

THE BIRTH OF NEW CHINA

**a sketch of one hundred years
1842-1942**

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DEDICATION

To the dockers of Southampton, Middlesbrough and London who, in 1937 and 1938, at a time when Neville Chamberlain and others were writing a page of deepest shame in British history, held up the banner of freedom and friendship among men by refusing to load goods for Japan or to unload Japanese goods;

to the Chinese seamen on British ships who have given their lives bringing supplies to Britain so that Britain, Europe and the world might be free from the Nazis;

and to those Chinese, British and other friends who have helped to make this book

in the belief that the comradeship between the United Nations, established in war, must and will endure and be strengthened in the peace.

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FOREWORD

CHINA is recognised as one of the great powers among the United Nations, yet the problems of her people and their immense contribution to the world war against fascism are still too little understood and appreciated. This book is an attempt to outline some of those problems and contributions in the form of a brief narrative of the recent struggles of the Chinese people to build a modern nation and their present endeavour to throw back fascist invasion.

Since it was written representatives of Britain and the United States have met together at Casablanca to review the war situation and to indicate an Allied strategy for victory. Necessarily the major question was the invasion of Europe and the co-ordination of Allied strategy for the speedy defeat of Hitlerite Germany which, by reason of its military and industrial strength, is the centre and core of the whole Axis structure. At the same time this did not mean that the second question, that of aid to China and co-ordinated strategy in the Pacific between the United States, China, Britain and Australia for the defeat of the Japanese end of the Axis was to be neglected. On the contrary, General Arnold of the U.S. Air Force and Field Marshal Dill went to Chungking to discuss with Generalissimo Chiang Kai-shek, and statements were made showing that the position in the Pacific was being faced. President Roosevelt spoke of the folly of wasting time "inching our way from island to island" across the Pacific and of the importance of the drive against Japan from China. Moreover, it has now been officially admitted that as yet half the supplies sent to China still remained in India, and officially promised, both in Britain and America, that the number of planes on the route from China to India would be increased.

But China needs more than arms, she needs machinery; for in order to meet the tremendous wartime shortage of manufactured goods Chinese industry must be increased. When one considers the assistance that is being given by the Allies to the development of industry in such countries as Brazil and Turkey then it is clear that China's need, the fulfilment of which is so necessary in the cause of victory, can be met.

Such assistance will also go far in advancing democracy and strengthening unity in China. All sections of the Chinese people, barring the small group of traitors that have followed Wang Ching-wei into the service of the enemy, are united in resistance to Japan, but the terrific economic difficulties of the war have led to most severe strains. How these strains can be lessened while preserving the unity of all classes was indicated in a recent speech of Mao Tse-tung,

General Secretary of the Communist Party of China, to the People's Political Council of the Special District. He said :

“Regarding agrarian problems, on the one hand we advocate a policy of reducing rents and interest so that peasants can have food and clothing; on the other hand we recognise the payment of rent and interest as obligatory so that the landlords can also have food and clothing. Regarding the relations between labour and capital on the one hand we aid the workers, but on the other hand we carry out a policy of industrial development which provides the capitalists with profit. These measures are intended to unite people of all classes.”

But industrial development, which is the main solution of this war problem, is also imperative for the building of new China on secure foundations, and it can only be carried through with genuine assistance from abroad.

China is not only the country whose civilisation is oldest amongst present nations, she is not only the country whose inventions of printing and paper, and whose discovery of the magnetic compass quickened the life of Europe at the beginning of the Renaissance, but, as Dr. Hu Shih has recently reminded us, she is the first non-European nation to have discarded the monarchy, established a republican form of government and endeavoured to work out its own constitutional development.

Today, in the course of this war and despite all difficulties a new renaissance is occurring, whose importance can only be estimated against the background of China's now dying feudal and semi-colonial past. Aided by her Allies China, through this renaissance, through strengthened and developing unity, and through the defeat of the whole Axis, will “continue its democratic evolution along the main lines laid down by Dr. Sun Yat-sen” and again help to quicken the culture of the world.

A. C.

ONE

THE DESTRUCTION OF OLD CHINA

“They grasp their jade drum-sticks:
They beat the sounding drum
Heaven decrees their fall.”*

To the Jesuit missionaries and European intellectuals of the first half of the 18th century China seemed the most cultured, civilized, well-governed and wealthy country in the world. Voltaire sang its praises.

The history of China for the last hundred and fifty years is the story of the destruction of that China and the beginnings of the emergence of a new one.

I

SOCIETY AND GOVERNMENT IN MANCHU CHINA

Chinese Society

China in the eighteenth century was a country of peasants and landlords, with groupings of guild artisans and guild merchants. Classic feudalism with serfs tied to the land and a hierarchy of feudal lords had ended in the third century B.C., but society and economic life remained largely feudal, for the basis of power was still the land. However, the rule of the state bureaucracy, made necessary by water control: the possibilities that existed for buying and selling land; the altered position of the peasantry; and the growth of trading capital all played their part in determining the nature of Chinese society for the following two thousand years. The vast majority of the people were peasants, some owning their own land, others, under a variety of tenure, holding all or part of their land from a landlord. For this they paid rent in kind, usually rice, and only exceptionally in money. Under one form of tenure they could be driven from the land at the landlord's will; under another, where the landlord owned only the subsoil and the surface still belonged to the original peasant owner, tenure was permanent. On the death of a father the land was usually divided among the sons, the oldest getting a slightly larger share than his brothers. Thus the natural growth of population led to a steady parcelling of land while the method of division often scattered the portion held by one man into little tiny strips in different parts of the same village. In the north, wheat and

* Poem by Ch'u Yuan, 332-295 B.C., trans. Arthur Waley.

millet were the chief crops, the Yangtze valley and the south were rice lands. Wool came from the north, silk largely from the Yangtze valley and cotton was widely grown. There were few peasant homes where textiles were not made, the country people being too poor to buy the cloths of the town artisans. Often through poverty they were compelled to work for the merchants.

Small farming is not only a matter of labour and land. Seed grain, tools and draught animals are all necessary to work even a small farm, and the difficulty of obtaining them is one of the gravest handicaps of the small peasant. The Chinese peasant had also to pay taxes and rent on his land.* In bad periods the farmer might lose his animal, or have to eat his seed grain, or lose his tools and house in a flood, or be unable to pay his taxes. Then he had to borrow and, once in debt, if after a period of years he could not repay the principal then the lender could claim the subsoil of his land. From then on the "free" peasant was a tenant. Moreover, as landlords received their rent chiefly in kind, they and the merchants with whom they dealt were the only people with rice and grain stores enough to outlast a period of drought or flood. Thus, having a corner in the market for food, they could push up prices further to the disadvantage of the peasant.

Officials and merchants would buy land as the safest form of holding wealth, moneylenders and pawnbrokers and landlords who made advances to peasants would acquire holdings of land, new land opened up by canals would be given to soldiers or officials, or sold. Thus in periods of civil peace landlordism grew. Apart from land held by individual landlords there was clan land (in some cases the peasants of a village were all of the same "family") whose origin dated back to days when Chinese society was in its tribal stage. In actual fact such land was almost the property of the head of the clan, subject to certain customary rules. Temples might also own land. In theory all land belonged to the Emperor, in actual fact he only had control of his own large estates. After the Manchu conquest, the Manchu nobles, too, had large estates.† Compared with European landlords of then, or of today, Chinese landlords were small. There was no

* The chief tax, the land tax, was only paid by the legal owner of the land, but registers were often out of date, so that tenants often had to pay the tax as well as rent. The last comprehensive land survey in China was in 1577. (This survey is still the basis of the land tax in China today.) In addition there were consumption taxes like the salt tax.

† In the latter part of the 19th century the Manchu nobles and Chinese officials began to usurp the Government, Royal and other estates. At the beginning of the 18th century privately owned land was some 50 per cent of the total; Royal land, Government land, Manchu banner land and Temple land amounted to 40 per cent. (*Aerarian China*, London, 1939, article by Sun Shao-tsun.)

In 1885, out of a total cultivated area one and a half times as large as in the earlier estimate, 70 per cent was privately owned, the other categories (including frontier land) amounted to 19 per cent. (*Ta Tsing Hui Tien*, quoted from *Government of China*, P. C. Hsieh.)

law of entail to keep the estates intact and they were constantly subdivided, while the high rate of exploitation of the peasants and the richness of the land, which in parts yielded two or more crops of rice in a year, maintained a landlord family on quite a small estate. When exploitation by landlord, moneylender and imperial taxation grew absolutely unbearable the peasants revolted (though big revolts were separated by hundreds of years) and they burned title deeds, destroyed landlords' houses and families, thus clearing away a whole load from their shoulders only for the process to begin all over again.

Chinese agriculture was especially dependent on water control. In some parts canals had to be dug to irrigate the land, in others massive embankments were needed to prevent rivers flooding. The first considerable canals were built in China in the seventh and sixth centuries B.C. "Water benefits," as they were called, played a big part in determining the victor among the feudal principalities of early China, helping the feudal state of Chin to conquer all its rivals. Efficient water control needed the political unification of a whole river valley. Thus we find that the Chinese state first controlled the whole of the Huang Ho valley in the north, then spread to the Yangtze, which river systems were later linked by the Grand Canal, and lastly to Canton. Water control necessitated the unification of China, the centralisation of state power and gave rise to the great bureaucracy.*

From the third century B.C., water control and the collection of tribute (taxes) arising from it were the main functions of government. Canals also served other purposes besides those of agriculture. They were the prime means of transport. Along them went soldiers to all parts of the Empire, they bore the grain tribute of the imperial taxes to the capital, they were the main channels of trade.

Thus the great mass of the people were peasants, the landlords formed the ruling class and the necessity for water control welded the country into a unity. At the same time, canal communications; the peasants' need for metal tools; the soldiers' need for weapons; the universal need for salt; the desire of the court officials and landlords for luxuries; trade in different products between north and south, and with the outlying lands to the north, with the islands of the South Seas, and, through Arab and other intermediaries, even with Europe had given rise to a merchant class ranging from simple pedlars to wealthy mercantile families (whose trade helped further to unify the country) and had developed a class of craftsmen organised in guilds and often itinerant. From Canton, Chinese trading and mining colonies spread to many islands in the South Seas, founding, for example, the Chinese gold mining republics in Borneo. Banking began in the third century. Cheques and bills and drafts

* For a very interesting account of the importance of water control in Chinese history see *Key Economic Areas in Chinese History*. Chi Ch'ao-ting, London, 1936.

and paper money were known in China 300 years before Europe. The merchant and craft guilds, organised on a town and provincial basis, were not part of town government as in mediaeval Europe, but were fairly powerful, and their elective constitutions provided the one element of election in Chinese social organisation. However, the full development of trade was held back by differences in local currencies, and weights and measures, and from time to time imperial edicts added additional handicaps.

There was also a scattered proletariat. Landlords who farmed their own land and richer peasants hired labourers, of whom some would be poor peasants trying to add to their income, but others would be landless. In the towns the guild masters employed journeymen and apprentices who, except on the occasions when they found it necessary to form their own independent temporary organisations, were guild members. There were paupers too in the towns and almost outcast scavengers. Semi-slavery in household service and even hereditary agricultural bondmen were not unknown. In the family the father ruled, the wife and children were subordinate. Wealthy men took more than one wife and the parents arranged the marriages of their children, often settling the matter while the children were still infants. Probably less than one per cent of the people could read and write properly. Apart from a few towns, China was a country of thousands of slow-moving, relatively isolated villages, some smaller, some larger.

In contrast to Europe, however, hereditary titles were unimportant and, even under the Manchus, what titles there were, were automatically extinguished after a few generations. Nor did China suffer from a monopolistic, powerful and power-hungry Church, and, for the most part, her rulers showed considerable religious tolerance.

But the hand of orthodox Confucianism, enforced through the examination system, lay heavily on intellectual initiative. Confucianism, which advocated benevolence, justice and correct behaviour, was a ruling class theory. It originated as a code of behaviour for the gentry and a system of precepts for feudal lords to observe in order to maintain their position in the troubled times of the feudal wars. Confucius said, "If those in the higher ranks of society be devoted to ritual, then none of the common people will dare not to venerate them. If they be lovers of justice, then none of the common people can dare not to obey them." (*Analects* xiii 4.) Or again, "Let your desires be good and the people will be good. The wind is the characteristic of the ruling class, the grass of the plebeian class. When the grass encounters the wind it always bends." Similarly Taoism, the second great Chinese religion: "Let nothing desirable be visible; this will save the people's minds from confusion. This is why the sage's form of government empties the people's minds and fills their stomachs." (*Tao Te Ching*, ch. 3.) And, "In the old days those who were capable of practising the Tao (the Way) did not use it to enlighten the people: They set out to make them ignorant. The

people are hard to govern because they are too clever." (ch. 65.) Mencius, the great Confucian sage of the third century B.C. who said, "without the gentleman the peasant cannot be governed and without the peasant the gentleman has nothing to eat," however, justified revolt against the king in certain circumstances: "A man who is a ruffian and a robber is rightly described as a man of no account. I have heard that Chow (a former king), a man of no account was executed. I have not heard of it as regicide."* The Confucian classics still provided the dominant mental atmosphere for the gentry and officials of Manchu China while among the mass of the people superstitions held sway.

Such, then, was the structure of Chinese society which in the eighteenth century had existed for nearly two thousand years as a modified form of feudalism, changing but slowly, and such were the ruling theories.

The Manchus and their Government

In those two thousand years from the Chin to the Manchu Empire many imperial dynasties had risen and waned. As a dynasty grew old so population pressure on the land would increase, landlordism would become more rampant, and taxation, due to the increasing corruption of the imperial system and the overloading of the civil service, more excessive.† Peasants' revolts would begin, and civil war, which, after tremendous destruction of life and of title deeds and the temporary splitting of the country into independent states, would pave the way either for a new dynasty, often established by a peasant soldier; or for a barbarian conquest. It was in such troubled times that the Manchus established their control over China.

An obscure Mongolian people in the sixteenth century, the Manchus first conquered the northern corner of China. Then, invited into China by an ambitious general in troubled times in 1644, they set up their throne in Peking.

They took over the previous system of government with few alterations. The emperor was advised by a cabinet of four officials and a council composed of the heads of the six boards: the Civil Board in charge of all civil service appointments, the Boards of Revenue, of Ceremonies, and of Punishments, the Board of Works, which supervised water control, and the Board of War, which controlled only the

* Quotations from *Chinese Philosophy in Classical Times*. E. R. Hughes, Everyman's Library, London, 1942. Apart from the ruling class political theories there were also primitive elements of dialectical, materialistic and scientific thought in some of the early writers and in the pithy proverbs and sayings of the common people.

† For example, under Kang Hsi, the second Manchu emperor, the total palace expenditure over 36 years is said to be less than was spent in palace expenditure in one year by the later Ming emperors whom the Manchus succeeded. Under later Manchus, palace expenditure grew increasingly and taxation with it.

local Chinese forces and not the Manchu armies and garrisons. Other central departments were the Mongolian superintendency, which controlled all the outlying territories of the north, the Court of Censors whose job it was to criticise the emperor and the whole administration, and the famous Han-lin college which supervised the entrance examinations to the civil service. The emperor ruled by decree but he was bound by the advice of his two councils and by tradition. Actually the chief work of the central government consisted in keeping a check on the provincial governments and seeing that taxes came in regularly.

China proper was divided into eighteen provinces, each with a governor responsible to the central government but exercising all the functions of government within his province.* The provinces, as large as European countries, were sub-divided, the smallest unit being the *hsien*, or district (like an English county or a sub-prefecture in France). The *hsien* was the basis of the whole structure of government. The *hsien* magistrate was ruler, judge, tax-collector, canal controller, police chief, bandit suppressor, and so forth, for his area. As this was usually the size of an English county he needed to take on subordinates, but they were not really members of the civil service and he was responsible to his superiors for all their actions. He appointed the village headmen and the headmen of the various sections of the town under his control, and actually operated the famous *pao-chia* system, whereby families grouped in numbers of 100 (*chia*) were made collectively responsible for the criminal actions of their members. This repressive system had been adopted by an earlier regime to check tendencies to rebellion.† The magistrate's official house was called the *yamen* and the attitude of the peasants to the government was summed up in the proverb: "While ye live enter not a *yamen*: when ye die descend not into hell."

All civil servants were appointed by the central government. In the 18th century appointment was almost entirely through examination. There were special rules to prevent corruption and disaffection, such as appointment for only three years at a time and the rule that no man might serve in the province where he lived. The central government also had the power of dismissal. While few sections of the population were debarred from entering the civil service, education was long and expensive, so few but the sons of the wealthy could secure positions. Also in their districts the officials naturally moved among the local gentry. Merchants were an inferior section of the population.—As Lord Napier was told by a high official in 1834, "The Celestial Empire appoints officials—civilian to rule the people, military

* Sometimes a "Viceroy" or "Governor General" would have control over two or perhaps three provinces. Under separate command in the provinces were the provincial armies, but in the 19th century the Viceroys and Governors, faced with foreign aggression, began to raise their own forces.

† The *pao-chia* system seems to have been first introduced by the Ch'in emperors (221-206 B.C.) and was re-introduced from time to time by other dynasties.

to intimidate the wicked; but the petty affairs of commerce are to be directed by the merchants themselves."

One of the most important functions of the district magistrate was the collection of taxes, of which he could keep 10 per cent for the needs of his district and for himself. It was the great concern of the imperial government to see that its quota came in regularly. Chief of these taxes was the land tax; salt was taxed at the mines, customs duties were charged at the ports, and there were minor taxes on registration of land sales.

Considerable elements of this system, both social and political, still remain in China today, especially in the rural areas.*

The non-Chinese Peoples, Outer China and the Manchu Tributaries.

Both in the eighteen provinces and outside in other territories ruled by the Imperial Government were peoples who lived under different social systems. In the mountainous parts of Kweichow, Yunnan and Szechuan were primitive tribes practising slavery, with primitive agriculture and animal raising, living under the rule of their own chiefs, whose position often approximated to that of early feudal lords. These peoples were being slowly pushed back into the less fertile valleys by Chinese settlers. North-eastern China, the corner where the Manchus had first set up their kingdom, was kept by them in a completely feudal condition with big estates owned by Manchus and some of the original Chinese, and worked by Chinese immigrants whose position was that of serfs. After the loosening of immigration regulations in 1703 these Chinese labourers came in in increasing quantities† On the plains, both north and south of the Gobi desert, lived the Mongols, a pastoral people under the rule of princes and divided into "Banners" that retained little of the cohesion given to them in the days of Chinghiz‡ In the south of the desert, in Inner Mongolia, they were already falling back from the pressure of Chinese agriculture and Chinese traders and moneylenders. In Sinkiang (Chinese Turkestan), once the great silk road to Rome and mediaeval Europe, lived a motley of

* See *Peasant Life in China*, Fei Hsiao-tung, London, 1939; and *The China of Chiang Kai-shek*, P. M. A. Linebarger, Boston, U.S.A., 1941, who says (p. 106), speaking of the rural areas:—

"The Chinese land problem cannot be understood except at the political-economic nexus, where low political morale exposes the farmers to the unrestrained power of the gentry, acting in the triple capacity of officials, landlords and money-lenders."

† In 1907 these parts which the Manchus had previously maintained as their own preserve were divided into three provinces like all other Chinese provinces. As the population was then over 95 per cent Chinese, "Manchuria" ceased to exist separate from China except in the eyes of predatory powers.

‡ Chinghiz Khan, the 12th century Mongol prince, who formed the Mongolian tribes into military "Banners" and began the conquest of Central Asia and China. The form of "Banner" organisation remained after the disruption of the Mongol empire. It was also the form of organisation of the Manchus. See *Jenghis Khan*, Ralph Fox, London, 1934.

Mohammedan people of various races and tribes—Uighurs, Kazaks and others, with a sprinkling of Chinese merchants, officials and the descendants of Chinese soldiers sent to the frontier. Tibet, ruled by a Buddhist theocracy and inhabited by wild and primitive people who lived by cattle raising, hunting and trading skins for Chinese tea and silk, owed direct allegiance to the Emperor, whose officials ruled in Lhasa alongside the Dalai Lama.

Outside this system of direct rule were countries paying tribute to China. The Kingdoms of Annam, Korea, Siam, Laos, Sulu (now in the Netherlands East Indies) and the Liu Chiu islands, and, at the end of the 18th century, Burma and Nepal.

II

DISINTEGRATION

“ Big Sister weaves cloth,
Big Brother sells cloth.
Home-made cloth coarse;
Foreign cloth fine.
Foreign cloth cheap.
The rich man likes it.
Home-made cloth nobody wants.
Starving; Brother and Sister! ”*

Under the first four Manchu emperors many canals were built, others improved, and a period of great prosperity began. The reign of the fourth emperor, Ch'ien Lung (1735-1795), brought the Manchu empire to the peak of its prosperity and power. Opposition to the Manchus was at its lowest ebb. But the slow working of social forces was gradually undermining the imperial structure. For one thing there was increasing pressure on the land. Some calculate the increase in population of China from 70 millions in 1650 to 340 millions in 1850,† while cultivated land only doubled between 1661 and 1881. The rebellion of the famous secret society, the White Lotus sect, in the 1790's was the first sign of the increasing unrest.‡

* “ The Song of the Cloth-Seller,” quoted in *Living Issues in China*, by H. T. Hodgkin.

† *The Chinese. Their History and Culture*, K. S. Latourette, London, 1934, Vol. 2, P. 8.

‡ In China, from the fourth century onwards, secret societies had been the main form of organised political opposition. They still exist today. The Kuomintang was originally formed from five patriotic secret societies. In the towns in the 20th century secret societies deteriorated, often assuming the double function of Tammany Hall and Al Capone. But in the present war many have taken on the patriotic task of murdering puppet officials. In the countryside the societies are usually landlord dominated, but in the war many of those societies which are primarily peasant societies, e.g., the Red Spears, have formed guerilla units. See also Appendix V.

Foreign Trade

The Portuguese were the first Europeans to come to China by sea. They arrived in 1511. They were well received until one of their captains tried to carve a little kingdom for himself on the coast. After them came the Spaniards who, fearing the power of the Chinese in the Philippines, soon fell to slaughtering them there. In 1603 they killed some 20,000 Chinese. The Spanish, bringing tobacco from their American colonies, introduced the habit of tobacco smoking into China. They were followed by the Dutch, who, having no tobacco but being able to get opium from India, most probably invented the system of opium smoking. Previously the Chinese, like other Eastern peoples, had not smoked opium. They had taken it as a medicine or a pill to prevent malaria. When the British arrived they announced themselves by bombarding the forts outside Canton because they were kept waiting for a permit. All the early merchants wanted Chinese goods—silks, teas, cottons (nankeens), but the Chinese did not want the goods the Europeans had to sell and insisted on being paid in gold and silver. Even opium was not at first a popular line to push. In 1729, when opium smoking was forbidden in China, its import was still small.

Other trade continued and European merchants were allowed to establish trading posts near Canton. In Europe the right to trade with China was sold by various governments to monopoly companies, thus giving the government a share in the profits. In 1702 the Chinese Emperor adopted the same system, giving one merchant the complete monopoly of trade with Europeans provided he paid over a sufficient share of his profits. Opposition of other Chinese merchants changed this later into a group monopoly known as the Hong. The Chinese Government was not interested in trade but in revenue. It increased the customs duties and confined all European trade to Canton in order the better to collect its revenues. But still European traders often made a profit of 500 or 600 per cent on their voyages to China, and the Chinese merchants similarly became wealthy.

During the 18th century, by increasing their control over India, the British managed to squeeze most of their rivals out of the China trade. Thus, at the turn of the century the position at Canton was one of two monopolies facing each other—the Chinese Hong and the British East India Company. The East India Company was not entirely satisfied with the situation however. It tried to find a route to China through Tibet and failed. Two British missions were sent to the Emperor, refused to do the ceremonies of the Chinese court and returned empty handed. Meanwhile the Company began to engage in opium smuggling in a big way, growing the opium in India (opium was a company monopoly in Bengal) and selling it in China. The chief legal line of trade was selling raw cotton from India. In the early 19th century opium smuggling expanded rapidly: in 1818 over 1½ million dollars worth were smuggled, in 1813 over 12 million dollars worth.*

* *International Relations of the Chinese Empire*, H. B. Morse, London. Vol. I, P. 90.

After the passing of the Reform Bill in Britain in 1832 monopolies were under heavy fire and the Company's exclusive monopoly of the China trade was withdrawn; consequently the number of British ships at Canton increased and opium smuggling shot up.* The Chinese Government tried unsuccessfully to stamp it out.

Two new factors now appeared in the situation. First, the Chinese Government were suspicious of British intentions. In 1816 British forces invaded Nepal, broke its connections with China, and set up a residency there. In 1824 they went to war with Burma and seized two coastal provinces. Second, on the British side, the ending of the monopoly of the East India Company's trade with China had not expanded the China trade enough to suit Lancashire cotton merchants, now clamouring for wider markets, while the ending of the British monopoly had enabled the Hong monopoly to put up the prices on exports by 25-55 per cent and on imports by 9-15 per cent. In 1839 and 1840 the chambers of commerce of all the chief cities of Britain called on the Government to open the China trade. Moreover, as was pointed out, since Singapore had been taken in 1819, there was a naval base from which to attack China and heavily-armed British men-of-war could easily defeat the light junks of the Chinese. Therefore, when in 1840 a dispute arose in Canton over opium smuggling, the town was bombarded, seized and forced to ransom itself. This was the first Opium War. In 1842 Shanghai was taken. Thus threatened, the Chinese Government signed the Treaty of Nanking (1842), which was "the foundation of all foreigners' relations with China," and by which five Chinese ports, among them Shanghai, were opened to foreign trade; export and import duties were reduced to about 5 per cent; British citizens were, when accused, to be tried by their own law and their own consuls; the Hong was abolished and, apart from the individual ransoms of various towns, China paid a heavy indemnity. Next year the British Commercial Treaty (1843) extended Britishers' privileges by having land set apart for their residence, and by allowing British cruisers to be stationed in Chinese ports to maintain order.† Later, with a small display of force, the United States and France got similar treaties.

The British treaty stated: "Regarding the punishment of English criminals, the English Government will enact the laws necessary to attain that end and the consul will be empowered to put them into force." The American treaty said: "Citizens of the United States who may commit any crime in China shall be subject to be tried and punished only by the consul or other public functionary thereto authorised according to the laws of the United States." None of these treaties legalised the opium trade. Therefore it was necessary to

* In 1836/7 \$19.9 million worth of opium was smuggled.

† It also contained a most favoured nations clause by which all privileges extended to other foreign powers were automatically extended to Britain. Other powers followed this example so that a gain for one power was a gain for all.

include clauses preventing the Chinese from dealing with smugglers. Such were the famous "extra-territorial" rights of foreigners. The consequence of the clauses, with later refinements, was that "by it (extra-territoriality) the foreign resident in China is subject to no one provision of the law of China, either as to his person or to his property, but at all times and in all places is entitled to the protection of his own national law administered by his own national officials."*

This was the first breach in China's defences, but foreign merchants were far from satisfied.

British and later other vessels now began a trade in Chinese flesh. Chinese were lured or drugged or kidnapped (Shanghaied) on board British vessels and then sold as contract labourers in the West Indies (where the ending of the slave trade had left an unsatisfied demand for cheap labour), the United States and elsewhere. In 1852 rioting broke out in Amoy against the forcible abduction of whole shiploads of Chinese, and a British naval force had to be landed.† Foreign merchants therefore put down the riotous behaviour of the Chinese as one item in their list of complaints. In addition, cotton manufacturers wanted still more ports opened.

The opium trade continued: about a tenth of the revenue of the Government of India depended on this trade. In 1857 the Chinese authorities in Canton arrested a small Chinese smuggling boat flying a British flag. The British claimed that extra-territorial rights went with the flag. They seized Canton. The second Opium War began. Three years later British and French troops occupied Peking and the British troops were ordered to sack and loot the famous Summer Palace containing priceless treasures. As a result there were further treaties. New ports were opened, there was a heavy indemnity, the opium trade was legalised and the foreign customs were put under the control of a British official.‡ The right of foreigners to travel everywhere was granted, Christian propaganda was permitted and the Catholic church was allowed to buy land. The emigration of contract Chinese labour to foreign lands was sanctioned, penalties were provided for anti-foreign "outrages," embassies were installed in Peking, and China was compelled to add a Foreign Office to her other organs of government. Tsarist Russia, the United States and Germany soon secured the same privileges. In

* H. B. Morse, *Trade and Administration of China*, p. 183.

† This Chinese contract labour system was still in operation in the 1920's. Even today Chinese seamen serving on British and other European ships have not entirely managed to smash its remnants. As late as 1939 they had to sign contracts binding them to serve a company for two years at the lowest wage rates in the world. The Chinese seamen's agreement of 1942 and the wartime revival of the Chinese Seamen's Union may be the end of the system.

‡ "Harry them, harry them every day of the week," was the motto of Sir Robert Hart, the second of the British Chiefs of the Chinese Maritime Customs, for dealing with Chinese. The treaties resulting from the Second Opium War were the Treaty of Tientsin (1858) and the Convention of Peking (1860).

1861 the first foreign "concession," an area of China completely ruled by foreigners and excluded from Chinese law and government, was set up in Ningpo, and this system spread rapidly to most of the ports where foreigners had the right to trade.

The two Opium Wars and the consequent treaties broke the back of Manchu China. Needing funds to pay indemnities at a time when foreign control of customs rates was cutting down its revenue, the Government first began to sell places in the civil service, in all ranks save the highest (1843). Then in 1853, to make up for the dues lost at ports, an internal system of taxes on goods in transit inside the country (*likin*) was enforced.* When the people took the opportunity to revolt, the Manchus needed foreign help to suppress them, thus placing themselves in a state of dependence on foreign aid against the people. After the 1870's the Government had to borrow increasingly, thereby adding interest payments to its other expenses. To save money the irrigation system was allowed to fall into disrepair. Five million people died in the winter of 1877-8 in Shensi province alone. Thereafter floods and famines were frequent. Foreign merchants were always pressing their governments for an indemnity from China for some damage, fanciful or real, to their goods or property. In 1881 Japan seized the Liu Chiu islands. Tsarist Russia got an indemnity in 1885, there was war (undeclared) with France from 1880 to 1885, and with Japan in 1894-5 which led to a further heavy indemnity. By 1900 loans had been forced on China totalling £54½ millions. They came chiefly from British and German banks. Interest and sinking fund amounted to £3 millions a year out of a revenue of £10 millions. In 1902 came the Boxer indemnity. After 1895 the budget was never balanced, despite increasing taxation. In 1907 over 40 per cent of total government income was paid away in indemnity payments and in interest on foreign loans. The Manchus had become scarcely more than an interest-collecting agency for foreign creditors.

The early treaties with China had been directed towards opening Chinese ports to foreign goods. By the 1870's the increasing pressure of world trade led to a drive to open up the interior markets of China. By the Chefoo Convention of 1876 Britain secured the right to develop trade routes through Burma into Yunnan, and another route through Tibet, while British goods, after a small payment, were to be exempted from *likin*. France, to secure her own route into Yunnan, fought the five-year war with China which ended by French annexation of Annam and Tonkin (Indo-China).† Tsarist Russia pressed into Sinkiang. In 1891 the Trans-Siberian railway was begun. America opened Korea in 1882, and Britain temporarily seized a port there.

* *Likin* was not, as is often said, the result of the Taiping rising, but of the opium wars and consequent treaties. *Why China Sees Red*, Putnam Weale, London, 1926, p. 165.

† During this war, 1881-5, perhaps the first modern strike in China occurred when Chinese labourers refused to work on a damaged French cruiser that put into Hong-kong dockyard for repairs.

Then interest in China as a market for goods began to change to interest in China as a field of capital investments. Financial groups of all the powers began to talk of building railways. In 1894 Japan struck, declared war on China, defeated her, seized Formosa and the Pescadores islands, got a large indemnity and secured permission for foreign-owned factories to be set up in China. That started a real scramble. Germany took Tsingtao; Britain, Wei Hai Wei and Kowloon; France, Kwangchow Wan; Britain secured domination over all the Yangtze valley, Germany over Shangtung, Japan over Fukien. With this went a scramble for railway concessions and mineral rights. Each opportunity provided by any sign of anti-foreign feeling in China was used by the foreign Powers, not just to obtain redress for the victims or for the damage done, but to seize new privileges and obtain further indemnities.

The United States during this time (February-December, 1898) had been engaged in a war with Spain to wrest from her the Philippines, so that it could become the American gateway to China. By the time Spain was defeated, and partition of China into spheres of influence had been well nigh completed. So, to prevent this ending in the division of China into complete colonial areas of the foreign powers, the American Government in 1899 announced the "Open Door" doctrine in its first form; this, while recognising spheres of influence, declared against further special privileges which would injure the treaty rights of other powers. Here the U.S.A. was supported by Britain, who feared that further partition would injure her dominant position in China as a whole.

Angered by all this contemptuous humiliation of China, the landlord officials of the Manchus tried, in 1899, a last attempt to free themselves from the imperialist shackles closing in on all sides. They encouraged a landlord-dominated secret society, "The Society of Harmonious Fists," to turn the growing unrest of the peasants into a massacre of foreigners resident in North China. This rising, known to Europeans as the Boxer Rising led to the occupation of North China by the troops of all foreign imperialist powers, under a German commander; the largest indemnity in her history (£67½ million) was imposed on China and foreign powers gained the right to station troops on Chinese soil along the railway between Tientsin and Peking, and in Peking itself.

In 1904 Britain invaded Tibet. In 1904-5 Japan and Tsarist Russia fought over Manchuria and Korea, Japan winning and securing a special position in Korea and South Manchuria. Between 1908 and 1910 German, British, French and United States banks formed a Four Power Consortium to apportion railway building and other financial investments in China. In 1910 Japan finally annexed Korea. By that time the Manchu Government in Peking might as well not have existed.

The Position of the People

It has already been noted that in the closing years of the 18th century there were increasing signs of opposition to the Manchus and the landlord system on which their power was based. There was peasant discontent, the discontent of merchants excluded from the monopoly trading with foreigners, and discontent among students who had failed to secure positions in the civil service. All these factors were strong in the South, which, with its trading and mining colonies in the South Seas, had different economic interests from the North. Also because of the South's rebellious tendencies, there seems always to have been discrimination against Southern candidates for the civil service. The opposition currents first expressed themselves through secret societies like the Triads. The First Opium War added new fuel to discontent. In the first place the Manchus had been defeated. Then trade had been disturbed, towns held to ransom by the foreigners, the country burdened with a heavy indemnity, taxes increased; the discharged soldiers were destitute. The new practice of selling offices in the civil service angered the unemployed and poor students. At the same time foreign science, learning and social ideas aroused interest and many were prepared to use them to remedy domestic ills.

The various groups and tendencies came together in the great Taiping movement, which began in the South. Its leader, Hung Hsiu-ch'uan, a scholar who had failed in the official examinations in Canton, was strongly influenced by Christian teaching and at first preached in the countryside, attracting the poor peasants and agricultural labourers in great numbers. In 1852 the Taipings, having formed an army, began to move north from Kwangsi. In 1852 in South and Central China there were tax riots. The Taipings, already in contact with the Triads, a union of three secret societies which were strong among the middle and lower classes in the towns, joined with the discontented peasantry and advanced easily to the Yangtze. In 1853 they established their capital at Nanking and by that year not one of the eighteen provinces was wholly under Manchu control. The Taipings abolished foot-binding of women, stamped out women and child slavery and prostitution, raised women's armies and stressed sex equality. They ended torture and bribery in the courts. They destroyed landlordism and the landlords, burning title deeds and re-dividing lands according to family need. To end famines they established a system of public granaries to store surplus property and produce. One of their first acts was to arrange for the publication of the Bible in Chinese. They were friendly to foreigners, anxious to trade and to learn from European science. While their system of government was imperial, officials lived simply, and at least one foreigner who served with them was convinced of their desire to establish a more democratic government after the destruction of the Manchus. That man, an anonymous British ship's mate, entrusted by the Taipings with the task of bringing their story to Europe, was

the first representative of a new attitude towards China—that of friendship between the peoples.*

Despite the favourable reports of the early missionaries, and the desire of the Taipings to trade, foreign powers and merchants, though at first proclaiming neutrality, were against them, primarily because from the beginning the Taipings were opposed to the opium trade, and might regenerate China. In 1853 a rising of the Triads in Shanghai gave the British the opportunity to seize control of the Chinese customs there. The French, seeking for special privileges, also helped the Manchus to restore control over the town. The British prevented the Taipings seizing Canton. After 1862, when the Manchu Government had agreed to hand over all the maritime customs to Britain and had given the foreigners many other privileges, the foreign powers had the strongest possible interest in the destruction of the Taipings. It was found that their Christianity, first welcomed, was but a heresy. General Gordon and others were sent to aid the Manchu armies. So were established the first links between internal Chinese reactionary forces and foreign external reactionary forces which have persisted till today.

The Taipings, cut off from the sea by foreign action and facing an army armed and led by foreign powers, were driven from central China (Nanking fell in 1864), their leaders killed in battle or executed. Scattered bands held out in the hills of Kwangsi and Kwangtung and lived on to form the Black Flag detachments which acquitted themselves so notably in resistance to the French conquest of Annam in the 1880's. Relations of Sun Yat-sen were Taipings and through him and many others the Taiping tradition has influenced the modern movement of Chinese nationalism. Their tradition was so strong that even in 1898 a brother of the Taiping leader was able to lead a rising in Canton.

After the suppression of the Taipings the Manchu system depended on foreign support. The poverty and misery of the peasants increased. The whole economy of China was distorted to suit the interests of Western traders and, later, financiers. Goods flowed down the rivers and out to Europe and America, while foreign yarn and textiles began the destruction first of the peasant spinning and then of the peasant weaving industries. Chinese traders were reduced to hangers-on of foreign firms, compradores, agents. Landlords, too, became dependent on foreign firms, their peasants growing export crops on whose sale the landlord's rent depended. The growth of railways and the rise of foreign-owned textile mills and other factories in the concessions and treaty ports began to bring a modern proletariat into existence. The ruling class, fearing the people and the foreign Powers, was divided between those who opposed the slightest reform, and those who believed that foreign education and slight government changes would

* *History of the Ti-ping Revolution*. Anonymous, London, 1866.

strengthen the position of the ruling class itself. Except for one brief period the reactionaries maintained the upper hand till the turn of the century. The Boxer Rising of 1899-1900 was the last kick of the Manchu reactionaries.

