

## Lesson 16

### Questions for the Lesson/What you need to know in this lesson:

1. What was the rule of KMT like in the period 1928-1937?
2. What were the challenges KMT faced during their rule prior to the outbreak of 1937 Sino-Japanese War?
3. What were the achievements and failures of the KMT in this decade amidst the multiple challenges they were faced with?
4. Should the context/challenges KMT found itself or the weakness of KMT itself be blamed for the failures and limitations of KMT's rule during this time period?

### IB Questions

#### A. Overview

#### Role of Chiang Kai-shek in the history of modern China/ during the Kuomintang rule of China

1. "Jiang Jieshi's (Chiang Kai-shek's) rule in China between 1927 and 1937 betrayed the Guomindang's (Kuomintang's) ideals." To what extent do you agree with this statement? (M13)
2. Assess the role of Jiang Jieshi (Chiang K'ai-shek) in the history of modern China. (N04, Q25)

#### Assessing the successes and failures of Kuomintang rule in China

3. 'The Nationalists failed to attend to China's urgent problems.' Examine the nature of these problems between 1926 and 1937. To what extent do you agree that these failures led to the eventual downfall of the Nationalists? (N10, Q12)
4. To what extent did Chiang Kai-shek's government address the problems facing China in the period between 1927 and 1937? (M10 Q12)
5. "Given the problems it faced between 1928 and 1937 the Nationalist Government of China achieved a great deal." How far do you agree with this assessment? (N03, Q13)
6. Assess the successes and failures of Guomindang (Kuomintang) rule in China between 1928 and 1937. (M05, Q16)
7. "The achievements of the Nationalist Government of China between 1928 and 1937 have been greatly under-estimated." To what extent do you agree with this statement? (N06, Q16)

## Kuomintang rule in China as a turning point

8. To what ways, and for what reasons, was the period 1928 to 1937, a turning point in Chinese history? (N08, Q16)
9. To what extent did Jiang Jieshi's government address the problems facing China in the period between 1927 and 1937? (M10, Q12)

### A. Overview

#### The Nationalist (KMT/GMD) Government, 1928-1937

From its inception in 1928 to the outbreak of the Sino-Japanese War in 1937, the Nationalist government at Nanking hardly enjoyed a day of peace from domestic squabble and foreign aggression. No sooner had it been established as the legal government of China than it found itself challenged by dissident politicians within KMT and by dissident politicians within the KMT and by the rebellious "new warlords. Adding on to these challenges were two larger threats of rising Communists opposition in the southeast and Japanese aggression in Manchuria, Shanghai and North China. **The decade in question was fraught with internal divisions and external invasion. (This was the context in which we should access the success, achievements and failures of the KMT Nationalist government.)**

Partly **because of the overwhelming circumstances, the Nationalists failed to carry out much-needed social and economic reforms** to alleviate the plight of the peasant – a negligence which would have far-reaching consequences a decade later. **Yet in spite of all odds the government was able to score some progress** in modernization – particularly in the fields of finance, communication, education, defense and light industry.

### B. The Circumstances/Context the Nationalist were faced with

#### (i) The "New Warlords"

The unification achieved by the Northern Expedition was more apparent than real, for although many of the warlords had been wiped out, a number of others had maintained themselves by nominally supporting the Expedition. Chiang, in his eagerness to achieve national unification, negotiated with the warlord for a mutual accommodation, granting them appointments which confirmed their semi-independence regional status while receiving their recognition of Nanking as the central government of China.

Some of these warlords were in fact quite "progressive" in outlook, promoting modernization in their own jurisdiction but they lacked the sense of national commitment that would make them surrender their semi-independence.

Cooperation with the central government was possible as long as their interest did not collide.

Dubbed as the “New Warlords” they maintained regional power bases such as Li Tsung-jen and Li Chi-ch’en headed the Kwangsi Clique dominating the provinces of Kwangsi, Kwangtung, Hunan and Hupeh and the Young Marshal Chang Hsueg-liang controlled the Northeast (Manchuria) and Jehol. Effort to bring about an amalgamation of splinter military troops into one national command, the reorganization of all troops into one national army, and the centralization of local financial administrations to prevent the provinces from siphoning off the receipts that legally belonged to the central government during the KMT Third National Congress in March 1929 failed as the new warlords saw this as an effort to reduce their power and when Chiang refuse to give in to their demands to cut his Whampoa-trained staff and troops, whom he consider the backbone of the new national army and insisted instead that any cuts should start with the provincial forces. **Hence, the Northern Expedition, completed in the second phase from mid-1927 through 1928, by the incorporation of regional warlords and their bureaucracies, meant that regional governing bodies formed by the KMT in 1928 were in the hands of major warlords and twenty-five of the twenty-seven provincial and regional governments were headed by military commanders – Peter Zarrow.**

**Each of these “New Warlords” maintained a large army for territorial aggrandizement as well as for self-protection and collectively they drained a good portion of the country’s meagre resources desperately needed for national reconstruction.**

## **(ii) Division within KMT**

The KMT was plagued with internal factional strife. The right wing, led by party elder Hu Han-min and the West Hill group, was in constant conflict with the left wing headed by Wang Ching-wei. Meanwhile, Chiang Kai-shek, the new strong man holding the military power, represented a third force. Chiang, representing a third force and junior to both Hu and Wang, chartered his course alternately favouring each with support according to the dictates of political necessity and expediency.

When Nanking called a KMT national congress to deliberate on the provisional constitution for the Tutelage Period, Wang, along with others, protested with the creation of a separatist government at Canton in May 1931. Confronted by a rival government and hostile public opinion, Chiang resigned in Dec as president of the Nanking government.

