of you...proud of what you are trying to do now for our country in far away China.

"We know you would rather be here in Louisiana, here at home. We would love to have you but we know you know the condition things are in all over the world.

"You are doing everything you can for the welfare of our great country and for your adopted great country, China...We here have great honor and respect for the Chinese and for the great fight that China has made for democracy.

"We congratulate the Chinese people and their great leaders for the fight that they have made against unbelievable odds."

The telegram added that Mr. Noe's two radio stations would be "honored and proud to broadcast your speech---the recording that you made which General Lucas would not broadcast..." (The decision to suppress the Chennault address was made by Maj. Gen. John P. Lucas, commanding the U.S. Army Advisory Group, Nanking.)

"The people of Louisiana will be mighty proud to hear your talk. We want to hear what you have to say about the air force as you see it. We feel that no one is in a better position or better qualified to make a talk about our air force."

(End)

Government Information Office
Daily Bulletin No. 56
August 5, 1947.

1. False Rumors On Wedemeyer Mission
2. Against Hsien Banks
3. Quick Mediation In Indonesia Urged
4. Central China To Fill Own Coal Needs

(NOTE: Editorial or feature translations are for the information and reference of readers of the DAILY BULLETIN. Such translations in no way indicate that the Chinese Government advocates or endorses the opinion expressed therein.)

FALSE RUMORS ON WEDEMEYER MISSION

Pointing out that General Wedemeyer's Mission is essentially fact-finding, the Central Daily News today warns the people not to be deceived by rumors that Wedemeyer's Mission is to "mediate the Kuomintang-Communist Conflict," or that Wedemeyer's coming only indicates "America's intention to help fight the 'civil war'". These stories are spread by some of the scheming elements to mislead the people.

General Marshall has already experienced the insincerity of the Communists in a series of peace talks, says the Central Daily News. Realizing the impossibility of effective mediation, it is obvious the American Government will not have Wedemeyer follow the same cause that proved of no avail during Marshall's one year effort.

The Open Door, calling for a free and independent China, has long been, and still is, the basic principle on which the United States frames her policy towards China. We have witnessed, during and after the war, the American Government's careful avoidance of interference in China's internal affairs, the paper says. It is entirely groundless to say that Wedemeyer's coming indicates America's intention to help fight the 'civil war'. -- END.

AGAINST HSIEN BANKS

The Shanghai Sin Wan Pao yesterday questioned the advisability of establishing hsien banks to strengthen the national monetary system as provided in the Economic Reform Program proposed by Chang Chun, President of the Executive Yuan.

The paper stressed that a healthy national finance can best be resumed more through the stabilization of agricultural economy rather than the establishment of the hsien banks whose establishment would require a huge amount of currency, thereby only serving to increase inflation.

To enable the monetary system to cope with the nation's economic requirements, the Government must help maintain and develop the normal business of private banks which are already in existence, the paper says.

The Program provides for assistance to private banks in their normal businesses whenever and wherever possible. To effectively implement it, the paper says, the national banks must fully cooperate with the private banks. -- END.

QUICK MEDIATION IN INDONESIA URGED

The Shanghai Sin Wan Pao today welcomes the Dutch cease fire in Indonesia, but the paper warns that delay in mediating the Dutch-Indonesian conflict will only make settlement more difficult.

Tardiness of action was partly responsible for the failure of the defunct League of Nations. The conflict between the Dutch and the Indonesians has been prolonged, and if the Security Council does not take prompt action to settle it all-out, war may break out at any moment.

In the past, the paper says, the League of Nations and even the United Nations could not fulfill their functions due to divergencies of opinion among the member nations. Now both the Dutch and Indonesian must be forced to accept the Council's mediation by united economic and military pressure. Then, the Dutch-Indonesian problem can be easily settled.

Concluding, the paper opines that the Indonesian Republic should defray the losses suffered by overseas Chinese there. During the Dutch-Indonesian fighting, Indonesian troops looted and burned Chinese property whenever they retreated. -- END.

CENTRAL CHINA TO FILL OWN COAL NEEDS

Central China (Kiangsu, Anhwei, Chekiang, Kiangsi, Hupeh and Hunan provinces) will fill its own primary coal demands under a program approved by the Coal Conference which adjourned August 3 after meeting for three days in Nanking.

Chen Chi-tien, Minister of Economic Affairs, who presided over the conference, proposed the program and he was promised full support by those 52 delegates who represented private coal mine operators.

The supply of coal from North China and the Northeast has been sharply curtailed due to the Communist rebellion. If the present rate of consumption and supply of coal remains unchanged, the Minister estimated that there will be nation-wide shortage of 6,000,000 tons of coal by the end of this year.