III

THE KUOMINTANG AND THE 1911 REVOLUTION

Slowly China was changing. Modern industry began in the 1860's with the establishment of a few small woollen mills, and arsenals to supply the Manchu armies. In the 70's and 80's attempts were made to begin Chinese-owned steam shipping companies. In 1878 the Kailing coal mines were started with British money, though nominally Chinese owned. In 1890 the first Chinese-owned cotton spinning mill was opened. After the Sino-Japanese war, when the foreign powers got the right to set up industries in China, Japan and Britain established cotton mills. All early Chinese attempts to start modern industry met with the bitter hostility of foreign firms and banks, and were perpetually handicapped through lack of credit and the low tariff which by treaty was kept at a level to suit the foreign merchants. But Chinese industry struggled on. In 1897 came the first modern Chinese bank, the China Commercial Bank, now the Bank of China. Chinese students going to Japan, Europe or America, began to be alive to the modern world. Mission schools, and later modernised government schools (after the education reforms of 1902 and 1905, which ended the classical examinations and instituted examinations in modern subjects) brought some Western education to China. Chinese merchants overseas were desirous of regenerating their country. In 1894 Sun Yat-sen formed the China Revival Society (Shing Chung Wei) "to unite the patriotic Chinese people, to cultivate the arts of wealth and power, for the purposes of reviving China." It was formed first in Honolulu and was a secret society composed chiefly of foreign-trained students and young army officers, with the backing of businessmen. Later in the same year, the year which marks the real beginning of the Chinese national revolutionary movement, its members tried an unsuccessful rising in Canton. Gradually it grew both in Canton and Shanghai. In 1905 it was renamed the Tung Ming Hwei (Revolutionary Alliance). The boycott on American goods in 1905 because of legislation against Chinese immigrants in the United States, and on Japanese goods and ships in 1908 showed the growth of the national movement. It won its first partial victory when, in 1908, the United States Government handed back half its share in the Boxer indemnity to be spent on education in China.

In 1907 the Manchu Government, under perpetual pressure from foreign interests for railway concessions and faced with the rising hostility of the people, tried desperately to make a show of concessions by setting up a system of provincial councils and promising a parliament, mostly appointed and purely advisory. In 1910 a National

Assembly met but, even though half Government-appointed, it expressed strong opposition to the Manchus, demanding an immediate Parliament, the end of the Government's loan policy and anti-opium laws. Events, however, had gone too far. From 1905-11 there were risings against the Manchus every year. In 1911, when the Manchu Government cancelled a railway project put forward by a group of wealthy Chinese in central China in favour of the Consortium of foreign banks, the country was roused to fury. Revolt broke out in Hankow on October 10th, when the soldiers rebelled, and it spread rapidly. Canton and Shanghai were the centres. An Assembly was formed of the revolutionary elements, mostly businessmen, students and army officers. Sun Yat-sen, then abroad, was recalled to China. When he arrived in December to become Provisional President of the new Chinese Republic* there were two governments in China, the Republican Government controlling the centre and the South, and the Manchu Government in the North now headed by Yuan Shih-kai.

Yuan was one of those Chinese officials who, having done poorly in his examinations, went into the army. He had always shown himself amenable to the foreign powers and after 1895 was chosen to command the small Chinese army to be built on modern lines.† In 1898, through foreign pressure, he was made Governor of Shantung. Later he was dismissed by rivals, but faced with the rising the Imperial Government in 1911 called him back as Prime Minister. The revolutionaries were not well organised, even the Kuo Min Tang or National People's Party (as the Tung Ming Hwei was now called) was loosely built.‡ Nor had the revolutionaries the money to pay a large army while little was done to rouse the people. But if the revolutionaries could not pay an army neither could the bankrupt Manchus. Only the foreign bankers were in a position to advance the money for which both sides were asking. The British Chamber of Commerce in Shanghai, remembering the Boxers and the disordered state of the

* Sun, a great representative of a great people, was the leader of the most advanced sections of the revolutionary movement. Their ideas were summed up in Sun's phrase, "Other revolutions have been made for the benefit of a hero. Today it is a revolution of all the citizens." These sections wrote the clause "Citizens shall have the right to elect and be elected" into the Provisional Constitution of the Republic, but it never came to anything in the way of actual suffrage, for the system of voting adopted by the Republic was indirect and restricted by a high property qualification. While in the towns artisans and petty bourgeoisie joined the revolutionary armies they were not really represented in the National Revolutionary Assembly and the peasants, though anti-Manchu, were not drawn in at all. But a short lived Socialist Party was formed and for the first time translations of Marx and Western radical literature began to be published. 1912 and 13 saw the beginnings of a strike movement. The Provisional Constitution contained the right of association but the later Penal Code made strikes illegal.

† In the ranks of this army, then or later, were found the future war-lords—Wu Pei-fu, Sun Ch'uang-fang, Feng Yu-hsiang.

‡ The full title now is Chung-kuo Kuo-min-tang, *i.e.*, Central-realm (Middle Kingdom, China) Realm-people-association (or party) *i.e.*, Chinese National Populist Party.

country that was handicapping trade, were against the Manchus, but not against Yuan. The British Foreign Secretary, Sir Edward Grey, favoured Yuan. The British Consul General arranged an armistice between the rebels and Yuan so that negotiations could be opened. On February 12th, 1912, the Manchu Emperor abdicated. On February 14th Sun Yat-sen, under pressure from the right wing in the Revolutionary National Assembly and in the Kuomintang, on behalf of the National Assembly, asked Yuan to become President of the Chinese Republic. On February 17th, Yuan being in power, the banks of the Four Nations Consortium advanced a small loan to the Republic.*

After taking over the government Yuan, whose backing in China came from the wealthy landlord families and the rich merchants who regarded Sun as a dangerous radical, immediately began to execute Republican Army leaders and to negotiate for a really big loan. By 1913 the negotiations were completed for the Reorganisation loan of £25 millions. In these negotiations Yuan had agreed to have a foreign auditor in the Ministry of Finance, to take a British political adviser, a French military adviser, a French controller of the post office, and that all customs revenue should be paid direct to the Hongkong and Shanghai Bank and to two other foreign banks who would only pass on the surplus to the Government after deducting debt payments. In 1913 he also agreed to hand over the salt revenues to British control, all revenue again being passed direct to the foreign banks. The loan, meant for "reorganisation," was mostly squandered. Part of it, together with some other advances, was used to crush a further Kuomintang rising.

The system of foreign control over China was thus completed. Treaties opened the ports to foreign trade, gave foreigners extra-territorial status, and enabled them to live in concessions on Chinese soil but quite independent of the slightest Chinese control. Foreign troops were stationed in North China. The major part of the central government's revenue went to pay foreign indemnities and interest on foreign loans. Customs and salt revenues were under complete foreign control. The bulk of the railways and the bulk of such modern industry as there was, were foreign owned and run. Moreover China's whole economy, through a century of pressure, had been co-ordinated to foreign needs. If the central government of the Manchus had been a rotten shell, that of Yuan was but a figment.

In 1913 and 14 Yuan elected himself President for life with the right

* Though the revolution was therefore defeated we see again in the friendship that Sir James Cantlie in Britain (who rescued Sun from arrest by the Manchu Embassy in London in 1895) and Linebarger in the United States gave to Sun Yat-sen the glimmer of a people's relationship with China. It was Lenin, however, who clearly pointed out the importance of the revolution to the peoples of the world. *Selected Works*, Vol. IV, pp. 305-311 and 312-313. Lenin forecast the role of Yuan Shih-kai and, analysing the electoral system, noted "a proletariat is either non-existent or else quite impotent." See *Recent Events and Present Policies in China*, J. O. P. Bland, London, 1912, for the steps in the financial negotiations.

to appoint his successor, scrapped the Parliament that had emerged from 1912 and ruled as a dictator with a puppet council. He declared the Kuomintang illegal and executed those of its leaders he could catch. To secure his position he appointed military governors, *tuchuns*, drawn from his army, side by side with the civil governors of the provinces. In a short time they had ousted the civil governors, or else completely dominated them. Below them the Manchu State structure was kept practically intact. While the loan lasted Yuan could exercise some semblance of control. When it was squandered then the "central" government had but two sources of revenue: the pittance handed over from the foreign banks from customs and salt tax, after the deductions for debt instalments and other items; and the proceeds of the land tax and *likin*. But these latter were raised in the first place by the district magistrates, who took their own cut and then passed something on to the provincial governor. With a strong central government and a disciplined civil service this system had worked well enough. Now the military provincial governors naturally kept back the bulk, if not all, of the revenues for their own provincial armies, handing over nothing or almost nothing to the Government. They also appointed their own officials. Thus began the system of *tuchuns*, of warlords who worked in agreement with the landlords of their particular area.* The Chinese bourgeoisie seemed as far from power as before 1911,† and the people were crushed with further oppression. By the manipulations of corrupt officials and greedy gentry, the remainder of the Government, clan and temple land passed almost entirely into private hands and under various pretexts peasant owners often suddenly found landlords confiscating their land.‡

This political and military decay of unity was based upon the decentralised nature of the Chinese economy. The economic bonds of trade, as distinct from the bonds of water control, had never been very strong. Now the main routes of trade were no longer from north to south, but down each river valley out to the sea. The struggle of the powers for spheres of interest had also increased the tendencies to separation; indeed in each sphere of influence each power tried to back its own warlord group—the French did this in Yunnan and Kwangsi, the British supported Wu Pei-fu in Central China, the Japanese Chang Tso-lin in Manchuria.

The lopping off of China's outer territories continued. In the revolution of 1911 Outer Mongolia had proclaimed its independence, but Tsarist Russia used this opportunity to try and bring it under her control. After 1913 she stationed Tsarist troops there. The British

* Though sometimes with merchant and banking support, e.g., in Shansi.

† The slow growth of the industrial bourgeoisie is shown by the figures for cotton spinning mills, 8 in 1896 and 30 in 1916.

‡ *Agrarian China*, p. 2. Yuan died in 1915 after an unsuccessful attempt to make himself Emperor. After his death the nominal Government at Peking was at one time controlled by the Anfu clique of warlords, at another by the Chili group.

Government discussed the partitioning of Tibet, and pushed the Burmese frontier back so that it included thousands of square miles of former Chinese and Tibetan territory. Standard Oil secured prospecting rights for oil in China. Japan, basing herself on the South Manchurian Railway, was steadily advancing her control in that area.

In an attempt to compel the peasants to adjust themselves more closely to the needs of foreign firms, Yuan decreed that in future the land tax must be paid in money, not kind. The peasants, thus forced to sell part of their produce for money, fell into the hands of foreign firms who were interested in special commercial crops. Thus the British American Tobacco Company was able to get peasants in large areas of North China to turn over to tobacco growing. Once they had begun they lacked the resources to turn back to their old crops and, as they were completely dependent on their sales of tobacco, the company could pay them what low prices it liked. Landlords and local officials who profited by the system supported it.

What had prevented the complete subjugation of China before the 1914-1918 War had been the jealousy between the foreign imperialist powers. China was so great a prize that for one to act out of step with the others would have been to invite war. The policies of the powers towards China were matters of perpetually unstable agreements influencing and influenced by arrangements and rivalries elsewhere.* But the war of 1914-1918 altered the whole balance of power in China. Germany was cut off. Britain, France, Russia, and later the United States, were straining their utmost in Europe. Japan, as the ally of these powers, was left with almost a free field. She first seized Shantung, the German dominated province. In 1915 she presented China with Twenty-one Demands giving her all Germany's privileges in Shantung, confirming Japan's control in South Manchuria, giving her the right to lease land there, allowing her to penetrate Inner Mongolia, giving her special rights in Fukien, and control over the one iron and steel works in China, the Hanyehping works at Wuhan. Only American pressure saved China from the other demands which gave Japan the right to control all foreign advisers appointed by the Chinese Government.

In 1917 and 1918 Japan was able to force on China the Nishiharà loans and, under the pretext of joining in the wars against the Soviets, to occupy all Manchuria and Inner Mongolia and gain control over training and arming the Chinese army. Though China was one of the Allies, the Treaty of Versailles confirmed the Japanese occupation of Shantung and did nothing to limit Japan's control of North China. The international humiliation and subjection of China had reached its peak.

* How important China was in these rivalries is shown by a letter from the German Kaiser to Theodore Roosevelt in 1905. "My people are sure that England would now back France in a war against Germany, not on account of Morocco, but of German policy in the Far East." At that time German imperialists, through their banks in China, were trying to undermine Britain's hold.

Similarly what little semblance of authority Yuan Shih-kai had exercised over the provinces had ended with his death, and China fell a complete prey to the war lords. Under the Anfu clique the Government in Peking was but a puppet of Japan. The internal disintegration of China had reached its lowest depths.

The once proud Celestial Empire, the Middle Kingdom, the centre of civilization, ruptured by the penetration of imperialist economy first in its search for markets and then for spheres of investment; bound and humiliated by a mass of treaties; with some of her territory wrested from her as colonies, concessions and naval bases; with foreign troops on her soil and foreign navies patrolling her waters and rivers; with foreigners lording it over her people whom they regarded as inferiors; herself a prey to warlords and internal oppression and chaos—had become a plaything of the Powers. Her peasants were tied to foreign firms, her peasant handicrafts fast disappearing before imported goods, her workers employed in foreign firms, and her central government was but a fiction maintained by the Powers for their own convenience. Old China had been destroyed.*

"No dogs or Chinese allowed," ran a notice in a Shanghai park.

TWO

THE FIGHT AGAINST THE WARLORDS AND THE FOREIGN IMPERIALISTS

"I am Chang from the foundries
On strike in the streets of Shanghai
For the sake of the Revolution
I fight, I starve, I die."†

After the failure of the 1911-12 revolution the Kuomintang had fought a rearguard action. Its rising against Yuan in 1913 had failed, but in 1915 it had played a part in frustrating Yuan's schemes to become Emperor. In 1918, when the pro-Japanese clique of warlords drove from Peking the nominal President of China, Li, who succeeded

* The special rights of foreigners included (1) trial by their own consuls and by their own law; (2) their own semi-independent states—*i.e.*, possessions and settlements; (3) colonies taken from Chinese territory, *e.g.*, Hongkong; (4) garrisons, naval bases and navies on Chinese soil or in Chinese waters; (5) the foreign-controlled Legation Quarter in the Chinese capital (Peking); (6) foreign-owned and controlled railways and factories; (7) the demilitarisation of certain areas of China; (8) foreign control of the tariff rate and of the Maritime Customs Department, the Salt Revenue Department, and the Post Office; (9) foreign advisers appointed to other Government departments; (10) special mining and other rights. All these were restrictions on China's independence. At the same time China nominally still maintained her own government, so she was not a colony. This is what is meant when it is said that China was then a semi-colony, neither independent nor yet a complete colony.

† "To Lenin," poem by Langston Hughes.

on Yuan's death, he and the remnants of the 1912 Parliament fled to Canton, there to set up a government. It did not last long, but on the basis of its remnants and of the newly growing strength of the Kuomintang a new government was formed there which, in 1921, elected Dr. Sun Yat-sen President of China. However, at first, it scarcely controlled even Kwangtung province. Thus there were again two Governments in China.

Meanwhile events inside and outside China were awakening a powerful national movement.

One of the first acts of the Soviet Government in 1917 was to denounce all unequal treaties with China. Though Japan and the Allied governments tried to suppress the news it could not be hidden. This declaration, making the first real breach in the system of foreign domination of China, opening the way to the treatment of her as an equal among the nations, exercised an enormous and constant effect on Chinese politics. At last there had appeared one great state friendly to China.*

When in May, 1919, it became known in China that the Chinese delegations from the Peking and Canton Governments to the Versailles Peace Conference, due to the attitude of the Canton delegation, had both refused to sign the Versailles Treaty because it handed over Shantung to Japan, there were immediate and spontaneous demonstrations throughout the country. Fifteen thousand students came out on the streets of Peking and stormed the Government offices, crying out for the dismissal of the pro-Japanese ministers who were selling the country.

In 1915 the first trade union in China had been organised at Hongkong. It was the first real, organised sign of life of the new proletariat. Now the workers joined the students in the streets. By June 4th 1,000

* Negotiations to end the treaties were actually begun in December, 1917, but in the following March Japan and the Allies forced the Peking Government to withdraw its ambassador from Moscow, to break off relations with the U.S.S.R., and to continue paying the Tsarist portion of the Boxer indemnity to the White-guards. Soviet declarations attempting to resume negotiations were made in 1919 and 1920. The first point in the 1920 declaration read: "The Government of the Russian Socialist Federated Soviet Republic declares void all treaties concluded by the former Government of Russia in China, renounces all the annexations of Chinese territory, all the concessions in China, and returns to China free of charge, and for ever, all that was ravenously taken from her by the Tsar's Government and by the Russian bourgeoisie." (Quoted V. A. Yaktonoff, *Russia and the Soviet Union in the Far East*, London, 1932.) But it was not until 1924 that, with Dr. Wellington Koo as Foreign Minister, the Peking Government reopened negotiations. Then a new treaty and a number of declarations were made by which the above was put into effect, the Tsarist share of the Boxer indemnity used for Chinese education and the previously Tsarist Chinese Eastern Railway by agreement put under joint control. Also, in August, 1917, after her declaration of war on Germany and Austria-Hungary, China ended their concessions and unequal Treaties. These cancellations were confirmed in the 1921 Sino-German Treaty.

students were under arrest, but as the men were jailed the women students took their places. A mass boycott of Japan was proclaimed, and spread like fire. In June the workers in Japanese and other foreign-owned mills in Shanghai struck, and were followed by the workers in Peking and Tsingtao. In a short while three pro-Japanese ministers were forced to resign and the Chinese delegations at Versailles stood their ground. So powerful was the boycott that by January next year the Japanese Government itself was prepared to reconsider these clauses of the Versailles Treaty. But the Chinese refused anything except full cancellation.

The Labour movement developed rapidly and by the end of 1919 there were over 20 trade unions of a kind in Canton and over 50 in Shanghai, though they were mostly small. In 1920 May Day was celebrated in China for the first time. In 1921 the Shanghai General Labour Union was formed. Next year the great and successful Hongkong Seamen's strike occurred, when all Hongkong workers came out in sympathy. In that year, too, the first Chinese National Labour Conference was held in Canton. The movement, however, received a severe check when in 1923 the warlord Wu Pei-fu shot down a congress of railway workers and there began a period of repression everywhere outside Canton.

These years were also marked by one of the greatest literary renaissances of modern times. In 1917 a group of young scholars in Peking discarded the old classical language and literary forms and began to write in the language of the people of North China (*pai-hua*). Two of its leaders were Hu Shih (till recently Ambassador in the U.S.A.) and Lu Hsün (after whom the North-Western Academy of Arts is named). The third was Chen Tu-hsiu. This renaissance exercised a powerful inspiration amongst the students and is still flowering today.* At this time, too, the modern Chinese women's movement was born, with its demands for sex equality and the end of foot binding and the old marriage system. Out of the demonstrations of 1919 and 1920 there also arose the organised students' unions which have played so considerable a part in the national revolutionary movement.

The American Congress had likewise refused to ratify the Versailles Treaty. Awakened by the extent of Japanese ambitions in China and Siberia and desiring to break Anglo-Japanese co-operation, the United States Government summoned the Washington Conference in 1921. Faced with the Chinese boycott, the increasing defeats of the Japanese occupation forces in Siberia,† and the threat of American

* See *Living China*, ed. Edgar Snow, London, 1936, for examples of the writings of some of the leaders of the movement.

† And also in Outer Mongolia where in 1921 Japanese and White Russian puppet governments were overthrown. The people of Outer Mongolia, led by the Mongolian People's Revolutionary Party, set up the autonomous Republic of Outer Mongolia in 1924 which, outside the U.S.S.R., is the most democratic and progressive State in Asia. In 1936 it signed a Pact of Mutual Defence with the U.S.S.R. (See *Russia, Japan and Mongolia*, G. D. R. Phillips, London, 1942.)

sanctions unless she climbed down, the Japanese Government gave way and agreed to withdraw from Shantung, Northern Manchuria and Siberia, while the Anglo-Japanese Alliance was nominally ended. The outcome of this Conference was the Four Power Naval Pact, establishing the 5:5:3 naval ratio between U.S.A., Britain and Japan; and the Nine Power Treaty, which agreed "to respect the sovereignty, the independence, and the territorial and administrative integrity of China; and to provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government, to use their influence for the purpose of maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China," and to stop seeking special rights. But the previous unequal treaties, indemnities and the customs, salt and other controls remained intact, the Japanese were allowed to retain all newly acquired special rights in Southern Manchuria, and China had to pay Japan 14 million gold yen for the privilege of having Shantung handed back to her. For ten years these two treaties ruled international affairs in the Pacific.

The Washington Treaty came into force in 1922. That same year the Kuomintang Government in Canton, using hired troops, launched a northern campaign which was to unify China under Kuomintang rule. It was a fiasco. The leaders of the hired troops were little better than warlords who, making arrangements with those against whom they were supposed to fight, found they could profit by turning against Dr. Sun. He narrowly escaped from Canton with his life. The Kuomintang, the leader of the new bourgeoisie, found it had to plan again. Next year, however, Kuomintang forces under the leadership of Chiang Kai-shek* and others managed to re-establish themselves in Canton and the way was opened for a tremendously creative period for the whole national movement.

The Communist Party of China had started in 1921, and though small and showing many weaknesses in regard to work among the peasantry, it was very energetic. In the towns the workers were growing more class-conscious and beginning to organise. Even the countryside was stirring. The defeat in 1922 and a great demonstration of British, French, United States, Japanese, Portuguese and Italian warships outside Canton in 1924, made the Kuomintang leaders, already impressed with the great successes of the Soviet Union, decide to launch out on new lines. They had realised earlier that to build a modern army they needed foreign advice. In 1923 Sun had sent a friend, Morris Cohen, to recruit army officers in Canada and the United States, but though many agreed to serve, their Governments forbade

* Chiang Kai-shek, as a young officer, had joined the 1911 revolution. He was not, as is sometimes stated, the son of a poor peasant, but came from a rich peasant-small landlord family with minor official connections. In social origin, early career and position in the revolutionary movement at this time he had some similarities with Napoleon, up to and including the "whiff of grapeshot."

them to leave. The Kuomintang therefore turned to the Soviet Union, whose sympathy for China had been shown consistently since 1917 and for which Sun had a great and growing admiration. Many Soviet army officers were willing to help and went to Canton in a private capacity. A few air instructors came from Weimar Germany also. Borodin was invited to come and advise the Kuomintang, and two Americans were asked to help with publicity. Chiang Kai-shek paid a four months' visit to the Soviet Union.

To establish itself as the efficient leader of the national movement, the Kuomintang called a Reorganisation Conference in 1924. Its declaration of policy began by analysing the state of China, saying: "The small merchants are becoming bankrupt; the small handicraft workers are losing their work, degenerating into vagrants and bandits; and the farmers, unable to till their own land, are selling out at cheap prices, as the cost of living is becoming dearer and the taxes are becoming heavier. Such conditions of desolation are found on every hand." Then the Conference, recognising that "only if the peasants and workers join in can the national revolution be victorious," opened the ranks to peasants and workers, and gave the party definite shape with a Congress elected by the membership and a Central Executive Committee elected by Congress to hold all power between Congresses. The C.E.C., in turn, elected a Political Council of nine to handle day-to-day matters, and it also chose the members of the National Government in Canton, who might or might not be members of the Political Council. The system of hiring mercenary troops was ended. Instead the first National Army in Chinese history, a new army of volunteers trained in the principles of the Kuomintang—Nationalism, Democracy, and People's Livelihood—was brought into being and the Whampoa Military College set up. These three principles of Sun Yat-sen were more concisely expressed in the party programme of 1924 as equalisation of land holdings, the nationalisation of large industries and public utilities, the encouragement of state-owned capital, the ending of all unequal treaties, freedom of speech, of press and assembly, the organisation of peasant unions and trade unions, the self-determination of all nations within China (Mongols, Tibetans, etc.),* the introduction of universal suffrage, sex equality in all its aspects, and energetic efforts for universal education. Thus the Kuomintang ceased to be a loose group of merchants, industrialists, intellectuals and students and became a mass party leading a national revolutionary movement. The immediate objects, as set out in the Party Manifesto of January 23rd,

* China is a land of various peoples. The Han or Chinese proper are the great majority. The Mongols, Tibetans, and various Turkic (Mohammedan) peoples also form large national groups; Mongolia and Tibet being distinct national areas. In Sinkiang two-thirds of the people are non-Chinese. In Kansu and Shansi the Hoya people form a large national group, while in the South-West are the Tai people, the Mons (Miao), the Nosu (Lolo), the Yaos and smaller groupings.

1924, were to drive out the militarists, reduce rents and extend democratic rights and organisations.*

To achieve such a programme would have meant a tremendous advance for the whole people, and the Communist Party of China had no hesitation in declaring its support. In August, 1924, the Kuomintang decided to allow Communists to become individual members of the Kuomintang and be elected to all positions, while the Communist Party maintained its own individual organisation. Its slogan was, "March separately, strike together." Such independent organisation was made necessary by the separate interests of the workers in the general national movement and because the compromising position of the Chinese capitalists in the revolution was foreseen, from the experiences of China in 1911 as well as the experiences of other countries.†

With their new legal position trade unions and peasant associations grew rapidly. The Communist Party, which at the beginning of 1925 had 800 members, by the end of the year had grown to 3,500. The trade unions grew from 270,000 members in May, 1924, to 540,000 in May, 1925. The rising cost of living in the towns was leading to a renewal of working-class activity. In May, 1925, in a strike in Shanghai, a Japanese foreman killed a Chinese worker. Students and workers, demonstrating against this, were shot down by the Shanghai Settlement police. Shanghai came out on general strike, with national, political and economic demands. Hankow and Canton followed. A demonstration in Canton was fired on by troops from the Anglo-French concession. Hongkong went on general strike.‡ Workers' guards were formed in Canton. In 1925 the second National Labour Conference set up the All-China Federation of Trade Unions. The country was set for a great effort.

In June, 1926, the Nationalist armies began to advance northwards from Canton to clear the country of warlords and to end the unequal treatment of China. On July 11th they were outside Changsha. In August, Feng Yu-hsiang, who had become steadily more progressive, declared for the National cause.§ By October 11th all the Wuhan

* After its 1924 Conference the Kuomintang was not a party in the strict sense of the word, but an organisation uniting members and representatives of different classes.

† See "The Political Tasks of the University of the Peoples of the East," a speech by J. V. Stalin, May, 1925, in *Marxism and the National and Colonial Question*. Joseph Stalin, p. 189.

‡ The Hongkong strike was not called off till October, 1926. It was the longest strike in the world.

§ Feng was previously a subordinate of the warlord Wu Pei-fu and known as the Christian General. Discipline in his armies was better than in most and he sought a social purpose. He organised political work among his troops, put forward progressive slogans, and visited the U.S.S.R.

cities, Hankow, Wuchang, Hanyang,* were in the hands of the National forces, and Chiang Kai-shek was advancing down the Yangtze towards Nanking and Shanghai.

In the wake of the advancing Nationalist armies peasants organised themselves into unions, disarming the armed landlord militia (called *Mintuan*) that had been the basis of each landlord's private power;‡ in the towns workers formed trade unions and won wage increases; in front of the armies went propagandists who, on the basis of the 1924 programme, aroused the people. The Nationalist Army itself, even though political education within it was uneven, was a new army proudly fighting for principles. Though poorly equipped, even by Chinese standards, its morale gave it victory. Under the banner of the united National Movement the whole country was awakening. New vistas of freedom and prosperity were opening out as the old forces of reaction—the warlord armies and the landlord guards—went down one by one.

But even in 1924 there had been a group of old Kuomintang members who had opposed the radical policies of Dr. Sun. After the reorganisation of the Kuomintang in Canton, the Merchants' Volunteer Corps, armed guard of the Canton Merchants' Guild, had staged an unsuccessful rising against the Kuomintang Government. Later the progressive Secretary-General of the Kuomintang was murdered. After Sun's death in 1925 the Right Wing became more open. It left Canton and organised the Western Hills group in Shanghai.‡ It was composed of merchants, bankers, and property owners in the foreign concessions and had connections with the landlords who were violently opposed to the peasant organisations. Such groups had always provided a large share of the money for paying the Kuomintang armies. Chiang Kai-shek, made Commander-in-Chief of the Nationalist armies in 1926, raised \$500,000 from the merchants of Canton to provide for the Northern Expedition. Already in the early part of that year, while still at Canton, he had shown a tendency to lean to the Right by temporarily arresting some trade union and Communist leaders. Now the success of the Northern Expedition sharply raised the question of the future development of the National Movement and especially of a solution of the land problem.

* Wuhan is the name given to the union of these three cities on the middle Yangtze—Hankow, Wuchang, Hanyang.

† Membership of these *Mintuan* was restricted to the rich peasants and landlords or their nominees, e.g., a peasant with 10 acres of land (the average peasant holding was some 2½ acres) provided one infantryman, the landlord with 85 acres provided five infantrymen and two cavalymen. *China, a Survey*, Seng Sin Fu, London, 1927, p. 62. This writer calculates that in China at that time there were some 30,000 big landlords, some 200,000 to 300,000 small landowners or gentry, and some one to one and a half million rich peasants (*Tukhao*). To estimate their influence they should be thought of as families, not individuals.

‡ The name comes from the Western Hills near Peiping, but the basis of the group was in Shanghai.

To intimidate the movement foreign Powers made a show of force. Foreign troops were rushed to Shanghai, nominally to protect the Settlement. British troops cleared strikers from the docks of Canton. Military demonstrations of one kind or another were made both in North and South China. The Northern militarists were given arms. At the same time it was indicated that Britain might be prepared to negotiate with the Right Wing; while the Japanese, also for their own ends, were working with the Right Wing to split the movement. In February, by the Chen-O'Malley Agreement, Britain returned the Hankow and Kiukiang concessions to China, though the areas were still to be covered by special arrangements. That was one side.

The peasants' unions, growing rapidly, were scaring the landlords—and many officers in the Kuomintang armies had landlord connections. The workers in Hankow had struck for higher wages once the city was in Nationalist hands. The wage of coolies rose from 6s. to 14s. a month. The programme of the Kuomintang for better conditions, rent reductions, peasant unions and trade unions was being carried out. Even the Chinese industrialists, who were looking for the defeat of the warlords who were ruining trade, and for the end of the concessions and the foreign control of the Chinese Customs, began to hesitate. That was another side.

Also, as the Nationalist armies had advanced north, warlord troops, headed by their old officers, had joined them. Perhaps some 60,000 men had left Canton in July, 1926. By early 1927 the Nationalist armies numbered some 150,000-200,000. The officers of the units that came over were mostly complete reactionaries who had joined what seemed the winning side. In any case such troops needed to be paid, and who was to pay them if the wealthy Right Wing members of the Kuomintang did not? asked these politically uneducated officers. Moreover the best, the most politically conscious units of the Nationalist armies were the ones who, because of their keenness and position in the van, had suffered most in battle. That was a third side.

On February 21st, 1927, General Chiang Kai-shek made a speech to a private Kuomintang meeting criticising the Communists. On March 9th it was published. On March 10th the C.E.C. met in Wuhan without its Right Wing members—or Chiang. When later in March Nanking fell to the Nationalist forces, foreign Powers decided to take the offensive and, on the pretext of the anti-foreign actions of the retreating warlord armies, which they blamed on to the Nationalist forces, bombarded the town. General Chiang apologised for the incident. At the end of March the Shanghai workers rose and seized the Chinese city to hold it for the Nationalist forces. But in April, after Chiang's forces had come in, the workers were bloodily suppressed. In Canton Right Wing military groups did the same. The Shanghai bankers, satisfied that here was one section of the Nationalist

armies which would keep the peasants and workers in their places and not push demands about treaties to the point of injuring trade, began to advance loans to Chiang's armies. In April the Right Wing of the Kuomintang called a convention and appointed the Nanking Government.

The *Annual Register* for 1927 wrote: "The situation (in February and early March) was so tense, that a break with the powers seemed imminent, but the caution and restraint with which they handled the Nanking incident afforded the Chinese elements who were by no means anti-foreign, the opportunity for asserting themselves. At the end of March, the Chambers of Commerce and many other public institutions had cabled the governments concerned to apologise for the Nanking incident and ask for non-intervention in China's internal affairs. At the same time they showed their confidence in General Chiang Kai-shek by giving him financial and other aid."

Faced with the desertion of the Right, and the relentless pressure and intrigues of the landlords and foreign Powers, one by one the more reactionary leaders of the Wuhan armies began to suppress the peasant unions and working-class organisations, to rebel against the Wuhan Government and negotiate with Nanking. Then the members of the Wuhan Government itself, men of little faith in the people, alarmed by these rebellions and desertions of army officers and by economic sabotage from merchants in Wuhan, first wavered and then, in May, began to move towards repressive policies. In June Feng Yu-hsiang went over to Nanking.

During the whole period the peasants' unions, the trade unions and the Communist Party had grown in strength but, confronted first with the desertion of a major section of the army leaders and the forces under their command, and then of the leaders of the Wuhan Government and the rest of the army leaders, they were too weak and too inexperienced to save the situation, though they had long foreseen that the Right Wing were unreliable allies. There were nearly three million organised workers in China in May, 1927, but they were divided among many mostly small and local unions. In January, 1927, there were two million organised peasants who, a few months later, had grown to some ten millions. The Communist Party had some 30,000 members in May; at the end of June it was nearly 60,000. These are not large figures for a population of 450 millions and most of the new recruits were only just awakening to political life.* Moreover the leadership was often bad; while the Communist Party Secretary, Chen Tu-hsiu, and one group were for co-operation with the Left Kuomintang leaders whatever the concessions they demanded,† others under the influence of Trotsky were for precipitating the split by forming

* See "China," one of Stalin's speeches in *Marxism and the National and Colonial Question*, pp. 204-221, for an analysis of the stages and the forces in the revolution.

† After 1927 Chen Tu-hsiu became a Trotskyist, a traitor to his own people.

Soviets, and it was extremely difficult for the Party to maintain a steady course avoiding both these disasters.

Though in contrast to 1911, all over the world the Left wing movements in capitalist countries, especially the Communist Parties, were alive to the fact that fraternal relations between nations must be built in action; though Tom Mann and other working-class leaders came from many countries to demonstrate solidarity with the Chinese people, the peoples of Britain and America, of Germany, Japan and France were not yet sufficiently awakened to prevent their governments pursuing a policy of threats and bribery designed to split the Nationalist movement.

By July repression was complete over all the Wuhan territories and over all China; only in the territories controlled by the armies of Feng Yu-hsiang was there no slaughter of progressives. At the end of August the Nanking Government, set up by the Right Wing in May, became the official Kuomintang Government. Wang Ching-wei who had arrived in China in April and had gone to Wuhan, slipped off abroad again, delivering an anti-Communist speech at Canton by way of farewell.*

Thus the internal and external forces of reaction again, as in 1911, proved stronger than the forces of the revolution and the Right Wing of the Kuomintang began to repress the progressive forces as Yuan Shih-kai had repressed the Kuomintang in 1912. So began the tragedy of the ten-year period of civil war. To defend the interests of the people the progressive forces tried to save what they could of the gains of the revolution, and the policy of repression and capitulation met with fierce resistance from the peasants and workers, from the Communists and those members of the Kuomintang who remained true to the policies of 1924. In the South, army units under Yeh Ting and Ho Lung rebelled and took Nanchang; by September they were in control of Swatow. They held it till October and, when driven back by Kuomintang forces, Chu Teh (one of Ho Lung's officers) and a few units escaped to join with peasant partisan bands in Kiangsi and set up Soviets. Peasant Soviets were also set up in Northern Kwangtung. In December the revolutionary forces rose in Canton and held the city for three days. The defeat of this gallant rearguard action led to great slaughter. The revolutionary forces, suffering great losses, were for the time being scattered but not broken.

At Nanking there was confusion. Relations were broken off with the Soviet Union and all Soviet consuls expelled,† save from Sinkiang

* In 1924 Wang Ching-wei had become head of the propaganda department of the Kuomintang. In January, 1926, he was made chairman both of the C.E.C. and of the Canton Government. In March of that year, following Chiang's arrest of some of the Left-wing leaders, he left for Europe.

† Those in Canton were arrested after the Commune. Only Pai Chung-hsi of their former Kuomintang friends visited them in prison, only T. V. Soong at Nanking interested himself in their release.

and the Chinese Eastern Railway. But to prevent the Nanking Government ever again showing any interest in the plans it had renounced, the foreign troops sent to Shanghai in 1927 were kept there by all the Powers. It was not until the spring of 1928, after a government had been set up which would suit the foreign Powers* and the Shanghai bankers that the Nanking armies were able to resume what had been the military purpose of the National armies, namely to march on Peking and bring China under one rule. But though the United States and even Britain might tolerate some slight unification of China under the Nanking Government, there was one power that would not even agree to that.

From May to July, 1927, Baron Tanaka (author of the infamous Japanese memorandum of world conquest), declaring that the Nationalist armies were moving north, had again landed Japanese troops in Shantung. In 1928 they were still there to bar the way to Chiang's armies which had resumed the Northern March to Peking. They drove advance units of the Chinese army back from Tsinan and, as Chang Tso-lin (the Manchurian war lord who then controlled Peking) seemed to be edging towards an agreement with Chiang, they threatened to occupy south Manchuria too, unless he withdrew to his own domains. He obeyed but, on his journey back from Peking to Mukden by train, they blew it up and killed him. Of all the imperialist powers who had opposed the Nationalist movement of 1925-27, Japan was thus revealing herself as the prime enemy of even the slightest reorganisation of China.

