

*Party, State, and
Local Elites in
Republican China*

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**Merchant Organizations
and Politics in Shanghai,
1890–1930**

Joseph Fewsmith



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During the writing of this work, the author was a postdoctoral fellow of the Center for Chinese Studies, University of California, Berkeley. The Center for Chinese Studies is the unifying organization for social science and interdisciplinary research on contemporary China in the state of California.

*For my parents
Joseph Fewsmith, Jr.,
Helen Gorrell Fewsmith*

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Note on Romanization

THE transition from Wade-Giles to *pinyin* is particularly difficult for those writing about the Republican period, where the old spellings are familiar even to the nonspecialist. This book has compromised by using *pinyin* for most terms but retaining familiar spellings for a few select words, for example, for Peking, Nanking, Chiang Kai-shek, Sun Yat-sen, and the Kuomintang (KMT). In a few instances, *pinyin* is employed but the more familiar spelling is put in parentheses the first time the word is used, as for example, Guangzhou (Canton).

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Introduction

IN September 1926, the armies of the Chinese Nationalists reached the central Yangzi (Yangtze) cities of Hanyang and Hankou. At that time, Chiang Kai-shek, the commander-in-chief of the Nationalist forces, had the choice of continuing his quest for national reunification either by proceeding northward through Henan and on to the national capital at Peking or by turning eastward toward Shanghai. Although heading north seemed the most direct route to national conquest, it had the disadvantage of exposing Chiang's southern flank to attack by Sun Chuanfang, the warlord who controlled the east-central provinces of Jiangxi, Jiangsu, Anhui, Zhejiang, and Fujian. By turning east, Chiang could deal with this threat. Even more compelling, however, was the prospect of tapping the wealth of China's richest area. Moreover, because Chiang was from Zhejiang and had spent much of his youth in Shanghai, he had important contacts there. Returning to Shanghai would be an important step in securing his personal base of support. Not surprisingly, he decided to turn east toward Shanghai.

On March 21, 1927, a well-timed general strike organized by the Communist-led labor unions seized control of Shanghai as the Nationalist armies approached. The following day the revolutionary armies entered the city to find it hung with banners of welcome. Chiang himself arrived on the twenty-sixth and began a series of important meetings. Then, before dawn on April 12, armed "laborers" (in fact underworld lumpenproletariat types) launched a well-planned coup against the Communist and worker organizations which had seized the city only three weeks before. A bloody purge of the Kuomintang's erstwhile allies had begun. Thousands of Com-

munists (or those merely alleged to be) were killed, and labor unions were closed or reorganized. The course of the revolution had changed decisively.

The decisiveness of this change has never been questioned. Its significance has. Whether by virtue of its symbolic meaning or its actual impact, the April coup and the events that immediately followed it have been taken as not only of temporary importance but also as a key (or perhaps metaphor) for understanding the Nanking decade and even the entire Nationalist period. Yet the differences in interpretations of these events are almost as striking as the coup itself.

One influential interpretation holds that the April coup marked the consummation of a holy or unholy alliance (depending on one's point of view) between Chiang's military power and the wealthy capitalists of Shanghai.¹ The result was that the Shanghai capitalist class became an indispensable pillar of the new regime. Robert Barnett expressed this point of view when he wrote that "a progressive but anti-revolutionary Chinese bourgeoisie provided a ruling Kuomintang with its political support and inspiration."² Emphasizing the importance of the so-called "Jiang-Zhe [Jiangsu and Zhejiang] financial lords," this interpretation has depicted Nanking as both dependent on and controlled by the wealthy capitalists of Shanghai. Akira Nagano, for instance, has maintained that "the Central Government cannot exist without enlisting [the Shanghai capitalists'] influence, and . . . the capitalists . . . control Government policy."³

The relationship between Nanking and Shanghai, however, was never so harmonious or so dependent as this interpretation suggests. In particular the inauguration of the relationship was, to say the least, stormy. Faced with a need for 20 million yuan a month to cover military expenses, Kuomintang agents began extorting it from a reluctant merchant community by means of systematic terror and coercion. As early as May 4, 1927, the *New York Times* reported: "At the mercy of General Chiang Kai-shek's dictatorship, the merchants do not know what the next day will bring, confiscations, compulsory loans, exile, or possible execution. . . ?"⁴ Reports soon appeared of Kuomintang agents going from shop to shop throughout Shanghai, including—to the extreme annoyance of the British—the International Settlement. Large merchants were arrested or kidnapped and then released upon payment of a substantial sum to government cof-

fers.⁵ The warrants issued for the arrests of Fu Xiaoan, the chairman of the Shanghai General Chamber of Commerce, and Rong Zongjing, China's leading cotton and flour industrialist, seemed absolute proof that no merchant, no matter how important and powerful, was safe. It was under these conditions that the journalist George Sokolsky wrote, "Every form of persecution was resorted to on the pretext of hunting Communists. Men were kidnapped and forced to make heavy contributions to military funds. . . . This anti-Communist terrorism has frightened the people of Shanghai and Kiangsu [Jiangsu] as nothing else has in recent times."⁶ The *North China Herald* declared that the commercial community was in a "veritable panic," and the American consul in Shanghai wrote that many merchants who had welcomed the Kuomintang now longed for the return of the warlord Sun Chuanfang.⁷

This wave of strong-arm tactics and extortion has been interpreted in a variety of ways. Harold Isaacs, whose views are the best known and most influential, saw the extortion as a brigand's payoff for a job well done (i.e., suppressing the workers). Modeling his analysis of the Chinese revolution closely after Marx's *The Eighteenth Brumaire of Louis Bonaparte*, Isaacs considered Chiang and his relation to Shanghai's infamous underworld organization (known as the Green Gang, *Qingbang*) as Chinese analogues of Louis Bonaparte and his Society of December the Tenth. Isaacs has written:

Like its French prototype, the Chinese bourgeoisie had now to pay heavily for professional services. It had, again in the peculiarly applicable words of Karl Marx, "glorified the sword; now it is to be ruled by the sword. . . . It had subjected public meetings to police supervision; now its own drawing rooms are under police supervision. . . . It had transported workers without trial; now the bourgeois are transported without trial . . . [and their] money bags are rifled. . . . The words of the bourgeoisie to the revolution were unceasingly those of St. Arsenius to the Christians: *Fuge, tace, quiesce!* The words of Bonaparte to the bourgeoisie are the same." Like Louis Napoleon, Chiang Kai-shek ordered the moneyed men of Shanghai to flee, be silent, and submit. More explicitly, he added: "Pay!"⁸

But while Isaacs emphasizes Chiang's use of force against the Shanghai merchants, he clearly views Chiang, as Marx had seen Louis Bonaparte, as a hireling acting in the material interests of the bourgeoisie. According to Isaacs, Chiang's "price was high but it

was small compared to what he saved his employers by smashing the mass movement.”⁹ Chiang’s extortion, in other words, was payment for *political* services performed so that the capitalists would be able to pursue their *economic* interests.¹⁰

Recent interpretations, however, have regarded this wave of terror not as a payoff but as the first of a series of steps that not only deprived the bourgeoisie of its political power but also destroyed it economically. Lloyd Eastman, for instance, maintains that although government pressure on the financial and business classes never again reached the “heights of gangsterism” that it had in 1927 and 1928, “the basic attitude of the regime toward these groups . . . did not change.”¹¹ Contrary to most earlier writers, Eastman concludes that the Shanghai business interests exerted no control over Nanking:

When agents of the Kuomintang employed outright extortion and kidnapping against the commercial classes, when the policies of the regime patently worked to the disadvantage of the private entrepreneurs, when state-owned enterprises began competing with private capital, then it must be concluded that the urban economic interests were not controlling or significantly influencing the policies of the Nanking regime.¹²

This line of reasoning has been expanded and elaborated most fully by Parks Coble in his recent work *The Shanghai Capitalists and the Nationalist Government, 1927–1937*. In Coble’s view, the May–June terror signified that the “alliance” between Chiang and the Shanghai merchants that had existed in March and April was over. Over the ensuing decade the relationship between Nanking and Shanghai was one of simple exploitation. He maintains that the “relations between the two groups [the Nationalist regime and the Shanghai capitalist class] were characterized by government efforts to emasculate politically the urban capitalists and milk the modern sector of the economy.” While admitting that some capitalists were able to prosper, he contends that the merchant community as a whole “was stymied as a political force and, by 1937, had become an adjunct of the government.”¹³

Finally, in another recent work Richard Bush has argued that the spring extortions were neither a declaration of war on the bourgeoisie nor a harbinger of future trends (such as the 1935 nationalization of the banks); rather, they were simply the result of Nanking’s press-

ing need for money on the one hand and the reluctance of merchants to come up with as much as they had originally promised on the other. According to Bush's account, Shanghai merchants originally agreed to support Chiang Kai-shek to the tune of 60 million yuan. When Chiang's troops arrived in Shanghai, however, the merchants began to have second thoughts. The result was the strong-arm tactics of Chiang's men and some hard bargaining that finally reduced the sum to half of what had originally been agreed upon.¹⁴ In this view, then, the "May terror" expressed the exigencies of the moment and had no long-range implications for government-business relations.

What was the significance of this wave of extortion? Did it have any long-term meaning for Nationalist politics as most writers have assumed, or was it, as Bush suggests, more or less epiphenomenal, the desperate act of a financially plagued general? This book will argue that this wave of extortion, and particularly *the way it was carried out*, was indeed meaningful, but that its importance lies elsewhere than suggested by any of the above-mentioned writers. In pursuing the question of significance, what we want to ask is not whether there were instances of extortion, kidnapping, and so forth, but whether there was a *pattern* to them. The evidence suggests that there was.

Interpreting these events requires more than resolving factual questions; it necessitates an inquiry into the relationship between merchants and politics in the Republican period. Pursuing that inquiry will lead us to explore both the breakdown of traditional authority in the late Qing and the attempt to reconstitute political authority under the Nationalists. It will also cause us to probe, both theoretically and empirically, the tensions and convergences between Party, state, and local elites as those elements came together at the beginning of the Nanking decade (1927–1937). This latter problem, in turn, raises questions about the relationship between central authority and local society in this period.

This study, in other words, assumes that the answer to the question about the meaning of the events in the spring and summer of 1927 is ultimately imbedded in a whole series of relationships, the unravelling of which will allow us to analyze and evaluate the nature of the Nationalist response to the collapse of political authority in China. Understanding that response will take us far beyond the confines of the Shanghai merchant community. It will force us to deal

with the tensions between ideology and organization and will lead us to a deeper appreciation of the constraints, both intellectual and sociological, under which the Nationalists functioned. Ultimately, it will allow us to place the Chinese case in comparative perspective—a task which is taken up in the third and final part of this book.

To cut into this nexus of problems and relationships, this study focuses on interest associations, specifically the various merchant organizations of Shanghai. Doing so has several advantages, one of which is that it helps make the Chinese experience accessible, and, I hope, comprehensible, to the comparativist. While there is now a growing body of literature on the interest associations in other nations,¹⁵ there has been little effort to study systematically the evolution of such groups in China.¹⁶ Yet it is clear that in the years after the Taiping Rebellion (1850–1864), the “art of association” spread rapidly, changed qualitatively, and assumed new political importance. By the time the Nationalists launched their Northern Expedition to reunify the country, Shanghai possessed an impressive array of interest associations. On one level, then, this study is an effort to begin to fill this gap in our understanding.

On another level, the focus on interest groups provides a means of studying the changing relationship between state and society in this period. Existing on the boundary between state and society, interest groups reveal a great deal about the way in which societal interests are linked, suppressed, or circumscribed by the state. By examining such groups, we can see, to paraphrase Schattschneider, what interests are organized in and what interests are organized out.¹⁷ Intermediary associations provide a means to measure the degree to which state authority penetrates society and the extent to which the state confronts or co-opts local elites. Such organizations are also an indication of the level of bias of participation and hence an indirect measure of which interests or classes benefit from the regime.

In studying state-society relations in this period, writers have traditionally been inclined to think of the Nationalists as highly supportive of local interests. They have viewed the Nationalist regime as little more than the handmaiden (or perhaps the “executive committee”) of elite (or bourgeois) interests. Mary Wright, for instance, has pointed to the revival of the *baojia* system,¹⁸ the reinstatement of dispossessed landlords in Jiangxi, and the general neglect of the quality of local officials as evidence that the Nationalists made little effort to penetrate local society in the countryside.¹⁹ Other writers,

such as Akira Nagano, Robert Barnett, and Frederick Spencer, have emphasized the close connections and even subservience of the regime to urban—particularly Shanghai—financial, industrial, and commercial elites.²⁰ In a similar vein, Barrington Moore has described the “main social basis” of the Nationalists as a “coalition, or perhaps better, a form of antagonistic cooperation between the successors to the gentry and urban commercial, financial, and industrial elites.”²¹

Other writers have to a greater or lesser extent attacked this traditional view. Yuji Muramatsu has chronicled the decline of the Fei clan in Suzhou following the rise of the Nationalist regime,²² and Y. C. Wang has argued that the regime used a carrot-and-stick approach to control and domesticate the urban commercial class. Luring individuals with offers of fantastic material gain and threatening the truculent with the ominous power of Shanghai’s notorious Green Gang, the regime, he says, was eventually able to render the merchants politically impotent.²³ With regard to the countryside, Philip Kuhn has similarly argued that the Nanking regime was often “an intrusive and unwelcome competitor of the rural elite.”²⁴ These general arguments about the relationship between state and society in this period parallel the differing interpretations of the April coup outlined above.

However, to say with these latter writers that the state intruded on the prerogatives of the urban and rural elites tells us little more than that the secular authority of the state was growing vis-à-vis society—a process common to all developing nations. It says very little about how intrusive the state was, how and to what extent that intrusion worked for or against what interests, or how the state exercised its control. Elites may have been controlled, and they may have chafed under that control (as businessmen did under the New Deal), but they may also have prospered under that control. What needs to be examined are the terms under which the state extended its authority and the channels through which it exercised control. In short, are cases like the Fei clan the rule or the exception; who were they replaced by; and what, if anything, did such elites gain as their political influence was eroded? Examining interest groups on the local level is one way of probing such questions.

Any attempt to evaluate the impact of Nationalist rule on local society must be based on a knowledge of social organizations and trends in the prerevolutionary period. Unfortunately, the “Nanking

decade,” being too easily demarcated, is often treated in isolation. To understand the Nanking decade, it is necessary to start well before 1927.

Focusing on the changing pattern of interest associations in Shanghai from the late Qing period on helps place the old (and yet continuing) problem of “Kuomintang-merchant” relations into the context of “merchant-merchant” relations. Of particular interest is the emergence of an active and increasingly well-organized middle class. These merchants formed the backbone of active merchant support for mass nationalistic movements like the May Fourth and May Thirtieth movements. They also provided active support for the Kuomintang and seem to have formed its primary base of popular support in Shanghai. Our tendency to think in terms of “comprador” and underworld support for the Kuomintang has obscured the extent to which it rose to power on a wave of middle-class populism. To say that a nationalistic, authoritarian movement found a major base of support among the urban middle classes would raise no eyebrows in Europeanist circles but nevertheless seems to elicit surprise among students of modern Chinese history.

Moreover, focusing on the interest associations of local society compels us to pay more critical attention to the difference between the Kuomintang as a party organization and the Nationalist regime as a ruling body of which the Kuomintang was only one, and by no means the most important, part. The general tendency to speak in terms of “Kuomintang China” (or conversely of “Nationalist China” without a clear differentiation from the Kuomintang) has obscured the fact that the success of the Nationalist regime was predicated on the failure of the Kuomintang as a party. Although the Nationalist regime based its claim to legitimacy on the ideology of the Kuomintang, its interests were by no means the same as those of the Kuomintang. As this study will show, Chiang Kai-shek deliberately curtailed the role of the Kuomintang and established the authority of the state over the party.²⁵

From the perspective adopted in this study, it makes no sense to say, as one reviewer recently did, that an explication of the policy positions of H. H. Kung (Kong Xiangxi) and T. V. Soong (Song Ziwen) (ministers of finance during the Nanking decade) “dehomogenizes” the Kuomintang.²⁶ The authority of Kung and Soong derived from their positions in the regime and from their personal relationship with Chiang Kai-shek (both were brothers-in-law to

Chiang), not from their positions in the Party. Thus, however much such a discussion might reveal about the Nationalist regime, it says nothing at all about the Kuomintang.

In order to maintain this distinction, the present work adopts the convention of using the term *Kuomintang* (KMT) to refer *only* to the party organization of that name. *Regime* is conceived as consisting of two parts, state and party. *State* refers to the administrative apparatus (i.e., the bureaucracy), the army, and the network of personal relationships established and maintained by Chiang Kai-shek. Chiang's authority, it will be argued, rested on his position as head of state, *not* as head of the Party. The terms *Nationalists* or *Nationalist regime*, then, refer to the movement and ruling body of which the Kuomintang was only one part. The statement that the "success of the Nationalist regime was predicated on the failure of the Kuomintang as a party" should be taken to mean that in the authority structure developed under the Nationalists, the Party was subordinate to the state.

While discussing problems of terminology, it is appropriate to mention that this work uses the term *merchant* throughout. It does so largely because no other word seems better. *Businessman* carries a Western connotation implying a more modern form and perhaps a larger scale of enterprise than would be appropriate in many cases. To distinguish different categories, such as finance, industry, and commerce, could be done in some cases, but doing so would obscure the degree of overlap that exists in many cases. Moreover, when talking about classes of people, where sufficient biographical data do not exist, to append one label would be highly speculative and probably misleading. Thus, this study employs the term merchant as a catchall category to encompass all fields of economic enterprise, whether traditional or modern, large or small. This usage can perhaps be justified by the very broad range of meaning associated with the Chinese term *shang* (trade); and this study, after all, is concerned with the interaction between a very wide range of "traders" and politics.

Another terminological problem lies in the distinction that this study makes between the *merchant elite* and the *middle classes* or *middle merchants*. *Merchant elite* can be defined fairly explicitly to refer to those merchants who were in—and particularly who dominated—the Shanghai General Chamber of Commerce. The term *middle class*, then, is defined residually as those who were not so represented and

who often found themselves in opposition to that elite. These categories began to overlap, particularly after 1920, as “middle-class” representatives entered the Chamber of Commerce. I have nevertheless described such merchants as middle class because they identified with and often led organizations of middle-class merchants, and because they conceived of themselves as opposed to the elites who dominated the Chamber of Commerce. Chinese Communist sources speak of the “middle and small merchants” (*zhongxiao shangren*). This study does not employ the term *small merchants* because the data available do not permit such distinctions. Small merchants, however the term is defined, may or may not have been active participants in the events described; the data do not allow us to say. It seems better to employ the term middle class to describe a wide range of merchants, from those who were at least fairly substantial on down to the thousands of shopkeepers who participated in the national goods movements and the associated boycotts.

The various concerns outlined above are reflected in the organization of this study. Part one traces the emergence of modern merchant organizations and their gradual proliferation, diversification, and politicization. Chapter 1 deals specifically with merchant organizations as a problem for public authority. The changes of the late Qing period, among other things, set a new agenda for political discourse, and on one level the Kuomintang was a response to that agenda. The question that arose was how—on what basis—could intermediary associations be integrated ideologically and organizationally into the polity. This question became more urgent as, on the one hand, political authority continued to disintegrate in the early Republic and, on the other hand, organizational interests multiplied, came into conflict with one another, and started taking an active political role. Chapter 2 traces the transformation of Shanghai merchant organizations from the small, elite, and interlocking groups that were dominant at the time of the 1911 Revolution through the organization of new interests and the rise of interorganizational conflict that became apparent during and after the May Fourth Movement. A brief look at the rapidly changing and highly unstable economy of Shanghai suggests some of the reasons for the proliferation of interest associations and the emergence of class conflict within the merchant community. This process culminated in the rise of middle-class merchant organizations. Chapter 3 explores the role of such organizations in the May Thirtieth Movement and traces some of

the conflicts in the Shanghai General Chamber of Commerce. Close examination shows that previous interpretations of the merchant role in that Movement have underestimated the complexity of the merchant response.

The intention of part one, then, is to trace the changing character and conflicting interests of the Shanghai merchant community prior to the Northern Expedition. We are thus provided with a benchmark for evaluating the impact of Nationalist rule on Shanghai society. Examining that impact is the task of part two. In chapter 4 we take a close look at Kuomintang ideology, an ideology which for various reasons has rarely been taken seriously. The reasons for doing so are first, to show the ways in which the Kuomintang responded to the issues raised by the decline of traditional authority (discussed in chapter 1) and, second, to explore the tensions between the ideology of the Kuomintang and the organizational means that it was prepared to adopt to reach its ideological goals. An understanding of this tension between ideology and organization goes a long way toward explaining the failure of the Kuomintang as a party organization and the role that it was subsequently consigned to play during the Nanking decade (and thereafter).

This tension became of direct political importance when the Nationalist regime was established and began to consolidate its political authority. At that time—the spring of 1927—there emerged a complex interaction between the Kuomintang, the various merchant organizations of Shanghai, and the newly established state. The Party organization, consonant with the ideology on which it was based, worked to establish the authority of the Party. The “veritable panic” that many merchants doubtless felt in the spring of 1927 was the by-product of this effort. Chapter 5 describes this attempt to establish Party rule.

But if the first months of Nationalist rule marked the apogee of Kuomintang (i.e., Party) authority vis-à-vis local society, they also marked the first attempt of merchants—the merchant elite specifically—to resist the imposition of Party rule. In its opposition to Party rule, the merchant elite found an ally in Chiang Kai-shek. From 1927 to 1930 both the merchant elite and Chiang Kai-shek (though each for different reasons) resisted and undermined the attempts of the Party organization to rule as well as reign. They were successful. By 1930 there is little evidence that the Party organization had any independent authority of its own. The transforma-

tion from embryonic party state to state party was complete. Chapter 6 traces this destruction of Party authority and the concomitant co-optation of the local elite.

The final task this book, in part three, undertakes is to compare Nationalist China to the authoritarian regimes of interwar Europe. That important parallels can be drawn has been hinted at in several works, particularly that of Barrington Moore, but they have never been delineated explicitly. This book attempts to do so not only because these parallels illuminate important features of the Nationalist system but also because the Chinese experience needs to be seen in comparative perspective, as a member of a particular political genus. In doing so, I will draw on, and it is hoped contribute to, the growing literature on authoritarian rule. Moreover, in describing the Nationalist regime as an authoritarian system, I hope to point to features that are important for understanding the politics of the Nanking decade, and perhaps beyond. Parts of this effort are speculative, and I shall be satisfied if this discussion stimulates more systematic analysis of the Nanking regime as a specific type of political rule.

Finally, a word about the city of Shanghai is necessary. This study focuses on Shanghai because of its critical role in the rise of the Kuomintang and the maintenance of the Nationalist regime. Shanghai was by no means typical of China or even of urban China. Shanghai was, on the contrary, an anomaly in China, and even in the world. With a population of more than three and a half million (ca. 1930), it was by far the world's largest city, some 40 percent larger than Calcutta. It was a population that produced extremes. Wages for unskilled female and child labor could sink lower than three cents an hour, and working hours were as long as wages were low.²⁷ The mud huts that grew up around the factories provided squalid housing indeed. Thousands of indigents died on the streets each year, and epidemic was an ever present threat.²⁸ The city was justly known as "a sink of iniquity"; its twenty-five thousand prostitutes meant that there was one prostitute for every 130 persons—more than three times the rate of Chicago and almost four times that of Paris.²⁹ Its opium trade, gambling, speculation, kidnapping, and the size and strength of its underworld were likewise the stuff of legends.

First and foremost, however, Shanghai was a city of trade. As Rhoads Murphey has written, "Money dominated Shanghai, and

everything gave place to it.”³⁰ As a port, Shanghai ranked sixth in the world. Half of China’s foreign trade passed through the city, and, even more impressively, its banks controlled some 90 percent of that trade.³¹ The capitalization of Shanghai’s modern industries amounted to 40 percent of the total capitalization of China’s modern sector, while the value output of its factories accounted for 50 percent of the nation’s output. Its labor force constituted 43 percent of China’s total industrial work force.³²

Moreover, Shanghai was undoubtedly, across classes, the most politically conscious city in China. Its labor movement was the largest and, with the possible exception of that of Guangzhou (Canton), the best organized in China. Its students were at least as active, if not as well known, as those of Peking. Its merchants were the most nationalistic and progressive in the nation; Communist leader Chen Duxiu compared them favorably with the merchants in other areas.³³ When these classes acted in concert, as they did in 1919, 1925, and 1927, they exerted an influence unmatched in China.

Because of its wealth, its level of organization, and its degree of political consciousness, Shanghai was a political city of the first rank. The capture of Shanghai was crucial for the revolutionaries of 1911, just as it was for the Nationalists in 1927. Shanghai’s financial contributions to the Nationalist armies, whether wholly voluntary or not, are legendary, and its continued underwriting of the Nationalist regime critical. Despite the minuscule size of China’s modern economy in proportion to the agricultural sector (some 2.2 percent of the net domestic product in 1933),³⁴ Lloyd Eastman reports that, aside from taxation, “an average of over one-fifth of the government’s annual receipts were obtained through borrowing” over the period 1929–1937³⁵—which meant that these funds were supplied almost entirely by the Shanghai banks. The Nationalist regime could not have overcome its rivals without the resources of Shanghai, both financial and political, and it could not have remained in power without the continuation of that support.

In short, this study focuses on Shanghai not because of its representativeness, but because of its extraordinary importance. The size and importance of Shanghai also facilitate its study; the availability of daily newspapers (on which this study relies heavily) as well as an abundance of other materials allows us to trace in some detail who was politically active, what interests they advanced, what factional lines they split along, and how organization and participation fluc-

tuated. Despite the uniqueness of Shanghai as a city, however, its political experience under the Nationalists may not have been all that anomalous. Shanghai was firmly within the sphere of Nanking's military and political control and was, moreover, vital to Nanking's interests. Nevertheless, as this study will show, the Nationalists chose to co-opt and compromise with the elite of Shanghai. Perhaps they pursued such a strategy because of the strength of the Shanghai elite, or perhaps they employed such forms of indirect control throughout the areas under their control. In this sense, only more research can determine the degree to which Shanghai's experience was "typical."

PART ONE

**THE EMERGENCE AND
POLITICIZATION OF SHANGHAI
MERCHANT ORGANIZATIONS,
1895-1925**

From Guild to Interest Group: The Transformation of Public and Private

VOLUNTARY associations of one sort or another were clearly an important component of traditional Chinese society. Their importance for the economy has long been recognized, and their potential political efficacy was acknowledged—albeit negatively—by the government which prohibited gentry from forming study associations (*xuehui*).¹ An earlier generation of Western observers was quick to note this facet of Chinese life. The French social scientist Maurice Courant declared that “the fact that dominates the Chinese life is the existence of associations,” and E. T. C. Werner, in a less scholarly vein, commented on “the tendency of Chinese to act not singly but in groups.” As early as 1803, the American missionary S. Wells Williams had observed in a manner reminiscent of Tocqueville that the natural tendency of the Chinese people to “crystallize into associations” provided a “stimulus to activity” which he credited with “quickening the vitality of the mass.”²

The prevalence of such associations, however, did not imply à la Tocqueville the existence of *pouvoirs intermédiaires* linking together state and society. On the contrary, Chinese associations were not representative in the literal sense that they did not “re-present” the interests of their constituents to the state. Their role could be more accurately described as that of an extrabureaucratic group fulfilling regulatory functions beyond the normal reach of the bureaucracy. They were, in effect, *pouvoirs subsidiaires*, whose authority derived from and complemented that of the state.³ This relationship changed dramatically in the latter half of the nineteenth century. Domestic rebellion and foreign economic incursion combined to increase the scope and importance of local government and to cause commerce to expand rapidly. Voluntary associations—such as guilds—began to

take on a new role in the polity. Society emerged as distinct from state, and guilds were transformed from extrabureaucratic self-regulating organizations into modern interest associations representing their constituents (as they saw them) and making an increasingly broad range of demands on the state. In this process new notions of authority, of the relationship between state and society, and of the role of intermediary associations emerged. In short, *pouvoirs intermédiaires* came into existence, posing questions of authority and legitimacy which became (and remain) central issues in Chinese politics.

The emergence of a private sphere and of interest groups to represent it both reflected the breakdown of traditional authority and contributed to it. The traditional political order distinguished between *public* (*gong*), in the sense of public-mindedness, and *private* (*si*), in the sense of selfish, opposed to the public good. Public was based on Confucian precepts and, in a well-ordered society, would be embodied in the state and especially in the monarch. In reality, of course, individual monarchs and bureaucrats could pursue their selfish interests at the expense of the public good, just as upright Confucians could oppose a corrupt state, but it was illegitimate to oppose the state on the basis of a partial interest.

