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Only this week, for instance, I received a confidential document sent me by some person in the headquarters of the United Press ~~ASSOCIATION~~ Association, or by some person to whom the United Press sent it in confidence. The document was marked CONFIDENTIAL, and had a yellow slip attached which read:

COPY OF A CONFIDENTIAL RELEASE CIRCULATED BY THE UNITED PRESS ASSOCIATION TO PREFERRED CLIENTS.

It was an 11 point report from the United Press correspondent in Chungking, dated April 10th, and many of the 11 points quoted Generalissimo Chiang Kai-shek and "the Conservative wing of the Kuomintang"--that is, the Chinese Fascists who have been bitterly fighting all efforts to establish a Chinese democracy.

These men appealed to America to do the following:

1. That the United States assume permanently the role formerly held by Great Britain in the Far East. (Now, since Great Britain was master of Asia for nearly a hundred years, this is an invitation by Chinese reaction to America to step into ~~Briti~~ the boots of British imperialism. This would also mean propping up these Chinese reactionaries, for they and they alone, of all the Chinese people, would tolerate such a situation.)

2. They ask that the U. S. force through the U. N. O. a policy whereby "ideological warfare" would be defined as "military aggression". (This was directed against Russian ideas. This means that while America could propagate any idea it wished, if Russia continued to advance such ideas as racial

equality, the independence of colonial peoples, or the right of people's to determine their own form of government, Russia would be branded as an aggressor nation, and military action taken against it. Under such a clause, any program advocated by the Chinese Communists or by the Chinese Democratic League could be branded as Russian ~~propaganda~~ "ideological warfare"--in fact that was statement in one point in that document.

Another point stated that the ~~present~~ present Chinese Government will not demand that Britain return Hongkong to China.

Another point stated that the Conservative Wing of the Chinese Government hopes that India will not demand independence, but accept only dominion status within the British Empire. (I interpret this as a strong big of Chinese reaction for British support of the present Chinese Government.)

Of course one point asked for "great" financial, economic and other aid to the present Chinese Government.

But let us take the question of loans to China. This sounds like a dull subject, but it is, instead, a subject covered with human blood.

Turn back the pages of history. In 1911 a powerful banking syndicate composed of American, British, French and German banks, backed by this governments, offered the Manchu Dynasty two big loans--one the Hukuang Railway construction loan, the other a Currency Reform Loan. ~~Both loans~~ The terms of both loans undermined the independence of China and led to nation-wide protests from every circle of

Chinese public opinion.

We were not only ignorant ~~of them~~ about the Chinese people, but we had contempt for them. So ~~we~~ the four-power banking syndicate secretly signed the loans with the Manchu Dynasty.

The result? A nation-wide revolution which overthrew the Manchu Dynasty and established the Chinese Republic.

Dr. Sun Yat-sen, the George Washington of China, was elected the President of that Republic in 1911. But ~~therefore~~ since the republicans had opposed those two foreign loans, the foreign powers refused to recognize the Chinese Republic or give it any credit unless Dr. Sun resigned in favor of a monarchist reactionary, General Yuan Shih-kai.

So Dr. Sun resigned, and General Yuan became President of a Republic in which he did not believe. The foreign powers recognized him and gave him loans. And he set about destroying the Republic. In 1913, against the protests of the Chinese people, the foreign powers negotiated another loan, called the "Reorganization Loan".

The American banking groups were forced by President Woodrow Wilson to withdraw from that loan because, Wilson stated, its conditions "compromised the independence of China." But the other powers made the loan.

The result? The 1913 Chinese revolution, which was crushed by the Reorganization Loan.

General Yuan then destroyed the Chinese Republican Parliament, assassinated many leading Republicans, drove Dr. Sun Yat-sen into exile, and announced that on Jan. 1st, 1916, he would

restore the Monarchy, with himself as Emperor. And he asked for a loan to help him.

The result? Another bloody revolution broke out. General ~~Yuan~~ Yuan's Monarchy was destroyed, and an abortion of a Republic re-established which fell into the hands of a whole succession of war-lords who were supported by the foreign powers in various parts of the country. Japanese and other foreign loans were forced upon one war-lord after another and for two decades were was fighting throughout the country.

By 1924 Dr. Sun Yat-sen established a Republican Government in the south, but not one foreign power would recognize it or give it loans--except Soviet Russia. Dr. Sun died in 1925, but Generalissimo Chiang Kai-shek became commander-in-chief of the Chinese nationalist armies fighting the war lords.

In 1927 foreign and Chinese bankers secretly approached Chiang Kai-shek in Shanghai, offered him an initial loan of \$30,000,000 if he would drive out all revolutionaries from the Kuomintang and establish his right-wing dictatorship.

Generalissimo Chiang did this, ~~was~~ his government was recognized as the only Chinese Government, and he was given a succession of loans and hordes of foreign advisers.

The result? The great civil war, led by the Chinese Communists and the democratic intellectuals, began, and has raged until the present moment.

Within the past 19 years, America and

Britain gave Generalissimo Chiang's Government a succession of loans for one purpose or other--construction loans, a wheat famine loan, etc. Every one of them were used to finance the civil wars--or to found the great fortunes of China today.

During the war we have China loans, and in 1940, when we gave one, a Chinese conservative Professor, Ma Ying-chu, member of the Legislative Council of the Chinese Government, stood up in public and stated that the loan was not necessary. Chinese officials and bankers, he stated, had deposited great fortunes in American banks, sufficient to finance China's war effort against Japan. Prof. Ma was secretly arrested and was not heard of again for years.

Two years ago America gave China the so-called "gold loan" to stabilize Chinese currency and halt inflation. The currency was not stabilized, inflation reached astronomical heights, and our press reported what it called "the gold scandal" in which Chinese officials, bankers, and merchants, made fortunes. But soon our press threw a blanket over all ~~news~~ news about the loan.

Now we plan a loan of \$500,000,000 to China and again the Chinese public protests. 75 Chinese people's organizations, including political parties, business organizations, students, writers, women's groups, the Chinese YWCA and the Chinese Women's Temperance Union, have appealed to us against this loan.

China needs aid, they said, but if the loan is made now, it will perpetuate the Kuomintang dictatorship and lead to nationwide civil war; for it will be used by the present Government ~~to~~ for civil war against

not only the Chinese Communist-commanded armies, but against the entire Chinese democratic movement.

China needs help, but a loan to the present Government will not help it. Only if there is the planned democratic coalition government, pledged to the introduction of a people's representative government, can any loan or other aid to China be honestly or efficiently administered.

If we continue helping the present Chinese Government with our army, military equipment, and loans, we will again abort Chinese progress and again plunge China into bloody civil war which, this time, will be waged from one border to another of that country.

I urge you here to write President Truman, and write our State Senator Robert Wagner, and write Senator Claude Pepper, asking that American troops be recalled from China, no military equipment be sold China, no loan give it until the democratic coalition government is firmly established. Senators Wagner and Pepper are both members of the Senate Foreign Relations Committee and Senator Pepper wrote me yesterday that the question of the Chinese loan will be debated on the floor of the Senate in the near future.

I ask you to support the democratic Chinese people.