However, even the most adventurist of the Japanese imperialists were not yet ready for a major clash. Kuomintang forces eventually entered Peking; Chang Hsueh-liang, son and successor of Chang Tso-lin, came to terms with the Kuomintang. In December, 1928, the Kuomintang flag flew over the whole of Manchuria, and in 1929 the Japanese troops withdrew from Shantung.†

The Nanking Government's policy of unification from the top through agreement with warlords was essentially contradictory. Though the power of the warlords had been broken in the lower Yangtze and around Hankow, Feng Yu-hsiang still held Shensi and Hopei; Yen Hsi-shan, Shansi; Chang Hsueh-liang, the three north-eastern provinces; and out of the Nationalist armies came a new group led by Li Tsung-jen and Pai Chung-hsi. There were other smaller warlords especially in Szechuan and Yunnan. The attempts of the Nanking Government to get them to disarm their troops led to revolts. First Li and Pai,

* Teichman *Affairs of China* (p. 49): "In 1928 Britain took the lead in reorganising the new Nationalist Government of the Kuomintang."

† That same year (1929) too, Chang Hsueh-liang, breaking the Sino-Soviet Treaty of 1924, arrested all the Soviet employees of the Chinese Eastern Railway and seized the line. The Soviet Union had to employ force to restore the situation and secure the observance of the Treaty.

who were finally driven from Hankow to their stronghold in Kwangsi, and then in 1928 and again in 1930, Feng and Yen revolted.* Chang Hsueh-liang came to Chiang's rescue. He demanded that Feng and Yen cease hostilities and marched his troops to Peiping.† Yen returned to his own province and Feng retired to the mountains of Shantung for meditation. In 1931 a dissident Kuomintang group consisting of Sun Fo, Hu Han-min and others set up a short-lived "government" in Canton with the backing of General Chen Chi-tang, a local general who had driven out the Nanking governor and installed himself in his place. When this "government" collapsed General Chen and the Kwangsi leaders organised the South-West Political Council, which for five years behaved almost as an independent government. During 1931 Chang Hsueh-liang maintained his troops in Peiping. They were still there when the Japanese occupied Mukden on the night of September 18, 1931. Elsewhere smaller militarists were kept in quiescence by being given the title of Pacification Commissioner and by being allowed to rule alongside the Nanking appointed civil governor. The armies of these Commissioners were also honoured with the title of Peace Preservation Corps.

The trouble with the war lords and dissident groups was but one instance of how, in cutting itself off from the people and turning to a policy of repression, the Kuomintang had deprived itself of the strength it needed even to achieve its capitalist purposes, let alone the purposes of the national movement as a whole. The budget reforms came to little‡ while Chinese-owned industry scarcely expanded. Chinese-owned cotton spinning mills for example had numbered 77 in 1925, in 1930 there were only 81, while foreign-owned mills had risen from 37 to 46. China remained less industrialised than even India and, as late as 1937, of the £450 million of industrial capital invested in China, only a quarter was Chinese. Foreign investments in Government and railway bonds added another £150 million to the total of foreign investments.

The foreign policy of the Nanking government, which had as its objective negotiations for ending the unequal treaties was hamstrung by the same weakness. The government managed to get an agreement that Chinese courts should be allowed to try certain classes of cases in which foreigners were involved; to secure a little more control over its post-office; and to get an American instead of a Britisher in control of its

* That foreign powers were not without interest in these moves to keep China disunited was shown by the acceptance of the post of customs controller at Tientsin under Yen Hsi-shan in 1930 by Lennox Simpson (Putnam Weale), a well-known British agent. To appease the warlord groups the Nanking Government in 1928 legally recognised the payment of the land tax to the provincial governments instead of the central governments.

† The name had been changed from Peking to Peiping in 1928.

‡ Even in 1934 military expenses and payments on foreign loans and indemnities came to 80 per cent of the Budget.

salt revenues. Britain was persuaded to follow the American example and use the annual Boxer indemnity payment for stimulating her own trade in China, and for educational purposes. On the question of tariff autonomy there was much resistance till, at the end of 1929, the American government finally gave way and compelled Britain unwillingly to follow her example. Then only Japan held out against tariff freedom for China. In 1930 she too agreed, and next year China issued its first tariff. Rates were low, especially for classes of goods traded in by Britain. British control of the Customs Service continued.

Then the Government turned to the thorny problem of extra-territoriality. The other governments would not play. The original purpose of the extra-territorial clauses had been to allow drug smuggling to continue unhampered. For the Japanese in the drug trade in North China and for the international rings using the French concession in Shanghai, this was still their function. In May, 1931, the Chinese Government threatened to take unilateral action to bring the nationals of foreign powers under Chinese law. In September, 1931, the Japanese invaded Manchuria. In December the Chinese Government announced the postponement of the discussions on extra-territoriality.

By the middle of 1931, before the Japanese attack, the Nanking Government controlled but the provinces of the lower and middle Yangtze and those only by military force. In foreign policy, apart from the matter of the tariff, its successes were scarcely more than nominal and even in the matter of the tariff the rates had to be more or less fixed in accordance with foreign wishes. In the countryside landlords were still as powerful, taxation was still as chaotic as ever, local government was in the hands of the same class as it had always been, provincial government was little different from the days of Yuan, the majority of the provinces being ruled by the old warlord generals, the minority by governors appointed by Nanking. The difference between the Nanking Government and the former puppet government at Peking that had arisen from 1911, was that while the latter was entirely the pawn of the war lords and foreign powers, the Nanking Government represented the new and old financial groupings in China, and, to some extent, the new industrialist bourgeoisie, in coalition with merchants, landlords and the old militarist elements, who were all represented in some way in the Government, the Kuomintang Party, its armies and its civil services, the whole government being very susceptible to foreign pressure.

In December, 1931, the Kuomintang adopted the Revised Organic Law (altering the first Organic Law of October, 1928), which was to regularise its system of government. By this law the Central Executive Committee of the Kuomintang appointed the President of China (who was no longer to be an executive president but a ceremonial one as in France in the Third Republic), the State Councillors, who included people like Yen Hsi-san and Chang Hsueh-Liang, in this way associating them with the government, and the President

and Vice-President of each of the five Yuans—the Executive Yuan (the day to day government) consisting of the heads of the various Ministries (Foreign Affairs, War, Finance, etc.), the Legislative Yuan, which debated and passed the laws, the Judicial Yuan which established and controlled the courts, the Examination Yuan, which supervised the examinations for the Civil Service, and the Control Yuan which was to supervise the work of the other organs of government. Appointment to these Yuans was controlled by the President of the particular Yuan and the C.E.C. of the Kuomintang. Though there was a Minister of War under the Executive Yuan, military affairs were under the quite separate National Military Council, which existed alongside and was quite independent of the Executive Yuan. Its members were also appointed by the C.E.C. of the Kuomintang.*

The Kuomintang was thus in direct control of the whole state apparatus and the Organic Law confirmed its position, established in mid-1927, as the only legal party in China. The undemocratic nature of this constitution was twofold. First, the Government was appointed by the Central Executive Committee of the Kuomintang Party and not chosen by the people. Second, the Kuomintang was the only legal party. Parties are the political expression of classes and, while in a classless society the existence of only one party is a natural expression of democracy, in a society with classes it is a negation of democracy. Some writers have at times tried to draw a parallel between the existence of only one legal party in China and one legal party in the classless Soviet Union. This is the essential difference. Also in the Soviet Union the executive governments, both central and local, are chosen by the vote of all citizens and are responsible to elected legislatures. Under the Organic Law of 1930, in China there was no elected government and no elected legislature. Further it must be remembered that after 1927 the Kuomintang lost its nature as a bloc of classes. However, the Kuomintang was not a fascist party. The final authority was still the Central Executive Committee elected by a Congress of party delegates. But the system introduced after 1927 of appointing the local party officials and the local executive committees from above, instead of their being elected by the local membership, was a heavy handicap to inner party democracy. Finally, however reactionary or dictatorial a government in China might be, it could not be fascist, for China had not reached the stage of monopoly capitalism.

In its inner politics the Kuomintang was now dominated by personal groupings, a hangover from the days of the intrigues of the imperial court and the warlord period increased by the personal power within their own spheres given to the Presidents of the various Yuans, the whole arising from the backward and decentralised economic

* This organic law with some alterations and pending the declaration of a new constitution is still in force.

development of the country, and the Kuomintang's suppression of the people.*

While much of the party structure of the Kuomintang, as adapted in 1924, was kept in being the Congresses met rarely. After 1927, one Congress met in 1929, another in 1931, and then not till 1935. The C.E.C. met twice a year, and day-to-day power was in the hands of the Political Committee. In 1928, the Peasants', the Workers', the Youth and the Merchants' departments of the party had been ended. The Kuomintang Headquarters, the Organisation Department, now kept a dictatorial rule over party affairs. But after the return to China in 1930 of Madame Sun Yat-sen it was possible for those in the party who believed in the programme of 1924 to hope for some revival of the earlier spirit.

Only a few trade unions had managed to survive the suppressions of 1927. These had either never been very progressive, like the Kwangtung Mechanics' Union, or like the Chinese Seamen's Union, they had been strictly purged. The Government's Labour Union Law of 1929 allowed them only a very feeble existence.

The poverty of the people remained desperate. A study of Shanghai wages in 1928 showed the average earnings of male adult workers in 1928 to be 16s. a month, *i.e.*, 4s. a week. Even with the wife and most of the children working the average income of a family of five was only 38s. a month or 7s. 4d. a week, while the barest needs of a family of five cost 46s. 8d. a month.† And Shanghai wages were the highest in China! Thus the majority of workers were either starving or increasingly in debt. Moreover, the evil system of labour contractors, first introduced by foreign firms who, because of language difficulties had to have a "go between" between them and the men, meant that both in mill and mine the contractors got a cut from the wages of the men they had, with high-sounding promises, brought to work. The apprenticeship system, under which in old China boys had worked at a trade from five to seven years with no pay while learning, was horribly abused to get cheap child labour in the factories. Child labour and women labour were almost unprotected. Hours were usually 12 to 14 a day, and in some factories workers went on 18, 24 or even 36 hours at a stretch. There was no day off in the week, only occasional holidays. The slums were the most terrible of all the world.

* The three chief personal groupings inside the Kuomintang were the C.C. (two Chen brothers) clique, led by Chen Kuo-fu and Chen Li-fu, which more or less controlled the party organisation, *i.e.*, the Organisation and Publicity Departments, the secret police and the Central Political Institute; the Wang Ching-wei group, which with their master turned traitor in 1938; and the Political Science group, which has, on the whole, shown a very patriotic attitude in the present war. (See "The Kuomintang in China, Its Fabric and Future," by Wei Meng-pu, in *Pacific Affairs*, March, 1940.) Compare these Chinese groups with such British groups as the Cliveden Set, the Anglo-German Fellowship, and the 1922 Committee.

† Figures from *Facing Labour Issues in China*, Lowe Chuan-hua, Shanghai, 1933 (Chinese dollar converted at 1s. 2d.).

In the countryside not only were peasants troubled with great famines like that of 1928 which affected 60 million people, and floods like that of 1931 which destroyed the livelihood of 25 millions but, no more than the industrial workers, could they make ends meet. An investigation in the early 1930's in one fairly typical village showed that while the net annual income of the peasant-owner cultivator from his crops was £15 14s., his living expenses were £16 9s., and he was thus falling into debt by 15s. a year. The tenant peasant having to pay the best part of his crop as rent had an income of only £4 10s. a year, and though living expenses were cut far below the level of minimum need yet debts were accumulating at a rate of £3 10s. a year.* Landlordism was everywhere increasing, especially in the south. There relatively large estates of 3,300 acres were not uncommon. More than half the peasants were tenants, and more than half lived in houses made of earth or mud. The division of the fields had gone so far that a half-acre field was a large one. The average peasant farm in China was only 2½ acres as against an average of 63 acres in England. 93 per cent of the land was now privately owned. Taxes had increased. For example, in Szechuan they had risen 55 times in number between 1907 and 1931.† Most of the warlords were still enforcing the growing of opium in the areas they controlled so that they might provide themselves with revenue.

The wealthy, instead of investing their money as capital to expand modern industry in China, used it unproductively to buy land, which brought in, as rent, anything from 40 per cent to 80 per cent of the crops grown. China's silk industry was falling into decay and losing all its markets in face of Japanese competition, while after 1920, the great rice-growing land of China was importing large quantities of rice each year. There was a rapidly-growing adverse balance of trade.

The terrible and increasing poverty of the Chinese workers and peasants was a drag on the whole world economic system, having its effect on the world depression of the 1930's just as that depression made it worse. In the early 'thirties 95 per cent of the population was calculated to be below poverty standard (*i.e.*, with an income of less than £14 12s. a year), 35 per cent were destitute.‡

The Soviet Areas

For the people of China the events of 1927 had been a bitter setback. Their peasant and trade unions crushed, rent and taxes as high as ever, landlords and foreign companies as powerful and oppressive as ever. War lords rampant. Floods, famine and starvation as before.

But they had not lost everything. The torch of freedom for all sections of the people once lit could not be put out. The units of the

* *Agrarian China*, p. 89 (Chinese dollar converted at 1s. 2d.)

† *Land Utilization in China*. J. L. Buck. London, 1937.

‡ Figures quoted in *Facing Labour Issues in China*.

National armies under Chu Teh, Mao Tse-tung and others which escaped the slaughter of 1927, though defeated in the rearguard action of the Canton Commune and driven from the port of Foochow, gradually drew together in the mountainous areas of Kiangsi.

In 1928 the total strength of the Red Army, which was formed out of these units, was about 10,000 men. In 1929, when units under Peng Teh-huai joined the forces led by Mao Tse-tung and Chu Teh, the combined army, with recruits, reached 22,000 men. In May, 1930, they numbered 62,000 of whom half were armed with rifles and they were strong enough to occupy Changhsa temporarily. In that year also there were 19 Soviet districts in existence, each of from one to four counties in size.

In the towns and countryside generally there was a new increase of activity, peasant rebellions aided the growth of the Soviets. 1928 saw the beginnings of a new strike wave, which continued through 1929 and 1930. The strikes were primarily economic but strikers also demanded the release of imprisoned trade union leaders and the legalisation of the trade unions. In the towns, despite the terror, the Communist Party and illegal working-class organisations managed to exist and grow. May Day, 1929, was celebrated in demonstration by some 50,000 Shanghai workers.

The Nanking Government began to take notice. In December, 1930, in January, and again in April, 1931, the Red Armies defeated offensives against the Soviet areas. At first the Nanking Minister of War, General Ho Ying-chin was in command. Later Chiang himself took the field. But he was no more successful. The Soviet areas continued to grow, but as their full development was after 1931, they will be dealt with later.

THREE

THE STRUGGLE FOR UNITY

"Arise, all who will not be slaves
Our flesh and blood will build a new Great Wall."*

When on September 18, 1931, the Japanese began their attack on China, they faced the Chinese people with the question of whether their country would be turned into a complete colony, and the peoples of the world with the beginning of a new world war.†

* *The March of the Manchurian Volunteers*, by Nieh Erh, quoted by I. Epstein, *The Peoples' War*.

† "The impending war will be a struggle for the domination of the world. The Manchurian conflict is only the beginning." The Japanese fascist paper *Nihon*, Jan. 4, 1932, quoted Anna Louise Strong's *China Fights for Freedom*. "The Japanese military machine had been built for war, felt prepared for war, and would welcome war." Mr. Joseph Grew, U.S. Ambassador to Japan in a report to his Government, 13th August, 1942, in *Peace and War*, U.S. Government White Paper issued Jan. 2, 1943.

Since the withdrawal of the Japanese forces from Shantung in 1929, the aggressive elements in Japan, working along the lines of the Tanaka memorandum, had long been awaiting an opportunity to strike again and more firmly. The economic crisis of 1931 provided them both with the chance and with the need of adventure. By treaty Japan had long been able to station troops in South Manchuria. In 1931 the ground was tested with one or two incidents. The formation of the reactionary National Government in Britain on August 24, heightened the opportunity. On September 18, on the excuse of an explosion on a railway, Mukden was seized. In a day or two all the major cities in South Manchuria were in Japanese hands.

The Nanking Government received foreign advice to leave the matter to the League* and advised Chang Hsueh-liang not to resist. In any case his armies were not in the three north-eastern provinces but had remained near Peiping following the Feng-Yen rebellion, and a smaller rebellion in 1931. The local Manchurian forces, poorly equipped, without orders, put up a local, unco-ordinated and ineffective resistance, and within three months the Japanese were in control of the whole of the three Chinese provinces we call Manchuria.

Then came the problem of organising a puppet government. To make quite sure that there would be no objections from the Chinese and foreign governments, Japanese forces on January 28, 1932, attacked Shanghai, main centre of British and American trade and base of the Nanking government. There they were met by a general strike in the Japanese mills, and the fierce resistance of the 19th Route Army, acting in disobedience of orders to retire.† While the British, American and other consuls were negotiating to get the Japanese out of Shanghai, the puppet government of "Manchukuo," weighed down with Japanese advisers, came into existence. The Shanghai expedition, having served its purpose, was allowed to lapse.

Then followed "incidents" along the Jehol frontier. In February next year Japanese forces began to occupy the province, by March it was added to "Manchukuo." The Japanese, now wanting to digest their first bite, to build railways and open coal and iron mines, were prepared to negotiate—on terms. In May a truce—the Tanku truce—was arranged. All Chinese troops were withdrawn from an area

* "The Government under advice, put its Manchurian case in the hands of the League of Nations." (Mme. Chiang Kai-shek, *China at the Cross Roads*, p. 51.)

† General Chiang Kai-shek's official biographer, Hollington Tong, states that Chiang was in touch with the 19th Route Army during its resistance. Chiang was not then in the Government, having resigned all his offices in December, 1931. *Chiang Kai-shek, Soldier and Statesman*, vol. II, pp. 339-40.

between Peiping and the great Wall. The first step of Japan's campaign had been accomplished.

Japan had torn through the League Covenant, she had flouted the Nine-Power Treaty, she had threatened the world with war, but the Powers looked on with complacency, the governments of Britain and France with definite approval.* China's representative appealed to the League Covenant, Mr. Stimson, U.S. Secretary of State promised United States support for League action, but when in November Sir John Simon was sent to Geneva to represent Britain he began secret discussions with the Japanese representative. To delay action a proposal was put before the League for a Commission of Inquiry. It was adopted, and the Lytton Commission was set up and sent to the Far East. While the Commission inquired, the Japanese dug themselves in.

When in January, 1932, the United States Government announced it would not recognise the Japanese conquest, the British Foreign Office immediately sabotaged by stating that, in view of Japanese assurances, it did not consider a similar note from Britain to be necessary. Sir John Simon, explaining British policy to journalists at Geneva, declared "that Japan needed to expand, that she was only doing for herself today what Great Britain had done in the past, and that the trouble with the League Covenant was that it did not allow sufficiently for the dynamic forces of history such as those which had carried us into India, and were carrying Japan into Manchuria."† The British Ambassador in Japan stated: "The Japanese had much provocation for their actions in Manchukuo. They had driven the Russians out and thereby gained rights for themselves, and the way in which the Chinese were undermining their rights exhausted their patience. . . . The Chinese were extremely anti-foreign and have caused the British much trouble, necessitating the dispatch of many British troops in Shanghai ten years ago."‡ Japanese talk about the need to check Communism in the Far East and to "impede the Soviet encroachment on India" found vociferous approval in the reactionary press of the world.§

The report of the Lytton Commission led in the end only to the

* The U.S.S.R. was not invited to become a member of the League till 1934. China did not renew diplomatic relations with her till 1933. The Soviet Government was therefore ignored by the Powers at this time.

† *Inquest on Peace*, by "Vigilantes," London, 1935, p. 34.

‡ *Ibid*, p. 25.

§ Another expression of the views of this section in Britain was that of Lionel Curtis, formerly secretary of that august body, the Royal Institute of International Affairs. In 1932 he wrote: "The nightmare which troubles us in the East is not fear of Japan, but fear of China." *The Capital Question of China*, London, 1932, p. 299.

adoption of the Policy of non-recognition of "Manchukuo"* which was favoured by the U.S.A. Even so, by 1934 the Federation of British Industries had arranged a good-will mission to "Manchukuo."

But, while the governments wavered or followed pro-Japanese policies, wide sections of the people in various countries were acutely conscious of the problem raised by the Japanese attack. The Communist parties, the League against Imperialism and other societies exerted themselves to win sympathy for China. Lord Marley was sent out as a delegate from British societies to an anti-Japanese Congress in Shanghai, and the fight of the Shanghai workers and the 19th Route Army echoed round the world. Since 1917 there had been brought into being strong international political parties, and an increasing body of opinion which stood solidly for the end of aggression and the self-determination of all peoples. Already in 1931 working-class organisations began to put forward the slogan: "Stop munitions for Japan." Nevertheless, the movement was too weak to exercise decisive influence, or to proceed much beyond the stage of publicity and the collection of money. As yet the people of Britain and other Western countries were all too little aware how intimately their well-being was bound up with that of China.

For the Nanking Government, faced with Japanese aggression, there were three choices—to resist, which to be effective would have needed a complete reversal of its home policy; to rely on the foreign powers who it hoped would be friendly; or to capitulate. It chose the middle course, with pitiful results. By 1933 those who argued that, as the League had failed, the only alternative was capitulation won the day. Wang Ching-wei became Prime Minister and Foreign Minister† and arranged the Tangku truce, blaming the "Reds" for his inability to send reinforcements to hold the Japanese. Under Wang the Nanking Government followed the dual policy of appeasement and civil war.

The Communist Party and Soviet China

The direct opposite of appeasement was the policy of the Communist Party of China. The years after 1927 had witnessed a certain revival of underground working-class and Communist activity. At

* The Japanese refused to accept the report. There was widespread demand for sanctions against Japan, especially in France. To forestall any League action the British Government imposed an individual arms embargo on both Japan and China. After a fortnight, having served to confuse the issue, this was allowed to lapse.

† Wang Ching-wei was Prime Minister (*i.e.*, President of the Executive Yuan) and Foreign Minister from January to August, 1932 and, after a visit to Europe where he met the fascist leaders, from 1933 to November, 1935. When Wang became Premier in 1933 T. V. Soong, now China's Foreign Minister, who had been in favour of resistance to the Japanese invasion of Jehol, resigned from the Government.

great cost to themselves they managed in Shanghai and other cities somehow to celebrate May Day. In Manchuria the workers in the towns were among the first to organise the movement which rapidly gave rise to the Volunteer armies, the Manchurian guerillas.* Among their leading spirits were many Communists. Following the Japanese attack a mass boycott of Japanese goods was imposed in China, students demonstrated and the workers in Japanese-owned mills in Shanghai came out on general strike. The Soviet areas sent large sums (16,000 dollars) to maintain them. Thus were the first blows struck in the new advance of the Chinese National Revolutionary Movement. Workers, both men and women, led the way in active resistance to the Japanese invasion of the port, inspiring the 19th Route Army and fighting alongside it.

By 1931 the Soviets were well established in many areas of south and central China. The chief area was in Kiangsi with its capital at Juichen. Here were the main armies under Chu and Mao. The second main area was in Hunan, and there were Soviets too in the neighbouring provinces of Fukien, Kwangtung and Hupeh.

In 1930 the Communist Party of China had made preparations for a conference in Shanghai, but the organisers were seized by the foreign police of the International Settlement and handed over to the Nanking authorities for execution. In May and June, and again in July and October, 1931, the Soviet areas were engaged in hurling back Nanking offensives so that it was not until November that the first Congress of the Soviet Republic of China could be held. Then the Constitution was discussed, and a labour code, a land law and resolutions about the Red Army, economic policy and national minorities were adopted. A Central Executive Committee was elected and, following the Congress, the C.E.C. and the Soviet Government met and rounded off some of these laws with supplementary codes and further laws. Thus the fundamental structure of Soviet China was established.

There has often been some confusion about the policy of the Chinese Soviets because they were not *socialist* Soviets, so it is perhaps worth looking a little at these laws as they clearly reflect the social condition

* At first there was lack of co-operation between the left wing guerilla units and the troops under General Ma Chan-shan—Governor of Heilingkung—and other officers who had revolted against the Japanese. After stiff fighting Ma was defeated by the Japanese and he then went to the Soviet Union. In 1934-5 great and successful efforts were made by the Communists and others to unite all sections against the Japanese. By 1936 there were no less than six united anti-Japanese guerilla armies operating in the four northern provinces. A meeting of all leaders was held at the beginning of that year which established contact with the Chinese authorities. Since 1937 Ma has commanded cavalry units in Inner Mongolia.

of China in the early twentieth century.* The republic was a workers' and peasants' democracy ("a democratic dictatorship of workers and peasants"). "The whole power of the Soviets belongs to the workers and peasants and members of the Red Army. All the toiling masses of the population have the right to elect their own deputies to give full effect to this power." As landlords and capitalists were not working people they naturally had no right to vote. There was self-determination for all the national minorities of China—Mongolians, Tibetans, Koreans, Miao and Yao and other peoples. There was freedom of speech, of assembly, freedom of religion, freedom of organisation for peasants and workers, the emancipation of women, votes at 16 and universal education. The elected Congress of Soviets was the supreme power. It elected a Central Executive Committee to exercise power between Congresses and this C.E.C. appointed the Council of People's Commissars, the day to day government.†

The Chinese Soviets stood for the "freeing of China from the yoke of imperialism," for the complete independence of China, the ending of all unequal treaties, concessions, and the rights of foreign Powers to station troops on Chinese soil. If, however, foreign enterprise was willing to abide by the laws of the Soviets then, after securing new leases, foreign industrial undertakings were to be permitted.

The Land Law provided for the confiscation of all the land and property of the feudal lords (who still existed in the backward parts of China), of landlords, of militarists, and other big private landowners. The confiscated land was to be given to landless peasants and poor peasants. The Law did not propose to equalise holdings, and so richer peasants farming their own land were left in possession of it, but the law looked forward to the time when the equalisation of holdings would be possible.

The Labour Code set up an eight-hour day, with lower hours for dangerous work and for adolescents. Fourteen was to be the minimum age for entering industry. There were to be insurance schemes, holidays, sick leave, maternity benefit, the right to strike, trade unions, collective agreements, and factory works committees.

* Mao Tse-tung once defined the aims of the Soviets as: "to bring the bourgeois democratic revolution to completion and to make it possible to turn this revolution into a higher stage of Socialist revolution." Indeed, none of the measures taken were in contradiction to Dr. Sun Yat-sen's principles (see *The New Stage*. Mao Tse-tung, p. 53.) The first three aims of the Soviets were "to destroy all feudal survivals, to annihilate the might of the warlords of China, to unite China." See *Fundamental Laws of the Chinese Soviet Republic*, London, 1934.

† Note the contrast with the Nanking Organic Law by which the Kuomintang Party Central Executive Committee appointed the Government. In the Soviet area the C.E.C. was not a party body, but elected by the Congress of Soviets, who in turn were elected by the people. Thus for the first time there was a democratically elected government in China.

The resolution on Economic Policy provided for the nationalisation of key industries. Industrial and handicraft enterprises, even large scale industrial concerns were to remain in private hands provided they obeyed the Labour Code. Private industry was to be encouraged. Co-operatives—consumers, industrial and agricultural credit co-operatives—were to be specially fostered, but they had to include workers and consumers in their membership besides the paying shareholders. A state bank was to be formed, pawnshops nationalised, usury abolished, and a single progressive tax replaced the multitude of taxes under the old order.

"The Red Army," declared the resolution on that subject, "is a political army, trained and operated in the spirit imbued by the international tasks of the toiling masses." A Revolutionary Military Council was set up and a Chief of Staff. The army was to have political departments: there were to be schools, and papers. Soldiers were to be given land and their families helped to work it in their absence. The Red Army man, during service, was exempt from taxation, travelled free, got goods at reduced prices, free education for his children, postage free, a pension, and a pension for his family in case of death. While serving, his wife could not divorce him without his consent.

In the following elections Mao Tse-tung was chosen Chairman of the Council of People's Commissars, and Chu Teh, Chairman of the Revolutionary Military Council.

In 1931 the Central Committee of the Communist Party of China was transferred to the Soviet Areas, and Mao Tse-tung became General Secretary. In January, 1932, the Party gave a bold lead to the nation faced with Japanese aggression, calling for "a National Revolutionary war of the armed people against Japanese imperialism and in defence of the national independence of China."

On April 14th, 1932, five months after its Congress, conscious of the growing menace of Japanese imperialism to China and feeling itself now soundly organised, the Chinese Soviet Government declared war on Japan and pledged unity with any Kuomintang army which was ready to fight the Japanese on three conditions:

1. Wars against the Soviet districts to cease.
2. Democratic rights to be granted to the people.
3. The organisation of anti-Japanese volunteers, *i.e.*, arming the people, to be permitted.

Thus from the very beginning the Soviet Government and the Communist Party undertook the national task of leading the people towards a common front to prevent the subjugation of China to Japanese domination.

Under this banner of resistance to Japan and these progressive laws the Communist Party and the Soviet Government grew in strength and popularity. Very soon this brought valuable results.

The Nanking Government, following the pro-Japanese policy of Wang Ching-wei and shamed by the humiliations brought upon it by Japan, turned to wreak its fury on the Soviets.* From April to October, 1932, the fourth offensive was launched against these areas. The fifth offensive lasted from October, 1933, to October, 1934. In December, 1933, however, the 19th Route Army, which had been sent down in 1932 from Shanghai, revolted and proclaimed a government in Fukien. Though this Army had been purged after its resistance to the Japanese at Shanghai yet its traditions remained and, after a few months of Red Army propaganda, it turned against the continuance of civil war. The Government in Fukien, only weakly in contact with the Soviet areas and soon divided from them by other Nanking troops was short-lived, but again the 19th Route Army had taken a step along the road of national resistance.

In the midst of the fifth offensive the Second Congress of Soviets was held. Mao reported how new Soviet areas had been created in Szechuan where Soviet forces, driven from Central China, and the Second Red Army Corps had gone. He told of the growing strength of the Red Army,† the increase in workers' wages, of a trade union membership of 229,000, of the elimination of famines among the peasants, the growth of co-operatives and many more reforms.

Out of the struggles 1921-27, out of the terrible tribulations that followed the disruption of the national movement, there had been forged a party, purged in fire, toughened like steel, whose wisdom had been learned through bitter experience, and whose statesmanship, the intermingling of theory and practice, had been welded from the lives

* Japan, of course, was active in fostering civil war. The Nazis, who, before they came into power in Germany in 1933, had their contacts with the Nanking German military advisers, pressed and abetted the Nanking Government. The British Government was also active. "In the course of these troubles the waterways of the Yangtze were kept open by foreign warships, mainly British, which were often in action against the guns mounted by the Communists on the banks. Little or nothing is heard of this constant expenditure of British ammunition, because it is in the interests of all but the Communists that this vital artery of China should be kept open to traffic. The British officer commanding the Yangtze flotilla is entitled 'The Admiral of the Yangtze,'" *The Capital Question of China*, Lionel Curtis, pp. 189-90. At the same time the International Famine Relief Commission in China was paying tribute to Communist co-operation in distributing supplies and re-building river banks. The American cotton and wheat loans to China in the early 1930's were also partly used to finance the anti-communist campaigns.

† One calculation put the strength of the Red Army at 200,000 in 1932, exclusive of half-a-million partisans, and at 350,000 in 1934. The Soviets did not form a consecutive block of territory but when at their maximum they were dispersed over areas with some 50 million inhabitants, some 12 to 20 million of whom lived in the actual Soviet areas.

of the peasants in the field, the workers in the shop and the soldiers in the ranks of the Red Army.

The Communist Party of China, the Red Army, the Soviet Government were a trinity of mighty inspirers of the people.

But the menace of Japan to North China and the ring of blockhouses that the Nanking Government's German advisers were steadily building round the Soviet areas indicated both the desirability of the Red Army being in a key place to resist any further Japanese invasion of China, and the increasing difficulties of maintaining the position in Kiangsi. The *New York Times* on June 2, 1934, reported how crack divisions, trained by General von Seeckt,* had gone into action and were utterly defeated but, though they had the strength for such victories, the Soviet authorities decided to delay no longer.

So, leaving behind a small rearguard and breaking through four rings of blockhouses, fighting, feinting and bewildering the Nanking forces as to their direction, they set out on the march to Shensi where small Soviet districts had existed since 1932 and to where units of the Red Army, forced from Honan in 1934, had already gone. In October, 1935, the main Red Army, helped by the support of the people in the districts through which it passed, arrived in Shensi after marching over 3,000† miles through twelve Provinces, fighting innumerable engagements, and crossing the Yangtze, the Tatu, the Yellow and 17 other large rivers, bringing with them lathes, turning machines, stampers, dies, light printing machines and many similar things so that the new area would not be without modern industrial machinery.

Constructing Unity

Before the Long March was finished the Japanese had already renewed their offensive against China, this time through political intrigues designed to bring the five northern provinces of China under Japanese domination. Such a step would have been but a brief prelude to the complete subjugation of the whole country.

Responding to the needs of the country the Communist Party of China, whose Central Committee had freshly arrived in the North West, issued on August 1 "An appeal to the whole people of China on Resisting Japan and Saving the Country." It read:

"Citizens all! Sons and daughters of our fatherland. . . .

"Either we resist the Japanese, which means life, or we renounce resistance, which means death. . . ."

"The Chinese Soviet Government is prepared to take the initiative

* The German adviser of these campaigns who later joined the Nazi army.

† The figures 6,000 or 8,000 are sometimes given.

in forming an all-China government of national defence; it is prepared to enter into immediate negotiations for the organisation of a government of national defence and for taking part in it with all political parties and groups in China, with all prominent political and public workers, with all mass organisations and with all local military and political authorities who desire to take part in the fight to resist Japan and to save the country."

It laid down ten fundamental tasks of such a people's government including:

1. Armed resistance to Japanese expansion and restitution of all occupied territory.
2. Improved livelihood for the people including relief of famine areas through improving water control, better wages, tax reforms, universal free education.
3. Confiscation of the property of the Japanese and of pro-Japanese traitors.
4. Democratic liberties and the release of all political prisoners.
5. The establishment of relations with all peoples hostile to Japanese imperialism.*

At the same time, in order to emphasise its sincerity in desiring a national front against Japan, the Chinese Soviets altered their economic policy, reducing the amount of land confiscated from small landlords and increasing the encouragement given to private industry and trade.

Already on August 2, 1934, 3,000 prominent Chinese men and women from many different spheres, led by Madame Sun Yat-sen, had called a halt to any further submission by the Nanking Government to Japan and had put forward a "Basic Programme of the Chinese People for War Against Japan" calling for the mobilisation of all forces, the rallying and arming of the whole people, the confiscation of Japanese owned enterprises, an elected national council of the Chinese people and an alliance with all enemies of Japan.

These two programmes opened the way to the rallying of the nation in united resistance to Japan, a united resistance founded upon democratic liberty and built from the ranks of the people, the peasants and workers, upwards to the Government itself. Necessarily unity had to begin with the ending of civil war. The simple slogan "Chinese must not fight Chinese," was the most classic expression of the campaign.

The problems were formidable enough. The peasants, the majority of the nation, had been dulled by the events of 1927. Illiterate,

* In adopting this new approach to national unity and making it the central point of Communist policy and propaganda, the Chinese Communist Party was helped and guided by the discussions and resolutions of the Seventh World Congress of the Communist International (1935).

with only rudimentary ideas of organisation, relatively isolated in the many thousands of villages, how were they to be awakened and drawn in to become a sure basis of the movement? The Soviets that had appeared in different areas from Honan to as far south as Hainan island from 1927 to 1934, and the propaganda of the Red armies on the Long March had awakened some. The peasants of the four north-eastern provinces, with their experience of Japanese rule, already knew the need of unity against the Japanese. But how could the knowledge of the need be spread throughout the length and breadth of China?

In the towns the workers were more awake and active and had more tradition and experience of organisation, but only in the Soviet north-west were trade unions flourishing and democratic. Elsewhere there were either illegal underground organisations or feeble Kuomintang unions that were anything but democratically built. How could the workers pierce the net and become the key force which would save the nation from slavery?

The Chinese industrial bourgeoisie was still very weak, uncertain of its direction, a prey to the fears it had expressed in 1927. The financiers and merchants had their links with foreign capital, not least with Japan and with the landlords who feared any movement that would increase the power of their tenant peasants.

Nor was the Nanking Government yet the ruler of all the land. The larger of the previous war lords, for the most part, still held their power. The group of Chen Chi-ting, Li Tsung-jen and Pai Chung-hsi since 1931 had had its own Southwest Political Council and Central Executive Committee of the Southwest Kuomintang and acted in almost every way as an independent government; Yeh Hsi-shan ruled supreme in Shansi; in Kweichow, in Szechuan, in Yunnan, in Shantung were men of the old war lord tradition, in Szechuan and Kweichow they were carrying on the very worst of the old war lord policies—immense exploitation of the peasantry (in some areas of Szechuan peasants had had to pay taxes up to thirty years in advance), and an immense amount of opium growing. Each had his own army, each drew the revenue from his area and either contributed or did not contribute to the Nanking government as he saw fit. Each immensely jealous of his own power, and often anxious to extend it, how could they be brought into a national front? Elsewhere, in charge of the so-called provincial "Peace Preservation Corps" and even in sections of the regular army itself, were ambitious military men.

Among the intellectuals, while many believed resistance was the only way, others were faint-hearted, holding that China, a weak country, lacking industry, could not challenge a strong, relatively industrialised country like Japan. Though the students, throughout the whole period, had played a leading role in the anti-Japanese demonstrations, showing great heroism and wisdom in the student strikes and demonstrations,

how could they be taught that the only strength of their movement was in unison with the movement of the common people?

As for the foreign powers, what country but the Soviet Union had showed any interest in Chinese unity? Even after 1927 Britain had obviously been on good terms with Yen Hsi-shan and Feng Yu-hsiang in their revolt in 1930. Had not a leading Britisher been one of their prominent officials at that time? In the South, also, British and French policy had not been unconnected with the formation of the Southwest Political Council whose seat of government was next door to Hongkong. Though Japan was obviously threatening their interests they seemed singularly unaware of it.

Moreover, the country was still in the midst of civil war, with the bitter hates of nine long years of slaughter, that had seen the death of so many of the best of the nation.