Although this difference and internal strike was settled and the Canton regime agreed to dissolve itself, and Chiang accepted the chairmanship of the Military

Commission, it is noteworthy that the Wang-Chiang reconciliation was possible only because Chiang had split with the left-wing leader Hu in March 1931.

The political realignment restored some peace within the KMT, but not the country. In 1933, commanders of the Cantonese Nineteenth Route Army rebelled against the central government. They called for war against Japan and collaboration with the Communists and the Soviet Union. The insurrection failed as it was suppressed in Jan 1934 and the Nineteenth Route Army was reorganized as the Seventh National Army.

**The Nanking government was seriously beset with internal strife. Though it survived all these crises, its energy and resources could have been devoted to the urgent task of national reconstruction.**

### **(iii) Japanese Aggression in Manchuria**

With the annexation of Korea in 1910, many Japanese came to regard Manchuria as the next logical target for conquest. To the Japanese to conquer the world it is necessary to conquer China and to conquer China it is necessary to conquer Manchuria and Mongolia first. Manchuria's vast territory and natural resources was seen as useful for alleviating the crowded conditions and limited resources of Japanese, provide business opportunities, and relieve the unemployment problem at home.

Japanese activists generally assumed that chaos and disorder in China would facilitate their scheme; hence any attempt at unification had to be prevented. They received sympathy and encouragement of the Japanese Kwangtung army in Manchuria. Internationally, the situation was favourable for Japan's intentions. The Western powers, hard hit by the Depression, were too involved with domestic problems to block Japanese aggression and the League of Nations was too powerless to intervene.

In Sept 1931 Japanese invasion occurred. The Mukden Incident, where a bomb exploded on the Southern Manchurian Railway track outside Mukden allowed the Japanese patrol there to claim that Chinese soldiers had opened fired from the fields after the explosion and that it gave them no choice but to fight back in self-defense. By the next day the city was occupied.

Actually, the Japanese attack was not entirely unexpected in China. On Sept 11, 1931, Chiang had warned the Young Marshal not to engage the Japanese and on Sept 15 the bulk of the Northeastern forces at Mukden were transferred. When hostilities broke out on Sept 18, the Young Marshal asked for instructions from Peking and was told not to resist. **Deeply embroiled in civil strife, Chiang could not afford a foreign war.** He decided to appeal to the League of Nations with the full knowledge that it was powerless to intervene and that the Western powers were disinclined to help and yet he could find no other support. By appealing to international organization for justice, he hoped to gain his defense and await a favourable turnabout in Japanese domestic

politics. Chiang did not pursue direct negotiations with Tokyo too. The policy of Nanking government was a combination of non-resistance, non-compromise and non-direct negotiation.

To legitimize their naked aggression, the Japanese on March 9, 1932, created the puppet state of Manchuko – the Manchu state – to impress the forthcoming International Commission of Inquiry with the local character of the Manchurian Incident. The late Qing emperor, Puyi deposed in 1912, was made Chief Executive, with a group of leftover old literati as Ministers. The Japanese withdrew from League of Nation after the Lytton report had condemned Japan as an aggressor and branded Manchukuo a puppet state under the domination of Japanese military and civilian officials.

The Japanese advance was finally brought to a halt by the T'ang-ku Truce on May 1933, which turned Eastern Hopeh into a demilitarized zone, from which Chinese and Japanese troops were to be evacuated. In effect, the defense of Peiping and Tienstin was lost by default. Having completed the conquest of the four northeastern provinces of China, the Japanese enthroned Puyi on March 1934.

**Jack Gray argues that** “Japan added all she could to the troubles of the bitter years. In 1931, she detached Manchuria, China’s most rapidly growing internal market. Japan used her increasing power in north China and her position in Taiwan to sabotage the Nanjing Government’s revenue from the maritime customs by encouraging smuggling and in particular maintained loopholes for the illegal export of silver. The Japanese in fact pursued a deliberate policy of economic destabilization of the Nanjing government. It is a miracle that Nanjing achieved anything. Yet its achievement were by no means negligible.”

#### **(iv) The Communist Challenge**

The Nationalist government was threatened by Japanese invasion from without and dissident politicians and new warlords from within, it was confronted by a much greater and more fundamental challenge from the Communists. The urban uprisings (refer to earlier lesson) definitely affected peace, stability and caused economic drains to Nationalist government. From 1930-34 Chiang launched a total of Five Campaigns of Encirclement and Extermination against the Communists. The first four ended in a failure. The Fifth Campaign of being strategically offensive but tactically defensive posture, and relying on encirclement and progressive economic strangulation, progressed slowly but steadily pushing the Communist out of their 7 year-old base in Kiangsi and led to the Long March of the Communist.

#### **(v) Implementing Sun Yat-sen’s Three People Principle**

##### **Jack Gray:**

Sun Yat-Sen’s political philosophy was his Three People’s Principles. Sun’s political aims were democratic in the widest and vaguest sense: the creation of a government

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which would serve the people of China. The Three Principles are those which should inform the restoration of the nation, the operation of popular sovereignty, and the restructuring and modernization of the economy; they were named nationalism, democracy and people's livelihood.

Sun's principle of democracy was not separable from nationalism; it was primarily a means of overcoming China's lack of national consciousness. If the first step to revolution was to get rid of the emperors who regarded China as their patrimony, the second was to create a government which would be recognized by the people as their own creation, and which they would therefore honour and obey. The process of building democracy must therefore begin at the grassroots with the creation of democratic local government. However, Sun saw no contradiction between strong government and democracy; to Sun, democracy was a source of national strength and not of weakness. This idea was less easy to accept in China.

