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12 PEACE OFFERS SPURNED BY CHIANG

W. H. Donald, General's Adviser Freed in Luzon, Cites Bids Between 1938 and 1940

41ST UNITED STATES FIELD HOSPITAL, on Luzon, Feb. 25 (Delayed) (P) — Generalissimo Chiang Kai-shek indignantly turned down at least twelve Japanese peace offers from 1938 to 1940, W. H. Donald, the Chinese Generalissimo's Australian adviser, said here today.

Mr. Donald said in an interview that his three years of internment in the Philippines at Santo Tomas and Los Baños civilian concentration camps isolated him from Chinese affairs.

"I am convinced the Generalissimo is genuinely fighting a sincere and determined war against Japan," Mr. Donald said. "He refused to even consider any peace offer although the Japanese proposed favorable terms which he could have accepted if he was primarily interested in political power.

"The Japanese sent twelve peace feelers to the Generalissimo through neutral ambassadors and prominent individuals. The terms—Chinese recognition of Japan's conquest of Manchuria, granting certain economic and exploitation rights in north China, and political adjustment of Inner Mongolia to prevent any extension of Russian influence there from Outer Mongolia."

The Japanese made no territorial demands in these offers, Mr. Donald said.

The adviser, rescued last week from Los Baños, said General Chiang's attitude was typified by his refusal of one offer—"there will be no peace while a single Japanese soldier remains on Chinese soil."

Mr. Donald was the liaison man for many of these offers. He has participated in numerous Chinese political events during forty years as a participant in Chinese affairs, including more than ten years with General Chiang.

He said that contrary to general belief the 1936 Sian kidnaping of General Chiang was engineered not by a Communist but by General Yang Fu-cheng, who was the Koumintang peace preservation official of that area. Mr. Donald was present throughout release negotiations.

Mr. Donald said General Yang's motive was to convince General Chiang that the former was not able to follow out the Generalissimo's orders to attack the Communists because the Communists were sending troops into the field against the real enemy—Japan.

Mr. Donald said Chou En-lai, Communist leader most prominently mentioned in current rapprochement attempts between the Communists and the Koumintang, was actually the one man who enabled General Chiang to depart unharmed from the 1936 Sian kidnaping.

China Raises Army Pay Six-Fold
CHUNGKING, China, Feb. 27 (P)

—A six-fold pay increase for all Chinese military forces below the rank of captain was announced today as part of a general program to improve conditions in the army. Under the new scale, a full general will receive \$20,000 Chinese a month, a colonel \$14,000, a major \$10,000, a captain \$8,000, a lieutenant \$5,000 to \$6,000 and enlisted men \$300 to \$600. [At the black market rate one American dollar is equivalent to 500 Chinese dollars.]