This identification between Confucian knowledge, public-mindedness, and the right of political action is well illustrated by the classic essay “On Factions” (*Pengdang lun*) by the Song dynasty scholar Ouyang Xiu. Ouyang asserted that there were two types of factions, those of “small men” (*xiaoren*) and those of “gentlemen” (*junzi*). Small men group together in hope of profit, and hence, as the opportunities for profit-making change, they inevitably end in struggle and “mutual injury.” Such factions, then, were destructive of the social order. Gentlemen, on the other hand, come together on the basis of “common morality” (*tongdao*) for the purpose of self-cultivation and mutual assistance. One was an expression of selfishness (*si*) and the other of public-mindedness (*gong*). Because a faction of gentlemen was based on common morality and public-mindedness, it would continue “from first to last as one.” Thus, Ouyang asserted, the wise rulers of the past had employed the faction of gentlemen to rule over society. The tyrants of the past had, to the contrary, suppressed the faction of gentlemen, thereby causing the factions of small men to flourish and bring ruin to the nation. Public-mindedness was clearly rooted in Confucian knowledge and was antagonistic to the selfish and partial interests of small men.⁴

Ouyang Xiu's limited defense of faction—which was by no means universally accepted—shows how far Confucian China was from accommodating the concept of expertise as a criterion of decision making. There is no room in Ouyang's argument for men of specialized ability to come together to promote a particular interest—such as commerce—on the basis of “objective” knowledge. On the contrary, Ouyang Xiu's defense of faction was a celebration of Confucian morality and the amateur ideal (so much so, in fact, that the Yongzheng emperor, sensing a traditional Confucian effort to elevate the monarchy to a position of impotence, felt compelled to refute Ouyang's arguments⁵). Only gentlemen could judge what was or was not public-minded; such judgments were not subject to external validation. Confucianism constituted a self-contained system of knowledge that acted as a barrier between the state and the claims of local society and partial interests. When Confucianism stopped being the only test of legitimacy and the claims of interests, began, however tenuously, to be accepted, then the locus—and the determinants—of public-mindedness became subject to dispute and a polity with *pouvoirs intermédiaires* became possible.

In practice the Confucian monopoly on moral knowledge and legitimate political action was institutionalized in a bureaucracy which, through the law of avoidance, attempted to insulate itself from society. In a constant effort to maintain the centralization of authority, the government relied on a relatively small bureaucracy whose officials were regularly rotated. To expand the bureaucracy to further “penetrate” the society or to choose officials from the local areas, as some writers in the “feudal” (*fengjian*) tradition desired, risked the “capture” of the bureaucracy by society and the consequent overwhelming of centripetal forces by centrifugal pulls. The bureaucracy monopolized communication to the throne and hence could dominate without penetrating.⁶

The low degree of bureaucratic penetration left ample political space on the local level, which was filled by voluntary and ascriptive associations of one type or another: clan, secret society, guild, and so on. Such extrabureaucratic “private” associations, as noted above, were forbidden, and secret societies were strictly, if not effectively, prohibited. Clan organizations, normally co-opted to maintain local order, became suspect if they grew too large or too powerful.⁷ Guilds were important for the regulation of the economy but had no foundation in law. One senses a contradiction between the de facto orga-

nization of local society and the lack of legitimacy of such organizations. Existing on the boundary between *gong* and *si*, they often pursued *si* while the state pretended they were *gong*. A game of words perhaps, but one with important ramifications for the legitimacy of the state and the role of local associations.⁸ It was in this extrabureaucratic nether world that traditional guilds existed.

The Role of Traditional Guilds

The role of guilds in the traditional polity is a matter of some debate. In most literature on the subject, the importance of guilds has been denigrated. Hsiao Kung-ch'üan makes no reference to guilds in his monumental work on rural China, and Ch'u T'ung-tsu dismisses them as "not powerful enough to have a voice in the common good of the community, still less in the governing process."⁹ Nevertheless, the recent research of William Rowe has convincingly demonstrated the importance of guilds in the city of Hankou.¹⁰ And the authority of guilds within individual trades was great enough, according to Quan Hansheng, to deprive an errant member of his livelihood if he was expelled from the guild.¹¹

Most guilds, with the exception of special monopolies such as the salt monopoly or the cohong system of Guangzhou, maintained a distance and an independence from the bureaucracy, which gave them a high degree of control over their own occupation.¹² All persons engaged in a given trade were required to join the guild and to adhere to its regulations. Merchants from other areas (*keshang*, "guest merchants") who wished to do business in the locale of a particular guild were required to sell their goods directly to the guild; they were not permitted to search out buyers on their own and compete with resident merchants. For example, regulations of the Shanghai Bean and Rice Guild stated, "All guest merchants must sell their goods directly to the guild; if they sell privately, then upon being discovered they will be fined according to the resolution of the members."¹³ Guilds also regulated such matters as the number of apprentices a master could have, the number of shops that could be opened within a given area, and the prices of goods sold.¹⁴

In the enforcement of such regulations, guilds were permitted considerable juridical authority. Guild directors, either singly or together, resolved disputes that arose within the guild and repre-

sented it in disputes arising between its members and those of other guilds. If a case reached the local magistrate, a guild director represented the corporate interest.¹⁵ Moreover, in some occupations, the guild even took on limited police functions. For instance, the grain guild had the authority to appoint inspectors to ensure that incoming merchants did not increase the weight of the grain by dousing it with water. Violators were punished by the guild. In other cases, however, such police functions were more clearly an extension of state authority. The Guangdong Guild in Fuzhou, for instance, was charged with appointing inspectors to investigate illegal acts and to bring the accused before the local magistrate. In the years following the establishment of the lijin tax (a duty levied on goods transported internally), Shanghai guilds petitioned for permission to collect it themselves. As a result, the Tax Guild (*Renjuan gongsuo*) was established and granted certain police functions in order to prevent tax evasion.¹⁶

Guild authority ultimately rested on the use of collective action to protect the group interest. This could be employed against individuals by expelling them from the guild, an action referred to as *tongmeng juejiao*, “an allied severing of relations,” against the actions of foreigners, or even against the financial demands of officials. A case from 1883 illustrates the effectiveness of guild action. In a dispute over new guild regulations and the price of tea, foreign merchants decided to boycott the Hankou Tea Guild. The guild responded by affirming its policies and forbidding any member from selling until the foreigners had agreed to the arrangements. In this double boycott, “the ever united Chinese had the advantage over the ever disunited Europeans and carried off the victory.”¹⁷

An instance in which such collective action thwarted official efforts to raise funds occurred in the years immediately following the Taiping Rebellion (1850–1864). Zuo Zongtang, serving as governor-general of Jiangnan, wanted to raise revenue by issuing a large number of salt certificates, but the vigorous opposition of the Huai salt merchants forced him to stop after issuing only a fifth of the intended amount. Similarly, when Zhang Zhidong, the governor-general of Huguang, tried to raise funds by establishing an opium monopoly, the united resistance of opium merchants forced him to discard his plans.¹⁸

It seems clear that Chinese guilds had considerable authority over their members and the ability to protect their interests at least pas-

sively against official exactions. However, this authority, unlike that of European guilds, had no basis in law, customary or otherwise, and no territorial jurisdiction. The Qing Statutes and Criminal Code contains few commercial codes and makes no mention of guilds. One clause contains a prohibition against any merchant who, “observing the state of his neighbors’ business, so fixes his prices that they cannot sell theirs,” or who acts in such a manner as to “excite distrust against his neighbors and thereby make a profit greater than usual.”¹⁹ Such proscriptions against competition must have given comfort to guilds, but it is nowhere specified that guilds were to be the agent of such regulation. With regard to the legal basis of guilds, Hosea Morse was quite right when he wrote that Chinese guilds “have molded their own regulations, and enforced them in their own way and by their own methods.”²⁰ But even though guild authority was largely autonomous, it did not, as in Europe, constitute a separate structure of authority.²¹ Guilds could appeal to local custom or to the magnanimity of officials (and could back their appeals by collective action), but they could not point to customary law and plead their cases in court.

If guilds could find no basis of legitimacy in Qing law, neither could they find it in the de facto administration of territory. Except in such areas as northern Manchuria and the remote coastal areas of Fujian and Guangdong, guild authority was based on functional lines rather than territorial jurisdiction.²² It is clear that the juridical authority of guilds applied to commercial cases and only peripherally to criminal cases. Moreover, it is apparent that the authority of guilds was ultimately dependent on official sanction: If a person repeatedly violated the regulations of the guild, the guild would take the offender before the local magistrate.²³ Except in the remotest regions of the empire, urban guilds did not create supraguild organizations, which might have formed the basis of territorial administration. It is in this sense that Negishi Tadashi speaks of the “separateness” of Chinese guilds.²⁴

Thus, despite the importance of guilds in the traditional Chinese economy, they lacked the legal standing or territorial jurisdiction necessary for them to have become alternative forms of authority. In fact, it could be argued that guild organizations fit into Confucian China rather well. By performing an extrabureaucratic function which the state was ill-disposed, either intellectually or organizationally, to deal with, guilds permitted the bureaucracy to remain

uninvolved in the details of the economy and thus relieved it of the task of developing the expertise to deal with commerce. The willingness of guilds to wallow in *si* facilitated the preservation of bureaucratic *gong*. This division of labor thus presented no challenge to the Confucian monopoly. As long as the authority of guilds could be thought of as delegated by the bureaucracy, commercial association represented no challenge to Confucian knowledge and constituted no limitation to public authority. Traditional guilds, then, were not *pouvoirs intermédiaires*; they could not link state and society, because there was no recognized distinction between the two.

This monistic conception of public authority, and the relationship between state and society it expressed, were eroded and finally destroyed by the rapid changes in social structure that occurred in the wake of domestic rebellion and the radical challenge to Confucian knowledge implicit in foreign military and economic intrusion. A gradual devolution of power and an expansion of commerce (especially foreign trade) were accompanied, particularly in and around Shanghai, by a growth in the number and influence of guilds. This awakening of civil society and the growing recognition of the need to “stimulate commerce” (*xingshang*), forced the state first to employ and then to recognize the organizations of civil society. But that recognition implied the existence of alternative forms of knowledge and structures of authority. As a result, a distinction, however ill defined and contested, emerged between public and private.

Due to the immensity of the Taiping Rebellion and the ineffectiveness of official troops in suppressing it, the court had no choice but to allow the militarization of local society. Local militia units, called *tuanlian*, were recruited and led by local gentry.²⁵ These militias relied on personal ties between leaders and troops, existed outside the bureaucratic system, and gradually acquired administrative and taxation authority—all in direct contravention of the Qing practice. Whereas the Qing had previously used local troops as auxiliaries, such forces either were disbanded after the danger had passed or were co-opted into the regular military structure. The local and regional forces that grew up during the Taiping years, however, were too numerous and too powerful to be disbanded or absorbed.²⁶ Hence, militia organizations persisted after the suppression of the rebellion; the court maintained the fiction that militia heads were officially appointed, but it acquiesced in the effective takeover of local government by militia organizations.²⁷

What made this involvement of the local elite in local government a true devolution of power was the state's desperate need for revenue and the ability of local elites to supply it. The archetype of this consolidation of administrative, military, and financial authority was Zeng Guofan's famous Hunan Army. Zeng realized that to build an effective force he would need more money than the state could supply or the gentry was wont to contribute. With his appointment as governor of his native Hunan province, Zeng was able to secure independent control over the army, the provincial administration, and the tax system. Zeng's model was widely replicated at the county level, as militia organizations took effective control of the local tax structure.²⁸ Thus, as the need for revenue rose, the tax structure fell increasingly into the hands of the provincial and county elites; it was such people who would seek out new sources of revenue, supervise its collection, and be entrusted with its remission.

At the county level, one of the main sources of new revenue came through an expansion of tax farming.²⁹ After some experimentation with issuing a large number of licenses for tax collection, local authorities (at least in the lower Yangzi region) soon found that dealing directly with commercial guilds netted greater cooperation and revenue.³⁰ The guilds would guarantee payment of the tax and then undertake to collect it themselves. This arrangement both secured sufficient revenue for the authorities and prevented overtaxation by corrupt tax collectors. As the need for revenue increased, the state was willing to grant increased authority to the *yahang* (licensed brokers) and other brokers in the Shanghai area—such as the authority to determine the entry and licensing of new brokers—and the brokers in turn worked to maintain the guild system.³¹ Thus the devolution of power that occurred during and after the Taiping Rebellion resulted ultimately in a convergence of interests between local government and commercial guilds; the guilds guaranteed tax receipts and the authorities protected guild monopolies.³²

Development of the guild system was further stimulated by the expansion of foreign trade in the second half of the nineteenth century. While overall trade expanded at a modest rate, it grew more quickly and had a greater impact in the lower Yangzi valley.³³ Whereas some six thousand bales of raw silk were exported from Shanghai in 1845, eighty-five thousand bales were exported in 1858. Similarly, the tea trade expanded dramatically, from 12 million pounds in 1846 to some 80 million pounds in 1855.³⁴ Moreover,

Shanghai was rapidly emerging as the center of foreign trade in China. In 1846 it contributed about one-seventh of China's total exports; by 1851 it already accounted for one-half of the export trade, and by 1870 it was unquestionably the paramount economic center of China.³⁵ An important reason for this dramatic growth, aside from the fact that Shanghai's strategic location facilitated access to the tea and silk of nearby Zhejiang and Jiangsu, was that it was an ideal entrepôt for foreign goods destined for other parts. The value of this re-export trade rose rapidly from about 4.5 million taels in 1861 to 25 million in 1865, the latter figure representing more than half of all foreign imports that year.³⁶

There was, as a result, an unprecedented growth in the number of guilds in the last half of the nineteenth century.³⁷ A list of major Shanghai guilds shows that eleven were founded prior to 1800, nine between 1801 and 1850, and fifty-six between then and the end of the dynasty in 1911. With the inclusion of smaller guilds, there may have been more than a hundred guilds in the city by the end of the century.³⁸ Guilds not only grew in number but also became more economic in orientation, more diversified in structure, and more secular.³⁹ They also became increasingly involved in civic affairs. By the end of the century, as one writer has observed, "The guilds in Shanghai had unprecedented influence in almost every facet of municipal life."⁴⁰ Ironically this traditional institution achieved its golden age only after the impact of the West.

Thus, the decades immediately following the Taiping Rebellion witnessed a devolution of power and an expansion of commerce, both of which redounded to the benefit of guilds. Able on the one hand to gain official support in return for their tax payments and on the other hand to use their special status to extract maximum benefit from the growing foreign trade, guilds emerged as major actors on the local level. At the same time, the continuing, and growing, deficit in foreign trade made observers aware of the need to promote China's own commerce. External pressure thus provided the stimulus to legitimize the configuration of power that had come into being.

Legitimation of Merchant Organizations

The legitimation of merchant organizations was actually a part of a wider movement to mobilize society and formalize the participation

of local elites in the formation and execution of policy which directly affected their areas. Building on the feudal tradition in Chinese thought (and drawing eclectically from Western writings), reform writers like Huang Zunxian and Feng Guifen began to promote the idea of local self-government (*zizhi*).⁴¹ This concept looked toward the release of local energies in order to build a new and stronger nation from the bottom up. By mobilizing local elites, local self-government would fundamentally restructure the relationship between state and society. Whereas the Qing had maintained the fiction that militia heads were the lowest level of state functionaries, promoters of local self-government openly proclaimed such elites to be representing local interests. For them, as Philip Kuhn has noted, “localism, far from being a danger to the collectivity, was really essential to it.”⁴²

Like reform writers who urged the court to encourage commerce, these theorists claimed for local elites a role as partners in governing the nation. In essence, they were arguing that local elites, because of their special knowledge, were legitimate participants in the process of governing; the same argument was also made on behalf of merchants. Traditionally, local elites, like guild organizations, had accepted the fiction that they performed functions delegated by the state. Their authority was derivative, not primary. Acceptance of the concept of local self-government meant that this fiction could no longer be maintained.

At the same time that reform writers were seeking ways to revitalize the countryside (and the nation), they also turned their attention to the economic threat of the West. What caught their attention was the draining away (*louzhi*) of China’s wealth—1876 was the last year in which China had a favorable balance of trade.⁴³ The comprador-scholar Zheng Guanying, anticipating by a generation the theme of economic imperialism, wrote, “Being swallowed up by troops is a disaster men perceive easily, [but] conquest by commerce envelops the nation invisibly.”⁴⁴ In a passage worth quoting at length, Zheng pointed out that the answer did not lie in building weapons or in the superficial reforms of the self-strengthening movement:

Since China and the West have started trading, the foreigners have run rampant and [caused] our people to be bullied. Is there any man with blood and breath in him who does not want to tie his hair in a knot, sharpen his weapon, and fight a decisive battle? Therefore, we have

bought steel battleships, erected gun towers, manufactured guns, made mines, established a navy and trained an army. In striving for military matters we have not spared any efforts, feeling that soon in the future the waters will tremble and the lands will quake [with our might]. But the foreigners laugh noisily over their shoulders. Why is this? It is because they plot to eat our fat and blood and not [merely] our skin and hair. [Thus] they attack with capital and do not attack with troops. . . . Even if we ordered a general as fierce as the thunder to lead boats as numerous as the trees in the forest, still the foreigners would come laughing and talking and go drumming and dancing. Who would be satiated and who would be the victim of this satiation? Therefore, I sum up my feelings in one phrase: Practicing armed warfare is not as good as practicing commercial warfare.⁴⁵

Waging commercial warfare, however, meant attaching new importance to trade and reevaluating the contributions the entrepreneurs could make to state and society. Ultimately, it implied a new, though not cohesive, concept of authority.

To launch a commercial war aimed at stopping the drain of China's wealth and restoring her economic rights meant that China had to adopt "mercantilist policies" (*zhongshang zhengce*); in particular it had to "stimulate commerce." The formation of economic policy, however, necessitated the utilization of expertise and "objective" knowledge that the Confucian bureaucracy did not possess and could not acquire without undermining its own basis of authority. Unlike Japan, where the bureaucracy, after the Meiji Restoration, was able to absorb expertise, in China commercial knowledge remained relatively isolated from bureaucracy—a fact that affected the relationship between the state and economy until well into the twentieth century. There was a recognition, at least in the writings of reformers, that officials needed to work together with merchants to formulate commercial policy and to stimulate the economy. The strength of the West lay in the "unity of officials and merchants," whereas China remained weak because "merchants were left to act on their own."⁴⁶ In order to stimulate commerce, claimed the reformers, "above and below should be of one mind in reforming politics," and "official strength should be used to help merchants where their strength is insufficient."⁴⁷

However, the idea of cooperation between merchants and officials (or more broadly between the people and officials) also implied that merchants and officials were in some sense separate and therefore

able to cooperate. If cooperation implied separation, then we may take the efforts of the self-strengthening movement to develop industry through the *guandu shangban* (official supervision and merchant management) system as marking the emergence of a distinction between state and society. The term *guandu shangban* implied a conscious tapping of expertise and a voluntary cooperation in the pursuit of policy. If this is the case, then despite the surface similarity this term differed significantly in content and context from traditional phrases such as *guandu shangxiao* (official supervision and merchant sales) and *guandu shangyun* (official supervision and merchant transport).⁴⁸ The latter terms, used to describe official supervision of the salt monopoly, expressed a delegation of authority rather than a utilization of expertise. Officials supervised in order to see that merchants carried out their delegated responsibilities, to assure a regular flow of revenue, and to prevent what would today be called “spontaneous capitalist tendencies” from appearing. Far from suggesting a partnership in the pursuit of policy, the traditional terms connoted the regulation of mercantile activity in the pursuit of social harmony (and state control). In contrast, the self-strengthening movement called (however reluctantly) for an “unleashing” of merchants and commercial activity. The purpose of official supervision, in theory, was not to regulate and inhibit but to nurture and protect commerce and industry. The new term expressed the new circumstances.

If a distinction between state and society was already discernible in the efforts of the self-strengthening movement to promote commerce and industry, the shock of China’s defeat in the Sino-Japanese War (1894–1895) brought new and sharp demands that society be separated clearly and consciously from the state. Reformers demanded that merchants be given more autonomy, greater organizational cohesion, and more input into decision making. They further demanded that society be protected by an infusion of Western-style law in general and commercial law in particular. The official supervision and merchant management system was rejected because, in practice, not only had it failed to bring about a partnership of public and private but also, in the opinion of reformers, it had acted as a cover for the corruption of rapacious officials. Rather than stimulate commerce, it had in fact stifled economic development.

The problem, as reformers saw it, was that both traditional authority and traditional attitudes left merchants at the mercy of officials. As Zheng Guanying lamented, “If Chinese merchants

need to negotiate a dispute, the Chinese officials not only do not help them but to the contrary exploit and suppress them. They truly have no heart!" Given China's inadequate legal system, merchants had no recourse when they felt abused: "Stockholders fear [the officials'] authority, and because there is no commercial law they dare not sue."⁴⁹ Another reform writer, Chen Jian, added that the degree of mistrust was such that even when the court tried to encourage commerce and industry, "merchants shrink back saying that they lack capital and ability."⁵⁰ The gulf between merchants and officials was such that even well-meaning officials who sincerely felt "compassion for merchants" found it difficult to break with custom and sit with merchants to understand the realities of commercial activities.⁵¹ Before merchants and officials could become "like minded," the rights of merchants would have to be recognized and the authority of officials delimited.

The problem, however, was not simply that the bureaucracy ignored the rights of merchants, but that the implementation of an effective policy required a type of knowledge which officials lacked. Even as Zheng Guanying proposed the establishment of a Board of Commerce, he warned that it would be ineffective unless it employed people knowledgeable in commercial affairs:

Even though [the Minister of Commerce] sincerely strives, yet if he still uses degree holders unversed in commercial affairs, he will cause commercial administration to have only empty talk about profits and will not have the reality of compassion for merchants. Such a perfunctory show will cause the nation, because of commercial losses, to be poor and weak and without saving remedy.⁵²

Or, as he said in another context, "Those who administer affairs all come from scholar-gentry families; will it not be impossible for them to compete successfully with others [i.e., foreigners]?!"⁵³ Expertise was clearly subversive of the amateur ideal.

Stimulating commerce and pursuing commercial warfare involved more than had been realized at first. New forms of knowledge had to be communicated to the state before state and society could cooperate in the formation and execution of policy. But merchants were divided and lacked coherent proposals to present to the state, and, more important, the channels of communications were blocked by a layer of officialdom that had neither the knowledge nor the

desire to help merchants. To cut this Gordian knot of traditional authority, reformers proposed the establishment of chambers of commerce, the addition of a new Board of Commerce, and the promulgation of commercial law. They hoped that these measures would protect merchants from Confucian bureaucrats (well-meaning or otherwise) and allow the opinions of merchants to be heard directly at court. The establishment of new commercial organizations was not an incremental expansion of the old bureaucratic structure, but a way of circumventing it and reordering the relationship between state and society. With chambers of commerce able to ask the Board of Commerce to petition the court on their behalf, merchants would have a direct access to the highest level of government: “Commercial opinion would not be obstructed from above,” and clerks and runners could not interfere.⁵⁴

That the establishment of chambers of commerce undermined the state’s traditional claim of authority is illustrated by Zhang Jian’s “Discussion on Chambers of Commerce.”⁵⁵ In Zhang’s view, each province should have a general chamber (*zonghui*) and each prefecture should have a branch chamber (*fenhui*). The branch chamber was to assess the needs in the local area and make proposals to the general chamber; the general chamber was then to review the proposals and decide whether or not they should be implemented. Approved proposals would be forwarded to the governor-general and the governor of the province. Their task, said Zhang, was simply to “support and protect”; he made no mention of any authority to reject proposals. “Support” consisted of two things: supervising the success of enterprises and examining their solvency. “Protect” likewise had two aspects: forgiving taxes when an enterprise was first established and preventing officials from interfering. The crux of Zhang’s views was summed up in his admonition that “in all matters [the court] should follow that which conveniences the people.”

What was important in Zhang’s discussion (and his perception was widely shared) was that policy be proposed and, subject to economic constraints, decided at the local level by private associations on the basis of “objective” knowledge. The role of the state was to be supportive rather than determinative; the role of the state was to create the infrastructure and environment in which business could prosper. The state could and should do such things as build railroads, unify the currency, remove lijin taxes, and revise the tariff, but the actual management of business and formulation of policy

should be left to the merchants, who had the requisite knowledge. Whereas traditionally all decisions were justified on the basis of Confucian knowledge (which the bureaucracy claimed the right to interpret) and the institutions of civil society had possessed only derivative authority, the establishment of chambers of commerce would recognize that private associations possessed specialized knowledge, that is, expertise, which, at least as far as commercial affairs were concerned, legitimized them as policy makers and implicitly reduced the role of the state to that of protector and promoter of policy decided by experts. "Stimulating commerce" had come to imply a reversal of traditional notions of the relationship between state and society.

The proposal of Zhang Jian (like the proposals of Zheng Guanying, Ma Jianzhong, and others) to organize civil society and make it the locus of policies to be carried out by the state was part of a larger movement which sought to base the legitimacy of the state on a "mandate of the people."⁵⁶ The clearest and most forthright declaration of this perspective is found in the work of Liang Qichao, particularly his "On the New People."⁵⁷ As Hao Chang has pointed out, Liang's vitriolic attack on despotism was no longer directed at "the egoism of the individual monarch . . . but rather the political system of monarchy itself, which he excoriated as the institutional embodiment of egoism."⁵⁸ What Liang did, Chang added, was to focus clearly on the people (*min*) as the standard of legitimacy: "All political actions of the state had to be justified with reference to the collective will of the people alone."⁵⁹ The traditional notion of public-mindedness had been severed from its Confucian base and identified with a utilitarian regard for the good of the people. *Gong* no longer referred to the wisdom (and morality) of the ancients but to the sovereignty (and good) of the people.

By emphasizing that "the nation is an accumulation of people,"⁶⁰ Liang tried to show that the strength of the state derived from the collective energy of the people. A state that ruled over a passive population was condemned to perpetual weakness. Each individual either contributed to or detracted from the total wealth of the nation,⁶¹ so the only way to attain "wealth and power" was to unleash the energy of the people. Each individual had an obligation to produce wealth, and the state had the obligation to create the conditions under which individual energies could be released.

The energies of the people were to be transmitted to the state, and

the state, one suspects (Liang was understandably vague on this point), was to direct the efforts of the people through the group (*qun*). The group would tie together the citizens at each level (local, provincial, national) and in each occupation to enhance the people's knowledge and transmit their views to the state.⁶² Thus, the state was to rest at the top of a hierarchical network of voluntary associations that would tie together, focus, and develop the energies of the "new people" (*xinmin*).

Clearly the state was supposed to draw on the knowledge and expertise of the group to increase its own strength, but it was also supposed to be responsive to the associations. This raised a problem which Liang never addressed clearly and which continued to plague conceptions of public and private. The intermediary associations, which were supposed to strengthen the state by transferring energy upward, were also meant to restrain the state by making it responsive to the good of the people and the specialized knowledge of the associations themselves. But if the state simply responded to the demands of associations, the public good would be nothing more than the sum total of the private interests of society. Even though that might be perfectly agreeable to Manchester liberals, it was unacceptable to Chinese nationalists, whose goal, after all, was to increase the wealth and power of the *state*. But if the public good was not the mere sum total of individual (or group) desires, then what was to be the standard by which private desires could be reconciled with each other and with the public good? What could keep the state from dissolving into the private interests of society and yet prevent it from becoming simply statist (the very danger from which reformers were trying to extricate themselves)?

Thus, the conviction that, in order to save itself, China must stimulate commerce and wage commercial war led reformers along a train of thought which legitimized new forms of knowledge, new forms of association, and, finally, a new form of sovereignty. Society had to be separated out from the state, protected from Confucian bureaucrats, and made the source rather than the object of policy. In terms of commerce, this meant the formation of chambers of commerce, the establishment of a Board of Commerce, and the promulgation of commercial law—as well as a host of other measures such as establishing commercial schools, granting monopoly rights to entrepreneurs, and sending students abroad to acquire technical knowledge. In legitimizing such institutions and programs, reform

writers ruptured the traditional identification of public-mindedness with Confucian knowledge, redefining *gong*—ambiguously—as the good of the people. The “faction of little men,” which had been seen in traditional China as the embodiment of *si*, private, was now regarded as an essential component of *gong*, public. But if private association was part of the public good, it was not the whole of it. Reform thinkers had provided a rationale for the separation of public and private, and the Qing, by accepting that distinction in its post-Boxer reforms, recognized the legitimacy of *pouvoirs intermédiaires*. But neither reformers nor court provided a cogent answer to the question of how—on what basis—public and private could be integrated. Attaining the goal of “like-mindedness” between merchants and officials proved elusive.

