

Russians Reported Set To Offer Deal to Peking

Chinese Would Get Aid in Return For Acceptance of Peaceful Coexistence

By RICHARD CRITCHFIELD
Asian Correspondent of The Star

NEW DELHI—Russia intends proposing to China the formation of a huge joint Sino-Soviet Communist economy in return for Peking's willingness to accept the Russian principle of peaceful coexistence, reliable Indian Communist sources said today.

Mikhail Suslov, the elderly Soviet party theoretician who is believed here to have engineered Nikita Khrushchev's downfall, will soon go to Peking to offer this proposal, it is reported.

In Suslov's attempt to reconcile Russia and China, he will promise massive economic aid and lesser military aid in return for Chinese acceptance of Communist aid to nonaligned countries, a prolonged detente with the West and abandonment of China's ideological doctrine of inevitable revolutionary violence.

Suslov is expected to visit Peking well before the international Communist conference in Moscow scheduled for Dec. 15. He is expected to try to persuade Mao Tse-tung that the Communist bloc, by pooling its resources, within a generation can economically "bury" capitalism.

Suslov will buttress his argument by asserting that the Soviet economy will enter a decisive "take-off" stage in 1971 and its growth rate dramatically will accelerate from then on.

Since China's population will have increased by more than 1 million by 1971, Suslov's offer

for China to share in this anticipated economic boom should be extremely tempting.

It also was learned here from reliable informants that Nikita Khrushchev soon will go into an honorable retirement at Yalta and will keep his party standing and membership on the Central Committee.

Details of Suslov's trip and what he proposes to offer Mao have leaked out here since the return from Moscow yesterday of Russian Ambassador I. A. Benediktov. He is a member of the Central Committee and attended the session at which Khrushchev's resignation was accepted.

A former minister of agriculture during the Stalin era, Benediktov is known to be an old and close associate of Suslov.

Benediktov is believed to feel Suslov has emerged on top in the Kremlin power struggle, but so far lacks sufficient support to visited the Indian foreign ministry and is scheduled to meet Prime Minister Lal Bahadur Shastri.

After conferring with Indian officials, he is expected to fly back to Moscow and report to the Central Committee.

In his meetings with Indian leaders, Benediktov is offering what amounts to a deal. Its main two points are that Russia wants India to settle its Himalayan border dispute with China, but refrain from any compro-

See TRUCE, Page A-6

TRUCE

Continued From Page A-1
mise with Pakistan over disputed Kashmir.

Both proposals have sinister implications for the United States. A Chinese settlement would appear to revolve around Suslov's ability to get Peking to agree to Chinese withdrawal from seven military posts in the demilitarized zone of Ladakh in northwestern India.

India, in turn, would have to agree to permanent Chinese occupation of 14,000 square miles of Indian territory along the Chinese-built Akeal Chin Road connecting Sinkiang and Tibet.

The Indian government also would be required to help create a public climate where a rapprochement with China and the restoration of friendly relations is possible.

Regarding India's relations with Pakistan, Russia is taking the position it does not object to continued goodwill talks, but opposes any negotiations that would mean substantive changes in the control of Kashmir.

A Kashmir compromise, Russians say, would "seriously embarrass" the Soviet government which has repeatedly declared in the United Nations that Pakistan has committed aggression against India there.

The Russian intent appears to be based on the feeling that the Indo-Pakistan quarrel over Kashmir weakens both to a point where Russian or Chinese influence of either is relatively easy.

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Box 1004
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Chung Karshek

Merced, California
December 3, 1958

Dear Mr. Pearson:

Received your note of Nov. 17. Sorry I haven't answered sooner, but the holiday rush on the newspaper has kept me pretty busy. I wanted to do a little digging in the library to refresh my memory and see if I couldn't substantiate some of the things I recall concerning the corruption in the Chiang Kai-shek days of 1947 while I worked as carpenter aboard a ship under charter to the Chinese government.

The ship was the John Mary Odin, a liberty ship owned by the Maritime Commission, and leased to the American Mail Line, still one of the big West Coast lines. Her captain was Alex Jensen, today captain of the Ocean Mail. My certificate of discharge shows we signed on the ship April 11, 1947 in Seattle. Signing on is usually done the day of sailing. We carried a cargo of dried peas to Japan, expecting to be back in the States in seven weeks. In Japan we were chartered to the Chinese government for a period of six months.

The first trip we loaded surplus army equipment in Tinian and Saipan which we discharged at the docks in downtown Shanghai. The second and third trips were to Guam for loading and BOSEY (Board of Supply, Executive Yuan), had by then obtained their own pier about five miles down the river from Shanghai, where we discharged--a place called Jukong Wharf. The final trip was to Guam for loading and up to Tsingtao for unloading.

From there we sailed for Portland about the first week in November and were paid off in Portland Nov. 25, 1947.

It may be best if I relate my experiences in a personal way, making a few comparisons with published statements I ran across.

My interest in China was quite intense, and I made many acquaintances among the BOSEY officials, most of whom were young Chinese college students of my age. Several of them rode our ship to Guam where they stayed in the BOSEY camp to supervise the handling of supplies. An American firm, the name of which I do not recall, had the stevedoring contract, using Chinese labor supplied by BOSEY and also encamped in the Chinese compound on Guam.

I often delivered packages and boxes to the families of some of these BOSEY officials in Shanghai, and was invited into their homes on many occasions for fine meals. My host on one occasion was a history professor in one of Shanghai's universities, an elder brother of my friend on Guam. He first opened my eyes to the rampant corruption in the military. He told me of the Chinese Navy--how they would load with ammunition and supplies to attack the Communists in North China. After a few days of cruising around in the Yellow Sea, they would put in to a Communist port, sell their ammunition, supplies and part of the fleet, and return with tales of the battle they had fought.

From U.S. News & World Report, May 21, 1948, p. 28:

"Surplus American ammunition in the Marianas Islands, great quantities of it, is being sold to China at one cent on the dollar of procurement cost . . .

"Nearly 100 American naval vessels, valued at \$70,000,000 have been transferred to the Chinese Navy without cost. Nationalists obtained 130,000,000 rounds of rifle ammunition and a number of arms and ammunition dumps. Earlier surplus-property deals gave the Chinese title to fixed installations and movable property in China and movable property on 17 Pacific islands with an original cost of approximately \$824,000,000."

Since the professor was of a wealthy family, and fled to Formosa with the collapse of Chiang, I see no reason to doubt him. I still receive a card occasionally from the younger brother on Formosa.

As far as I know we carried no ammunition or arms that summer. Army trucks were one of the big items. I remember tons of photographic supplies, cosmetics and PX supplies, army clothing and airplane parts. We usually spent about two weeks at Jukong Wharf unloading and I remember a twenty-foot high pyramid of airplane generators piled on the dock. The chief mate and I used to stand out on deck at night and watch the officers of the Jukong guard detachment at their looting. Like a tireless ant colony, they would file out of the shadows, stick a generator in the front of their jackets and disappear. Each morning we would note the size of the shrinking pyramid, until nothing remained. Generators were no doubt a live item in the Shanghai market then.

And at that very time:

"His (Chiang's) bomber groups are grounded uselessly at the coast for lack of spare parts." --Editorial in New Republic, July 21, 1947, p. 14.