Finally, Japanese agents were busy prising at every fissure in the nation, fanning the fires of hate, playing on personal and political jealousies and ambitions, spreading corruption. In North China, under the protection of extraterritoriality, they smuggled ever increasing quantities of opium. All officials who were prepared to sell themselves they were prepared to buy. In the south they intrigued with the Canton group. Their agents sought out every war lord to pit him against Nanking. Their spies and emissaries went as far inland as Chengtu,* Kashgar and Lhasa. In the Government itself, openly and by intrigue, using such tools as Wang Ching-wei and his henchmen, they wove their webs. Simultaneously, following Trotsky's declaration in 1932 against the Chinese Communist Party's policy of national resistance, they hired all the Trotskyist agents they could to move among the workers and peasants, shouting "anti-capitalist" slogans, pressing for the continuation of civil war. They even sought to place their agents in the ranks of the Communist Party itself, though it was very, and successfully, vigilant. In every way conceivable to the mind of man and devil, the Japanese fascists sought to frustrate the formation of a common front of resistance.

For a time the Japanese gained ground. In 1934 the Wang Ching-wei Government altered the Chinese tariff, increasing the duty on imported raw cotton, lowering that on imported textiles, and making other adjustments to suit Japanese big business, thus injuring Chinese industrialists (and also British trade). In 1935, at the culmination of the Japanese intrigues to separate the five northern provinces of China, Wang Ching-wei and Ho Ying-chin, Minister of War, negotiated first the Ho-Umetzu Agreement and then put two northern provinces—Hopei and Chahar—under a special political council, led by General Sung Cheh-yuan. In these two provinces anti-Japanese organisations were squashed, including even the local branches of the Kuomintang.

* Two were caught and killed in Chengtu by the infuriated people in 1936.

Japan also succeeded in splitting off part of East Hopei under a puppet regime, and was intriguing with and bribing the princes in Inner Mongolia.

At the same time there were signs of hope. The courageous resistance of the Ethiopians, a far less developed people than the Chinese, to the Italian invasion of their country had an immense and inspiring effect on the whole Chinese people.* The student movement, which had surged up in 1931, was growing more vigorous again, especially in North China. On December 5, 1935, despite the bayonets and broadswords of soldiers and police, the students of Peiping demonstrated against the Ho-Umetzu Agreement shouting, "Stop Civil War! People, Arm Yourselves! Declare War on Japan!" Tientsin students followed suit. All over the country students prepared to march to Nanking. Everywhere they made a point of fraternising with police and soldiers. Eventually, General Chiang Kai-shek agreed to meet a small deputation. National Salvation Unions sprang up. Next year, 1936, on the same day, the demonstrations were even greater and more universal. Though at Loyang some demonstrators were shot, the spirit of the students could not be damped, nor did they cease to call the police and soldiers "brother Chinese" who should be with them in the struggle against Japan. Even the students at Nanking and other military academies were caught up in the movement. Official repression could hinder the movement from time to time but could not prevent its growth. In field and factory the slogan "Chinese must not fight Chinese" spread rapidly.

And in all these stirrings of the National movement, the Communist Party, because it was resolute and clear of purpose, acted as the pole around which the movement could crystallize.

Then there were the songs—"The March of the Manchurian Volunteers":

"Arise all ye who will not be slaves
Our flesh and blood will build a new Great Wall."†

The music composed by a Yunnanese, first a coolie and then a soldier, who had learnt in Shanghai to play the mouth-organ; the words by a rising dramatist arrested for his advocacy of resistance, this March spread throughout the country, defying all censorship. Such is the power of simple music. Peasants hummed it in the rice fields, coolies as they carried their loads, and workers in the mines and at the benches.

The Chinese Red Army had initiated the habit of singing songs of

* The Chinese Communist Party sent a warm message of encouragement to the Ethiopians, whose country was invaded in October, 1935.

† The Great Wall in North China had been built by the early emperors to protect China from the ravages of barbarian peoples.

liberty. It was a great stimulus on the Long March. The National Salvation Movement had taken the idea up—and a young Y.M.C.A. secretary helped to spread it, even visiting Chinese troops in Suiyuan to teach them patriotic songs. Mass singing groups—of workers and students, clerks and riksha coolies—sprang up everywhere. The nation sang the songs of resistance.

In literature, Tien Chun's novel, *Village in August*, about a Manchurian guerilla band, appearing in 1934, was immensely popular.

In November, 1935, Wang Ching-wei, Prime Minister and Foreign Minister, was shot at and wounded. Taking the hint he left for Europe. Chiang Kai-shek now became President of the Executive Yuan, that is head of the Government, in addition to his previous posts as Chairman of the National Military Council and Commander-in-Chief.

In 1934-35 he, with his wife, doing what no other Government leader had done, visited the outlying provinces of China. He had removed the utterly corrupt opium-profiteering Governor of Kweichow, limited the power of the local war lords in Szechuan, visited Yunnan and the North-West, including nine provinces in his trip. Partly the visits were connected with efforts to stop the march of the Red Army, but they resulted in the removal of one of the worst governors and brought other provincial leaders in more direct touch with the Government. Significantly, in September, 1935, the Japanese General Tada had already issued a call for the overthrow of Chiang. Now Chiang reminded a Kuomintang gathering that "in times of peace a wise man prepares for war." He and other Kuomintang leaders were beginning to feel that Japan's plans for turning China into a colony must be opposed. But though the most ambitious aims of the Japanese in North China were diverted, the agreement for the Hopei-Chahar Political Council went through.

The revelation in 1935 of Japan's insatiable ambitions and greed had created widespread alarm. Chinese business men, injured by the tariff changes, seeing Japan both after the riches in North China and eager to smash China's attempts to industrialise herself, were definitely anxious. Military leaders like Feng Yu-hsiang, whose strength lay in North China, were critical of the perpetual concessions to Japan. Armies like those of Chang Hsueh-liang (the "Tungpei" army, which had come from Manchuria) demanded increasingly that efforts should be made to win back their homeland instead of this perpetual retreat. Even the Kuomintang could not ignore the fact that the Japanese had made a special point of destroying their party organisations in North China.

Now that the Japanese had expropriated (in 1934) all the British and American oil interests in "Manchukuo" on top of their previous seizure of the customs, and had turned away almost empty handed the mission sent out by the Federation of British Industries to

"Manchukuo"*; now that they had denounced the London and Washington naval treaties and forced Wang Ching-wei's Government in 1935 to cancel China's contract with American aircraft instructors, British business firms in North China were also uneasy, as were some members of the British and American Governments.

At the beginning of 1936 the Japanese Foreign Minister pressed China to agree to common action against the Communists, but as the official biographer of General Chiang Kai-shek wrote a little later "the action of Japan in demanding the right to assist China in the suppression of the Reds . . ." had "led many conservative Chinese to wonder if it would not be well to come to an understanding with the Chinese Communists in the North-West in order to meet more effectively the external menace from the aggressions of Japan."†

Later in the year the German-Japanese "anti-Comintern" Pact, signed on November 25, 1936, was obviously a cloak for designs against China, as well as against Britain and the U.S.A.

On the 5th of May, 1936, the Communist Party of China issued an appeal to the Nanking Government for the cessation of civil war. On the first of June the All-China National Salvation League was organised, with Mme. Sun Yat-sen and the prominent Catholic Ma Hsiang-Peh among its leaders. It proclaimed its three minimum demands as the end of hostilities in the South-West, armistice with the Red Army, and the right freely to propagate anti-Japanese propaganda. It drew together the local National Salvation organisations which had arisen at the end of 1935 and had steadily grown in numbers.

In June and again in September, Japanese puppet forces invaded Suiyuan. The pulses of the national movement beat rapidly.

To meet the menace the Red Army began to move into Shansi, but when it was evident that this would produce a clash with other Chinese forces they withdrew as an earnest of their desire for unity.

In Suiyuan the Chinese forces put up a successful resistance. The commanding general, Fu Tso-yi, was one of the first to welcome mass support for his army. Many students and others from all parts of China went north to join in this fight against Japan and more than 100,000 Chinese workers in Japanese textile mills and other enterprises in Shanghai, Tsingtao and Tientsin came out on general strike shouting, "Why should we be exploited by the invaders of our country!" To many acute Chinese observers this was the great event of the year. The strike lasted a month, though for many workers it meant not only official persecution but also starvation. Japanese marines were rushed to Tsingtao. They could not stop the movement. In Shanghai the National Salvation movement organised a committee, led by a

* All the mission secured was the acceptance "in principle" of British collaboration in developing "Manchukuo" and a minor agreement about steel products.

† Chiang Kai-shek, *Soldier and Statesman*, Hollington Tong, p. 455.

publisher, a University professor, a banker and others, for the support of the strikers. The wings of the national movement were beginning to come together. The Government threw seven leaders of the committee into jail. General Feng Yu-hsiang, who had become Inspector-General of the Chinese Army and a member of the National Military Council, and other officials openly expressed their disapproval.

When such a powerful movement exists and the Government seems to oppose it, or at least to be indifferent to it, ambitious and unscrupulous men are wont to seek to use it for their personal ends.

In 1936 the South-West Political Council became active, demanding an anti-Japanese policy, though as was learnt later its leader, General Chen Chi-ting, was in touch with the Japanese himself.* Revolting against Nanking they began to move troops northward, under the banner of war against Japan. This situation was a test of the wisdom of the growing national movement.

The Communist Party immediately laid down certain general principles. If this South-West movement is sincere, they said, then it must allow popular anti-Japanese activity and the arming of the people in the territory it controls. It must be prepared to ally itself also with the Red Army and the anti-Japanese formations. But nothing was further from Chen Chi-ting's mind. He therefore received little support anywhere. When his armies met those of the Nanking Government his airmen deserted, taking their planes with them. Chen Chi-ting fled. A new Governor was appointed in Kwangtung, the South-West Political Council came to an end. Generals Li Tsung-jen and Pai Chung-hsi, the two other prominent members of the Political Council, rulers of Kwangsi, came to terms with Nanking, Pai being admitted to the National Military Council.

So the growing national movement was helping to squeeze out the most corrupt of the local leaders and to bring the better ones into association with the Central Government. Moreover, the completion of the Canton-Hankow railway, linking the Yangtze valley to Canton, and the growth of airways were bringing about the physical unification of the country.† General Chiang, visiting Canton for the settlement of

* In 1935 the Japanese General Doihara had visited Kwangtung and Kwangsi. One of the results of his visit was a sharp decline of British influence in those provinces.

† In 1934 the Nanking Government had abandoned the silver standard and gone on to a managed paper currency (arranged in conjunction with the Leith-Ross mission), thus giving China a national currency for the first time. In return for new arrangements in the payment of old railway loans China received new credits from Britain, U.S.A. and Germany. The completion of the Canton-Hankow railway in 1936 was the chief result. Two airlines, China National Aviation (Chinese-U.S.A.) and Eurasia (Chinese-German) were set up and covered a large part of the country. Other plans for steelworks, etc., were made abortive by the Japanese attack in 1937. In 1935-36 also a number of factories (which had to be 51 per cent Chinese owned) came into existence, but foreign financiers were not favourable to this growth of Chinese industry.

the affair with the South-Western leaders, met the British Consul and the Governor of Hongkong. Evidently British policy, too, was beginning to see the dangers of civil war in China.

At Nanking there was now a tension of forces. One group forecasting that a greater crisis would soon be imposed on China by Japan; conscious that now it was only Japan who was pursuing a disruptive internal policy in China; aware of the strength of the national movement, and feeling stronger because of the Government's growing control over the provinces, was anxious to prepare for resistance. Another group, the followers of Wang Ching-wei, was for continued co-operation with Japan, and played up the anti-Communist bogey on Japanese propaganda lines for all they were worth. The result was that, for the Government as a whole, the conception of uniting China from the top downwards still held sway, and that it was still considered necessary to bring the Soviet areas into subjection for that purpose to be achieved. Thus the great question was whether the surging movement from below could win over to a real policy of national union those in the Government who were aware of the menace of Japan, but who still thought in terms of unity only from above. Already such leaders as Feng Yu-hsiang, Sun Fo and T. V. Soong were beginning to show that they understood not only that Japan must be resisted, but that resistance must be based on broad and vital unity of the whole people.

When it was learned at Nanking in the latter part of the year that the Manchurian forces which had been sent against the Soviet North-West had come to a truce with the Communists and were calling for a united front against Japan,* General Chiang Kai-shek went first to Loyang and later, in December, to Marshal Chang Hsueh-liang's headquarters in Sian, to insist that Government policy must be carried out. But the Manchurian forces were now unanimously against the policy of civil war. Remembering the suffering of their wives and families under the Japanese, with brothers and other relatives and friends among the Manchurian volunteers, they knew beyond all argument that the only enemy was Japan. Having learnt something about the Red Army and Communist policy, aware that the central aim of the Communist Party was to unite China against the Japanese menace that was daily growing, first the soldiers, then the officers and finally the whole army, including Chang Hsueh-liang, were won over to the policy of ending civil war and forming a national front for resistance. The appeal for united resistance from the Manchurian guerillas and the unity of the anti-Japanese forces in these provinces had a great effect on them, as on all China.

* A tacit truce had existed since early in 1936. At the beginning of November Marshal Chang Hsueh-liang had appealed to Nanking to be allowed to go and fight the Japanese invaders of Suiyuan. In November also the 1st Army, one of the crack Nanking divisions, had been routed by the Red Army.

Also in Sian were the forces of General Yang Hu-chen, the Peace Preservation Commissioner. Many members and officers of this force had likewise been won for the policy of national unity, though for the most part they were less politically conscious than their opposite numbers in the Tungpei army, and among Yang's staff there were still remnants of the old war lord hostility to Chiang Kai-shek.

One night General Chiang, unable to convince his subordinates that they must carry out orders without question, and apparently unwilling to listen to their case, was kidnapped by officers of these two armies and held for several days. While unruly elements, particularly among Yang's forces, were for his death, Communist representatives, who had been called into consultation, pressed energetically for his immediate release as they saw that any other course of action would only split the country and help Japan. In Nanking also, while the ambitious and the pro-Japanese were for the bombing of Sian, even at the risk of Chiang being killed, wiser council prevailed. Only one demonstrative air-raid on Sian was made and, after one of Chiang's staff had been released from Sian to conduct negotiations, Madame Chiang Kai-shek and T. V. Soong went there to secure General Chiang's release. In a few days the Generalissimo returned to Nanking, bringing Marshal Chang with him as a prisoner.

The whole incident had stirred the nation deeply. Chiang's release was feted; while the handling of the incident by the Communist Party, which had insisted on the release of the man who had gone to Sian to carry on the civil war against them, made a profound impression.

The two conceptions of unity grew closer together and the whole national movement grew stronger. The Sian leaders, for all their mistakes, had issued a clear call for resistance and unity based on democracy and the end of civil war. From all over the country came resolution after resolution demanding unity. Even the British Press in China, the *North China Daily News*, so strong an advocate of disunity in 1927, was now, in view of the obvious menace of Japanese designs, advocating unity in China. A meeting of the Kuomintang C.E.C. was called for February. The Chinese Communist Party appealed to it to consider the cessation of civil war, the preparation of armed resistance to aggression, the declaration of the right of freedom of speech and assembly, the release of political prisoners, the calling of a national salvation congress and steps to improve the people's livelihood.

An appeal for unity was made also by Feng Yu-hsiang, Sun Fo and other Kuomintang leaders.

But Wang Ching-wei, having returned from his third trip to Europe, was able to secure the passing of a resolution full of anti-Communist statements. Nevertheless a loophole was left for negotiations and, though the Manchurian forces and those of General Yang had been

dispersed from Sian and replaced by other Kuomintang forces, the civil war was not renewed. An uneasy truce lay over China.

Taking advantage of the loophole, a Communist Party delegation went to Kuling to meet General Chiang and other leaders.

While the vast mass of the people, drawn from all sections, eagerly looked forward to unity, and were actively trying to consolidate it; while the appeal of the Communist Party to the Kuomintang had met with the response of every patriotic heart, the pro-fascist section in and around the Government and the leading circles of the Kuomintang were bitterly resisting the completion of the process.* Slowly but surely, however, the pressure of the people and the fear of Japan's ambitions were pushing the majority of the Kuomintang round to a policy of anti-Japanese unity. In May a special meeting in the Soviet North-West approved the reorganisation of the Red Army into the National Revolutionary Army, the transformation of the Soviet area into the North-West Special District,† the end of the policy of confiscating landlords' land (save that of the pro-Japanese ones) and the extension of the franchise to the landlords. These sacrifices greatly helped to forward the movement inside the Kuomintang. Already in January, General Chang Chun, the then pro-Japanese Foreign Minister, had been dismissed from the Government, and the "bandit suppression H.Q." at Sian abolished. Gradually the blockade around the North-West was lifted, and students flocked north to the anti-Japanese universities at Yen-an, the capital of the former Soviet district.

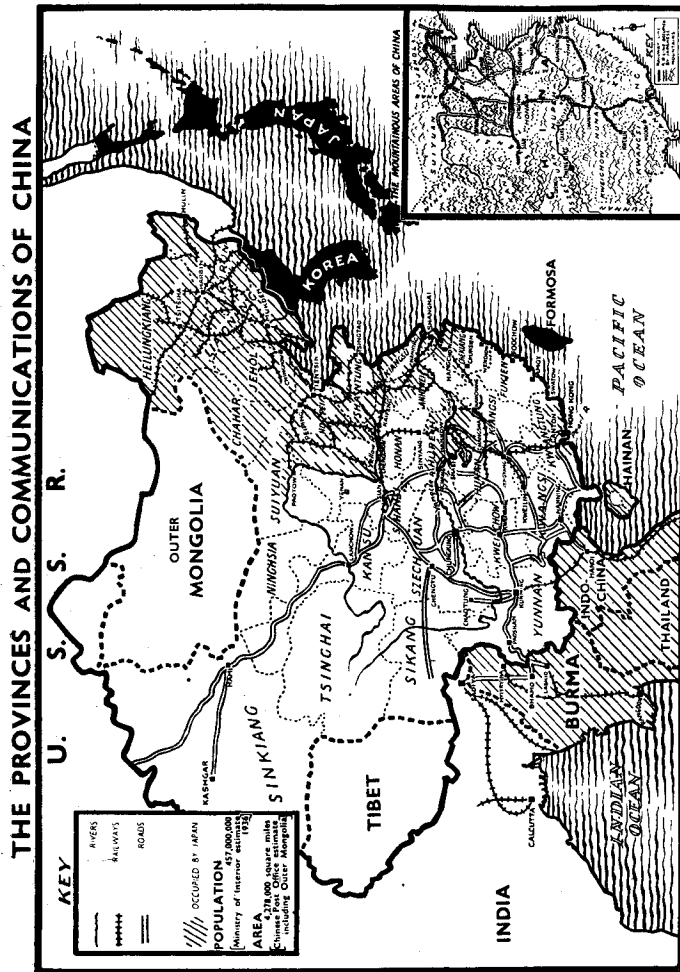
Meanwhile the Government was busy strengthening its international position, through the European tour of Dr. H. H. Kung, Finance Minister and Vice-Prime Minister, to secure arms and credits.

But when the Japanese struck at China again, on July 7, 1937, beginning the fighting at Loukouchiao, near Peiping, and using for this purpose the Japanese forces stationed inside China under the Boxer treaty,‡ some sections of the Government were still not convinced that resistance was the only way. The Government troops moved no further north than Shantung. Nevertheless, in contrast to 1931, real preparations for defence were pushed ahead. And when at the

* At the beginning of 1937 the British and Japanese governments were conducting secret negotiations, watched in China with great fear. "Britain is fully prepared to recognise the obvious facts of Japan's 'special position' in regard to China," wrote the *Times* on May 3, 1937. But, as on every occasion, Japanese greed was too great for negotiations to come to anything. On August 20, the *Times* was writing, "It is time for Japan to learn that the free hand which she desires in East Asia will in no circumstances include licence to play havoc with the lawful interests of Great Britain."

† The name then given to this area was *Special Regional Government of the Republic of China*. After the completion of the United Front in September, 1937, it was officially called *The Special Administrative District of the Republic of China*, or *The Shensi-Kansu-Ninghsa Border (or Frontier) Area*. In this book it is called the *Special District* for short.

‡ After 1935 the number of these troops had been greatly increased.



end of July the Japanese attacked Peiping and Tientsin and units of the 29th Army fought heroically to defend the towns, Generalissimo Chiang, speaking for the whole country, said: "The limit of endurance has been reached. . . . The only thing to do now . . . is to lead the entire nation in a struggle to the bitter end. I am confident that final victory will be ours." It was war.

On July 31, the famous seven leaders of the National Salvation Association were released. Other political and trade union prisoners were gradually freed and the ban was lifted on anti-Japanese songs and propaganda. Every day a stream of telegrams was pouring in from Chinese organisations at home and abroad. Military leaders from all parts of China—Yen Hsi-shan from Shansi, Pai Chung-hsi from Kwangsi, Lung Yun from Yunnan and others arrived in Nanking to pledge their services and discuss plans of resistance. By the end of August the Central Government was in command of all the armed forces in the country. Just before that was achieved the Japanese, on August 11, struck at Shanghai. This closed all possible talk of peace and the whole of China was swept by a wave of determination to endure no further humiliations, but to fight.

On September 23, 1937, a declaration of the Central Committee of the Communist Party of China, declaring that the Communist Party would fight for the realisation of the Three People's Principles, announcing the terms of an agreement between the Communist Party of China and the Kuomintang and the reorganisation of the Red Army into the Eighth Route Army under the National Military Council, was published in all the important Chinese papers. On that day too came an official statement from Generalissimo Chiang, head of the Government and of the Kuomintang, noting the Communist Party's statement, confirming the formation of the united front for national salvation and implicitly recognising the existence of the Communist Party.*

The National United Front against Japanese aggression, based on the people and ending civil war, which had been fought for since 1931 had now, under the leadership of the Generalissimo, become a reality. In December, in order to strengthen it still further, and in recognition of the possibilities it opened for further developments, the Communist Party declared that it had joined this united front with the Kuomintang not only to defeat Japan but also for the building of a new China.†

* See *The Chinese Year Book* 1938-9, p. 340. The points of the September Resolution of the Communist Party are in Appendix III.

† "The Communist Party of China has not merely joined hands with the Kuomintang to save the nation during the war, but is determined to co-operate harmoniously with the Kuomintang to reconstruct the nation after the war has ended in victory." The same resolution called for the mobilisation of the whole people in occupied and unoccupied China, action against traitors, and the strengthening of the government by the democratic representation of all anti-Japanese elements.

FOUR

THE COURSE OF THE WAR

" Onward!
Braving the enemy cannon!
Onward, Onward, Onward! On! " *

" We have no rifles, we have no artillery,
The enemy will make them for us." †

The period between July 7, 1937, when the Japanese, on the pretext of searching for a lost soldier, attacked the Chinese forces in Loukou-chiao, and August 13, when fighting began at Shanghai, was a time which the Japanese used to mass and arrange their forces in the hope of being able to strike a crushing blow to end Chinese resistance in a very short space of time.

Since 1935 they had been steadily increasing the number of their troops stationed along the Tientsin-Peiping railway. By July 16 five new divisions had arrived in North China. Then forces were massed at Shanghai. On July 28, the Japanese attacked Peiping, next day there was fighting at Tientsin. ‡ By the end of the month both towns were in Japanese hands and Japanese troops were advancing north-east up the Peiping-Suiyuan railway to Inner Mongolia and Shansi, south-west along the Peiping-Hankow line, and south from Tientsin towards Nanking.

To military experts weighing up the chances it seemed that China's were poor indeed. Japan was an industrial country with considerable iron and steel and engineering industries. She could build internal combustion engines. She had access to all the raw materials she did not herself control. Her army was disciplined, well drilled and trained, and equipped with all modern arms. Her navy was third in the world in size and some put its skill still higher. Her political and economic system had been unified along fascist lines, placing great power in the hands of the dictatorial government.

In all ways China was the opposite. She seemed an unwieldy mass. Except for cotton spinning her industry was negligible. Her small arsenals were only equipped to make small arms, her tiny machine shops were able to make but the simpler types of machines.

* *The March of the Manchurian Volunteers.*

† Guerilla song in the North-West, quoted by Major E. F. Carlson, *Twin Stars Over China.*

‡ The Chinese soldiers of a unit of the 29th Army demonstrated their new spirit in this fighting by electing a new commander and continuing to fight after their previous commander had gone over to the Japanese. In Japanese-occupied East Hopei the Chinese soldiers also rose and massacred their Japanese officers. At Peiping students and workers fought alongside the soldiers.

There were raw materials, but they were undeveloped, and China had little with which to purchase arms or equipment from abroad or machinery to develop her resources. Of navy she had next to none, and though, by mustering all the various armies of the country, she could count some two million soldiers, only a few divisions were even relatively well equipped, and only the crack Government troops and the Eighth Route Army were well trained and disciplined. Moreover, there was a wide diversity in the kind of arms her troops had and consequently in the ammunition they needed. As for the air force, there were but 200 serviceable planes and some 150 competent pilots. Moreover, it was only in the previous few months that the country had been politically united, and none knew how strong was the loyalty of the outlying provincial governors nor how secure the united front so recently established. To the majority of the foreign residents in China, the very idea of Chinese resistance to Japan was ludicrous;* even to many Western educated Chinese it was doubtful if their country could make more than a gesture.

Even the task of feeding a large army in a country with China's lack of communications seemed an almost insoluble problem, let alone supplying it with arms and munitions.

But to the undying merit of the Chinese troops who held Shanghai and the Eighth Route Army that held the passes in Shansi, armed only with rifles and their own courage, these two forces smashed for ever, both for their own and for all peoples, the traditions of China's weakness.

It was not till October 26th that the Chinese, after bloody battles, were driven even from Chapei, and not till early November that, threatened in the rear by a surprise landing of Japanese forces in Hangchow Bay, they were compelled to evacuate Shanghai in order to avoid being surrounded. For three months, with rifles, machine-guns and little else, they held out against a force equipped with planes, tanks and heavy artillery and supported by the heavy guns of the Imperial Japanese navy, writing an undying page in the story of human courage. †

In September the Japanese 5th Division, crack troops under General Itagaki, one of Japan's foremost military men, pressing down through the hills of Shansi towards the Yellow River, were surprised, surrounded and cut up at Pinghsingkwang ‡ by units of the Eighth Route Army which had marched from the Special District to help the other Chinese

* China "can scarcely hope to win a military victory" wrote *Finance and Commerce*, paper of Shanghai foreign business men, on July 19, urging Chinese capitulation.

† Chinese losses at Shanghai were over 100,000; Japanese 40,000.

‡ N.E. Shansi.

forces (mostly units of the provincial army of Yen Hsi-shan) in defence of these key northern approaches to China's interior. The Eighth Route Army attacked the weakly defended enemy supply column before tackling the main body, thereby introducing a new tactic which has stood the Chinese forces in good stead ever since. This was China's first victory and came at a most important time, showing the nation and the world that Chinese troops, poorly armed though they might be, could nevertheless, through skill and courage, defeat the best units of the proud Japanese Imperial army.

Japan's Advances (1937-38)

The fall of Peiping and Tientsin had provided Japan with bases for further advances and, while the fighting was in progress at Shanghai, three Japanese columns set out from these cities to occupy the other key towns and railways of North China. After the fall of Shanghai (and of Nanking which the Japanese took a few weeks later*) further Japanese columns based on these two towns tried to link up with the columns coming down from the north, and then to press up the Yangtze. The story of the first year of the war is about these thrusts and how, ultimately, each was brought to a halt.

The most northern Japanese forces, advancing along the Peiping-Suiyuan railway, reached the terminus at Paotow on October 16th. Since then that has been their main base in Inner Mongolia, but, apart from temporary thrusts, they have advanced little beyond it in five years of war.

The second Japanese force,† following the railway down from Peiping towards Hankow, turned aside along the branch line to Taiyuan, capital of Shansi province, which it took on November 6th, 1937.‡ Later, by a great push early in 1938, it reached the Yellow River, boundary of Shansi and Shensi. But the Eighth Route Army, skilfully using every advantage of the hilly country, rousing and training the whole people of the province§ and inspiring and teaching the provincial armies, so harassed the Japanese that they were driven back, and, despite their immense and almost ceaseless efforts to cross the river, they have never succeeded in doing so. Time after time, when

* After its capture, Nanking was delivered over to loot by Japanese soldiers and officers and its inhabitants—men, women and children—to slaughter, torture and rape.

† It was an advance guard of this force that the Eighth Route Army routed at Pinghsingkwan.

‡ Another section continued southwards towards Chengchow.

§ Many of the guerilla bands in N. China under the inspiration of the Eighth Route Army, were chiefly armed with spears. Often rifles were one to four or even seven men. But such groups were able to put a severe check to foraging parties.

they have made an attempt to force this vital side-door into Central China, they have been compelled to squander their resources in parrying the innumerable thrusts of the Eighth Route Army and other mobile forces. Thanks to these mobile Chinese forces, Shansi has been an impregnable door and a constant drain on the resources of Japan.

The third Japanese thrust southwards, from Tientsin, along the railway to Nanking, reached Taian in Shantung in early December. In the first months of 1938 the Japanese Command tried to effect a juncture between these forces and those in Nanking.

For a time, however, the Chinese held the enemy forces advancing north from Nanking, while other Chinese units under the command of General Li Tsung-jen, pressed north to surprise the Japanese at Taierchwang, near the railway junction of Hsuchow.* This great Chinese victory, following on the fall of Nanking, heartened the nation and ended the boast of the Imperial army to have been undefeated in modern warfare. But the Chinese were not strong enough to hold the town against the new Japanese forces which were brought up. Thus reinforced, the Japanese soon re-took Hsuchow. Then linking up with the units from Nanking they advanced eastwards along the Lunghai railway (which runs south of the Yellow River) to Kaifeng. By June they were nearing Chengchow, which the Japanese north of the Yellow River had not been able to capture. They hoped, by taking this town, to link up with the Japanese in Shansi and so drive on to Hankow from the side and rear.

But the banks of the Yellow River burst and, surrounded by a sea of water, the Japanese forces were compelled to retreat. As yet, neither their men in Kaifeng nor those north of the Yellow River, have succeeded in getting to Chengchow. So the third Japanese spearhead into North China was (this time literally) bogged down.

The enemy were now in control of the railway lines and main towns of North China, but they had been baulked in their plans to cross the Yellow River, and so take Hankow by a rear attack. They were therefore compelled to attempt the more difficult route to Hankow up the Yangtze. Early in June three columns set out, one overland through Anhwei and Hupeh and the other two one each on the north and south banks of the Yangtze, protected by ships of the Japanese navy.

The advance was costly and the Chinese troops fiercely contested every mile of the way. But steadily they were driven back. The Chinese Communist Party declared, on the experience of the fighting

* The Taierchwang battle was won by the heroic stand of the Chinese troops in the town, enabling other forces to come up and attack the Japanese on the flanks, while in the rear guerillas and army units broke up Japanese communications. It was an excellent feat of generalship.

in North China, that Hankow could only be adequately defended if the population on each side of the river was armed and organised, but Chinese resistance remained almost entirely confined to regular troops. Some million Chinese troops were engaged against over a quarter of a million Japanese, but the latter were equipped with all modern arms, protected by gunboats and cruisers and covered with aeroplanes, which bombed the Chinese at will.

On October 25th, after four months' intensive fighting, Hankow fell to the Japanese.

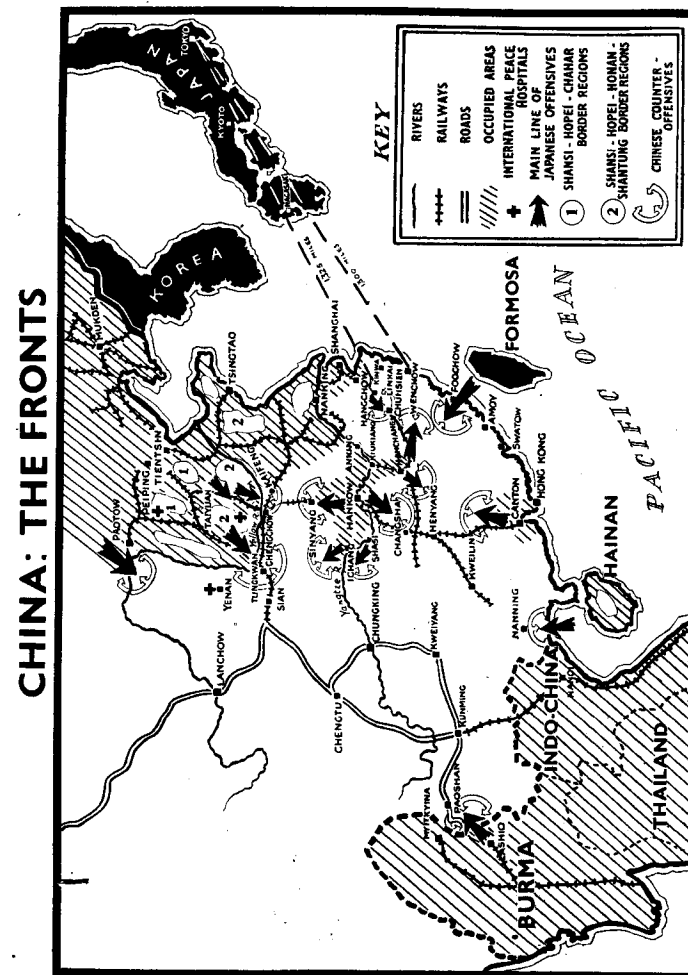
Meanwhile, in South China, the Japanese had taken Canton by a surprise stroke. The Chinese had not expected that the Japanese would dare land near Hongkong. They had sent troops from Kwangtung to Hankow. But the Munich Agreement was signed in early October and the Japanese rightly calculated that if the Chamberlain Government would shamelessly betray Czechoslovakia, it would not risk a war for Hongkong. Therefore they landed in Bias Bay, and in a few days had the town of Canton under their control and troops all around Hongkong. Thus were the later British defeats at Hongkong and Singapore prepared by Neville Chamberlain.*

Stalemate 1939

The fall of Canton and Hankow within four days of each other, the last two cities of China with much in the way of modern industry, was a crushing blow. To many in the outside world, not knowing the strength of ordinary people, it seemed that the end was near, or that at best future resistance would be scattered and poorly organised. Yet for China it was but the beginning.

The Government was installed in Chungking. Valiant efforts were made to re-establish evacuated industries, the construction of the Burma Road was speeded up, and the military High Command, showing great readiness to learn from defeats, recognised at last the value of mobile and guerilla warfare as practised by the Eighth Route Army. The disposition of the armed forces was revised, units being sent to the rear of the Japanese to harass them continuously; army training was changed; and an Eighth Route Army general invited to become Dean of a new Military Academy to train officers from all army units in mobile and guerilla warfare. At the same time the Industrial Co-operative Movement, then in its beginnings, offered the possibility of encouraging guerilla industries to operate both at the front and with units fighting in the rear of the enemy. China had entered a new stage of her war of

* There was also, of course, in Kwangtung, the same failure as in the Yangtze provinces to mobilise the people for resistance. Reliance on Britain and failure to rouse the people were part of the same weakness.



resistance, re-equipping herself and revising her methods, in order to meet adequately the great trials ahead.*

Long before, Communist theoreticians had taught that China's war would be a war of three stages. The first in which the enemy advanced and the Chinese retreated, fighting stubborn rearguard actions to gain time to build up their strength. The second in which some kind of balance of forces was attained where Chinese knowledge of terrain and superiority in man-power (suitably and democratically organised and inspired) would equate with the superiority of Japanese arms and mechanisation, weakened by the range of territory over which they were spread.† The third would come when the Chinese, using their superior resources, further developing democratic initiative and mobilisation, and benefiting from Japan's many economic weaknesses and lack of manpower, would be able to assume the offensive and drive the Japanese back to the sea and beyond the Yaloo river.‡ For weak China, as Chiang Kai-shek said, such a war might take twenty years, but the Chinese people would win it.

The fall of Hankow was the beginning of the second stage, the stage of stalemate.

Sixty Chinese divisions were sent behind the enemy lines. The ratio of casualties—2 million Chinese to 500,000 Japanese in the first fourteen months of war—began to be more favourable to the

* How great these trials were is shown by the fact that in 1939 Free China had only three important arsenals. The largest, near Chungking, had a monthly output of 200 machine guns, 120,000 trench mortar shells and a small number of automatic and ordinary rifles, but could not make artillery. Edgar Snow estimates the total output of rifle ammunition at perhaps one-million rounds a day. *Asia*, November, 1940. Of the twenty Chinese arsenals, large and small, in 1937, only four were in their original positions at the end of 1938. Others or parts of others had been moved into the interior. *The Chinese Army*, E. F. Carlson, New York, 1939. Against the mechanised armies of Japan, even in 1940, China had only two light tank "divisions" which were in fact scarcely more than regiments. The air force depended entirely on foreign supplies. In 1941 there were two body building factories with a tiny output, but the engines and most of the petrol had to be imported. Once its planes were shot down the Chinese air force had to wait months for replacements. Thus it was active only in patches—August-December, 1937, February-October, 1938, February-September, 1940 and the latter part of 1941, and the summer and autumn of 1942.

† The Communist Party strongly emphasised that changed training and disposition of military forces, however valuable, were not enough. The essential task, from a purely military point of view as well as from others, was to rouse the whole people. Mao Tse-tung, speaking for the whole of China just before the fall of Hankow, declared "It is precisely because of our failure to secure enough assistance from the masses that we have suffered so many reverses at the front. Let this be a lesson. China must further depend upon the support of the masses. This is a fundamental question."

‡ The river dividing Korea and China. "Drive the Japanese beyond the Yaloo river," was an early and popular slogan.

