



WHY AMERICA IS  
INTERESTED IN

# THE CHINESE COMMUNISTS

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*By*  
EARL BROWDER



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## NOTE

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## WHY AMERICA IS INTERESTED IN THE CHINESE COMMUNISTS

By EARL BROWDER

On January 24, 1945, Acting Secretary of State Joseph C. Grew was asked by newspaper correspondents to comment on a report from Chungking that an agreement had been reached between the Kuomintang and the Chinese Communists. Mr. Grew replied that he had no such report from our embassy, and added:

“It would be very gratifying to us to learn of the consummation of such an agreement. We earnestly desire the development of a strong and united China.”

On January 26, there was published parts of the report to the President by Donald M. Nelson on his mission to China, which contains the following paragraph:

“The Government should also benefit from its closer relations with industry. At the same time the heightened status of Chinese industry under the War Production Board will tend to exert a liberalizing influence. Under that influence there is more likelihood that moderate elements in the Kuomintang will continue to gain power, adding to the chances of genuine cooperation between the National Government and the Communists. Such

cooperation, if obtainable, will be of historic importance both in speeding the progress of the war and in strengthening the bases of the peace."

These citations of the policy of the United States toward the central question involved in Chinese national unity, namely Kuomintang-Communist relationships, provide the necessary starting point for any general American understanding of the present-day role of the Chinese Communists, and the clearing away of the dense fog of prejudice with which this issue has been surrounded.

The United States earnestly desires a strong and united China. To this end it considers the prime necessity is an agreement between the Kuomintang and Communists expressive of genuine cooperation in the war against Japan. It judges that the chief obstacle to such agreement lies with reactionary elements within the Kuomintang, who wield the power, and that therefore more moderate elements must come to power in the Kuomintang. These are the three leading thoughts in these official expressions of United States policy.

Everything that I have to say today regarding the Chinese Communists will be based upon complete acceptance of and agreement with the policy of the Government of the United States, with the purpose of facilitating the effective application of that policy, which I have long advocated.

#### THE OFFICIAL KUOMINTANG VIEW IS REJECTED BY THE UNITED STATES

First of all, we must understand that United States policy constitutes a flat rejection of the official view of the Kuomintang of the Communist issue. That Kuomintang attitude was most recently put forward for the American public by Mr. Lin Yutang in his new book *The Vigil of a Nation*; it judges the Chinese

Communists as traitors to their country, demands that the armed forces under their leadership be disbanded or handed over to Chungking appointees, and demands that the Northwest Border Region autonomous government and all its political and economic institutions shall be dissolved into the institutions of the Chungking regime which still includes pro-Japanese cliques within its leading circles; it declares that the so-called Communist region has nothing else to contribute to Chinese liberation except such unconditional surrender to the Kuomintang regime. The United States policy is a repudiation of this whole Kuomintang official attitude, for it deals with the Communists as Chinese patriots, and it obviously hopes for and expects more changes in the policies of the Chungking regime, in the direction of those followed in Yennan, rather than otherwise. This means that the United States finds the Yennan policies closer to our understanding of the common interest of the two nations than are the policies of Chungking.

#### HOW THE KUOMINTANG THROTTLED WAR PRODUCTION

A good illustration of how Kuomintang policies injure both China and America is contained in a story of Donald Nelson's visit in Chungking, now going the rounds in American business circles. Nelson, so the story goes, inquired into Chinese iron and steel production, and found that existing plant capacity of 100,000 tons annually was in fact producing less than 9,000 tons; inquiry as to the reasons for this scandalous situation disclosed it was due to lack of capital, which in turn resulted from the fact that this basic war industry had to pay to the banks interest and fees totalling some 60 per cent per annum. The big banks, organs of Chungking's financial policy, set their interest rates on loan capital to war industry on the

level determined by the maximum that could be gotten from market speculation, currency manipulation, and hoarding. The inevitable result is pyramiding inflation, choking off all basic production, disruption of the supply system, economic paralysis, and a flood of corruption that disintegrates the armies and governmental circles. Mr. Nelson, by his personal intervention, obtained a decision reducing interest on loan capital to war production industry from 60 to 20 per cent. It remains to be seen how long the effect of Mr. Nelson's intervention will last after his departure. What is important for the present discussion, however, is that the Chungking regime, by the nature of its social, political, and economic policies, quite naturally bases itself upon the feudal landlords and usury capital, and only intervention from outside, from America, can secure even a modification of the suicidal results of such a regime.

