

Germany or Japan should be crushed first was useless; the Allied strength should be divided equally against Germany and Japan and simultaneous blows should be struck at both nations. China agreed that an increase in the war effort against Japan should not handicap the war against Hitler, but, conversely, the war against Hitler should be carried on without handicapping the war against Japan. If one front were found to be weaker than another, it should speedily be strengthened. Now Australia had been strengthened by reinforcements, but China was still no better off than before, and it was not right for Mr. Evatt to minimise the power of Japan just because Australia felt safe. Until China received more aid, she could not but feel concerned about the war against Japan.

From this and other similar comment it is clear that there is a mood of considerable impatience in Free China. One newspaper has gone as far as to say that the monsoon rains in Burma need be no obstacle if China's allies really had the will to take the offensive. The Generalissimo will have a difficult task in the coming months in persuading those around him to think as "globally" about the war as he apparently does himself and preventing the sense of being isolated and neglected from disposing some to listen to whispers from Nanking. Meanwhile Mme. Chiang Kai-shek has returned to Chungking from her tour of the United States and Canada and will doubtless have given her husband a detailed report of her mission.

In Japanese-occupied China two recent events of some importance have been the completion of a detailed agreement (announced by *Domei* on the 3rd July) between Japan and the Nanking Government for the transfer of the Shanghai International Settlement, and the death on the 26th June of Chu Shen, Chairman of the "North China Political Affairs Commission," which is the Japanese-sponsored administration with its capital in Peking. As regards the transfer of the International Settlement, it is regarded as of great importance by Wang Chiang-wei's supporters, partly for its prestige effect and still more because of the increased economic strength which it is expected to provide for the régime. The Nanking-appointed Mayor of Shanghai, Chen Kung-po, speaking on the 30th June, declared that Shanghai's financial world had hitherto remained aloof from the Nanking Government "under the protection of foreign flags," but would now be incorporated in "China's," i.e., Nanking's, wartime economic structure. He named Chou Tso-min and Tang Shou-min as financiers who were co-operating to Nanking's satisfaction.

The death of Chu Shen, which is stated to have occurred on the 26th June, was not announced publicly until the 4th July. In the meantime the succession to his office had had to be decided. The North China Commission, according to its Information Bureau, held a meeting on the 2nd July and appointed Wang I-tang in 1941, and Wang I-tang was in turn replaced by Chu Shen in successor by the Nanking Government; the latter decided to appoint Wang Keh-min. This looks like a political success for Wang Ching-wei, who must have obtained the consent of the Japanese to this nomination, and a defeat for Wang I-tang, who has recently been visiting Tokyo, and is believed to have favoured the closer association of North China with Manchukuo rather than with Nanking. Wang Keh-min was the first Chairman of the North China Commission, when it was set up by the Japanese in 1937; he was replaced by Wang I-tang in 1941, and Wang I-tang was in turn replaced by Chu Shen in February 1943. Since the early days of the war in China rivalry between Japanese military headquarters in Peking and in Nanking has been added to the ancient Chinese rivalry between the two capital cities, and the Japanese Kwantung Army and North China Army groups have tried to thwart Wang Ching-wei's efforts to get control over occupied North China. But the Tokyo Government's policy of strengthening the Nanking Government now seems to be overriding these vested interests, and it is possible that the Nanking and Peking régimes will soon be unified to a greater extent than hitherto. Wang Keh-min, who is 68 and in poor health, is now restored to office as the nominee of Nanking and is unlikely to be more than a figurehead.