The Founding of the Shanghai Chamber of Commerce

In the closing years of the nineteenth century there was a consensus in China that indeed merchants should be organized and given direct access to the court. There was, however, considerable disagreement about the organizational format of the proposed Commercial Bureaus (*Shangwuju*). The Zongli Yamen proposed that they be organized and managed by the merchants themselves, but Governor-General Zhang Zhidong, apparently in need of new capital for his industrial projects, proceeded in 1895 to organize a Commercial Bureau as an official organ under provincial control. Other provinces emulated his example; not surprisingly the Commercial Bureaus soon proved, as Zheng Guanying and others had warned, highly unpopular. The Commercial Bureau in Guangzhou was so unwelcome that it was forced to close for a while in 1904 and then was boycotted when it reopened. Merchants really did, as Liu Kunyi observed, regard officials as “wolves and tigers.”⁶³

The Commercial Bureaus had neither released the energies of the merchants nor brought about the desired like-mindedness between merchants and officials; the need for merchant organizations with which the state could consult persisted. The absence of such an association proved embarrassingly obvious to Sheng Xuanhuai when in 1901 he was appointed Imperial Commissioner for Revision of the Commercial Treaties. Sheng described to the court the situation he confronted:

In Shanghai the foreign chambers of commerce are as numerous as the trees in the forest. They meet night and day and spare no effort in their discussions and researches. But Chinese merchants have never had a consultative guild. Although each guild has its own directors, each has its own territory so they are scattered rather than united.⁶⁴

Determined to bring organizational unity to the Shanghai merchant community, Sheng asked Yan Xinhou, leader of the Ningbo Guild, to oversee the establishment of a commercial association. Yan secured a meeting place, raised money, and called a meeting of the directors of the various guilds in Shanghai. The association they founded, the forerunner of the Shanghai Chamber of Commerce, was called the Shanghai Commercial Consultative Association. Yan was named president, and Zhou Jinbiao and Mao Zumo, also from Ningbo, were selected as vice-presidents. Directors of native place and trade associations and officers of large modern companies joined as members.⁶⁵

It was not until the following year, 1902, that Sheng Xuanhuai and Zhang Zhidong jointly submitted a memorial to the throne and chambers of commerce received official approval. In submitting this memorial, Sheng drew an explicit distinction between the old Commercial Bureaus as officially managed and the new chambers of commerce as private organizations:

However, the [Commercial] Bureaus were officially established and continued to employ expectant officials rather than merchant directors. Unavoidably, officials and merchants regard each other as aggressive as the state of Qin. Merchant opinion, whether happy or bitter, cannot rise easily to officials, and thus their effect is very different from the chambers of commerce of other nations.⁶⁶

Thus Sheng (and the court when it approved the memorial) accepted the argument of the reform writers that, in order to harness merchant expertise to the goals of the state, it was necessary to shunt aside traditional institutions and traditional knowledge. Precisely those “factions of little men” so scorned by tradition had to be brought into direct contact with the state without the mediating influence of Confucian bureaucrats.

Recognition of the merchant organizations as private associations, however, was also an admission of a limit to the authority of the state, that is, that there was a point beyond which the state no

longer had the right to interfere. This was the first time in Chinese history that the state had recognized the legitimacy of a private sphere distinct from and outside the scope of the state. However, the questions of where the boundary lay, how private was private, what the scope of private association was, and, most important, what the relationship between private association and public authority was, remained obscure and contested.

Shortly after the establishment of the Shanghai Chamber of Commerce, the Manchu noble Zai Zhen was sent to Europe, America, and Japan to examine economic policies. On his way he stopped in Shanghai to confer with Yan Xinhou and other commercial leaders. During his subsequent travels, he was particularly impressed with Japan, in part because of the results the Japanese had achieved through their chambers of commerce. In any event, when he returned to China he successfully argued for the creation of a Ministry of Commerce. Its establishment marked the first change in the traditional arrangement of six boards. Zai Zhen became the first minister of commerce, and one of his first acts was to press for the creation of a network of chambers of commerce throughout the country.⁶⁷

In 1904, the court promulgated China's first chamber of commerce law, the Concise Regulations Governing Chambers of Commerce. In accordance with this law, all peak commercial associations—that is, associations whose members were themselves primarily organized groups such as guilds—were to be reorganized as chambers of commerce. General chambers of commerce were to be established in commercially prosperous areas, including all provincial capitals, and under them, in less prosperous areas, were to be branch chambers.⁶⁸ Thus a hierarchical network of chambers was to lead from the local level to the Ministry of Commerce. This law stimulated a rapid proliferation of chambers of commerce throughout the country. By 1908 there were chambers of commerce in thirty-one major cities in China, thirteen in overseas Chinese communities, and over a hundred in smaller localities. By 1912, there were reported to be over twelve hundred chambers with a quarter million members. By 1929, this figure had edged up to fourteen hundred.⁶⁹

The establishment of chambers of commerce as explicitly private associations marked the culmination of a process which had begun in the middle of the nineteenth century. The devolution of power

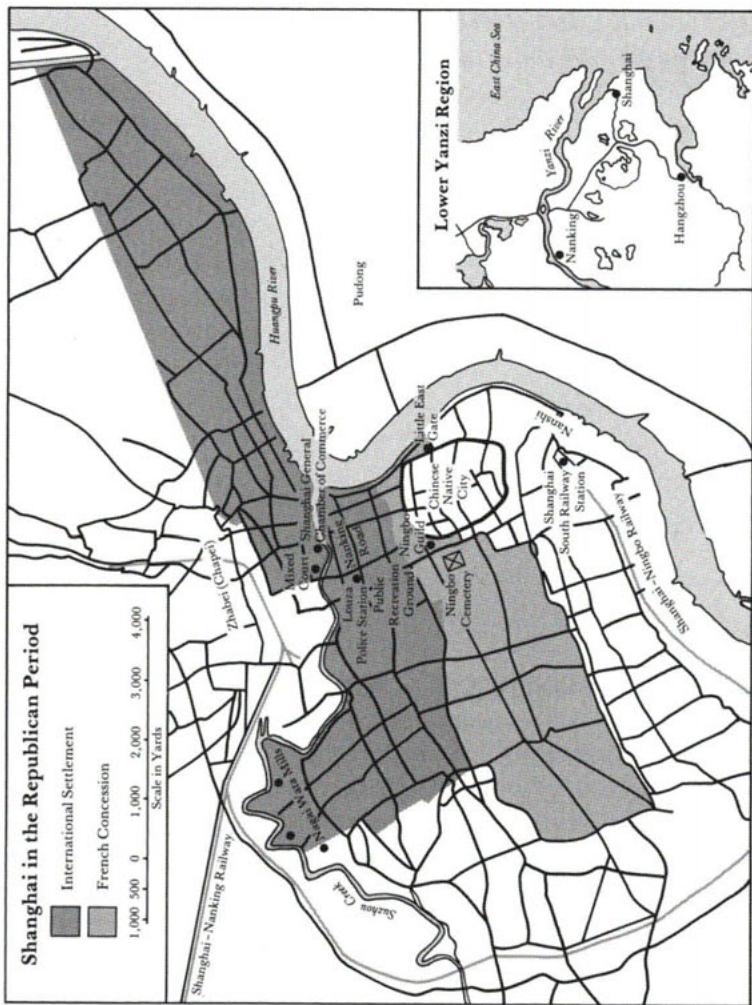
that occurred in the wake of the Taiping Rebellion and the rapid expansion of trade with the West had greatly increased the de facto importance of local government in general and guild organizations in particular. Nowhere was this impact more apparent than in Shanghai. At the same time, in response to the Western economic-cum-military threat, reform writers looked to precisely such local organizations as a means of releasing the energy of the people and of communicating new forms of knowledge to the state. In the process, the state came to be seen as something separate from, and responsible to, society. Intermediary associations became links between public and private.

Granting chambers of commerce—those factions of little men—de jure status marked the transformation of traditional *pouvoirs subsidiaires* into modern *pouvoirs intermédiaires*. Private (*si*) was no longer inimical to public (*gong*) but a necessary component of the public interest. But if the claim of public was no longer total, it was by no means clear where its boundary lay or how it was related to the newly recognized claim of private. These were issues which informed—and continue to inform—much of twentieth-century Chinese politics. What was clear, however, was that by recognizing the group as a vital link between the people and the state, the late Qing reforms made *pouvoirs intermédiaires* an integral part of the polity. In the process, guilds became interest groups.

Politics, Economics, and the Changing Structure of Merchant Organizations, 1895–1920

IF in the reform movement of the late Qing public and private had come to be seen as distinct and properly separate realms, no comparable effort was made at that time to define either the precise scope of those spheres or the institutional means through which they would be related. At first no one seems to have fully grasped the implications inherent in the changing structure of authority. The court envisioned the chambers of commerce fulfilling specific and limited functions: uniting and controlling the merchant community, collecting and compiling information on trade conditions, and promoting the economic policies adopted by the court. The chambers, for their part, seem to have accepted this limited and circumscribed role; the 1902 regulations of the Shanghai Chamber of Commerce assured the government that it would not meet idly, “but solely in the interests of trade.”¹

This self-effacing attitude soon gave way to more aggressive sentiments. Spurred by the frustrating inability of the court to articulate and carry out a coherent economic policy and by the rising sense of nationalism that followed the Sino-Japanese War (1894–1895) and the Russo-Japanese War (1905), merchants soon began to involve themselves in local self-government, boycotts, and the political movements of the day. With a growing awareness of their own importance, financial strength, and organizational capabilities, merchants participated first in the constitutionalist movement and then in the Revolution of 1911. The economic changes associated with World War I brought dramatic change to the Shanghai commercial community. Economic growth stimulated diversity—and conflicts of



Adapted, with permission of the author, from Joseph T. Chen, *The May Fourth Movement in Shanghai: The Making of a Social Movement in Modern China* (Leiden: E. J. Brill, 1971).

interest. The cleavages produced would become politically important in the May Fourth Movement and then increase in significance as large numbers of merchants became more nationalistic and more politically involved. These trends then culminated in the May Thirtieth Movement of 1925 and the Nationalist Revolution. The origins of these changes lay in the last decade and a half of the Qing.

The Politicization of Shanghai Merchants, 1895–1912

The political activities of Shanghai merchants were influenced by the contours of the city in which they lived. The city of Shanghai was composed of three parts. First, in the south, along the west bank of the Huangpu River, lay Nanshi, the “Southern Market.” Nanshi, along with the old walled city, was the commercially and politically preeminent part of the Chinese city. Administratively it was part of Shanghai county (*xian*) and hence responsible to the district magistrate.

Second, to the west and north of Nanshi lay the French Concession and the International (mostly Anglo-American) Settlement. They were administered by their own foreign-run Municipal Councils, which in turn were, at least theoretically, responsible to their respective ambassadors in Peking. These areas were open to Chinese residents, and merchants, particularly those involved in foreign trade and new kinds of enterprises, flocked to the safety of the Settlements. Third and finally, across Suzhou Creek and to the north of the International Settlement was Zhabei (Chapei), a newer area which had developed as the Settlement areas grew and prospered. It straddled Shanghai and Baoshan counties and hence was administratively divided.

Prior to 1895, Nanshi, being under the jurisdiction of the Shanghai district magistrate, had no formal government body of its own. Local affairs such as street cleaning, lamp lighting, and road maintenance were handled by a charitable organization known as the *Tong-ren fuyuan tang*. In 1894, the district magistrate, wanting to develop the waterfront, petitioned the Shanghai circuit intendant to establish a bureau to manage the construction. The following year the Shanghai Roadworks Board came into being.² Two years later it was established as a permanent organ, and a city government began to take shape. It consciously modeled itself on the foreign settlements and

established a police department, managed schools, and undertook the construction and maintenance of roads.

In 1905, three years before the Qing promulgated the first self-government regulations, local gentry and merchants petitioned and received permission to establish the Shanghai City Council as a self-government organ.³ Following the example of the International Settlement, the council became the first governing body in China to establish separate legislative and administrative organs. Many of the leaders of the council were members of the gentry who were influential in the educational establishment and thus had ties to officialdom, but the influence of merchants was also readily apparent. Fourteen of the original thirty-eight members of the council were directors of guilds or members of the newly established Shanghai Chamber of Commerce, while another six members were or had been merchants.⁴ By way of their participation on the city council, merchants became involved in every aspect of municipal affairs. They supervised roadwork, organized a modern police force, established a police academy, and set up a court to hear cases.

Perhaps because Zhabei was a newer area and lacked the administrative and financial resources of Nanshi, self-government efforts there were not as successful. In 1900, two Zhabei merchants, Zhu Chenggui and Chen Shaochang, organized an effort to build bridges and roads on the boundary between Zhabei and the International Settlement in order to stop an intended expansion of the International Settlement into Chinese territory. To oversee construction, Zhu and Chen established the Zhabei Roadworks Bureau.⁵ In 1905, owing a large sum of money, the bureau petitioned to have officials take control. After the Revolution, however, local merchants again took control and established the Zhabei Self-Government Guild, which shortly thereafter became known as the Zhabei City Government.

While Chinese merchants in the International Settlement could not organize for local self-government, they were if anything more active politically than their counterparts in Nanshi and Zhabei. Proximity to the foreign community not only provided them with new models of thought and administration but also constituted a source of daily humiliation. The prerogatives of imperialism, as Marie-Claire Bergère has pointed out, “foster[ed] particularly lively feelings of resentment and sensitive nationalism.”⁶ Just as the merchants in the Chinese parts of Shanghai accepted and tried to emu-

late foreign administrative practices, those who lived in the Settlement areas began to demand the equality that was inherent in the principles of Western law. The clash between their achieved status and adopted ideals (on which the foreign press often complimented them) on the one hand and the continuation of racial prejudice on the other stimulated merchants to take the lead in the early nationalistic movements that swept China and to press for more rights within the International Settlement.

The first instance of protest in Shanghai against the high-handed tactics of foreigners occurred in 1874, when the authorities of the French Settlement decided to build two roads through the cemetery maintained by the Ningbo Guild. Offended by the imminent desecration of the graves of their fellow natives, the Ningbo community of Shanghai (the most numerous and economically most influential group in Shanghai) went on strike. After two days of striking and rioting, the French consul-general signed a formal agreement respecting the rights of the guild. This was later confirmed by the French minister in 1878.⁷

Despite this agreement, the incident was repeated in almost identical form in 1898. At this time the French decided to appropriate, at its assessed value, the land occupied by the Ningbo Guild's mortuary and cemetery in order to build a school, a hospital, and a slaughterhouse. Again the Ningbo community boycotted. Businesses refused to deal with the French (and later the whole Western community), and even servants walked off their jobs. After six months the French finally acquiesced and reconfirmed the 1874 agreement. This is now regarded as China's first political boycott against foreign imperialism.⁸

A turning point in the politicization of Shanghai merchants came in 1905. The victory of Japan, an Asian nation, over Russia, a Western power, triggered an upsurge of nationalism throughout China. Local merchants, apparently encouraged by Qing officials, began to assert themselves against the foreign authorities in Shanghai.⁹ Nationalistic feeling was further aroused when the United States passed the Exclusion Act forbidding Chinese laborers from entering the country. This act chiefly affected the southern provinces of Guangdong and Fujian (from which most Chinese emigrated), and their guilds in Shanghai were the most vociferous in protest. Under the leadership of Zeng Zhu, head of the Fujian Guild, the Shanghai General Chamber of Commerce launched a boycott of American

goods.¹⁰ The protest soon spread throughout the nation and marked the first time that merchants used their collective strength to try to influence national political issues. Later that year, Zeng was elected chairman of the Chamber of Commerce, thereby providing an early illustration of how mass political issues could intersect internal Chamber politics—a theme that would often be repeated in the future.

Another outburst of nationalistic feeling occurred in December 1905, when the British assessor at the Mixed Court (the Sino-foreign court in the International Settlement) ordered a Chinese woman to be imprisoned.¹¹ Since the case was purely a Chinese matter, it raised the whole issue of the proper jurisdiction of the Mixed Court. The British assessor's handling of the case offended the Chinese community, which responded with demonstrations and violence. Outraged by the result of this case, Chinese began to press for a more formal role in the administration of the Settlement.

Early efforts in this direction were led by Yu Xiaqing, a comprador for the Netherlands Bank who rose to prominence during the 1898 boycott of the Ningbo Guild and in later years would become well-known as one of Chiang Kai-shek's primary benefactors. During the negotiations that followed the disturbances associated with the Mixed Court case, Yu suggested to Chairman Anderson of the foreign-run Municipal Council that a Chinese consulting committee be formed to keep the Municipal Council informed about opinion in the Chinese community. Anderson liked the idea, and in early 1906 twenty Chinese guilds elected an executive committee of seven merchants, including Yu Xiaqing, Zhu Baosan, and Wu Shaoqing. The *North China Herald* praised the group as “a body of thoroughly representative men of the Chinese Merchants of Shanghai amongst whom it would be difficult to obtain a better set of business men, combining intelligence and liberality in their views”—but the newspaper nevertheless expressed alarm at the formality of the committee's election procedures.¹² Apparently worried that recognizing the committee would undermine the principle of extraterritoriality, the Municipal Council announced that its charter did not permit it to acknowledge the legal status of the committee.¹³ This incident was the beginning of a long struggle to gain a formal role in the administration of the Settlement, a struggle which would break out again after the May Fourth and May Thirtieth movements but did not achieve success until 1928.

Yu Xiaqing also led in the formation of the International Settlement's only Chinese merchant militia. Originally organized as the Chinese Merchants Exercise Association (*Huashang ticao hui*), the group drilled on a daily basis for six months and then applied to join the Shanghai Volunteer Corps (the foreign volunteer army of the International Settlement, which was called out whenever there was a disturbance). The foreign authorities agreed, on the condition that an Englishman lead the group and that volunteers not be allowed to take their rifles home. Yu persuaded his followers to accept these conditions (which were dropped in later years), and Yu's group grew to fame as the "Chinese Company."¹⁴

The merchants' growing political consciousness and nationalism also found expression in the constitutionalist and revolutionary movements. When in 1906 the court committed itself to promulgating a constitution, the Shanghai General Chamber of Commerce sent telegrams to other chambers throughout the nation relaying the news and asking them to participate in celebrations. That same year, merchant leaders joined gentry figures in organizing the Association for the Preparation of Constitutionalism (*Yubei lixian gonghui*). The following year the Shanghai circuit intendant asked several groups, including the General Chamber of Commerce, to send five representatives each to draft regulations for the provincial assembly. In 1908, merchants participated in the movement to petition that the time before promulgating a constitution be shortened. When provincial assemblies were first convened in 1909, they were dominated by the traditional gentry, but a gathering of provincial representatives meeting in Peking acknowledged the support of merchants by electing a merchant as one of the three presidents.¹⁵

At the same time contacts increased between merchants and the revolutionary movement in Shanghai. The Restoration Society (*Guangfu hui*), the secret revolutionary group established in 1904 by Gong Baoguan, Cai Yuanpei, and Tao Chengzhang, also listed merchants among its members. When it was first established it met in a secret room in Wang Lian's Renhe Coal Company.¹⁶ Merchants also provided support for revolutionary newspapers, most notably the *Shenzhou Daily* and the *People's Stand* (*Minli bao*), both of which were organized by Yu Youren.

The most critical link between the revolutionary movement and the merchant community appears to have been Shen Manyun, manager of the Xincheng Bank, member of the Shanghai General

Chamber of Commerce, director of the Shanghai City Council, and member of Sun Yat-sen's Revolutionary Alliance (*Tongmeng hui*). Apparently Shen first came into contact with the revolutionary movement by seeking out Yu Youren after reading some of his articles in the paper. Shen then became a major contributor to the *People's Stand*.¹⁷ It was through Shen that other important merchants, most notably Li Pingshu, came into contact with the revolutionary movement.¹⁸

Shortly after the outbreak of the Revolution, Shen approached Li Pingshu, the head of the Shanghai merchant militia, and asked him to support the Revolution. Li agreed, and Shen took him to meet the leaders of the Shanghai branch of the Revolutionary Alliance, who included Chen Qimei, Ye Huijun, and Ye Chucang. Li then met with leaders of the constitutionalist movement like Shen Enfu and Zhang Fengchang and secured their support.¹⁹ With the solid support of the leading merchants, the city was quickly seized from the few troops who put up a resistance. Following the success of the uprising, Li Pingshu's merchant militia became the mainstay of local order.²⁰

After the Shanghai uprising, Chen Qimei became military governor of Shanghai. His newly established government clearly reflected the important role of merchants in the takeover of the city. Li Ping-shu became Minister of Civil Affairs; Wang Yiting, a comprador for the Nishin Shipping Company, became Vice-Minister of Foreign Affairs and Commercial Affairs. Zhang Jingjiang, a dealer in tea, silk, and curios who had joined the Revolutionary Alliance in 1907, became Vice-Minister of Financial Affairs; and Zhu Baosan, a comprador and an import-export dealer, was appointed Minister of Financial Affairs. Other merchants in the city government included Mu Ouchu, Wu Xing, and Gu Xingyi. The newly established Shanghai branch of the Kuomintang also contained many merchants. Among its leaders were Shen Manyun, Zhu Baosan, Wang Yiting, Gu Xingyi, and Ye Huijun.²¹

It appears that there were some divisions among merchants in this period. Zhu Baosan organized the Commercial Guild (*Shangwu gongsuo*), which split off briefly from the Shanghai General Chamber of Commerce, and the *North China Herald* reported friction between Yu Xiaqing and Li Pingshu.²² In contrast with later years, however, the impressive fact was the degree to which a small and relatively cohesive elite was able to dominate guild organizations, the cham-

bers of commerce, the local self-government organs, the merchant militia, and, following the Revolution, the city government. A half century of growing organizational capability, increasing economic importance, struggle for recognition, expanding political consciousness, and widening participation in public affairs had brought merchants to be, for one brief moment, masters of their own house.²³

The merchant triumph—and the emergence of what might be called “guild democracy”—was short-lived. Its success was dependent on a sympathetic national government and control over local government. The first failed when the Nanking Provisional Government yielded its power to Yuan Shikai; the second ended as Yuan gradually extended central authority and brought Shanghai under central control. As early as July 1912, Yuan was able to maneuver Chen Qimei into giving up his title of military governor.²⁴ Control over local troops was given to Li Xianmo, who was quickly given a promotion. The following spring Zheng Rucheng led troops loyal to Yuan into Shanghai.²⁵ Thus, by the time the Second Revolution broke out in 1913, local military units were firmly under central control. Zheng had little trouble routing the forces of Chen Qimei and Niu Yungjian.²⁶

Although some merchants, most notably Li Pingshu, were sympathetic to the Second Revolution, most—either out of frustration at the corruption that had erupted under Chen Qimei’s rule or out of a desire to avoid prolonged violence—yielded readily to Yuan’s rule.²⁷ Nevertheless, the price of peace was home rule. In his effort to consolidate central authority, Yuan Shikai abolished local self-government. In March 1914, the city council was dissolved and the merchant militia disbanded.²⁸ With dramatic socioeconomic changes about to burst upon the local scene, this loss of political control served only to accelerate the development of a more diverse, organizationally competitive, and fractionalized merchant community.

The Changing Character of Shanghai’s Economy

At the time of the Revolution of 1911, China’s economy was still overwhelmingly traditional. Although modern industry had started to appear in a few places, mostly along the coast, it remained sporadic at best. A nationwide survey listed 20,749 “factories” in China in 1912, but only 363 of these employed mechanical power.²⁹

Even in Shanghai, China's most advanced city, modern manufacturing had barely begun.

Cotton textiles were the most important modern industry in Shanghai and in China as a whole. But prior to 1911, there were only seven Chinese-owned cotton mills in Shanghai—and two of those were sold to Japanese interests before the Revolution (a third was sold to the Nagai Wata Company in 1918).³⁰ China's other major light industry, flour milling, was somewhat more developed in these early years. There were, in 1911, twenty-seven modern flour mills in China (of these, five were foreign-owned and one was Sino-Japanese), but there were only five Chinese-owned mills in Shanghai. Other industries seemed, like the animals on Noah's Ark, to come in pairs. There were in Shanghai two cigarette factories (Renhe and Delong), two paper mills (Lunzhang and Longzhang), two tanneries (Weishi and Jiangnan), and two match factories (Xiechang and Rongchang). In terms of numbers, the silk reeling industry was the most developed. There were by 1911 forty-eight filatures in Shanghai. They were, however, small in scale. Together they had a total of only 13,292 basins, an average of 286 basins per factory.³¹

A period of prosperity on the heels of the Revolution ushered in a period of rapid growth that would culminate in the high profits and unprecedented expansion during and immediately after World War I.³² At the same time the population of Shanghai was increasing rapidly. In 1910, the population was about 1.2 million; in 1930, it stood at more than 3 million.³³ The growth and diversification of the economy alone would have put a strain on the structure of Shanghai's interest organizations; Yuan Shikai's suppression of local self-government, by depriving the merchant elite of the administrative power that it had acquired, ensured that new economic interests would not be accommodated in the old interest structure. As a result, the Shanghai General Chamber of Commerce, though it remained the most important merchant organization in the city, would no longer be able to monopolize the representation of the entire merchant community.

Although contemporary economists have correctly pointed out that the growth of the modern Chinese economy was more continuous than the picture of rapid expansion followed by collapse and relative stagnation that has been depicted by many Chinese writers, it is nevertheless true that World War I provided a dramatic stimulus to China's native industry, caused major shifts in the composition of China's foreign trade, and brought about a period of hitherto-

unknown prosperity and expansion.³⁴ Nowhere was the impact of these changes more apparent than in the city of Shanghai.

The outbreak of war in Europe caused a dramatic reduction of imports from Europe, and the increased demand for Chinese goods rapidly improved China's trade balance. From 1913 to 1919, imports increased 13.5 percent, but exports rose 56.4 percent, causing China's trade deficit to fall by more than ten times.³⁵ Moreover, rapidly increasing shipping rates acted as a trade barrier that protected the Chinese market and stimulated the development of light processing, such as oil extraction, in order to save export costs.³⁶ Of greater importance than overall figures was the changing composition of this trade. Imports of finished products, such as cotton yarn and cotton piece goods, fell, whereas those of raw products and machinery rose. Exports of both raw and finished products increased.³⁷

The most important of Shanghai's modern industries, cotton textiles, developed rapidly in this period. With the outbreak of war, the finer grades of yarn imported from England disappeared from the Asian market and Japanese manufacturers moved to take up the slack. This left the market for coarser grades wide open, and Chinese entrepreneurs moved to meet the demand. Altogether thirty-seven new cotton mills were established in China from 1914 through 1922. Of these, fifteen were in Shanghai.³⁸ Spindlage in Shanghai quadrupled while the number of looms increased more than seven-fold.³⁹ Imports of raw cotton to feed this growing industry more than doubled between 1914 and 1919 and then shot up more than ten times between 1919 and 1925.⁴⁰ Moreover, it was during this period that native entrepreneurs acquired a dominant position in their own market. Whereas Chinese-owned mills held only 38 percent of the domestic market in 1913, they accounted for 70 percent in 1920.⁴¹

Contributing to the mythology of this "golden age"—and probably to the wave of frustration and speculation that followed in the 1920s—were the undeniably high profits of those years. Zhang Jian, who opened two mills in this period (and dropped plans to build five others when market conditions changed after the war), reported high earnings from 1918 through 1920 and declining business thereafter. The enterprises of China's most important cotton manufacturer, Rong Zongjing, earned high profits after 1917 but poor earnings after 1921. The memoirs of another leading cotton manufacturer, Mu Ouchu, collaborate these findings, as does the factory history of the Hengfeng Cotton Mill.⁴²

World War I also proved a boon to China's second most important

light industry, flour milling. Requiring less capital than cotton manufacturing, China's flour industry was well under way before 1913. Stimulated by the Russo-Japanese War, a total of fifty-three mills had been established before World War I, ten of which were located in Shanghai. Still, in 1913, China was a net importer of flour. As imports fell precipitously during the War, new mills were built and China became an exporter of flour. From 1914 through 1921, twelve new mills were built in Shanghai and some forty-eight other mills were established throughout the country. After the War, the return of foreign competition, the changing value of foreign exchange, crop failures, and finally the loss of Manchuria (in 1931) put the industry into a decline from which it never recovered.⁴³

Other industries were either started or consolidated in this period. Liu Bosen purchased the Huazhang Paper Mill from Japanese interests in 1915 and the following year bought out the Lunzhang Paper Mill. At about the same time, Sun Chuchin established the Longzhang Paper Mill. The rubber goods industry got its start when the Guangdong Brothers Rubber Company was founded in 1917. Although its main office was in Guangzhou, it had a branch in Shanghai. The cement industry also prospered. The Qixin Cement Company more than doubled its capacity in 1921 and two major new enterprises, the Shanghai Cement Company and the China Cement Company, opened. Some ninety-eight new machine works, most of them very small in scale, were founded in Shanghai as imports of spare parts fell off. A large number of knitting factories were founded, at least ten tanneries were established, and the number of silk filatures rose from thirty-five in 1909 to seventy in 1912.⁴⁴

While commerce and industry expanded at an impressive rate in this period, growth was far from balanced. While large numbers of small-scale enterprises, some only partially modernized, grew up, there was also a tendency for a few large-scale enterprises to emerge and dominate a given industry.⁴⁵ In other words, a high percentage of Shanghai's modern manufacturing capability was controlled by a small number of economic elites while a large number of small-scale operators emerged as a generally prosperous, but also precarious, middle class. In this divergence of economic interests lay a potential for conflict, which was to emerge in the May Fourth Movement and again in the May Thirtieth Movement.