#### ECONOMIC POLICY IN YENNAN OPPOSITE TO THAT OF CHUNGKING

In the Northwest Autonomous Border Region, the so-called Communist area with its capital at Yennan, the economic policy is quite opposite to that of Chungking. Instead of basing itself upon the landlords and usury capital, the Yennan Government sharply limits the rental rates of the landlords and thereby stimulates industrial production; at the same time it controls the flow of available capital, directing it away from market speculation and usury (which is rigidly controlled), and into the channels of the basic production required by the war and the most urgent needs of the civil population. As a result the region centering in Yennan has suffered nothing like the inflation of the Chungking-administered territory; production has expanded manifold; the relation between army and people is

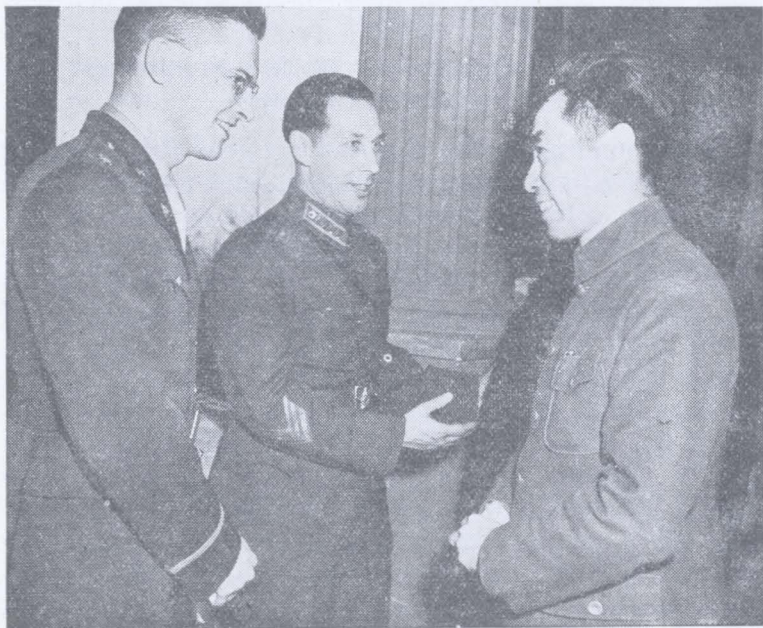


one of intimate cooperation; and despite the most extreme handicaps the so-called Communist armies have performed military miracles against the Japanese. The economic policies of the Communist-led area is much more closely related to the American "free enterprise" methods than are those of Chungking. Their practical superiority is proved by results. The difference between them in an economic sense can be described in scientific terms thus: In Chungking we see semi-feudal economics under a veneer of state centralization borrowed from the surface aspects of the industrialized Western countries, while in Yennan we see the rise of modern capitalist economics modified by government-supported cooperatives and the strict control of speculative capital.

#### THE RISE OF DEMOCRACY IN THE NORTHWEST AUTONOMOUS REGION

Corresponding to the contrast between the economic policies of Kuomintang and Communist regions, there is a sharp difference in their respective political regimes. In the area ruled by the Kuomintang there is a rigid bureaucratic dictatorship, with pro-Wang Chingwei elements holding great power, with all positions of power held by appointment from above, while even within the extremely limited membership of the Kuomintang there is no democratic procedure. This condition is not being modified in the direction of democracy in any degree, but on the contrary, becomes more rigidly autocratic with every passing month. In contrast there has been the rise of democratic self-government within the territory of the Northwest Autonomous Region, to a degree never witnessed in China before. Since 1936, when the Chinese Communist Party put forward its new program for national unity, the Communists have imposed upon themselves the

limitation of not more than one-third Communist participation in the elected organs of government, which include all posts from villages up to the highest controlling bodies of the Region, and have secured general application of the policy of adequate representation from all important groups of the population. The Communists support this program for the post-war period as well as for the war. Among a Chinese population of 90,000,000 there is now effective self-government from the locality upward, by free elections, with universal suffrage, for the first time in history and with no more than one-third of the government posts held by Communists.



Colonel N. V. Roschin, of the Red Army (center), introduces Lieutenant Colonel Joseph Stillwell, Jr. (left), of U. S. Army, to fabulous General Chou En-lai, Chinese Envoy and liason officer between the Chinese 18th Army (8th Route and New Fourth) and the China Central Government.

In view of this fact, the Kuomintang demand for the dissolving of the Northwest Autonomous Regional government and its merging with the Chungking regime means nothing more nor less than the demand for the abolition of democracy, and levelling downward of all China to a miserable autocracy based on feudal landlords and usurers dictatorship. It is clear that this is not the road to the unification of China, which can be accomplished only by spreading democracy to all China, not by destroying it where it has arisen and proved its beneficence.