Sun's principle of livelihood was especially ambiguous. As a nationalist leader he sought to avoid proposing policies of expropriation but as an advocate of social revolution he was obliged to stress the need to return the ownership of land to the cultivators. As a nationalist concerned with the necessity for rapid economic growth he proposed an industrial economy which would take full advantage of capitalist enterprise, but as the advocate of that it might seem to imply almost anything. Yet in proposing land reform plus government-supervised, capitalist-based industrialization assisted by foreign investment, Sun anticipated the general route of development which has been taken since the Second World War in many countries. It has near, avowedly on the basis of Sun 'principle of livelihood', to resolving the contradictions between growth and equity, enterprise and planning. Economic independence and foreign assistance. So perhaps Sun's economic ideas were less confused than they appeared to be.

Ostensibly, the form of government adopted in 1928 on the foundation of the Nationalist Republic was based on Sun's proposals. Sun undoubtedly looked forward to the creation in China of democratic government on the Western patterns, but only after a period of tutelage, during the gradual establishment of self-government at local levels would allow the inculcation of democratic values, habits and practices. Sun expected this period of tutelage to last for about 6 years.

The acceptance in 1924, as a result of the Comintern-directed reorganization of the Nationalist Party, of democratic centralism and the idea of the party-state, further confused Sun's political legacy. Sun himself regarded it temporary; necessary of the first phase of political development, which was the establishment by military force of a reunified China, and possibly useful as the framework of tutelage.

A further ambiguity arose from Sun's personal position. When in 1913 he had for a short reorganized the then parliamentary KMT into the Chinese Revolutionary Party



he had exacted from his followers an oath of loyalty to himself. From then on he enjoyed the power of veto over Party decisions.

The Nanjing government of 1928 incorporated Sun's Five Yuan, proclaimed the beginning of a six-year period of tutelage, and asserted the power of the Party over the state, the army and the mass organizations.

But many members of the KMT condemned as premature the establishment of the Five Yuan at this stage. When the new government was promulgated, Beijing and Manchuria were still hostile war-lord hands and a substantial part of China proper was still beyond Nanjing's jurisdiction. It was hasty even to proclaim the end of military rule. Nanjing's authority only operated within the limits of the area directly subordinate to it. Elsewhere the fact of local, militarist autonomy was acknowledged by the creation of Branch Political Councils virtually independent of Nanking, the civilians' counterparts of regional military force.

### **C. The Nanking Decade: Success or Failure?**

Saddled though it was with domestic and foreign problems, the Nationalist government struggled to carry out Dr Sun's legacy of national reconstruction. The record at the end of the first decade revealed some progress in the fields of finance, communication, industrial development and education. On the other hand, **the government neglected the much needed basic social and economic reform, and carried on irresponsible fiscal policy of deficit spending. (Hsu)**

**However, revisionist like Jack Gray argues that we should not be too dismissive of the Nationalist government's successes.**

#### **(i) Political Reforms and Policies**

##### **Overview:**

**The traditional argued** that the government was hopelessly corrupt, divided and weak, unable to unify China, resist imperialist aggression and ensure stability.

**But the revisionist argued** that the Nanjing regime recognized that the central government was relatively weak, and pointed out that there was progress in administration and the personnel and argued that there was greater political diversity than believed.

	Achievements	Failures
<b>The Government</b>		<ul style="list-style-type: none"> <li>• Out of the 17 key positions in the GMD government, 13 men were from Zhejiang which was Jiang's home province</li> <li>• The control of China was in the hands of a very geographically narrow group compared to any other warlord group</li> </ul>
<b>The Bureaucracy</b>	<ul style="list-style-type: none"> <li>• <b>But the revisionist Dikotter argued</b> that the quality of officials was not that dire</li> <li>• Pointed out that many of the officials had higher education</li> <li>• Argued that issues like water conservancy, education, road building, judicial reforms, electrification and welfare made significant strides</li> <li>• Julia Strauss who studied the Ministry of Finance and Ministry of Foreign Affairs disputed claims that they were useless and corrupt</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>traditionalist view argued</b> that Jiang often created overlapping and competing factions and bureaucracies; reflected Jiang's lack of trust and administrative incompetence</li> <li>• Made efforts to get rid of the local gentry in the provinces; replaced them with officials loyal to Nanjing</li> <li>• Kept changing the senior officials like from 1930-7, Hubei had 5 governors and Anhui 6</li> <li>• There was a shortage of trained and competent officials where corruption was rife</li> <li>• Between 1931-7, the Control Yuan investigated 70000 officials where 268 were found guilty and 13 sacked</li> <li>• Most of the technocrats had an urban bias; failed to carry out rural reforms</li> </ul>
<b>Extent of Jiang's control over China</b>	<ul style="list-style-type: none"> <li>• <b>But the revisionist view argued</b> that by applying the term 'warlordism' to the GMD period implied that a strong state was desirable and that the provincial governors hindered modernization</li> <li>• It was argued that China's size made it impossible to impose a really unified state; division was inevitable</li> </ul>	<ul style="list-style-type: none"> <li>• <b>The traditionalist view</b> Jiang controlled only 5 out of the 18 provinces had to make a deal with the warlords include Feng Yuxiang, Zhang Xueliang, Yen Xishan etc</li> <li>• Each had a large army which drained national</li> <li>• sources; often governed their own territories and taxes</li> </ul>