In 1946, coal mines in Central China produced 1,950,000 tons of coal. Efforts have been made to boost the output and 1,260,000 tons were produced in the first six months of this year, about a one-fourth increase over that of same period last year, but still not enough to meet local demands in Central China.

Under the approved program, coal production in Central China would be increased to 270,000 tons monthly for the second half of this year and 390,000 tons for the first half of next year.

At present, Central China's essential coal requirements average 320,000 tons a month used as follows:

Shanghai needs 30,000 tons to run its factories; 20,000 tons, for shipping; and 40,000 tons, for public utilities. Government offices, National troops and Allied troops in and around Shanghai are allotted 9,000 tons a month. In addition, Shanghsi supplies 33,000 tons to several other seaports, chiefly in South China.

The Nanking-Shanghai and Shanghai-Hangchow Railways use 24,000 tons; the Tientsin-Pukow Railway, 20,000 tons; the east section of the Lunghai Railway, 10,000 tons; the Peiping-Hankow Railway and Hankow municipality, 30,000 tons; and the Canton-Hankow Railway and Hunan Province, 25,000 tons.

Electric works along the Nanking-Shanghai and Shanghai-Hangchow Railways require 14,000 tons.

Public utilities, factories and the Army in Nanking use 40,000 tons; those in the Hsuehchow Area, 15,000 tons; and those in Kiangsi Province 10,000 tons.

Representatives of coal mine operators to the conference, who need foreign exchange for the purchase of colliery equipment were reassured by Minister Chen that they will receive adequate financial aid from the Government. Meanwhile, the National Resources Commission is requesting the Government to appropriate CN\$ 81,850,000,000 for the development of coal mines in Central and South China.

Upon the suggestion of conference representatives, the Ministry of Economic Affairs has agreed to negotiate with the Ministry of National Defense for exemption from military service for coal miners and technicians needed in implementing the coal production program. -- END.

CORRECTION OF COTTON CROP ESTIMATE

The Chinese cotton crop for this year is estimated at 11,000,000 piculs instead of that many bales, said Sun En-lin, Director of the Cotton Improvement Department of the Ministry of Agriculture and Forestry, in correcting a Central News Agency report of July 30 which quoted the New York Commercial Journal yesterday. -- END.

GREEKS CONTINUE PROVOCATIONS
ON GRECO-ALBANIAN FRONTIER

TIRANA August 5, (TASS) The Tirana Radio today announced that Greek provocations continue on the Greco-Albanian frontier.

At 4.30 pm on July 30, the broadcast said, Greek soldiers appeared near the frontier points Nos. 4 and 5 and fired six shots in the direction of the Albanian frontier posts. Albanian soldiers did not retaliate.

On the same day, near frontier points Nos. 36 and 37, Greek monarchist-fascist soldiers fired 40 shots in 15 minutes. This time also the Albanian frontier guards did not retaliate.

On July 31 a Greek plane crossed the Albanian frontier in the area of Ajirokastron flying at an altitude of 500 to 600 metres and returned to Greek territory as soon as the Albanian frontier guards opened fire, the broadcast concluded. (TASS)

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DUTCH PLANES ON WAY TO BATAVIA
DETAINED BY INDIAN AUTHORITIES

THE HAGUE August 5, (TASS) The Indian authorities detained two Dutch planes flying from Amsterdam to Batavia, according to the Karachi correspondent of the newspaper Volkscourant.

This act, the correspondent went on, is being taken as a sign of protest against Dutch military operations in Indonesia. It is reported that the Dutch authorities plan to lay a new route for flights of Dutch planes from Amsterdam to Batavia, the correspondent concluded. (TASS)

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COAL CRISIS
IN HAMBURG

BERLIN August 5, (TASS) Power stations and gas works have been ordered by the British authorities to pile up reserves for winter, according to the Neues Deutschland Hamburg correspondent.

This order, the paper went on, given now, in summer, has led to a crisis. Time has been set in Hamburg when the current is switched off. In view of the lack of coal, 125,000 Hamburg houses are deprived of gas. In Duesseldorf factories were also deprived of electricity.

In Lower Saxony, as a result of shortage of electric power, the output of cement has been seriously affected. The serious transport crisis makes it impossible to pile up coal reserves for gas works and electric power stations in the British occupation zone. (TASS)

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LEADER OF FRENCH FRANCHISEURS
ACCUSES CHARLES DE GAULLE

PARIS August 5, (TASS) The newspaper L'Humanite yesterday published an open letter addressed to General Charles de Gaulle by the Chief of Staff of the French Franchiseurs and partisans Professor Marcel Prenant of the Sorbonne University.

