

It confirmed, incidentally, the tight hand kept by the Higher Command, who control directly Malaya and Sumatra, and supervise the native governors in the Philippines through their local "civil administrators"; in Java, it was stated, there are Japanese governors over seventeen of the provinces, though the Malay sultans "have their position respected."

The cry of "wolf" about China—that she is on the verge of collapse—is again being raised, this time in American periodicals. Writing in *Life* (the 10th May), Pearl Buck says that the Chinese are being starved out, and choked off, beyond human ability to fight, and she draws a glum picture of increasing political corruption and discord, gagging of the liberal element, cynicism, sickness and appalling economic conditions, all of which she ascribes in part to the Allies' neglect of the Far Eastern theatre of war and to the loss of the Burma route. "Depression in Chungking" is the subject of an article in *Time* (the 10th May) which describes China as "ill," and other papers, too, are driving home the danger of China pulling out of the war. It is hard to assess the ground for this exceptionally gloomy picture, which is intended, of course, to stimulate aid for China and action against Japan. There is certainly nothing to suggest that Chiang himself is wavering, nor are there signs of his losing control. On the other hand, there are very few means of knowing what the feeling is among the troops in the field, or what intrigues may be hatching behind the Generalissimo's back. The Japanese, of course, claim that the morale of Chungking and its armies is dissolving in face of the improvements in Nanking China brought about by their "new policy," and it would not be surprising to find that Wang Ching-wei's elevation to a position of greater independence and power is making a certain impression on Chinese minds. As a stimulus to the fighting spirit of China the victory in North Africa has come at a very good time.

*The Times* correspondent in Australia has recently drawn attention to the energies of the Dutch in the Pacific theatre of war. He emphasises the importance of their contribution to the fighting, the work done by their bombers, the special training by Indonesian troops evacuated to Australia and, above all, the services rendered by their ships and their ex-air-line pilots in transporting supplies. Also, he mentions the provision being made by the Dutch authorities against the day when the Netherlands East Indies are freed from the Japanese. Reserves of essential equipment, e.g., medicines, radio-sets and newspaper-printing machinery, are being accumulated in Australia, and plans are on foot for the training of civil servants.

Two more Axis supply ships from the Far East have scuttled themselves in the Atlantic after interception by His Majesty's ships.

#### THE UNITED STATES OF AMERICA.

Attention is concentrated on the question what will be the next move now that the North Africa campaign has ended. It is taken for granted that the Prime Minister's visit to Washington is made for the purpose of completing, and carrying a stage further, the decisions already reached at Casablanca. The fact that his staff included Field-Marshal Wavell and the commanders of the British sea and air forces on the Asiatic front led naturally to the conclusion that further steps against Japan would be in the forefront of discussion. Such steps, as previous *Summaries* have recorded, have been demanded with special insistence in recent weeks, and were the subject of a heated debate in the Senate on the 17th May. When the Allied forces first landed in French Africa, and the public was expecting a rapid occupation of the whole southern shore of the Mediterranean, there were many suggestions of political as well as military action aimed at eliminating Italy from the war. These were, at least in part, inspired by official acts and words—in particular, the decision four weeks before the landing that Italians in the United States should no longer be treated as enemy aliens, and a speech by Mr. Berle soon after it, in which he called on the Italian people to throw out the Fascist régime and its Axis allegiance. Mr. Walter Lippmann, who had a good deal to say on the subject then, has now returned to it. But, in the main, discussion of future developments in Europe has been rather on wait-and-see lines, with some applause for the effectiveness of the United Nations "war of nerves" against the Axis, and a warning from the *New York Herald-Tribune* that such a war is a boomerang unless it is followed by action.