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		<ul style="list-style-type: none"> <li>• faced rebellions like one the southern warlords (1929), the northern warlords (1930), Fujian (1934); often broke out because he tried to disband their armies - distracted from the reconstruction of China</li> <li>• Did not try to pursue the warlords into their home provinces</li> <li>• By 1937 he controlled most of the rice producing centre and the industrialised eastern cities</li> </ul>
<b>Promoting democratic freedoms</b>	<ul style="list-style-type: none"> <li>• <b>But the revisionist argued</b> that the GMD did promote a degree of political openness compared to the CCP</li> <li>• allowed village head elections from 1929 onwards</li> <li>• Elections for the National Assembly was held in 1936 but could not be convened due to WW2</li> <li>• A People's Political Council was formed in 1938; to aid the formulation and execution of national policies; over time, the number of elected members rose and the criticism was said to be lively and frank</li> <li>• The National Assembly was finally convened in May 1948 but it did not include the CCP and the Democratic League</li> <li>• Was the largest representative body ever to meet; introduced a constitution with major bill of rights</li> <li>• Dared to challenge Jiang by voting his enemy Li Zongren as the Vice-President</li> </ul>	<ul style="list-style-type: none"> <li>• <b>The traditionalist argued</b> that the constitution gave the presidency much power</li> <li>• Had elections but in reality the National Assembly was a rubber stamp</li> </ul>

	<ul style="list-style-type: none"> <li>This point could be challenged that he only allowed democratic developments because the Civil War was going against him</li> </ul>	
<b>The use of terror to suppress political opposition</b>	<ul style="list-style-type: none"> <li><b>But the revisionist argued</b> that the repression was inconsistent</li> <li>Lacked centralized power to exert really strong repression</li> <li>The Blue Shirts had only 300 members when it was disbanded in 1938</li> <li>Jiang did not openly identify with the Blue Shirts; feared losing American support</li> <li>did not allow the Blue Shirts to mobilise the masses</li> <li>were challenged by other similar organizations; overlapping responsibilities</li> <li>Dai Li clashed with the CC Clique who operated the GMD's Organisation Department which had its own intelligence and security arm</li> <li>The Blue Shirts was engaged in assassination where liberal critics were killed; unclear if Jiang had given the orders; no mention in his diaries</li> <li>Possible it was due to CCP propaganda</li> <li>The CCP was no less ruthless; used protection bureaus to kill off their enemies</li> </ul>	<ul style="list-style-type: none"> <li><b>The traditionalist argued</b> that there was very powerful and repressive secret police Blue Shirts under Dai Li</li> <li>Was to promote loyalty to Jiang, military discipline and patriotism</li> <li>Had a draconian anti-subversion law</li> <li>use of summary executions, torture, assassinations, kidnappings etc</li> <li>arrested critics like university chancellor Zhang Jiasen (Carsun Chang)</li> <li>suppressed the press which had flourished during the early 20<sup>th</sup> century</li> </ul>

	<ul style="list-style-type: none"> <li>• Its attempts at censorship and harassment of journalists was fitful and erratic; unlike in the CCP areas</li> <li>• Argued that the censorship was not as vigorous as in the Soviet Union or Nazi Germany</li> </ul>	
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## (ii) Economic Reforms and Policies

	Successes	Failures
<b>Financial Reform</b>	<ul style="list-style-type: none"> <li>• In 1933, the government decisively abolished the tael and substituted for it the silver dollar (yuan) for the tael and introduced the paper currency as the legal tender</li> <li>• This was to deal with the continued use of both currency in commercial transactions because of traditions and convenience but causing much confusion and complications due to varying exchange rates with places and seasons.</li> </ul>	<ul style="list-style-type: none"> <li>• No sooner had this reform been introduced than a new problem arose: a sharp rise in silver value in the world market and this caused a rapid outflow of the metal from China, undermining the very basis of the new currency.</li> </ul>

	<ul style="list-style-type: none"> <li>• To overcome these problems, the Nationalist government finally took the bold step of nationalizing silver and introduced a new paper money, to be issued by four national banks on 25% silver reserve, on Nov 3, 1935.</li> <li>• <b>Thus for the first time in Chinese history, foreign exchanges were controlled by government banks.</b></li> </ul>	<ul style="list-style-type: none"> <li>• The continuous drain caused inflation, high interest rates, tight money, decline in the stock market and bankruptcies of enterprises.</li> </ul>
<b>Tariff Autonomy</b>	<ul style="list-style-type: none"> <li>• The fixed 5% ad valorem, imposed after the Opium War, had been a constant reminder of China's semicolonial status and a major irritant to the rising national consciousness of its people.</li> <li>• Abolition of the tariff restriction had been a cardinal goal of the Nationalist government since its inception.</li> <li>•</li> <li>• Supported by rising nationalism, it announced on July 1928 two guiding principles <b>in which treaties and agreements that had expires would be abolished and renegotiated according to legal procedures.</b></li> <li>• <b>The US was the first to enter into an equal and friendly tariff agreement with China</b> on July 1924 and was <b>followed by Germany, Belgium, Italy, Britain, France and Japan.</b></li> </ul>	

	<ul style="list-style-type: none"> <li>• With these agreements the great powers recognized China's tariff autonomy and agreed in principle to give up their consular jurisdiction</li> </ul>	
Communication	<ul style="list-style-type: none"> <li>• But in 1928 a Ministry of Railways was established to direct the improvement of existing lines and construction of new ones.</li> <li>• And among the most prominent projects were the extension of the Lung-Hai Railway – the East West trunk line to Sian in 1934 and to Pao-chi in 1935 and the completion in 1936 of the Canton-Hankow – the major south-central trunk line.</li> <li>• Other noteworthy developments included the development of the ferry system at Nanking, which linked the Tientsin-Pukow and the Shanghai-Nanking railways, and the construction of the iron-bridge over the Ch'ien-t'ang River in 1937, which connected the Chekiang-Kiangsi and the Shanghai-Hangchow-Ningpo lines.</li> <li>• These national accomplishments were matched in the provinces by completion of a number of smaller projects. From 1928 to 1937, the railway network grew from 8000 km to 13000. Even more impressive was highway construction, due to its lower cost about one-twentieth that of the railway. In 1936 the highway network accounted for 115703 kilometres as compared to mere 1000 in 1921.</li> </ul>	<ul style="list-style-type: none"> <li>• The <b>traditionalist argued</b> that GMD failed to develop a strong transportation system; due to the lack of capital and due to the dominance of the Westerners in the field</li> <li>• often cheaper to import raw materials than to move them from the interior</li> </ul>