Professor Prenant who is a Cavalier of the Legion of Honour and former political exile and who was decorated with numerous military orders accused de Gaulle in his activity during his stay in London and Algiers.

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....and Algiers.

The French partisans many times appealed to de Gaulle, Prof. Prenant wrote, with the request to send arms. "You did not give us these arms and our fighters went into battle almost barehanded, suffering as a result severe casualties. I know you have an excuse for this: we were Communists. Yes it is true. Many of us were Communists; our leader was Charles Tillon who was among the first to call the French people to arms. But there were among us and among those who perished other patriots, brave people of all political and religious views and even priests who are far from Communism. However, the Communists did not wait, as you pretend, for your orders to organize resistance, and your declaration that they decided ^{do} to this only when the Germans invaded Soviet Russia, is false."

Professor Prenant reminded de Gaulle of the struggle the Communist Party waged during Munich and during the defence of Paris when "still before your decision the Central Committee on June 6, 1940 issued a call to organize the defence of Paris."

"You say that we are 'separatists in resistance,'" Prenant went on. "And You? Resistance means people and you always experienced repulsion and fear of people. You refused to give armaments to other organizations also as soon as they started to resist in earnest. How many difficulties arose between you and responsible organs of the French domestic forces?"

Prenant cited as an example the MCO (military civil organization). A member of this organization, General Latour

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...General Latour

who headed in 1943 the military commission in the northern zones, in one of his reports wrote the following: "In its work the Military Commission of our Northern Zone met with many normal difficulties but also with pretensions of the London bureaux who wanted to direct the resistance themselves. It was a struggle between those for whom the resistance had a purpose and those to whom it was only means, between volunteers and officials, between fighters and office workers. This is the eternal struggle in the world. The Military Commission emphatically took the side of those whom it from the very beginning considered the side representing the French nation in its present condition, i.e., took the side of the National Council of Resistance."

Prenant accused de Gaulle : that after the liberation he wanted to oust the leaders of the Paris Resistance. "You WANTED to disarm the patriots who only recently captured the Luxemburg Palace," Prenant wrote, "and they were forced to resort to cunning in order to fight the Germans in spite of your instructions and under the leadership of the hero Colonel Fabier. All that recalls the national struggle, all that is dear to the heart of Frenchmen evokes your revulsion."

Prenant reminded de Gaulle of his responsibility since during the 15 decisive months he had uncontrolled powers and after that was in power for three months and voluntarily resigned in January 1946 declaring that he is leaving France in an ideal condition.

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.....condition.

Prenant further noted that the Communists helped de Gaulle and his government and were the first to call upon the workers and all people to improve conditions in the country.

"You abused the confidence of the participants of the resistance and frustrated the purge, confiscation of traitors' property, confiscation of unlawful profits, democratic organization of the army and generally all the main points of the program of the NSA.

"After liberation," Prenant concluded, "in each of your speeches you are representing yourself in the eyes of even the most blind people as a leader of a society which is very far from serving the Republic and France." (TASS)

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ACADEMICIAN VARGA DISCUSSES
FORTHCOMING CRISIS IN U.S.

MOSCOW August 5, (TASS) Six months ago we wrote that the next economic crisis will break out in the United States not later than 1948 and the development of American economy within this period of time shows that the prerequisites for the crisis are ripening fast, declared Academician E. Varga in an article titled "Forthcoming Economic Crisis in the U.S. and the 'Marshall Plan,'" published in today's Pravda.

Actually, Varga continued, the crisis has very likely already begun but to say it exactly will be possible only later on. During the past few months there has no longer been an increase in production as was the case in the second half of the last year. Constantly increasing amounts of manufactured goods are being accumulated at the plants, at wholesale and retail dealers' warehouses.

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...warehouses.

According to the latest figures, Varga went on, the total value of commodity stocks in the United States reached almost US\$35,000,000,000. Today the approaching crisis is admitted throughout the United States. However, the word "crisis" is being carefully avoided and replaced by more innocent expressions like "depression" and so on. As is known, President Truman has recommended capitalists to voluntarily lower the prices in order to forestall the crisis. This is certainly absurd, for the capitalists will never volunteer to reduce the prices for their goods while they still have the opportunity to sell them with greater profit.

But even should U.S. capitalists resort to such a measure now, it would merely accelerate the advent of the crisis. Hoping for a further reduction of prices everybody would have temporarily stopped purchases, manufacturers and merchants would have delayed their orders and sold reserve goods, and private individuals would have suspended the purchase of cars, furniture, clothing, footwear. All this would have resulted in an immediate crash.