"Planes supplied to the Nationalists by the U.S. are badly maintained. Millions of dollars of replacement parts for planes have been funnelled into the black market, while many planes are grounded for lack of these very parts. And how much high octane gasoline has been diverted into the black market by Army commanders or allowed to go to waste due to improper care never will be known." --U.S. News & World Report, March 5, 1948, p. 27.

The cosmetics and other PX supplies we carried could be found for sale in the Shanghai markets the day following the unloading. If this was legally disposed of through proper

channels, they certainly had the most efficient government office ever devised.

Chewing gum and razor blades were a popular cargo on one trip. Shanghai was flooded with Beeman's Pepsin chewing gum. The crew of our ship, rarely thinking in terms larger than a half dozen bottles of whisky, quickly fell in with the old Chinese custom of "piecing off." One case of gum for the officer of the guard and two cases for the entrepreneur. For days, one could see American seamen rolling up and down the streets in the Hongkew district (the waterfront) in rickshaws loaded with cases of Beeman's gum and razor blades, checking prices with various buyers and bartenders. Payment was in bundles of the then-inflated currency about the size of butter cartons. I recall the exchange was about 17,000 to \$1 U.S.

Although I know of no direct transfer of trucks to the Communists, I was told by one of the young BOSEY officers that if the local market did not offer a sufficient price, the trucks were sold to the Reds who were always willing to pay. And of course the "local market" was made up of middle-men who sold to whoever would allow them a profit. This young officer was the son of the director of a sanitarium on the outskirts of Shanghai. I often went to his home and he helped me with my plan to enter a university in Peking under my G.I. educational benefits. I enrolled for September classes in the College of Chinese Studies, but was unable to carry through the plan.

Our last trip of the charter was perhaps the most significant. We must have unloaded about the last ten days of October in Tsingtao. Time magazines of July 28, 1947 (p.19), and Oct. 6, 1947 (p. 37) show maps revealing that Shantung peninsula was Communist held, with the exception of the port of Tsingtao. There does seem to have been a Nationalist

offensive the latter part of October in the Shantung peninsula and I suppose our diversion to Tsingtao could be explained in that way. However, the common opinion in Tsingtao among Chinese Customs officials and BOSEY men was that the stuff was being sold to the Reds, especially the trucks. Whatever was accomplished by the offensive, conditions on the Shantung peninsula seem to have reverted to their former status according to Darrell Berrigan's article "Is Our Navy Trapped In China?", Saturday Evening Post of Sept. 25, 1948:

"Except for the rocky Laoshan Range that rises just behind the city, all the land visible from the heights of Tsingtao is in the hands of the Communist Armies. The desert bottom lands across the placid bay are Communist. So are the wheatlands behind Laoshan and all Shantung Province beyond, except for a few isolated pockets of Nationalist control now crumbling under Communist attack. So far, the Communists have been content to isolate Tsingtao by land and concentrate their efforts on eliminating the major inland cities of Shantung."

I believe we were the first ship to make these BOSEY charter runs, but before our charter expired, other American ships were assigned to the job. One I remember was another liberty ship bringing goods from Okinawa. I believe ~~others~~ there were several others, but I have no information on arms shipments, or whether the turnover of weapons was handled through BOSEY. Here are a few references, however:

"U.S. arms worth millions have been captured by--and in some cases sold to--the Communist armies." --U.S. News & World Report, Dec. 3, 1948, p. 12.

"U.S. weapons supplied to the Nationalists during and since the war turn up in Communist hands... They have a number of small-arms arsenals, but the bulk of their equipment is said to be coming from the Nationalist officers and troops, who

make the selling of arms a common practice. Also many Nationalist troops go over to the Communists and take their U.S.-supplied arms with them.

"One U.S. military official in China said: 'The Nationalist troops are little more than a transportation corps for the Communists. They deliver American arms to the Communists--by surrendering or selling them--almost as fast as we turn them over to the Generalissimo...'"--U.S. News & World Report, March 5, 1948, p. 27.

And even from the Nationalists themselves as early as 1947 Gen. Fen Yu-Hsiang, "The Christian General," a leader in the progressive forces of the Kuomintang, warned:

"...if the U.S. had stayed out entirely--maintained absolute neutrality--the war would have petered out for lack of means. Weapons supplied to Chiang Kai-shek usually fell into the hands of Communists. In effect, the United States armed both sides." --Nation, Nov. 15, 1947, p. 522.

I regret that I did not take more interest in gathering material of this kind at the time. But even with my lack of interest I was fascinated that the State Department so doggedly clung to the idea that Chiang would by some miracle, straighten up. Today, 10 years later, and with the mule-headed Mr. Dulles still clinging to the idea, the fascination is gone.

In 1948, I quit sailing, settled in the Philippines for the next nine years, and was not in touch with China's fate. However, to stray from the point, I saw the same paradoxical U.S. program of "aid" given to the Philippines. The scandals there in disposal of the vast quantities of surplus military supplies are documented history.

A continuation of this type of aid direction can only continue to lessen U.S. prestige and, world-wide, I think

it has reached an all time low. Fond of foreign travel, I resent trying to justify policies for which I can find no explanation. New concepts are badly needed and only new brains can supply them.

I hope that you may find the above material of some use. Due to limited library facilities, I have consulted only the periodicals quoted above, and those only for the years 1947-48.

Sincerely

A handwritten signature in cursive script that reads "Raymond Ekern". The signature is written in dark ink and has a long, horizontal flourish at the end.

Raymond Ekern

LF Oct 7-54

Madam Chiang Kai-Shek

From Article in Saturday Evening Post, May 10, 1952.

"No Better Place to Get Well." Article is about Columbia-Presbyterian Medical Center, New York City.

By Alberta Williams.

Quote:

"At our State Department's request the hospital assigned to Madam Chiang Kai-Shek and her entourage all rooms on one floor's wing at Harkness (Pavilion) and extended Madame the extraordinary privilege of charging on her hospital bill -- the largest in the institution's history -- the furs, jewels and automobiles purchased from purveyors she summoned during her convalescence. "Madame, though, remained in imperious disdainful ~~xxxxix~~ seclusion from even rather high brass personnel, and just never seemed to warm to the place. "

(Note -- I hear Pearl Buck has no use for the woman and could tell plenty about her.)

From LF Oct. 7 - 58

Madame Chiang Kai-shek

The Washington Post and Times-Herald, on Feb. 27, 1955, had a piece by Edward T. Folliard, entitled:

"Flat Wheel Harry" Retiring after 52 years on rails.

The piece referred to the retirement of Harry Karr as division passenger agent of the Pennsylvania Railroad after 52 years with the Pennsy, 30 of them in Washington.

Karr tells about his personal experiences in traveling with distinguished personalities, including Presidents Coolidge, Hoover, FD Roosevelt, Truman and Eisenhower. He was in charge of the Harding funeral train.

At 66, he enjoys talking about all of his trips but one -- a 3-week journey on a special train with Mme Chiang-Kai-shek." The article goes on:

"It was, he says, the most terrible trip of his career.

"Mme Chiang-Kai-shek had come to Washington on February 17, 1943 to be the guest of the Roosevelts at the White House.....