	<ul style="list-style-type: none"> <li>• Modern airlines were also initiated. The China National Aviation Corporation was organized in 1930 with Chinese and American capital and it operated four lines between Shanghai and Chengtu, Shanghai and Ch'uan-chou and Szechwan and Kunming. The second largest was the Eurasia Aviation Corporation, a Sino-German enterprise which opened for business in 1931 and it operated yet another 4 lines.</li> <li>• Postal service and telecommunication were much improved and expanded during the decade. The number of post-offices, for instance, increased from less than 10000 over 400000 li of postroads to 14000 over 584800 li.</li> <li>• <b>Improvement of the communication system was hence another positive accomplishment of the government.</b></li> </ul>	
Industrial Development	<ul style="list-style-type: none"> <li>• But there was general recognition that economic development was essential to the creation of a modern state.</li> <li>• <b>Not true that in the 1930s China was largely a producer of agricultural products and minerals and importer of manufactures</b></li> </ul>	<ul style="list-style-type: none"> <li>• The traditionalist argued that most of the manufacturing was located in the treaty ports especially Shanghai</li> <li>• Was limited to the coastal provinces which consisted of less than 10% of China's area and 20% of the population</li> <li>• too many GMD industrial projects were to support the military</li> <li>• Was badly affected by the outflow of silver from 1932</li> </ul>



	<ul style="list-style-type: none"> <li>• By 1937 most of the major branches of basic modern industrial production was represented in China</li> <li>• the rate of growth of the modern industries was 6% annually since 1912 until 1937</li> <li>• Iron production 9%, coal 8%, cotton yarn spindles 12%</li> <li>• <b>By 1933 it had one of the largest mechanized textile industries in the world</b>; was able to export cotton</li> <li>• More than one half of exports were manufactured or partly manufactured goods; almost <math>\frac{1}{4}</math> were machine made goods</li> <li>• By 1934 over <math>\frac{3}{4}</math> of the yarn was machine made</li> <li>• <b>China's exports were not dominated by a small number of items; exported many things like hog bristles, hides, egg products, soya products etc</b></li> <li>• <b>Despite the loss of Manchuria and the Japanese attack on Shanghai, which wrought havoc with foreign trade at that key port, the importation of heavy machinery never abated.</b></li> <li>• Over a ten-year period between 1927 and 1937, the total importation of industrial equipment reached CH\$500 million, which, <b>though small by western standards, represented</b></li> </ul>	<p>onwards due to the Great Depression</p> <ul style="list-style-type: none"> <li>• By 1932 1/3 of urban factories and 40% of stores were closed; rising unemployment</li> <li>• Between 1932-5 wholesale prices fell by a quarter</li> <li>• Net exports fell from 1417 million yuan in 1931 to 535 million yuan in 1934</li> <li>• There were 2 million workers in factories</li> <li>• were usually earning 20 yuan and below; worked up to 13 hours while industrial safety was very low</li> <li>• in 1934 alone, over 1500 died due to industrial accidents</li> <li>• GMD did not stop workers from going on strike but the unions were soon subverted by the Green Gang</li> </ul>
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	<p>considerable effort in a war-torn, poverty stricken country.</p> <ul style="list-style-type: none"> <li>• Although no spectacular breakthrough was achieved in industrialization, good progress was scored in a number of light industries such as cotton weaving, flour production, matches, cement and chemical manufacturing - the GMD were willing to promote them as they were backed by the bourgeoisie</li> <li>• And coastal China saw an impressive rate of industrial growth which was almost comparable with that of Japan; Chinese industry was able to cope with the foreign challenges</li> </ul>	
<b>Landlordism and Peasants</b>	<ul style="list-style-type: none"> <li>• But the revisionist like Loren Brandt, Thomas Rawski, Jack Gray and David Faure argued that the GMD did try various ways to promote land reforms without having to confiscate land</li> <li>• Established cooperatives to rent out landlords' holdings to the landless and provided cheap credit; failed due to opposition from the local village elites</li> <li>• Did reduce taxes and levies on farmers by 50 million fabi annually</li> <li>• And in fact, China's rural society did not worsen up to 1937</li> </ul>	<ul style="list-style-type: none"> <li>• The Nationalist government was seriously remiss in ignoring the age-old problem of landlordism and the misery of the peasant, who constituted more than 80% of the total population.</li> <li>• This failure was in part a result of compromise with the new warlords after the Northern Expedition. Chiang in his eagerness to win a quick victory and unify the country, negotiated with more progressive warlords and absorbed them into the system.</li> <li>• These warlords had little concern for the welfare of the masses and the suffering of the peasants. Their inclusion</li> </ul>