The undemocratic character of the Kuomintang has been described by one of its own leading members as follows:

“If we had strictly observed the principles of democracy during the past twenty years, the democratic spirit of the Kuomintang would today shine brilliantly. Unfortunately, we have not strictly observed this principle for various reasons. As a result, the organization of the Kuomintang now moves on the contrary from the top down to the bottom. The members of the committees of the provincial and municipal party headquarters, for instance, are appointed by the central party headquarters. . . . Does it not mean that the representatives of the Kuomintang National Congress elect themselves? We must frankly admit the fact that in these twenty years the machinery and practice of the Kuomintang have turned in a wrong direction, inconsistent with the Party Constitution drafted by Dr. Sun Yat-sen in 1923, and contrary to the spirit of democracy.” (Sun Fo, *China Looks Forward*, p. 107.)

“The number of our party members is less than 1 per cent of the Chinese population. . . . But we have come to regard ourselves as if we were the

sovereign power, entitled to the enjoyment of a special position and to the suppression of all criticism whatsoever against us." (*Ibid.*, p. 108.)

Surely this is not the kind of organization with authority to decree the dissolution of the democratic governmental institutions based upon 90,000,000 Chinese people!

#### SOME FALSE ANALOGIES WITH AMERICAN EXPERIENCE

Mr. Lin Yutang, in his recent book, summarized the official Kuomintang argument against the Northwest Autonomous Region government, its armed forces and Communist leadership, by a shallow and false analogy with America. Mr. Lin says:

"And I do not think Americans, in time of war, would stand for an army, of whatever color or creed, which moved freely from Wyoming to California and started clashing with other American Army units stationed there as soon as it arrived, and then proceeded to attack, arrest, and torture Federal officers and employees and ended up by collecting its own taxes and printing its own currency." (P. 128.)

Now there is, of course, a certain value in historical comparisons of experience from country to country, and China's problems can be illuminated by American experience. But such comparison, to be of value, must not be with the America of today, the modern industrial giant with 158 years of continuous constitutional history; it must be with the America of 1776. One cannot lightly jump over this whole historical development and hold up present-day America as the guide for China; it is the America of the war for independence, the pre-Constitutional America, which furnishes the only correct guide. And then we shall see that

Washington accepted as natural and inevitable the existence of many and differing regional governments, each of which raised its own armies, and which were brought to unity by negotiated agreement and not by arbitrary command from the center. If the Chungking government followed the example of Washington, there could quickly be unity in China. We would then see the often-mentioned question of Yennan printing its own currency in an entirely different light. For in Washington's time, not only did each of thirteen States issue its own currency, but thousands of private banks for over a century did the same. Indeed, America fully centralized the issue of currency only after more than a hundred years of constitutional and industrial development; if Washington and the Continental Congress had tried to centralize America's money system during the war of independence, they would only have broken up their unity and lost the war, because social, political, and economic conditions had not ripened for such a step.

The whole of American history goes to show that the Chungking regime makes a false approach to the question of national unity of China. It tries to impose a pretense of "national unity" from above, by decree and by military force, issued by an unrepresentative and autocratic self-constituted grouping of less than 1 per cent of the population. It can't be done! American experience shows a different way, by which it can be done. It is the way of the Continental Congress, a democratic federalism, with self-governing regions or provinces or states sending their representatives to a central body which exercises the sovereign powers with a minimum of intervention into local and regional affairs. That is precisely what the Chinese Communists are asking for China.

## SOME LESSONS OF THE CLASH ABOUT THE NEW FOURTH ARMY

In January, 1941, Kuomintang troops attacked and dispersed the New Fourth Army, affiliated with the Yennan government, and then operating south of the Yangtse in the general area between Shanghai, Nanking, and Hangchow. Since that battle marked the re-emergence of Kuomintang-Communist antagonisms as a major problem for China, it has great historical importance. It could well be studied, and some lessons drawn from it. The lesson which I wish to point out is contained in a document, not from the Chinese Communists or any sympathizer, but from the Chungking



Cadets of the 8th Route Army, led by Communist General Chu Teh (whose photograph appears on the cover of this pamphlet), at a meeting conducted at one of their military training camps.

government itself. It is a cable sent by the Waichiaopu in Chungking to its Washington Embassy, and there issued as a press release to American newspapers. It is the official Kuomintang explanation of the cause of that battle written in the days immediately following, dated January 21, 1941. It says the reason the Fourth Army had to be attacked and dispersed was because it was moving "into Kin-tan, Tan-yang, Ku-yung, Lang-chi and Li-yang to create a special area there with the ultimate objective of setting up a base at Nanking, Shanghai, and Hangchow, thus forming a triangular area to defy the government."