"A famous beauty who as Mei-Ling Soong had been an honor student at Wellesley College, she had an aura of romance about her; and besides hers was the voice of Free China, an ally of America against Japan.

"All hearts went out to her, when, attired in a split skirt and sables, she glided into the halls of Congress and spoke eloquently for an all-out effort in the Pacific.

"There were whispers around the White House that Mme Chiang Kai-Shek was difficult, but they came from the servants and never got into print."

Story then tells how Karr got a phone call from Mike Reilly, "White House secret service chief, saying FDR wanted him to make up a special train to take Mme Chiang on a special tour of the U.S. He made up a 7-car special, with hand-picked crew including Pullman porters who had traveled with Presidents. and noted for skill and courtesy.

Private car and diner with first rate ^{food} ~~car~~ were provided. The late Jim Maloney and other secret service agents were aboard. The itinerary called for visits to Wellesley, New York, Chicago, San Francisco and Los Angeles, winding up at Palm Beach, Florida, whence Mme Chiang would board a special plane for the flight back to China.

"Among those traveling with Mme Chiang was her niece, Miss Jeanette Kung. Harry Karr says it will be a long time before he forgets her."

more

The Folliard article continues:

"Miss Kung, who affected a boyish haircut, began to complain in the name of Mme Chiang. She told Karr that the trip was too rough. She complained about the service.

"'Mme Chiang doesn't like the way you stopped the train,' Miss Kung told Karr.

"On other occasions, Karr recalls, Miss Kung complained because the train did not stop so Madame could get the latest editions.

"In Chicago the party left the train for a night and put up at the Drake Hotel. The secret service assigned Karr to a room on the same floor as the Chinese entourage.

"Miss Kung happened to pass Karr's room when the door was open. Seeing him inside she said to him:

"'What are you doing on the same floor with us?'

"Karr explained that the room had been assigned by the secret service. Miss Kung called the hotel manager and demanded that he be moved to another floor. He moved voluntarily.

"On the way across the prairies, Karr recalls, Mme Chiang decided to give a tea party for the lady journalists. She asked Bill Reed, the reporter assigned to her car, to prepare cookies and garland them with colors of China. Bill had no way of doing this since he lacked the necessary ingredients, and he told Karr.

"Another railroad man wired ahead to North Platte, Nebraska, to appeal for help. The wives of railroad men in North Platte went into action, made the cookies with China's colors, and that crisis was solved, Mme was pleased.

"By this time, however, a really alarming situation had developed. The Pullman porters, saying they couldn't stand the nagging by the Chinese, threatened to leave. Karr and others finally persuaded them to stick it out.

"One day, according to Karr, Miss Kung reached a peak in her complaining. She said that if Karr and the others didn't do more to make Mme Chiang comfortable, she would have to make some other arrangements for the journey.

"'If you were in China,' Karr says Miss Kung told him, 'you would have your heads cut off.'

"Karr still finds the experience sort of incredible.

"'We did everything in the world to please them,' he says. 'It was different traveling with Presidents he says, and spins many a yarn about them.'"

Story then tells some stories of traveling with Presidents.

Ends Folliard piece

Soucal Monitor
aug 30 1958

Mme. Chiang Expects US to Defend Islands

LOS ANGELES, Aug. 30 (AP)—Mme. Chiang Kai-shek says she believes President Eisenhower views an attack on Quemoy and Matsu islands as "an attack on the Sino-American security pact."

She told a radio interviewer yesterday that "Quemoy and Matsu are the eyes of Tiawan (Formosa). In our mutual security pact the United States has pledged to defend Taiwan."

The wife of the Nationalist Chinese leader said the U. S. Congress left to the President "discretionary powers to take whatever steps necessary for the protection of Taiwan."

Mme. Chiang came to Los Angeles to speak before the American Bar association.

Wall Dressed Escapes

Editor

Sept 25 -
Chiang's Leash 69

It is time someone threw some cold water on your columnist, Joseph Alsop, to quiet his hysteria and bring him back to reality. His warning, in your Sept. 24 edition, that the United States cannot keep Chiang's forces from attacking the Chinese mainland is so ridiculous as to be laughable.

Both Alsop and the people of this country know that Chiang is a puppet whose so-called government and army would have no existence without the supplies it receives from the United States. If the United States Government wants to stop Chiang's operations of all kinds, or if it wants to force him to evacuate the coastal islands, all it needs to do is cable or phone flatly that it is stopping the supply of all planes, ammunition, food, and support unless he obeys orders immediately.

Chiang has no intention of committing suicide. If he and his followers were really sincere in their desperate poses they would never have left the mainland of China.

Why should the United States Government continue to lie to itself on the facts about what it hypocritically calls the "real" China?

K. A. KELLOCK.

Washington.

Strong Language

My family and I are most indignant after reading Madame Chiang Kai-shek's remarks to the press on TV. She practically advocated dropping atomic and hydrogen bombs on the innocent people in China. May I ask her if she is a Chinese and if she is still a Christian?

I am sure she does not care either if such bombs will be dropped by Russia on the innocent American people as long as her discredited family can return to power in the ruins of China.

HENRY YEE

Nixon, N. J.

*Washington Post
Sept. 25 - 50*

Drew:

The Constitutional Issue

Ernie

*file
Constitution*

The commitment of Secretary Dulles of the armed forces of the United States is of tremendous international impact. Of even greater importance, however, is the method by which it was accomplished, and the complete acceptance of that method - the oral statement of the American Secretary of State - by the interested nations. What this means is that the United States Constitution has undergone the most radical of changes, and that that change is recognized abroad much more than it is at home. More particularly, it means that the power of the American Commander-in-Chief to commit the military forces of the United States to action, without the consent of Congress, is now a recognized part of the diplomatic prerogatives of the American Presidency. In effect, this both negatives the treaty making power of the Senate, and for practical purposes, compels its attendance upon the Executive should such decision be made. That is, once actual fighting starts, tradition - and common sense - demands that every resource of the country be placed at the disposal of the military establishment. To do otherwise would virtually deprive the forces in the field of the means of defending themselves.

It is both idle and fruitless to discuss whether this is right or wrong, because it is a fact. It is important that this fact be realized

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and the method recognized. The reason is, that in the long history of the British and American Constitutions, the provisional method crystallizes into the institutional form. Thus, it is important to realize that the Executive Branch is now armed, for all practical purposes, with plenary - indeed absolute powers - in the international field, and that the check of the treaty-making power in the Senate is virtually no longer operative.

The use of Presidential power, as Commander-in-Chief, without the action of Congress, is not new. Indeed, there is ample and respectable precedent for it, almost from the inception of the Republic. Thus, President Adams' power to license privateers against French merchantmen was recognized by the Supreme Court as early as 1798. President Polk ordered the armed forces into action against Mexico - and the battle of Resaca de la Palma had been fought before he asked Congress to declare war. An American frigate bombarded Nicaragua on orders of a mere Consul in 1855. Theodore Roosevelt involved the armed forces in Santo Domingo, Woodrow Wilson in Vera Cruz. In actual fact, the Congress has never declared war; in every war, it has declared, at the instance of the Executive, that a state of war already existed. If any doubts existed, they were completely resolved in the crucial - and all but overlooked - case of United States vs. Curtiss Wright, in which the Supreme Court decided, in

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1936, that the powers of the President in international affairs was but absolute, those sovereign powers having descended from the Crown of England, on July 4, 1776, and not being derived from the Constitution of 1787. Accordingly, both President Truman and President Eisenhower were completely within their legal rights when they ordered the armed forces of the United States into action.