Prices will drop not through voluntary action on the part of the capitalists --- the drop will be sharp and will be forced by the crisis.

Monopolistic capital in the United States is striving to tone down the crisis and avert the inevitable drop in prices by intensifying selling on the world market of those goods which they fail to dispose of on the home markets because of high prices and the present distribution of the national income.

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ec.national income.

However, the overwhelming majority of capitalist countries have no dollars or gold with which to purchase American goods. Countries impoverished by war have no surplus goods which they might sell to the United States and buy American goods in exchange. Even if they have any goods to export their sale is hampered by exorbitant American custom duties.

The Marshall plan should be considered in the light of these facts, Varga emphasized. The economic sense of this "plan" consists in providing the United States with the opportunity to expand the sale of her goods on foreign markets without having to import goods from abroad. Thereby, it would be possible to mitigate the impending crisis in the United States and to delay the drop in prices.

The Marshall plan pursues far-reaching political aims in Europe which can briefly be formulated as follows: 1/ Formation of the western bloc under United States control. This is a step of major political importance. This bloc would have an exclusively anti-Soviet trend. In this respect the Marshall plan represents attempts to spread over the entire Europe the Truman policy pursued in Greece, Turkey and Iran. 2/ The second aim underlying the Marshall plan is to convert Germany (with the exception of the Soviet zone) into a base of American imperialism in the heart of Europe. By this manoeuvre the authors of the Marshall plan are striving to lift Britain's control over the Ruhr and preserve private ownership of German enterprises. They are planning the rehabilitation of Ruhr's industry with the help of American engineers and financed by the American US\$300,000,000 loan.

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...loan.

The demand put forward by the Marshall plan with regard to France is to annually supply the Ruhr Region with six million tons of iron ore. On this basis they are planning to restore the German heavy industry almost up to its pre-war level.

It goes without saying, Academician Varga continued, that this plan meets obstacles both in France and in Britain. France opposes this plan since the French justly regard it as endangering their security. In Britain it is opposed because it deprives her of the source of valuable income --- the Ruhr Region. 3/ The third aim of the Marshall plan consists in alienating the East European states, particularly the new democracies from the influence of the foreign policy of the Soviet Union and in winning them over to the United States thereby re-converting these countries into ordinary capitalist states and directing their internal policies along the old bourgeois democratic channel.

The governments of the East European countries which have correctly seized up the interests of their respective nations have refused to pay such a dear price for American "assistance" and the Marshall plan already suffered a grave failure because of the refusal of all East European countries to participate in its fulfilment.

Opposition which the authors of the plan met with regard to Germany in France and Britain shows that the negotiations on this plan will be more prolonged and complicated than they were supposed to be.

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Opposition against the Marshall plan is growing both among the working people of Europe and among progressive circles of the United States. Therefore, the economic crisis in the United States which is already near at hand is likely to break out before the elaboration of this plan is successfully completed. But when the crisis breaks out the American taxpayers may oppose the granting to Europe of new large credits out of state funds. Therefore, the realization of the Marshall plan which primarily serves economic and foreign political interests of American monopolistic capital, can by no means be considered as ensured.

Such are some considerations which must be borne in mind when discussing the Marshall plan in the light of the data concerning American economy. Academician Varga concluded.
(TASS)

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IZVESTIA EXPOSES SWEDISH REACTIONARY NEWSPAPERS

MOSCOW August 5, (TASS) Izvestia today published an article by Yakovlev exposing the provocative invention of the Swedish reactionary press in connection with the so-called Konnov and Mikhailov affair.

About a week ago, Yakovlev wrote, a section of the Swedish press, mainly newspapers like Dagens Nyheter, Svenska Dagbladet, Expressen, Aftonbladet and others raised a hysterical cry over the fact that the Assistant Soviet Military Attache in Sweden Major Konnov accompanied by an official of the Soviet Embassy Mikhailov utilized their vacation for a journey over North Sweden.

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ADD SHEET 9

...North Sweden.

Coming down to the dirtiest mud-slinging of the Hearst ^{type} press, Swedish newspapers pictured this trip in the manner that allegedly Major Konnov left in secret from Swedish authorities and visited the "forbidden zone" in the North of Sweden having "important defensive significance."

The reactionary press raised a furious anti-Soviet campaign demanding intervention by the Foreign Minister of Sweden. This press is not concerned with the fact that its inventions run counter to reality. It is sufficient to point out that these same newspapers which announced that Major Konnov made an alleged "secret trip" reported that the journey was under constant watch of the local police authorities and that the Soviet diplomats were accompanied by two officials of the Swedish state police especially sent for from Stockholm.