	<ul style="list-style-type: none"> <li>• There is a tendency among those with traditionalist view to equate tenancy with poverty, which is an oversimplification</li> <li>• But revisionist actually denied the existence of vast inequalities between rich landlords and impoverished tenants</li> <li>• A Nanjing University team led by John Buck did a major survey in 1929-1933 which covered much of China - Buck interviewed the peasants and there were no mention of land tenure problems, expensive credit or profiteering merchants.</li> <li>• Over ½ of the farmers were owners and less than 6% were tenants; the latter were not much poorer than landowners</li> <li>• Rents were about 43% of the main crop; was not uncommonly high when compared to most countries</li> <li>• Agricultural productivity in central and east China was rising up to 1930; possibly twice that compared to population growth - Rice yields rose from 2.3 metric tons per hectare in 1912 to 2.47 metric tons in 1930s</li> <li>• There was a slow movement towards higher value crops like cotton, maize, sweet potatoes, opium; replacing low yield ones like millet, barley and was able to reduce her imports of rice, wheat and cotton to an insignificant amount</li> <li>• The average income of the peasants was actually rising and harvests in 1935 and 1936 were the best in China's history</li> </ul>	<p>in the KMT hierarchy diluted its social consciousness.</p> <ul style="list-style-type: none"> <li>• Moreover, a considerable percentage of the KMT generals and officials were themselves connected with the landlord interest; hence they were anxious of radical reform that would jeopardize their own position.</li> <li>• The middle class – mostly merchants, traders, businessmen and usurers – was no better motivated in this regards. Living in treaty ports or operating in the villages as loan sharks, they were the beneficiaries of the existing order. And it was these people – the warlords, the generals, the officials, the traders, the merchants and the money-lenders upon whom the Nationalist government relied for support. Small wonder that it could not implement its professed social and economic program.</li> <li>• The government also had more pressing problems like the domestic insurrections and foreign aggression to deal with first.</li> <li>• But the plight of the peasant had reached a point of desperation.</li> <li>• A League of Nations study revealed that tenant and semi-tenant farming comprised 60 to 90% in South China and in addition to paying 40 to 60% of the</li> </ul>
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		<p>annual crops as rental, they had to pay for their landlord's regular land tax and surtax as well – the latter varying from 35% of the former.</p> <ul style="list-style-type: none"> <li>• The peasants has been exploited to the limit; only a revolution could give him a relief. Yet all the KMT did was to pass a resolution in 1933 to reduce the land rent to 37.5% of the main crops, and even this modest step was never really put into practice. Dr Sun's ideal of "land to the tiller" was never fulfilled.</li> </ul>
<b>Fiscal Irresponsibility</b>	<ul style="list-style-type: none"> <li>• But Jack Gray argues that provincial leaders having more autonomy and controlling the revenue of the province was something that existed in prior to the Nationalist regime</li> </ul>	<ul style="list-style-type: none"> <li>• <b>The Nationalist government relegated the land tax, the most basic of revenues in the old dynastic days, to provincial administrations,</b> while relying on customs revenues and commercial taxes for its own sustenance, while relying on customs revenues and commercial taxes for its own sustenance.</li> <li>• The bulk of the state revenue came from customs, salt duty and excise levies; failed to create a strong revenue base as agriculture was depressed</li> <li>• The warlords refused to sent their taxes to the central government</li> <li>• The army took up ½ of state expenditure</li> </ul>

		<ul style="list-style-type: none"> <li>• borrowed 1/5 of the revenue through bonds and foreign bank loans</li> <li>• Established in the coastal areas and using Western trained financiers such as T.V. Soong and H.H. Kung to chart the economic course, the Nanking government was never close to the peasant and the soil and probably did not care about or understand the severity of the land reform.</li> <li>• <b>Between 1928-1935, the government never achieved a fiscal balance but subsisted on deficit spending.</b> The chronic ill of budgetary imbalance led to abusive issuance of notes, which later was to cause severe inflation during the Japanese and civil wars and precipitated the economic collapse of the government in 1949.</li> <li>• 44% went to debt servicing, 20% for loans to meet administrative costs, 31% serviced railway loans and 5% for payment of industrial loans</li> <li>• her liability payments were more than her borrowing for economic modernization</li> </ul>
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### (iii) Social Reforms and Policies

	Achievements	Failures
<b>Education</b>	<ul style="list-style-type: none"> <li>• Notable achievement was achieved in the field of education.</li> <li>• The Ministry of Education reorganized and amalgamated a number of public universities, colleges and professional schools into 13 national universities, 5 technical colleges and 9 provincial universities.</li> <li>• It extended subsidies to private institutions of higher learning for the dual purpose of establishing new professorships and purchasing equipment. Of the 20 private universities and 33 private colleges, 32 received this help in 1934 and 1935. Not to be outdone, secondary education underwent a four-to-fivefold growth during the decade.</li> <li>• By 1937 there were 2042 middle schools, 1211 normal schools and 370 professional schools, with a total enrolment of 543 207.</li> <li>• Missionaries played an important role in promoting higher education like the Yanjing University in Beijing</li> </ul>	<ul style="list-style-type: none"> <li>• However, Free education would require an annual expenditure of \$260 million but the allocation never exceeded \$42 million; often was ½ of the amount</li> <li>• Primary education was not that developed</li> <li>• There were deep controls over the educational system where intellectuals and students were not allowed to play a significant role</li> <li>• There were often subjected to raids and arrests</li> </ul>
<b>Medical Care</b>	<ul style="list-style-type: none"> <li>• <b>The revisionist</b> like Stephen Morgan</li> </ul>	<ul style="list-style-type: none"> <li>• <b>The traditionalist</b> argued that nearly ½ of the children died before they were 5</li> </ul>