This expansion of the Executive rights necessarily means the decline of those of the Senate, at least from a practical standpoint. This decline is accelerated by the accepted bi-partisan policy, a mode of operation designed to give the Executive clear authority in the international field. Events and court decisions have given this policy such momentum that the Executive power is regarded abroad, at least, as both exclusive and final.

To repeat, it is idle to debate whether it is right or wrong. It is a fact and that fact represents a new and vital change in Constitutional procedures as they existed only 10 years ago..

Suggestion from L.F. - Sept 25, 58. *file*

This *Madam* Chiang Kai-Shek person has been talking big around the country, to American Bar Association, on TV-shows, and otherwise about how its up to us to bomb the mainland of China and start World War III so her husband can get back to the place from which he ran away.

It seems to me the public should be reminded of some hard facts about this *Madam*. *telling*

Along about 1951 the Saturday Evening Post had an article on the NYC medical center, how this madam, having to go to said hospital, demanded an entire floor to herself. All other patients had to clear out. She treated not only the nurses but the doctors like dirt. While there she bought expensive jewelry from downtown, furs and one or more automobiles, and had them put on her hospital bill.

Along about 1954 or 55 the Washington Post had an article about the retirement of the Pennsylvania RR general passenger agent. He told how this madam demanded and got a special train to ride around the country, at U S expense, during the war period. She was demanding and insulting, wanted unscheduled stops, complained about everything; said the train was running too rough to suit her, and sent her secretary to tell the said agent that if he was in China he'd have his head cut off without ceremony. LF

ALSO SEE CHINA FILE ** maybe Formosa

TODAY

IN
Star

The Evening Star
SOCIETY

WEDNESDAY, JULY 16, 1958

B-1

EXCLUSIVELY YOURS

Mme. Chiang Kai-shek Greeted 1,500 at Chinese Reception

By **BETTY BEALE**
Star Staff Writer

One of the great beauties of our time, a woman who is credited with having swayed an American President and an American Congress by her charm, her brilliance and her presence, returned to Washington yesterday.

Mme. Chiang Kai-shek is still a great beauty at 60. Friends who hadn't seen her for years could see no indication of the passage of time on her finely modeled face when they greeted her at the Chinese Embassy reception yesterday.

Those who had not seen her before found themselves standing before a small woman who carries her chic figure with a regal distinction that enhances her stature.

SHE WAS GOWNED in a Chinese dress so smart it might have been made in Paris. It was of black floor length marquisette with short sleeves and slit up the sides to just below the knee. Embroidered across the chest was a delicate spray of little white daisies with yellow centers, a pattern that was repeated across the upper skirt and again at the hem. The very high collar of the marquisette was held in perfect fit around her neck by its lining of transparent plastic.

Earrings of pearls surrounded by diamonds and a pearl drop pin encircled in diamonds added a conservative touch of elegance to her costume that was completed by white gloves and high-heeled, closed-toe pumps.

A MAN STOOD BEHIND HER and slowly fanned her with a Chinese fan while she stood for two hours and shook 1,500 hands without a rest.

Her host, Chinese Ambassador Hollington Tong, headed the receiving line which heard each guest's name loudly and clearly announced.

Next to the Ambassador stood her glamorous excellency, and beside her was her noted brother-in-law Dr. H. H. Kung, of Locust Valley, L. I., and finally little Mme. Tong whose Chinese dress was fashioned of black lace shot with a silver thread. Behind her, looking down

from a portrait on the drawing room wall, was the generalissimo, the President of the Nationalist Chinese government in Formosa.

Washington officials, old friends and many of the military streamed through without cessation from 6 to 8.

There was former Speaker Joe Martin, Admiral and Mrs. Arthur Radford, Senator and Mrs. Ed Martin, Mrs. John Foster Dulles, Air Secretary and Mrs. Jim Douglas, Army secretary and Mrs. Wilbur Brucker, Representative and Mrs. Karl Le Compte, and Representative Marguerite Stitt Church of Illinois, who once taught "the development of philosophical thought in the Old Testament" to Mme. Chiang when she was a student at Wellesley around about 1915.

THE STORY THAT MRS. CHURCH once wrote across her paper, "This is too frivolous" is not true, said Mme. Chiang, but the former did ask her why she looked out the window, said Formosa's First Lady.

The Missimo had an extra warm greeting for Maj. Gen. and Mrs. George Smythe, who are just back from Formosa where he was chief of MAAG, and for Col. and Mrs. Frank Collins. Col. Collins said it was he who lead the expedition that went into Chungking in 1942 and got Mme. Chiang out "when the Japs were laying for her." That was when she came to this country and spoke to Congress to ask for aid.

There were some serious faces going through the line yesterday in the light of the new developments in the Middle East. Asked what he thought about America's move in sending Marines into Lebanon, Philippine Ambassador Carlos Romulo said, "It's now or never for American prestige in the Middle East. You have to

show support for your friends there—now or never."

SAUDI-ARABIAN AMBASSADOR SHEIKH AL KHAYYAL was asked if the American move in Lebanon would

Chiang's Son Reported Linked to Anti-U. S. Riot

The name of Chiang Kai-shek's son has been linked with the anti-American riots that swept Taipei two weeks ago in reports now under close study in the State Department.

Chiang Ching-kuo, the Generalissimo's 50-year-old son, heads the Nationalist Chinese Youth Corps, some of whose members figured in the sacking of the American Embassy and the desecration of the American flag.

There is no implication that the younger Chiang had any part in instigating the anti-American demonstrations. But the new reports could explain the several hours' delay in the response of Formosan police to the emergency.

Taipei police were reluctant to move in and stop the bloody demonstration—which went unchecked for hours—because of the connection of the youth corps with Gen. Chiang Ching-kuo, a powerful figure in Formosa according to these reports.

He heads the Political Department in the Ministry of National Defense and has placed "political officers" in every echelon of the



CHIANG CHING-KUO

military forces. Critics say these officers, responsible only to him, function as a secret police.

The Youth Corps was especially outraged by the American court-martial verdict freeing a United States master sergeant after he shot and killed a

Continued on Page A-21, Col. 1

Chiang's Son Reported Linked to Anti-U. S. Riot

Continued From First Page incident as of this moment, and so far as I know, no one has suggested any change." The President also noted with satisfaction that "the Generalissimo has been very prompt in his expressions of regret and has, as a matter of fact, taken a great deal of blame for himself for not moving more rapidly."

Advised of the report concerning the younger Chiang, Chinese Ambassador Hollington K. Tong told The Star: "I emphatically deny that Gen. Chiang Ching-kuo was in any way involved in the riot. He himself said that only persons who do not have the welfare of China in their hearts would precipitate such a riot against the United States of America, our best friend."

The Youth Corps may have been the organization to which President Eisenhower referred in his press conference yesterday.

Discussing the Taipei incident, he said there were "very many signs that there was some kind of organization behind it."