It is not accidental that on July 18, several days after the beginning of the journey two Swedes struck up friendship with Konnov and Mikhailov. One of the Swedes said that he was connected with the state forestry and the other was his assistant. These foresters showed unusual attention to Konnov and Mikhailov and after insistent pleading obtained their permission to ride in the automobile to their home in the village Everkaliks. Next morning Konnov and Mikhailov discovered that the village to which they were invited and had arrived at was actually a part of the zone in which foreigners were forbidden to remain for more than 24 hours without special permission.

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...permission.

As a result they immediately referred to the police station where, however, they were told that the forbidden zone was set up only recently, that not only was this fact unknown to foreigners who seldom come here but even ^{to} the local inhabitants.

The initiators of the anti-Soviet campaign were not abashed by the fact that representatives of the Swedish state police who apparently did not know the plans of these newspapers and their sponsors made a declaration which immediately nullified the claims of the reactionary Swedish newspapers.

On July 27 Johansson, Assistant Director of the Regional Police in "Verkaliks which is allegedly located in the "forbidden zone" made the following statement to the Swedish telegraph bureau: "This year we had many foreign tourists here and these included Americans, Dutch, Danes, Esthonians and even one German. In all cases they were told that they can remain in the forbidden region. Not one of them knew of such a situation until their arrival. The majority of the population of the given locality does not know of the prohibition to visit this locality by foreigners."

Yakovlev further wrote that the stand taken by representatives of the Swedish Ministry of Foreign Affairs is strange and and cannot be justified. They knew very well that Kennov and Mikhailov before taking the journey referred to the Swedish Tourist Bureau to explain the possibility to visit North Sweden and that the Tourist Bureau told them that those regions which they intended to visit were not in the forbidden zone and are open to foreigners.

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.....to foreigners.

Nevertheless the Swedish Foreign Ministry deemed it possible to invite the USSR Charge d'Affaires to explain and to place before him the absurd and clearly fabricated accusation against Konnov and Mikhailov advanced by the Swedish reactionary press.

The campaign in connection with the Konnov and Mikhailov affair seriously impaired the reputation of the representatives of those Swedish circles which are responsible for the maintenance of international customs and rules of politeness with regard to foreigners residing in Sweden.

Representatives of the Swedish Foreign Ministry who acted on the instigation of the reactionary press demonstrated their incapacity to respect these demands of elementary politeness. Taking upon themselves the ungrateful and risky task of supporting a false accusation against Konnov and Mikhailov, the Ministry fell into an unenviable situation. All this had been shown by the fact that the official of the Foreign Ministry in submitting his demand to the Soviet Charge d'Affaires in connection with Konnov and Mikhailov's visit to the so-called "forbidden zone" thought it wise to refrain from submitting any proof, any facts, and confine himself to the absolutely unfounded demand that Konnov and Mikhailov be recalled as the Foreign Ministry does not consider them, as you see, *persona grata*.

If the demand for proof is not considered in Sweden as obligatory for some organs of the press then it would seem that this demand must be considered absolutely necessary by such an institution as the Foreign Ministry.

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....Foreign Ministry.

However, the gentlemen of this Ministry have, as is clearly seen, other viewpoints in this connection. This rude fabrication clearly shows the impudent conduct of the Swedish reactionary circles who are trying with all means at their disposal to impair Soviet-Swedish relations and with these aims to do not stop before fabricating all sorts of fantastic "affairs," falsehoods and provocations which, however, fall through without exception no matter where they arise despite the zeal of their organizers and inspirers, Yakovlev concluded. (TASS)

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USSR, POLAND SIGN ACCORD ON EXCHANGE OF GOODS

MOSCOW August 5, (TASS) As a result of negotiations between the Soviet and Polish Ministries of Foreign Trade and trade delegations which were conducted in a friendly atmosphere an agreement was signed in Moscow August 4 between the governments of the USSR and the Polish Republic on mutual exchange of goods.

According to this agreement, the Soviet Union will deliver to Poland cotton, iron and manganese ore, ferro-alloys, oil products, chemical and other goods which are needed by the Polish economy.

Poland on her part will deliver to the Soviet Union coloured metals, cotton fabrics, sugar, windowpanes and other Polish goods.

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...Polish produce.

The agreement was signed for the Soviet Union by Deputy Minister of Foreign Trade A. D. Krutikov and for Poland^{by} State Secretary for Foreign Trade and Industry Mr. Ludwig Hoffeldt.