Chinese. And the Japanese, who had driven five fingers into China—to Paotow in Inner Mongolia, to Fenglingtu on the Yellow River bend,* to Kaifeng in Honan, to Hankow up the Yangtze, and to Canton in South China—could not drive the fingers in more deeply nor close the fist, though they made desperate attempts to do so.†

In March, 1939, the Japanese took Nanchang, the last Chinese town of size (save Ichang) that they were to take and hold for a considerable period of time. Thereafter the war consisted of major Japanese pushes that for a time were successful but failed in the end (either through a big defeat or through steady persistent pressure) and of countless numbers of small engagements. For example from January, 1939, to May, 1940, the Chinese fought 6,918 engagements, of which only some 200 were large and but six were major ones.‡

Apart from the Japanese thrusts, however, there were the Japanese air raids. The Canton-Hankow railway was bombed continuously in 1938, but the Chinese railwaymen saw to it that there was never a delay of more than a few hours, however bad the damage. Unprotected Canton had terribly destructive raids before it fell, as did Hankow. In May, 1939, came the first raids on Chungking and the terror bombing of the interior of China began. All through 1940 Chungking, the new capital, was ruthlessly bombed and terribly devastated. Bombers came day and night. Even London can little imagine the terror. There were few anti-aircraft guns and still fewer planes to break up the enemy formations and keep the planes high, while the flimsy houses shattered easily and burnt rapidly. Caves around the great cities gave shelter and the air-raid warning service was efficient. But the explosive "eggs" of the enemy, even if the simple peasants could not understand how they killed men and animals and smashed houses hundreds of yards away, could not weaken or injure the resolution of so sturdy a people.

The Fronts (1939-42)

From 1939 onwards there were some ten main areas of fighting.

1. Far north in the Suiyuan province of Inner Mongolia the Japanese strove to drive across the desert land into Kansu to cut the Sinkiang road. However, the crossing of this almost trackless desert was too formidable a task, especially when they were constantly harassed by

* Opposite Tungkwang.

† The Japanese had five main objectives: (1) to link Hankow with Shansi; (2) to link Hankow with Canton; (3) to cut China's supply routes; (4) to drive from Hankow and via Sian into Szechuan; (5) to clear up the guerillas. But from 1938 to the end of 1941 their successes were diplomatic, not military. They stopped supplies through Indo-China and got the Burma Road closed for three months.

‡ Figures of Chinese Ministry of War.

Mongolian cavalry under the able leadership of such experienced generals as Ma Chan-shan. Even the push of the summer of 1942 brought them no appreciable result.

2. In Hopei, their first captured province, the Japanese were confronted with a formidable guerilla movement as soon as the Eighth Route Army sent out advance bands to link up and organise the scattered islands of resistance left in the wake of the advancing Japanese.* Soon a great guerilla area of some 12 million people, called the Border Region, was in being on the borders of Hopei, Shansi and Chahar, with its base in the mountains of Wutaishan. There was a second similar area in North Hopei.† Time after time guerillas penetrated into the heart of Peiping itself, killing Japanese and carrying off supplies. Railway lines were constantly broken, bridges blown up and tracks removed. Trains were attacked and supplies captured. Foreigners could be passed up safely from Free China to Peiping and back again. When Japan attacked Britain and the United States, four British residents of Peiping were rescued from the Japanese by the guerillas. Others were rescued later. Among the soldiers of the guerilla armies, the Chinese coal miners of the North China mines and the railwaymen provided some of the toughest and most adventurous units. Ceaselessly the Japanese militarists have sought to destroy these guerilla bases, launching a new offensive every few months after the big one in July, 1938. As ceaselessly have those attacks been defeated, despite the great cost and suffering, for these guerillas are rooted in the people, they are the people themselves.

3. Similarly in Shantung and northern Kiangsu. Advance units of the Eighth Army, linking up later with units of the New Fourth Army, have built up powerful guerilla forces against which in the first six months of 1942 alone the Japanese launched no less than five large offensives, one of 30,000 mechanised troops supported by planes, all without much success. Early in 1941 the main body of the New

* For the story of the growth of one of these spontaneous guerilla bands into an army see *The People's War*, I. Epstein, London, 1939, Chapter IV. This particular band owed its inspiration to an old woman, Madame Chao, "Mother of the Guerillas." In these guerilla armies of the Hopei-Shansi-Chahar Border Region, the pay of army commanders was 1s. 3d. a month, rank and file, 6d. a month (Dollar at 3d.). As for the 8th Route Army, General Chu Teh was paid less than a private in the other Chinese Government Armies. When the Government ceased to pay the Eighth Route Army, the allowances of the officers and ranks were cut still further. In 1942 Chu Teh and other high officers got 7½d. a month (C. \$2½). The pay of ordinary soldiers in the Chinese forces in Burma was 2s. 8d. a month, i.e., about the daily pay of other Allied armies. These figures give but a faint indication of the heroism of the Chinese soldiers.

† Since the end of 1938 these areas have been in contact with the Manchurian guerillas. In 1942 the commander of one of the Manchurian guerilla armies was able to visit Chungking. By 1942 partisan (guerilla) forces stretched from the plains of Manchuria in the north to the borders of Indo-China in the south. Many Chinese workers escaping from Hong-kong formed partisan bands.

Fourth Army, which had previously operated around Shanghai, marched north to join these forces. From July, 1941, to July, 1942, this army fought no less than 2,400 battles with Japanese, killing nearly 25,000 enemy and "puppet" soldiers.

4. In South Shansi and parts of North Honan and South Hopei is the third great Border Region, again including some 12 million people, with its base in the famous Taihang mountains. This area is now closely linked with the Shantung one.

While the centre of each of these guerilla areas is in mountains difficult of access to the Japanese, the areas stretch wide over the plains. In those plains has been learnt a lesson in guerilla warfare that was to be learnt in Europe later. Said General Chu Teh of the first year's fighting: "These engagements proved that a guerilla war can be fought with success not only in mountainous areas but also on plains. In short, an army, even if isolated, cannot be annihilated if it knows how to co-operate with the people."*

"The greatest lesson we have learned," he also said, "is that a people can fight victoriously with what resources it happens to have." "With the confidence of the people and the understanding of their needs, nothing is impossible.†

One of the great results of this guerilla and mobile warfare has been that the Japanese plans for economic exploitation of North China have, with some exceptions, been largely frustrated.

In Shansi, where the main forces of General Yen Hsi-shan and the Eighth Route Army operate, the Japanese are confined to the main towns and railways. This mountainous country has been excellently used to defeat every Japanese attempt to root out the centres of Chinese resistance or to cross the Yellow River. Though, since the end of 1940, the Eighth Route Army has been prevented by the blockade imposed by other Chinese forces from getting supplies of ammunition and even medical supplies, they have nevertheless beaten off attack after attack by the best equipped Japanese units.‡ All too

* Quoted Epstein, op. cit., p. 213.

† Winning the confidence of the people was one of the greatest tasks. When the Eighth Route Army arrived in many areas the peasants called even the rank and file "Sir" and "Lord." Past experience had made them "down trodden, spiritless, suspicious." Yet it is those same peasants who for five years and more have been throwing back the Japanese offensives. Their confidence was created by propaganda, by the friendly, co-operative and disciplined behaviour of the soldiers, by getting them to elect their own councils and form their own defence units, and by the success of those units in battle. A great lesson in the strength of the people. The first principles of the Eighth Route Army are: (1) unity of officers and soldiers; (2) unity of army and people; (3) propaganda amongst the ranks of the Japanese enemy. Many Japanese soldiers have been won over by such propaganda.

‡ The armies are partly equipped with captured supplies. They have also their own tiny arsenals. By the summer of 1938 30,000 hand grenades a month were produced in the Wutai region.

little has been reported of the tremendous service these great men have done China and the world, for upon their strength and courage depends the defeat both of Japanese attempts to cut China's northern supply routes, and of Japanese attempts to penetrate into Szechuan from the north-west.

Throughout 1942, not to speak of earlier years, Japanese offensive after offensive has been beaten back. In one of these fierce battles of resistance, Tsao Chuan, Vice-Commander-in-Chief of the Eighth Route Army, lost his life. These attacks in March, April, May, June, July and August were due in no small part to Japanese fury at the successful offensives that the Eighth Route Army had launched in December, 1941, and January, 1942, in South and North Shansi, in Hopei and Shantung, to relieve Japanese pressure on the Allied forces elsewhere in the Pacific. Writing on the occasion of July 7th, 1942, General Chu Teh, Commander of the Eighth Route Army, could record that in the previous year the army had fought over 12,000 battles, tying down over twenty enemy divisions or 44 per cent of the Japanese then in China, thus playing a tremendously important role in the whole war in the Pacific.*

5. Between the Yellow and Yangtze Rivers there has been constant minor fighting in Honan. The Japanese have tried on occasions to drive from Hankow towards Chengchow, but unsuccessfully.

North of Hankow, in May, 1939, a Japanese attempt to push through to Sian was defeated by General Li Tsung-jen, and not until the spring of 1940 were the Japanese able to advance as far as Ichang, which they have so far succeeded in holding.

6. In the southern part of Central China, in order to complete their control of the railways and to establish through rail traffic from Manchuria to Canton, the Japanese have constantly tried to take the town of Changsha which stands on the Canton-Hankow railway near its junction with the railway which runs from the coast (the Hangchow-Nanchang railway). The first drive was in September, 1939. It was soundly defeated. The second, in 1941, suffered a similar fate. The third, at the end of 1941, though the Japanese used rather more troops than they did in the whole of the Malaya campaign, was routed too.† These drives had been made with units based both on Hankow and on Nanchang.

* A favourite Eighth Route Army method is to fight with mobile units which seldom exceed 600 and are linked with divisional H.Q. by wireless. Such units are constantly on the offensive and battles are frequent, see *Twin Stars Over China*, Major E. F. Carlson, New York, 1940, p. 76.

† In this third offensive the Japanese used 150,000 troops and 100 planes. All these Changsha offensives were defeated by tactics broadly similar to those used by the Chinese at Taierchwang, i.e., stubborn defence of the main position attacked, flank and rear attacks on the Japanese columns, plus active guerilla operations far in the Japanese rear.

In June, 1942, they began a fourth, more ambitious attempt, advancing from the coast along the Hangchow-Nanchang railway with the double purpose of capturing the new Chinese air bases in Chekiang and Kiangsi and proceeding along the line to Changsha. This main thrust was accompanied by simultaneous offensives against the guerilla areas, and by offensives in Inner Mongolia, in Yunnan, and north of Canton. In the main offensive the Japanese tried new tactics to protect their flanks and rear by throwing out a screen of raiding parties. The chief result of this was that they weakened the strength of their main column, and after some six weeks of success it too ran into difficulties. At first, slowly, then more rapidly, the Chinese began to push the enemy back towards his starting place.

7. Along the coast from Hangchow Bay to Canton, following the fall of that city, the large ports have all been sporadically attacked and held by the Japanese. The last to be captured was Wenchow which the Chinese used from the end of 1938 to the beginning of 1940 to bring arms from Hongkong and send them up into the interior. In January, 1940, the Chamberlain Government, secretly and unknown to the British people, placed a ban on the transport of arms through Hongkong to Free China, but the Chinese still managed to use the port for some purposes till the end of 1941. In 1942 came a new development, the sea guerillas. These attacked lighthouses and lightships and laid mines for Japanese vessels.

8. Further south, around Canton, there has been constant fighting. Several times the Japanese have tried to push up the railway towards Changsha. They have never succeeded. Everyone in Britain and Canada will remember with gratitude how, when Hong-Kong was attacked in December, 1941, the Chinese without delay launched a counter-offensive here to draw off the Japanese forces attacking the British and Canadian troops. In Kwangtung province, since 1938, guerilla units have been in operation, among them many sailors from both Canton and Hong-Kong. Though the local provincial authorities have not always shown a willingness to appreciate their importance (on some occasions reactionary officers have even attacked them), they have played an extremely important part both in frustrating Japanese attempts to advance further and in preparing the ground for the successes of the main Chinese armies. They carry on the proud traditions of the Canton and Hong-Kong workers.

9. In the extreme southern part of China the Japanese landed at Pakhoi in November, 1939, and by December were in Nanning, capital of Kwangsi. But they only held it for six months before withdrawing, and since then they have as yet made no real attempt to advance into Kwangsi either from the coast or through Indo-China, which their troops began to occupy at the end of 1940.

10. The fall of Burma early in 1942 led to the opening of a new front against China, the Burma-Yunnan front. At first it seemed that

the Japanese would follow their Burma successes with a drive into China, but the Chinese held them in the border mountains. At the end of 1942 there were signs that the Japanese might be preparing a new offensive. One thrust of 7,000 men was made, which the Chinese threw back.*

China the Key to Victory in the East

Since 1931 the struggle of the Chinese people against Japanese imperialism has always been part of the world struggle against fascism and aggression. The Japanese attack on Britain and the United States on December 7, 1941, which ranged the Japanese fascists openly alongside the main enemy of the peoples, Nazi Germany, completed the process.

The Chinese people had repeatedly warned the world against the enormous appetite of the rulers of Japan; they had ceaselessly pointed out the dangers of appeasement, not only for China, but for Britain and the U.S.A. themselves. In December, 1941, the policy of appeasing Japan, of selling her all the arms, the oil, the rubber, the scrap iron, the iron ore, the aluminium that she could buy, while allowing China only the smallest of assistance and even placing barriers in her way, led to its inevitable catastrophe.

At the same time Japan's attack brought China into the alliance of the United Nations as one of its four main pillars and she was inspired by high hopes and a consciousness of the importance of her role, militarily and politically.

But though the Generalissimo was made supreme Allied Commander of the Chinese theatre of war (including Indo-China and Thailand), China's offer to send troops to help defend Singapore was ignored. Yet on the fate of Singapore depended the fate of the Burma Road, China's life-line: Her offer to send troops to Burma was accepted too tardily and too reluctantly to affect the outcome, though within a few weeks it was clear that if Chinese troops had been

* The Japanese have some 40 divisions in China (over 1,000,000 men), others in Manchuria, and (December, 1942) eight divisions in Burma. In 1942 the total Chinese forces, front line, reserve, training and militia units number 10 million conscripts and 10 million volunteers. (Units fighting guerilla warfare were both regular, volunteer and militia units.) The Chinese paper *Yi Shih Pao*, in December, 1942, gave the figure of six million as the total figure for the regular army. The Eighth Route Army and the New Fourth Army together numbered some 570,000 regular soldiers in the middle of 1942. Arthur Moore, correspondent in China for the *Daily Telegraph*, wrote (15/12/42): "Foreign observers estimate that the immediate effective strength (of the Chinese Army) is between two and three million." This low estimate is given because of the Chinese Army's lack of arms. Even the three million are still inadequately armed according to European standards. Conscription began in China in the coastal provinces in 1936. One of the difficulties that the Chinese authorities have had to meet has been the unwillingness of many members of the wealthier classes to submit to conscription: while in the more backward parts of China the old press gang methods of recruiting soldiers are only slowly dying out.

invited earlier and in larger numbers than doubtless Burma would never have been conquered by Japanese forces. As it was, Chinese forces did invaluable service in covering the retreat of the British units, and numbers of Chinese soldiers stopped on for months in Burma to harry the Japanese with guerilla warfare.*

Thus the outcome of four months as a military ally of Britain and the United States was for China the loss of the Burma Road, the appearance of the Japanese on a new front, the Burma-Yunnan border, and a position more isolated than at any time since the closing of the Burma Road by Britain for three months in 1940.

Yet militarily China is the key to the defeat of Japan. All that is needed is that the Chinese be provided with the arms they cannot themselves produce.

The Chinese are conscious that for over five and a half years they have been performing a great military task for all the United Nations. They know that in China are to be found the air-bases from which Japanese towns and Japanese shipping can be constantly attacked. They know that, defeated on Chinese territory, driven into the sea along the China coast and through Korea, no Japanese successes in any other part of the Pacific will give Japan's rulers victory. A China offensive, driving the Japanese beyond the borders of Korea, would rapidly bring down the whole ramshackle structure of the Japanese Empire.

The Chinese are disappointed with and severely critical of Britain and America because they have not yet realised the military importance of China† The Chinese appreciate the offensives in the South Pacific which weaken Japan and ease the burden on China, they delight in United States and Australian victories in the Solomons and New Guinea. But these are not the same thing as supplies to China and the re-opening of the supply route through Burma. Something has been done in the way of sending supplies to China. The Chinese have a few more planes and U.S. Air Force and R.A.F. units are also co-operating with Chinese forces. The raids on Hankow, on Japanese occupied coal mines in North China and other places in 1942 had

* See *China the Unconquerable*, C.P.G.B., 1942, 2d., for quotations on these points. According to O. D. Gallagher (*Retreat in the East*, p. 187) the Chinese troops in Burma were not beaten because of the overwhelming number of Japanese, but because the Allies failed to supply them with sufficient munitions, supplies and artillery. The Burma campaign was one of the greatest British mistakes in the war, and the root cause of the mistake was underestimation of China. Most of the Chinese troops in Burma withdrew either to Yunnan or to India, but even in December, 1942, Chinese units were operating in the Shan States (part of Burma).

† How gravely this underestimation of China has affected Britain and the U.S.A. is shown by the strength of Japan's resistance in the South Pacific. Japan would not have been able to concentrate so many forces in this area if China had been supplied with more arms.

excellent effects. At last the Chinese felt they were getting some of their own back for the Chungking raids. Air co-operation helped in the Chinese victories in Chekiang. But this only goes to show what prospects of great victories will be opened up when planes are sent to build up a really strong air force.

For some time there has been discussion of a great Chinese offensive, which would be the beginning of the third stage of Chinese strategy, the stage of the Chinese advance. This offensive would not only sweep back individual thrusts as the Japanese make them, but would begin steadily to liberate town after town that the Japanese have held for years. Such an advance would destroy the whole of Japanese military power in the Pacific as nothing else could. For it to be possible two conditions are essential.

The first concerns China. Since 1940 many units of the Chinese Army have been immobilised "keeping a watch on" the Special District and the Eighth Route Army. Since the attack by some reactionary generals on the New Fourth Army in December, 1940, the Eighth Route and New Fourth Armies have been blockaded and, in the words of Chu Teh, have been without "one penny, one bullet or shell or medical supplies" from the Government. Such a situation doubly enfeebles Chinese offensive powers both by weakening these two armies and by keeping in inaction other Chinese forces who are anxious to attack the Japanese. Inevitably this situation will be ended, but the peoples of Britain, the United States and other Allied countries can assist the process both by their own example of resolutely attacking the fascist powers, and by further strengthening their own democratic national anti-fascist fronts.

The second condition is that China gets the arms. It cannot be too often stated that when China gets the arms, Japan will be defeated. Thus Generalissimo Chiang said in a broadcast to America in May, 1942: "As a realist I must point out, however, that morale, important as it is, is not sufficient itself to win a decisive and final victory. It must be supplemented by mechanized equipment. Mechanized equipment by itself, however, is futile. Morale and equipment combined spell final victory. . . . As commander-in-chief of the Chinese theatre of war, I pledge you my word that given 10 per cent of the equipment you produce in America the Chinese Army will reveal for you 100 per cent the desired result." The chief reason why the Chinese advance in Kiangsi and Chekiang in the summer of 1942 could not become a general advance, nor even retake the key town of Kihwa, was that the Chinese, despite their year-old alliance with Britain and the U.S.A., were still without the artillery necessary to take fortified towns. In fact, they were still left to face their five-year-old problem of shortage of rifle ammunition, though supplies for China were being allowed to accumulate in dumps in India. Again, lorries are so few and so precious in China that they are never used at the fronts. Men have to carry all supplies up to the actual fighting line. What could not a few more lorries do in China?

The Soviet Union, despite its own great need, is sparing supplies for China, sending them by the northern route. But the amount sent by Britain and America, though steadily growing, is as yet small, and all too often it is delayed for long in India because sufficient transport planes have not yet been made available to carry supplies to China. Moreover, difficulties in supplying China will persist until the Burma Road is re-opened again. *It must be re-opened*, and the finest and surest way of re-opening the route through Burma would be to allow an Indian National Government to come into being in an independent India and to pledge Burma her freedom.

The full seriousness of China's supply position was stressed at the end of 1942 by an American critic who said that "China has been receiving each month fewer supplies than a single army division uses up in one day; and China's lend-lease receipts amount to less than 2 per cent of a minimum programme filed with lend-lease authorities in Washington."* Mr. Willkie, after his visit to China, also emphasised the minuteness of the supplies China had received. Nor has much in the way of machinery been sent to China to enable her to expand her own arms output.

Nevertheless, China prepares to attack. "Events in China in the past year," said Generalissimo Chiang Kai-shek to the People's Political Council in October, 1942, "have made it clear that we are passing from the defensive to the offensive and have achieved indubitable results in military measures for preparation for an offensive, despite the difficulties we have had to face."

FIVE

THE BATTLE OF PRODUCTION

"Double the membership, treble production."

1942 slogan of the Chinese Industrial Co-operatives.

All the United Nations have waged a battle of production, which has concerned citizens as intensely as the military battle. None, however, have had to face such titanic problems as the Chinese.

For modern large-scale industry it is necessary to have raw material resources, skilled labour, machinery and plants, well-developed scientific staffs and laboratories, and an efficient system of transport.

In 1937 China had little more than resources.

There were then 3,849 Chinese registered private factories, but they were mostly very small. Of these, no less than a third were in Shanghai, and only 279 were in what is now Free China. The majority were

* Quoted, *Manchester Guardian*, December 17, 1942.

from these cities to the Chinese interior gave little result. Canton fell too rapidly for much to be done there either. Only from Hankow was industry evacuated on a systematic and extensive scale. Among the plants moved from there was the Japanese-owned Hanyehping Iron Works, whose confiscation and transfer to the interior marked a turning point in China's industrial history.*

In all, the Ministry of Economic Affairs could report in 1940 that of some 3,500 Chinese registered factories in the cities taken by the Japanese, 450 had migrated to the interior. Some 120,000 tons of machinery and 100,000 skilled workers altogether were moved from private and Government works. But it was one thing to move machinery and another to set it in operation again. Many of the coastal factories had used electric power. In the interior power stations were few and far between. Indeed early in 1940, according to Edgar Snow only about 200 of the transferred factories were working again†

The difficulties of importing machinery enormously complicated the task of building an industry. After the fall of Canton the total annual load capacity of all routes into Free China was less than China's annual import of steel products in the pre-war years. With the closing of the railway from Indo-China into Yunnan in 1941 it became far less. Moreover, apart from the Curtiss Wright Company, which built a small aeroplane assembly and body-building plant in Free China, and the British Pekin Syndicate, which, through its Chinese subsidiaries, helped to develop coal and iron mines, most American and British firms preferred to work for Japanese contracts. The British-owned Kailin pits in North China went on happily supplying the Japanese navy with coal up to December 7th, 1941, when they were seized in full working order by the Japanese;‡ and companies like Jardine Mathesons, even in 1940, were quite pleased to supply Japan with material and equipment for building strategic railways. Nor were the early British and American Government credits to China of much more use in buying machinery than in buying arms. For their purpose was not so much to help China as to keep up the rate of the Chinese dollar in Shanghai, so that the foreign owned business houses there should not suffer from the war.

A further difficulty was that there was a tendency in some Chinese quarters to think in too ambitious terms, a desire to plan large-scale industry in the future rather than to push ahead with today's task of mobilising the utmost productive power however tiny it might seem.

* By the end of 1938 roughly 80 per cent of China's former industries had either been captured or destroyed, some 13 per cent had been evacuated. 7 per cent was already in the interior.

† *Scorched Earth*, London, 1941, p. 168.

‡ When in 1938 the company signed its contract with the Japanese navy, 60,000 miners came out on strike. Armed force was used against them, and this and hunger eventually forced many of them back. But 5,000 got away and, forming six guerilla detachments, they joined up with the forces of the Hopei-Chahar-Shansi Border Region.

Finally there was the unpatriotic attitude of some Chinese business men. Writing in the bulletin of the Central Bank of China in 1942,* a Chinese engineer declared: "Regrettable also is the fact that following the withdrawal of Chinese troops from Shanghai in December, 1937, Chinese industrialists and enterprisers, lured by profit motives, flocked to Hongkong to re-establish themselves." Thus China was deprived of much valuable capital and machinery. Equally culpable were the landlords and rural bankers, who preferred speculation in rice and scarce goods to investing money either in Government bonds or industrial enterprise.

But, despite all handicaps, industry began to expand.

The Roads

The first need of industry is communications. China had always been backward in railways, roads and airways. The Japanese have deprived her of most of what she had. In 1940 some 800 miles of railway were left in Chinese hands, hardly as much as in the English county of Yorkshire, and there were less than 50,000 miles of dry weather roads.

New roads were pushed ahead. From Chungking to Sinkiang went the 3,000 miles north-west road; south-east went the road to Burma, 1,600 miles from Chungking to Lashio. Whether mountain sides had to be blasted away or torrential rivers crossed, the work had to be done by hand. "It looks as though they had scraped it out of the mountain side with their finger nails," one foreign journalist said about the Burma Road, and indeed that was not far from the truth. For tools the workers had little but picks, mostly very primitive. Even the rollers for levelling the surface had to be hewn out of the solid rock by hand. But steadily the roads took shape.

Today more great roads for connection with the outside world are being built. Two pass through Southern Tibet into Northern India. Already hundreds of miles of the southern route have been constructed. By February, 1942, it was calculated that three-fifths of this new road were complete.† Other new routes are under construction to the Soviet frontier.

But the great routes to other countries are only part of the plan. The building of internal communications is of equal importance.

Between 1937 and 1941 nearly four hundred miles of railway were completed or under construction. For example, the tracks of the Lunghai railway were lifted to prevent capture by Japan and a new

* Quoted in *China at War*, August, 1942.

† *Economist*, February 28, 1942. But these roads will still take a long time to complete and their length is too great for them ever to replace the Burma Road.

extension was built from Paochi in Shansi to South-East Kansu. Similarly a railway was built from Changsha running into Kweichow. But lack of railway equipment held up many essential schemes, while the work done on the Yunnan-Burma railway, which followed the Burma Road, was rendered largely useless when the Japanese took Burma.

Roads were more easily built. Three great systems gradually came into being. First, the south-west system covering Szechuan and Yunnan, with branch lines running into Kweichow, Hunan and Kwangsi, and linking those three provinces together. Second, the north-west system, centring on Sian, the capital of Shensi, and linking Sian to Chungking, to Sinkiang, to Inner Mongolia, Shansi and Honan. Third, the north and north-east system, with routes running up from Chungking to Chengtu and then, by-passing Sian, to Sinkiang, with others running through Sikang* and Tibet.

All these mighty systems of communications made full use of the few existing railways and, more important, the improved and improving waterways of free China. In Britain, we have long passed the stage when it was found how superior canals were to horse-drawn vehicles on roads. In China, waterways have always been one of the most important, perhaps the most important, highways of transport. In war-time China much work has been done in widening and deepening river beds, eliminating rapids, making modernised junks with motors from broken-down lorries, and building inland slipways for the construction of river steamboats (six were launched in the first half of 1942), so that with improved waterways men and goods may move more speedily about the country.

By mid-1941 China could claim some 1,500 miles of railway, 25,000 miles of good motor highways, and over 5,000 miles of good waterways. The building of roads and improvement of waterways is a constant process; each month brings news of new victories of labour on this front. What, however, is most essential if the coal and iron of West China are to be brought together to provide a great supply of arms and a great supply of goods and machines for future prosperity, is railways, and it is just these that, because of lack of steel, are most difficult to build.

Airways are as essential for internal communications in China as they are in the U.S.A. and the U.S.S.R., but Free China, unable to construct airplane engines and severely handicapped for lack of petrol, has had to content herself with very, very few planes for this purpose.

* A new province (the twenty-eighth Chinese province) formed in 1939 out of districts of East Tibet formerly ruled by local kings and tribal chiefs, and some districts of North Western Szechuan. The other parts of Tibet are Chinghai (or Kokonor) and the area ruled from Lhasa by the Dalai Lama together with a Chinese representative.

Industry

The second task of Free China was to build an industry on the basis of what machinery could be transported to the interior or imported from outside. How little this latter was during the first four years of resistance is shown by the figure of 30,000 tons of imported machinery given in 1941 as the total for the first four years of war.* Yet, steadily the number of mines and factories has expanded. Naturally, because of war-time secrecy, many figures are not available, but those that are speak of great efforts.†

The figures are tiny. China's coal production in 1940 was scarcely 2½ per cent of Britain's and only a quarter of China's 1936 figure. But it showed a 50 per cent increase over 1937 for Free China,‡ and that was the important thing. Year by year since then it has been expanding.

The early plans for big iron and steel works had to be laid aside and the new industry that grew in the interior was equipped with half-ton, one-ton, two-ton, five- and ten-ton furnaces which were set up especially in 1941 and 1942. In 1941 Szechuan had altogether fifteen small blast furnaces, and four electric furnaces with a capacity of from 3 to 5 tons of steel a day. Minute as such furnaces must seem to those accustomed to the massive heavy industry of the West, they are a splendid tribute to Chinese ingenuity and perseverance. They have provided that trickle of raw materials to the Chinese arsenals which has saved Britain, the United States and the other United Nations from terrible tragedies.

One example of the kind of industrial achievements attained is the China Development Corporation, the biggest industrial concern of Free China. In August, 1942, *China at War*, the official publication of the China Information Committee, Chungking, proudly described its iron and steel works: "The Corporation's iron and steel works has a thirty-ton iron foundry furnace, a ten-ton Martin furnace, and a

* *Economist*, November 15th, 1941.

†	Production Figures for Free China	
	1937	1940
Coal	3.6 million tons	5.7 million tons
Pig Iron	31,000 tons	100,000 tons
Copper	400 tons	1,000 tons
Petrol	34,000 gallons	440,000 gallons
Industrial alcohol	1.8 million gallons	3.4 million gallons
Yarn (factory)	30,000 bales	54,000 bales

(of the pig iron, only 15,000 tons were produced in modern furnaces in 1940)

‡ In Szechuan province the increase was 400 per cent. During prospecting in the interior in 1938 tremendous new deposits of coal, iron and other ores were found in Szechuan and Yunnan, greatly increasing the estimate of China's resources. In the floods of 1942 rich, new coal seams were also found in Honan. By the time of the visit to China of the British Parliamentary Mission (November, 1942), total coal production in Free China was 200 per cent of 1937 and cotton textiles 500 per cent.

one-ton electric furnace, producing twenty tons of steel bars, one hundred tons of firebricks, and forty tons of steel a month." For China that was a giant.

On such little factories as these, and on the workers in them, has the defence of India, Australia, the Pacific Coast of North and South America, Africa and Siberia depended.*

While a large part of the industry of Free China was concentrated in Szechuan province, it gradually became and is becoming more decentralised. "Altogether fifteen main areas have been chosen for development instead of centralising our effort in a few cities," wrote the Chinese Minister of Economic Affairs† "In each area it is the first task of the Government to erect new power plants so that electricity may be easily obtained for industrial use."

As an example of the kind of change this has brought about in the backward interior provinces of China we may take Kweichow, which, though larger than England, had no modern industry in 1936. By 1940 there were twenty modern industrial and mining enterprises, including an oil-cracking plant producing airplane and motor oil from vegetable oil, a silk filature, a coal mine and mining bureau. A foreign journalist, visiting the province early in 1941, mentioned, apart from the above plants, a power plant, a weaving mill, a printing press, and antimony, mercury, iron, coal, and gold mines. A machine shop was being built and two railways were under construction.

Sikang, which did not become a full province till 1939 and was previously inhabited almost entirely by tribesmen, boasted in 1941 a 600 h.p. power plant, a steel works under construction, small coal mines, and a dozen or more light industries, textile, sugar, soap, etc.

These were backward provinces.

Another measure of the development of provincial industry during the war has been the expansion of Development Corporations in the individual provinces. By 1942, 14 provinces (*i.e.*, all those wholly or mostly in Chinese hands) had Development Corporations capitalised at anything from £60,000 to £900,000.

But the development of industry faced enormous difficulties.

* Compare the Chinese furnaces with the blast furnace blown in in the U.S.S.R. in December, 1941. It was the largest in Europe and had an output of 1,400 tons a day. The U.S.A., with a production of over 80 million tons of steel a year, can make more steel in a day than Free China in a year. Japan, in 1937, had a steel output of 7 million tons a year.

† *China Fortnightly*, Jan. 1, 1941. This policy of decentralisation was made especially necessary by China's lack of planes to defend her cities from air attack. Industries are divided into three categories, heavy, light and small. The heavy industries are naturally as far in the interior as possible. The small either supplement them or work near the front.

The National Resources Committee, the chief Government organ under the Ministry of Economic Affairs to control Government-owned industrial development, had established 71 industrial enterprises by the end of 1940. In July, 1942, they numbered 108.* Privately owned factories were, however, almost stationary in number, being 1,354 at the end of 1940, and 1,355 at the end of 1941, though many individual factories had expanded in size.† This stationary total figure was due to the many handicaps industry had to face in the interior.

Great efforts have been made to expand the output of electricity. Between 1937 and 1941 twelve electric power stations and 159 coal generator plants were built in Free China; but their total production was still only one-sixteenth of the 1937 output for the whole of China, the main power stations being lost with the fall of the big cities.‡ 1942 saw further expansion and in October of that year Dr. Wong Wen-hao, Chinese Minister of Economic Affairs, was able to report that there were now twenty power stations in operation, supplying fifteen different cities.

The expansion of mining has been more rapid than that of industry. The number of coal mines in the present area of Free China in 1937 was 745; in 1941 there were 1,629. In the same period iron mines increased in number from 45 to 112.§ But many of the pits were small and many mines were worked by methods similar to those used in the eighteenth century pits of Britain or of New England.

There has of course been considerable expansion of small industrial and handicraft works employing less than 30 workers. Many of these used water wheels for power.

The difficulties of industry were not only shortage of production tools, shortage of capital, shortage of technical skill, and shortage of electrical power, but also the wearing out of machinery; for the evacuated machine shops can still make only the simpler kinds of machines, and larger machinery must come from abroad. This wearing out of machinery stresses yet again the importance of ending China's present isolation so that new machinery may be imported.

*	Enterprises of National Resources Commission	
	1940	July, 1942
Industrial	29	41
Mining	22	43
Power stations	20	24
Total	71	108

† The definition of a factory is the use of machine power and the employment of thirty or more workers.

‡ *Great Britain and the East*, 10th October, 1942.

§ *China at War*, October, 1942, report of Lin Chi-yung of the Industrial and Mining Adjustment Commission.

The first closing of the Burma Road was a warning signal to the Chinese Government. Great efforts were put in hand to expand steel production. A Government spokesman said in December, 1940: "Compelled by circumstances, China is building its own furnaces of small capacity," and mentioned the experiments done on furnaces up to twenty tons capacity, adding that four-fifths of them would be ready in the next six months. But such steel output was needed directly for the manufacture of arms for the forces at the front.

In the summer of 1942 it was announced that a steel strip mill had been set up in Chungking, a great and invaluable industrial achievement.* But it was evident that neither Britain nor the United States had taken much advantage of the opportunity before the Japanese seized Burma to send to China the machinery she so urgently required.

The Shensi-Kansu-Ningshia Special District and the Border Regions, where machinery was even scarcer than in the other parts of Free China, have a similar tale to tell. On the three thousand miles of the long march the Red Army men carried the most valuable of the machines from Kiangsi to the north-west. Writing of his second visit to the north-west in 1940, Edgar Snow stated: "Material conditions had improved. Mines and crude industries were developing. Industrial and producers' co-operatives were filling the needs of the civil population and the army." . . . "Agricultural production had also expanded."†

The abolition of merchant taxes, the encouragement to private industry as well as to co-operatives, apart from the enterprises of the Special District government, have produced a steady expansion in the flow of goods. A missionary, visiting Yen-an a little after Snow, spoke of the new city "pretty well hidden away from the vultures of the skies," with "whole new streets of shops, co-operatives, banks, restaurants, and small industries."‡ The larger co-operative factories were out in the country. At the end of 1942 a special conference of district officials was called to prepare plans for increased production in 1943.

In the areas behind the Japanese lines the difficulties are immense. Fighting is ceaseless. At almost any time it may be necessary to retreat from a given area. Simple plants for the manufacture of grenades, the repair of rifles and machine guns, making clothes, slippers and bandages, repairing farm implements, these are the requirements. The virility of the guerillas after five years of war testifies how adequately these production problems have been met.

* 10 modern iron works were in construction in 1942. *Great Britain and the East*, Oct. 10, 1942. Dr. Wong Wen-hao reported to the People's Political Council in October that 26 factories had been built or reconstructed that year. In the same year, also, after the visit of the Generalissimo and Madame Chiang to China's North-Western provinces, big developments began there, especially in Kansu.

† *Scorched Earth*, London, 1941, p. 255.

‡ *With Chinese Communists*, Stanton Lautenschlager. London, 1941.

One of the most difficult of China's war-time problems has been the lack of oil, for pre-war China was almost wholly dependent on oil imports. In the early days of the war not only had cars and planes to be imported, but also all the oil necessary to run them. It was one of the chief cargoes of the Burma Road. But the output of the oil wells of Kansu has been expanded and the oil of Szechuan has begun to be developed, while the Special District government has greatly expanded the output in Shensi. Though the total is tiny yet it is hoped that with the new machinery installed in Kansu the north-west will be self-sufficient in petrol. In the rest of China industrial alcohol plants and plants for cracking oil from oilseeds and tung oil have kept modern transport going. This is one of China's great achievements.*

By 1941 the northern province of Sinkiang was self-sufficient in kerosene. Under its three-year plans, the third of which begins in 1943, the peoples of that province are gradually building up industry. In 1941 coal output was 350,000 tons, and 10,000 tons of iron were produced.†

Like Sinkiang, all the provinces of China's west—Szechuan, Sikang, Yunnan, Kweichow—have revealed tremendous mineral wealth, and the estimates of China's coal, iron and metal resources have gone up by hundreds of millions of tons because of wartime discoveries. Here are great riches. Only railways and machines are necessary to tap them.

Remembering the past feudal backwardness and poverty of China, and the urgent need for the most rapid development of modern industry, which alone can turn these rich resources into wealth, Mao Tse-tung, General Secretary of the Communist Party of China, recently pointed the way to the next stage of economic development in China, saying: "State enterprises ought to be developed, but the main thing for the present is not state enterprise, but private enterprise."‡ Only so can China prepare to take her part in the world of the future.

The Chinese Industrial Co-operatives

Lacking so much in the way of modern industry, it was imperative for China to mobilise and expand small industry, handicrafts.

* By the end of 1942, fourteen oil wells had been drilled in Kansu and three were yielding crude oil in great quantities. Two refineries were working in the area. Elsewhere were ten large plants for producing petrol substitutes.