Relationship Unchanged

But he added that "our relationships with Formosa are unchanged as a result of that

went to Communist Russia "to learn more about revolutionary ideas," as he told his father at the time.

He became a cadet at the Leningrad Military Academy but in two years was expelled for anti-Stalinist tendencies. He was sent to a Soviet forced-labor camp for seven years.

He reportedly came out a staunch anti-Communist, but married to a Russian girl. Chiang-kuo was permitted to rejoin his father in China when the 1937 Sino-Soviet nonaggression pact was negotiated.

Rehabilitated Province

The first task the generalissimo gave his son was the rehabilitation of a big district in Kiangsi Province which had been under Red rule. He did a good job, particularly in seeking out Communists.

During World War II Chiang-kuo trained political-indoctrination officers to instruct the Chinese armies. The indoctrination department had been a part of the Chinese army system when the Nationalists and Communists worked together in a coalition government in 1924.

After the Japanese war, the indoctrination system was abolished, reportedly because it was offensive to the United States and China's other allies.

The collapse of Chiang's forces

on the mainland in 1948-9 was denied using strong-arm methods on occasion. He says the political-commissar system "basic objective is to eliminate communism and any tactics helps toward that end should be used."

Later the round-faced, slightly stout and jolly Ching-kuo took over the psychological warfare department, which was mainly an operation to stir up trouble for the Communists on the mainland of China. He also became a member of the Central Committee of the Kuomintang (Nationalist Party).

Ching-kuo visited the United States in 1953, touring military installations, on the invitation of the American Government.

Nazi Pattern Charged

Dr. K. C. Wu, Governor of Formosa from 1949 to 1953 but now living in "exile" in this country, charged in 1954 that Ching-kuo "organized a Youth Corps modeled after the Hitler Youth and the Communist Youth."

Ambassador William C. Bullitt, however, maintains that Chiang Ching-kuo "is a man of first-rate character and ability who works extremely hard" as head of the Formosan "FBI" to catch "traitors in both the army and civilian life."

Ching-kuo himself has never

MEMORANDUM

file
Chiang Kai shek
KH
Handwritten
mark
January 25, 1957
not a secret
not a secret
not a secret

TO: DREW PEARSON
FROM: JACK ANDERSON
SUBJECT: SENATORS VISIT WITH CHIANG-KAI-SHEK

Here is Joe Cu's report on the Senator's visit with Chiang-Kai-shek. Chiang was celebrating his Wedding Anniversary at Sun-Moon Lake.

When the Senators arrived in Formosa, they were flown from Tai-peh to Tai-Chung - a 45-minute trip. Then they were obliged to drive for 2 hours up a mountain; the road was dusty and the trip was hectic - as you were told.

They arrived at the Resort about noon, and were taken to the Lodge to wash up. The Generalissimo and Mme Chiang came to the lodge to greet them, then took them to lunch.

The Madame led the ladies away for a hen-session, and the Generalissimo talked to the men. This informal after-dinner discussion continued for about an hour. Chiang joined groups of 3 or 4, so that he spent some time with every member of the party. He discussed his views at length with an interpreter. As you were told, he frequently used the expression, "Hoa, Hoa, Hoa". This is a Chinese conversational expression which simply means approval. Literally, he was saying, "Good, good, good."

Joe got reactions from the other Senators, who claimed to be impressed by Chiang's views.

The party left after this visit, down the same dusty road, to the same airfield and back to Tai-peh. They undoubtedly were worn to a frazzle by the trip. The whole incident took place November 30th.

I think Joe has given us a truthful account...and the Senators don't have much to complain about except the dusty roads.

Hotel Scharbauer

COMPLETELY AIR CONDITIONED BY REFRIGERATION

MIDLAND, TEXAS

April 13th 1955

MRS. RUTH SCHARBAUER, PRES.
F. W. "FROSTY" BARNETT, MGR.

The Editor
The Midland Reporter-Telegram
Midland Texas

file *Chen*

Dear Sir;

In your issue of today's date, I read in Drew Pearson's column the following statement;

" He knew, as everyone in the Far East knows, that Formosans hate Chiang Kai-shek, that his executives shot 60,000 of them in one of the most bloody massacres since the war; and that any plebiscite would go overwhelmingly against him."

is

This/just another of the libellous statements that have become almost commonplace in the campaign to smear the President of Nationalist China by those who hate him because of his relentless war on communism which he has carried on for nearly fifty years.

Formosa has free elections, just as we have, and at the last election (only recently) Chiang Kai Shek was re-elected President.

Knowing Formosa as I do, from personal experience, I am honored to come to the defense of a man, who in Formosa is just as revered as George Washington.

Mr Drew Pearson probably is quite ignorant of the fact that President Roosevelt conferred upon Chiang Kai-shek the Order of Merit, and that King George of England conferred upon him the Order of Knighthood.

I am not surprised that Mr Drew Pearson admitted in one of this most recent columns that President Roosevelt himself had called him a liar.

Very truly yours

Carveth Wells
Carveth Wells

Speaker for the Knife and Fork Club on April 14th

'NOT TALKING THROUGH MY HAT'—

Knife & Fork Speaker Says U. S. Must Back Up Chiang

Desert Nationalist China, and that's the end of the United States in Asia.

This sharp warning came here Thursday night from Carveth Wells, who spent 40 years in Asia.

"If we let Chiang down a second time, we might as well pull out of Asia," the world traveler told the Midland Knife & Fork Club. "And I am not talking through my hat."

Wells referred to Formosa as "another Yalu" where Allied bombers had to draw the line in the Korean conflict.

"Chiang isn't allowed to fly over and bomb air bases on islands off the coast of Formosa," he pointed out.

The Communists hope to deprive the United States of strategic raw materials obtained from Southeast Asia, Wells said, and to capture the rice bowl of Asia which includes Indochina, Burma, Siam and Formosa.

"Once she captures the rice bowl,

Red China can dictate to the rest of Asia including Japan, Indonesia and India," he showed. "We shall find ourselves fighting for our very existence."

'Sold Down River'

Wells contended that Chiang Kai-shek was deliberately sold down the river at Yalta, and China was lost because the United States neglected to give the Nationalist leader aid when he needed it.

The author declared that had it not been for Chiang Kai-shek, the U. S. might never have been able to build the arsenal of democracy in World War Two, and arm our allies as well as ourselves.

"He kept 70 crack Japanese divisions at bay for two years after Pearl Harbor," Wells recalled. He reminded his large audience in the Hotel Scharbauer ballroom that, in recognition of his loyal aid to the Allies, Chiang Kai-shek received the Order of Merit from President Roosevelt and was knighted by King George of England.

Wells blamed the prevalent smear campaign against Chiang Kai-shek on Communist propaganda.

Chiang Hate Cited

"All Communists and fellow travelers hate him because he has been fighting communism for the last 50 years," the explorer emphasized.

Gen. James Van Fleet, Wells reported, referred to the army of Nationalist China as the finest he has ever reviewed.

With Russian backing, Red China now has a swelled head and is telling the rest of the world that the United States is "a paper tiger," Wells said.

This label by the Red Chinese, the champion of the American way of life claimed, results from our failure to achieve a military victory in Korea, a policy of withdrawal before the advance of the Reds, permitting the Communists to occupy half of Indochina, and failure to defend Matsu and Quemoy.