During the negotiations it was established that in the nearest future both sides will commence negotiations on the conclusion of an agreement on exchange of goods for a longer period. (TASS)

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CZECHOSLOVAK PUBLICIST GIVES HIS IMPRESSIONS OF PARIS CONFERENCE

PRAGUE August 5, (TASS) The well-known Publicist Andre Simon published in the magazine Tvorba an article on the Paris conference where the Marshall plan was discussed and which he attended in the capacity of an observer. Andre Simon wrote:

"The Dutch delegate, Dr. Hans Hirschfeld rose and calmly declared: 'German economy must be included into the European economy.' At that very time newsvendors were shouting in the streets: 'Holland started war against Indonesians.'

"He was followed by the Greek delegate who rose slowly and smiling kindly said: 'The Marshall plan is proof of the generosity of the United States.' By the way, on the same day English newspapers wrote that 62,000 anti-fascists who had struggled against Germany are languishing in Greek jails.

"Then the British delegate, Chairman of the so-called Committee of European Collaboration, Sir Oliver Franks, drew

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...draw

the attention of his colleagues to the fact that the Paris conference is not directed against anybody and that England harbours the greatest sympathy to all peoples.

"While Sir Oliver Franks was uttering these words, 27 kilometres away from the Palestine coast six British warships attacked the steamer 'Exodus' which carried to Palestine Jewish settlers. One of them was killed, five fatally wounded, twenty heavily wounded and 100 sustained light injuries.

"In his speech the French delegate ~~Arve~~ Alphand stressed that France wants nothing except peace and closest trade relations with all peoples and the President of Vietnam at the same time declared that until France does not cease military operations against the Republic of Vietnam there will be no peace between the two governments.

"The Portuguese delegate in touching words expressed his gratitude to America and his confidence in the 'great saving mission of the Paris conference.' At the same time in Lisbon Dr. Salazar said that between 'America and Portugal' an agreement on alliance will soon be reached. Particularly at this same hour one American newspaper wrote that Salazar is maintaining power only because of cruel dictatorship and that Portuguese jails are packed.

"The Turkish delegate associated himself with the opinion of previous orators and emphasized that 'without German economy Europe cannot recover.' At this moment perhaps von Papen recalled that the Turkish government allowed German ships to pass through the Black Sea Straits in order to take part in the attack on the Crimea.

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.....on the Crimea.

"Here you have the physiognomy of six out of the 16 participants of the Paris Conference," Simon continued, "Two of them are waging open colonial war, the third is waging an undeclared colonial war, the fourth is continuing a war of terror, while in the fifth state cruel dictatorship is in power. The sixth government --- Turkey --- helped Germany during the war.

"All these gentlemen who assembled in Paris talk about civilization while their gaze is turned to Washington which supports and directs colonial wars, encourages regimes of terror.

"A thick fog covered Paris during the first day, then it became clear that efforts are being directed to regenerate German military potential, that the Marshall plan contains the intention not to help Europe but to help Germany. The Marshall plan is nothing else but an improvement of the Truman doctrine which is aimed at exporting capital from the United States."

Andre Simon further pointed out that after the end of the war /... democratic forces and in the first place all Communists and trade union organizations seriously resist American imperialism which is striving to dominate Europe, striving to deprive European countries of their sovereignty and assume control over European economy.

"If the policy of the United States," Simon wrote, "is directed to limiting the freedom of the peoples and aims at exporting American capital then the foreign policy of the Soviet

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...the Soviet

Union, on the contrary, is directed to give all peoples including the smallest with the opportunity to live independently and settle independently vital questions concerning their own countries.

"The Paris conference," Andre Simon wrote, "was to give hope to European countries that their serious economic difficulties would be speedily eliminated with the help of the United States. But after the Paris conference these difficulties were augmented by the spectre of regeneration of the economic might of German capitalists and the rebirth of their aggressive policy.

"One may think that the Paris Conference was called in order that history should be repeated. The Paris conference clearly runs counter to the wishes of the people of Europe who are striving to assure the peaceful development of the world and guarantee each people the possibility to build their homes according to their own wishes.

"The non-participation of the Slav peoples and other governments in the Paris conference is the strongest expression of the genuine aspirations of these peoples. The American policy in the Ruhr region opened the eyes for many who only recently believed in the salutary mission of the Marshall plan. It is possible that the delegations of France, England, and other countries which attended the Paris conference will bow down before the American plan but the peoples of the rest of Europe cannot reconcile themselves to the fact that behind their backs the German danger is growing again," Simon concluded. (TASS)

UNITED NATIONS RELIEF AND REHABILITATION ADMINISTRATION
Tel. 46389 Ext. 19

Shanghai, China
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FOR IMMEDIATE RELEASE

Mr. K. S. Hu, regional director of CNRRA's Fukien province office, today (Wednesday) assumed the directorship of the Fisheries Rehabilitation Administration (FRA) at Point Island, Shanghai.