Again, the cotton textile industry provides an illustration of this tendency. Prior to the War, the Rong brothers, Rong Zongjing and

Rong Desheng, owned no cotton factories. In 1916, they established their first factory (Shenxin No. 1) and the following year they bought the Hengchangyuan Cotton Mill, renaming it Shenxin No. 2. In 1921, they established two more factories and in 1925 and 1928 bought two other mills to bring their total to six. In addition, they rented and operated a seventh mill. Not only did the Rong family own more factories than anyone else, the individual units of their empire were among the largest factories in China. Their five factories in Shanghai alone accounted for 25 percent of the Chinese-owned spindlage in that city.⁴⁶

The second largest cotton empire was owned by Zhang Jian, who owned four mills, two in Nantong, one in Qidong, and one in Haimen. The largest cotton enterprise in Shanghai was built up in the 1920s by the Wing On Company, which bought three mills with a total capitalization of 6 million taels (almost as much as the total capitalization of Rong Zongjing's seven mills). Also in Shanghai was the Fuyi Company, which owned two mills. In addition there were a few companies with one large mill, such as Hengfeng and Sanxin.⁴⁷ As a result, as Richard Bush points out, China's cotton industry was really two industries: one made up of a relatively small number of large firms and the other of a larger number of smaller factories.⁴⁸

A similar trend toward concentration was also apparent in the flour industry. As in cotton, the largest system of flour mills was owned by the Rong family (they had, in fact, started in flour and used the profits earned there to enter the cotton business). Prior to the War, Rong Zongjing and his brother owned two flour mills; between 1914 and 1919, they acquired another ten. Seventy-three percent of the total capitalization of the twelve flour mills built in Shanghai between 1912 and 1921 was owned by the Rong family.⁴⁹ Numerically, the flour industry was dominated by a large number of small-scale factories. Of the total of more than 120 flour mills in China (ca. 1930), only a half a dozen had a capitalization of more than one million yuan.⁵⁰ Not surprisingly, these better-capitalized mills were the ones most capable of surviving the economic adversities which afflicted the flour industry in the 1920s and 1930s.

Other industries also reveal the emergence of a handful of large-scale enterprises among a sea of small-scale concerns that, in many cases, might best be described as workshops. As late as 1936, there were twenty-six modern tanneries in Shanghai, but only two of them had a capitalization of over 100,000 yuan. Of Shanghai's ninety-

eight new machine works, only fifteen had a capitalization of over 100,000 yuan. The tobacco industry, which did not show rapid growth until after the May Thirtieth Movement in 1925, had few well-capitalized firms.⁵¹

The economic development of Shanghai thus reveals the growth of a small number of comparatively well-financed, well-managed, competitive, large-scale enterprises on the one hand and a much larger number of small-scale, poorly capitalized, marginal enterprises on the other hand. Indeed the small size and perennial undercapitalization of factories was one of the most salient characteristics of Chinese economic enterprises.⁵² In 1920, of 6,524 registered factories, 80 percent employed between 7 and 29 workers, 12.4 percent between 30 and 99 workers, 7.1 percent between 100 and 999 workers, and only 0.5 percent employed more than 1,000 workers.⁵³ Four-fifths of cigarette factories were capitalized at less than 100,000 yuan, and silk filatures were the most notoriously undercapitalized enterprises in China.⁵⁴

Because such small-scale enterprises grew up "like bamboo shoots after the rain" when economic conditions favored a given industry, they disappeared just as quickly when the economy suffered a downturn. The flour industry declined sharply in the 1920s because of economic conditions and even more sharply in the 1930s because of the loss of Manchuria to Japan. In 1934, there were only 66 mills, as compared with 148 in 1931. By 1937, there were only 13 mills in Shanghai, but all of them were large-scale, and together they accounted for a considerable percentage of China's flour production.⁵⁵ There was a similar shakedown in the cigarette industry after the epidemic of factory openings following the May Thirtieth Movement. In 1927, the number of cigarette factories in Shanghai reached a peak of 182; by 1932 there were only 60 left.⁵⁶ The match industry, which also grew up in this golden age and reached a peak of 180 factories in 1928, fell back to about 100 factories by 1935. Only a few match factories were well capitalized.⁵⁷

Thus, the economic development of Shanghai in the first quarter of the twentieth century was not only rapid but also uneven, constantly shifting, and given to booms and busts. Changes in foreign trade or foreign exchange could help the raw silkworm cocoon business while it hurt the filature business. Cotton could prosper while flour languished. Wholesalers of English goods could go into decline while dealers of Japanese goods forged ahead aggressively.⁵⁸ Specu-

lation, such as ended in the spectacular stock market crash of 1921,⁵⁹ could tighten credit at the moment it was most needed—as could warlord struggles such as the Ji-Feng war of 1922, the Jiang-Zhe war of 1924, and the second Ji-Feng war, also of 1924. On top of all this were the patriotic movements—the 1905 anti-American boycott, the 1915 protest against Japan's twenty-one demands, the May Fourth Movement, the May Thirtieth Movement, and the 1928 protest over the Jinan Incident—which pulsated across the political and the economic landscapes.

Such a rapidly and unpredictably changing environment provided opportunities for some, just as it spelled disaster for others. Even though new industries could spring up almost overnight (as did the cigarette industry in the wake of the May Thirtieth Movement), a large percentage of them would fail at the next economic downturn. The bifurcation of the economy—the domination of a small number of large merchants and the marginal existence of a large number of small merchants—helps to explain the contradiction between historical accounts of factory closings and depressed business conditions due to the “oppression” of imperialism and recent economic studies indicating a continual expansion of production. There were, it appears, two economies: one that was financially and managerially strong enough to withstand the rapidly changing economic winds and one that was much more vulnerable to economic changes. Patriotic movements and politics cut across both groups but affected them differently. Those in the elite, depending on their political leanings or relations, were interested in change that was essentially incremental—or no change at all. For middle-class merchants, however, the patriotic movements provided both the opportunity and the inspiration to challenge the political and economic order. Herein lay the seeds of conflict, a conflict which first appeared in 1919 in the May Fourth Movement.

Shanghai Merchants in the May Fourth Movement

The May Fourth Movement, China's best-known nationalistic protest, was touched off by news that the Chinese government, in a secret agreement, had “gladly agreed” to transfer German rights in Shandong province to Japan and that the Council of Four at the Paris Peace Conference—believed to be convening in the spirit of

Wilson's fourteen points—had approved this crassly imperialist move. Chinese opinion was shocked and outraged. On May 4, 1919, thousands of students paraded through the streets of Peking in protest. Demanding the dismissal of three pro-Japanese officials, Cao Julin, Lu Zhengxiang, and Zhang Zongxiang, the demonstration reached a climax when students burned Cao's house and beat Zhang nearly to death. A spiral of arrests, demonstrations, and more arrests followed, setting the pace for the waves of protests that soon spread throughout the nation.⁶⁰

The merchant response in Shanghai was conditioned by the negotiations that had been taking place there between the northern and southern governments. Peace talks had opened formally on February 20, 1919, but had broken off only ten days later, on March 2. Politically active merchants, hoping to apply enough pressure to keep the talks going, came together the following day to form the Shanghai Federation of Commercial Groups (*Shanghai shangye gongtuan lianhehui*, hereafter referred to simply as the Federation of Commercial Groups). Initiated by representatives of fifty-three groups, it was led by merchants who were soon to take an active role not only in the May Fourth Movement but also in the May Thirtieth Movement of 1925 and the establishment of Nationalist rule in Shanghai. Among them were Yu Xiaqing, Fang Jiaobo, Chen Liangyu, Feng Shaoshan, Zuo Jingchai, Tang Jiezhi, and Ye Huijun.⁶¹ The fact that such merchants were already organized—and organized outside the context of the Shanghai General Chamber of Commerce—had an important influence on the development of the May Fourth Movement in the city.

News of the events in Peking reached Shanghai on May 5, but too late for the papers to print. Thus May 6 was the first day of organizing. Educational leaders, led by Shao Lizi and Huang Yanpei, started arousing students and leaders of public opinion. Both business and educational leaders joined to form the Citizens' Association (*Guomin dahui*).⁶² The Federation of Commercial Groups called a meeting of its officers and issued a sharp denunciation of Cao, Lu, and Zhang. "The people of the nation," it declared, "all want to kill them. How can the government love the likes of them?" It said that the merchant community was filled with indignation and appealed to the government to release the arrested students. In a separate telegram to Cai Yuanpei, the chancellor of Peking University, the Federation said that student opposition to the "national traitors [i.e.,

Cao, Lu, and Zhang] matched precisely the feelings of the citizens of the nation.”⁶³ The following day the Federation sent the government another telegram asking whether all the students had been released or not.⁶⁴

By May 7 and May 8 individual trade associations had begun to mobilize. The Foreign Piece Goods Guild was one of the first to act. It declared that normally it had constant commercial ties with Japan but “the longer their intercourse has gone on, the deeper their indignation has become.” Then it announced that it would cease business on May 9, National Humiliation Day (the day on which in 1915 Yuan Shikai had been forced to accept Japan’s twenty-one demands).⁶⁵ Other groups quickly followed. The Oil, Bean, and Miscellaneous Grain Guild, the Trans-Shipment Guild, and others closed on May 9.⁶⁶ Along Nanking Road in the heart of the shopping district, stores, spurred on by Nanyang Brothers Tobacco Company, closed for the day.⁶⁷ The two large department stores, Wing On and Sincere, were reluctant to go along. They closed their rooftop bar areas but kept the stores themselves open. Pedestrians, it was said, cast looks of resentment. Other parts of the city followed: bookstores, pharmacies, and dealers in foreign cotton all closed.⁶⁸ A boycott, apparently spontaneous, had begun.

On the same day that merchants throughout the city were registering their anti-Japanese feeling, the General Chamber of Commerce issued a most unfelicitous telegram. While it maintained that China had sovereignty over Qingdao (the concession in Shandong that Japan wished to control), the Chamber also advised the government to send a special ambassador to Japan to discuss procedures for the return of Qingdao. The telegram thus implicitly endorsed the Japanese position that the question of Qingdao should be resolved through direct negotiations.⁶⁹ It was later revealed that the telegram had been drafted in Japanese at the behest of the chairman of the Japanese Chamber of Commerce in Shanghai and then translated into Chinese.⁷⁰ It had not been approved by the Chamber’s directors; thus apparently only the chairman, Zhu Baosan, and the vice-chairman, Shen Lianfang, were aware of its content before it was sent. The Shanghai Federation of Commercial Groups immediately voiced to both the Peking government and the delegates at the Paris Peace Conference its extreme opposition to the Chamber’s position. In a reprimand addressed to the Chamber, the Federation demanded to know how the telegram could have “violated the will of the

people and matched perfectly the wishes of that nation [i.e., Japan].”⁷¹

Zhu and Shen soon compounded their problems. On May 13, leaders of the Federation of Commercial Groups met with directors from the General Chamber of Commerce to try to reconcile opinions and send a new telegram to replace that of the ninth. The new telegram advised the delegates at Paris “not to yield in the slightest” but nevertheless failed to mention anything about abolishing the secret agreements between China and Japan. As a result, the Federation denounced it as “vague, a whitewash, and strange in the extreme.”⁷² Zhu and Shen soon tendered their resignations, and though they later returned to their duties, they played no further role during the May Fourth Movement.

Over the first three weeks of the Movement, the uncompromising attitude of the Peking government, the increasingly organized student movement, and the sympathy of educational leaders and newspapers created an atmosphere that contributed to the growing militance of the merchant boycott. In particular the actions of the Peking government led to the expansion of the Movement. On May 8, Duan Qirui ordered severe punishment for the arrested students, prompting Cai Yuanpei to resign as chancellor of Peking University. More students were arrested on May 11, and on May 14 the government ordered the Peking authorities to suppress the students with military force.⁷³ Realizing their need for support, students turned to merchants for help.

As a result of such appeals, the boycott in Shanghai increased in scope and effectiveness. Trade associations and native-place associations boycotted Japanese goods while organizations like the Association to Study Industry and Commerce (*Gongshang yanjiu hui*) and the Association to Maintain National Products (*Guohuo weichi hui*) publicized the boycott and promoted Chinese goods. The native banks agreed not to accept Japanese currency, refused to deal with Japanese merchants, decreed that native bank orders were not to be used to purchase Japanese goods, and advised its members to use only Chinese goods. The Association of Commercial Guilds (*Shangbang xiehui*), which was composed of guilds that purchased goods in Shanghai for shipment to the interior, advised its clients that it would no longer supply them with Japanese goods. The Sichuan, Anhui, Ningbo, and Shandong guilds all supported the boycott and the efforts to promote national products. Among other trades declar-

ing their support for the boycott were the Customs Brokers' Guild, the Plasterers' Guild, the Pharmacists' Guild, the Paper Guild, the Hardware Guild, the Coal Guild, the Sugar Guild, and even the Foreign Cotton Guild and the Foreign Suit Guild. Many guilds not only declared their resolve to cease trade with Japan but also announced that violators would be fined (with half of the fine to go to the informant).⁷⁴

Merchant support for the May Fourth Movement culminated in a commercial strike (*bashi*) on June 5. The issue of a merchant strike was taken up by the District Chamber of Commerce on June 4, but the meeting ended without resolution. Discussions were to continue the following day, but Lu Yongxiang, military governor of Shanghai, forbade the meeting. Angered by this interference in their internal affairs, the chairman, Gu Xingyi, and the vice-chairman, Su Yunshang, resigned their positions. Opposition to declaring a strike disappeared. By noon of June 5, virtually the entire city had responded to the strike call.⁷⁵

The division within the Shanghai General Chamber of Commerce—with those affiliated with the Federation of Commercial Groups calling for a more activist role while conservatives led by Zhu Baosan resisted—and the mobilization of a large number of merchants in support of the boycott and national goods movement revealed tensions among the elite and the emergence of a new, populist element among merchants. The cohesiveness of the old elite was giving way to conflicting views about the role of merchants in politics. Those who wanted the Chamber to take a more active political role charged the organization with being elitist and unrepresentative of the merchant community. This conflict became open when, on July 23, Xu Juru led over sixty members in petitioning for a general meeting to consider increasing the number of members and lowering fees (at the time the membership of the Chamber stood at just over three hundred and annual fees were sixty-five taels).⁷⁶ Another member, Jiang Quesheng, addressed a letter to the whole membership in which he declared, “The General Chamber of Commerce is stifled by its bureaucratic air [*guanliao qi*]. If we merely hold a meeting and select one of the old directors to serve as chairman, we will simply be changing the broth without changing the medicine. We must dispel the deadening air [*muqi*] within the chamber.”⁷⁷ This challenge bore fruit in 1920 when the membership was expanded to more than five hundred and a nearly all new board of directors was

elected. For only the second time in Chamber history, a member who was not from Ningbo was elected as chairman.⁷⁸

Of even greater significance than this internal challenge to the exclusivity and conservatism of the Chamber was the formation of new merchant groups which explicitly or implicitly challenged the Chamber's dominance. An interesting, though abortive, instance was the formation of the Common People's Chamber of Commerce (*Pingmin shangtuan*) in June. Denouncing the General Chamber of Commerce as a mere appendage of officialdom, the People's Chamber ostentatiously set its membership fee at only two yuan per year. Although it quickly boasted a membership of twenty-seven hundred, it nevertheless soon passed out of existence.⁷⁹

A more serious and continuing challenge to the preeminent role of the General Chamber of Commerce came when street associations (*shangjie lianhehui*) started to be organized. While efforts to promote the boycott and to rally nationalist opinion during the May Fourth Movement had probably been organized largely on a street-by-street basis, formal street associations appeared only after the foreign-run Municipal Council tried to collect an increased tax levy in July. The decision of the Municipal Council to increase taxes dated from April, when it was approved by the annual meeting of the foreign Ratepayers' Association. Employees of the Municipal Council who had returned to Europe to fight in World War I, it was decided, should, upon their return to Shanghai, receive their back pay (up to eight thousand taels) for the length of time they were away. The tax increase was intended to cover this sum.⁸⁰

This tax increase met with no apparent protest until July 1, when it fell due. At that time shops in the International Settlement began to organize in protest. By mid-July eleven major streets had submitted formal protests, and by the end of July there were some twenty-four street associations involved.⁸¹ The protest movement took a new twist when, in early August, street representatives began pleading "no taxation without representation," and decided to use the protest to press long-standing demands for Chinese representation on the Municipal Council.⁸²

As noted above, Shanghai merchants led by Yu Xiaqing had tried in 1906 to gain recognition if not formal participation. The issue had been raised again in 1915 when foreigners had tried to secure Chinese agreement to an enlargement of the International Settlement. In exchange, the foreigners had offered the Chinese representation

on the Municipal Council. An agreement was actually reached at the local level but never approved at the ambassadorial level in Peking. As a consequence, the Settlement area was not expanded and Chinese representation, although agreed upon in principle, was not realized. In 1919, there were more than six hundred thousand Chinese living in the International Settlement and together they paid some 80 percent of the taxes levied there. Thus it is not surprising, especially in the wake of the May Fourth Movement, that Chinese would resent a unilateral tax increase—especially one rewarding foreign soldiers for their service in a war that had ended with a cavalier dismissal of China's claims. The 1919 protest, however, contained a new element that made foreigners less willing than before to grant the Chinese demands. Whereas previously Chinese efforts had been led by a conciliatory and respectful merchant elite, this time they were promoted by the mass of shopkeepers in the International Settlement. As a result, Chinese claims were pressed with greater vigor and with less concern for the sensibilities of the British.

The street associations, led by Chen Zimin and Yu Guozhen (who later played a leading role in the May Thirtieth Movement and then became one of the leaders of the Kuomintang merchant movement), continued to withhold taxes until mid-August. Finally they capitulated under a combination of foreign pressure and Chamber of Commerce persuasion.⁸³ But while the tax protest failed to gain immediate success, it did stimulate the development and consolidation of the street associations. In the latter half of August, street associations began to formalize their organizations and on October 26, more than twenty street associations joined together to formally inaugurate the Shanghai Federation of Street Associations (*Shanghai gemalu shangjie lianhehui*). More street associations continued to be formed throughout November.⁸⁴

The organization of thousands of merchants into street associations began to have an effect on the “five-minute anger” of the Chinese—the notorious tendency for protests to dissipate before accomplishing anything permanent. As *Millard's Review* reported, “The new organizations are particularly offensive to the Japanese, since they have become the strongest factor in maintaining the effectiveness of the boycott. . . . They have become a nightmare to Chinese officials working under Japanese employ or influence, and through the powerful support of the majority of the vernacular press, have put a decisive finish to many a promising career.” Because of the

development of an organizational infrastructure, the movement to gain representation did not die out. The street associations had accepted the good assurances of the Municipal Council in August, but, having heard nothing definite since, they launched another tax strike in January.⁸⁵

The January dispute revealed that considerable organizational progress had been made. On January 7, in a letter to the Municipal Council, the Federation of Street Associations claimed to represent some forty streets and ten thousand shops.⁸⁶ If there was any exaggeration in this claim, it was not by much—a petition submitted to the Municipal Council in April was signed (chopped) by more than eight thousand merchants.⁸⁷ Even the *North China Herald* gave grudging recognition to the increased strength of the street associations when it complained that “the agitators would appear to have devoted their energies, since the August controversy, less to thinking out any new scheme of government for Shanghai, than to the perfecting of an organization with which to intimidate the Council.”⁸⁸ Finally, at the annual meeting of the foreign Ratepayers’ Association, on April 7, 1920, a staunchly conservative Mr. Pearce paid tribute to the changed times and the changed organizational structure of the city:

Previously there was a time when we could go and get a great deal of help from the General Chamber of Commerce. However, the General Chamber of Commerce no longer occupies the same position as before. It can no longer represent Chinese society. Other haughty organizations [i.e., the street associations] have already challenged its supreme position.⁸⁹

At this meeting, the foreign Ratepayers’ Association supported a resolution backed by Mr. Pearce to establish a Chinese Advisory Committee (and turned down a resolution to grant formal representation).⁹⁰ This “half-loaf measure” (as the *North China Herald* admitted it was) would soon become a source of disappointment and frustration for both the Chinese and foreign communities. In the meantime, however, it raised the practical question of how to select the representatives that would sit on it. And that question led to one last episode that again revealed the conflicts of interest which had grown up among Shanghai merchants and, in doing so, demonstrated how much the city had changed since the 1911 Revolution.

The task of selecting representatives to the Chinese Advisory

Committee was first undertaken by the street associations, but their discussions produced no results by the end of May. The General Chamber of Commerce then moved to take the lead. On May 29, it requested its component organizations to nominate candidates. Immediately there was a storm of protest. The Guangzhou and Ningbo Guilds joined with the Federation of Street Associations to denounce the Chamber for trying to monopolize the nominations.⁹¹ On June 12, the General Chamber of Commerce backed off and declined to have anything more to do with the selection process.⁹² Thus, the task once more reverted to the Federation of Street Associations.

The decision of the Federation was to establish the Chinese Ratepayers' Association (*Huaren nashui hui*), the regulations of which were modeled on those of the foreign Ratepayer's Association. The adoption of such regulations—revealing the influence of the foreign model even in the midst of opposing foreign domination—must have resulted in an organization considerably more exclusive than the constituency represented by the street associations. Perhaps dissension about the organization and membership of the Chinese Ratepayers' Association accounts for the length of time that elapsed between the appointment of a committee to draft the regulations (on June 22) and the approval of the regulations (on August 31). Despite the fact that planning for the Association was dominated by the Federation, the leadership of the Association showed that the new group was not to be a simple reflection of the Federation. The well-known diplomat Wang Zhengting (C. T. Wang) headed the list of directors, and other members of the merchant elite, such as the prominent banker Song Hanzhang, served as directors.

If the Federation of Street Associations had found it wise to compromise with sympathetic elites (which was no doubt necessary in order to make the Chinese Ratepayers' Association acceptable to both the Shanghai community and the Municipal Council), it had nevertheless prevented the merchant elite, through the General Chamber of Commerce, from monopolizing the representative function vis-à-vis the foreign community. Both in mobilizing organized support for the assertion of Chinese rights and in taking a prominent role in the formation of the Chinese Ratepayers' Association (and hence indirectly in the selection of the members of the Chinese Advisory Committee), the actions of the street associations marked the emergence of Shanghai's middle classes as a nationalistic force and

an organizational power to be reckoned with. At the same time, the organizational and ideological bases were laid for the more militant and distinctly anti-imperialist May Thirtieth Movement of 1925.

Looking at the changes in the organizational structure of the Shanghai merchant community—at the number and classes of people involved, the number of organizations extant, the amount of potential political “space” organized into groups, and the relationship between merchant organizations and politics—reveals a greatly enlarged scope of participation, a clear divergence of interests, and the emergence of multiple, competitive interest associations through which those interests were expressed. Not only did the membership challenge the leadership of the General Chamber of Commerce (and force changes in its size and leadership), it also sought out new modes of expression. New groups, such as the Federation of Commercial Groups, the Association to Study Industry and Commerce, the Association for the Maintenance of National Products, and the Chinese Ratepayers’ Association, showed a reawakening of political consciousness after a period of quiescence in the early Republic. The formation of such groups also expressed a continuing sense of nationalism among the merchant elite, especially, it might be suggested, by those merchants grouped around Yu Xiaqing. Such merchants were no longer content within the bounds imposed by the General Chamber of Commerce, even though they themselves were largely members of that group.

The most striking change, however, was the mobilization and organization of thousands of merchants in street associations. Here we are confronted not with a multiplication of elite interests but with the politicization of a whole new constituency. Interest-group participation was no longer restricted to an elite. One of the ironies of this expanding scope of participation is that the Federation of Street Associations chose as its cause célèbre an issue which had long been of interest to the elite: participation on the Municipal Council. But the mobilization of street associations behind this issue resulted in a militancy which went beyond the more genteel approach of the General Chamber of Commerce. The conflict over the issue of how to choose representatives for the Chinese Advisory Committee revealed a mutual suspicion which, in later years, would become more evident as well as more politically significant.

Thus, in the first two decades of the twentieth century, the struc-

ture of interest representation in Shanghai had become more complex, competitive, encompassing, and participatory. Implicit in these changes were differing—and diverging—concepts of how merchants—and merchant organizations—should relate to politics. Zhu Baosan's compliance with Japanese wishes seemed to express not only his personal self-interest but also a feeling that business is best pursued through accommodation and manipulation. Yu Xiaqing and the Federation of Commercial Groups clearly aligned themselves with the nationalistic sentiments of the May Fourth Movement—whether out of genuine nationalism, or out of a feeling that nationalism made good business, or more probably out of a combination of the two.⁹³ Nevertheless, Yu's position, although in some sense populist, remained rooted in the elite organizations of which he was part. Clearly the most militant position was that taken by the Federation of Street Associations, which sought to give its nationalism effective organizational expression. These differences, visible in the May Fourth Movement, would become even more apparent in the May Thirtieth Movement of 1925.

The May Thirtieth Movement and the Politicization of Business

THE first two decades of the twentieth century witnessed major changes in the structure of the Shanghai commercial community. A relatively narrow and cohesive elite had—under the impact of rapid economic growth, major changes in the pattern of foreign trade, the booms and busts to which Shanghai's economy seemed particularly prone, the development of a significant “national bourgeoisie,” and the rapid expansion of Shanghai's population—given way to a larger and more diverse elite whose interests were conflicting and whose dominance over the commercial order was open to question. At the same time, the progressive development of populist nationalism greatly enlarged the scope of political participation, threw into question the leadership of the elites and the institutions that had dominated the merchant community up until that time, and exposed, exacerbated, or generated cleavages among merchant interests. The May Fourth Movement had shown the potential for popular national issues to mobilize new sectors of the population and to politicize conflicts within the merchant community, but it had stopped short of linking imperialism and warlordism. The May Thirtieth Movement would forge that link and, in doing so, would arouse demands for fundamental political change to liberate China from both forms of oppression.

The May Thirtieth Movement of 1925 was, in its immediate causes, the outcome of the efforts of an increasingly well-organized labor movement to achieve a secure, and it was hoped, a better standard of living. Since the beginning of the year, wages had been falling in relation to the price of goods.¹ At the same time, unions were developing greater influence and greater organizational cohesion. In

February, a major strike broke out when the Nagai Wata Company dismissed several workers to replace them with “brought-up labor” (*yangcheng gong*).² In early April strike activity spread to Tianjin, where Japanese industrialists dismissed a number of people who had been active in organizing unions.³ Finally, in May there was more trouble in Shanghai. With the textile market stagnant, the Japanese factory owners began to dismiss workers. On May 7, a meeting of Japanese textile manufacturers resolved to take a hard-line attitude against future strikes and to close factories if necessary to intimidate workers.⁴ Strikes to protest these measures failed at first, but the dismissal of two workers from the Nagai Wata factory stimulated a new strike. On May 15, a number of workers engaged in “factory wrecking” (*dachang*), with the result that one worker, Gu Zhenghong, was killed.⁵

The May Thirtieth Incident itself came as a result of efforts to arouse public opinion to protest the death of Gu Zhenghong. Workers throughout the city reacted by striking. Students responded to worker appeals for help and started lecturing and leafleting throughout the city. Student activities were spurred on by foreign attempts to suppress news.⁶ A major demonstration was planned for May 30, the day on which a number of students arrested by police were to appear before the Mixed Court.

