

I - 20. Lecture Notes - Undated - Untitled - 13 pp.

I-20

Marshall's
Report to
Nation
P. C. C. - 1946.
Nat. Assembly
"Liberals" in Job
Collapse of
Chinese
economy.

INTRODUCTION

Look at the world today--the whole world is in revolution. From Greece and Palestine, through Persia to India, to Burma, Indonesia, ~~Indo-China~~ Indo-China, to China, the entire colonial world is in revolution. Actual bloody fighting between colonial peoples against the imperialist capitalist empires. In this picture, British imperialism ~~holding on, handing over some of its victims, such as~~ ^{is delivering} Greece, to America,--freeing troops to fight the people of Palestine. Palestine--a strategic base of the British and American oil interests ; for feudal preservation against democratic peoples. Throughout the colonial world, struggle is between people fighting for

democracy and independence against ^{foreign imperialist powers. The anti-} ~~capitalist forces.~~
~~war~~ Fascist war continues to our horror, has appeared as

In this picture, ^{The shadow of Am. moves over the world,} America is the most powerful and ruthless aggressor. Everywhere our country is throwing money, arms, and men behind reactionary forces against people fighting for democracy. in Greece, Turkey, the Philippines, China.

In the Far East, China holds the center of the state. What happens to China in the future will determine if the world will be free or slave.

The brunt of the China war is being born by the democratic people; the armed forces of the Chinese Communists allied with the Chinese Democratic intellectuals in the Democratic League. ~~On other side, feudal reactionaries of present KMT government propped up with American guns, money bags, and recognition.~~

If Chinese people victorious, all Asia will be victorious. If defeated, all Asia will sink back into feudal backwardness. But it is too late ~~for our rulers to be victorious~~ in China. Struggle will be long and bloody

but the Chinese people cannot exist at all unless they are victorious.

Old Chinese⁴ saying: "If we fight we die; if we do not fight we die; so we ^{will} ~~must~~ fight."

STRUGGLE FOR DEMOCRACY

OPIUM WAR reduced China to semi-colony.

TAIPING REBELLION--first stage in democratic revolution. Destroyed by combined forces of foreign imperialism and Chinese feudalism.

SPROADIC UPRISINGS--beaten down.

1900 Boxer Rebellion--DESTROYED: China harnessed stronger than ever

1911-12 REVOLUTION ABORTED — 2nd stage in Democratic Revolution.
Sun driven out. General Yuan propped up.

REORGANIZATION LOAN

Goodnow Constitution and Memorandum.

World War I. Yuan died. Tuan Chi-jui took over.
Secret treaties gave Shantung to Japan.

INTELLECTUAL RENAISSANCE vs. Second stage in imperialism; part of democratic revolution.

1922--Sun Yat-sen's independent government in Canton.

1925-27 Revolution--aborted and betrayed by foreigners plus new KMT Fascism.

DICTATORSHIP FROM 1927-47--20 years.

Nothing but war and bloodshed for all but 3 years, ~~of these.~~

Today Civil War vs. rising democratic revolution led by Chinese Communists. - *Part of the*

Marshall's work in China--

Not for democracy. American support of KMT throughout.

Marshall tried to split Communists; reduced them to impotence (Gen. Chu)

FOUR FAMILIES RULE CHINA TODAY, CONTROL ALL WEALTH

Chiang, Soong, Chen, Kung.

Last year Dr. T. V. Soong said 70-80% of budget used for military expenses.

Fact is that 3-4 times the amount of budget used for civil war.

Rice tax to feed armies; conscription (forced gangs) to replenish armies.

American Trade Pact destroyed Chinese ~~xxxxxx~~ industry and trade.

Hundreds of industries bankrupt.

Millions of unemployed.

Peasants and workers fled from cities to escape military service.

m Peasant uprisings everywhere--in all KMT provinces.

Formosan uprising; forming own People's Assembly; government sent troops.

Gen. Chen Yi, one of 12 top leaders of Political Science Clique.

Pol. Science Clique called "liberal" by Marshall. ~~xxxxxx~~ Not so.

~~General Chen~~

*Part of the
in Democratic
Revolution*

KMT incapable of reform and so hopelessly rotten that it is making a last stand by terrorism.

Mass arrests of liberals, students, suspected Communists.

Thousands arrested in Peking, Tsingtao, Shanghai. Democratic Leaders likely to be killed:

Prof. Ma Ying-chu

Dr. Ma Shu-len, former Min. of Education.

Prof. Teng Chiu-min.

Terror vs. Chinese businessmen & industrialists

Meeting of business men in Shanghai bank in middle Feb. Broken up by Gestapo. 20 men wounded, Liang Jen-da, rep. largest department store in Shanghai, killed. Police forbade funeral procession.