Congress has now entered the last stretch in its five-month effort to produce an income-tax plan. The main feature of the system whose adoption in Congress

now appears probable, is that it provides for the deduction of tax from current wages and salaries over \$624 per annum (£3 per week). The Senate rejected the Treasury attempts to make this deduction count, partly or wholly, as tax on 1942 income: this is called "forgiving" one year's taxation, but the taxpayer will be no better off until either tax is repealed or the income ceases, when under the Senate plan payment will stop at once. There is some question whether the President will veto this Tax Bill; he is said to disapprove it, as does the Treasury also; but the practical and political effects of such a veto would be complicated and embarrassing, and it does not seem probable.

The coal-miners are to continue at work for another fortnight. Otherwise the position described last week has not essentially changed. The deadlock between the War Labour Board and Mr. Lewis as to *who* is to settle the problem grows more and more complete; the W.L.B., including A.F.L. and C.I.O. members, has taken a stand not less uncompromising than that of the miners' leader. As to *how* it is to be settled, the lines are growing less rigid. The W.L.B. has recovered some freedom of action in the matter of raising wages—a dangerous weapon with the Farm Bloc in Congress well prepared to join in any assault on the anti-inflation line. Action to reduce, and not merely stabilise, the cost of living is also under way. On the 1st June prices of meat, coffee and butter are to be "rolled back" by 10 per cent.; this will probably be extended to other food-stuffs. In order to enable this to be done without curtailing output, subsidies are to be given (apparently to processors rather than to primary producers), through the R.F.C. Subsidies of this kind have been used to a limited extent already, but an appropriation for subsidies to industry was refused to the R.F.C. last summer and Mr. Henderson was forbidden to use O.P.A.'s funds for a similar purpose. Congressional distrust of Mr. Henderson was largely responsible; Mr. Prentiss Brown, the present head of O.P.A., may be more successful. But the fear of New Deal regimentation and of the destruction of private enterprise remains. It is also charged already that the President is, by-passing Congress by using R.F.C. funds; sooner or later Congress will have to be asked for funds. The matter has not recently come up in Congress, but in the spring that body refused to allocate funds for subsidies to farmers to encourage production of needed crops. Mr. Walter Lippmann and many radio speakers advocate subsidies, but their use has been criticised in the Conservative press, e.g., the *New York Times*, as unsound, and as a form of concealed inflation. It is admitted that they have been used successfully here and in Canada, but the critics point out that they have been accompanied by heavy taxation and other inflation controls, so that it has been possible to limit their use.

The Food Conference opened in Hot Springs, Virginia, on the 18th May. All the countries invited, viz., all the United Nations and some twelve others whose presence seemed desirable for various reasons, accepted. The press will be admitted, but with restrictions under which it will continue to chafe. The Conference has aroused no great interest as yet; there is too much going on of a more exciting character. But a good reception was given to a statement made to the press by Mr. Law, head of the United Kingdom delegation, in which he surveyed the field of discussion, explained reasons for believing that the Conference would do valuable work, and suggested that it ought to lead to the early setting-up of a new and comprehensive international organisation to keep consumption and production problems under continuous study.

There has been no clear-cut development in the field of post-war discussion. The voting in the Lower Chamber on the Bill for the renewal of the Trade Agreements Act threw no real light on the subject—partly because the voting itself was ambiguous inasmuch as the main body of Republican members, having tried and failed to introduce substantial amendments, ended by voting for the Bill; partly because they were able to claim that the amendments they proposed were not isolationist in intention, but were aimed at safeguarding the rights of Congress. The Bill is now before the Senate. Meanwhile the demand that "this must be prevented from happening again" continues to grow, and Congressmen are receiving many letters to this effect from parents who have lost sons in the war. Mr. Welles, in his latest speech, repeated the claim he made a year ago, that this would also be the demand of the men in the forces. Isolationist papers, on the other hand, have been declaring that these latter would be bitterly hostile to any plan which they believed might delay their return home: this indeed was the mood of the A.E.F. in 1919. In this connexion the eventual attitude of the American Legion will be of interest, particularly since it appears to be already receiving a number of new members from among men who have served in the present war. Its National Chairman, Colonel Roane Waring, has been making