On that day students, grouped in squads of seven, entered the International Settlement to publicize the plight of those arrested, arouse sympathy for the workers, and denounce imperialism. A number of students were arrested in the morning and more in the afternoon. About 3:00 P.M. a crowd of some two hundred students and perhaps two thousand onlookers gathered outside the Louza Police Station on Nanking Road (where the arrested students were being detained).⁷ The ensuing course of events is obscure. Suffice it to say that Inspector Everson, the commander of the station, thought that the crowd was about to seize the police station (which contained a large quantity of munitions). Seconds after shouting a warning, audible only to those nearest him, he gave the order to fire. Accounts vary, but at least ten were killed and seventeen seriously injured.⁸

Interest in the May Thirtieth Movement has generally focused on the emergence of a strong and increasingly radical labor movement and on the growth of the Chinese Communist Party during and after the Movement. This focus is understandable. Labor was clearly an

auxiliary force in the May Fourth Movement; in the May Thirtieth Movement it literally burst upon the scene, established itself as an independent and powerful force, and challenged the constellation of political forces on both the local and national levels. Growth of the Communist Party was equally dramatic. At the beginning of the Movement there were about nine hundred members in the Party; by the end of the year there were about ten thousand.⁹

Focusing on these more visible aspects, however, has obscured and simplified the merchant response to the Movement. It has been generally maintained¹⁰ that, within the merchant community, support for the goals of the Movement came mostly from the street associations of the middle merchants, whereas the merchant elite, as represented by the Shanghai General Chamber of Commerce, tried continuously to contain the Movement and prevent it from attaining its goals. The General Chamber of Commerce is said to have joined the Movement only under pressure and then in Machiavellian fashion, used its influence to create division within the Movement's leadership and to subvert its aims. The street associations, originally supportive of the Movement, are said to have capitulated under the pressure of the merchant elite—thereby demonstrating the political weakness and unreliability of the petty bourgeoisie. In fact, as this chapter shows, the merchant response was far more complex.

The merchant response to the Movement was influenced both by the increasing sense of nationalism and political responsibility among merchants and by local political issues in Shanghai which had aroused their indignation on the eve of the Incident itself. We have already seen the active and widespread response of merchants in the May Fourth Movement and how their aroused sense of nationalism led to organized and at least partially successful demands for participation on the Shanghai Municipal Council. In the years following the May Fourth Movement, the merchants' consciousness of themselves as a major, perhaps the major, force around which a new China could be built continued to grow. In 1921, the Shanghai General Chamber of Commerce began to publish a monthly journal to foster this sense of self-appointed mission.¹¹ At the same time, the Chamber also established a display hall to promote national products.¹² When the Washington Conference was held in 1922, the Shanghai General Chamber of Commerce sent its own representatives on the presumption that they were better able to

express the needs and aspirations of the nation than those sent by the Peking government.¹³ The phrase *yishang jiuguo* ("Save the nation through business") became common.

In the period immediately before the May Thirtieth Incident, the nationalistic sentiments of Chinese merchants were aroused by the awkward and ill-advised attempt of the Shanghai Municipal Council to restrict further the rights of Chinese within the Settlement. It was proposed, in the spring of 1925, that new bylaws be passed to limit child labor, restrict the publication of materials, increase wharfage dues, and register commodity exchanges. An indignant Chinese community opposed these measures; the ensuing threat to pass them over the opposition of the Chinese raised once again the issue of Chinese rights in the Settlement. When a quorum failed to materialize at the annual meeting of the foreign Ratepayers' Association on April 15, it seemed that this issue, and the questions it raised, might fade from the scene.

Rather than let such a sensitive issue die a quiet death, a well-meaning Mary Dingman of the National Committee of the Young Women's Christian Association led a campaign to convene a special meeting of the Ratepayers' Association on June 2 to consider the question of child labor. Chinese feared that the effort to pass a child labor law was a subterfuge through which the other, more noxious bylaws could be passed.¹⁴ Chinese opposition mounted during the month of May, and public opinion was sufficiently aroused over this issue that there was a great potential for confrontation even in the absence of the May Thirtieth Incident.¹⁵

The merchant response to the May Thirtieth Movement developed in three distinct phases. During the first, from May 30 to June 7, the issues of the strike and its scope were debated and decided. In the second period, from June 8 to June 26, activists within the General Chamber of Commerce gained control of that body, and the middle merchants of the Federation of Street Associations distanced themselves from their erstwhile student and worker allies. In the final phase of the Movement, elite activists and the street associations converged around a common position of support for the national products movement. This coalition would prove politically and historically significant, for it was this group that in 1927 would provide Chiang Kai-shek and the Kuomintang with their primary support in Shanghai.

The Initial Merchant Response, May 30 to June 7

The shooting on Nanking Road provoked an immediate demand for action. On the evening of May 30, the All-China Student Association, the Shanghai Student Association, and the Shanghai Federation of Street Associations met to formulate a common response to the afternoon's violence.¹⁶ They decided to convene an open meeting of all groups at 3:00 P.M. the next day. At that time, some one hundred thousand people gathered to hear Liu Hua (a leader of the General Labor Union) and others denounce imperialism.¹⁷ The meeting demanded the release of the arrested students, compensation for the dead and wounded, a British apology, cancellation of the proposed press controls and the increase in wharfage dues, and the return of the Mixed Court to Chinese control.¹⁸ The meeting also demanded that merchants support these goals by declaring a merchant strike (*bashi*). Three people were selected to go to the Shanghai General Chamber of Commerce and present the results of the meeting.

The Chamber, as is well known, was reluctant to go along with a strike decision. To pressure the Chamber, activists went that afternoon to Nanking Road with the intent of creating a "serious atmosphere" (*yanzhong kongqi*).¹⁹ Toward evening, hearing that the Chamber of Commerce was meeting with the Federation of Street Associations at the Queen of Heaven Temple (*Tianhou gong*), activists went there and surrounded the building. The Federation of Street Associations, like the Chinese Ratepayer's Association, had already voted in favor of the strike and was attempting to persuade the Chamber to join. The Chamber, however, remained hesitant. It attempted to delay any action by declaring that it would be "procedurally inconvenient" to approve any immediate action—it would have to convene a meeting of the Board of Directors before making a decision.²⁰

That evening, pressure on the Chamber mounted steadily. Students and workers blocked the entrances of the building and refused to let anyone out. Student representatives were admitted to the meeting to plead their case. Finally the Chamber yielded to pressure and signed the strike resolution.²¹ The following day, Shanghai looked more like a ghost town than the leading port of the Pacific, as firms throughout the International Settlement pulled their shutters tight and closed for business.

Clearly the Chamber of Commerce had approved the strike only under pressure, but it is not safe to conclude that all members were equally reluctant to join the strike. Opinion within the membership seems to have fallen into three major divisions—divisions which echoed those that had emerged in the May Fourth Movement. On one extreme, and acting in a manner reminiscent of Zhu Baosan,²² was a group headed by Fu Xiaoan, general manager of the Commercial Bank of China and managing director of the China Merchants' Steam Navigation Company. Fu's group seems to have been the dominant faction within the Chamber, and it was he who most adamantly opposed the May Thirtieth Movement. He considered the students muddle-headed, and they in turn directed their chief animosity at him.²³

At the other extreme stood what might be called the "Young Turk" faction. Composed of such people as Feng Shaoshan, Huo Shouhua, Chen Yiting, and Wu Zhihao, this group represented a more militantly nationalistic wing in the Chamber. The people in this group were active in the national products movement and the street associations.²⁴ It seems likely that this group was greatly bolstered by, and perhaps largely derived from, the expansion of membership in 1920. Their approach to politics and business was populist and activist; in their demand for Chamber support of the May Thirtieth Movement they were insistent.

Between these two hostile extremes lay a group headed by Yu Xiaqing. Yu, as already noted, played an important role in the 1898 boycott of the Ningbo Guild, in the organization of the merchant militia, in the 1911 Revolution, and in the May Fourth Movement. One of the most interesting figures of his time, Yu was the quintessential middleman. A comprador as well as the owner of China's largest private shipping company, he devoted perhaps more of his energies to mediating disputes than to business. His nationalistic sympathies led him to support the goals of the May Thirtieth Movement, while his tendency to compromise and mediate inclined him toward moderation and coalition building.²⁵

At the time of the May Thirtieth Incident, Yu was in Peking. In his absence those close to Yu—people like Fang Jiaobo, Yuan Lüdeng, and Xu Xinliu—tried to mediate between the two extremes. Fang Jiaobo, often considered to be opposed to the strike, was in fact on good terms with student leaders.²⁶ This group, while less militant than the Young Turk faction, was nonetheless sympa-

thetic to the Movement. However, at the time of the Incident, the most influential faction was that of Fu Xiaoan, and, as a result, the Chamber did not join the strike until it had been subjected to considerable pressure.

Because of the divisions within the General Chamber of Commerce and Fu Xiaoan's opposition to the Movement, the Chamber made no attempt to lead the Movement during the first several days. As a consequence, leadership fell naturally into the hands of students, labor leaders, and the merchants of the street associations. To emphasize their unity, leaders of the All-China Student Association, the Shanghai Student Association, the General Labor Union, and the Federation of Street Associations agreed on June 4 to establish the Federation of Workers, Merchants, and Students (*Gongshangxue lianhehui*). Each group selected six representatives.²⁷ The Federation of Street Associations appointed Wu Zhihao, Ye Huijun, Lu Wenzhong, Yan Esheng, Wang Hanliang, and Qian Longzhang to represent it.²⁸ As leaders of various street associations, they had an organized constituency among Shanghai's middle classes. However, the fact that at least three of these six delegates (Wu Zhihao, Ye Huijun, and Lu Wenzhong) were members of the General Chamber of Commerce indicates that the leadership of the street associations was probably less middle class than the bulk of the membership.²⁹ The same fact, however, provides further evidence of an activist wing in the Chamber.

While the Federation of Street Associations consistently supported the goals of the Movement and backed the merchant strike as a means of achieving those goals, it nevertheless took a distinctly more restrained approach than its student and worker counterparts. Whereas labor leaders in particular sought to enlarge the scope of the Movement and advance more radical demands, the street associations tried to strike a balance between moderation in the conduct of the strike and firmness in their demands. On June 2, as the Movement was still growing, the Federation issued a statement urging both determination and calmness: "During this period of negotiation our purpose [*zongzhi*] must be determined, our attitude should be calm, we should respect the prestige of the nation [*guoti*], and we should not make careless moves. This is most important."³⁰ Thus, from the beginning of the Movement, the Federation of Street Associations eschewed the politics of confrontation. It was inevitable that conflict would arise within the Federation of Workers, Merchants,

and Students, since labor leaders, fearing that momentum would be lost and their gains nullified, turned to increasingly radical tactics.

More violence on June 1 and again on June 2 sent passions soaring, and student and labor leaders began working to expand the scope of the strike. Specifically, they hoped to extend the merchant strike into Zhabei, Nanshi, and the French Concession. Merchant leaders were generally opposed to such an expansion of the Movement. On the evening of June 4, the French Concession Commercial Federation (*Fa zujie shangye lianhehui*) debated the issue and finally resolved not to join the strike. Following the meeting, however, several hundred people crowded around the store of Ye Kuang-zhen (who was chairman of the Federation) and shouted that he would not permit a strike.³¹ The next morning hundreds of workers went through the streets of the French Concession demanding that all shops in the area close. Within a short while business activity came to a halt. When the French Concession Chamber of Commerce heard about this, it appointed people to go to each section in the Concession and maintain order.³² Later in the day Yu Xiaqing (who had returned from Peking late on June 2) attended another meeting of the Chamber where it was decided that there was no need for Chinese merchants in the French Concession to strike. The French consul had shown a conciliatory attitude, and a strike there would only hurt Chinese without inflicting injury on the English and Japanese. Thus, business resumed in the morning.³³

On the morning of June 6, most shops in the French Concession did reopen promptly. However, shops in the area of Nanyang Bridge remained closed. The street association of that area sent a Mr. Ye to the French Concession Chamber of Commerce, presumably to explain the reasons for not opening. That chamber showed Mr. Ye its resolution as well as a notice from the Shanghai General Chamber of Commerce which stressed that only stores in the International Settlement should strike. These acts were sufficient to persuade Mr. Ye to return to the area of Nanyang Bridge and encourage shops to reopen—which they in fact did.³⁴

Meanwhile, a movement had begun in Nanshi to close shops there. A meeting of the Dongbei cheng Street Association voted unanimously to strike.³⁵ When Yu Xiaqing heard of this decision, he went personally to encourage them to reopen. Through whatever combination of personal, official, and organizational pressure he was able to bring to bear, he successfully persuaded them to reopen.

In fact, at a meeting of the Dongbei cheng Street Association that evening it was decided that there had been a misunderstanding. They had not, they now claimed, gone on strike (*bashi*), but had merely closed their businesses (*xiuye*) to express sympathy. They hoped that by reopening promptly the mistake would be cleared up.³⁶

Thus, in at least these instances, Yu Xiaqing worked to limit the scope of the strike. He also attempted to focus it more on England and less on Japan.³⁷ It has been alleged that Yu did so because of close business ties with Japan; however, there is no evidence to support this contention.³⁸ Other reasons seem to account better for this shift in focus. First, it appears that Yu, like many Chinese, saw England as the bulwark upholding imperialist interests in China. Japan was seen as the lesser threat, making gains by riding on Britain's coattails. As Tang Youren, a leader of the national products movement, wrote:

I believe that severing economic relations with Japan is a type of revenge, a way to punish Japan. If Japan is able to fundamentally awaken, we too can relax our methods. As for severing economic relations with England, its meaning is not limited to revenge and punishment. It is in the end the critical juncture in which China's existence lies.³⁹

Another and more immediate reason may have been Yu's apparently close connections with the Anhui Clique, then ascendant in Peking.⁴⁰ The Anhui Clique, and its leader, Duan Qirui, had long had close relations with Japan, and it no doubt hoped that the Movement's focus could be directed away from Japan. Yu, who had been appointed associate director (*huiban*) of the Port of Wusong and Shanghai by Duan, was apparently willing to help. One might also speculate that directing the Movement against England angered fewer merchants than a full-scale movement against Japan would have. Certainly people like Fu Xiaoan, no friend of the Movement in any case, would have been even more hostile if their economic relations with Japan had been more directly threatened.

Yu's efforts to limit the scope of the strike and to focus it more on England rather than Japan seem at first blush to confirm the contention that the merchant elite worked to subvert the Movement. Such a conclusion, however, is belied by Yu's fundamental support of the

Movement, a fact which the British both appreciated and resented. Sidney Burton, the British consul-general in Shanghai, accused Yu of being the man “who has done more than any other single person to encourage the anti-British strike and boycott.” In a similar vein, the American consul-general considered Yu a man “who is suspected of communistic views and [who] certainly subordinates principles for private gain.”⁴¹ It seems more reasonable to conclude that Yu, as he had done many times in the past, was working to find a position that would have the broadest possible support and still work toward the basic goals of the Movement.

British intransigence fostered the emergence of a broader and more militant coalition than ever before seen in Shanghai. As the strike wore on and the British concessions failed to materialize, Fu Xiaoan’s position in the General Chamber of Commerce became less and less tenable. At the same time, street association leaders, although demonstrating a commitment to a strongly activist position, were chary of the radicalism of some of their colleagues on the Federation of Workers, Merchants, and Students. As the strains within the Chamber and Federation grew, it became possible to forge a coalition of activists in the Chamber and militants in the street associations. It was just such an alliance which Yu Xiaqing worked to bring about and which began to take shape in the second week of the Movement.

Building a Consensus within the Merchant Community, June 8 to June 26

The first week of the Movement had clearly revealed the lack of consensus within the merchant community. The division within the General Chamber of Commerce had reduced that body to paralysis while at least some other merchants (like those around Nanyang Bridge in the French Concession and in Nanshi) had pressed for an expansion of the Movement. By the end of the first week one question, that of scope, had been effectively resolved. Efforts to expand the strike beyond the confines of the International Settlement had failed. But question of leadership and of a cohesive program around which most merchants could rally remained unresolved. Since Yu Xiaqing had returned to Shanghai, he had acted on the basis of his position as associate director of the Port of Wusong and Shanghai

and, undoubtedly more important, of his standing within the merchant community. He had not, however, had the endorsement of the General Chamber of Commerce. Without that it was unlikely that Yu could translate his efforts at mediation into an effective coalition which could support a cohesive program.

Yu was provided with that support, and hence with the possibility of bridging the gap between the General Chamber of Commerce and the Federation of Street Associations, by activists within the Chamber who challenged the organization's passivity. On June 7, some fifty dissident members of the Chamber addressed a letter to that body demanding that a general meeting be held immediately.⁴² Yu responded by calling a meeting for June 10.⁴³

According to the *North China Herald*, "moderates" suggested that a commission be formed to investigate the resumption of business because "the strike was not as successful as had been expected and millions of dollars were being lost as a result." Such moderates, however, were "greatly outnumbered" by those favoring militant leadership of the strike effort.⁴⁴ Speaking for the militant faction was Huo Shouhua, who had led the effort to convene the meeting. He accused the Chamber of being slow and irresponsible in responding to the crisis:

Recently many people have said that those killed were workers and students. They do not understand that workers and students are Chinese, and so the killing of workers and students is the same as killing the members of our Chamber of Commerce. Therefore, no matter what, the Chamber of Commerce must pick up the responsibility and strive for fairness and a legally just solution. . . . How can we alone stand by and watch?⁴⁵

He proposed that a committee be established and given full responsibility to deal with the Movement. It was agreed that Yu Xiaqing would nominate twenty-one people to serve on the committee along with himself (as chairman of the Chamber) and Fang Jiaobo (as vice-chairman).⁴⁶ This committee, which became known as the May Thirtieth Committee, effectively superceded the Board of Directors of the Chamber for the duration of the Movement. With the appointment of this committee, the General Chamber of Commerce started to take active leadership of the Movement. It is clear that the

constitution of this committee and the subsequent efforts of the Chamber of Commerce to lead the movement came only after the Chamber repudiated the policies of Fu Xiaoan.⁴⁷

With the strike already over a week old, the Federation of Street Associations too began to seek a more cohesive policy. At a meeting on June 9, Du Guisun proposed that their response be focused on England and Japan in order to avoid a general anti-Westernism (of which the Movement was being accused).⁴⁸ Zhang Zhenyuan, later head of the Merchant Bureau of the Shanghai branch of the Kuomintang (see chapter 5), proposed that they ask the Federation of Workers, Merchants, and Students to send a circular telegram asking merchants in the rest of the country to "sever economic relations with England and Japan," but not to strike since that would only hurt the merchants themselves.⁴⁹ Likewise, a joint meeting of several merchant groups, in response to merchant strikes in Ningbo and elsewhere, resolved to send a telegram saying that because Chinese workers in foreign factories were on strike, merchants in the interior should take advantage of the opportunity to expand business.⁵⁰ The thrust of these efforts, though less radical than the action advocated by some leaders, nevertheless constituted strong support for a continued strike of limited scope and positive aims. Generally speaking, these merchant actions received student support.⁵¹

Still, however, questions of leadership and goals remained unresolved. On Sunday, June 11, the Federation of Workers, Merchants, and Students made its bid to take control of the Movement and lead it in a more radical direction. On that day it sponsored a mass meeting at the Public Recreation Ground. By 1:00 P.M. when the meeting started, the grounds were packed and latecomers had to stand outside. The meeting was chaired by Lin Jun, a Communist leader of the General Labor Union. Other leaders of the Federation of Workers, Merchants, and Students—Wu Zhihao, Li Mingzhong, and Li Lisan—acted as vice-chairmen. Speaking for the Federation of Street Associations were Chen Yongsan and Chen Yiting.⁵² Chen Yongsan was a member of the Groups of Ten for the Salvation of China (*Zhonghua jiuguo shiren tuan*). Later he served on the executive committee of the Shanghai Merchant Association, which was established by the Kuomintang in March of 1927 (see chapter 5).⁵³ Chen Yiting represented the Minguo Road Street Association to the Federation of Street Associations, was active in the national products

movement, and was also a member of the Shanghai General Chamber of Commerce (he was one of those who, with Huo Shouhua, had demanded that the Chamber of Commerce take an active leadership role in the Movement). In 1927 he too would serve on the executive committee of the Merchant Association.⁵⁴ According to the *Shenbao*, the speakers' "tone of speech was all very excited."⁵⁵

The meeting ended with Lin Jun reading a manifesto and a list of seventeen demands. The crowd expressed its approval with a show of hands. This list of demands went much further than any previous proposal and certainly well beyond the original six demands raised by workers and students on May 31 (see above, p. 66). In addition to demands for such things as compensation, punishment of those responsible, the return of the Mixed Court, and Chinese representation on the Municipal Council, there were also demands for the abolition of extraterritoriality, the permanent withdrawal of British and Japanese gunboats from Shanghai waters, the appointment of a Chinese commissioner of police, and the recognition of trade unions.⁵⁶ The *North China Herald* greeted these proposals by saying: "One supposes that the main purpose of the resolution is propaganda, as it is inconceivable that any of the people who voted for them would imagine that they could be taken seriously."⁵⁷

The street associations, despite their initial approval of these demands, backed off quickly. Perhaps they felt, as the *North China Herald* suggested, that the demands were largely propagandistic. The change in the street associations' position came the very next day, when the General Chamber of Commerce hosted a banquet for the provincial governor, Zheng Jian, the high commissioners, Cai Tinggan and Zeng Zongjian, and the commissioner of foreign affairs, Xu Yuan. Attending were some eighty notables including the Board of Directors of the General Chamber of Commerce, the May Thirtieth Committee (also of the Chamber of Commerce), the Shanghai circuit intendant, the chief of police, the district magistrate, and Lin Jun, Li Lisan, and Wu Zhihao from the Federation of Workers, Merchants, and Students.⁵⁸ Obviously, local officials had been sufficiently alarmed by the preceding day's meeting that they felt a need to call all groups together to work out, or impose, a compromise. It was immediately after this banquet that the May Thirtieth Committee drew up a new list of thirteen demands to replace those approved at the open meeting the day before. The new

demands dropped some of the more sweeping and impracticable demands as well as the call to recognize the workers' right to organize.⁵⁹

The Chamber of Commerce's move to submit its own more moderate demands produced the first open split in the Movement and has been denounced virulently in the literature ever since as a betrayal of the labor movement. Undoubtedly it was. Merchants and local military authorities were quite unprepared to recognize labor unions as an independent force. Nevertheless, given that merchants—even following the May Fourth Movement—had never fundamentally questioned the position of foreigners in China, the Chamber's thirteen demands did represent a strong statement against the imperialist order in Shanghai. As such, it gave some indication of the changes in China since 1919—and of the changes within the Chamber of Commerce since May 30. It is well to remind ourselves of the *North China Herald*'s response to these "moderate" demands. The headline read: "Extremists Completely in the Saddle; Impossible Proposals; No Discussion Possible on Such a Basis."⁶⁰ If the more moderate demands of the Chamber marked a capitulation to imperialism, the British were blissfully unaware of their victory.

Considering the abuse to which the Chamber's demands have since been subjected, the immediate reaction to them was surprisingly mild.⁶¹ It seems possible that labor leaders, despite the excising of the demand for recognition of labor unions, considered going along with the new set of demands as the best they could achieve for the time being. Lin Jun and Li Lisan had attended the June 12 meeting and no doubt had been subjected to considerable pressure. It seems likely that they did concede on some points, for the Federation of Workers, Merchants, and Students openly approved of some of the changes.⁶² As late as June 15, the Federation issued a mild statement asking that the commissioner of foreign affairs negotiate "in accordance with the *spirit* of the conditions raised by the Federation of Workers, Merchants, and Students."⁶³

At the same time, however, the Federation sent four representatives to ask the commissioner of foreign affairs why he had raised only the demands of the Chamber of Commerce and not those of the Federation.⁶⁴ The next day, advertisements began to appear in the press saying that the Federation of Workers, Merchants, and Stu-

dents had not participated in the formation of, and did not recognize, the thirteen demands of the Chamber of Commerce. It seems likely that labor leaders, knowing that the street associations would go along with the Chamber of Commerce demands, had hesitated before taking a position that would provoke a split in the Federation of Workers, Merchants, and Students.⁶⁵ Perhaps they hoped that by rallying the support of workers they would be able either to go it alone or else to force the street associations back into the fold.

Once the Chamber of Commerce, through the establishment of the May Thirtieth Committee, had moved to a more activist position and the Federation of Street Associations had been persuaded to support the Chamber's demands, support for a long and costly merchant strike began to fade. Radicals tried to regain lost momentum by staging another mass rally on June 17. Although well attended (by some three hundred thousand people), it was largely ignored by merchants.⁶⁶ Meanwhile, negotiations with the British had broken down and it had become apparent that a resolution was a long way off. Moreover, there was considerable feeling that the objective of the strike—putting economic pressure on Japan and England—could be achieved at less cost through a boycott rather than a continued strike. Thus, on June 19, the General Chamber of Commerce called together some seventy commercial groups to discuss the question of resuming business. After considerable discussion, and some dissension, it was finally agreed to resume business on June 26.⁶⁷ Thus, Chinese stores in the International Settlement reopened after more than three weeks of striking.

This second phase of the Movement did indeed see the street associations disassociate themselves from the workers and students, but it seems that this division was as much a result of the increasing radicalism of the labor movement as it was a moderation in the views of the street associations. The period of silence that greeted the thirteen demands drawn up by the General Chamber of Commerce suggests that radical leaders hesitated before breaking up the coalition and going it alone. Moreover, the change in the role of the General Chamber of Commerce from that of reluctant participation to that of active leadership resulted not so much from Machiavellianism, as Huang Yifeng has suggested,⁶⁸ as from the ascendance of a more populist wing within the Chamber. The protest of Huo Shouhua, Feng Shaoshan, Chen Yiting, and others and the subsequent selection of the May Thirtieth Committee marked a victory over the

hard-line conservatives. These changes, then, prepared the way for a renewed emphasis on the boycott and the national products movement in the third and final phase of the Movement.

The National Products Movement and the Mobilization of Business

As the interests of the street associations diverged from those of the labor movement and as activists within the General Chamber of Commerce gained ascendancy, there was a growing feeling that a long-term solution to China's political problems (especially her relation to the imperialist powers) required the application of organized economic pressure. Although a strike was an effective short-term method of demonstrating outrage, it was no solution to fundamental problems and was of dubious economic benefit.⁶⁹ In the absence of an effective state, the organization of a systematic boycott and the simultaneous promotion of national goods was the only way to put pressure on foreign nations and stimulate native industry.

The first aim of the boycott was to put pressure on the Western powers. As the well-known economist Ma Yinchu wrote, "If one desires to abolish the unequal treaties, one must first cause England and Japan [to suffer] economic losses."⁷⁰ Similarly Xie Xunchu argued that "unless England and Japan are placed in a position where they have absolutely no choice, they definitely will not be willing to yield to our patriotic passion."⁷¹ The other aim of the boycott was to stimulate the development of Chinese industries. An effective boycott could substitute for the tariff autonomy that China, under the treaties, lacked. The advertising and promotion of national products would awaken an interest in Chinese goods and establish a market for them. Together the combination of a boycott and a national products movement could not only reduce China's trade deficit and develop her industries but also break the foreign monopoly on the conduct of foreign trade. As Ma Yinchu pointed out, all aspects of foreign trade were dominated by foreigners:

When manufactured goods are shipped to China they are insured by a foreign insurance company, shipped to China on foreign boats, financed by foreign banks, managed [*baoban*] by foreign firms, taxed by the English-run customs service, and [customers] notified by a Chinese-for-

eign telegraph company. And when Chinese exchange their money for foreign currency to pay the bill, again the market quotations are dominated by foreign financial institutions.⁷²

The national products movement thus sought to attain both economic and political ends. Its effectiveness was ultimately dependent on sustaining a concentrated effort over a long period of time. As Xie Xinchu wrote, “The success or failure of the Chinese people will be decided on the basis of whether or not merchants and workers can endure [*jianchi*] to the end.”⁷³ “Enduring to the end” would require widespread public support and cohesive organization; for this, the mobilization of street associations proved essential.