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	<p>challenged this; assembled data of height of the Chinese which reflected net nutrition</p> <ul style="list-style-type: none"> <li>• Showed most grew taller (which halted after 1940s and remained steady until the late 1970s)</li> </ul>	<ul style="list-style-type: none"> <li>• 50% of deaths were due to poor sanitation</li> <li>• In mid-1930s a population of 450 million just had 5000 doctors and 30000 hospital beds</li> <li>• This neglect was partially addressed by the Christian missions and western organisations eg: the Peking Union Medical College</li> </ul>
<b>Promotion of Women's right</b>	<ul style="list-style-type: none"> <li>• A modern civil code introduced in 1931 allowed women rights in marriage, divorce and inheritance; had no effect on the countryside</li> <li>• Concubines were given more rights</li> <li>• Even in the cities the number of divorce cases remained small</li> <li>• Had new working opportunities in the cities; not a deliberate GMD policy but more due to the growth of urbanization</li> <li>• Were given the right to vote and had civil rights</li> </ul>	<ul style="list-style-type: none"> <li>• encouraged women to be virtuous, good wives and mothers and not be taken in by feminist ideas</li> <li>• <b>Ordered skirts to be lengthened, banned permanent waves, mixed bathing etc???</b></li> <li>• but they failed to gain any real representation as the GMD was a patriarchal party</li> </ul>
<b>Religious freedom and activities</b>	<ul style="list-style-type: none"> <li>• During the 1920s, the Christian missionaries made full use of the religious freedom to carry out the leading role in social reforms; opened schools, hospitals, orphanages etc</li> <li>• Conversions extended beyond the lower classes as it was in the 19<sup>th</sup> century - Estimated up to 4 million by 1949</li> </ul>	

	<ul style="list-style-type: none"> <li>• Islam was allowed to develop freely; seen in the growth of the Muslim press and associations</li> <li>• More Muslims were able to travel to Mecca for their pilgrimage and others went to Muslim countries to study</li> <li>• Saw a sharp decline of religious violence as compared to the Muslim rebellions in the 19<sup>th</sup> century</li> </ul>	
<b>The New Life Movement</b>	<ul style="list-style-type: none"> <li>• To revitalize the moral fibre of the people of the people and achieve a spiritual awakening, the government in 1934 promoted a New Life Movement, which stressed hygienic practices, promptness, truthfulness, courtesy and the four traditional virtues of politeness, righteousness, integrity and self-respect.</li> <li>• Scholars and officials were urged to read the writings of the 19<sup>th</sup> century statesmen Tseng Kuo-fan for their spirit of loyalty and devotion to public service.</li> <li>• <b>The New Life Movement appealed explicitly to traditional Confucian values as Chiang believed that all of China's problems came from foreign influence</b></li> <li>• <b>He blamed the foreigners for material and moral failure on the foreigners and in doing so he helped to divert the</b></li> </ul>	

	<p><b>attention of China from the internal and divisive evils.</b></p> <ul style="list-style-type: none"> <li>• The New Life movement together with related activities like military training for the able-bodied and military instructions at schools did provide something of a psychological uplift and the feeling of doing something in the face of the Japanese aggression.</li> </ul>	
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#### (iv) Military Reforms and Policies

	Achievements	Failures
<b>Military</b>	<ul style="list-style-type: none"> <li>• <b>The revisionist</b> like Dikotter recognized that military spending rose significantly after 1912 but reached only 4% of the total output in 1930s; cannot really say that society was highly militarized</li> <li>• Turned to the Germans for advice and aid; the German advisory group found the quality of officers who graduated in the early 1930s high</li> <li>• The Germans were able to train 8 divisions, where three were good quality</li> <li>• The Chinese were able to produce better quality weapons with German aid and modern German weapons were to be delivered after 1938</li> <li>• Steadily there was some degree of standardization of weapons like the adoption of the German Mauser 98k as the main infantry weapon</li> </ul>	<ul style="list-style-type: none"> <li>• <b>The traditionalist</b> criticized the decade as being a very militarized society; blamed for wrecking destruction over China</li> <li>• Unable to produce enough junior officers; the Central Military Academy could not meet the target due to the lack of German advisors and due to the demands of the anti-communist campaigns</li> <li>• The acceptance rate for officer training rose after 1937 but the quality dropped</li> <li>• Only 79 out of the 165 divisions reported directly to Nanjing; only 17 were of good quality</li> <li>• The GMD officers were not rotated between different positions and did not go to specialized schools; affected their professionalism</li> <li>• By 1937 Jiang had 2 million troops; many were</li> </ul>

	<ul style="list-style-type: none"> <li>• The Luftwaffe took over the training of the Chinese air force; would have received modern aircraft by 1939</li> <li>• The illiteracy rate of the army was reduced from 70% to 30%</li> <li>• Jiang did begin preparations but the war came too early</li> </ul>	<p>understaffed and officers were incompetent</p> <ul style="list-style-type: none"> <li>• Had difficulty imposing a compulsory conscription system - In 1933 less than 2% of the male population was in the military</li> <li>• The pay for conscripts was appalling low by contemporary Chinese standards</li> <li>• Affected by the Chinese belief that good men do not become soldiers</li> <li>• The expansion of the GMD army affected its quality; cases of soldiers stealing and behaving like bandits; weak ability, discipline and equipment was poor; ½ of his officers were illiterate</li> <li>• Had no modern armoured units and it had 600 aircraft; only 268 were combat aircraft and only 91 were modern</li> <li>• Failed to develop industries and an economy that could support modern war</li> <li>• Jiang failed to prepare for war with Japan</li> </ul>
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#### (v) Foreign Policy

	Achievements	Failures
<b>Revision of the Unequal Treaty</b>	<ul style="list-style-type: none"> <li>• William Kirby noted that there is no standard text on China's diplomatic history</li> <li>• sought to get rid of the unequal treaties; preferred to use a gradual and diplomatic approach</li> <li>• cooled off the revolutionary anti-imperialism of the 1920s</li> </ul>	

