

China's Wartime Politics

1937 · 1944

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1937-1944

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PREFACE

The increasing public interest (sometimes anxious interest) on the part of the people in many parts of the Western world in the political and military developments in Free China is important for several reasons. On the one hand it shows a growing awareness of the vital role which the Chinese armies and Allied forces operating in China may play in the final defeat of Japan. On the other hand it evidences a belated and sometimes unbalanced knowledge of the fearful real burden which seven years of war, blockade and inflation have laid on the Chinese people and government. With that knowledge there is also some realization of the immense tasks which lie ahead if China is to be not only rehabilitated to her political and economic position of 1937 but also set upon the road to far-reaching economic reconstruction and political reform and thus enabled to fulfil the international responsibilities of a major power in the post-war world. Few people will dispute the urgent need of having China as a great Asiatic nation included as an effective, and not merely a nominal, member of the Big Four or Big Five powers. For that reason there cannot be too much study on the part of Westerners of how best China, so sorely handicapped these past seven years, can be aided to develop the material resources and the political and social mechanisms which will permit her to pull her full weight with the other great nations.

In that process of study it will be found essential to examine the political development of Free China during the war years. For despite the conservatism of Chinese life and the persistence of age-old social patterns and habits, the violent upheavals of the war with its vast displacement of population and economic life have forced political changes which are bound to influence the whole plan of Chinese post-war government and economic development. The full impact of these political changes can only be dimly glimpsed as yet. Their real effect may only become clear when the constant pressure of Japanese armies has ceased and when the Chinese government begins to re-establish its authority in eastern and northern China and in such restored territories as Manchuria and Formosa. Undoubt-

edly the difficulties and new responsibilities which these tasks will present will necessitate rapid political changes to meet varying circumstances and one cannot assume that the present political practices of Free China today will all be continued. Nevertheless the influences of the political groupings, the habits of administration, the ideologies which have grown up in the war years will not suddenly disappear but will make themselves felt in many ways and for many years.

The present book attempts to sketch, only in brief outline, some of these major wartime political developments in Free China and to show their connection with the course of the war itself and with the accompanying economic disorganization which it has brought. It does not pretend to be a treatise on Chinese government and politics or an analysis of the course of the war in China. It does not attempt to discuss the intricacies of Chinese provincial and local politics and the personalities involved in them. Finally it omits any detailed account of China's relations during the war period with her neighboring and Allied nations, though it is fully realized that this question (particularly that aspect of it affecting military and economic aid to China) has many important bearings on political developments inside Free China. The book has been purposely limited to a narrative of the major events in national political and wartime administration, in the belief that such an account, supported by pertinent documents, may be of value to Western friends of China in studying some of the vexing problems of peace in the Far East. At a later date the I.P.R. Secretariat expects to issue another volume, by a well-qualified Chinese writer, on some of the more detailed problems of internal administration and reconstruction in the new China.

In sponsoring the present book the I.P.R. Secretariat does not assume responsibility for statements of fact or opinion expressed therein. For all such statements the author alone is responsible.

W. L. HOLLAND

Research Secretary

Institute of Pacific Relations

New York
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CHAPTER I

THE POLITICAL BACKGROUND

The Roots of Nationalism

When China's national resistance began in 1937 almost a century had passed since Western armed power first breached the walls of the Manchu Empire. Many far-reaching, progressive changes had taken place in that time, but modern China had still not achieved genuine independence. It was clearly not a colony or protectorate of any foreign nation. Nor was its policy dictated by the united pressure of a combination of powers. Yet, parts of China—such as Formosa and Hongkong—had long been foreign possessions, and the vast region of Manchuria had fallen to Japan only a few years before. Moreover, there were various long-term leases of Chinese territory as well as so-called concessions—areas of foreign residence and influence in some of the leading cities. In Shanghai, for example, a predominantly foreign Municipal Council governed the International Settlement, the country's most important financial, industrial and commercial center.