Nevertheless, there were formidable obstacles to carrying out a successful boycott-*cum*-national products campaign. On the one hand, foreign merchants had created a need and stimulated a desire for their products. The quality of foreign goods was better and they appealed to the status-conscious. On the other hand, many Chinese merchants had an economic stake in foreign goods. Even those who most actively supported the national products movement realized that their success depended on the losses of others. They hoped that the “patriotism of the people” would be sufficient to make them willing to “endure temporary hardship.” But ultimately it would prove difficult to sustain a movement that “took sacrifice as its premise.”⁷⁴

On June 3, the Association for the Maintenance of National Products issued a statement declaring that the basic reason for the May Thirtieth Incident was that China was weak. The reason China was weak was that foreign goods dominated the market and drained China’s wealth. It called upon merchants to “take advantage of the present anger of the people to advance a large-scale movement to promote national products.”⁷⁵ Chinese responded enthusiastically; in the ensuing weeks some twenty new associations sprang up to organize support for the boycott and to promote national products. Such groups stated that their purpose was to “relieve [China] of economic oppression and advance the wealth and power of the nation.”⁷⁶ They demanded the revision of treaties, the restoration of tariff autonomy, and, in some cases, the complete expulsion of foreign goods from China.⁷⁷ The scope and effectiveness of this revived national products movement marked “a new stage in the development of the boycott.”⁷⁸

Numerous groups were involved in the movement, but the two most important ones were the Association for the Maintenance of National Products and the Shanghai Association for the Promotion of National Products (*Shanghai tichang guohuo hui*). The former, founded in 1911,⁷⁹ was no doubt the oldest national products association in the country. Led by such people as Xu Chunrong, Yang Xiaochuan, Wang Xingyi, and Wang Jiean, it appears to have drawn its chief support from the textile industry. Throughout the summer months it led efforts to promote national products. It often lent its support to other newly established organizations, and it publicized the cause by publishing the "National Products Weekly" (*Guohuo zhoubao*). Mostly, however, its activities were confined to publicity; it never engaged in concrete activities to attain its goals.⁸⁰

The Association for the Promotion of National Products, on the other hand, more clearly reflected the activism of the May Thirtieth Movement. Its main leaders—Feng Shaoshan, Huo Shuhua, Chen Yiting, Cao Muguan, and Sun Daosheng—were members of either the activist wing of the Chamber of Commerce or the Federation of Street Associations, or both. It was apparently supported by a wide range of interests (over eighty companies participated), but those most actively involved appear to have been the textile and tobacco industries.⁸¹

The Association for the Promotion of National Products directed its energies into a number of concrete projects. It published two periodicals, the "National Products Daily" (*Guohuo rikan*) and the "National Products Fortnightly" (*Guohuo xunkan*). In mid-June, at the initiative of Nanyang Brothers Tobacco Company, the Sanxin Cloth Factory, and the Sanyou Enterprise Association, it organized a National Products Market to "seek the development of China's commerce and industry."⁸² Yu Xiaqing lent his support by speaking at the opening ceremony.⁸³ Response to the market was so enthusiastic that Chen Yiting, Sun Daosheng, and others were soon planning a second market.⁸⁴ In addition to this enterprise, the Association made efforts to establish a Federation of Merchants and, together with the General Chamber of Commerce, organized a Chinese National Products Company. Possessing a capital of 5 million yuan, this company sought to improve the quality of Chinese goods and to invite experts to help them develop products which China did not produce.⁸⁵

Even though some groups in the national products movement

advocated a complete and immediate severance of economic relations with all foreign companies,⁸⁶ neither the Association for the Maintenance of National Products nor the Association for the Promotion of National Products took such an extreme approach. They were aware that China needed to import some items, such as machinery, in order to develop its industrial base and thus were willing to take a more incremental approach.⁸⁷ It would be misleading, however, to think of this approach as “conservative.” The people most actively involved—Feng Shaoshan, Chen Yiting, Sun Dao-sheng, Wang Xingyi, and Wang Jian to name only a few—were all active in various street associations and had clearly and repeatedly demonstrated their support for the May Thirtieth Movement. What these people sought—and what seems ultimately significant for understanding the relationship that was soon to emerge between merchant activists and the Kuomintang—was a close cooperation among state, individual factories and merchants, and merchant organizations. Such cooperation, and coordination, would eliminate internal hindrances to trade (especially the lijin tax), make use of an enlightened tax policy to restrict foreign imports and to provide tax incentives, and systematically investigate the problems of Chinese industry in order to improve quality control and make Chinese industry more competitive.

Such a policy implicitly if not explicitly entailed the politicization of business. Merchant organizations would have to make decisions, such as about which products could be imported and which could not, and would presumably be given authority to enforce their decisions. Such powers would have to be backed by the state in order to be effective. It was at this point that the hopes of the activists in the national products movement converged with the ideological vision of Kuomintang leaders (see chapter 4).

The effectiveness of the national products movement, like that of its predecessors, waned as the passions of the moment passed. One reason for this was the complex economic effect that the movement had. Although Charles Remer has found unmistakable evidence that this boycott was “more powerful and more effective than in the past,” its effect on Chinese merchants was not necessarily beneficial.⁸⁸ No doubt some industries profited greatly. The boycott against British shipping appears to have been particularly effective. Remer says that “there is good reason to believe that British shipping was driven from the [Yangzi] river for a part of the summer.”⁸⁹

British textiles were hit hard, and export figures for 1925 show that shipments of British piece goods to China and Hong Kong fell continuously throughout the four quarters of the year. Whereas in August 1924, Britain had shipped 28.1 million square yards, a year later it exported a mere 8.6 million square yards.⁹⁰ The Chinese cigarette industry sprang up literally overnight as both British and American cigarettes were boycotted. On the eve of the May Thirtieth Movement there were only fourteen cigarette factories in China; by the end of the year there were fifty-one, and in 1927 the figure rose to 182.⁹¹ The labor movement also helped Chinese manufacturers by shutting down foreign textile mills in China. During June, the strike “cause[d] approximately 770,000 spindles owned by Japanese mills and 205,000 spindles own by British mills to be idle.”⁹²

Yet despite these clear benefits for Chinese industry, there were places where Chinese were hurt. Even in the case of textiles, Shanghai manufacturers lost orders as other ports began placing orders in Japan. The flour industry was apparently hurt, as were silk merchants, cocoon merchants, department stores, retailers of silk piece goods, and grocers.⁹³ Moreover, the boycott in fact made dealing in foreign goods extremely profitable. As the boycott became effective, Japanese exporters, responding both to supply and demand and to the dictates of good business sense, cut prices to stimulate sales. At the same time, and for similar reasons, prices on Chinese goods rose. For the merchants willing to take the risk, there were impressive profits to be made by importing Japanese goods and selling them as Chinese products. For those slightly more cautious it was nonetheless very profitable to import when prices were low and wait for the inevitable re-inflation.⁹⁴ There were, then, good economic reasons for such patriotic movements to be short-lived.

Against such compelling economic logic, passion could not be sustained indefinitely. As the patriotic fervor subsided, conservatives within the Chamber of Commerce fought to regain the control that they had lost with the establishment of the May Thirtieth Committee. In the June 1926 election of the Board of Directors of the General Chamber of Commerce—an election that both revealed and exacerbated the growing polarization within the Chamber—Fu Xiaoan and his associates posted a sweeping victory. Through whatever combination of pressure or persuasion, over 150 members agreed to vote for the same list of candidates.⁹⁵ As a result, more than two-thirds of the thirty-two people elected to the Board of

Directors were relatives or close business associates of Fu Xiaoan.⁹⁶ One member, Shi Zhikun, complained that “there are over five hundred members in this Chamber, but the result of this term’s election is that there are over ten people elected from only one company. Could it be that the representatives of more than seventy industries [which had no representatives on the Board] all lack the qualifications to be elected?”⁹⁷ Feng Shaoshan, Zhao Nangong, Chen Yiting, and Shen Chengfu all protested the legality of the election but to no avail.⁹⁸ Sun Chuanfang upheld the results, and Fu Xiaoan was duly installed as the new chairman. The activists who had attained temporary ascendancy during the May Thirtieth Movement were thus unceremoniously ousted in the conservative backlash.

The May Thirtieth Movement, by linking imperialism and warlordism and by mobilizing workers, merchants, and students, marked the beginning of the Nationalist revolution of 1925–1928. The British shooting of workers and students transformed what had been an irritant and a source of humiliation into an intolerable presence. Unlike earlier incidents of Sino-foreign violence, the May Thirtieth Movement was viewed as the inevitable outcome of imperialism and the system of privilege that had developed over the preceding eighty years. No longer could such clashes be written off as epiphenomenal or resolved by addressing the proximate questions of reparations, apprehension of those guilty, abolition of the state of emergency, and returning of the occupied schools.⁹⁹ “These principles,” wrote Wu Yunwu, “are a matter of course and cannot be regarded as conditions.”¹⁰⁰ The basic problem could be resolved only by fundamentally altering the relationship between China and the Powers. The unequal treaties had to be abolished, tariff autonomy restored, the Mixed Court returned, and a voice given to Chinese in the administration of the International Settlement.¹⁰¹ Like no other single event, the May Thirtieth Incident established the Leninist thesis on imperialism as political myth.

Ideological transformation was matched by organization. New forces, most notably labor, challenged the political order. Largely under Communist leadership, the labor movement in Shanghai emerged almost overnight as a powerful and radical factor in politics. With the passing of the Movement, labor faced suppression. The General Labor Union was closed and in December its leader, Liu Hua, was executed. But much organizational progress had been

made and labor continued to be active in 1926 and, of course, played a critical role in the Nationalist seizure of Shanghai in 1927.

Overshadowed by the dramatic gains of labor was the changing constellation of forces within the merchant community. The street associations and the activist wing of the Chamber of Commerce (which, as we have seen, overlapped) established themselves as a new and important force. This group of nationalistic merchants had developed in the wake of the May Fourth Movement and had secured some representation in the Chamber of Commerce when that body expanded its membership in 1920. In the May Thirtieth Movement, this same group of merchants led the effort to close businesses, gained ascendancy in the Chamber of Commerce through the appointment of the May Thirtieth Committee, organized the most effective boycott to date, and gave new life to the national products campaign. In the process, they sought a fusion of politics and business. In their view, laissez faire meant imperialist domination. The only way to get out from under the imperialist yoke and to develop Chinese industry was to tie the pursuit of business to the larger needs of the nation. If businesses would not voluntarily stop trading with foreign firms, then some organization, such as one or more of the national products associations, would have to force them to stop. Unfortunately, from the point of view of these leaders, they lacked the political strength to enforce their will. Given their ideals and their organizational weakness, it is not surprising that such merchants looked to the Kuomintang for political support. Before looking at the alliance that emerged between the Party and this middle-class constituency, it is appropriate first to deviate from our chronological narrative to probe the ideological vision of the Kuomintang and how merchants fit into that vision.

PART TWO

**MERCHANT ASSOCIATIONS
AND THE RISE AND
FALL OF PARTY RULE
IN SHANGHAI**

The Kuomintang as a Revolutionary Movement: Problems of Ideology and Organization

By the 1920s China faced a situation that was clearly revolutionary. Caught between warlordism, imperialism, and a growing labor movement, the country faced a triple crisis which undermined the legitimacy of parliamentarianism, stoked a nationalism that demanded a strong state, and raised questions about class relations.

As the 1920s wore on, warlordism—and the idea of unifying China through force alone—seemed bent on an almost dialectical path of self-destruction. Each time warlords fought, the fragile legitimacy bestowed by the Republican constitution collapsed a little more; each new conflict buried a little deeper the hope that somehow, miraculously, peace and unity would emerge from division and war. Slowly but surely warlordism destroyed the slender myth of constitutionality as well as the belief that even if warlordism could not govern with legitimacy it could at least rule effectively. Emerging in the years after Yuan Shikai's death, warlordism, by the mid-1920s, had exploded in a crescendo of treachery and corruption causing untold hardship and alienating all sectors of society. In 1923, Cao Kun appalled the nation by bribing members of parliament some \$5,000 per vote to be elected president. In 1924, Shanghai, the financial center of the nation, was shaken by war between the warlords of Zhejiang and Jiangsu, Lu Yongxiang and Qi Xieyuan. Shortly thereafter Feng Yuxiang startled the nation by turning on his erstwhile commander, Wu Peifu, and seizing Peking. In 1927, Zhang Zuolin did not even bother to convene a parliament; he simply declared himself grand marshal (*da yuanshuai*).

If the fratricidal battles of ambitious military commanders were threatening to destroy China as a political entity, the root of this

domestic turmoil seemed inextricably tied to China's other great problem: imperialism. Prior to World War I, Chinese had generally looked on the West as representing all that was progressive and modern, and hence as a model to be emulated. The Treaty of Versailles, which turned Germany's rights in Shandong over to Japan, provoked outrage and disgust at the West's crass pursuit of Realpolitik. Liang Qichao, who had previously championed Westernization, now excoriated the West for its Darwinian quest for material prosperity and took solace in China's tradition of spiritual cultivation.¹ The thesis that World War I was nothing more than the inevitable outcome of a perverted materialistic-*cum*-imperialistic development gained widespread acceptance. With this rejection of the West came a new emphasis on defining a specifically "Chinese" path of development that would be both moral and material.

This fundamental reassessment of the West opened the way for viewing the root cause of warlordism not as some indigenous failing of the Chinese, but as stemming from the rivalries of unscrupulous imperialist powers. The Japanese openly supported first Duan Qirui and then Zhang Zuolin, while the British and Americans hoped to advance their interests by aiding Wu Peifu. The warlords, then, were nothing more than pawns in a game of international domination. The foreign-managed customs service, which turned over surplus revenues to the Peking government, provided further evidence of this insidious link. When, in December 1923, an Anglo-American-led display of naval power deterred Sun Yat-sen from seizing custom revenues for his Guangzhou government, it demonstrated, for all Chinese to see, the arrogance and power of the imperialists—and their apparent dedication to the preservation of warlordism.

Despite widespread popular antipathy toward warlordism and imperialism, it was the growth of a militant and nationalistic labor movement that aroused and coalesced widespread popular opposition.² Wherever organized labor arose it came into conflict with the status quo, and in doing so it helped to focus resentment on that order. Wu Peifu's brutal suppression of railroad workers in 1922 underscored the repression that lay at the heart of warlordism, and the British shooting of workers and students on May 30, 1925, was a vivid reminder of the privileged position held by foreigners on Chinese soil. In part because the labor movement developed in the context of anti-imperialism and antiwarlord feeling, it received a degree of popular support and made rapid organizational strides. Its orga-

nizational success and its increasingly uncompromising nature, however, challenged the social order and implicitly threatened to destroy a nascent capitalist system that had not yet firmly taken root. Thus, even as the labor movement mobilized mass opinion against warlordism and imperialism, it also threatened to reorder fundamentally the social structure of China. It seemed as if the nation would have to choose between warlordism and social revolution.

The Revolution of 1911 had raised expectations of a renewed China. Yet as nascent parliamentary democracy quickly degenerated into rule by strongman, and then further descended into divided rule by warlord, the hope of China's attaining high international position and strong central government faded, and with it went the hope of achieving "wealth and power" through democracy. The word "democracy," even after the debacle of World War I, still carried considerable emotional weight, but it increasingly became a distant goal. In the highly charged atmosphere of 1925–1927, the labor movement served to call into question the continuation of warlordism and imperialism; the upsurge of nationalism made "muddling through" impossible. In a nation of warlords, democracy was impossible; there was only warlordism or revolution.

Assumptions of Kuomintang Ideology

Responding to this situation, Sun Yat-sen attempted to articulate an ideology and to organize a political party that could win the support of society. His task as a revolutionary leader was to establish a claim to legitimacy and to formulate a revolutionary strategy that would bring the Party to power and keep it there. Establishing a claim to legitimacy meant the Party had to "explain" the ills of society and why the revolutionary program of the KMT would cure those ills. A revolutionary strategy meant defining the object of the revolution—that is, who the "enemy" was—and hence who could join the forces of the revolution. Of particular interest is how the revolutionary movement defines its "enemy." Whether the enemy is viewed in class or non-class terms may be said to distinguish "leftist" from "rightist" revolutions.³ The definition of the situation and the corresponding strategy to deal with it necessarily entail certain commitments which, based as they are on the revolutionary paradigm of the

movement itself, take on a force of their own and can undermine the original goals of the revolution.⁴ This seems to be precisely what happened in the case of the Nationalist revolution. As we will argue below, the types of justifications marshaled and commitments made in the course of the revolution would undermine the ability of the Party to complete the revolution and consolidate its authority; ultimately, the Nationalist regime would sacrifice the Party for power. To understand this eclipse of the KMT as a revolutionary movement and the subsequent emergence of a system of authoritarian rule, it is necessary to understand the inherent tension between the revolutionary claims advanced by the KMT and the organizational structures it created to pursue those claims.

There were two fundamental claims that the KMT advanced that are essential to understanding it as a revolutionary movement. The first was the claim that the KMT—and only the KMT—held out hope for China’s salvation. This claim to be not just an answer but *the* answer to the ills of society derived not only from the KMT’s particular ideological vision but also, and perhaps more importantly, from its status as a revolutionary movement. All revolutionary movements find themselves in an awkward position: on the one hand, they must justify their own right to rebel (and rule) while on the other hand they must deny that same right to others. Moreover, certain types of appeals are denied to them precisely because they are revolutionary movements. They cannot, for instance, claim legitimacy on the basis of appeals to tradition or to the authority of established social institutions. Of necessity, revolutions deny the natural order of things and hence cannot base their own legitimacy on appeals to the natural order—for there cannot be two natural orders.⁵

Neither can a successful revolutionary movement submit its mandate to popular vote (except perhaps for controlled plebiscites). To grant legitimacy to voting, that is, to the summation of the subjective preferences of individuals,⁶ risks the possibility (even the probability) of having the revolution (to say nothing of the revolutionary leaders) declared illegitimate.

Unable to appeal to an external standard of legitimacy, the revolutionary movement is forced to make solipsistic claims to “absolute” knowledge. Such claims necessarily override and negate tradition and established social groups and institutions. Similarly, solipsism invalidates the subjective preferences of individuals. Opinions that

conflict with the claims of the revolutionary movement become, at best, manifestations of false consciousness, or, at worst, proof of counter-revolutionary intent. Being self-contained and absolute, solipsistic knowledge does not need, and is not subject to, external verification—or invalidation. Even more, the appeal to solipsistic knowledge not only denies the validity of external standards of verification but is necessarily hostile to such standards because they inevitably imply an alternative source of truth.

The claim to absolute knowledge *pari passu* establishes an identity between the Party and *gong*, public, for there can be no contradiction between true knowledge and the public interest. It is on this level that the Kuomintang (like the Chinese Communist Party) was very much a response to the breakdown of traditional authority and traditional concepts of public and private. In place of Confucian knowledge, the KMT substituted Party ideology, a textually defined body of political knowledge to be interpreted and enforced by the Party organization. The identity between truth, Party ideology, and public interest could not be verified, only demonstrated—and that only through the seizure of power and the implementation of its policies. The interesting question, and the one on which this study focuses, is whether or not, or to what extent, the Party can sustain its ability to be the authoritative interpreter of its ideology, the arbiter of what is, and is not, *gong*.

A second fundamental claim of the Kuomintang was that class struggle, that is, Marxian social revolution, was unnecessary and, furthermore, that to promote such struggle would only divide the nation against itself and thereby expose it all the more to the ravages of imperialism. It was necessary for all classes to join together in common cause; then, and only then, would China be strong enough to stand up to imperialism and create a free and independent nation. This insistence on the possibility and necessity of avoiding class war was based on (or at least consistent with) the Kuomintang's analysis of the development of capitalism, world revolutionary history, the role of imperialism, and China's position in the world.

The situation in China, KMT ideologues argued, was decisively different than that in Europe during either the period of the bourgeois revolutions or what they took to be the contemporary period of social (and socialist) revolution. The revolutions in Europe and America had overthrown the tyranny of feudalism only to fall back under the despotism of a small capitalist class.⁷ Capitalists in these

countries had emerged as “absolute despots”⁸ who manipulated their democracies for their own benefit. Through their influence in society, impositions of property restrictions on voting, and sheer fraud and manipulation, the bourgeoisie had perverted the democratic process and dominated society.⁹ In such nations talk of democracy was “completely deceptive and amounted to [nothing more than] empty words.”¹⁰ The fruits of revolutionary victory had been carried off by a small minority, and democratic rights had become a facade for class rule. Moreover, and tragically, bourgeois democratic rule would lead inevitably to a concentration of capital in the hands of the few, to the development of extremes of wealth and poverty, to economic instability typified by surplus production and an ensuing cycle of panic, factory closings, and unemployment, and, finally, to social revolution.¹¹ One essential task of the Nationalist revolution, then, was to prevent the development of capitalism in China. Sun Yat-sen, as Chen Gongbo noted, “was not willing to have the sacrifices of the national revolution be the price of building capitalism.”¹² In avoiding this fate, however, China had an advantage. Because China had no real capitalist class—only a few compradors who would be swept away by the success of the revolution—China could employ this “advantage of backwardness” to prevent the emergence of capitalism and thereby progress directly to socialism.¹³ The success of this “leapfrogging” the stages of development depended on maintaining an alliance of all classes; otherwise, capitalism would develop in China just as it had in the West.

But if the Chinese revolution differed from the bourgeois democratic revolutions of the West in that their final destination was capitalism whereas China’s was socialism,¹⁴ it also differed from the social revolutions then under way (so the KMT thought) in capitalist countries. Precisely because capitalism had not developed in China it was unnecessary to have class struggle. Under capitalism, as Party member Hu Hanmin explained, society as a whole was counter-revolutionary and only a few people were revolutionary: “Therefore, to tear the society apart is revolutionary.” The situation in China, however, was exactly the reverse. Because the nation was poor, weak, and exploited by international imperialism, therefore “society as a whole is revolutionary and only a few people are counter-revolutionary.”¹⁵ Again the implication drawn by the KMT ideologues was that class struggle was not necessary; the whole nation could unite against the “few people” who were counter-revolutionary. In other

words, both because China's revolution was not aimed against capitalism and because one of its primary goals was to prevent the development of capitalism, all classes could—and must—unite in the revolutionary enterprise.

The area in which China's situation differed most from that of the developed nations, however, was in its international position. China, unlike capitalist nations, was the victim of imperialist aggression. It could not afford the "luxury" of either a capitalist or a Marxist revolution, for, in the contemporary world, if a people "do not strengthen themselves then they will be swallowed up or oppressed by other people."¹⁶ Therefore, the first and foremost goal of the revolution would be to free China from the grip of imperialism.¹⁷ Fully accepting the Leninist thesis on imperialism, the KMT saw China as standing in the same relation to imperialist nations as workers stood to capitalists within their own nations. Wang Jingwei declared that "those people who come [to China] from the internationalist capitalist nations become capitalists in their relationship to the Chinese and the Chinese become workers in relation to them."¹⁸ That applied not only to the mass of the Chinese people but to Chinese merchants as well, for they too suffered under the yoke of imperialism.¹⁹ Differences within China were minor when compared to the gap between China and the Powers. China was a proletarian nation.

For the KMT, China's status as a proletarian nation reinforced the need for all classes to ally together in a united front. The KMT did not deny the existence of classes in China,²⁰ but it did deny the existence of irreconcilable differences between them. The differences in wealth that existed in China were simply not comparable to the gulf that separated the bourgeoisie and the proletariat in capitalist nations. China knew only the difference between the "fairly poor" and the "very poor." Compared to the great industrial barons of other nations, China's capitalists were really very small.²¹ Talk of communism (which the KMT always accepted as its final goal²²) was simply premature. China had no property to communize; the best it could hope for was to communize future property.²³ In the meantime it was essential that all classes cooperate to increase the productive capacity of the nation. As Sun said,

When production is large and products are rich, capitalists naturally make fortunes and the workers receive high wages. From this point of

view, when the capitalists improve the living conditions of the workers and increase their productivity the workers can produce more for the capitalists. On the capitalists' side this means greater production; on the workers' side, higher wages. Here is a reconciliation of the interests of capitalists and workers rather than a conflict between them. Society progresses, then, through the adjustment of major economic interests rather than through the clash of interests.²⁴

The definition of the problem of China's revolution in terms of the international situation and the prevention of capitalism allowed the KMT to accept the Marxist critique of capitalism and imperialism but deny the need for class struggle within China. Internally the enemy of the revolution could be defined in entirely non-class terms. The revolution sought to overthrow "domestic obstacles," "evil customs," "evil institutions," "anti-revolutionary forces," and "all those who oppose the national revolution"—but not "the capitalist class." Even when KMT writers talked in terms of the "oppressed classes" overthrowing the "oppressing classes," they were referring strictly to those who held, or did not hold, political power (not those who owned the means of production). And because of imperialism, political power did not reflect Chinese society but simply the external situation. Warlords, like compradors, were not manifestations of any inherent flaw in Chinese society but were "nothing but a few running dogs of imperialism."²⁵ Just as imperialism could not ravage Chinese society without these "nails and teeth," warlords and compradors could not exist without imperialism. As viewed from the internal structure of Chinese society, warlords and compradors were entirely epiphenomenal; there was nothing in their nature that necessitated class struggle.

For the KMT, the implication of this definition of the situation was that the only way to success was to "unite all the people" (*lianhe quanmin*) to strike down the warlords and imperialism. If, on the contrary, "class struggle is encouraged in a nation which originally has no antagonism [*duichi*] between classes, then the result will only be mutual slaughter. Not only will the revolution of the proletariat not succeed, it [the proletariat] will itself be destroyed."²⁶ The goals of the revolution—political and economic freedom from imperialism and the establishment of a "people's government" in China—were for the "needs and benefits of all the people and not solely for the

needs and benefits of any one class.”²⁷ Therefore, the revolutionary movement would have to secure “the cooperation of the revolutionary elements of all classes”; only then could society be placed on a “fair and equitable basis.”²⁸

The corollary of defining the (domestic) enemy of the revolution in non-class terms was that the *process* by which the long-term social goals of the revolution (elimination of class, socialization of the means of production) were to be reached could only be gradual transformation of society *through moral guidance*. The assumption was that all individuals had both a class consciousness (which differentiated them) and a national (*minzu* or *guomin*) consciousness (which all possessed in common).²⁹ When the people were led to an awareness of the greater good, their national consciousness would be developed. As the national consciousness of individuals increased, their special class interests would be harmonized and gradually disappear and their class consciousness would likewise be eliminated. A nation without classes, a body with only one common interest, would emerge.

In other words, no one and no class was defined as bad because of its place in the productive process or its position in society. Individuals were bad, not classes. All classes had both good and bad people. The objective of the revolution was to transform people morally and lead them to an awareness of the greater good. Thus, as Dai Jitao wrote:

The opposition of the Chinese revolution and the anti-revolutionary forces is an opposition between those who have been awakened [*juewu*] and those who have not been awakened. It is not an opposition of classes.³⁰

In a similar vein, Wu Zhihui said that the KMT had nothing against the “landed” and the “gentry” (*tu* and *shen*) but only against the “landed bullies and evil gentry” (*tuhao lieshen*).³¹ Individuals could not be transformed by changing society (i.e., through class struggle), but society could be transformed if individuals could be made to understand the greater good.

By positing that social order emanated from consciousness, the KMT made cultivation of personal morality a primary goal of the revolution. Because the root of all problems lay in the individual

consciousness, thoughts could be corrected through “psychological reconstruction” and the goals of the revolution thereby accomplished. As Sun wrote:

The nation is an accumulation of people. People are the vessels of their minds. And national affairs are the manifestation [*xianxiang*] of what is in the minds of the mass of the people. Therefore, the flourishing or degeneration of politics has its basis in the vigor or ennervation of the people’s minds. If I have confidence, then I can eventually accomplish something even as difficult as moving a mountain or filling in the sea. If I believe that something cannot be done, then something as easy as turning over my hand has no hope of accomplishment. The use of the mind is great indeed! The mind is the origin of all things. The overthrow of the Manchus was an accomplishment of the mind. The failure of the Republic is a failing of the mind.³²

For Sun, revolutions happened when the masses were persuaded of the necessity for revolution. In explaining the democratic revolutions of Europe, Sun, with almost mystical naiveté, said, “Finally, when the belief that man is born free and equal and that the struggle for freedom and equality is the duty of everybody had permeated the masses, the emperors and kings of Europe fell automatically.”³³ Obviously, for those who accepted Sun’s interpretation of life, the spiritual (*jingshen*) was far more important than the material (*wuzhi*).³⁴ It followed that the object of revolution was the cultivation of the correct spirit.

The importance of moral knowledge³⁵ was at the core of Sun’s aphorism “Knowing is difficult; doing is easy” (*zhinan xingyi*). Although Westerners have had difficulty taking this expression seriously,³⁶ for Sun it expressed the very core of his philosophy and the way to revolutionary success. Chinese had been caught for two thousand years in the stultifying philosophy that “knowing is easy, doing is difficult”—a saying popularized by the Ming-dynasty philosopher Wang Yangming that Sun interpreted as encouraging inaction. “This maxim,” Sun declared, “has been the greatest enemy of my life. Its prestige is myriad times greater than that of the Qing. . . . The prestige of this enemy not only usurps men’s will, it beguiles their minds.”³⁷ Its baleful influence had stopped China’s social and cultural progress. By turning the maxim around, Sun hoped to convince people that simply by accepting his philosophy, they could revolutionize Chinese society. If people would have the

will to revitalize the nation, wealth and power would follow as a matter of course.