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	<ul style="list-style-type: none"> <li>• Sent diplomats overseas to fight for treaty revision; included Lu Zhengxiang, Wellington Koo, WW Yen among others; were from Ivy League universities</li> <li>• The Soong family played a major role in negotiating with the Americans</li> <li>• Managed to develop a strong China lobby in America like Henry Luce and Pearl Buck</li> <li>• Was able to successfully organize an international campaign to get other countries to reject recognition of the Japanese puppet state of Manchukuo</li> <li>• Managed to get the major powers to recognize that Manchuria belonged to China; was returned to China in 1945</li> <li>• China received a seat on the Security Council in the United Nations</li> <li>• In 1928 the Western powers restored Chinese tariff autonomy</li> <li>• The British gave up Hankou and Kiukiang in 1927, Chinkiang in 1929 and Weihaiwei and Amoy in 1929\</li> <li>• Britain and US abolished unequal treaties in 1943; only due to the pressure of war</li> </ul>	
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## E. Overall

On balance, at the end of its first decade the Nationalist government appeared stronger than it really was. On the surface, it looked as though it were forging a new order out of chaos – having pacified or reached working arrangements with the warlords and the dissidents politicians, quarantined the Communists in the Northwest, trained a German style central army, carried out some modernization programs in several fields, and

formed a United Front with the various parties and groups against Japanese aggression.

**Yet beneath the veneer of progress lay the serious fundamental problems of the 3 goals it set out to achieve in 1928 – a nationalistic revolution, democratic reconstruction and social reform** – the government by 1937 had made considerable progress toward the first, modest advance toward the second, but failed miserably in the third. Moreover, its extension of the Political Tutelage Period beyond the original six years from 1929, under the pretext of foreign invasion and domestic insurrections, disenchanted the liberals, who came to regard the delay as an artful device of the Nationalists to prolong their monopoly of power at the expense of constitutionalism.

**But revisionists like Jack Gray have different perspectives and arguments regarding the Nanjing Decade.**

**Jack Gray argues Nanjing inherited the problems created by the slow decline of effective government of the previous 150 years.** China's defense against flood and drought had decayed physically and the country side was left vulnerable to appalling catastrophe, the worst of which struck before the new government had yet got into its stride.

**Nanjing also inherited vast debts.** While most of the Boxer indemnity was returned to China to be used for education, much of it still had to be paid in the first place. No such mercy was shown by the Japanese in the case of 1895 war indemnity. Not all the debt burden came from the foreign loans. Much of it was a result of internal borrowing during the years following 1912. In total, about 35% of the 1930-1 budget represented the servicing of foreign loans, leaving the Government in a position of having to borrow more in order to meet the existing obligations. **Had such obligations not existed Nanjing could have balanced its book in spite of its high military expenditure.**

**The most severe limitation on the government's revenue was the loss of the land tax to provincial governments.** This process had begun in the stress of the Taiping Rebellion and spread as a result of the independence of the war-lords. It had been confirmed perforce, in the constitution established by Cao Kun when he became President in 1924 and was accepted, perforce by Nanjing. For the most part, Nanjing lived off the maritime customs revenue and other indirect taxes and was compelled to make the most of them, even at the expense of economic efficiency and of the social consequences of the regressive taxation of necessities. Unlike the developing countries in post 1945, China during the Nationalist decade received relatively little foreign investment and no foreign loans. **The government had to provide for economic development, as well as for the educational and welfare services, out of severely limited resources.**

The gestation period of modern basic industries is at least 5 years. The KMT regime was in power for only 10 years before the Sino-Japanese War began in 1937. The first years were spent in attempting to create the fiscal and financial infrastructure of growth



and with some success. **They were succeeded almost immediately by deflation caused by the silver crisis, which lasted till 1935. That China emerged from the whole decade economically stronger than she entered it is remarkable.**

**In the realm of education China's progress was even greater, although for the most part it was confined to the region of direct KMT rule, where higher education was already concentrated.** This geographical concentration was perhaps inevitable as this region was the richest and the most populous part of China; it was most open to new intellectual influence and had been the main centre of scholarship for many centuries. There was not much that the Nanjing government could do in Gansu or Guizhou and **its record should be judged rather by what took place where its power was sufficient.**

**To sum our judgement of the KMT regime, there is no doubt that by 1937 in every respect China under the Nanjing government was solving her problems, at least on an experimental level.** In almost every aspect of Chinese life a slow but certain improvement until the war broke out in 1937. The vices of the Nanjing government in its early years were the traditional vices, inextricably involved with the traditional values. They were not imposed on China by the Nationalist government, but inherited by it. There is some evidence that gradually they were being overcome, Bureaucratic inertia, arbitrary imposition of taxes, indifference to poverty, nepotism, disruptive unpredictable corruption, all these evils were beginning to give way. Many branches of the public service were by 1937 capable of providing competent, honest, and just administration. It was China's growing strength and not growing weakness, which caused the Japanese in 1937 to decide that time was no longer on their side.

Hence, to the discredit thus suffered by the Nanjing government and KMT (the often sweeping condemnation often made of the Nanjing government), **domestic and external challenges had a role to play.** The most popular political movements in the country were all directed against Chiang's reluctance to put up an immediate defence against the Japanese encroachment. Chiang may have been correct in believing that time was not on China's side but his policies became increasingly unpopular. The Communists took full advantage of this to influence patriotic organizations, especially among the students. The KMT responded with heavy-handed and indiscriminate repression. The result was the Communists, long before they had become involved in the guerrilla war against Japan, which was to lay the basis of their power and their prestige, were coming to be regarded as the true patriots and the true democrats.