Old Shanghai residents should be able quickly to translate this into clear American language. The Nanking, Shanghai, Hangchow triangle was occupied by the Japanese. The Fourth Army was moving to take it away from them. The Kuomintang leaders were afraid the Fourth Army would succeed, and if so, it might be in a position to defy their orders. On suspicion and fear that would be so, the Kuomintang decided that it would rather have that area retained by the Japanese than see it liberated by the Chinese Fourth Army. So the Kuomintang troops were sent, not against the Japanese, but against the Fourth Army. That is also why today one main stumbling-block to unity is Chungking's demand for disbanding most of the troops now under Yennan's command. That is the simple but appalling situation, out of which arose the whole latest stage of Kuomintang-Communist schism. On the basis of this policy of preference to Japanese occupation rather than a Yennan victory over the Japanese, the Kuomintang diverted a half-million of its crack troops to the blockade of the Northwest Border Region.

This is the effective reason why American air bases were lost to the Japanese in the past months, why Chungking was unable to protect these bases. When

the situation became too desperate, Chungking finally did withdraw some of its troops from the blockade and by that act did save a few bases. If it had never set up the blockade, it could have saved all of them, and the whole war situation would be much better for us and worse for Japan.

#### FORMAL CENTRALIZATION CONCEALS ACTUAL DISINTEGRATION

On the surface the policies of the Kuomintang and its Chungking regime demand a rigid centralization of all governmental powers—at least as against the Northwest Border Region, and in form everywhere.

In fact, however, what takes place is not a centralization of the power of the Chinese nation, but rather its disintegration and a dangerous weakening and sabotage of the national liberation war against Japan. Behind the screen of formal centralization there takes place in real life the rise of the power of local landlord and specualtor cliques, who operate for the sole end of maximum immediate profit and without regard to any needs or policies of the nation as a whole. Corruption is reaching a colossal scale, to the point of actually destroying the Chungking armies by depriving them of the necessary minimum of food. Trading with the Japanese goes on almost everywhere, under the patronage of military commanders, in a form in which the Japs receive basic commodities and food-stuffs, while free China receives luxury goods for sale among the landlords and profiteers. It is a common expression in Chungking territory that conscription into its armies is a sentence of death by starvation or brutality at the hands of superior officers, not in battle with the Japs. A deep chasm has been dug between the regime and the people, especially the peasants but also lately including those merchants, bankers and indus-



trialists who do not profit from the orgy of speculation.

There is no way other than that already demonstrated in the Northwest Border Region by which unoccupied China under the Chungking regime can be saved from a catastrophic collapse.

The demand for a coalition government for China, genuinely representative of all patriotic, anti-Japanese forces, to displace the Kuomintang dictatorship, means the demand for the general adoption throughout all free China of economic policies and democratic forms of government along the general lines already worked out in practice in the Northwest Border Region under the leadership of the Communists. Only that will help defeat the Japs and recreate a strong independent China.

The great danger facing China and the whole United Nations is that this process of disintegration will reach the point of collapse before there has been prepared that new gathering and coalition of effective Chinese patriots which can put into practice the policies that are needed. The Chinese Communists are largely concentrated in the area of the Northwest Border Region which they can hold solidly against all enemies, come what may, but in the rest of China, with hundreds of millions of population, the Communists can for a long period furnish only one element among many which must be united to provide the leading and organizing force to rescue the country from chaos.

American help, moral, political and material, is the indispensable factor that is required now to bring democratic China into control of her own destinies, and hasten common victory.

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*In the discussion period after the above address was delivered, a prominent Chinese publicist challenged the*

*accuracy of the description of Kuomintang terms toward the Communists as one of "unconditional surrender," and cited the offer of a few places on governmental commissions and to refer military questions to a committee of three composed of one Kuomintang member, one Communist, and one American military representative. Mr. Browder answered:*

"The offer of positions in the government is meaningless, as these bodies are entirely powerless. The offer of a three-man commission to settle military problems looks different and attractive, since apparently the American member would hold the balance of power, and the Chinese Communists trust America. If offered a year ago this might well have been accepted. However, even this offer has now become meaningless, since the recent unfortunate experience of General Stillwell. That incident showed that even the highest military representative of the United States in China can with impunity be driven out of that country if he fails to conform in every respect to the demands of the reactionary ruling clique."



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