“Knowing is difficult; doing is easy” not only expressed the relation of moral knowledge to action in general, but also, and more importantly, the relation between Sun as knower and others as doers. Not only had Wang Yangming not understood correctly the relation between knowledge and action, he “had failed to understand the logic of the division of labor.”³⁸ It was, in the KMT’s interpretation, sufficient for one person to know and another person to do. One of Sun’s favorite illustrations was that of building a house. An architect draws up blueprints, a foreman reads them, and a worker, without understanding architecture, nevertheless follows the instructions and builds a house. Analogously, the world could be divided into three types of people: the thinker-inventors (*xianzhi xianjue*), their disciples (*houzhi houjue*), and the unconscious-performers (*buzhi bujue*). Following this line of reasoning, the KMT’s role in society was tutorial: by arriving at correct knowledge, the Party head (Sun, the thinker-inventor) had given the Party members (the disciples) a blueprint by which they could lead the public (the unconscious-performers) to build a nation.³⁹

Sun’s division of the world into thinker-inventors, disciples, and unconscious-performers brought the analysis full circle. Having depicted, critically, the nature and development of capitalism, defined China’s position in the international order, diagnosed the ills of Chinese society, and prescribed the cure for those ills, the KMT came to the conclusion that was really its starting point: namely, that only the KMT held out hope for the salvation of China. The analysis, in other words, buttressed a conclusion that was, in the final analysis, solipsistic. Like all revolutionary movements, the KMT claimed legitimacy on the basis of absolute knowledge.

The writings of KMT ideologues abound with solipsistic claims. Hu Hanmin, for instance, declared that Sun’s thought was “all encompassing with nothing outside it and lofty with nothing above it.” In explicating Sun’s concept of “knowing is difficult; doing is easy”—and hence why people should “do” what Sun “knew”—Hu said that the term “knowing” referred to “true knowledge and burning vision,” not just “a little knowledge and half comprehension.”⁴⁰ Dai Jitao held that an ideology (*zhuyi*) emanates from the “common needs of the majority of the people and analyzes and sums up the desires of the vast majority of the people.”⁴¹ Such an ideology

arises when previous or existing ideologies are inadequate. Different ideologies are competing explanations of the needs of the people. The needs of the people, in one of the favorite metaphors of the day, are like a disease, whereas ideologies are competing prescriptions. The wrong prescription not only does not cure the disease, it can be fatal. Likewise, only one ideology can be correct, and acceptance of one implies rejection of all others. All ideologies—especially that of the KMT—must be “monopolistic, exclusive, unifying, and dominating.”⁴²

This emphasis on exclusivity seems to conflict with the KMT position on voting, which it affirmed as ultimately desirable. But the KMT did not propose to extend voting rights to the people in accordance with some measure of their understanding of democratic procedure. On the contrary, according to Sa Mengwu, people would be permitted to vote on the basis of “their sworn willingness to carry out the Three Principles of the People.”⁴³ In other words, voting would *never* be allowed to deny the validity of the ideology.

The ideology not only was not subject to popular vote, it was not even subject to discussion. As Hu Hanmin sternly told his colleagues, Sun’s will instructed his followers that they “must” (*bixu*), “have to” (*wuxu*), and “absolutely must” (*youxu*) carry out his will. It did not say that they should go out and research and debate Party ideology.⁴⁴ The ideology was above discussion. Party members could only study and debate how to implement Sun’s principles under the specific conditions that existed. Once a decision was made, it was the duty of Party members to carry it out unquestioningly. Strict discipline was essential. Historically, democratic centralism may have entered the KMT through the alliance with the Communists, but ideologically KMT members fully subscribed to it.⁴⁵ In fact, Hu Hanmin took credit for introducing the resolution on democratic centralism at the First Party Congress and continued to find the strict discipline of the Soviet Communist and Italian Fascist parties admirable.⁴⁶ Without democratic centralism and strict discipline, the Party would become permeated by opportunists and nonbelievers, who would dilute the ideology and blunt the revolutionary purpose. As Dai Jitao wrote, “If we true believers in the Three Principles of the People do not have a special unity [*tuanjie*], a profound awakening, and strict training and organization, we certainly cannot complete the great enterprise of our people.”⁴⁷ Because only the KMT expressed the true needs and desires of the Chinese people, if

power were in the hands of any other group, then it would inevitably be used and manipulated by the imperialists. China would then slide from semicolonialism into an “afflicted state from which it could never recover.”⁴⁸

The identity between the KMT and the public interest not only meant a redefinition of *gong*, public, in terms of Party ideology, but also a redefinition of *si*, private. In making the Party the sole repository of truth, the KMT was arguing that anything that reflected an alternative standard of legitimacy was illegitimate, an expression of *si*. This rejection of alternative standards of legitimacy was clearly expressed in the KMT critique of individualism, capitalism, and private property, all of which were seen as an illegitimate celebration of private self (selfish) interest at the expense of the public interest.

For the KMT, all individuals possessed two kinds of drives, one directed at satisfying personal desires and the other directed at acquiring more goods or power than one needed. The first, referred to as “desire for existence” (*shengcun yu*) or “use-wants” (*shiyong yu*), was legitimate; a just and equitable society would ensure that each person would have such basic security. The second, known as “possessive drive” (*zhanyou yu*), “desire for domination” (*zhipei yu*), or simply “desires” (*yuwang*), referred to the drive to acquire wealth and power above and beyond one’s own needs and hence at someone else’s expense. For every one who took more than his fair share, others had less than their due.⁴⁹ It was precisely such immoral pursuit of luxury and power that individualism unleashed and glorified. In other words, individualism meant the unrestrained indulgence in *si*—which necessarily meant the corruption and perversion of *gong*. Conversely, the triumph of *gong* would mean the dissolution of *si* and the vanishing (or banishing) of individualism.⁵⁰

The pursuit of private self-interest and the corresponding disregard for the greater good not only had a harmful effect on society (i.e., by producing extremes of wealth and poverty), it also had a deleterious effect on the nation vis-à-vis the outside world. Individualism sapped the strength of the nation, leaving it vulnerable to the encroachments of imperialism. It caused China, in the cliché of the day, to be a “plate of loose sand.” The aim of the KMT revolution was to weld this collection of individuals into a national unity; hence, its revolutionary purpose was directly opposite that of the European revolutions. Whereas Europeans had fought to break the bonds of a tyranny that had enslaved the individual, the Chinese

“must break down the individual liberty and become pressed together into an unyielding body like a firm rock which is formed by the addition of cement to sand.”⁵¹ By giving individuals moral guidance, the KMT could direct this development along an “illustrious path” consonant with the needs of the nation.⁵² Thus Sun spoke of each individual sacrificing personal liberty in order to secure “complete liberty” for the nation.⁵³

The same moral opprobrium of private action lay behind the KMT critique of capitalism—which, after all, was based on an unleashing of the individual’s possessive drive. From a legal standpoint, capitalism was dependent on private ownership. Without private ownership, society could not become divided into a capitalist class which owned the means of production and a proletarian class which lacked the means of production. And without this division, “capital could not become a tool of plunder [*lueduo*]” and capitalism could not exist.⁵⁴ Conversely, if the means of production adhered to society and not to private persons, then “the direct goal of production would be to satisfy the needs of the whole society and not the profits of individuals”—and again capitalism could not exist.⁵⁵ From an economic standpoint, private ownership and the pursuit of individual profits inevitably meant a concentration of wealth, surplus production and the attendant consequences of imperialism and cycles of boom and bust, the production of luxury goods and the corresponding neglect of daily necessities, the exploitation of workers, and, finally, the destitution of the vast majority of people. The internal contradictions of capitalism thus led to a highly inequitable distribution of wealth, international war, internal social disorder, and, eventually, revolution.⁵⁶ The result of unrestrained individualism and capitalism could be summed up by the saying “The wine and meat of the rich smell foul as frozen bones lie in the street.”⁵⁷

Thus, the inviolability of private property, basic to capitalism, was an anathema to KMT ideology. All property, in principle, has a social use and should be employed for the benefit of the whole society. The way to an equitable society was to place the economic and social organization on a fair basis so that “the people of the whole nation . . . can produce together [*gongtong shengchan*].”⁵⁸ Property that remained in private hands—at least for the moment—was not so much *owned* by private individuals as it was *entrusted* to them. Property, in other words, was public in purpose. The corollary to this conception of property was that *no property was absolutely private*.

The purpose of the Principle of the People's Livelihood (*minsheng zhuyi*) was to ensure the existence and well being of everyone and, hence, it "cannot take private property as sacred."⁵⁹ The claim of *gong* was a priori.

The KMT view of private property echoed with remarkable fidelity the stewardship concept of property enunciated by Saint Thomas Aquinas and developed by corporatist (often Catholic) thinkers of the nineteenth and twentieth centuries.⁶⁰ Such thinkers, as Howard Wiarda has pointed out, assumed that commerce had to be governed by moral as well as economic considerations: "Purchaser and seller, employer and employee, should reap mutual advantages from these transactions; these were to be governed by social harmony in a regime of social peace."⁶¹ Morality, in other words, was to be inserted into the market place. The task of the KMT, the self-appointed guardian of *gong*, was to see that it was. All claims of property that conflicted with *gong* were, by definition, *si*.

Thus, individualism, capitalism, and private property—all of which, in the KMT view, raised the partial above the whole—stood opposed to the realization of "real" democracy. As we have seen, the KMT thought of Western democracies as offering the trappings rather than the substance of democracy because all were manipulated by a small minority—the capitalists—in order to secure their own interests at the expense of the greater good. The Western reliance on "rule by law" (*fazhi*) was conducive to this sort of manipulation because laws were fixed by the capitalists (or their representatives) for the benefit of the capitalists. In contrast, the Chinese system of government had always emphasized "rule by man" (*renzhi*) which was, in turn, dependent on "ethics" (*lunli*). Whereas in traditional China ethics were rooted in Confucian knowledge, "now the Three Principles of the People are China's highest ethics and the bequeathed teachings of the *zongli* [Sun Yat-sen] are China's immemorial constitution [*xiantian xianfa*]."⁶² Adherence to Sun's teachings (which would have to be interpreted and enforced by the Party) was the ultimate guarantee of "real" democracy: "The method of swearing allegiance and obedience [to Sun's teachings] is simply more advanced than the direct casting of ballots."⁶³ Ethics, of course, did not obviate the need for law, but law had to be grounded in the ideology: it had to be "Three Principles of the People-ized" (*sanmin zhuyi hua*).⁶⁴

The KMT program of socializing the means of production, how-

ever, did not demand their immediate nationalization (with the exception of particularly large-scale enterprises such as railroads and shipping lines), but rather their gradual socialization over a very long period of time. This was to be accomplished through a policy of “restricting capital” (*jiezhi ziben*) which, as Sun explained, was a “very different thing from what is called in the West ‘nationalization of property,’ confiscation for the government’s use of private property which people already possess.” Instead, it required only “gradual changes in the capitalist system.”⁶⁵ In the period in which such “gradual changes” were taking place it was the task of the Party to mediate and control conflicts that arose between the existence of private property and the greater good of society. The economic and industrial policy of the KMT

must take as its focus the benefit of the whole people and the development and improvement of society. Management by private persons or capital organizations [*ziben tuanti*] must be subject to a certain degree of restriction. Nationally managed organizations which belong to the whole of society must be developed.⁶⁶

In other words, the KMT was to harmonize and gradually eliminate differences between public and private.

It should be clear that Party ideology did not assume that the natural goodness of capitalists or landlords (much less the interplay of market forces) would lead to the good society. “Is the capitalist class,” asked one Party leader, “willing to restrict its capital for [the benefit of] everyone? Are the large landlords willing to equalize the ownership of the land for [the benefit of] everyone?”⁶⁷ Since such action would not happen voluntarily, it was the Party’s responsibility to compel capitalists to restrict their capital and landlords to equalize the ownership of the land for the good of the society and, ultimately, for the good of the capitalists and landlords themselves. *Gong* would not triumph without dictatorship; in order to suppress *si* one must “use the Party to rule the nation” (*yidang zhiguo*).⁶⁸

“Using the Party to rule the nation”—that is, the employment of an ideologically motivated, dedicated, highly trained and disciplined elite to govern society—implied for the KMT, as it did for Lenin, the use of a vanguard to organize and proselytize the people. Solipsism, unlike traditional authority, needs constant validation of its

truth; the continued existence of enclaves that do not recognize the “truth” of the ideology are a constant threat to its legitimacy.

The Mass Movement and the Organization of Merchant Associations

Contrary to the later practice of the Nationalist regime, the masses—and the mass movement—played a critical role in KMT ideology and organization. Sun’s will directed his followers to “arouse the masses” (*huanqi minzhong*). “Arousing the masses” and infusing them with revolutionary ideology meant that the Party had to take its revolutionary message to the people, make it relevant to their lives, and gain their support. The greatest enemy of the revolution, declared Wang Jingwei, was not the warlords or imperialism but the failure of the masses to understand the need for revolution. If the revolution had the support of the masses, no force could resist it; without that support the Party would remain isolated, the object of suspicion—even hatred—and hence impotent.⁶⁹ Revolutionary success demanded close relations with the masses.⁷⁰

The reason that the masses remained sceptical of revolution was that they did not understand their own needs, because the unconscious reflections of the masses had never been organized and presented systematically to the masses for their own consideration. Wang Jingwei, foreshadowing Mao Zedong’s later statement on the role of ideology, said:

We must understand that the thoughts of the masses are scattered and obscure [*anmei*]. This is the basic reason [revolutionary] progress is slow. If we want to speed up progress, we must bring organization to the thoughts [of the masses] and make them manifest. Only if we are able to concentrate the thought of the masses can we concentrate the strength of the masses.⁷¹

Concentrating the thoughts and strength of the masses required that the Party “penetrate deeply into the people.” Party members, said Hu Hanmin, “must urgently examine every aspect of themselves to see if it has already been mass-ified [*minzhonghua*] and common-ized [*pingminhua*]”. The Party, he warned, “absolutely cannot become a

special class separate from the masses.”⁷² Party members who misunderstood the slogan “The Party is above everything” isolated themselves from the masses and damaged the reputation of the Party. They fell, in other words, into the type of error that Maoists would later call “commandism.” It was necessary for the “revolution to be mass-ified and the masses revolutionized.”⁷³

The mass movement was possible—and necessary—because theory and practice could not be separated. “Theory,” said Hu Hanmin, “is deduced from and crystallized out of reality, and reality is nothing more than a type of manifestation of theory in fact.”⁷⁴ Speaking in 1929, Hu said that the various Associations to Study Party Ideology (*dangyi yanjiu hui*) had become useless because they debated Party ideology (which was impermissible) instead of studying how to implement that ideology.⁷⁵ It was necessary for each Party member to put theory into practice or the theory itself would become sterile and the Party corrupt.

It was, in other words, the mass movement that would weld the nation into the “block of cement” that Sun desired and give substance to the Party’s ideology and policies. The Party and the mass movement provided the transmission belt that transferred the strength of the masses to the state and ensured that the state served the welfare of the people:

In between the strength of the nation [i.e., the state] and the strength of the people there must be a loyal and robust [*jianquan*] Chinese Kuomintang which can be relied upon to bridge the gap between the two and unify them into a whole of great strength. Therefore, the Party must on the one hand train and lead mass organizations so that they can freely express their thoughts about problems [affecting] the nation and society and can contribute their abilities, while on the other hand it [the Party] must supervise and direct the government so that it will aid the common benefit of the people. [In this way, the government’s] authority will be authority [used] for the people and its policies will be policies for the benefit of the people.⁷⁶

The mass movement, then, was an indispensable means for realizing the goal of “using the Party to rule the nation.”⁷⁷ Without revolutionary masses the Party would be like a military command without troops.⁷⁸ The mass movement would “make the will of the people become like the Party [*danghua*].”⁷⁹

For the KMT, however, the mass movement did not mean class

struggle. As a 1925 resolution of the Provisional Executive Committee of Zhejiang province said,

Our Party takes national revolution [*guomin geming*] to be the goal for which it strives and struggles. All of the people, regardless of which class they belong to, must arouse their national, political, and economic awareness and stand together under the banner of the Three Principles of the People and battle against the imperialists and the warlords.⁸⁰

The object of the mass movement was simultaneously to “arouse the masses” and to harmonize their conflicting interests.⁸¹ It was at one and the same time supposed to be militant and moderate. It had to propagandize the ideology, strike down revolutionary enemies, build a basis for Party rule—but not stir a backlash that would destroy the revolution.

This type of militant but not radical mass movement was fundamental to Sun’s vision of revolution. In a 1924 speech at the Peasant Movement Instruction Center (*Nongmin yundong jiangxi suo*), Sun emphasized the need for peasants to be organized and involved in the revolution. “If peasants do not participate in the revolution,” Sun said, “our revolution will have no foundation.” At the same time, however, he cautioned that an over-zealous peasant movement that tried to seize land from the small landlords (in China, Sun said, there were only small landlords) would incur a reaction that would overwhelm the revolution: “If there is a conflict between landlords and peasants, the peasants cannot resist.” Therefore, he recommended moderation, hoping that peasants could be mobilized without threatening the landlords. “The peasants benefit and the landlords incur no loss; this type of method can be said to be a peaceful solution.”⁸² Only this type of moderate but firm mass movement could hope to reconcile divergent interests, implement the Principle of the People’s Livelihood, and eventually lead to a classless society.

The logic of Sun’s approach was that the mass movement be a type of Party-sanctioned bargaining group that could organize and represent the dispossessed in society in their conflicts with landlords and capitalists. It was, in other words, the organizational response to the realization that capitalists and landlords would not restrict their capital and ownership of land voluntarily. This vision was articulated clearly by Zhou Fuhai. The KMT, according to Zhou, did not deny that classes existed, or even that classes had conflicting

interests. It did insist, however, that such conflicts were reconcilable on the basis of the greater good. On the one hand, Zhou argued, because the national revolution was based on an alliance of all classes, the Party could not deny the legitimacy of elite organizations:

This Party certainly does not propose to strike down landlords and large capitalists immediately. During the period in which they remain, how can we deny the existence of their special interests? Thus, how can we deny organizations which support their interests?⁸³

Since the Party could not deny the legitimacy of such interests, they should be granted legal status. On the other hand, the Party should actively aid the organizations of the oppressed classes.⁸⁴ In other words, Zhou proposed to weight the scales by using the Party to balance off the greater resources of the landlords and large capitalists. Presumably, over time, there would be a convergence of interests as wealth and power became evenly distributed. The mass movement could avoid class struggle and yet redress the societal balance of power.

The ideological assumptions outlined on the above pages, and the commitments they entailed, became the basis on which the Party after its reorganization in 1923 began to organize mass organizations. These organizations included not only workers, peasants, students, and women, but also—and consistent with the idea of a national revolution—merchants. While the long-range policy of the Party aimed at destroying capitalism, the immediate goals of the revolution required that the interests of merchants be protected,⁸⁵ that merchants be freed from the oppression of warlordism and imperialism.

According to KMT ideology, the whole nation suffered from warlordism and imperialism—including the merchants. In fact, merchants directly bore the brunt of this oppression. The development of China's national industries was retarded by imperialism, and the flood of cheap foreign products hurt handicraft workers and merchants alike. Warlords oppressed merchants through disrupting transportation, debasing the currency, imposing “harsh and miscellaneous exactions,” and confiscating their wealth. Thus, the merchants, too, had an interest in striking down warlordism and imperialism. As one organizer of merchants wrote,

In a nation which has backward production, is large and is worse off than a colony, all classes within the nation are alike exploited by international capitalist imperialism. In this type of nation, if [the people] are unwilling to be destroyed by them [the imperialists] and become their slaves, then the only way out is for all classes to unite and unanimously oppose [imperialism] through national revolution. . . . Merchants are one of the classes and like [other classes] are oppressed and exploited. Therefore, merchants need revolution and ought to energetically participate in the revolution. . . . Those who have directly borne the brunt of the economic encroachment of international capitalist imperialism are those in commerce and industry.⁸⁶

This, then, was the rationale for the organization of a merchant movement (*shangmin yundong*). This movement can be dated from November 1924 when the KMT first organized a separate Merchant Bureau (*Shangmin bu*).⁸⁷ Active organization of merchants, however, appears to have come only after the May Thirtieth and Shamian (Shameen) incidents. It was shortly after the May Thirtieth Incident, in June or July 1925, that the KMT organized the first Merchant Association (*Shangmin xiehui*). This first association was organized in Zhongshan county, Guangdong. It was apparently very successful and soon expanded to include some forty branches and more than three thousand members.⁸⁸

In November 1925, the KMT established a Guangdong Provincial Party Branch and, for the first time, created a separate Merchant Department at the provincial level. At the same time, the Central Executive Committee, upon the recommendation of the Central Merchant Bureau, organized the Chinese Kuomintang Merchant Movement Instruction School (*Zhongguo Guomindang dangli shangmin yundong jiangxi suo*) to train Party cadres in the art of organizing merchants. The first class of twenty-eight students graduated on January 3, 1926, coincident with the opening of the Second Party Congress.⁸⁹ With a small but growing core of trained workers and the resounding endorsement of the Party Congress, the merchant movement began, at last, to make rapid organizational strides.

The Second Party Congress thus was a critical turning point in the growth of the merchant movement. Prior to that time, organization was small in scale and restricted to Guangdong province. After the Congress, an invigorated organization spread quickly throughout China, eventually encompassing a reported half million mer-

chants.⁹⁰ It was no accident that in later years the chambers of commerce would look to the First Party Congress for legitimization while the Merchant Associations would find their mandate in the resolutions of the Second Party Congress.

The organization of Merchant Associations is of interest not only because they built on the constituency mobilized in the May Thirtieth Movement and because of the role they would play in establishing Nationalist authority in Shanghai (see chapter 5), but also because they (like the other parts of the mass movement) manifested a form of authority that derived naturally from the solipsistic claims of the KMT and yet conflicted with the KMT's ideological assumption that it was possible to have a "revolution of all the people" (*quanmin geming*). The organizational assumption of the Merchant Associations was that *individuals* would be recruited into a hierarchically organized, ideologically oriented association that would be subordinate and responsive to the Party. Only through such a mass organization could the Party "make the will of the people become like that of the Party [*danghua*]."⁹¹ Only through the organization of hierarchical and disciplined groups could the KMT hope to develop the type of controlled mass movement that could, as Zhou Fuhai suggested, weight the scales by organizing and representing the dispossessed in their disputes with the elites of society. In short, such associations were the organizational means by which the standards of *gong* were to be upheld and the *si* of landlords and capitalists to be gradually transformed into *gong*. Through such organizations the whole society would be "made like the Party" (*danghua*).

The idea of *danghua* meant at the very least to extend Party ideology throughout the society and thereby unify the society on the basis of a common ideology. The idea of *danghua* found its model in the creation of a Party army at the Whampoa Military Academy and was clearly meant to apply to law, education, and all other areas of society.⁹² As interpreted by Party organizers of the mass movement, it also meant the creation of groups that would be organizationally and ideologically subordinate to the Party and that would have the right to judge whether other elements of society were or were not in harmony with the principles of the Party. Implicit in the organizational principles of the mass movement, then, was the idea that such organizations would have administrative authority at the local level (though how that authority was to be exercised was not made explicit). Thus, the resolutions of the Second Party Congress said,

“We must immediately order every area to organize Merchant Associations to supervise the development of [chambers of commerce], to disperse their power, and *to be a model for their reorganization.*”⁹³

The regulations of the Merchant Association reflect the effort to develop a mass-based organization subordinate to Party control. Their purpose, according to the preamble, was “to bring together the merchants who are oppressed by imperialism and the warlords and to give [the merchants] excellent organization and great strength so as to relieve the misery of merchants and advance their welfare.”⁹⁴ The groups were open to all merchants of either sex who were sixteen years or older, but not to “running dogs” of imperialists (defined as compradors, ministers, and those holding foreign nationality) or “running dogs” of warlords (defined as evil gentry, corrupt officials, and filthy lictors) (Article 1). Positive incentives, in the form of selective goods, were offered for joining. Among the privileges members were to enjoy were low interest rates, low-cost advertising, special cooperatives where members could buy and sell at reduced rates, and free or low tuition education for members’ children attending commercial schools. Potentially more important, there were also provisions giving members the right to petition the government (through the Association) to abolish harsh and miscellaneous exactions and the right to petition the Association for relief in the event that a member suffered a grievance or was involved in a dispute (Article 3). The implication was that nonmembers would have no recourse if they felt unfairly taxed, were involved in a dispute, or had other complaints.

In exchange the Association demanded that members abide by the regulations and resolutions of the Association and attend meetings at appropriate times. Members were also enjoined not to “collude with imperialists, warlords, corrupt officials, filthy lictors, or evil gentry” (Article 4). Violations were punishable by warning, deprivation of privileges, or expulsion depending on the severity of the offense (Article 5). Perhaps most important, the rules of the Association required that all lower-level organizations obey the upper-level associations, failing which the latter would either dissolve or reorganize the offending unit (Articles 14, 59, 60, and 61). In this manner, the regulations aimed at the creation of a widely based, tightly and hierarchically organized association that would be subject to strict discipline and could oversee the implementation of Party policy.

The theory of the mass movement and the establishment of Merchant Associations thus tried to give organizational form to Sun's call to "arouse the masses" and to the central notion of "using the Party to rule the nation." But the attempt to "mass-ify the revolution and revolutionize the masses" necessarily involved a confrontation with other interests in society, which the Party's program of a "revolution of all the people" promised not to expropriate. This conflict was clear enough in the resolutions of the Second Party Congress, which accused the chambers of commerce of being dominated by compradors and corrupt gentry who colluded with warlords and imperialists and called for the reorganization of the chambers. But who was to determine who was a comprador or an evil gentry, and who was supposed to carry out the reorganization? The idea of a mass movement and the organization of Merchant Associations clearly implied that that authority would belong to the Party, but the commitment not to carry out class struggle and to harmonize the divergent interests of society just as clearly undercut the idea of mass organizations having such total control. In short, the totality of the KMT's ideological claims was running headlong into the partialness of its methods.

The Tension between Ideology and Organization

With the establishment of Merchant Associations (as well as peasant and labor associations) one sees the emergence of a clear tension between the ideological assumption that one can have a revolution of all the people and the solipsistic imperative of the revolution that the one and only source of truth was the Party ideology. The organizational principle of the Merchant Associations was that members would be recruited on an individual basis, thereby creating a wholly new structure of interest representation that would be ideological, hierarchical, and subordinate to the Party. The notion of a revolution of all the people, on the other hand, assumed, à la Zhou Fuhai, that preexisting associations could continue in existence. Such organizations were to be *co-opted* and gradually incorporated as elements of the new nation-state. In other words, whereas the organization and pursuit of a mass movement demanded a Leninist form of organization (a principle readily accepted and championed by KMT ideologues), the ideology openly reorganized the at least temporary

legitimacy of other forms of organization. The impulse to completely reorganize the constituent units of society embodied in the Merchant Associations and other units of the mass movement thus contradicted the desire to incorporate preexisting organizational forms.

This contradiction was manifested and foreshadowed in the attempt of the KMT to be revolutionary and yet identify itself with the symbols of the past. Mary Wright has argued that KMT ideology was transformed from revolutionary to "restoration" as the Nationalists changed from a revolutionary movement to a regime in power.⁹⁵ This argument is misleading. It is true, as Wright points out, that Sun identified himself with the Taipings whereas Chiang Kai-shek modeled himself after Zeng Guofan and Hu Linyi, who opposed the Taipings and led the Tongzhi restoration. There was indeed a sharp change of emphasis in KMT ideology after the Northern Expedition, but the important point that Wright's analysis ignores is that even while Sun identified himself with the Taipings, he also accepted and fostered the symbols of China's past glory. Dai Jitao praised Sun as "truly the crystallization of the culture of the Chinese race"⁹⁶ and said that Sun's greatest accomplishment was to "employ a creative spirit to revivify [fuxing] China's culture."⁹⁷ Sun, not one to be modest, fully accepted such praise. "China," he said, "has an orthodox line of moral thought. [It went] from Yao, Shun, Yu, Tang, Wen, Wu, and the Duke of Zhou to Confucius where it died out. My thought inherits this orthodox thought and glorifies it."⁹⁸

Sun's identification with the Chinese past is also apparent in his attitude toward the student movement and the new culture movement in general. The new trends of thought these people wrote enthusiastically about were, in Sun's opinion, a positive threat to China:

Those young students who prate about the new culture and espouse cosmopolitanism, saying that nationalism is out of date, might have some ground if they spoke for England and America or even for our forefathers, but if they think they are speaking for Chinese today, we have no place for them.⁹⁹

Such students and intellectuals were "a group intoxicated with the new culture [who] have begun to reject the old morality. . ."¹⁰⁰ In doing so, they unconsciously played into the hands of the imperial-

ists by draining China of its traditional values and, hence, the source of its nationalism.¹⁰¹

This acceptance and glorification of the symbols of China's past (to which should be added Sun's incorporation of the traditional censorate and examination system in his Five Power Constitution) was, like the KMT's appeal to all classes, a commitment not to destroy the old even as he sought to build the new. The attempt to "combine the best of China's past with the best of the modern West" was, in effect, a *promise of co-optation* in the midst of a revolutionary movement.