Foreign power was more than a matter of territory. It affected the functions of government as well as the scope and nature of Chinese development. Foreign troops were on Chinese soil, and foreign shipping dominated China's waters. The system of extraterritoriality, which removed leading groups of foreigners from the jurisdiction of Chinese courts, gave many alien businessmen an advantage over their Chinese competitors. Even more important in hampering the growth of industry was China's lack of power to fix its own tariff. Customs autonomy, it is true, had been granted by the powers, but Japanese pressure after the invasion of Manchuria in 1931 prevented the adoption of a fully independent tariff policy. In fact, many of the gains made by the Chinese nationalist movement in the 1920's were more than cancelled out in the following decade by loss of sovereignty to Japan. An important shift in the character of China's foreign relations was therefore taking place: although special western privileges continued to be regarded as a burden,

they were overshadowed increasingly by Japan's active policy of expansion, which threatened the existence of almost every section of the Chinese nation. This is easily seen from a brief examination of the facts.

In 1937 the Chinese middle class was still very weak politically, for modern industry and banking were confined to small areas and were not primarily under Chinese control. Textiles and other articles of light industry constituted the bulk of factory production. Partly because of foreign influence, Chinese banks invested little of their capital in the field of industrial development. Instead of concerning themselves largely with production as such, they used their funds to purchase government bonds, urban real estate and agricultural produce, and to promote communication facilities. An important part of the middle class participated in a more or less subordinate capacity in foreign-directed enterprises. With so large a personal interest in China's existing status, this group sometimes wavered in its spirit of nationalism. Yet, China's merchants, bankers and industrialists as a whole came to realize that Japanese aggression was incompatible with their survival even in their existing inferior position.

A relatively small working class—principally factory workers, craftsmen, coolies and maritime laborers—lived in the great cities of the coast and Yangtze Valley area, while a larger body of rural handicraft and farm workers carried on an almost separate existence in the interior. The conditions in factories and workshops were reminiscent of the early days of the Industrial Revolution in the West. Child labor was common, the working day long and wages low. Large numbers of women were employed, and sanitary and safety measures were in a most rudimentary stage. The organized trade-union movement—a powerful factor in the nationalism of the mid-twenties—had been in large part broken or driven underground by the Central government after 1927. But the spirit of nationalism survived among the more advanced industrial workers and expressed itself in rising anti-Japanese sentiment in the 1930's, for they increasingly felt that the improvement of their own position was linked with the creation of an independent China.

Lower middle class groups in the cities, including shopkeepers and students, were also thwarted by China's inability to develop freely. The evasion of the Chinese tariff by Japanese

smugglers ruined many small Chinese merchants, mainly in North China, while the political power that accompanied the smuggling threatened the centers of education. The students, who were acutely aware of the contrast between China's status and that of the powers, were also in an excellent position to furnish nationalist leadership. Better prepared than the average peasant or worker to think about the country's problems, they were far more willing than the average businessman to assume the risks involved in patriotic action. Large numbers of the students saw clearly that China's future depended first of all on the creation of a sovereign nation, following progressive paths at home and abroad.

City groups, however, were only a small part of the population, for eight out of ten Chinese still depended on the soil for a living. On millions of tiny farms, debt-ridden peasant owners and tenants, together with those who rented land to supplement their own little holdings struggled to earn a living. Absentee landlordism and tenancy often went hand in hand, especially near the great cities, where many landlords lived on receipts from the countryside. Capitalism in agriculture hardly existed in view of the intensive use of human labor on extremely small holdings.

These social conditions were part of an outmoded land system under which the peasantry was caught in a web of rent, usury and taxes, with the landlords often acting simultaneously as rent-collectors, merchants, money-lenders and officials. Local rule was almost completely under the control of important land-owners who established a most careful watch over the activities of the peasants. As a result of this situation, the latter, at least in the territory of the Central government, had little to say in popular discussion about the menace of Japanese aggression. But since the beginning of resistance they have often shown in unmistakable fashion that they identify their own future with defeat of the enemy.

Of all groups in China, the rural landlords, gentry and officials had the greatest stake in the existing order. Even to the most forward-looking among them the problems presented by the country's backwardness were likely to appear theoretical as long as rents, taxes and interest could be collected. Not only would genuine modernization have involved far-reaching adjustments on their part; but, specifically, a war of resistance against

Japan threatened to bring fighting into the fields, upset the customary relationships of the countryside, and perhaps increase the power of the peasantry. Provincially-minded individuals among the gentry were not likely to take alarm as long as Japanese aggression appeared to be directed against the national power or some region of the country other than their own. Yet, it was becoming clear by 1937 that all hopes for local safety from the invader were an illusion. Moreover, even for the rural leaders, many of whose children took part in student movements, there existed motives of a nationalist character—sentiments which were influenced by the more determined, patriotic reaction of other groups in the cities of China.