† Out of the troubles and wars of 1926-34 a strong administration arose in Sinkiang under General Sheng Shih-tsai, the present Governor. It is one of the most progressive of provincial governments in China. Democratic institutions flourish and many special conferences of the representatives of the different peoples of the province have been called to discuss such problems as education, health, etc., and to plan developments. Between 1937 and 1941, 42 new factories, mostly light industry, were built in the province.

‡ *The Worker*, New York, Sunday, October 11th, 1942.

Here the great achievement has been the Indusco, the Chinese Industrial Co-operative Movement (C.I.C. for short), whose formation and building has been one of the adventures of modern times and whose virility is a great tribute to popular initiative in the industrial sphere.

In the former Soviet regions of Kiangsi and the North-West, industrial co-operatives were encouraged and highly prized for their contributions to the flow of manufactured goods and for their democratic structure, but the growth of industrial co-operatives throughout wartime China owes much to the initiative of a group of Chinese and foreigners who formed an organisation in Shanghai, persuaded the Central Government to approve their plans and set up the first Industrial Co-operative headquarters on the South Shensi-Kansu border at the end of 1938.

To refugees fleeing from the Japanese sack of the towns, bringing with them perhaps a few tools or some tiny piece of machinery, the C.I.C. provided both hope of livelihood and a means of serving their country. To those with foresight it seemed an ideal way of organising the skill and initiative of the people in the solution of one of the greatest problems of the war. An able and enthusiastic staff of Chinese and foreigners, including such people as Wu Chu-fei, a Ford trainee, and Rewi Alley, the New Zealand ex-inspector of Shanghai factories, was quickly recruited; Dr. H. H. Kung, then Prime Minister, and Madame Chiang Kai-shek, showed an interest; the Government granted credits and gave orders for medical supplies, blankets, and certain items of industrial equipment.

The movement grew. Today there are some 1,700 co-operative societies with 23,000 members* (a figure which does not include the apprentice or preparatory members), with a monthly output of some £200,000 a month. They spin and weave, make clothes, bandages and boots, agricultural implements, have a few machine shops and mines. As their machinery is for the most part light and easily transportable, they can work just behind the fighting line and in the guerilla areas, thus earning for themselves the proud name of guerilla industries.

They have faced great difficulties.

Few of the refugees or peasants who form the membership had more to give than their labour. The purchase of the looms or lasters or spinning wheels sufficient to form a co-operative of twenty or thirty people might cost only some £15 to £20 in British money, but who would provide the money? Government and bank credit was only slowly available. Some funds came from foreign friends abroad, but

* Figures for December 31, 1941. In December, 1938, there were only 69 societies with 1,149 members. By March, 1942, there were over 2,000 societies with over 30,000 members, but later in the year it seems the number of societies was slightly reduced.

not in large amounts, and the great co-operative movements of other lands were all too little seized of the urgent plight and great hopes of their brother Chinese movement. Even today, though organisations exist both in Britain and the U.S.A. to help these allied co-operatives, there is only a trickle of help where there should be a river.*

At the C.I.C. National Conference in July, 1940, the movement came together on a national scale and discussed the problems of federation and constitution. As a result of the rules then approved, the members of each society in general meeting now elect a Board of Directors and a Supervisory Committee to do the auditing, thus providing an excellent school of democracy. The local societies are supervised and advised by the depots, which are themselves grouped in seven regions. Thus each society has technical skill and financial assistance to turn to. At Chungking there is the Central Board of Directors, of which H. H. Kung is the President.

Some in China have been inclined to belittle the movement because it provides no solution to the problem of the large-scale industry which China so urgently needs. There was also political opposition. Backward landlords looked askance at a movement teaching the people how to run their own organisations. In Yunnan province, for example, the growth of the movement has been extremely slow. Sections of the Kuomintang, who believe that all movements should be rigidly controlled by the party, also seek to limit the movement, and there has been much discussion in China as to its future. In 1941, a Committee of Government, Army, Kuomintang and other representatives was set up in Chungking to advise the Central Office, and it is greatly to be hoped that this has solved the problem and that the movement can now go forward more strongly. The number of societies and membership was almost stationary from July, 1940, to the beginning of 1942. But for 1942 the slogan was: "Double the membership and treble production.†

Summing up the difficulties of the movement, the *International Labour Review*, the journal of the International Labour Office, wrote in December, 1941, that while "the leaders of the C.I.C. have been successful in preserving that institutional independence without which

* The International Federation of Trade Unions gave C.N. \$10,000 to the C.I.C. in 1939 (say £500) but there was no record of any gift from the British Co-operative movement up to that year, though some few preparations for giving assistance were made in 1941 through the Anglo-Chinese Development Society, a British company in which British co-operators play a large part.

† In October, 1942, the powers of the central office over the local federations and regional headquarters were increased, while a former Government official (Chou Hsiang-shiu, former Mayor of Hangchow) was made Secretary-General of the Chinese Industrial Co-operatives. Some critics saw this as a success for those reactionaries who desire to limit and control the movement. The vitality of a co-operative movement is of course the vitality of its members and their power to elect officials and control policy.

no sound co-operative progress could be achieved," "the main difficulty, however, seems to be the hesitancy of the Chinese banks to extend credits to the industrial co-operatives, a hesitancy that has yet to be overcome."

That is a problem which will be overcome, but it is for the members of the British Co-operative movement to overcome the exactly similar hesitancy of their own societies and movement to extend help to China. By showing a proper appreciation of the C.I.C. they will strengthen the Chinese friends of co-operation.

In addition to the co-operatives, other handicrafts have expanded, and the improved methods of the co-operatives, the improved spinning jennies, the new methods of making soap and tannin, the new water wheels, have spread further than the co-operatives themselves. Together with similar inventions, they have gradually increased the quantity and improved the quality of the hand-made goods of the whole interior.

Agriculture

With regard to manufactured goods, the problem in Free China has been so immense as to be unimaginable by a resident in Britain or North America. The problems of agriculture have been hardly less severe. Much of the best agricultural land lay in areas behind the Japanese lines. There was a shortage of raw cotton, of sugar, of wool. In many areas there was also a shortage of rice. The Japanese slaughter of oxen, an imperative necessity of Chinese agriculture (more important than the tractor in the United States), lowered the production of great areas. Dykes were broken or fell into disrepair. In North China millions were homeless, drowned or starved in the floods of 1939 and 1940. To the interior, fleeing from the Japanese advance, came millions of refugees who had to be clothed, fed and settled.* Moreover, any radical alteration in the position of the peasants had to meet the opposition of most landlords. Nevertheless, production has increased and a little has been done in some areas and in some minor respects to improve the position of the peasantry.

Government figures for the trend of prices show that, latterly, it has been somewhat in favour of the peasant, though not nearly so much as it has been in favour of the landlord.† Peasants, it is said, have been able to pay off some past debts, while the growth of co-operative banks (there were 317 in 1942), which lend to peasants at 1.2 per cent a month (high enough, but only a

* Estimates of refugees put the figure at 60 millions, more than the whole population of Great Britain.

† The *Far Eastern Survey*, I.P.R., August 10, 1942, however stated that the peasants had not benefited by the rise in prices. All peasants have been hit by the increased prices of the goods they buy (oil, salt, clothes, etc.), but the owner peasants have been compensated by the rise in rice prices. Tenant peasants, paying their surplus rice over as rent, have not had this compensating benefit.

fraction of the moneylender's and landlord's toll), has greatly helped the peasantry, especially at a time when in many parts they have been encouraged to go in for improved seeds and more productive methods of farming. The growth of landlordism seems to have been somewhat halted. New land has been opened up in the western provinces, irrigation schemes have made semi-desert regions more fruitful, and nave drained swamps.

But the Agricultural Credit Co-operatives, which in 1940 numbered over 100,000 and had a membership of seven and a half millions, are under the control of local authorities and are far less progressive than the C.I.C. Government credit, national and provincial, in 1941 only amounted to one-fifth of the total peasant indebtedness. The peasants have also suffered much from the requisitioning of grain for the army.

It is not possible to give any exact description of the improvements that have been made. Obviously more has been done near Chungking than in parts further away from the seat of government. In 1941, for example, the plans financed by the Government banks for irrigation purposes, though numerous, were tiny and scattered. Only .2 per cent of their loans were for land reclamation and 6 per cent for irrigation. The plans for 1942 were more considerable and showed a more serious interest in the problem; and many canals were under construction in Kansu and Shensi. But the urgency of the need for improving water control was emphasised by the floods of 1942 in Shensi, Kwangsi and Honan. The last affected some 20 million people.

In 1942, also, a new Land Law came into force, providing for a proper survey of land holdings and enabling the Government to buy land from the landlords and sell it again to the peasants. Also in 1942 a Chinese writer declared that "the reduction of land rent has been put into practice in several provinces with encouraging results."

In the Border Regions the reduction of rent* and the rationalisation of taxation have been among the most successful measures in securing the mobilisation of the people for the war. Slowly, in the rest of China similar though far more limited measures are coming into operation. The clearing away of the great burdens of high rent, phenomenally high interest on loans, and excessive and often illegal taxation is one of the great and difficult problems of the war and of the future. For the moment, under the new Land Law, the new National Land Administration is to employ its powers first in Szechuan, Hunan and Kwangsi, "where some peasants are in urgent need of relief of high rents."†

* Usually by 25 per cent, the figure of the 1924 Kuomintang programme. In the Border Regions waste land is divided among poor peasants and landless workers. Often it is then worked on a co-operative basis so as to overcome the problem of the fragmentation of holdings.

† In 1942 an issue of C.N. \$100 million bonds was made to be used for buying land from landlords and re-selling to peasants. It was to be used in Szechuan, Kwangsi, Kansu, Hunan and Fukien.

By various measures the production of food and agricultural goods has been increased; some of these measures have been mentioned, others include the steps taken to eliminate opium production* and to limit the production of glutinous rice for wine making, thus freeing land for food. At the beginning of 1942 Government spokesmen declared that China was now self-sufficient both in food and in cotton. But the problem has been not only to increase food production, far more difficult has been the question of distribution.

Food Distribution

As peasants pay rent and repay debts largely in rice, landlords, moneylenders, the small local banks and merchants control the bulk of each harvest. The immigration of millions of people into the West, and the growing inflation began to send up food prices in 1940. The landlords and local bankers held back stocks to force up prices still further. The Government tried to control prices, it opened shops selling rice at low prices to civil servants and industrial workers, it executed the ex-Mayor of Chengtu, and others, for scandalous profiteering and black marketing, but still supplies were held back. The difficulties of communication between one area and another aided such cornering of the market, which affected not only civilian food but also supplies for the army. In 1940 a bad harvest, some 40 to 50 per cent below normal in Szechuan, complicated the position but though later harvests were better, even good, prices went on rising.

In 1941 more far-reaching measures were taken. A Ministry of Food was created to handle the problem, and a Government Food Company and an Inter-Provincial Trade Commission were set up. At the beginning of 1942 the collection of the land tax, the main source of revenue, was changed back to collection in kind instead of collection in money.† At the same time provincial taxation powers were done away with so that all the rice collected came under Government control, while landowners, besides paying tax, were compelled to sell to the Government an amount of rice equal to their tax payment for which the Government paid them 30 per cent in money and 70 per cent in food notes.‡ In the Spring of 1942 came the National Mobili-

* In 1937-8 Opium growing in Szechuan, Yunnan and Kweichow dropped 60 per cent. For the effectiveness of these measures even in a backward area of Yunnan, see *The Tower of Five Glories*, C. P. Fitzgerald, London, 1941, p. 27.

† See Chapter II. This reform began in Szechuan in mid-1941.

‡ In December, 1941 and in May and July, 1942 new bank regulations tried to end the speculation and hoarding activities of local banks by limiting rates of interest and instituting a system of government inspection. A division of function was also made between the four government banks, the exchange rate of the Chinese dollar was fixed and the right to issue notes centralised in the Central Bank of China. One of the difficulties of credit control in China is the multiplicity of the small, local, old-style banks and pawn shops. While branches of the four government banks now exist in most of the large interior cities, they are still relatively few and far between.

sation Act to tighten Government control of the whole economic system and to end luxury spending.*

Speaking at the National Food Administration Conference in Chungking, on June 2nd, 1942, Generalissimo Chiang Kai-shek revealed some of the problems that confront the Government in this matter. Saying that the food situation did not "turn upon any question of a lack of food but simply and solely upon ways and means of distribution," he condemned "a very small minority of rich landowners who grumble at the slightest increase of the amount of food required of them and who attempt evasion. There should be no timidity in dealing with such cases." "There are cases of connivance on the part of the authorities in practices of evasion," he went on, "... the Government should deal severely with it."

Government leaders have frequently stressed that China has not yet sufficiently organised herself for the war. Dr. Kung once spoke of taxation in China as being at a lower rate than that in other Allied countries,† and the Generalissimo, addressing the People's Political Council in the Autumn of 1942, said that all China's resources had not yet been mobilised for victory, condemned merchants for taking selfish advantages, and declared: "The Government is determined to effect complete national general mobilisation, to exercise comprehensive economic control, to stabilise prices, and to override all obstruction. Indolence and extravagance must be swept aside, and the people imbued with a sense of urgency." At the same time, as an example, a fraudulent inspector in the commodity control department of the Finance Ministry was executed. Later, as a further warning, the transport manager of the Central Trust was executed for making illicit profits out of the Burma Road traffic.

Prices, Inflation, Taxation

Complicating all the problems of production and distribution has been the enormous rise in prices. In Britain during three years of war we have experienced a price rise of some 30 per cent. In China by 1942 prices had risen thirty; forty or even fifty times. Partly this has been due to the dearth of manufactured goods, partly to hoarding and speculation, and partly to inflation.

Before the war the chief source of Government revenue was the

* The act provided for the restriction of financial and commercial activities, compulsory organisation of trade associations, government control over capital and labour, the closing down of newspapers, curbing of interest rates, and the redistribution of land. Many measures were definitely progressive, others might prove to be unhelpful to the war effort. Some, for example, might be used to limit civil liberty, others might restrict the growth of industry.

† This is relatively true of the wealthy sections. The mass of the Chinese people are, of course, far too poor to bear any weight of taxation.

Maritime Customs.* By the end of 1938 the vast majority of the sources of that revenue were in Japanese hands. Receipts from the Salt Tax and taxes on commodities were also severely reduced. Before the war these three taxes produced together some 80 per cent of the revenue.

To counter this fall in revenue, and to develop the modernisation of China's financial system (which had begun just before the war), direct taxes were increased. In 1936 income tax, the first modern direct tax in Chinese history, began in a limited way. On January 1st, 1939, an excess profits tax came into operation, while in 1940 an inheritance tax was enforced. Though at present all are restricted in application, they hold a promise for a more efficient and equitable financial system in the future. One great difficulty is the difficulty of collection. Not only is it harder to collect income tax from landlords who keep no accounts than, say, from government officials whose salaries are already known to the government, but covering so vast a country as China with its poor communications by a series of collecting agencies is no easy matter. Nevertheless, in 1941 direct taxes yielded 26 per cent of the government's revenue and their total yield was 27 times greater than in 1936. Though the rise in prices had something to do with this, yet it must be remembered that these larger taxes were collected at a time when the main centres of wealth were in Japanese hands.

Alongside the change from indirect to direct taxation has gone a change from provincial control of taxation to control by the Central Government. In 1937 the *hsien* collected the land tax, the sales tax, the stamp tax and various minor taxes, keeping some of the revenue for itself and passing the rest on to the provincial government. On January 1st, 1940, the stamp tax ceased to be a local and became a national tax, while in 1942 the sales tax was also nationalised. The reforms of the land tax in 1941 and 1942 have made it a national tax also, though it is still collected in the first instance by the *hsien*, and then passed direct to the Central Government. The *hsien* is still left with minor powers of taxation, but the budgets of the provinces are in future to be part of the national budget. Thus not only is the government bringing in more money to pay for the war, but the financial roots of the old warlords are being cut away.†

* Though of course even in 1937 the Maritime Customs were still foreign administered and receipts were chiefly taken up by loan payments.

† The first national collection of the land tax was on the basis of the land survey of 1577. This led to many grave injustices. In Szechuan, for example, over 50 per cent of the land, mostly landlord owned, escaped taxation because it was not registered in that out-of-date survey. The landlords owning this "new" land also escaped the forced sales of grain. The rate of tax was 25 per cent of crop, a rate which is often said to be too inelastic to adjust differences in land value. Because of wastage, of loss in transportation, of the expense of collection, of corruption among collectors and other officials, and because of the 10 per cent deduction by each *hsien* authority on the amount collected in the *hsien*, ultimately only 7½ per cent of the total collected "was consumed as government rice," according to an article in the *Ta Kung Pao*. See *Far Eastern Survey*, November 16, 1942.

As a financial measure, too, the government has made the sale of various goods—like sugar, matches and tobacco—into government monopolies. But it has been held that these have increased rather than diminished prices, and papers like the *Ta Kung Pao* have criticised them severely.

Finally, under the National Mobilisation Act, a National Mobilisation Board was set up in 1942 which has been weeding out unnecessary officials from the government departments so as to reduce expenditure.

In bringing about these financial reforms the government has had to face the same kind of opposition as it has met with in the solution of food problems and in building industry. Despite the increase in taxes, each year Government spending has far exceeded income, nor have loans anything like made up the difference. To bridge the gap the note issue has been expanded, and by the end of 1941 it was ten times the figure for June, 1937.

Credits given by the Soviet Union and latterly by the United States and Britain have eased the problem somewhat, but the only adequate solution is to increase the flow of goods for war purposes, which again leads back to the task of Britain and the U.S.A. in helping the building of Chinese industry.

Nevertheless, by the end of 1942 the rise in prices seems to have been somewhat checked, partly because of the Government measures and partly because of the Allied victories. Thus a report from Chungking in November, 1942, said: "For the last two months prices have remained about stable, which is a very good sign, as they had previously been jumping up almost from day to day." Another observer visiting Chengtu said that merchants "who have been amassing stocks and holding them against a rise are now unloading them. The price of cloth, after increasing month by month in almost geometrical proportions, has begun to drop. . . . It reflects the belief (because of Allied victories) that the Burma Road will be reopened, that a stream of supplies will begin to pour into China."*

On January 15th, 1943, to prevent further price increases, the Government fixed a price ceiling in Chungking for rice, wheat, raw cotton, cotton yarn, cotton cloth, fuel, paper, transport charges, and wages. None were to exceed the level of November 30, 1942. Prices in other large cities were to be similarly controlled at a later date. But it remains to be seen how effective these steps will be.†

* Arthur Moore, *The Daily Telegraph*, December 9th, 1942.

† The *Ta Kung Pao* called these measures mild, as they were not sufficiently compulsory, the administrative machinery in China not yet being sufficiently adequate to enforce compulsory measures.

Medical Supplies

From the point of view of human life, one of the most important sides of the production problem of China has been that of medical supplies—of ambulances, hospitals, X-ray units, and equipment and drugs of all kinds. Modern doctors in China are few and far between; most drugs and instruments have still to be imported. The war has created millions of casualties, civilian as well as military. In the past, to be wounded in battle was almost equivalent to a sentence of death. The modern health services try to reduce that death rate. In addition, there have been and still are plagues—cholera, malaria, and all the others. Refugees have to be cared for; orphans given shelter.

In this work the Chinese Red Cross, under Dr. Robert Lim, with its high standards and efficient administration, has set a notable example. Madame Chiang Kai-shek and Madame Kung have done much. The Medical Services of the Eighth Route and New Fourth Armies, with their adaptability and their research into drugs, have accomplished wonders. The four International Peace Hospitals in the north-west and with the New Fourth Army have done invaluable service.* Dr. Bethune, a Canadian doctor, gave his life in this work, refugee doctors from Spain have rendered devoted assistance to the Chinese wounded, as have the members of the medical unit sent to China by the Indian National Congress. All have fought stupendous medical battles with scarcely anything in the way of materials; all have accomplished much in medical educational work. Just as Overseas Chinese had helped in the establishment of new industries in Free China, had given to the Co-operative movement, had bought Government bonds in considerable quantities, so they had given in great sums to this medical work, far outdoing the contributions of the rest of the democratic world. Today, with the temporary Japanese victories in the Pacific—Malaya, the Netherlands East Indies, the Philippines—the bulk of these monies is cut off.

In the past five years the citizens of Britain have given but little to China. Now the need of such help is greater than ever. There have been authentic reports of how the Japanese seek to turn this sorry situation to their account by spreading plagues through infected rats. Fortunately now in Britain, through the United Aid to China Fund, each citizen can strike his blow in this battle against death in China, a section of the battle line of freedom.

Thus the tale of production in war-time China is one of heroism. Of the millions who walked thousands of miles into the interior; of machinery carried on the backs of men and mules over rough mountain tracks; of primitive picks against thousands of tons of rock; of

* The Scheme for International Peace Hospitals in the guerilla areas of China was adopted by an international Conference against aggression, held by the International Peace Campaign (Joint Presidents Lord Cecil and M. Pierre Cot) in Paris in 1938 at the suggestion of the British Delegation.

drivers with heavy, overloaded trucks, risking their lives on hairpin bends; of steady work in co-operatives conjuring goods out of almost nothing; of a handful of scientists, turning wood-oil into petrol and rubber and producing new kinds of concrete; of the engineer nursing his steadily wearing machine with the utmost ingenuity so that it may still continue to work; and the research worker trying to make bamboo do the work of concrete.

To these constant problems of the five years of war there is added another today. As regions are liberated from the Japanese, such as those from which the Japanese were recently driven in Chekiang, so problems of reconstruction arise. In retreat the Japanese have laid waste the land, crops have been seized or burned, animals killed, houses and buildings burned. Thousands are starving, homeless, destitute. Again the already over-taxed relief services must come immediately to their aid. And, for the future, work and the means of livelihood must be found.

SIX

NEW CHINA

“Together we fear neither iron or pain.
All forward together! Our battle is common!
The great road to freedom together we will tread.”*

While the political problem of uniting all the forces in China for resistance was of extreme difficulty, that of maintaining that unity throughout five years of great trial has been of the utmost complexity—a complexity which must be seen not only in the light of the military and economic problems portrayed in the two previous chapters, but also in relation to the involved and changing international scene.

The national front has had to combine representatives of the most advanced working-class party with feudal landlords; and backward hill tribesmen, to whom aeroplanes and cars are so much magic, with modern industrialists anxious to develop the great resources of China. It has had to face heavy military blows and the lukewarmness of professed international friends, and to accommodate itself to an industrial revolution. At times, through Japanese intrigues, unity has been stretched near to breaking point, but always the determination of the people has held it together.†

That holding together has required, as the Communist Party once said, “policies of mutual concessions and mutual aid” based upon the recognition that “in a broken nest there are no whole eggs.”

* “The Great Road,” by Nieh Erh.

† This national front of resistance to Japan is wider than the front of 1924-7, as it includes both landlords and local military groups.

But political situations are never static, they develop or regress; and the great political problem of wartime China has not been one merely of maintaining unity but of developing it so that through it the whole people are drawn into democratic anti-fascist activity, for on their being so drawn in depends the full solution of the military and economic problems.

In the years preceding the Japanese attack, the campaign for united resistance had been strongest in the towns. Here national unity was formed in embryo—workers, students and shopkeepers demonstrating together and receiving the open support of business and professional men. These groups, backed by the feeling in the armed forces, compelled all sections to come together, and the coming together was eased by the then favourable attitude towards unity in China of such powers as Great Britain and by the firm friendship of the Soviet Union, which showed its sympathy and support for China not only by the Non-Aggression Pact of 1937, but also by material assistance and the able defence of China and of collective security at Geneva and Brussels by Maxim Litvinov, then Soviet Foreign Minister.

The early unity was cemented by the great resistance of the Chinese soldiers at Shanghai, which aroused the enthusiasm of the whole country, and by the victories in Shansi and at Taierschwang. It was hardered by the atrocities and plunderings of the Japanese, who murdered, raped and robbed, who killed the peasants' cattle and drove the landlords from their houses and lands. In those early campaigns no one part of the Chinese population was safe unless they showed instant and complete servility. There was obviously no future for anyone under the Japanese save as slaves.

The refugees fleeing to the interior, the students of the Northern and Shanghai universities and high schools, on their long march of hundreds of miles to the South-West, told the story of Japanese crimes and Chinese courage. Posters, plays, poems, songs and lectures spread it throughout the countryside. The whole nation, even in the backward villages, began to awaken.

Soon after the outbreak of war the Central Government was re-organised. The final authority became the newly-formed Supreme National Defence Council,* which had all the powers of the former Political Council of the Kuomintang and more, but was on a rather wider basis. Generalissimo Chiang was Chairman and the heads of all military, civil and Kuomintang organs were members. For the first time in 25 years a Government which was the acknowledged and effective Government for the whole of China had come into being. Also, to give organised form to military unity, General Chou En-lai of the Eighth Route Army was made vice-chief of the Party and

* See Appendix V on Wartime Government in China.

Political Affairs Commission of the War Areas, a department of the National Military Council.

The rising patriotism and new resolution found expression in each fresh decision that the war made necessary.

The Governor of Shantung and his subordinates were executed for allowing the main cities of that province to fall into Japanese hands without resistance. Such summary handling of powerful officials turned a new page in Chinese history.

Behind the Japanese lines in North China peasants, miners, railwaymen, students, university professors, isolated army units and magistrates and other officials who had not fled were forming growing islands of resistance. The people formed guerilla bands just as in Britain after June 1941 the British people began to form production and "Win-the-War" committees. In January, 1938, the National Government, recognising that such areas and bands required effective organisation, authorised the Border Region Government of Shansi, Chahar and Hopei, with its seat at Wutaishan, giving it the powers of a provincial government. Some 12 million people lived in the two connected areas covered by this region and, in order to secure the fullest mobilisation, government there took on a specially democratic form. A special conference of representatives of the political parties, people's organisations, the partisan armies, and of the national minorities, Moslems, Tibetans and the Buddhist Church, elected an executive council of seven members, including representatives of both the Kuomintang and Communist parties, with Sung Hsiao-wan, the district magistrate of Wutaishan, as chairman. Village councils, *hsien* councils, councils for the seven provincial districts of the area and many *hsien* magistrates were also elected by similar local conferences.* Later, when proper preparations could be made, village councils were elected on the basis of universal suffrage for men and women, and 80 per cent voted in the first of these general village elections. Electors exercised the right of recall. Self-defence Corps and National Salvation Associations, the people's own organisations, awakened new interest and confidence. For only on such a democratic basis, as the Central Government recognised, could active guerilla areas be organised and maintained.

Of this area a *Times* correspondent wrote later: "Serious work is done in the development of the mass movements, the farmers' union, the workers' union, the women's association and the youth movements. Numbers of papers and pamphlets are produced; it is said that the main newspaper has a circulation of 50,000. The strength of the civil government lies in the excellent quality of the officials and the progress of democratic institutions."† Here the plans of the National Govern-

* *Chinese Year Book*, 1938-9, pp. 154-5.

† *Times*, April 4, 1940.

ment for the reform of local government and the improvement of the people's livelihood have been carried out in a model way.

In January, 1938, too, the New Fourth Army, whose first sections were formed in September, 1937, from the rearguard of the Red Armies left behind in Kiangsi to cover the Long March, received authorisation from the Government to go to Anhwei province to check the Japanese units thrown out like a screen around Shanghai. Under its commander, Yeh Ting, who won fame in 1927, it was within a short time keeping 50,000 Japanese troops fully occupied in an area which the Japanese previously thought to hold with a few regiments.

In Hankow, temporary capital after the fall of Nanking, the Kuomintang Emergency Congress, electing the Generalissimo as Director-General, drew up the charter of national resistance, *The Programme of Armed Resistance and National Reconstruction*, a document worthy of early and great traditions of the Kuomintang.

Pledging support to the principles of Sun Yat-sen, proclaiming the Kuomintang and Generalissimo Chiang in control of all war-time political powers, it declared the Army was to receive more political training to prepare officers and men for the national struggle. "All able-bodied men shall be trained; the people shall have their military strength increased." All people with arms of their own would be brought into national defence under the direction of local military authorities. "Guerilla warfare shall be waged in the enemy's rear." There were to be pensions for the wounded and relatives of the killed, with special care for soldiers' families, "so that people will rejoice to fight for their country."

"A People's Political Council shall be set up in order to unify the national strength." The county (*hsien*) was to be the unit of local self-defence—and its self-government pushed ahead—central and local government machinery was to be reformed and officials, if proved disloyal or obstructing the prosecution of the war, "shall be tried by court martial."

Economic reconstruction should be concerned first with matters of military importance and then with improving the people's livelihood.

To this end there was to be a national plan. Village economy, co-operative enterprises, cultivation of waste land and irrigation were all to be encouraged. The foundations of a heavy industry were to be laid and taxation was to be reformed. No profiteering or cornering was to be allowed.

The whole people were to be mobilised on the principle "from each according to his ability" either in money or strength. "In the course of the war, freedom of speech, freedom of press and freedom of assembly shall be fully guaranteed to the people provided they do

not contravene Dr. Sun Yat-sen's revolutionary principles or the provisions of the law."*

This programme of the Emergency Session of the Kuomintang National Congress, the first National Congress since 1935, while it had weaknesses, was nevertheless a big step forward and provided a policy uniting all honest anti-Japanese forces.† It is the work of the Supreme National Defence Council to carry out this programme.

With the guarantee of press freedom the *Hsinxua Rhboa* appeared in Hankow from January onward as the official paper of the Communist Party, the first Communist paper allowed by the Government since 1927.‡

May Day, 1938, was a national holiday throughout China.

Then the first statute of the People's Political Council was published. Its membership, as revised in June, was to be 200: 100 members were to represent provinces and areas while another 100 were to be chosen from those who had "contributed to national welfare." Candidates for the first group were to be nominated half by the provincial governments and half by the Supreme National Defence Council, and the second group wholly by the Defence Council. From these candidates the Central Executive Committee of the Kuomintang selected the members of the People's Council.

While the Council was therefore not an elected body, it was a fairly representative one. Its members were drawn from different spheres of national life, and among them were ten women and seven members of the Communist Party, including Mao Tse-tung, Wang Ming and Mrs. Chou En-Lai.§

The Council was to meet for ten days every three months, receive reports from and question members of the Government, discuss policy and the measures which, normally, the Defence Council was to submit to it. Thus, while far from having the power of a Parliament, it could express the will of the people on measures necessary to mobilise the nation for the war. Its first session was held in July and did a considerable amount of work. At its second session in October it adopted the Generalissimo's message on continued resistance, the resolution put forward by Wang Ming on strengthening unity and resistance, and voted for better conditions for the national minorities—

* Quotations from the *Chinese Year Book*, 1938-9, pp. 337-338.

† The leadership of the Kuomintang in the struggle against Japan was recognised by the Communist Party, e.g., "In the war of resistance and the organisation of the National Anti-Japanese United Front the Kuomintang occupies the position of leader," Mao Tse-tung, *The New Stage*. Report to the Sixth Enlarged Plenum of the Central Committee of the Communist Party of China, October, 1938, p. 29.

‡ The paper came out on January 9, 1938. A group of Wang Ching-wei gangmen tried to smash up the office on the second day. Another Latin spelling of the name of the paper is *Hsin Hua Jih Pao*.

§ Mao Tse-tung's membership was nominal. See Appendix V.

Mongols, Moslems, Tibetans and others. Thus it was providing a bridge across the gulf between Government and people which had existed for so many years.

In July, too, the women's movement took a great step forward with its first united conference, which brought together the National Women's Relief Association, the Women's National Salvation Association, the Y.W.C.A., the Women's Union of the Special District, and similar organisations. It elected a Women's Advisory Committee, with Madame Chiang as Chairman, which embraced the different organisations and did relief work, educational work among women, and published magazines.

To all these progressive movements and bodies the volume of sympathy which welled up amongst the people of all the democratic countries gave great encouragement. The mass demonstrations in Britain and America; the refusal of dockers at Southampton, Middlesbrough, London, Sydney and elsewhere to load or unload Japanese goods; the growing boycott of Japanese goods, especially in the Pacific area; the demand for official boycott action; the founding of the International Peace Hospitals in the guerilla areas and the money sent for relief work, all added their measure of encouragement in the most difficult times. While the sure friendship of the Soviet Union at Geneva and in all matters,* together with other international support of China, was of the utmost importance. The movement for assistance to China, for real fraternal relations with the Chinese people, which in earlier years had been restricted to a few, was now assuming a wider, even a mass character.

But the changed situation of China, internally and externally, at the end of 1938, faced the newly united national movement with sharp problems and new difficulties, while it emphasised old ones.

The major industrial centres were now in Japanese hands and the most progressive sections of the Chinese people were either trekking into the interior or seeking to organise guerillas or sabotage in the occupied areas. In Free China the most active supporters of the Government's policy of resistance and reconstruction were considerably weakened in numbers.

The provinces which had now become the base of organised warfare, Szechuan, Kweichow, Yunnan, were the most isolated and backward politically, industrially and socially. Landlordism and semi-feudal remnants were here the strongest in all China,† especially in the

* Besides the planes, war supplies and credits given to China, Soviet exports to Japan almost ceased after 1937.

† Edgar Snow, *Scorched Earth*, p. 173, quotes a statement from a high Chinese official that in Free China in 1939 the landlord militia (*mintuan*) and the Pacification (ex-warlord) armies numbered 2 million—more than the Chinese armies fighting at the front.

baronies of Kweichow and Yunnan. Kweichow had only recently been freed from one of the most corrupt regimes of warlord China, and measures to end the opium traffic were only just beginning. Szechuan was still largely in the grip of rival warlords, who, if nominally at peace and supporting the Government, nevertheless still maintained their armies in their own districts to ensure their positions.

The desperate poverty and backwardness of the peasantry, and the language barrier of the different dialects, little intelligible to one another, added to the difficulties of re-forming the mass movement in the interior. While in Hankow the Government had been surrounded with the enthusiasm of people whose city had been a centre of every progressive movement since 1911; in Chungking it was surrounded with forces jealous of their local rights, whose traditions were those of old China. It had to operate from an area where social organisation had changed little, save for the worse, from that described in the first chapter. In most of these interior provinces, even after the formation of the United Front, the local rulers had kept the Communist Party as illegal as before, and refused to allow the formation of any true movement of the people. These were heavy handicaps, which allowed reactionary sections in the Kuomintang a new lease of life, while they simultaneously deprived the Government of the stimulus of mass working-class opinion that had encouraged and strengthened it in Hankow.

Political problems were immense, economic ones were terrifying. Only slowly were the evacuated industries started up. The Canton-Hankow railway, the finest channel for imported supplies, had been cut. There remained but the difficult Sinkiang route, the railway through Indo-China, which depended on the friendliness of the French authorities, and the dangerous sea route through the Japanese blockade, by which small junks reached the coastal ports of South China. Not till two months after the fall of Hankow and Canton was the Burma Road opened. It was a load of Soviet supplies which made the first trip.

Moreover, following the dismissal of Eden and appointment of Halifax as British Foreign Minister came the Munich in Europe and talk of a Munich in the Far East. British and American war supplies were going to Japan in unending quantities and China's appeals to the League of Nations for action were met with moves to eliminate the sanctions clause of the Covenant.

Undaunted by such difficulties, the Chinese people and Government proceeded with the necessary re-organisation. The men and women building the Burma Road drove their picks in more vigorously. Men and women sweated with their loads of machinery from Hankow and began the rebuilding of war-time industries. The military authorities, in conference at Nanyo, adopted the more progressive Army policy. Students and other groups organised propaganda bands, play units,

song units, and went among the peasantry. The C.I.C. got to work. The powers of the former war lords in Szechuan and Kweichow began to be worn away. The opium suppression campaign was seriously enforced, releasing thousands of acres for the growing of necessary rice.

The Traitors

But those groups who had committed themselves to a pro-Japanese policy over a number of years and who, in the first flush of resistance, had nominally supported the Government, now decided to come partly into the open. Their intrigues within were not strong enough to destroy Chiang Kai-shek or the Government. Therefore many of them chose to proclaim openly their allegiance to the enemy.

The leader of the pro-Japanese section, Wang Ching-wei, had been made Chairman of the People's Political Council. In September, 1938, during a speech, he attacked the guerilla armies as a bandit movement. At Wang's instigation, Carson Chang, leader of the Chinese National Socialist Party and a member of the P.P.C., moved a motion in the P.P.C. in October attacking the Generalissimo. This was defeated. Other members of the group spoke of capitulation. Then the Japanese Foreign Minister made a speech proposing that Japan, China and "Manchukuo" should work together for a "New Order" and in joint defence against Communism. A few days later Carson Chang called for the abolition of the Border Region and the Eighth Route Army. But the move did not meet with much success, and Wang Ching-wei, writing a note in the same terms as the Japanese Minister's speech, fled from Chungking, first to Yunnan; then, failing to shake the loyalty of the Governor, he went over to the enemy.

Of these intrigues the Generalissimo said rightly, "We may say that by pretending the aim of 'joint defence against Communism' Japan first aspires to control our military affairs and to proceed from there to control our politics, culture and even the conduct of our diplomacy." To join Japan in attacking the Communists was, in fact, to betray one's country. Wang and those who went with or shortly after him were expelled from the Kuomintang and proclaimed as traitors.

The Japanese and Nazi Intrigues

Having secured the service of a Quisling, and having reached a stage of military stalemate, the Japanese began more and more to rely on political intrigues to bring them the success that their armies had been prevented from winning.

They played upon the gaps and jealousies in the National Front, employing tactics and propaganda, which while seeming opposite, were in fact identical in purpose. Wang Ching-wei and the other puppets were bolstered with money, proposals were made to reactionary

generals, peace rumours and suggestions were put around and passed on to the Chinese Government through the German Embassy; promises were made to business men of handing back factories if they would return to Shanghai. Trotskyists were sent about making trouble under the slogan of "Chiang Kai-shek is the worst enemy of the Chinese workers." One Trotskyist who, in an earlier period, had got an official position in Kwangsi (Huang Kung-tu) revolted and had to be shot along with his associates. Another (Cheng Mu-tao) tried to revolt in Shansi. A third, Chou Fu-hai, vice-chairman of the Central Publicity Department of the Kuomintang, allowed the use of the *Central Daily News*, the Kuomintang paper, for anti-Communist attacks. He was expelled from the Kuomintang for his traitorous activities (July, 1939) and went over to the enemy.*

While inside China the Japanese, and Japanese agents and puppets of all kinds, attacked both Britain and America, Japanese diplomats and others worked overtime to keep these powers divided between themselves, to fan flames of hostility to the Soviet Union, to maintain the flow of war materials to Japan and, by offers and threats, to cut off support from China. In this work they employed both British and American citizens. "The Federal Bureau of Investigation announces the arrest of two Americans and one Britisher, alleged to be Japanese agents, to whom the Japanese Government paid £31,250, with which they converted one of America's oldest magazines, *The Living Age*, into an organ of Japanese propaganda," reported *The Times* of September 7th, 1942.