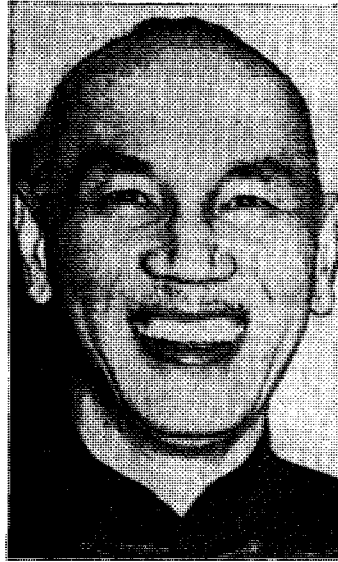
Wells opened his lecture billed as "The Road To Shalimar" with a description of a journey to the Vale of Kashmir. He and his wife spent their "second honeymoon" in "the emerald set in pearls," so called because Kashmir is entirely surrounded by the Himalaya Mountains. The mountains continually change color from dawn to sunset; the vale itself being vivid green.

Wells described a boat trip to Shalimar which is one of the most famous gardens in the world, laid out about 300 years ago by the man who built the Taj Mahal, the Mogul Shah Jehan. The garden was made for the Mogul's wife, so that she and her ladies-in-waiting could spend the Summer there, far removed from the fearful heat of Delhi.

Stranded in Kashmir, in the northernmost part of India, by an early Winter, the Wellses were flown out in a special plane sent by the United Nations. They flew over the ceasefire line into Pakistan and thence back to Delhi.

Introduced By Sidwell

Mayor Ernest Sidwell introduced Wells who will end his current tour



Chiang Kai-shek

...Club. "And I am not talking through my hat."

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Introduced By Sidwell

Mayor Ernest Sidwell introduced Wells who will end his current tour with appearances in Anchorage, Alaska, and Phoenix, Ariz. in early May.

President Percy Bridgewater presented a service pin to Emil Rassman who served as president in 1954.

The current Knife & Fork season came to an end with Bridgewater naming Frank Stubbeman, C. W. Chancellor, Sr., and Rassman as a committee to prepare a resolution opposing further appeasement in Asia by the United States. The club voted to send copies of the resolution to members of Congress from this area and to Knife & Fork headquarters in Topeka, Kan. Chancellor moved adoption of the resolution after a question and answer session conducted by Wells.

The new, seven-speaker season will open next October for the Midland Knife & Fork membership.



Chiang K.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=Int'l Letter Telegram

VLT=Int'l Victory Ltr.

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China

Taipeh--Generalissimo Chiang Kai Shek recalled the commander of the nationalist army in burma this week and conferred secretly with him on formosa. I can reveal that this chinese general flew to formosa in an old american dakota plane which took off from a secret airstrip in northern burma.

--

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Exchange Authority

Washington, November 26, 1952

China
Soybeans

Names of Chinese Traders in Soybean Futures in 1950:

The U. S. Department of Agriculture today issued the following statement:

On November 20, 1952, the Senate Subcommittee on Privileges and Elections requested that it be furnished with the names and addresses of Chinese traders in soybean futures who were referred to, but not identified, in a report issued by the Commodity Exchange Authority on August 10, 1950. The report was entitled "Speculation in Soybeans."

As required by section 8 of the Commodity Exchange Act, the requested information has been furnished the subcommittee, and is herewith released for publication (attached).

(more)

Traders in soybean futures on the Chicago Board of Trade with Chinese names or Chinese connections shown on special investigations as of March 27, May 31, and June 30, 1950

Name	Address	Positions in all futures combined (1,000 bu.)					
		Mar. 27		May 31		June 30	
		Long	Short	Long	Short	Long	Short
Chang, Frank	New York, N. Y.	10		5		10	
Chang, June	New York, N. Y.	5					
Chang, Tse Kent	San Francisco, Calif.			50		50	
Chang, Y. L.	Washington, D. C.					15	
Chen, Dora T. F.	New York, N. Y.	5					
Chien, Chi Foong	New York, N. Y.			301		400	50
Ching, T. H.	New York, N. Y.			10		10	
Chu, Sou Mei, Mrs.	Chevy Chase, Md.	10					
Dzung, Kyi Ung, Dr.	New York, N. Y.	505					50
East Asiatic Co., Inc.	New York, N. Y.		100				10
Franconia Trading Co.	New York, N. Y.					300	200
Fu Chung International Company	New York, N. Y.	25		170		105	
Ho, Hao Jo and Hsiang, Mrs. 1/	New York, N. Y.	60		5		10	
Hsi, M. S., Miss	White Plains, N. Y.					25	
Hsi, Tong Yin, Mrs.	New Rochelle, N. Y.			70		25	
Hsieh, Tse Chao Yuan, Mrs.	New York, N. Y.	150		725	800	900	900
Hsu, K. D. and K. P., Mrs.	New York, N. Y.					50	
Hsu, Shao Ti	Boston, Mass.				10		
Huey, Jack Lee	Los Angeles, Calif.	10					
Jang, Yen	Oakland, Calif.					1	
Kee, Shou	San Francisco, Calif.		25				
Kwok, Dora, Mrs.	Forest Hills, N. Y.					30	
Kwok, Julie T. K., Mrs.	New York, N. Y.	200		50	10		
Kwok, K. K.	New York, N. Y.					25	
Kwok, Leon	Forest Hills, N. Y.	185					
Kwok, Walter 2/	Rye, N. Y.	100			175		175
Lee, Julie, Mrs.	New York, N. Y.					5	
Maying, Hsi, Mrs.	White Plains, N. Y.			195			
Oriental Fine Arts	New York, N. Y.	150					
Pei, Aileen, Mrs.	New York, N. Y.	100		90	70	100	100
Shen, S. Y.	San Francisco, Calif.					25	
Soong, John L. 3/	White Plains, N. Y.	240		265		315	
Tang, Ping Yuan	New York, N. Y.	100					

Positions in all futures combined

(1,000 bu.)

Name	Address	Mar. 27		May 31		June 30	
		Long	Short	Long	Short	Long	Short
Tang, Z. T., Dr.	New York, N. Y.	15		15		10	
Tsae, Huang, Dan, Miss	New York, N. Y.			10			
Tsai, Mark, Dr.	New York, N. Y.	5					
Tsao, T. C.	New York, N. Y.	25					
Tse, Huang Dan	New York, N. Y.					5	
Wang, Chi Chen	New York, N. Y.					5	
Wong, Samuel	Quincy, Illinois					6	
Woo, Ji Ing. Mrs.	Berkeley, Calif.			25		25	
Yai, Nan Chang, Mrs.	Washington, D. C.	50					
Yung, V. W., Mrs.	New York, N. Y.			5		5	
Yung, V. W.	New York, N. Y.	10					
Chen, Tsing Hua	Kowloon	75					
Cheong, Kau Yue, Ltd.	Hong Kong					2565	
Customers identified as of May 31:							
Chan, Y. C.	Hong Kong			150			
Chee, Liu Yuek	Hong Kong			195			
Kwok, Ken	Hong Kong			195			
Kwok, P. F.	Hong Kong			195			
Lee, K. Y.	Hong Kong			195			
Liang, T. S.	Hong Kong			175			
Liang, W. S.	Hong Kong			195			
Liu, T. Y.	Hong Kong			195			
Sun, S. Lo	Hong Kong			195			
Sung, A. V.	Hong Kong			195			
Tsai, Hsu L.	Hong Kong			195			
Wan, Y. S.	Hong Kong			175			
Yen, Y. S.	Hong Kong			160			
Yu Tong Co.	Hong Kong			150			
Total				2565			
Davis, Roy S. & Co., Ltd.	Hong Kong			50		70	
Far East Trading Co., Ltd.	Hong Kong			100		200	
Feng, C. T.	Celaya, Mexico	10					