Mr. Hu, earlier in the CNRRA-UNRRA program was director of CNRRA's Department of General Affairs at CNRRA headquarters. He succeeds Jennings Wong who resigned as director of FRA to accept an appointment as Acting Director of the Preparatory Commission of the International Refugee Organization's Far Eastern Office. Mr. Wong has been director of FRA since March and before then was director of CNRRA's Shanghai Regional Office.

The Fisheries Rehabilitation Administration is an UNRRA sponsored project to restore and expand China's fishing industry through a U.S. \$26,000,000 program which includes the provision of powered fishing boats, the building or repairing of 10,000 war-damaged junks and furnishing China with modern fish processing facilities.

Of the 127 powered fishing boats so far brought to China by UNRRA, 18 are now being operated with all-Chinese crews, trained under experienced fisherman-instructors recruited abroad by UNRRA. Twenty captains, 46 chief engineers and 198 fishermen are now qualified to operate powered fishing vessels. The training program, which includes all phases of the modern complex fisheries industry is currently being expanded.

Seven powered craft are now fishing out of the north China branch operating base at Tsingtao. Other branch bases are located in Canton and on Formosa.

Shipments of all UNRRA supplies to Nationalist and Communist areas north of the 34th parallel were suspended on July 28 by order of the UNRRA council of 48 member governments. Fisheries equipment and supplies immobilized by the suspension include 12 powered fishing boats, 2 tugboats, 2 motor dories, one fish reduction plant, a vitamin oil plant, 150 Diesel engines, 20 shipyard repair units and about 900 tons of cable, rope, paint and varnish and other fisheries material--all scheduled for shipment to Chefoo where establishment of an additional branch base is planned. Shipment of maintenance equipment for the Tsingtao base has also been halted.

The UNRRA China office is currently negotiating with the Nationalist government for arrangements to permit an equitable distribution of UNRRA supplies in North China and to provide for the safety of UNRRA personnel at work in the northern areas.

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The July 28 suspension of all shipments of UNRRA supplies to Communist and Nationalist territory north of the 34th parallel affects some of the most important rehabilitation work undertaken in this country, it was revealed today when the UNRRA China Office released an analysis of the effect of the order to impound supplies destined for north China.

The impounding of 50,000 tons of supplies destined for Communist areas and 38,000 tons intended for northern Nationalist territory has cut off further equipment and supplies from a number of major UNRRA projects.

During the current suspension, ordered on July 28 by the UNRRA Central Committee, the UNRRA China Office is negotiating with the Chinese National Government for arrangements that would permit equitable distribution of UNRRA supplies in both Government and Communist areas and that would ensure the protection of UNRRA personnel engaged in the work.

Foremost among major north China undertakings in which UNRRA is participating is the Yellow River dike repair project. This is the only project from which UNRRA personnel have been withdrawn, following the National Government's notice that it could no longer guarantee the safety of UNRRA personnel engaged in the work. All UNRRA engineers, technicians and administrative personnel assigned to the Yellow River project were withdrawn as a direct result of this notice and 17 other UNRRA field personnel engaged in work in the Yellow River area are immobilized as a result of military activity.

Elsewhere north of the 34th parallel about 65 UNRRA personnel are continuing their duties to the varying extent permitted by military action in individual areas and although further supply shipments have been halted.

AGRICULTURAL REHABILITATION

North China projects which, like the Yellow River project, have as their primary goal an increased Chinese food production, represent approximately one-third of UNRRA's U.S.\$75,000,000 agricultural rehabilitation program for China. However, the immediate and long range value to China in expanded food production and the specialized training afforded by the program to large numbers of Chinese is many times that figure. Shipment of more than 22,000 long tons of supplies earmarked for North China agricultural projects has been suspended.

Among these projects are the North River water conservancy project near Tientsin and 14 tractor training projects in operation or planned in Shantung, Manchuria, Honan and Suiyuan provinces, which have placed 400 UNRRA farm tractors in active use. Of UNRRA's

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China tractor training program, through which young Chinese farmers are trained to operate modern farm machinery while performing valuable plowing, seeding and harvesting work for farmers, two-thirds of all the projects were outlined for north China. Nearly 1000 pieces of farm equipment allocated to north China are being impounded.