In another part of "Greater East Asia," Chandra Subhas Bose is developing his plans for becoming the Wang Ching-wei of India. At a conference of representatives of the India Independence League, held in Singapore on the 4th July, he was elected president of the league on the nomination of the previous president, Ras Behari Bose, who now gracefully retires into the background. The new president announced his intention of organising a Provisional Government of Free India "to lead the Indian revolution to a successful conclusion." Bose claimed that he maintained contact with an underground movement inside India and that preparations were being made "for an armed struggle which will

be the culmination of all our national efforts since 1895." He said that two things were necessary for the achievement of independence: first, a favourable international situation, and second, the necessary sacrifice and effort. The former condition had been fulfilled by the war. Every freedom movement in history had had to seek some help from abroad before it could gain success and the "logic of events" in the present situation had made the Tripartite Powers India's natural allies. Moreover, Japan had been the first Asiatic Power effectively to resist foreign aggression and now had an "Asiatic consciousness" which led her to help other Asiatic nations to achieve their liberation. The obvious anxiety of Bose in his broadcasts to justify his acceptance of aid from Japan suggests that he is aware that the Japanese are not popular in India; on the other hand, his uncompromising demand for complete and immediate independence, not to be received as a grant from Britain but taken by force, may give him something of the tactical advantages which in 1916-20 was held by Sinn Fein as against the parliamentary Irish Nationalists.

General Tojo, whose travels had not previously led him south of Manila, has now visited Bangkok and Singapore. His visit to the Siamese capital, where he conferred with Prime Minister Songgram, has been followed by a declaration of Japanese consent to the annexation by Siam of the Shan States of Kengtung and Mongpan and the Malay States of Kedah, Perlis, Kelantan and Trengganu. The Shan States in question, like other Shan States, are inhabited by people speaking dialects of the Thai language of which standard Siamese is a branch, and they are, therefore, claimed by Pan-Thai irredentists on ethnic grounds, but they were under Burmese suzerainty at the time of the British conquest of Burma and thus passed under British control. Along with Karenni the Shan States were excluded from the area to be administered by Burmese Ministers under the Burma Constitution of 1923, and this exclusion has been maintained by the Japanese in giving "independence" to Burma. The Japanese thus hold the Shan States either to retain under their own direct control or to dole out to Siam as a reward for good behaviour. The cession of the four Malay States is a reward which will no doubt be even more appreciated by the Siamese owing to their greater economic value. The Siamese claim to them is not racial, as their inhabitants are Malays plus Chinese and Indian immigrants, but rests on the former vassalage of their rulers to the kingdom of Siam. Siam renounced her suzerain rights over the four States in favour of Britain by the agreement of 1909 when Britain gave up rights of extra-territoriality in Siam, but the territory has, nevertheless, become an irredenta for extreme Siamese nationalists. The satisfaction now given to Siamese territorial aspirations is no doubt meant to strengthen the position of Pibul Songgram and to counteract by appeal to national pride the growing unpopularity of the war among the Siamese, who have suffered since December 1941 from an increasing scarcity of all kinds of commodities and have hitherto seen nothing to show in return for the policy of military alliance with Japan pursued by their Government.

THE UNITED STATES OF AMERICA.

The inflation issue, which may have important consequences for wider economic policies in the future, has reached a further stage this week. The Congress, successful, in carrying the Anti-Strike Bill over the President's veto, was emboldened to attempt another major assault on the Administrators' domestic policy. It attached to the Bill continuing the Commodity Credit Corporation clauses which would have prohibited the use of its funds for further subsidies to producers and processors of food supplies and terminated by August existing subsidies on meat and butter. This opposition to subsidies reflects in part the new-found hostility of the powerful farm *bloc* interests. In the depression years the farm *bloc* had no objections to subsidies. Indeed, the C.C.C. and the Agricultural Adjustment Administration, with which it is associated, was established by the first Roosevelt Administration in collaboration with the Farm Bureau, and has for years been subsidising various agricultural products through loan operations and guaranteed minimum prices. Now, however, with a seller's market the farming interests object to subsidies because they involve price ceilings and the regimentation of agriculture as opposed to free markets for the most profitable crops. Believing that industry and particularly industrial labour are enjoying a far higher increase in money incomes, they consider the agricultural community entitled to a loosening of the reins and a concomitant upward

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