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"Miss Smedley Sees Civil War In China If U.S. Grants Loan."

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Washington (GNS) — A Saratoga Springs woman has informed Congress that the proposed \$500,000,000 loan to China would lead to "civil war" in the Orient.

An article opposing the loan, written by Agnes Smedley of Yaddo, author and student of U.S.-China relations, was introduced into the Congressional Record by Rep. Hugh Delacy (D-Wash.).

The writer said the loan should be held up until there is a "true coalition Democratic government in China."

The situation today, she said, is similar to that of 1911-12, when loans to China were made by the U. S., Britain, France and Germany.

These loans, she asserted, led to civil war and helped China's "strong man" of that time, Gen. Yuan Shih-Kai, install his war lords in the various provinces to crush opposition.

"Gen. Chiang Kai-Shek's conduct in the last few months," she said, "seems to follow, step by step, the conduct of Yuan Shih-Kai in 1911-12. As Yuan agreed to head the Chinese republic, so Chiang today agrees, on paper only, to introduce a coalition democratic government and permit the development of a people's democracy.

"But no sooner had Gen. George Marshall departed from China for the United States, where he asked for a loan of \$500,000,000 for Chungking, than Chiang began to undermine the agreement for a coalition democratic government and for a united national army to replace the



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Kuomintang and Communist party armies.

"As Yuan Shih-Kai was the chosen strong man of Britain and the United States in 1911-12, so Chiang Kai-Shek is today the strong man of the same foreign powers, of the United States in particular. The foreign powers carried out their plans behind the front of Yuan Shih-Kai, and they plan to carry out their plans today behind the Chiang Kai-Shek front."