The UNRRA pesticides program to train north country farmers in the effective control of locusts, rice borers, plant lice and other food destroying insects; the seed program, nearly complete, but still in progress to instruct farmers in proper seed planting and treatment methods, using seed impregnating agents imported by UNRRA; and the fertilizer program are affected by the suspension.

Shipments of UNRRA fertilizer now being impounded total almost 12,000 tons, including over 7,000 tons allocated to Communist territory. Of greater importance to agricultural production throughout China, however, is the suspension of shipments of UNRRA machinery to the Haichow Phosphate Mines. This affects UNRRA's plans to increase the output of the mines, which in turn will curtail the production on Taiwan of fertilizer, which is shipped to the China mainland for wide use on China's farmlands.

The entire emergency feeding program for refugees in the flooded areas of north China, now well under way, is affected by the stoppage. An estimated one million persons in this area are reliant on UNRRA foodstuffs before this year's harvest. Ten portable Wiles cookers have been serving 20,000 meals a day to returning settlers. About 27,500 tons of foodstuffs intended for the area are now being impounded.

UNRRA's fisheries rehabilitation program for areas north of the 34th parallel represents about thirty percent of the entire U.S. \$26,000,000 UNRRA fisheries program for China. With seven UNRRA supplied powered fishing vessels currently operating from Tsingtao, and a large additional branch base planned for the important north China fishing center of Chefoo, further shipments of fishing vessels and supplies have been suspended.

Twelve powered fishing boats, two tugboats, two motor dories, one fish reduction plant, a vitamin oil plant, 150 Diesel engines, 20 shipyard repair units, 70 tons of ice-making equipment and over 900 tons of other fisheries equipment including cable, rope, paint and varnish--all scheduled for shipment to Chefoo--are being held in Shanghai. Shipments of additional maintenance equipment for the base at Tsingtao have also been halted.

The suspension order includes additional supplies for the US\$45,000 Agricultural Industries Service project at Chungmou, Honan, established in cooperation with the Friends Service Units. Project plans include a foundry, six blacksmith shops, a cotton weaving and a carding plant, a wood fabricating plant, an oil processing plant, flour milling equipment, irrigation equipment and the training of farmers to operate small industrial units to coordinate with their farming activities.

Among smaller agricultural projects affected are the food processing training program, with 200 long tons of pressure cookers, canning machinery, dehydrators, etc., impounded. Almost all of the 10,000 ton farm shop program for North China is affected. Only 600 tons

of equipment have been delivered for this program which supplies farmers with material and technical assistance to manufacture their own simple farm tools.

INDUSTRIAL REHABILITATION

Hardest hit of UNRRA's extensive industrial rehabilitation program for North China, is the electric power plant project. Twelve of the 69 power generating units intended for UNRRA's China-wide power plant rehabilitation program, have been impounded. These plants, ranging in power output from 500 to 1000 Kilowatts are of enormous importance to the revitalization of industry in both Nationalist and Communist areas.

Six generators badly needed to boost the output of North China coal mines, main sources of coal supply for Shanghai and other Chinese industrial centers, have been impounded. The mines affected are the Hwa Tung Coal Mine in Kiangsu (1,000 KW), the Ching Hsing Coal Mine (2,000 KW) and the Chang Cheng Coal Mine (1,000 KW) in Hopei; the Tatung Coal Mine (1,000KW) in Shansi, the Yeeloo Coal Mine and the Tsiao Tso Coal Mine (each 500KW) in Honan. Delivery to Communist areas of two 550 KW sets for Linching and Hsing-tai, one 1000 KW set for the Tze Hsien Coal Mine, and a 1000 KW Diesel generator and one 500 KW steam generator has been halted.

In addition to the power plants themselves, 111 transformers to distribute the power and 94 motors have been impounded. All are urgently needed to help restore China's war-depleted industrial production.

Also planned by UNRRA for North China and affected by the suspension order are the railway and machine shop program costing in the neighborhood of U.S.\$2,500,000. Three fourths of this amount was for the erection of a large railway workshop at Sian.

Other industrial rehabilitation projects affected include the Loho Bridge construction project for which most of the material has not been delivered.

Further shipments of highway construction material, hand tools, for small technical projects, saw mill equipment, centrifugal mining pumps, technical education supplies for North China colleges and universities and waterworks machinery have been stopped, as have approximately 2000 tons of relief textiles and a substantial quantity of medical supplies.

The resumption of northward shipments depends on the agreements of Nationalist and Communist leaders to the plan advanced by UNRRA to permit UNRRA operations north of the 34th parallel to be carried on equitably, with adequate safeguards for the protection of UNRRA personnel at work in the northern areas. The deadline for this agreement is August 12.