It is clear that in 1937 the great majority of the Chinese people had one common need: independence from Japanese control which, in aggressiveness and immediacy, far outweighed any other outside influence. It would be false to suggest that this situation was grasped logically and in its many aspects by large masses of the population, or even by most of China's leaders, but it was appreciated sufficiently to make resistance possible. Once the die was cast, war itself became the supreme teacher: despite the wavering of some groups and individuals the country realized more and more that its existence was at stake.

The Growth of Modern Government.

Chinese nationalism achieved its first success with the overthrow of the Manchu Empire in 1911, but even the wisest of the revolutionaries did not realize that the mere assembling of a Parliament could not make of China a modern nation. The political upheaval, so pregnant with consequences for the future, had the immediate effect of substituting for the Manchu government a Chinese regime that soon proved to be unequal to its tasks. Sun Yat-sen, the great nationalist leader, and his political party, the Kuomintang, were quickly driven from power. The dissolution of the weak Manchu controls over a vast decentralized country allowed the forces of provincialism to emerge in full strength. Local and regional deputies of the former regime paid lip-service to the Republic, but became, in fact, warlords and leaders of corruption. China entered a period of unprincipled civil war.

Yet, counter-forces were appearing. World War I encouraged the rise of modern industry and of Chinese industrialists and

financiers, thus strengthening the middle class basis for a nationalist movement. At the same time a modern working class began to develop in some numbers, labor unions were formed, and the patriotic student movement rose to new heights. The October Revolution in Russia also had considerable influence on Chinese nationalist circles, which were gratified by the Soviet renunciation of various Tsarist privileges in China and attracted by Soviet declarations against the colonial system. In the spring of 1921 a Chinese Communist Party was formed. Within little more than two years Sun Yat-sen, then the leader of a Kuomintang government centered at Canton, had decided on cooperation with the Chinese Communists and an alliance with the U.S.S.R.

The First National Congress of the Kuomintang, held at the beginning of 1924, gave its approval to this move. The party was reorganized, and its platform was broadened to include a greater appeal to the peasant and labor movements. At the same time, although the Communists retained their own party organization, they were admitted to membership in the Kuomintang, and three Communists were appointed to its Central Executive Committee. The Kuomintang now became, in effect, a nationalist alliance. This was in keeping with Sun Yat-sen's deep conviction that all groups in China were suffering from some type of oppression and that all should therefore cooperate.

Sun's death in March 1925 was a most serious loss, but the nationalist movement stemmed from forces greater than any one man. Millions of ordinary Chinese were beginning to participate in the struggle for the goals he had proposed: national independence, political democracy and economic security (known as San Min Chu I, or Three Principles of the People). The period, 1925-27, was one of upheaval, marked by widespread strikes, great stirrings of the peasantry and a powerful mass movement against foreign control, all of which were aided by the Kuomintang and its government at Canton. Now a new figure came to the fore: General Chiang Kai-shek, who had worked with Sun Yat-sen and had become Canton's outstanding military leader. In March 1926, while still at Canton, Chiang removed Wang Ching-wei and other left-wing members of the Kuomintang from party leadership and also curbed sharply the governmental influence of the Communists. This was the first sign of a break

in the united front, but the situation did not deteriorate further at the time.

In July 1926, with Chiang as Commander-in-chief, there began the famous Northern Expedition, an attempt of the nationalist nucleus in the south to unify the country by destroying the power of the warlords in other areas and ending foreign control. Welcomed everywhere by the people, the armies from Canton soon took over large sections of south and central China. Toward the end of the year the capital was transferred to the important industrial center of Wuhan (comprising Hankow, Hanyang and Wuchang) on the Yangtze. These developments were greatly facilitated by strikes and peasant uprisings in the rear of the warlord forces. Many strikes occurred also in Kuomintang China, as well as a significant expansion of peasant and labor unions. At first the peasants secured reductions in rents and taxes; later there was much seizure and redivision of land. The Communists, active in these movements, increased their strength, although remaining far weaker than the non-Communist majority of the Kuomintang.