" KUOMINTANG armies, with their Youth Corps, Gestapo control and regimentation of education, are all well-armed and well-financed by USA. . . American proved that it hates and fears democracy."

Small-fry speculators in recent panic arrested; the highest Army Headquarters, and Generals, found to be real culprits; not arrested; they established banks for speculative deals.

Gen. Chen Yi a notorious traitors. Branded as such by Chinese business men
Formosan people call him worse than Japs.

4 families recently made vast fortunes by panic speculations.
Bought into American holding companies.

CHINESE KMT GOVERNMENT DOES NOT REQUIRE FOREIGN LOANS; IT ONLY HAS TO
RECALL CHINESE FORTUNES IN AMERICA TO FINANCE ITSELF. WILL NOT. AMERICAN
PEOPLE EXPECTED TO PAY FOR ITS UPKEEP THROUGH TAXATION USED FOR UNRRA.

KMT PLANS

Send to Peppers

4 ways the USA will help Chiang:

Chiang has only half a billion US dollars now in China.
This is reason they have asked for UNRRA supplies to be thrown on black market.

4 ways America plans to support Chiang:

1. Part of \$500,000,000 Export & Import Bank, will be granted--promised by Marshall; part of it already advanced secretly. It is to be called
Reorganization Loan.

Chiang asks to use 4/5 of loan to buy cotton, wheat tobacco, to be dumped
on market and used to get money for civil war.

2. Most important means of financing Chiang is Japanese reparations--Chiang has
asked for \$20 billion from Japan. He won't get it, but he may get half.
Reparations estimates can not be settled until the Peace Treaty is signed.
So, they have set up an "Interim Reparations Committee".
Russian objections.

Last month US propose that 30% of items listed in interim reparations to be
given KMT regime; this is being done. Pacific countries on Pacific
Commission, including Russia, agreed. 1/2 of the 30% will go to Chiang.
Items listed are all of military nature--arsenals, ~~xxxx~~ sulphur factories, etc.

Japan ordered to pack such plants, ready to be immediately installed.
The covering phrase "such are only for reconstruction"

Sent to Pepper

3. N. Y. Times reported last week that all the reserves in puppet banks and in Bank of Formosa to be delivered to Chiang at once. ~~Six~~ Amount 10 billion Yen.

4. Chinese Govt. has already authorized 2 corporations to deal in a dicket to get war supplies.

H. H. Kung's Yangtze Trading Corporation

T. V. Soong's Fu Chung International Corporation
(1 Wall St., New York City)

T. S. Soong is President of latter Corporation.

These two Corporations authorized to sell US war surplus material in S. American to realize money to purchase US ammunition.

1. China has no ships to transport the materials or the ammunition--American ships will do this.

The actual price paid by KMT Govt. for the US surplus war material is \$800,000,000. The ACTUAL ~~PRICE~~ VALUE WAS \$2 billions.

The two above companies to sell; will turn over to KMT Govt. at ~~least~~ *most* \$800,000,000. They will make a profit of over one billion, plus commissions on deal.

The Loan of \$500,000,000 to be granted. Only think holding it up now is Ambassador Gauss who asks KMT to produce concrete projects--which Chiang has done.

DEMANDS THAT ONLY SUCH PROJECTS AS WILL ~~NOT~~ BE COMPETITIVE WITH AMERICAN BUSINESS. China-American Trade Council ~~demands~~ the goods be used by municipalities, firms, cooperatives, that do not compete with America.

PURE, UNADULTERATED IMPERIALISM.

CHINESE MONEY IN AMERICA

US Treasury records up to 1945 showed that \$2 billion war profits deposited in American banks by the 4 families and their hangers-on. This includes General Ho Ying-chin.

ALSO CHINESE MONEY IN MEXICO AND BRAZIL--where speculation favorable as in China.

American interference and control:

1. American control of Chinese Customs (Littell)

2. Dumping of goods.

3. Air and naval bases.

4. Army officers mapping country.

5. Trade and Aviation Treaties - destruction of Chinese industry

~~Disgusting loans and dickerings with xxxx surplus war material~~

Chennault and Madame Chiang in business together.

Molotov's proposal for review of China situation.

Chiang and ^{Molotov's suggestion} his government protest at China being ~~discussed~~ ~~and~~ ~~at~~ interference in Chinese affairs.

They have made no protest at American interference in Chinese affairs; none when Pres. Truman made a statement on China; none when General Marchall made a report on China.

Because American policy has supported the reactionaries.

TRUE--China should be represented at any conference at which China is discussed. But China is not Chiang and the KMT.

China--the KMT, the Democratic League, the Communists, should be represented.

Marshall is asked for an examination of the withdrawal of foreign troops. This should mean all foreign troops, Russia or American, British, etc.