		Positions in all futures combined (1,000 bu.)					
Name	Address	Mar. 27		May 31		June 30	
		Long	Short	Long	Short	Long	Short
Hang Seng Bank	Hong Kong	55					
Customers identified as of May 31:							
Dah Chang Hong, Ltd.	Hong Kong				15		
Ho, Sien-heng	Hong Kong				115		
Ho, Tim	Hong Kong				20		
Ho, Yun	Macao				10		
Hong, Tai Seng	Hong Kong				100		
Lee, Chak-po	Hong Kong				30		
Lee, Quo-wei	Hong Kong				35		
Leung, Kau-kui	Hong Kong				10		
Liu, Yan-loi	Hong Kong				5		
Wing Lung Bank	Hong Kong				25		
Wu, Tai-chor	Hong Kong				5		
Yuen, Tat-cho	Hong Kong				5		
Total					375		
Ho, Tim	Hong Kong						10
Hong, Wing Chong	Hong Kong			660	375	590	25
Hsu, Sze Hao	Hong Kong	150					
Kung, Kia Ping	Hong Kong	50					
Kwok, Yat Sen	Hong Kong			125		350	
Lee, Chap Po	Hong Kong					25	
Lee, Paul M.	Kowloon					10	
Leung, Kau Kui	Hong Kong					5	
Li, Ong Kyuin	Hong Kong	75					
Li, Wai Lan, Miss	Hong Kong	650		150		800	
Liu, Yan Loi	Hong Kong					10	
San, Tsu Zu	Hong Kong					75	
Tsu, Zu San	Kowloon	125					
Tung, Robert Ho	Hong Kong					10	
Wu, Tai Chor	Hong Kong					10	
Yuen, Tat Cho	Hong Kong					25	

1/ Shown as "Ho Hao Jo & Ho" as of March 27, and "Hao-Jo Ho and Mrs. Hsiang-Chiao Huang Ho" as of May 31.

2/ Address given as New York as of March 27 and May 31.

3/ Also known as T. L. Soong.

Topics Of The Day

Chiang Kai-shek's Sons Plan To Visit The U.S.

★ By DAI-MING LEE ★

Associated Press reported from Taipei Jan. 20 that Chiang Kai-shek's younger son, Major General Chiang Wei-kuo, is expected to leave for the United States in about three weeks for advance military training. And it is possible, the report continued, that the President's elder son, Lieutenant General Chiang Ching-Kuo will also visit the U.S., but later in the year.

There is, of course, a great need for such visits and it is highly important that Chiang should send his two sons to the West and mingle a bit with the Westerners.

Wei-kuo is head of the Armored Division, which includes most of the crack Nationalist troops. A year ago it was reported that the head of the Military Assistance Advisory Group, Major General William Chase, recommended to Wei-kuo that this Armored Division should be broken up and used to bolster the fighting strength of the Nationalist Armies, but Wei-kuo rejected this recommendation.

His present plan to visit the United States may be in his capacity as head of this Armored Nationalist Division, in which case the purpose of his trip will be to tour and study the tactics of the US Army. What is important is that he should come here to learn something about the democratic way of life. Anything he learns about that subject will be of immeasurable benefit to himself.

Tremendous Power

Ching-kuo wields tremendous military and political power in Formosa and he is in effect, the junior partner in the ruling dictatorship. Nevertheless, Free China hopes that he may yet decide to struggle for the liberation of the Chinese people, and be the spearhead of a march towards democracy. However, it is a rather forlorn hope because he has been so well imbued with the poisonous viet Russia. with the Soviet grave concern nese.

Let us look at the position of Ching-kuo from a different standpoint. How would Americans regard a top administrator in Washington who had over ten years of training in Moscow? It goes without saying that no one would believe his protestations concerning his hatred of communism.

And further, if such a person holds on to power with an autocratic grip proclaiming that only by using communist methods can communism be defeated, how, then, should he be judged?

The analogy does exist on the island of Formosa today. Chiang Ching-kuo has the power of a dictator and a monarch and he behaves like a dictator and a monarch. When the eminent scholar Hu Shih dared to criticize him for the lack of personal freedom in Formosa, he replied with a torrent of abuse. Even Madame Chiang dares not speak of returning to Formosa, for she and Ching-kuo are not on the best of terms.

Under such circumstances, who would dare to go back?

Crown Prince

Chiang himself is jeopardized by letting such a person assume power. Having been taught by the communists that family ties are as nothing, and having married a Russian, Ching-kuo may be expected to regard normal father-and-son relations as a weakness. Chiang's hope of living to a ripe old age, in quiet meditation among the hills and trees, seems something less than a probability.

It must be pointed out that Chiang and his son Ching-kuo have had serious differences in the past. But Ching-kuo, by assuming the role of the pious son, persuaded Chiang to make him the crown prince and next in line of succession.

It is highly improbable that such a man would want to come to the United States to learn about democracy. It is more likely, that given an opportunity, he would make the Kremlin a gift of Formosa.

Chinese World - San Francisco
1-26-53

THE NEW YORK TIMES, THURSDAY, NOVEMBER 27, 1952.

SENATORS GET NAMES OF SOY BEAN TRADERS

WASHINGTON, Nov. 26 (AP)—The Agricultural Department, in response to a Congressional request, made public today the names of ninety-two Chinese who speculated heavily in the United States soybean futures markets before the outbreak of war in Korea.

The request for the names came from the Senate subcommittee on privileges and elections. Committee officials declined to say why the names had been called for. The committee's primary duty is checking on the conduct of elections for Senator.

During the period of heavy Chinese speculation, in the spring and summer of 1950, soybean prices advanced from \$2.31 to \$3.25 a bushel. At one time, Chinese traders held 47 per cent of the total futures holding on the Chicago Board of Trade.

The trading drew sharp criticism from some other traders and also caused Secretary Charles F. Bran-

nan to criticize the futures markets for what he called the "easy terms" allowed to speculator-traders at that time. Speculators had to put up about 10 cents a bushel.

Mr. Brannan also said an Agriculture Department investigation disclosed no violations of laws or regulations governing trading in commodities.