In their intrigues in China the Japanese were assisted by the presence there of the German and Italian embassies and other Nazi agents, till their expulsion in December, 1941. From 1928 to 1938 the Chinese Army had had German advisers; in the later period many had been pro-Nazi. In the first year of the war also, a large part of the Chinese military supplies was coming from Germany in exchange for Chinese metals, until the Japanese stopped the trade. Nazi agents tried to capitalise on all this.

Some Chinese, like Dr. Chu Chia-hua, chief of the Organization Department of the Kuomintang, had been German trained and were influenced by Nazi ideas.† While many of this group claimed to be strongly nationalistic, in fact they merely copied the worst features of European political life and sought to cloak their mediaeval backwardness under a covering of Nazi phrases. They were hostile to any free mobilisation of the people, desiring to limit all power to a narrow circle at the top. In foreign policy they were often opposed to any close association with the Soviet Union, at home they were bitterly anti-Communist. During

* Chou Fu-hai's career is typical of those of many Trotskyists. He broke with the Communist Party after 1927 and became first a "Left" Kuomintang member, then a Right wing one, and finally a Japanese agent.

† In January, 1942, Dr. Chu was reduced to Vice-Chief of the Department.

the whole of the period of the Nazi advances in Europe and Africa, up to the autumn of 1942, many members of this group were even expecting a German victory, and argued for policies based on that assumption which were designed to limit the application of the progressive national principles of Dr. Sun Yat-sen.

Among the backward militarists, landlords and moneylenders of the interior were many who provided a favourable atmosphere in which intrigues could be fostered. For such groups were hostile to sharing any portion of their power with the people; they were opposed to loans from Government agencies at rates of interest far lower than their exorbitant charges; they resisted any effort to stamp out the nepotism and corruption which have been the curse of China's local and central government for so long; they often put their personal interest before the national interest and profited scandalously; they resisted conscription for the members of their families, preferring others to do the fighting for them. Many were opposed to the growing strength of the Central Government and loved it the less when it forced mild but absolutely essential wartime reforms upon them and executed their associates and leaders (like the ex-Mayor of Chengtu) to secure obedience to its orders. While there were many younger members of the landlord families who made great sacrifices for the war of resistance and who realised that a new China was being born which in the effort to defeat Japanese imperialism could raise its head proudly among the nations, there were others who had defeated the application of Sun's principles during his lifetime and were still intent upon doing so. Like Governor Lung Yun of Yunnan, many members of the backward local sections were not prepared to follow Wang Ching-wei, as Wang had hoped they would, but nevertheless, like Governor Lung too, they handicapped the war effort by resisting the growth of mass organisations, and preventing the democratic mobilisation of the people.

Though their social roots are different, the members of these two groups have played a similar role in China to the Municheers in Britain and the Isolationists in the United States.

Other sections in China were discouraged. They were discouraged by the defeats China had had to endure, the losses in territory and their own losses in property. They were faint-hearts with no conception of the power and might and strength of a united people. Rather they looked to Britain and the United States for aid and were especially dismayed by the apparent indifference of the Governments of these powers to Chinese suffering or heroism, or to Japanese designs of expansion.

Under the Chamberlain-Halifax regime more and more concessions were made to Japan, despite open insults to British citizens in Japanese-occupied towns.* Chinese silver in British banks was handed to Japan;

* In direct contrast to Chamberlain's policy was the visit of Jawaharlal Nehru to China in August 1939.

Menzies, then Prime Minister of Australia, prosecuted dockers for refusing to load iron ore for Japan. The process reached a peak when, in March, 1940, just after the Finland period and two days before the Japanese finally inaugurated the puppet Wang Ching-wei government in Nanking, Sir Robert Craigie, British Ambassador to Japan, declared, "Japan and Great Britain are two maritime powers on the fringe of great continents and they are vitally concerned with the covenants in those continents. Methods may differ, but both are ultimately striving for the same objective—a lasting peace and the preservation of our institutions from extraneous and subversive influences. It is surely not beyond the power of constructive statesmanship to bring the aims of their national policies into full harmony."* For which speech Lord Halifax took responsibility.

In July of the same year, with Halifax still Foreign Minister, came the closing of the Burma Road, at a time when the Japanese had already secured the closing of the routes through Indo-China.† The people of Britain, however, were awake to the danger and the petition of the China Campaign Committee for the immediate re-opening of the road received over a million and a quarter signatures and worldwide publicity. In India the President of the Indian National Congress declared: "The closing of the road means a severe restriction of the growing ties between India and China and the flaunting of Indian opinion."

While China was thus officially discouraged against the wishes of the peoples, the sales of war material to Japan went on apace. Japan's oil imports from the countries she intended later to attack had increased in 1940 from three to five times over the 1937 figure. A year later *The Times* calculated that some nine-tenths of her war materials were coming from the democracies.

All through this trying period it was only the Soviet Union which, unmoved by any Japanese threats or cajolery, stood firmly by China. Madame Chiang, in an article published in December, 1940, declared, "Intellectual honesty compels me to point out that throughout the first years of resistance Soviet Russia extended to China, for the actual purchase of war materials and other necessities, credits several times larger in amount than the credits given by either Great Britain or America." When, on April 13th, 1941, the Soviet-Japanese Neutrality

* *Times*, March 29, 1940.

† The Indo-China Railway was carrying half Free China's imports at the end of 1939. It and the Burma Road together carried more than three-quarters of the total. Most of the Soviet supplies to China came over these routes because, though long, they were far easier than the Sinkiang route. The Indo-China railway was closed in June, 1940. When the Burma Road was closed semi-official talk of a "peace" settlement between China and Japan began. Mr. Churchill's announcement in Parliament referred to a "solution just and equitable to both parties to the dispute."

Pact was signed, the Soviet Government made it clear that that pact in no way affected its relations with China.

But the open hostility for the Soviet Union shown in Britain and America during 1939 and 1940, together with the measures taken in those countries against the Communists, had the worst effect in China and provided the Japanese and their agents with plenty of fresh material to use in their efforts to split China's United Front.

Not till the end of September, 1940, after the Japanese had begun their invasion of Indo-China, did United States policy change. Then, at the same time, came two measures: one a credit of £5 millions which, despite defects, was not a currency loan but gave some real assistance to the Chinese war effort, the other an embargo on the export of scrap iron to Japan. A little later Lauchlin Currie made his first trip to China on behalf of President Roosevelt. Then in March, 1941, came the Lease-Lend Act.

As a result of the internal and external difficulties the contacts Wang Ching-wei had left behind fomented disunity and spread defeatism to alarm the cowards. Reactionary elements and obstinate groupings in the Kuomintang played into Japanese hands by their continued hostility to the Communists and their fatal, self-defeating interpretation of the National Front as complete subordination to Right-wing Kuomintang officials, instead of as a healthy vital union of different groups, classes and parties, mutually assisting and invigorating one another in their efforts to mobilise the whole people for victory. At the same time the Government weakened its position and retarded its own aims by its failure to understand sufficiently the importance of the mass movement, by its failure to purge ruthlessly the faint-hearts and traitors, by its failure to encourage and stimulate the growth of democratic organisations and press forward in the fulfilment of the Kuomintang programme of 1938. Nor did the Kuomintang, the leading party of the National Front, widen its ranks, renew its vigour and democratise its structure;* though it was not wanting in progressive members like Madame Sun Yat-sen who called on it to do so.

The New Life Movement, various student and women's organisations, the Y.M.C.A., the Y.W.C.A., the Mass Education Movement, did great work in rousing the people, but they could not work half as effectively as freely formed and strongly led peasant associations and trade unions. Save in the north, even National Salvation Associations met with difficulties and handicaps. The restrictions on the Communist Party in many parts of Free China were a serious weakness.

* Mao Tse-tung said: "Considering various objective factors, we can foresee the Kuomintang's brilliant future, and its ability to lead a continuous war of resistance, make further progress . . . for the Kuomintang, the most important link in the chain of progress is the democratization of its organizational form." *The New Stage*, p. 30.

The Problems of 1940

Throughout 1939 and 1940 three internal problems became ever more pressing—the price problem, the question of greater democracy, and the structure of the guerilla areas.*

During 1938 more and more guerilla areas came into being organised along similar democratic lines to that of the Hopei-Chahar-Shansi Border Region and, so organised, they grew in strength. But while old officials often stayed to play their part in the life of these areas, and many landlords loyally supported the new governments; other members of the wealthier classes were not always enthusiastic about the transfer of even a part of their power to the people. Nor did these later areas receive the same open official status as the Hopei-Chahar-Shansi Border Region. Moreover, the military forces in them were diverse. There would be units of Central Government forces, among them the Eighth and New Fourth Armies; units of the provincial forces; remnants of the old Peace Preservation Corps; perhaps stray generals from other areas; the old armed forces of the landlords; and peasant forces of various kinds. In well-organised areas it was possible to bring order into such confusion, elsewhere the Japanese were able to take advantage of it.†

As the Eighth Route and New Fourth units were expert in guerilla resistance and were models in their behaviour towards the people, the peasant forces and all who were most anxious for resistance naturally gravitated towards them. The commanders of the old local forces in particular sometimes showed hostility to this. They were also opposed to the election of *hsien* governments and magistrates. They tried, occasionally with force, to check the growth of peasant units, they interfered with local government, they tried to appoint their own magistrates and attempted to win over to their side the senior army commanders under whose orders they nominally served. Some entered into relations with the Japanese.‡

In Shansi a difficult situation existed because the Governor, Yen Hsi-shan, had raised a new army on lines somewhat similar to the

* Other internal problems which complicated the situation were the bad harvests in Yunnan and Szechuan (they were said to be some 40 to 50 per cent below normal in 1940) and the great extent of smuggling between Free China and the Japanese occupied areas in 1939, 1940 and 1941. This smuggling not only helped the Japanese forces to get supplies but brought merchants and landlords in touch with Japanese and Quisling agents. In 1941 measures were taken against it.

† See the appendix of *The Chinese Army*, E. F. Carlson, Institute of Pacific Relations, 1940, for a description of the difficulties in a typical area in Shantung. The local general, Sun, who was the main cause of friction, went over to the Japanese in 1942. In almost all these border regions the *Mintuan*, which the landlords in the war areas immediately organised to defend their property, were one of the great early problems.

‡ Some, e.g., General Shih Yu-shan of South Hopei were killed by their own officers for these crimes.

Eighth Route Army alongside his old provincial one, and some of the officers of the old army were antagonistic to this new force.

Thus from the middle of 1939 onwards disputes occurred in Honan, Anhwei, Shantung and Shansi.

At the same time in Free China profiteer groups were resisting Government attempts to control price increases; while elements in the Kuomintang, who had never forgotten the civil war days and who had lost prestige through their connection with Wang Ching-wei and other traitors, began to issue illegal secret orders for measures to be taken against the Communist Party—the notorious circulars “The Control of the Activities of Alien Parties” and “Practical Plans for the Suppression of Communism.” Ho Ying-chin, Minister of War, past associate of Wang Ching-wei, whose loyalty to the Generalissimo in 1936 was so slight that he had ordered the bombing of Sian, and who was now on friendly terms with the Nazi Embassy, lent himself to these manoeuvres.

Sian, the centre of campaigns against the former North-West Soviets now became the centre of a blockade of the Special District. A blockade which weakened the Eighth Route Army in the face of the Japanese and simply conformed to the plans of the traitors and of those who desired the Communists and the Japanese mutually to exterminate each other even at the risk of so weakening Chinese resistance as to deliver all China over to Japanese conquest. Trotskyist literature was allowed to be sold openly in the shops in Sian, students passing up to the North-West Anti-Japanese university were kidnapped. In various incidents soldiers and officers of the Eighth Route and New Fourth Armies lost their lives. An attack was even made on the Special District.

Noting all these things, taking them as very serious attempts to split the United Front, the Communist Party refused to be provoked into foolish retaliation. It declared that its policy was to maintain the United Front, to distinguish clearly between friends and enemies, mercilessly to expose the enemies of unity. The Generalissimo and the National Government must be supported and relations strengthened with the Kuomintang. The living conditions of the workers must be improved; rent, interest and taxes for the peasants reduced. Above all, democracy must be advanced, the mass movement strengthened, the guerilla bases helped, and all anti-Japanese political parties legalised. “Without democracy we cannot achieve final victory in the war of resistance.”*

In November, 1940, the National Government had arranged to call the “People’s National Congress” in order to pass a Constitution and

* Statement of the Central Committee of the Communist Party of China, February, 1940.

set up a Parliament for China.* Faced with a great oil shortage and transport difficulties through the closing of the Burma Road and with opposition to the plan, the Government postponed the meeting. Instead the People’s Political Council was enlarged to two hundred and forty members and its powers slightly increased. But on the new Presidium of five which took over the previous powers of the chairman was Carson Chang.†

The formation of Provincial People’s Councils and of councils in the villages and districts, agreed to in 1938 and 1939 respectively, went ahead. But the first were purely advisory and the nominations for membership were entirely in the hands of the Kuomintang or the appointed provincial governments, though the latter (the *hsien* and village councils) did provide elements of direct and indirect election. Thus, despite the fact that the powers of the indirectly elected *hsien* assembly were far less than those of an English county council, these changes in local government began to introduce elements of democracy into the countryside.‡

The Defeat of the Pro-Japanese Plot

However, the scheme came into operation but slowly and, because of its restricted nature and the fact that in many districts where it was nominally enforced the authorities failed to rouse the people and staged only token elections, it did little to counter the dangers to which the Government was exposing both itself and the whole purpose of the war by its failure to deal sternly with the fifth column and reactionary elements. For these forces were now ready to strike their great blow at national resistance.

The New Fourth Army, operating with great success in the areas north and south of the lower Yangtze, had been particularly subject to local reactionary attack. It had never been allowed to help to form Border Regions like those in the north, but only village defence corps. Around it all the forces trying to break national unity came to a head. When, in December, 1940, at Government orders, it was moving its forces south of the Yangtze across to the north bank, its rearguard was attacked by other Chinese forces. Two thousand soldiers were killed, its commander Yeh Ting captured and imprisoned and the vice-commander captured and killed. It was probably thought by Japanese

* Such an assembly had been called for by the P.P.C. in September, 1939. In November, 1939, when Chiang became President of the Executive Yuan in place of Dr. H. H. Kung, the Kuomintang C.E.C. authorised the calling of the People’s Congress for the next November. At the same C.E.C. meeting the Generalissimo opposed the vote of censure on the Communists moved by right wing Kuomintang members. The “National Congress” in the form proposed would have been a very undemocratic body. See Appendix V.

† See Appendix V, Wartime Government in China.

‡ See Appendix V.

agents and others who fomented this action that it would compel the New Fourth and Eighth Route armies to attack back, so that the blame for destroying unity could be laid on them.

Such plots of the reactionaries proved a complete fiasco. Carefully avoiding any false step, anything that would create further disunity, the Communist Party called firmly for the end of such provocations, making it clear that they could no longer be tolerated, asked for action against those responsible, for the end of the blockade of the northwest, the end of one party rule and the formation of a democratic government.

From all over China came protests against the attack and declarations on the importance of unity—from provincial governors like General Sheng of Sinkiang and Yen of Shansi, from Madame Sun Yat-sen and other prominent Kuomintang members. Marshal Feng warned of the disunity that had led to the collapse of France and members of the P.P.C. exerted themselves to check the growing menace of the reactionaries. In the army the majority of the younger officers had long shown how they regarded as traitors those who endeavoured to foment friction.

Behind all these, giving backbone and emphasis to their words, were the peasants and the soldiers who were deeply aware that the slogan "Chinese must not fight Chinese" was correct.

From abroad friends of China supported the call for continued unity.

The Japanese, taking advantage of the division in the Chinese forces, pressed forward in a new offensive in Honan. This opened the eyes of generals like Tang En-po, commanding Central Government troops in the area, and the Japanese were engaged both by the New Fourth Army and their pursuers.

The Generalissimo, in speeches to the P.P.C. in March, on the grounds of military discipline, upheld what had been done, but strongly opposed further campaigns against the Communists, and, declaring: "We intend to fight the Japanese to the point of exhaustion," spoke of the need of "developed democratic institutions," and emphasised that "the Government will naturally adhere firmly to the consistent national policy of strengthening its collaboration with Soviet Russia, Great Britain and the United States." A few weeks later, at a meeting of the Kuomintang C.E.C., he attacked corruption in that party. He said that the party had lost the spirit of its founder, Dr. Sun Yat-sen, and the people had widely grown suspicious of it, believing it loose and corrupt, self-seeking and grasping power for power's sake. He appealed to them to renew their revolutionary spirit behind Dr. Sun's principles. The Central Executive Committee, shaken by this criticism,

resolved that election from below should replace appointment as a means of choosing the executive committees of the provincial and *hsien* party organisations.*

Thus was the greatest attempt of the Japanese, the culmination of three years of intrigue, frustrated. Unity was safeguarded. Essentially it was safeguarded because ordinary men and women, peasants, factory workers and soldiers, who had built the roads and reconstructed the factories, who had withstood the dreadful bombings of Chungking and other cities, who had endured ten thousand sufferings—under the Japanese terror, as refugees in flight, because of the soaring cost of living, the long hours, the rents, the taxes—were determined that resistance must go on, whatever the cost. For the Japanese invaders and their hirelings with their murdering, looting, robbing and burning were the enemy, and every patriotic Chinese knew it; knew also that Chinese unity in resistance was the one sure thing which had checked and would finally defeat Japan. Though not very vocal, the steadiness of the people defeated the plots of the Japanese and their agents and prevented the stupidity of backward-looking sections of the Kuomintang and old local military leaders from bringing about the collapse of the country.

Nowhere was this better demonstrated than in the guerilla areas and in the ranks of the Eighth and New Fourth Armies. Despite the killing of their comrades by Chinese traitors they knew that the one enemy was Japan. The invaders must be defeated. Despite the blockade and the consequent shortness of money, of arms and ammunition, of medical and all other supplies, despite the ruthless offensives flung against them by large and heavily armed Japanese forces time and again, they doggedly went on fighting, driving the Japanese back in stubborn battles, refusing either to be daunted or to allow themselves to be exterminated. Never has human heroism been greater nor political wisdom higher. To these gallant men and women every citizen of Britain is in debt.

But just as the incident had taken so long to come to a head, it has taken a long time to re-establish unity on a secure basis. The forces behind the incident, though they had failed and weakened themselves, still remained powerful and in important positions.

However, steady pressure from below began very gradually to bring about a change, while the new attitude of Britain and America, faced with an increasingly aggressive Japan and beginning to awake to an appreciation of what China had done for them, brought renewed pride and fresh hope of assistance.

Some of the worst of the provincial governors were dismissed, among them General Chiang Ting-wen, Governor of Shensi† and

* However, it does not appear that this decision has yet been put into force.

† He was, however, Commander-in-Chief in the Honan war area in 1942.

Chan Yi, pro-Japanese Governor of Fukien. Admiral Shen, Governor of Shantung, was moved away to another government post. In the North-West, in Kansu and Chahar, the new governors have shown some progressive tendencies and have been anxious to help with such movements as the Industrial Co-operatives.* Further, the establishment in 1941 of three new ministries—food, agriculture and social affairs (including labour and trade union matters)—showed increasing government attention to the problems of the people.†

The Anglo-Soviet pact, following the Nazi attack on the U.S.S.R., and the growing friendly relations between the U.S.S.R. and the U.S.A., ended the great problem of foreign diplomacy with which Free China had been faced since 1939. It was followed on the part of Britain and the United States by increasing measures limiting the export of war materials to Japan, culminating in an embargo. Then the rulers of Japan, lusting for more and greater conquests and new areas to loot and to spoil, launched their attack on the United States and Britain. China became our ally. She declared war on Germany and Italy, expelling their embassies and their agents. Chiang Kai-shek was made Supreme Allied Commander in the China theatre of war. The United Nations Pact in January, 1942, formalised the Great Alliance. China was clearly seen as one of the four great pillars of the structure of the democratic front.

China Among the United Nations

Though the discovery of China's greatness by Britain and America had come through new tragedies, it was a discovery worth making. And in making it they renewed the Chinese people's confidence in themselves. China's resistance had always been part of the struggle of all peoples against fascism, though far too few had been vividly aware of this. Now by the great and overreaching greed of the Axis the struggle of the Chinese people had become completely and finally one with the struggle of all the United Nations; of the states and peoples welded together in the common task and common hope of destroying fascism and re-invigorating democracy.

No longer had China to fight alone; she fought with Allies, worthily taking on new duties. Her struggle was taking place in a new environment, both political and military. The third stage of China's war, the great offensive against the Japanese, became an immediate prospect, depending only upon the amount of aid in arms and machinery which was sent her and the end of the wasteful blockade of the Eighth Route Army. And this third stage of China's war would not now take place in isolation but would be part of the third stage of the United Nations' war, the stage of the Allied offensive.

* Altogether some nine provincial governors have been changed during the war. Chan Yi was later made head of the Secretariat department of the Executive Yuan.

† Though the present Ministers in charge of these departments are far from being progressive men. For example, Admiral Shen was made Minister of Agriculture for a time.

The new confidence of the Chinese people was, however, immediately put to the test in great trials. Japanese successes in the Pacific brought the fascist forces in the east to the Aleutians, in the south to the edge of Australia, in the west to the frontiers of India. They all but isolated China.

But Japanese drives in China, whether against Changsha or the "bomb Tokio" provinces or the guerillas in the north, were thrown back. And, though the Japanese victories elsewhere were great blows to China, though the fall of Burma meant tremendous privations to the Chinese, the new brave spirit, the new pride of the people in their own strength, could not be shaken.

Even the paroxysms of fury of the Japanese war lords could not break it, though they tried every device to crush resistance, as the Nazis have done in the Soviet Union. Beginning with the drive against the Shansi-Hopei-Chahar Border Region their new methods of destruction spread to other fronts. In the guerilla mopping-up campaign of August-September, 1941, wrote a physician resident in Wutaishan, the Japanese had the motto "Kill all, burn all, rob all." Japanese planes bombed everything, hunting the peasants even in the most isolated valleys. "The whole region is a mass of desolation. . . . The Japanese killed or took away horses and cows to the very last head. Harvests were either destroyed by fire or the cavalry horses turned loose in the fields to feed." In one day in one village alone 500 civilians were killed. In 1942, in the offensive in Chekiang, it was the same story. 600,000 Chinese civilians were killed. Millions rendered homeless. Cattle were slaughtered without number to ensure a hold up of agriculture and consequent famine. But nothing the Japanese could do could break the resolve of the people to resist and to win.

The new spirit of China was manifest in Chiang's appeal for the freedom of India, in China's spokesmanship for the peoples of Asia who are anxious to take their place in the struggle against fascism, many of whom are already fighting the Japanese in their own way, but whose real participation in the struggle is held back because we in Britain are not yet ready to accept these five hundred million allies as free and equal allies. Stating China's war aims in June, 1942, her Foreign Minister said: "The first is political freedom for Asia. . . . China is fighting for National Independence, she aspires equally for the freedom of all Asiatic nations."

This interest in the freedom and co-operation of all eastern peoples is shown in action. Not only were Chinese troops welcomed widely in Burma, not only did they stop on long after the British forces had been evacuated, but China gave hospitality to many Burmese, fleeing before the Japanese invaders of their country.

At the same time Chinese diplomacy has been busy strengthening the Allied cause in the Far East, Middle East and Latin America. The

Korean revolutionary forces, fighting for the independence of their country along with the Chinese, have been given greater recognition and their army has been given recognised status. New treaties of friendship have been signed between China and Turkey, China and Iraq and China and Iran; Ministers have been exchanged with Turkey. As the Chinese Government spokesman commented, these treaties show the increasing part that the Arab peoples are taking in the struggle against the Axis. In Mexico also it was significant that the Chinese Ambassador was among the first to welcome the Mexican Government after it had declared war on the Axis countries.

The new spirit has been shown in the more vigorous tackling of economic problems, the new taxation laws, the drive against inflation, the call for increased production, the sterner efforts to stop profiteering and corruption. The women's movement is reviving again after having been clamped down by a conference called early in 1941 by the Central Organization Department of the Kuomintang, whose circular of invitation discouraged the political activity of women. There were great women's demonstrations in both Yenan and Yunnan on International Women's Day, 1942, while later there was a women's campaign in Chungking for more nursery schools to enable women to play a more effective part in the war effort.* Education is also spreading yet more widely and the growing number of village schools and adult education organisations are teaching millions to read and write.†

There has been, too, the franker recognition of the problems of Free China, revealed both in the speeches of the Generalissimo and in the Chinese press; the slowly improving position of the soldiers; the strengthening physical and political unity of the country shown in the tour of the Generalissimo and Mme. Chiang through the north-western provinces in mid-1942; the further wearing down of the old war lord remnants;‡ the extension of the new *hsien* system; and the beginning of attempts to improve the livelihood of the people and solve the agrarian problem by the reduction of interest rates and rents, and by checking the growth of landlordism. Moreover, when the third People's Political Council met in October, 1942, Carson Chang of the National Socialist Party was not re-elected to the presidium.

Finally, there has also been greater appreciation throughout China

* *International Women's News*, July, 1942.

† The Chinese Ministry of Education has stated that some 90 million adults can now read and write, *i.e.*, 20 per cent. of the population. But to this figure must be added the children at school, and the students. Technical and vocational schools have also grown.

‡ For example, in July, 1942, General Ma Pu-ching and his forces were moved from Kansu to the isolated Tsaidam valley of Chinghai, *New York Times*, July 19, 1942. Generalissimo Chiang said at the People's Political Council in October, 1942, "We must rouse our fellow countrymen to awareness that they may avoid all activity and thought that conflict with the process of modernisation—all feudalistic provincialism and sectionalism that undermines the authority of the Government."

of the part played by the guerilla units and the Eighth and New Fourth Armies in occupying and beating back strong Japanese forces in the attacks on guerilla areas in the whole of North China.

This new spirit is even beginning to overcome the discouragement caused in China by the sudden and unnecessary fall of Burma, the tremendous economic difficulties which it brought in its train, the Allied failure to send adequate aid to China, and the British Government's refusal to act on the Generalissimo's powerful and necessary appeal for the freedom of India. The rapid Japanese victories in the Pacific and the slowness of Britain and the United States in opening a Second Front in Europe and in aiding China not only provided a fresh opportunity to enemy propaganda and enemy intrigues in China, but they also provided arguments for backward-looking sections and sections who were temporarily impressed by the military might of the Nazis to delay the taking of action for the removal of the last barriers to unity (the barriers which had come into existence in late 1940) and to hold back the growth of democratic organisation and government. Thus, even in the middle of 1942, a million of China's soldiers were being used to maintain the blockade against their brothers in the North-West, and though the system of choosing the members of the People's Political Council was again somewhat revised in 1942, the changes were not significant, while tendencies to concentrate power into narrow authoritarian circles instead of encouraging democratic measures that would draw in the strength and full support of the whole people continued.

But such forces and such weaknesses could only hamper and not arrest the mainstream of progress. Already in the reports of the war the forces in the guerilla areas were receiving more of the prominence that is their due. By the autumn there were signs that the blockade was lightening, at least in regard to medical supplies.* The policy of the Communist Party, which forbade Communists to hold more than one-third of the seats on any elected body in the Border Regions, however great their electoral successes, showed how earnest was their desire for unity and revealed to China and the world how the valiant resistance

* In August, 1942, the China Defence League, a body which, under the chairmanship of Madame Sun Yat-sen, has been responsible for the collection of money for the International Peace Hospitals and other projects in the Border Regions and guerilla areas, was set up again in Chungking. Among its honorary members were two members of the Chinese Government—Dr. Sun Fo, Chairman of the Legislative Yuan, and General Feng Yu-hsiang, Vice-Commander in Chief of the Chinese Army. Through this committee an American trade union, the International Fur and Leather Workers' Union, showing an example to the trade union movement of the world, has already sent enough money to the International Peace Hospital in Wutaishan to provide a new hospital wing. Money may be sent directly to Madame Sun Yat-sen, China Defence League, 3 Hsin Tsun, Liang Lu Kou, Chungking, China, or earmarked through the China Campaign Committee and the United Aid to China Fund. A. D. Lindsay, son of the Master of Balliol, who was rescued from the Japanese in Peiping by Chinese guerillas in December, 1941, is representing the China Defence League in the Border Region.

of these areas depended not on one section alone but on the support of the whole people. This was confirmed by the high votes, 80 and 85 per cent, in the village and *hsien* elections in 1942 and the enthusiasm shown by all classes and parties participating in them.*

Each step that China's Allies took to strengthen their own unity against fascism—like the release of Earl Browder, the lifting of the ban on the Communist Parties of India and Australia and on the *Daily Worker* in Britain—each step they took to show their respect for and appreciation of China—like the ending of the Unequal Treaties—helped the growth of unity in China and strengthened the democratic forces, just as each step that China took helped the British, Soviet and American peoples.

In November, 1942, the news of the Soviet victories came as a great tonic to the Chinese as to all the United Nations. They created a "profound impression" and the communiqués were read at a meeting of the Central Executive Committee of the Kuomintang. All newspapers carried detailed reports and animated comment. "The Red Army's victory will prove the turning point of the entire international situation," wrote the *New People's Daily*. This encouragement was increased by the further news of the Allied victories in North Africa and in the South Pacific, and by the promise held in General Wavell's advance into Burma.

At the same November session as it received news of the Soviet victories the C.E.C. of the Kuomintang, after hearing a report from the Generalissimo in which he "championed the continuance of a policy of tolerance" towards the Communist Party of China, passed a resolution supporting the decision to continue to treat the Communist Party "on the same plane as all other armed forces and civilians of the nation" provided "they act in accordance with their manifesto of September 22nd, 1937." This resolution seems to contain the promise that the discrimination exercised against the Eighth Route Army since January, 1941, namely the withholding of pay and supplies, will now be ended. Welcoming this and other resolutions of the Kuomintang, a Communist Party spokesman said:

"All this proves that the Kuomintang and the Communist Party of China share the same point of view on important questions relating to home and foreign policies. . . . On learning of this statement today we are particularly glad. . . . Everything that is beneficial to the interests of unity and the cause of resistance will be carried out."

Thus the year 1943 began with high hopes of a solution to the problems that for the past two years have hindered unity, and of new steps forward—military, political and economic—by the Chinese people.

* These elections took place in the Shansi-Honan-Shantung area, the Shantung area having been linked with the second of the Border Regions.

As in other countries, the way will naturally not be without difficulties. Fascism, both in Europe and the Far East, has been forced on the defensive, but its defeat will require great sacrifices and great efforts, and the Chinese people, concerned especially with the Japanese end of the Axis, know that there are many military steps to be taken before the might of Imperial Japan is destroyed and the Far East freed from its present menace.

Much also has yet to be done in China before the Chinese people can feel themselves securely on the road to victory and democracy.

The trade union movement of China, for example, is still extremely weak. In 1940 there were but half a million trade union members in 1,250 unions, the bulk of them craft unions. They have not yet succeeded in establishing anything like the rights of British or American organisations, nor their democratic structure. The Industrial Co-operative Movement with its 30,000 members is small in relation to the population, while the agricultural co-operatives are only slowly shaking themselves free from the difficulties of the past and are not yet organisations of the peasants. Measures to improve the living conditions of the people and share sacrifices equally, upon which real unity alone can be built, are only slowly being taken seriously. Such steps are important not only because they strengthen Free China, but also because they add impetus to the revolt against Japan both in the occupied areas and throughout the Pacific. Desertions of Japanese puppet troops in China increased in 1942, and by the end of the year were said to number 180,000 out of a total of 300,000 recruited by Japan. Greater Allied assistance, together with stronger unity in China and quicker reforms, would speed this process and the spread of revolt. Especially would this be so now because of the increasing terror, oppression and destitution in the Japanese occupied lands and because in September, 1942, the Japanese Government appointed a Minister of "East Asiatic Affairs" to supervise the administration of all conquered areas, thus showing its intention to rule them as colonies and completely exposing all its previous pretensions to be "liberating" them.

Above all the questions of the full legalisation of parties other than the Kuomintang and the establishment of democratic government have still to be faced, both in mobilising for victory and in preparing for the future. Only slowly does awareness grow that those who were once called "coolies" and regarded as ignorant peasants are the very stuff of China, and that their strength and initiative are the life-blood of the land, their liberty and prosperity the first consideration.

On July 7, 1942, the Central Committee of the Communist Party of China outlined a way to begin to solve these great problems. Reaffirming its adherence to the Three People's Principles and the Kuomintang Programme of Resistance and Reconstruction, calling on civilians and soldiers to support unitedly Generalissimo Chiang Kai-shek as the

leader both of the war of resistance and of the reconstruction of post-war China, it declared, "The people of China must have common policies for the struggle for final victory," and proposed a joint conference with representatives of the Kuomintang and other parties for the discussion of questions relating to the winning of the war. Such a conference, settling past disputes, putting forward a clear programme for victory and cementing the foundations of a new China, would take the progress already made a giant stride forward.

Taken all in all the political story of wartime China, despite the hesitations and the difficulties, shows how ordinary people, peasants and workers, are beginning to learn to rely on themselves, on their own strength; and how the democratic ferment, which is just this self-reliance of the people, is beginning to grow in China, not in one part alone but all over the country.

Slowly a new China is coming into being. It will be a quite different China from the Chinas of the last hundred years . . . the decadent empire of the Manchus; the semi-colonial China bound hand and foot by foreign imperialisms, wrecked, riven and despoiled by rival war lords; or the pre-war China split by civil war. It will be a China free and standing for freedom, increasingly strong and prosperous.

But the rate at which and the ease with which this new China comes into being depends in no small measure upon the actions of the British and other peoples.

S E V E N

NEW WORLD

"The people's livelihood is of prime importance in the reconstruction. . . . The second in importance is the popular sovereignty." Dr. Sun Yat-sen.*

"The Atlantic Charter . . . the joint declaration of the United Nations . . . the Anglo-Soviet Treaty and the Soviet-American Agreement . . . represent the common hope of the peoples all over the world, including the Chinese people."

Statement of the Communist Party of China.†

Since the alliance with China in December, 1941, and since our own bitter lessons in the strength of the enemy that China has so successfully resisted, the British Government and people have taken many steps both to assist China and to express their friendship for her people.

Much of the rubbish of the past has been cleared away. In February, 1942, the British Admiralty presented to the Chinese Government three of the British Yangtze river gunboats, past symbols

* Outline for the Reconstruction of China.

† July 7, 1942.

of foreign domination over China. In October, to celebrate the Double Tenth, China's Independence Day, the British and United States Governments together announced that they would negotiate the immediate ending of the extra-territorial rights and privileges of their nationals in China.

This promise was fulfilled by the treaty between China and Britain signed on January 11, 1943, relinquishing extra-territorial rights in China. By it British nationals and companies in China were to be subject to Chinese law; the right of stationing troops in North China and all other rights obtained under the Boxer Protocol of 1901 were surrendered; the International Settlement of Shanghai and Amoy, and the British concessions at Canton and Tientsin were handed back to China; the rights of appointing a Britisher as Inspector-General of Chinese Customs, of sending British naval vessels into Chinese waters, of having British courts in China, and the special rights in inland navigation and coastal trade were surrendered. The "treaty port" system was ended and British property in China became subject to Chinese taxation and national defence laws. So the concessions and settlements, centres of corruption which for a hundred years have poisoned the bodies politic of both China and Britain, and other rights barring the way to real friendship between the two countries, were brought to an end.

Through valiant resistance China thus emerges as an equal among the nations; and the desire of the people of both China and Britain for fraternal relations, which started in the time of the Taipings and became increasingly vigorous in 1927 and 1937, is now bursting through into Government policy. The terrible tale of the first two chapters of this book is being brought to a close,* and the British and American Governments are following along the path of equal relations with China marked out by the famous Soviet declaration in 1917. As with the Anglo-Soviet Treaty and the United Nations Pact, so also in relations with China, the decks are being cleared for a new order of international relations.

The treaty of 1943 concludes with a promise that, after victory, a new, modern treaty of friendship with China will be signed. To be comprehensive such a treaty will have to deal with such matters as the leased territory of Kowloon, the colony of Hongkong and the terminating of all the indemnities and the old loans so unjustly imposed or foisted on China which have had such a crippling effect on Chinese Government revenues. This must be done if the Chinese Government is to have sufficient resources at its command for the enormous task of reconstructing the country after years of Japanese destruction and looting. When this has also been accomplished, then the last vestiges of the 19th century wars and aggressions which smashed old China, driving the country to ruin and

* The importance of the ending of the Unequal Treaties can only be estimated against the background of the events sketched there.

degradation, binding it in subjection and throwing back all the efforts of the people to build anew, will be ended.

But it is not sufficient just to clear away such rubbish. Least of all is it sufficient, as some businessmen do, to gloat over the possibilities of trade with China in the future. Undoubtedly in the future the Chinese people will welcome much foreign assistance in building up their industries, provided it is given on China's terms and not the extortionate ones of the past. Undoubtedly, too, British workers, fresh from the manufacture of arms to destroy fascism, will be glad to turn their hands to making machinery to assist China to raise the whole standard of life of her people and of the world.

What is wanted now is the effective organisation of victory, which alone can prepare the ground for effective peace.

Primarily, this means unified strategy and a Second Front in Europe which will strike down the central prop of the whole Axis and so speed the defeat of Japan. Determined action to destroy the Nazis will bring new hope and give an example to China. It will arouse the Japanese people against the disasters to which their government is leading them.

But effective organisation of victory also means arms to China and the clearing of the Japanese from Burma so that those arms can reach her; for only from China can real blows be struck at the heart of Japan.