With the nationalist seizure of Shanghai late in March 1927 the united front split wide open, as a powerful coalition consisting of the right wing of the Kuomintang in combination with outstanding industrial and financial interests in the lower Yangtze valley moved to suppress the mass movement. The concomitant growth of nationalist control and the popular desire for reform had brought to the surface a fundamental problem: under what type of government was a unified China to be organized? The conservatives, led by Chiang Kai-shek, seem to have concluded that they had attained as much of their objectives as they could at the moment without risking loss of their leadership to the liberals and left-wing groups. But an important additional factor in influencing their attitude and making possible their success was the position taken by the foreign powers who were alarmed at many aspects of the popular movement and desired a change in nationalist policy. This made it very difficult to go forward with the unification of China unless the popular movement was further strengthened.

The new regime at Nanking controlled the most important section of China and ultimately was recognized by the powers. It was supported by the Shanghai bankers, as well as land owners and businessmen in many areas, and various local and provincial

warlords. It had behind it not only the Kuomintang organization and the prestige of Sun Yat-sen's name, but also the allegiance of military and political circles that found it expedient to jump on the bandwagon. On the other hand, the weakness of Nanking and Chiang-Kai-shek at the time should not be underestimated. The lower Yangtze valley, although important, was not all of China, and recognition by the powers was a thin reed to lean on and no guarantee against future aggression. The support of wealthy Chinese was important, but there was also the problem of dealing with the mass movement of peasants and workers. As for the alliances with the various warlords, these were purely marriages of convenience.

With the occupation of Peking—soon renamed Peiping—in June 1928 and the pledging of allegiance by the Manchurian warlord, Chang Hsueh-liang, in the same year, all China was nominally under Nanking's control. In October 1928 the Organic Law of the National Government of the Republic of China was proclaimed. It established a one-party administration of the Kuomintang, a type of rule not new in China, but markedly different from the democratic practice and theory of the party during the years in which it had embraced all sections of the nationalist movement. Nanking explained the existing system of government by citing the view of Sun Yat-sen that after military unification China would have to pass through a period of "political tutelage" in which the people would be prepared for self-government. Yet it was clear that policy was being determined by more pressing considerations than the words of a dead leader. This was indicated by Nanking's determined effort to consolidate its position through suppression not simply of the Communists, but also of the popular democratic movement and, in the last analysis, all critical groups. Under the new conditions of civil war the Kuomintang was transformed into a party consisting chiefly of officials, persons wishing to enter the government service, and representatives of the dominant economic groups.

The new regime functioned through many governmental and extra-governmental bodies, not coordinated in a logical system. There was, first of all, the formal administrative set-up which, following the theories of Sun Yat-sen, contained five main departments (known in Chinese as Yuan). These were the Executive, Legislative and Judicial Yuan—copied in name from the

three branches of the United States government—and the Control and Examination Yuan, created to supervise the conduct of officials and take charge of civil service examinations, respectively. The Executive Yuan, which included various bureaus called Ministries, was sometimes spoken of as the Cabinet and its President as the Premier, although these were not official designations.

Secondly, there was the Nationalist Party—the Kuomintang—a hierarchy of organs, leading up to the Central Supervisory Committee (also known as the Central Control Committee) and the Central Executive Committee. Although this system had been modelled upon that of the Communist Party in the Soviet Union—at the time of the Kuomintang's reorganization in 1924—it was maintained even after the split with the Left. In terms of practical politics it would be fruitless to make distinctions between the powers of the official political party and the official administrative organization. The Kuomintang interpenetrated the regime at innumerable points, since many of the principal officials were leaders of the party. Moreover, it was at sessions of the Central Executive Committee (or its smaller Standing Committee) that some of the fundamental policies of the government were shaped. On the other hand, persons who were not Kuomintang members, but were nevertheless influential, were often appointed to highly important posts. The regime was guided by many forces of which the Kuomintang and the government organs were only two, furnishing the framework, but only part of the substance of official action.

Behind and above both the party and administration was the army—or, more exactly, the armies. China then, as before, was being ruled by military men who, with the support of landed and urban interests, formed a series of shifting coalitions. Sometimes they engaged in war (the Central government's war with Feng Yu-hsiang and Yen Hsi-shan in 1930 was a sanguinary affair). At other times they found the mere exhibition of potential force enough to bring about political change. There was, however, at least one important difference between the situation in 1928 and in the previous years of warlordism: Chiang Kai-shek had more concentrated armed power at his command than any general since the Manchus, and his regime was an outgrowth of the nationalist movement.

Meanwhile Nanking had entered a period of civil war with