GENERAL TAI LI

China
CHIANG KAI-SHEK

Major General Tai Li, chief of the Chinese Secret Service, was born in 1902 in Kiangshan, Chekiang, although his family comes from Hupeh Province. He was a cadet at the Whampoa Military Academy in Canton under Chiang Kai-shek and became a member of the "Blue Shirts," the "Generalissimo's own terrorist society. Former members of the "Blue Shirts" are, in fact, the principal agents in the Secret Service today. Following the establishment of the Kuomintang Government at Nanking in 1928, Tai was appointed Director of the Anti-Smuggling Service in the Ministry of Finance and proceeded to build up an extensive organization of agents and spies that developed rapidly into a full-scale secret police system for checking on the activities of Chinese in all parts of the world. Many of his agents were recruited from two secret societies, the Hung Pang and the Ching Pang, with which he had connections and which served as his contact with the Chinese "underworld." Subsequently, Tai's title was changed to Director of the Central Investigation and Statistics Bureau, which is the official name of the Chinese Secret Service.

By 1941, Tai Li was in full control of all forms of internal communication and transport in China, highways, railways, airlines, telephone and telegraph systems, ^{radio} etc. In every transport office in China, or in India leading to China, there ~~is~~ ^{was} always a Tai Li man, and it was virtually impossible to travel anywhere without the approval of Tai Li's communications security office, headed by Wei Fa-ming, one of Tai's most trusted men. Wei also headed a similar office under Admiral Yang Hsuan-cheng, chief of Chungking's Military Intelligence Department, and Lt. Gen. Cheng Chieh-min, who was Admiral Yang's chief ~~assistant~~ assistant, was also one of Tai Li's men, so that Tai was fully informed of everything that transpired in Military Intelligence. (Cheng Chieh-min succeeded Admiral Yang as chief of Military Intelligence at the end of 1943, still further strengthening Tai Li's influence over that department.)

Tai Li also had close connections with officials in all government departments in anyway connected with intelligence work or national security systems, one of the most important being Wang Peng-sheng, the so-called "Doihara"

of China and Chiang Kai-shek's chief expert on Japanese affairs.

Before August 1941, the Communications Security Office was headed by a man named Wen Yu-ching, who hated Tai Li and refused to serve under him. Becoming fearful that Tai Li would take revenge, however, Wen fled to Hongkong. Tai Li followed by plane to arrest him, and arrived at the Kaitak Airdrome just in time to see Wen boarding a Manila-bound American plane. ~~Subsequent~~ The American Naval Attache in Chungking, Captain McHugh, happened to be seeing some friends off on the plane, and Tai Li immediately concluded that McHugh had helped Wen to escape. He continued to harbor a grudge against McHugh and apparently made things very difficult for him in Chungking. At the time, he attempted to force Wen off the plane, was himself seized by the British police, gave a false name and was arrested. The officer who arrested him had a list of "wanted" persons with a photograph of Tai, allegedly wanted for murder. On the following morning, however, he was released and returned to Chungking. The consequences of the Hongkong ~~affair~~ affair were (1) that the Hongkong Chief of Police went to Chungking to apologise to Tai Li, and (2) that Tai made every effort to get McHugh recalled from Chungking.

From 1941 on, the Generalissimo depended entirely on Tai Li's organization for his own personal security, and for all kinds of underground information. Sometime during the summer of 1943, however, Tai Li appears to have got into trouble in Chungking and into disfavor with the Generalissimo, in part for being too despotic in the performance of his official duties, and in part for being inefficient in his duties with regard to foreign intelligence. Tai is reported to be extremely efficient in his main duty, which is to discover and wipe out all forms of domestic opposition to the Chungking regime, and particular to keep close check on all persons suspected of Communist leanings. But he proved less competent when it came to organizing foreign intelligence work, especially for American ~~Naval~~ Naval Intelligence officers and the U.S. Office of Strategic Services.

According to one story, the Generalissimo was annoyed by Tai's dictatorial

methods and opposed to his rapidly increasing power. Another report ^{is} that Tai Li's fall from favor was ~~his~~ connected with the case of ^{Ling} ~~him~~/Shih-liang, resident representative of the Central Trust in Rangoon for several years before the Japanese invasion. Ling was charged with corruption and misappropriation and the use of government trucks for the transport of his own cargoes into China, and was arrested, court-martialed, and executed in Chungking 1942 by order of Chiang Kai-shek. This action was taken on the basis of Tai Li's reports and recommendations, and Ling's accomplices were therefore fearful that Tai might have evidence that would convict them at any time. According to this story, these men, many of whom occupied high official positions in Chungking, persuaded the Generalissimo that Tai should be placed under surveillance.

What ever the actual reasons, the Generalissimo, in September 1943, ~~himself~~ appointed one of his own relatives, Mao Chin-hsiang, to control and audit all the accounts of Tai Li's office and Tai was ordered not to spend anything without authorisation from Mao. Mao himself is said to be an extremely careful and cautious individual, and his ~~xxxxxxxxxxxx~~ supervision presumably served to curtail Tai Li's activities. By the end of 1943, however, Tai Li appeared to have regained the confidence of the Generalissimo to a large extent, and was reported to have been chiefly instrumental in preventing the "Kunming Coup" - an attempt by a group of younger army officers to make a direct appeal to Chiang Kai-shek for the dismissal of certain conservative officials in the Chungking regime, including Dr. H.H. Kung.

Tai is estimated to have anywhere from 150,000 to 180,000 agents, of whom ~~xxxx~~ probably about 40,000 are full-time operatives and the remainder special contact men. His agents operate in all parts of both Free and Occupied China and have done some useful work in checking on Japanese activities, although their main job continues to be to suppress communist activities. At the end of 1943, Tai was reported to be giving considerable attention to the smuggling trade between Free and Occupied China.

U.S. Naval Intelligence established a working agreement with Tai Li after America's entry into the war, and considerable American equipment has gone

to Tai Li's forces in return for information concerning the Japanese. Much of this information, however, proved valueless, and it is reported that the American ammunition and supplies have been for the most part stored away in Tai Li's warehouses for future use.

Tai Li is greatly feared by most officials in the Chungking Government; ^{dared to make} Madame Sun Yat-sen being one of the few who has ever ~~made~~ ^{dared to make} derogatory remarks about him. As might be expected, the activities of Tai Li's men are resented by all groups in China that oppose the dictatorship of the present Chungking bureaucracy. At the end of 1944, ~~then~~ Governor Lung Yun of Yunnan Province was reported to have succeeded in reducing Tai Li's influence in the province and to be aiming at abolishing Tai's organization in Yunnan entirely.

Tai Li has a number of operatives in the United States, chief among them being Lieut. Col. Hsiao Sin-ju. In September 1943, when Tai Li was in disfavor with the Generalissimo, Hsiao returned to Chungking where he was immediately sent to an "indoctrination" camp. He returned to Washington in June 1944. In January 1945, Hsiao again returned to Chungking for further orders from Tai Li, returning to Washington ^{on March 5th} ~~on March 5th~~ as a full colonel, on the same plane with General Wedemeyer. On March 9th, Col. Hsiao entertained Washington officials at the Mayflower Hotel in honor of General Wedemeyer. Ambassador Hurley, who also returned to Washington ~~on~~ on March 5, attended the party.

That Tai Li's power in China remains undiminished is indicated by the fact that when General William Donovan, head of the Office of Strategic Services, visited Chungking in February 1945, ~~he~~ presumably to prepare for the time when American forces would be operating extensively on the Chinese mainland, he coordinated all secret service and military intelligence groups under Tai Li. Among the OSS officials who are reported to have had close contacts with Tai Li's organization is Al Lusey, a radio man and formerly an employee of Press Wireless.