In February, 1942, the British Government gave a loan of £50 million to China and the United States one of £125 million. These were far larger sums than had been given before and began a positive policy of real assistance to China. It was good to learn in September that the Chinese Ministry of Economics had arranged to purchase urgently needed machinery by means of these loans. But that machinery cannot reach China in quantities till more air transport has been made available.* Both Britain and the United States have also made Lease-Lend arrangements with China, but again getting those supplies to their destination depends on the still too few planes on the risky route from India to China, or else on mule transport over the mountain tracks that run through Tibet. Yet throughout 1942, despite its own dire peril and the absence of a Second Front to ease the burden, the Soviet Union, fast friend of China for twenty-five years, was sending up to 2,000 tons of supplies a month over the Sinkiang Road.†

The Chinese have shown themselves masters of modern warfare both in bravery and skill, who have much to teach other armies. One

* *Great Britain and the East*, November 7, 1942, admitted that the Chinese had not been able to use more than one third of the total of British and American war-time loans to China. On the basis of these loans the Chinese Government placed large orders in India. After the fall of Burma the delivery of these supplies was suspended.

† *Great Britain and the East*, October 17, 1942.

of the most daring of the raids of the American army in Japanese occupied islands in the Pacific was made under an American officer who as U.S. attaché in China went to the Eighth Route Army to study the methods of General Chu Teh and others. Everyone knows that when China gets sufficient arms Japan will be defeated. Everyone knows that the only real method of getting the arms to China is by clearing Burma of the Japanese so that the Burma Road can be used again. And the surest and quickest method of doing that is to give freedom to India and Burma.

When that is done not only will India be secure against invasion and the Burma Road opened but there will be a great quickening of guerilla fighting in the Philippines, Java and throughout the whole Pacific; great numbers of British and American troops will be freed to support the Allied liberation of Europe; and the collapse and defeat of the Japanese end of the Axis will have begun.

Freedom of the peoples of the East is essential both to speedy victory and to lasting peace. The words of a Burmese woman leader, Daw Mya Sein, escaping from the Japanese horror to Free China, express the desires of all these peoples. The Burmese, she said, are "anxiously awaiting" to co-operate with the Allies in driving out the Japanese from Burma, but they want freedom and independence and not a reconquest by Great Britain.*

This war against fascism will be won by the resolution of the people and their determination to see that their governments have the policy and are of the kind that will ensure victory. It will also be won by binding ever stronger the unity between all the Allied nations. In that task also the great organisations of the people in Britain have a responsible role to play, and the stronger the international unity they establish now, the more effective will be the future system of peaceful international relations for which the Chinese, the British and all peoples hope.

The visit of British trade unionists to the Soviet Union, the Anglo-Soviet Trade Union Committee and Agreement, the visits of trade union representatives to the United States and the Dominions show how aware they are of this. Why should not a trade union delegation go to China? It could follow up and develop the work of the Parliamentary mission.

The Chinese Industrial Co-operatives are one of the great co-operative developments of recent years. What are the British and other co-operative movements and their members doing to strengthen their bonds with the Chinese movement?

Thousands of Chinese seamen are risking their lives daily on British ships bringing material to Britain for the Second Front and to sustain

* *New York Times*, July 23, 1942.

the British people. On shore they live crowded together in mean houses in mean streets that are a disgrace to our ports. The British National Seamen's Union has shown some interest in their welfare; but what is being done generally by city councils or trades councils and trade union branches to show hospitality to such brave allies, and to end the filthy, extortionate lodging houses that are owned by British shipping companies?

The need for medical supplies in China is enormous. Thousands upon thousands of sick and wounded soldiers and civilians must go with none or little attention because there are not enough doctors or nurses or medical supplies. The need grows greater with the liberation of each district formerly held and looted by the Japanese. Since December, 1941, the trickle from Britain has grown larger. It is still pitifully small.

These are practicable things which each can do so that governments and peoples together can go forward to victory and new China can take its place in a new world of peace and liberty.

Like the Soviet Union, China has not been included on such important Allied Councils as the Anglo-American Combined Chiefs of Staff Committee and the Anglo-American Combined Raw Materials Board. Yet she has been one of the strongest advocates of a Supreme Allied Defence Council in order that all forces may be effectively concentrated and co-ordinated for victory. During the war we cannot forget the words of Mr. Willkie that "We have not given China the aid to which she was entitled and which she needs." Nor have we given her the consideration either. It is imperative that we should.

Also, during the period of reconstruction which will follow the victory of the United Nations, it will be equally imperative to remember China's needs, for she has fought the longest of all the Allies and suffered terribly. Moreover, only when the past misery and poverty of the mass of the people of China and India is wiped out and they are free will the promises of freedom and prosperity contained in the Atlantic Charter have meaning for the majority of mankind.

Finally, just as it is essential now for every progressive movement and organisation in other lands to take an active and sympathetic interest in every step that China and Chinese organisations take on the road to democracy, so it will be imperative to take such an interest in the future. For only by such fraternal relations can the bonds between internal and external forces of reaction, established nearly a hundred years ago and reaching their peak in the puppet government of Wang Ching-wei, be broken.

But not only can we give to China, we can also learn much from the Chinese people whose problems in these war years have been in many ways so similar to our own. We can learn of the supreme importance of uniting all forces in the struggle against fascism, of

the great costs to the war effort when fainthearts and treacherous elements like Wang Ching-wei and his supporters are not dealt with immediately, but are allowed to sow disruption and defeatism before they declare themselves as open traitors and go over to the enemy. We can learn, too, from the plans of the Chinese people for future unity. And, while thinking of India and other countries, we can see how only a free people can defend its land from aggression. The contrast between Chinese resistance and the collapse of the Netherlands East Indies or Malaya is one of the greatest modern object-lessons in the value of self-government.

We can, moreover, learn how great is the need in this anti-fascist war, as in all great crises, for inspirers of the people; for those whom no difficulties, no problems nor sacrifices can daunt. In China the work of the student bands, of the Women's Comfort Corps which sprang up in the early days to aid the Army, of the members of the Industrial Co-operative movement, of many Kuomintang members especially in North China and, above all, the work of the Communist Party has unlocked and given direction to the great strength that is in the common people. Indeed, not least of the contributions that China has made to the world in recent years has been its example of the tremendous powers of initiative, courage and commonsense possessed by plain folk.

We can be inspired and encouraged by this heroism and steadfastness of the ordinary people in the face of great military, economic and political problems, and the way in which their determination has steadily won and is still winning solutions to those problems. Chinese railwaymen, miners, seamen and factory workers have already written many splendid pages in the records of working-class history; none is finer than their war-time achievements in road building, in constructing factories and railways and keeping them going despite the "blitzes," in forming guerilla units for the defeat of the enemy. Their valour and skill stand side by side with those of the workers of all the United Nations.

One supreme lesson remains—the need always for offensive action, the need to carry the war literally into the enemy's rear in a way similar to that of the Chinese guerillas but on an infinitely greater scale. For through offensive comes victory, and victory over fascism opens the way to a new world in which the people of China can take the place which by their courage they have won.

The Past and the Future

We have seen how, by fighting what is truly a people's war, step by step the Chinese people are also clearing away the encumbrances of the past and laying the foundations of a new China.

Through their heroic resistance to Japan the international fetters on China, the first link of which was broken by the Soviet Government in 1917, have been ended. Physically the country is being unified

by the great and ever expanding road system, by the airways and the small but slowly increasing number of railway lines. An independent industry, based on iron and steel, chemicals and electric power, an industry that is no longer the hanger-on of foreign capital, has begun to develop and will continue to develop at a cumulative rate. The old monopoly of education by the landed and wealthier classes is surely passing as millions upon millions each year learn to read and write and awaken to political interest. Faced with these three things, the industrialisation of the interior, the growth of communications, and the spread of education, the feudal and semi-feudal relics are breaking down. Science is being used to solve the problems of irrigation, of the deserts and the treeless mountains, and to develop the great resources.

Along with the economic unification of the country, the death of warlordism, the decline of provincialism, goes political unification. The authority of the Government runs throughout the land, its laws are no longer the half or wholly impotent gestures of the past but, as the opium suppression campaign has shown, they are real laws.

For China all these steps are great advances. Steadily the objectives of the national movement, first tentatively put forward in 1911 and then more clearly defined in the Kuomintang programmes of 1924 and 1938, are being achieved.

Three tasks yet remain to complete the process, all of which have already been started.

The first is to clear away all the obstacles that still exist to complete unity, especially to end the blockade of the North-West.

The second is the reform of the land system—the reduction of rents, the end of usury, the freeing of the peasants from landlordism, the consolidation and enlargement of the farming unit on a co-operative basis.

The third is democracy—the end of the one party system; the right of the people freely to form people's organisations such as trade unions and co-operatives; government by election.

How the Communist Party of China views the attainment of these points was expressed in the famous Central Committee declaration of July 7, 1942, when, having stated that the Atlantic Charter, the United Nations Pact, the Anglo-Soviet Treaty and Soviet-American Agreement gave them confidence that the post-war world would be democratic and free, they went on to say that all the anti-Japanese parties must co-operate not only during the war but also after it.

“Post-war China must be an independent state, living in the family of nations on the basis of equality and mutual benefit and not as a colonial, semi-colonial or vassal state. Post-war China must be a

unified and peaceful state and not torn by internal strife. It must be a democratic state, neither dictatorial, semi-feudal, nor Soviet nor socialist. Post-war China must make possible the economic well-being and prosperity of the entire population and not merely of one section of it. It should not confiscate the land by force nor the factories. Post-war China must be a democratic republic on the basis of universal suffrage and the co-operation of all parties. In a word, the new order in post-war China must be built on the Three People's Principles of Dr. Sun Yat-sen and on the Kuomintang programme of Resistance and post-war Reconstruction.”

After 1927 some sections of the Kuomintang were attracted by the blind-alley political machine of Nazi Germany. But now that this machine stands before all the world as a death trap; now that Nazi Germany has shown that, for all its former pretence of military and economic help for China, it was merely preparing to sell the country ready bound to Japan; now that Soviet resistance, the Anglo-Soviet treaty, and the formation of the United Nations have spelt the doom of fascism, such systems can have no attraction for anyone in China. By their declarations and actions during the war the leading members of the Government and Kuomintang have shown their anxiety to press forward with Dr. Sun Yat-sen's programme for democracy and improving the people's standard of life. They have given their pledges to history, and just as they have been judged progressive by their action in leading the valiant resistance against Japan, so they will be judged progressive by their action in pressing towards speedy victory and carrying through their plans for democratic reconstruction. The liberation of Canton, Hankow, Shanghai, Peiping and Mukden from the Japanese will bring a tremendous new surge of creative energy in China and quicken the working class and all progressive movements. And, whereas in the past Canton and the South were the leaders in progress, while the North was backward; now, because of the growth of democracy in the Border Regions and of other war-time developments, North and South will be able to go forward together.

The defeat of Imperial Japan and the reconstruction of China in accordance with the principles of Dr. Sun Yat-sen will make the industrialisation of China one of the great economic events of the next twenty years; an event which will not only raise the standard of living and increase the level of employment in China, but which will increase the wealth of the world and the level of employment everywhere. Through victory and reconstruction, China, which for ten years has been a focal point rallying the anti-fascist forces, will regain her place as one of the great nations of the earth. Her freedom will advance the freedom of all Eastern and subject peoples and she will again help to raise the level of civilisation of all mankind.

There are, of course, old elements in China who do not value democracy. We have them in Britain. But the aims of China have

been stated by General Chiang Kai-shek. Speaking of Dr. Sun Yat-sen's phrase: "The Revolution is not yet achieved," he said:

"The answer is that what we mean by revolution is the attainment of all three of Dr. Sun's basic principles of national revolution: national independence, progressive realisation of democracy, and a rising level of living conditions for the masses. . . .

"Insisting on national independence for all peoples, Dr. Sun's vision transcends the problem of China, and seeks equality for all peoples, East and West alike. China not only fights for her own independence, but also for the liberation of every oppressed nation. For us the Atlantic Charter and President Roosevelt's proclamation of the four freedoms for all peoples are cornerstones of our fighting faith. . . .

"There will be neither peace nor hope nor future for any of us unless we honestly aim at political, social, and economic justice for all peoples of the world, great and small. Having herself been the victim of exploitation, China has infinite sympathy for the submerged nations of Asia, and towards them China feels she has only responsibilities—not rights. We repudiate the idea of leadership of Asia because the 'Führer principle' has been synonymous with domination and exploitation precisely as the 'East Asia co-prosperity sphere' has stood for a race of mythical supermen lording over grovelling subject races. China has no desire to replace Western imperialism in Asia with Oriental imperialism or isolationism of its own or anyone else. We hold that we must advance from the narrow idea of exclusive alliances and regional blocks which in the end make for bigger and better wars to an effective organisation for world unity. Unless real world co-operation replaces both isolationism and imperialism of whatever form in a new interdependent world of free nations there will be no lasting security for you or for us."

The mass of the Chinese people—peasants and workers, students, professional and other classes—think in simple and wholesome terms of victory, of offensive action so that it can come speedily, of a system after the war which brings peace, raises the standard of living of the people and increases their power in government. And, as the war has shown, the weight of the people is the main force in Chinese politics today, distinguishing this period from all earlier periods of Chinese history.

Despite those tendencies which have at times darkened the political picture in these war years, despite political forms different from our own, one can see that the Chinese people, the ordinary men and women, through the path of resistance to fascism, have set their foot upon the road of progress and will never be turned back.

The peasant of China today is not the docile, fearful, humble person of the village where Sun Yat-sen grew up. Travellers have told how

they have had discussions that would put many Europeans to shame on international politics with the peasants of the guerilla areas, just beginning to read and write. The workers who have built the new industries and kept them going or who fought the Japanese in the occupied towns are determined to play their part too in the building of the new, free China.

Today the Chinese are not humble, they are proud. They have borne gigantic burdens in the struggle against fascism, while governments of other countries, countries that once held China in contempt, have often behaved like cowards and knaves. The Chinese have entered the main stream of world history, they are making it, and they demand that all shall take account of that fact.

Out of the battle against Japan, basing itself on the growing industries, a new China is emerging to take its place in a new world, and in it the common people are eager and active and pressing forward.

APPENDIX I

Outline of *San Min Chu I*

Dr. Sun Yat-sen's Three Principles of the People

Definition of the Three Principles

(a) The Principle of The People's Race, or Nationalism. Races have developed through natural forces. Natural force is *wang-tao* (the royal way); the group moulded by *wang-tao* is the race, the nation. Natural forces which mould races and nations are common blood, livelihood, language, religion, customs and habits. Nationalism is that precious possession which enables a state to aspire to progress and a nation to perpetuate its existence.

(b) The Principle of The People's Sovereignty, or Democracy. Any unified and organised body of men is called a "people." What is "sovereignty"? It is power and authority extended over the area of the state. When "people" and "sovereignty" are linked together, we have the political power of the people. Government is a thing of the people; it is control of the people and by the people; it is control of affairs for all the people. And where the people control the government we speak of the "people's sovereignty."

(c) Principle of The People's Livelihood, or Socialism. *Minsheng* denotes the livelihood of the people, the welfare of society, the life of the masses; and the principle of livelihood is for solving the problem of subsistence for the masses. The search for livelihood is consistent with the law of social progress; it is the central force in history. The problem of subsistence is the problem of the people's livelihood. In order to improve the people's livelihood the following principles are to be carried out: (1) equalization of land ownership, and (2) regulation of capital.*

APPENDIX II

Sun Yat-sen's Will

For the carrying out of these principles the points laid down in Sun Yat-sen's will are important.

"For forty years I have devoted myself to the cause of the people's revolution with but one end in view: the elevation of China to a position of freedom and equality among the nations.

* Quoted from *An Outline of the Organization of the Kuomintang and the Chinese Government*, issued by the official China Information Committee, Chungking, 1940. Exactly the same definition of the Three People's Principles appears in *Unity and the Defence of North China* by Gen. Peng Teh-huai, Vice-Commander of the Eighth Route Army, issued by the New China Information Committee, Chungking, 1940.

"My experiences during these forty years have firmly convinced me that to attain this goal we must bring about a thorough awakening of our people and ally ourselves in a common struggle with those people of the world who treat us on the basis of equality.

"The work of the revolution is not yet done. Let all our comrades follow my 'Plans for National Reconstruction,' 'Fundamentals of National Reconstruction,' 'Three Principles of the People,' and the 'Manifesto' issued by the First National Convention of our Party, and strive on earnestly for their consummation. Above all, our recent declarations in favour of the convocation of a National Convention and the abolition of unequal treaties should be carried into effect with the least possible delay.

"This is my heartfelt charge to you."

Sun Wen.

Written on February 24, 1925.*

The abolition of the unequal treaties has been achieved during the war by the heroism of the Chinese people. It will be finally consummated in the victory over Japan and the Axis. No National Convention to introduce a democratic constitution for China has yet been called.

APPENDIX III

Declaration of the Central Committee
of the Communist Party of China, September 22, 1937.

The Communist Party of China sets before all compatriots the following common aims of our struggle:

1. Fight for the independence and freedom of the Chinese nation. This necessitates above all the speedy and real preparation and mobilisation of the people for the national revolutionary war against the Japanese invaders, for the struggle to restore the lost territory and establish the sovereignty and territorial integrity of China.
2. Institute a democratic regime and convoke a National Assembly to work out a constitution and to plan for the salvation of the country.
3. Secure a peaceful and happy life to the Chinese people. This demands, above all, genuine relief to sufferers in distress, planful work for improving the welfare of the people, the development of the national economy in ways important for defence, the elimination of the suffering of the people, the improvement of their livelihood. All

* Quoted from *An Outline of the Organisation of the Kuomintang and the Chinese Government*.

this is an urgent matter for China and herein is the aim of our struggle. We are confident that this will meet with the support of all our compatriots.

To achieve the realisation of this goal the Communist Party of China wants to march shoulder to shoulder with its compatriots. The Communist Party clearly realises that there will be many obstacles and hardships en route to this lofty aim, and that we shall meet primarily with the resistance and subversive work of the Japanese imperialists. To liquidate every possibility of enemy intrigues and to eliminate wavering among the fainthearted, the Central Committee of the Communist Party deems it necessary to state with the utmost frankness its views with regard to the cause of the liberation of the Chinese nation and therefore the Central Committee once again declares before the whole country:

1. Our Party wants to struggle for the realisation of the three principles of Sun Yat-sen which are necessary at the present moment in China.

2. It will put an end to the policy of uprisings directed to the overthrow of the rule of the Kuomintang, cease the movement for Sovietisation, and put an end to the policy of the forcible confiscation of the landed estates.

3. It will dissolve the present Soviet government and institute a democratic regime*, thus establishing uniform power throughout the country.

4. It will abolish the name of the Red Army and the numbers by which its units are known, reorganising it into a People's Revolutionary Army, subordinate to the command of the Military Council of the National Government; and will await the orders for an offensive against the Japanese invaders.

APPENDIX IV

The Statement of the Central Committee of the Communist Party of China on July 7, 1942:

"The beginning of the sixth year of war of resistance coincides with the eve of the victory of the world anti-fascist struggle.

"On the side of the Allies we note the victories on the Soviet front, the consolidation of the rear, the heroism of the Red Army, the enthusiasm among the people, the extension of war production in Britain and the U.S.A., the growing will of the peoples for resistance, the growing strength of the navy, army and air forces, the active

* Democratic rights for all, including landlords, instead of such rights only for workers and peasants.

preparation for the Second Front. The conclusion of the Anglo-Soviet Treaty of Alliance and the Soviet-American Agreement further consolidate the friendship between these countries. The factors mentioned create the basis for the victory of the United Nations, headed by the U.S.S.R., Britain and the U.S.A., over Hitler and his European vassals in 1942.

“Not only is the certainty of victory most encouraging but also the fact that a precise policy has been adopted for the post-war world order. The Atlantic Charter of last August, the joint declaration of 26 nations last January, the recently concluded Anglo-Soviet Treaty and the Soviet-American Agreement, give us confidence that the post-war world will be democratic and free. There will be no territorial expansion, no interference with the internal affairs of other countries, the peoples of all countries will have the liberty to choose their own political system, the possibility of a recurrence of fascist aggression is precluded.

“All these principles have been accepted by China, the Soviet Union, Great Britain and all other anti-aggression nations. They represent the common hope of the peoples all over the world, including the Chinese people.

“The Central Committee of the Communist Party of China declares:

“We support these declarations. We are willing, in a joint effort with the other Chinese patriotic parties and groups, to participate in the reconstruction of the post-war new world and new China.

“In the present international situation the Chinese war of resistance is confronted with two problems:

1. To win time to overcome the difficulties in order to win final victory over Japan.
2. To achieve complete agreement between all parties on the questions relating to the present war of resistance and post-war reconstruction in order the better to defend our country and consolidate our forces for its post-war reconstruction. In other words, it is a problem of time and unity.

“As to the question of time: If the Soviet Union, Great Britain and the U.S.A. have sufficient basis for considering the defeat of Hitler possible in 1942, then China, Britain and the U.S.A. have sufficient basis for considering the defeat of Japan possible next year. Though we know the road to victory is very short, yet there are very great difficulties ahead. The least carelessness and looseness might endanger all past achievements. We must guard against such danger and determinedly face the trying period before us. Only thus can victory be won. Therefore, the whole nation must unite in an effort to gain time.

“As to the question of unity: The Communist Party maintains that all the anti-Japanese parties must co-operate not only during the war

of resistance but also after the war. Post-war China must be an independent State, living in the family of nations on the basis of equality and mutual benefit, and not as a colonial, semi-colonial or vassal state. Post-war China must be a united and peaceful state and not torn by internal strife. It must be a democratic state, neither dictatorial, semi-feudal nor Soviet or socialist. Post-war China must make possible the economic well-being and prosperity of the entire population and not merely one section of it. It should not confiscate the land by force nor the factories. Post-war China must be a democratic republic based on universal suffrage and the co-operation of all parties. In a word, the new order in post-war China must be built on the principles of the *San Min Chu I* of Doctor Sun Yat-sen and the Kuomintang Programme of Resistance and Reconstruction.

“Since the beginning of the war the Communist Party of China has been struggling for carrying on the present war and reconstruction by means of unified efforts.”

The statement cites the contents of the declaration of the Communist Party of China on September 22, 1937, and continues:

“In the past five years the Party proved its loyalty to its principles not only in words but in deeds. And we now reaffirm that our principles, our promises, programme and policy apply not only to the period of the war of resistance but also to the period of post-war reconstruction and that our Party will work for their full realisation. When the war of resistance is approaching victory the people of China must have common policies with regard to the struggle for final victory, as well as common policies for post-war reconstruction which must serve as a basis for mutual confidence and abolition of suspicion. This is the main guarantee for uniting the efforts in a struggle for final victory and for an independent, unified, peaceful, democratic and prosperous post-war China.

“The Communist Party maintains that the military and civilian population of China must unitedly support Generalissimo Chiang Kai-shek as the leader of the war of resistance. The Communist Party of China recognises the Generalissimo not only as the leader of the war of resistance but also of the reconstruction of post-war China. Our Party wishes to discuss and settle the past disputes between itself and the Kuomintang through the latter's authorised representatives as well as to discuss with it and also with the representatives of other parties the questions relating to winning the war. The Communist Party considers it is its duty to strengthen the confidence in victory among the military and civilian population, help overcome pessimism and despair and wipe out the opportunist and “biding-time” sentiments.

All for victory! All for carrying on of our counter-offensive! All views and actions harmful to the war of resistance must be suppressed.”

(*Sinxua Rhbao*, Chungking, July 7.)

APPENDIX V

Wartime Government in China.

The supreme authority in war-time China is the Supreme National Defence Council. Such a Council was not provided for in the Kuomintang Organic Law of 1930, so that Law is now, in part, superseded.

The Supreme National Defence Council was formed in August, 1937. In November, 1937, the Political Council of the Kuomintang ceased to exist. The S.N.D.C. was a smaller and more representative body and enjoyed emergency powers of legislation not enjoyed by the Political Council. Attached to the S.N.D.C. was an Advisory Council on National Defence of 17 members (later 23). These included Mao Tse-tung and Chou En-lai of the Communist Party, Hu Shih and other Liberals, and representatives of the Youth Party, the National Socialist Party, the Third Party and the National Salvation Association. In February, 1939, the Supreme National Defence Council was reorganised and enlarged and the Advisory Council gave place to the People's Political Council. The new powers of the S.N.D.C. gave it authority over the departments of the Kuomintang Party as well as its previous powers over the Government departments. It is now a large body and its chief work is done through a standing committee of 11 members, rather like a war cabinet. See "Wartime Government in China," by Tuan Sheng Chien in *The American Political Science Review*, October, 1942.

There have been three People's Political Councils during the war. The first was chosen in 1938, the second in 1940, the third in 1942. With the formation of the second P.P.C. its meetings were altered from a ten-day session once every three months to one once every six months, the present interval. The powers of the chairman were handed to a committee of five and a standing committee of twenty-five was elected which met twice a month; one of its members is a Communist. It has, however, little power.

In the reorganisation of the P.P.C. in 1942, 180 members represented the provinces and municipalities of China. Of these 59 were appointed by the provincial governments and the C.E.C. of the Kuomintang to represent the occupied provinces of China and 105 were elected by 19 provincial People's Councils and the Chungking Municipal People's Council. In addition 60 members were chosen from those who "had contributed to national welfare."

The Provincial and Municipal People's Councils vary in membership from 30-50, meet every six months and have standing committees. They are not elected but are appointed by the provincial government and provincial Kuomintang bodies under the supervision of the Supreme National Defence Council. The provincial governments now consist of boards of from seven to nine members with various executive functions, all appointed (at least in theory and more and more in practice) by the

Central Government. The chairman of each provincial board is the actual governor. Provincial governments come under the department of the Minister of the Interior in the Executive Yuan and, since in 1942 they lost many of their independent powers of taxation and budgeting, they are increasingly under the authority of the Central Government.

In the article quoted above from the *American Political Science Review* the writer, a prominent Chinese Liberal, makes some interesting remarks about the People's Political Council: "It would be extravagant to claim that in it (the P.P.C.) Chinese democracy has found an anchor, or even that through it China has made a long stride on the road to democracy. But if the function of a democratic assembly is to voice the opinion of the people and to make the government feel obliged to respect that opinion then the P.P.C. is not to be dismissed as a nonentity merely because it is not a fully elected assembly or because it has yet to acquire the power of compulsion." If the P.P.C. were to be given more power and made more representative it would be, in his opinion, a better channel for Chinese democracy than the "People's Congress," which was due to meet and adopt a constitution for China first in 1936 and then in 1940 but was postponed both times. The delegates to the "People's Congress," he points out, were chosen in elections strictly controlled by the Kuomintang during the period of civil war. He also writes that if the Kuomintang does not fulfil its pledges to introduce democracy in China, it "will lose all moral right to govern."

Besides the Kuomintang, the Communist Party, the National Salvation Association and four other parties have participated in the People's Political Council: The Young China (or Youth) Party, the National Socialist Party (which claims to be unlike the Nazis), the Social-Democratic Party of China and the Third Party.

They are all small groups, scarcely parties. The first two are supposed to be to the right of the Kuomintang, the second two to the left. Like the Communist Party they have as yet only a quasi-legal status in China, though none has suffered much persecution and the National Socialist Party has sometimes seemed to receive powerful encouragement. Representatives of the Young China Party and the National Socialist Party were put on the Presidium of the P.P.C. in the autumn of 1940.

A contrary view of the future development of democracy in China to that of the above quoted Chinese writer is the one put forward by Capt. H. J. Scrymgeour Wedderburn, M.P., to the Royal Asiatic Society on March 3, 1943. Capt. Wedderburn was one of the Conservative members of Parliament who went with the recent Parliamentary Mission to China. At the Royal Asiatic Society he declared, "There is a great deal to be said for the view that in China discipline must come before freedom," and spoke of "the development of a form of constitution which would lead to a fully democratic

system in accordance with the principle of a stage of political tutelage outlined by Dr. Sun Yat-sen. He referred to the existing People's Political Council as an embryonic form of Parliament, but expressed the view that it would be some time before democratic institutions could be fully developed."*

It is, of course, nothing new for reactionary Members of Parliament in Britain, whose lack of love for and understanding of democracy have led to such grave disasters for the British people, to be opposed to democracy in China, and to put forward this opposition in the form that China is not ripe for democracy and its introduction must be postponed to some vague and distant date. But it would be foolish for anyone to take Capt. Wedderburn as representing anything more than a spokesman of this small and disastrous group, which even under pressure of war has, in Britain, opposed such elementary reforms as the Catering Bill and the Beveridge Report.

Nor is he correct in his reference to Dr. Sun. Sun Yat-sen did indeed in an earlier period of Chinese history, when the country was still divided up among the warlords, speak of three stages in the achievement of a democratic China. In the first stage, the military stage, the warlord forces were to be militarily defeated. In the second stage, that of tutelage, the Chinese people were to be given democratic institutions first in the *hsien*, then in the province, and finally on a national scale when the stage of tutelage would end and that of democratic government would begin. But the circumstances today are vastly different because of the experience of the war and of the unity gained during the war if for no other reasons.

In the past the doctrine of political tutelage has been used all too often to delay the introduction of democratic institutions. The war has pushed the doctrine on one side and a real beginning has been made in the P.P.C., in the Border Regions and elsewhere to introduce democracy. The great question for the present and the future is to go ahead with this development. Those who would desire to arrest the process are no friends of the Chinese people, nor of the British people.

APPENDIX VI

The *Hsien* and the Growth of Democratic Government.

There are some 2,000 *hsien* in the 28 provinces of China. They are the basic units of government and have been so for many centuries. Now, all the *hsien* in the four north-eastern provinces, plus fifty or so in the rest of China are completely occupied by the Japanese, as are parts of some 450 more.

* *China News*, Thursday, March 4, 1943.

In the past the Government appointed the *hsien* magistrates and the *hsien* magistrates appointed all officials within the *hsien*. Within his district the magistrate exercised all and more than all the power that a British Regional Controller would exercise in the case of an invasion of Britain, and was answerable only to his official superiors. In area and population the district under each of these magistrates corresponds to the areas of British and American county councils.

Just as under British county councils there are town or urban councils, and rural councils, and the rural councils are sub-divided into parishes; so the *hsien* is divided into smaller areas of government. In addition there is the *pao-chia* or mutual guarantee system of family and group responsibility which makes groups of families responsible for the acts of each member of the group. A *chia* consists of from six to fifteen households, above it is the *pao* ("hundred families") or parish (like old English parishes, the *pao* exists in both country and town) which contains from six to fifteen *chia*. Above the *pao* is, in the country the *hsiang* (or rural district), and the *chen*, or town, each composed of from six to fifteen *pao*; finally above these is the *hsien*. Each of these units of local government in Free China have now their local councils. (The grouping of from 6-15 units in a larger unit is an ideal system. In actual fact the variations are greater.)

UNIT OF GOVERNMENT	COUNCIL
<i>Chia</i> (group of households)	Two assemblies: <ol style="list-style-type: none"> 1. Composed of all heads of households. 2. Composed of all adults in the <i>chia</i>.
<i>Pao</i> (parish, village)	One assembly composed of one representative from each household in the <i>pao</i> . It elects the <i>Pao chang</i> or village head.
<i>Hsiang</i> (rural area) and <i>Chen</i> (town)	One assembly of delegates, elected by the <i>pao</i> assemblies, two from each <i>pao</i> . It elects the <i>Hsiang</i> or <i>Chen</i> head, or chairman.
<i>Hsien</i> (county)	One assembly. Seventy per cent elected by the <i>Hsiang</i> and <i>Chen</i> assemblies, and 30 per cent elected by the local trade and professional associations.

These plans were approved by the Supreme National Defence Council in July, 1939, and began to be put into operation in 1940. The *hsien* assemblies were empowered by this scheme to advise and check the activities of the *hsien* magistrate.

A description of the working of the scheme in Szechuan just when it was beginning to operate was given in the *New China Weekly News*

Letter of July 19, 1940, edited by Frank W. Price, a friendly missionary observer.

"Old residents of Szechwan say that more changes have taken place in the *hsien* cities (district or county seats) of the province within the past two years than in the previous twenty. The cities are cleaner and better governed, the *hsien* officials are pushing education and instituting reforms throughout the districts; new land surveys are being made and the taxation system is being overhauled; almost every city now boasts a daily or weekly newspaper. A new form of district government was introduced last March and is beginning to take effect. . . . Each *pao* or "hundred-families" elects a representative to the *hsiang* or *chen* People's Council. Each Council sends two representatives to a *hsien* or district People's Assembly. At present the magistrate of the *hsien* (county) is still a government appointee but a definite effort is being made to train the people in democracy. The new plan stresses four phases of local government: administration, education, production and self-defence (police protection). Every head of a *hsiang* or *chen* is concurrently principal of the local school, captain of the local militia, director of the local economic (*i.e.*, agricultural credit), co-operative or productive organization, and head of the community government programme. The danger of concentration of authority is offset, the supporters of the new plan claim, by the benefits of a co-ordinated scheme of local government. The *hsien* (county) governments are now to have six departments: civil affairs, finance, self-defence, education, construction, and social welfare. The real power in many parts of Szechwan is still in the hands of the landed gentry and the heads of powerful brotherhoods or secret societies. Sometimes the influence of these groups is good, sometimes it is reactionary and very bad. But a strong ferment is at work and Szechwan, like other provinces of West China, is on the way to a more honest, more efficient, more socialized government for the masses of the people. This is as significant as China's continued military resistance."

The system was first introduced into Szechuan, later in other provinces. By June, 1941, about half of the *hsien* in Szechuan had assemblies; other provinces were more backward, but on his return from his tour of the North-Western provinces in 1942 Generalissimo Chiang reported his satisfaction with the development of the new *hsien* system there. In August, 1941, the powers of the *hsien* assembly were extended. They were empowered to decide on matters of local self-government, they were given control of the *hsien* budgets and could pass county ordinances and regulations, subject to the powers of the Central Government to declare such regulations null and void. Also under the new regulations adopted by the Executive Yuan in November, 1941, and passed by the Legislative Yuan in August, 1942—and which, presumably, will soon be in operation—the *hsien* assemblies are to

elect one representative each (subject to certain conditions) to the new provincial councils. When this is adopted the system of appointed provincial councils, adopted in 1938 as the first form of the scheme, will be partly ended and there will be a system of indirect election from the *pao* assemblies right up to the People's Political Council, but on the basis of household and not universal suffrage. In the *hsien* and sub-*hsien* assemblies the voters should exercise both the power of election and the power of recall, which Dr. Sun Yat-sen included in his list of democratic rights. (Dr. Sun's plans for reconstruction envisaged the direct election of *hsien* assemblies and magistrates, as well as provincial governors).

These are China's first steps towards democratic government. Unlike the regulations governing the provincial councils and the first regulations of the People's Political Council there seems to be no provision for Kuomintang Party control of the *hsien* elections, but, of course, in most areas the Kuomintang is still the only party allowed. Only in the Border Regions and the Special District do different political parties compete in the local elections, as there the Kuomintang and Communist Parties exist in amity side by side. In the Border Regions the Communist Party of China, by a self-denying ordinance, has ruled that wherever members of the Communist Party are elected to more than 30 per cent of the seats in any assembly, they shall resign in order to give ample representation to all groups in the area. In these areas election to the *hsien* assembly is direct and not indirect.

The Central Executive Committee of the Kuomintang in November, 1942 (*Manchester Guardian*, 3/12/42) took a decision that "from now on the district (*hsien*) Kuomintang secretary shall be simultaneously the district (*hsien*) magistrate." If this amalgamation of party and official government functions were to be carried out it would, of course, be a dangerous check on the growth of real democracy in the *hsien*. The next steps in the *hsien* system are obviously universal adult suffrage instead of householder suffrage, and the election of the *hsien* magistrate. One of the great weaknesses of the present system is that, even where it is nominally in force, the elections are all too often only "token" elections, no steps being taken to secure the real and effective participation of the people.*

It is noteworthy that the Government regulations for this new *hsien* system start with the *pao* assembly as the base of the system. This may indicate that the *chia* as a unit of government will be abolished in future and with it the *pao-chia* system. In addition, the training of personnel for local government and the increase of local offices of various government departments give the Central Government more direct control over the standards and efficiency of the government of the *hsien* magistrates, and of the provincial governments.

* See *The China of Chiang Kai-shek*, Paul Linebarger.

In the scheme as organised at present it will be seen that the agricultural credit co-operative is part of the government machinery, with the village headman in charge. Under this system, which is different from the principles of co-operation as known elsewhere, it has not yet been possible to eliminate the old vicious habit of the credit co-operatives lending at cheap rates to landlords instead of to peasants, and the landlord then re-lending at high rates to the peasants who have not been able to get the cheap loans from the "co-operative."

APPENDIX VII

Trade Unions in China

The trade unions in China are at present controlled by the Ministry of Social Affairs. Their work is almost entirely restricted, as yet, to setting up dormitories, dining rooms, and sometimes clinics for their members, and it does not appear to include wage negotiation. The Ministry often operates by setting up "model" trade unions. From July, 1941 to April, 1942, 18 such unions were formed. They are supervised by Ministry inspectors and have to send quarterly reports to the Ministry. Should such a union fail to carry out its functions its charter can be revoked. It is not clear how far the union officials are elected and how far appointed. The "model" unions are expected to provide an example to the other unions, not so closely supervised by the Ministry. "Model" agricultural unions for peasants and agricultural workers, with compulsory membership, have also been instituted for some areas. (See *International Labour Review*, October, 1942.) While the present position shows a growing demand for unions among the workers of the interior, many of whom have only been in modern industry for a few years and all of whom work in relatively small works, and though these measures may represent the rebirth of the Chinese trade union movement, they show how far the Chinese unions have yet to go in order to win the rights of British and American unions and to establish real collective bargaining.

The central trade union body in China is the Chinese Association of Labour now in Chungking. Its Director, Mr. Chu Hsueh-fan, has represented Chinese labour in many international conferences and has helped the formation of unions among the Chinese seamen in Allied employ.

In the Border Regions the democratic National Salvation Associations for workers take on the work of trade unions, negotiating wage agreements, etc., in addition to their patriotic and educational work.

In the occupied cities, like Shanghai, underground organisations of the workers exist, despite the terrible oppression, and have carried out innumerable strikes and other forms of sabotage.