The attempt to combine co-optation and revolution can also be seen in Sun's comments on using China's traditional family system to build a modern nation-state:

The individual [in Western countries] expands immediately into the state; between the individual and the state there is no common, firm, social unit. . . . I think that in the relation between the citizens of China and their state, there must be family loyalty, then clan loyalty, and finally national loyalty. Such a system, expanding step by step, will be orderly and well regulated. . . . If we take the clans as our social units and, *after improving their internal organization*, join them together to form a state, our task will naturally be easier than that of foreign countries which make the individual the unit.¹⁰²

Here, as in Sun's talk to the Peasant Movement Instruction Center and Zhou Fuhai's discussion of the mass movement, one finds the assumption that preexisting associations can be incorporated and gradually, by "improving their internal organization," be integrated into the nation-state. This approach toward intermediary associations, then, exactly paralleled the KMT attitude toward private property in general. What was essentially private in nature was, through an infusion of ideology, to be made public in purpose.

Inherent in KMT ideology and organization, then, was a fundamental contradiction between the attempt to co-opt groups and associations on the one hand and the creation of new, ideologically oriented groups on the other. Preexisting organizations, especially elite organizations, necessarily derive their authority from sources which antedate the Party. Such sources of authority as status, wealth, expertise, and kinship, by their very existence independent of the Party, contradict the solipsistic claims of the revolutionary

movement. The revolutionary movement, which—necessarily—identifies itself as the one and only source of truth and yet offers to co-opt organizations that self-evidently derive their authority from sources exogenous to the Party, is attempting to square the circle. In other words, one of the most basic assumptions of KMT ideology—that one could have a revolution of all the people—necessarily conflicted with and undermined the organizational authority of the Party from the beginning.

This look at KMT ideology brings out interesting parallels and contrasts with the ideology of the Chinese Communist Party (CCP). What seems surprising at first are the striking similarities. Both parties accepted the Marxist critique of capitalism, the Leninist thesis on imperialism, and the idea of China as a proletarian nation. Both the KMT and the CCP accepted an identity between the Party and *gong* (public), possessed comparable notions on the role of ideology, and looked to the mass movement as a means of revolutionizing the society. And yet the two parties drew very different conclusions. The notion of a “proletarian nation” perhaps made it easier for the CCP and the KMT to identify their parties with the nation, but the concept implied different courses of action to the two parties. For Li Dazhao, China’s first Marxist and co-founder of the CCP, conceiving of China as a proletarian nation implied that China did not have to wait for the proper economic conditions, it could participate in the world revolution now. Li, then, concluded that class struggle within China should be intensified.¹⁰³ For Dai Jitao, on the other hand, the concept of proletarian nation meant that “class struggle” should be played out between nations, not domestically. Internally, class struggle should yield to class conciliation.

The interpretation the KMT placed on the notion of proletarian nation forced it to accept a stewardship concept of property. This concept, as we have suggested above, accepted the existence of private property even while denying its legitimacy. Acknowledging the continued existence of private property meant that the role of the Party was limited to “weighting the scales.” The CCP faced no such constraints. Seeing the “bourgeoisie” not as something to be neutralized but as something to be exterminated, the CCP had no need to impose restraints on its role. Because there was always a danger of “capitalist restoration,” continued—and continual—struggle was very much a part of its ideological apparatus. The KMT, in con-

trast, allowed for struggle only up until the point of political conquest. Then it was to administer. Continuously facing a “combat environment,” the CCP was able to develop itself as a “combat party.”¹⁰⁴ Having a much less sharply defined image of its enemies, the KMT could develop only part way in the direction of a combat party. After gaining power, it lost the ideological and organizational cohesion necessary to such parties, whereas the CCP was able to maintain it.

The analysis of KMT ideology also sheds light on how the Party organization itself approached its revolutionary task. We see first and foremost that the idea of Party rule was integral to its self-definition. Revolution was justified on the basis of Party principles; it followed that only the Party should interpret and administer those principles. As we will see in the next chapter, the Party did indeed take the notion of *yidang zhiguo* (“Rule the nation through the Party”) seriously. We will also see that the Party’s concept of the mass movement and of the role of merchants in that movement coincides quite well with the idea then being expressed by merchant leaders of the national products movement. It was thus natural that upon gaining power the KMT would work to establish Party rule and that it would find a natural constituency among the middle merchants of Shanghai. Together they would seek to reorganize the commercial life of the city. These efforts ultimately aroused the opposition of the merchant elite, which then exploited the weakness of KMT ideology and organization to undermine Party rule.

The Nationalists in Shanghai: The Merchant Associations and the Attempt to Establish Party Rule

WHEN Chiang Kai-shek arrived in Shanghai on March 26, 1927, he had, in Harold Isaacs' words, "at long last arrived home."¹ Isaacs' reference, of course, was to Chiang's well-known ties to certain elements in Shanghai. These ties dated from the 1911 Revolution, when Chiang had been in Shanghai as an aide to Chen Qimei, the military governor of Shanghai. Zhang Jingjiang, a long-time financial backer of the Revolutionary Alliance, undoubtedly met Chiang at that time and may well have introduced him to some of the commercial leaders who supported Chen Qimei.² In the years after the Revolution and before the reorganization of the Kuomintang in 1923, Chiang returned periodically to Shanghai. Rumored to have lived a dissolute life in this period, he probably joined the Green Gang, run by Huang Jinrong, at this time.³ Huang was chief of detectives of the French Concession police and had succeeded in joining an extensive underworld organization to the police authority of the French Concession. With the implicit approval of the French, Huang ran such things as gambling, opium dealing, prostitution, and money lending—but kept violent crime, or at least crime against the social elite, at a level low enough to satisfy the French. It was from Huang's organization that the almost legendary Du Yuesheng emerged. Besides contributing his considerable organizational and social skills to Huang's organization, Du also directed its expansion into the International Settlement and other areas, thus forcing other gangs out and achieving an unprecedented degree of control over the Shanghai underworld. With the addition of Zhang Xiaolin, new and far-reaching ties were forged with local warlords

like Lu Yongxiang and Sun Chuanfang, giving the enlarged scope of operations “government” protection.⁴

Chiang’s contacts in Shanghai also derived from his experience on the Shanghai Stock and Commodity Exchange (*Shanghai zhengquan wupin jiaoyi suo*). This exchange, one of the first in China, was organized in 1919 by Dai Jitao and others at the behest of Sun Yat-sen as part of a scheme to raise money for the Chinese Revolutionary Party.⁵ Among its directors were Yu Xiaqing, Wen Lanting, Zhou Peizhen, and Guo Waifeng. Both Zhou and Guo had close ties to the revolutionary movement. Brokers on the exchange included Nationalist stalwarts Dai Jitao, Zhang Jingjiang, and Chen Guofu.⁶ Chiang Kai-shek is said to have worked there as a runner (*paojie*) and apparently did some buying and selling (unsuccessfully) on his own.⁷ The group of Shanghai merchants centered around Yu Xiaqing later provided critical support for Chiang, and that alliance undoubtedly had its roots in this period.

The ties between these two groups of local Shanghai leaders and Chiang were apparently confirmed during the course of the Northern Expedition. According to Isaacs, Huang Jinrong traveled to Jiu-jiang in November 1926 to reestablish direct contact with Chiang.⁸ Yu Xiaqing also met with Chiang that winter in Nanchang.⁹ But there was also another visitor to Chiang’s headquarters, one who demonstrated that Chiang’s contacts were no longer parochial. The visit was by a secretary in the Bank of China who had formerly served in the Shanghai Military Government of Chen Qimei and was an acquaintance of Chiang.¹⁰

That visit reflected the growing ties between Chiang Kai-shek and the Bank of China. As the revolutionary armies moved north, Zhang Jiaao (Chang Kia-ngau), the assistant manager of the Bank of China, watched the evolving situation with interest. In late 1926, Bei Zuyi, general manager of the Bank of China’s Guangzhou branch, sent word to the head office in Peking that “the Southern position is strong; military affairs are assured.”¹¹ Shortly thereafter, Feng Gengguang, general manager of the Bank of China, went to Guangdong to have a look for himself. Apparently he was impressed with the chances for Southern success and with the possibility of cooperating with Chiang Kai-shek. Before long, on the pretext of looking after his ailing mother, Zhang Jiaao moved to Shanghai. While there he secretly established the Shanghai Office of the Assistant Manager, from which he kept in touch with the revolutionary

movement.¹² Zhang himself has said that he "gave secret instructions to the various branches of the bank to cooperate with the National revolutionary army."¹³ In at least two crucial instances Zhang aided the Nationalists, first by supplying funds to help establish the Central Bank of China and then, in January 1927, by remitting another several hundred thousand dollars for the use of the Nationalist government.¹⁴ These funds were presumably transmitted through the Guangzhou branch, which Bei Zuyi used to support the new Central Bank of China.

Chiang's arrival in Shanghai, then, was indeed something of a homecoming. Huang Jinrong was the first person to call on Chiang, and shortly thereafter a delegation from the Shanghai Commercial Federation (*Shanghai shangye lianhehui*) paid Chiang its respects. The Commercial Federation had already been organized before Chiang's arrival by a group of merchants known to be sympathetic to Chiang that included Yu Xiaqing, Wang Yiting, Wu Wenqi, Qian Xinzhi, Qin Runqing, Wang Xiaolai, Gu Xingyi, Feng Shaoshan, and Wen Lanting. The Federation expanded rapidly from an initial nineteen groups to more than sixty.¹⁵ These merchants, all of whom were members of the Shanghai Chamber of Commerce, led the effort to organize the Shanghai merchant elite in support of Chiang Kai-shek. The delegation's visit to Chiang assured him of the support of Shanghai merchants and appealed to him to restore peace and order to the city. Chiang, in return, gave his assurances that property, both Chinese and foreign, would be protected and that steps would be taken to resolve conflicts between capital and labor.¹⁶ According to the *North China Herald*, "the delegation left in good cheer, fully satisfied that they had found in General Chiang a man of sound principles and a leader of singular power."¹⁷ Insofar as the available evidence indicates, none in this group was ever arrested, kidnapped, or otherwise terrorized; on the contrary, many of them continued to call for merchant support of the Nationalists even at the height of the "terror."

Led by Yu Xiaqing, this group, as earlier chapters have suggested, represented one specific segment of the Shanghai merchant community. It is significant, and needs to be stressed, that the support of this group went to Chiang Kai-shek as head of state, not to the Party organization. The Kuomintang, in contrast, looked to the middle merchants for support. Although in spring 1927 both of these groups supported the Nationalists, they did so in different ways.

And in these differences lay the seeds of later conflict between Party and state. Delineating these, and other, divisions is essential for understanding the impact of Nationalist rule on Shanghai. Therefore, before looking at that impact we need to set out more clearly the lines of cleavage within the merchant community.

The available data do not permit a full and detailed analysis of factions. We cannot trace with certainty all the different factions, who "belonged" to what faction, and how factions changed over time. The lack of even simple biographical data, much less information concerning individuals' political beliefs and interpersonal relationships, constitutes a formidable obstacle to any charting of cleavages and factions. More than one merchant seems to have shifted positions as the political winds changed. Nevertheless, the history of the May Fourth and May Thirtieth movements reveals that new constituencies were being mobilized and brought into politics; other organizations, like the Shanghai General Chamber of Commerce, found themselves sharply divided and subject to new external pressures. Thus, despite our imperfect knowledge, it is important to try to delineate the cleavages that were important over time and that significantly affected state-merchant relations.

By differentiating groups of merchants on the basis of their interaction with politics, we can distinguish four broad categories, each of which is characterized by a distinctive mode of action (or reaction) toward the political movements of the time. These categories are not hard and fast, and some cases do not fall neatly into place. Nevertheless, this breakdown allows greater insight into the relationship between merchants and politics and clarifies the interaction between the Nationalists and the Shanghai merchant community.

The first three categories—and the three categories with which this book is primarily concerned—are already apparent in our descriptions of the May Fourth and May Thirtieth movements. The first group centered around Fu Xiaoan. Fu, as noted in chapter 3, was general manager of the Commercial Bank of China and managing director of the China Merchants' Steam Navigation Company. He was also, among other things, director of the Hanyeping Iron and Coal Company, of the Ningbo Commercial Bank, of the Longzhang Paper Mills, and, in 1927, served as chairman of the Shanghai General Chamber of Commerce.¹⁸ Born in Jinhai county (of Ningbo prefecture) in Zhejiang province, Fu went to work at an early age for the family of the well-known bureaucrat-entrepreneur Sheng Xuanhuai. He rose quickly and became a leader in the enter-

prises founded or controlled by Sheng (such as the Commercial Bank of China). Fu's background, then, linked him to older, more established, "gentry-merchant" enterprises. Perhaps because of these ties, his approach to politics was distinctly nonactivist (we have noted his opposition to the May Thirtieth Movement) and conservative. His attitude was characterized by what Kuomintang activists would describe as *zaishang yanshang* ("when in business speak only business"). In the period of the Nationalist revolution, Fu had close ties to Wu Peifu (the warlord of north-central China) and offered the use of the ships of the China Merchants' Steam Navigation Company to Sun Chuanfang for his defense against Chiang Kai-shek.¹⁹ Fu was, at the time, probably the single most influential member of the Shanghai General Chamber of Commerce, and it is little wonder that the Kuomintang singled him out for special persecution (see below).

Opposed to Fu, but also very much a part of the Shanghai merchant elite, was the group centered around Yu Xiaqing. Like Fu, Yu was in the shipping business, as head of the Sanbei Steam Navigation Company, the largest privately owned shipping company in China. Unlike Fu, however, Yu had risen from poverty, first in the dye business and then as a comprador, to earn fame as the "barefoot god of wealth" and become perhaps the most famous merchant-entrepreneur in Shanghai.²⁰ While it is difficult to say, it seems reasonable that part of the reason for the gulf separating Yu and Fu—and of the reason for their different political attitudes—lay in their different routes to success. We noted in chapter 2 that a rift appeared between Yu Xiaqing and Li Pingshu in the wake of the 1911 Revolution. Li, like Fu, came from the gentry-merchant class; Yu's career, on the other hand, was notably less genteel. Yu also—and this too may reflect the difference in their social backgrounds—had notoriously close relations with Du Yuesheng and the Green Gang. Fu, on the other hand, was considerably less close to Du.²¹

The difference between these two people and the groups they led was apparent in their attitudes toward nationalistic movements. Yu, as we have seen, became involved in such movements as early as 1898 when the Ningbo Guild boycotted the French. He also took an activist stance in the May Fourth and May Thirtieth movements and was active in support of the Nationalists in 1927. Fu opposed the May Thirtieth Movement and threw his support behind Sun Chuanfang in 1927. Moreover, these lines of division did not disappear with the establishment of the Nationalist regime. When the

Japanese occupied Shanghai in 1937, they chose Fu Xiaoan to be puppet mayor. In October 1941, Fu was assassinated by his cook—who had been recruited for the job by the Green Gang.²²

The third category of merchants we have been describing as “middle class.” This is the broadest and least easily defined group but in many ways the most interesting. Its leaders were drawn mostly from the Young Turk faction in the Chamber of Commerce, people like Feng Shaoshan, Wu Zhihao, Zhao Nangong, and Chen Yiting. But what gave this group its political importance was that it was grounded in the thousands of merchants organized in the various street associations. We have seen that these merchants first organized themselves following the May Fourth Movement, leading the drive for Chinese participation on the Municipal Council, and then in the May Thirtieth Movement took an activist position and formed the backbone of the national products movement. Referred to in Communist sources as the “small and middle merchants,” these merchants were clearly the most militantly nationalistic of Shanghai’s merchants. Because they were so nationalistic and because their strength depended on organization and mobilization (rather than wealth or social position), they were the most willing to fuse politics and business. By 1927, they were better organized and more militant than ever before. It was to them that the Kuomintang as a Party organization looked for support, and it was with this group that leaders of the Kuomintang merchant movement, people like Wang Yansong, Yu Guozhen, and Wang Hanliang, identified themselves. Although this category was undoubtedly composed of a diversity of merchants with a wide range of interests, their militant nationalism, their organization into street associations, and their support for the Kuomintang lead me to consider them as one group.

Finally, there was a group of merchants (here the term “businessmen” would be appropriate) centered around the nation’s modern bankers. Composed of such people as Zhang Jiaao, Chen Guangfu (K. P. Chen), Qian Yongming, Qian Xinzhī, and Wu Dingchang, this group later became prominent in the so-called “Political Study Group.”²³ Largely educated in Japan, this group of progressive financiers formed more a national financial elite than a strictly Shanghai group. In 1927 they controlled by far the largest amount of readily mobilizable assets and, as already noted, were willing to use those resources to support Chiang Kai-shek. Disgusted with the quagmire of warlord politics, they hoped that the Nationalists would provide strong central leadership for the unification of the nation and the

reconstruction of the economy. As befit a self-conscious, educated national elite, these bankers kept aloof from Du Yuesheng and the Shanghai underworld.²⁴

It would be aesthetically pleasing if we could draw a correspondence between our four categories, the size or style (new or old) of enterprise, and support for either Chiang Kai-shek or the Kuomintang. Such generalizations, however, are difficult to sustain. The clearest case is the fourth category, where large-scale, Western-style financial enterprises supported Chiang's new government. It is tempting to identify the third category, the middle merchants, with the "national bourgeoisie." Their support for the national products movement and the involvement of some of their leaders in "national enterprises" (e.g., Feng Shaoshan in paper and Chen Liangyu in tobacco) make this identification seem natural, but the most famous "national bourgeois" of all, Rong Zongjing, abstained from this group. If anything, Rong was probably closest to Fu Xiaoan's group. The majority of middle-class merchants who joined the street associations were not entrepreneurs at all but simple shopkeepers. Moreover, "national enterprise" was not confined to this group; both Yu Xiaqing and Fu Xiaoan were involved in shipping and banking.

Some distinctions, however, can be made. Size of enterprise seems the primary factor separating the middle merchants from the other three categories. The whole history of their political involvement and of their conflict with the General Chamber of Commerce (which would continue in the years following 1927) suggests that the middle merchants were an emergent socioeconomic group that felt "out"—and wanted "in." Though generalizations are difficult, native-place ties may also have been a factor. Whereas most participants in the street associations were probably Shanghai or Ningbo merchants (numerically the dominant groups), one leader, Feng Shaoshan, was head of the Guangzhou Guild, and his opposition to Fu Xiaoan (and later Yu Xiaqing) may have been related in part to his being a Guangzhou merchant in a commercial world dominated by those from Ningbo.²⁵

While native-place ties are generally seen as a uniting force, they obviously did not work that way for Fu Xiaoan and Yu Xiaqing. Their rivalry was in part an example of struggle for influence within the native-place group. As mentioned above, much of their difference seems rooted in their very different career patterns, Fu coming up through the gentry-merchant class and Yu exhibiting more

“street smarts.” Was it true that Yu’s faction represented more “comprador capital”? That is difficult to say without more information, but if so it would contain a certain irony. Whereas Yu supported the Nationalists, Fu became the puppet mayor under the Japanese. It might also be suggested, again with too little evidence to draw conclusions, that one difference between Yu’s and Fu’s group was their attitude toward (and position in) the trade with Japan. We have noted that Zhu Baosan took a pro-Japanese attitude and opposed the May Fourth Movement in 1919; in 1925 Fu Xiaoan adopted a similar stance. Both Zhu and Fu had close commercial ties with Japan, and their economic interests may have acted as a powerful constraint on their political attitudes.

These categories, three of which (those centered around Fu, Yu, and the modern bankers) can be subsumed under the broader label of merchant elite, provide a useful typology for understanding the divisions among Shanghai merchants on the eve of Nationalist rule. Coalescing around personal, social, native-place, economic, and professional relationships, these groups reflected the complex socio-economic world that had developed in China’s most famous treaty port. More important for our purposes, they reflect different approaches to the problem of ordering politics and business.

The remainder of this chapter and the next will examine the relationship between the Nationalists and the Shanghai merchants against the background of these four categories. Specifically we will argue that, whereas Fu Xiaoan and his group opposed Chiang Kai-shek, Yu Xiaqing and the financial elite supported him; in contrast, the middle merchants had close ties not with Chiang Kai-shek but with the Party organization. Tracing the relationship between the Kuomintang and Shanghai’s middle-class merchants reveals a great deal about the paradox with which this book began: the reign of terror among Shanghai merchants in the midst of an apparent alliance between the monied elements of Shanghai and the newly established Nanking regime.

The Merchant Associations and the Kuomintang Attempt to Reorganize the Shanghai Merchant Community

In chapter 4 we described the ideology of the Kuomintang and found that it denied the legitimacy of any purely private interest.

That denial was reflected in the complete identity between the Party and *gong* (public) and in the corresponding notion of Party rule. We also saw how the mass movement, including the organization of merchants, was intended to implement Party rule. The task of the Merchant Associations was to promote Party policy and to "oversee" the entire merchant community, including the chambers of commerce. The Shanghai Party branch, as the events described below reveal, was very much intent on implementing Party rule.

Some members of that Party branch, like Wu Kaixian, had been active in Shanghai since at least the May Thirtieth Movement. During that Movement, Wu had been at Shanghai University organizing students.²⁶ Another Party member, Yu Guozhen, was active in the May Fourth Movement and in the original organization of the street associations (see above, p. 57). In 1927 he was the head of the Merchant Bureau of the Shanghai Party branch and thus had overall charge over the organization of Merchant Associations. Another Party member, Chen Dezheng, joined the Shanghai Party branch in April 1927 as part of the commission for Communist elimination. In 1923, Chen had been principal of the middle school of Shanghai University but left it because of his opposition to Communist activities. He then joined veteran revolutionary and right-wing leader Ye Chucang at the *Republican Daily News*. Described by the American consul in Shanghai as "one of the most outspokenly anti-foreign agitators in Shanghai," Chen was, according to the same source, the person "behind the movement to collect two months rent for support of the Northern Expedition."²⁷ In 1928 Chen would become director of the Shanghai Party propaganda department, and the following year he would serve concurrently as commissioner of education. These and other people were intent on establishing Party rule in Shanghai, and the Merchant Associations were intended as a step in that direction.

The precursor of the Merchant Association in Shanghai was the Association of Shanghai Merchants (*Hushang xiehui*), organized by Wang Hanliang in May 1926.²⁸ Described by Isaacs as a "prominent merchant," Wang was also a member of the executive committee of the Shanghai Party branch organized in 1925. The Association of Shanghai Merchants was established by Wang as a front for the Kuomintang.²⁹ According to later reports, this organization found the political atmosphere difficult in the intervening months and apparently stagnated. It was not until March 22, 1927, coinci-

dent with the arrival of Nationalist armies, that the Association was revived.³⁰ The executive committee of this organization contained prominent merchants such as Xu Xinliu, Wang Xiaolai, and Wang Xingchai; merchants active in the national products movement such as Wang Hanqiang and Zhao Nangong; and leaders of street associations such as Ma Runsheng, Zhang Meian, and Yang Zongkai.

The first appearance of the Merchant Association in Shanghai came on March 20, 1927, one day before the fall of the city. On that day, the formation of a thirteen-person provisional executive committee was announced. Wang Xiaolai, the prominent Zhabei merchant and Kuomintang member, was named chairman. Other members of the executive committee included Wang Yansong and Zhang Zhenyuan, both of whom were merchants as well as leading Kuomintang cadres. Wu Zihao, Yan Esheng, Zhang Zilian, and Chen Yongsan, all of whom had been active in the May Thirtieth Movement and in Shanghai's street associations, were also on the committee.³¹ In its initial announcement, the Merchant Association declared that it was the "highest merchant organ" in the city and that its purpose was to "concentrate the strength of the merchants in order to relieve their oppression and suffering."³² It requested that merchants welcome the Nationalist armies by hanging out flags and closing business for one day.

On the same day, the Shanghai Federation of Street Associations met to declare its support for the notice issued by the Merchant Association.³³ It also elected a seven-person committee to entertain (*weilao*) the army. The composition of this committee reveals the very close relationship between this organization and the Merchant Association. Of the seven committee members, four were members of the provisional executive committee of the Merchant Association. One person, Yan Esheng, served on the executive committees of both the Merchant Association and the Federation.³⁴ The close ties between Shanghai's street associations, which drew their membership from the middle strata of the merchant community, and the Merchant Association were an important link in the latter's attempt to mobilize and organize the merchants of Shanghai. They also provide a vivid illustration that much of the Kuomintang's support among Shanghai merchants came not from the elite but primarily from the middle classes.

The period immediately following the arrival of the Nationalist army was one of intense organizational activity among Shanghai

merchants. Apparently building largely on the structure of the street associations, the Merchant Association oversaw the formation of numerous branch associations. Some branch associations, such as the French Concession Merchant Association formed on March 24, the Zhabei Merchant Association formed on March 27, and the Nanshi Merchant Association, also formed on March 27, covered a major geographical section of the city. Others covered a street or limited area. Some of the earliest Associations to appear were those of South Shanghai Six Roads, Nanshi Dongbei, Nanking Road, Min-guo Road, Qibao District (*qu*), and Hankou Road.³⁵ Still other Associations were established on the basis of trades. Thus we find such businesses as the fresh meat, seafood, native cloth (*tubu*), clothing, and knitting organizing Merchant Associations.³⁶ Some guilds also formed Merchant Associations. Some of the more important were the Silk Guild, the Mine Transport Guild, the Customs Brokers Guild, and the North Shanghai Tobacco Guild.³⁷ In short, within weeks of the arrival of the Nationalist army, the organizational structure of Shanghai was substantially changed, at least nominally. The groundwork for the type of hierarchical network of Merchant Associations envisioned by the Second Party Congress and the Organization Law of the Merchant Association was being laid.³⁸

Although newspapers reveal no instances of coerced organization of Merchant Associations, it is apparent that the pressure on merchants must have been considerable. For instance, when the Bean and Rice Industry Merchant Association was founded, it ordered merchants to fill in their membership cards within three days.³⁹ To facilitate organization, the city was divided into ten districts. A number of people were assigned responsibility for each district and were to go from street to street and business to business organizing branch associations. Such intense recruiting efforts were probably in response to merchant reticence or even opposition. For instance, in Zhabei, Tao Zigan, who chaired the first meeting of the Zhabei Merchant Association, was dissatisfied with organizational progress there. He said that, "since the Nationalist army arrived in Shanghai, the Settlement and Nanshi have been successfully organized. Zhabei alone lacks [a Merchant Association]."⁴⁰ In Nanshi, where response was reportedly enthusiastic, it was nevertheless thought advisable to appoint representatives responsible for each major business sector.⁴¹ A similar pattern was later followed in Zhabei and other places.⁴²

When commercial organizations were reorganized as Merchant Associations, their leaders invariably talked in terms of the “improved” organization of the trade. The term that seemed to appear in every announcement of reorganization was “unity” (*tuanjie*). For instance, when the Shanghai Silk and Cocoon Industry Merchant Association (*Shanghai sijianye shangmin xiehui*) was formed, it issued a manifesto emphasizing the importance of unifying groups in a time of change. It went on to say:

If this is not believed, please look at the various enterprises of before—all were loose and without any way of organizing. Each looked only after itself. Now other people group together in opposition to us, so if we do not have organization we are like a plate of loose sand. . . . If we do not group together, we cannot compete in a world of this sort.⁴³

This new unity was supposed to be based on the collaborative spirit of merchants involved in the same trade. The Customs Broker Merchant Association (*Baoguan shangmin xiehui*), for instance, declared that it intended to “bring into touch the emotions of the occupation” (*lianlou tongye ganqing*) so as to provide mutual help.⁴⁴

This emphasis on creating a new unity and arousing a collaborative spirit, however, was, *at the very least*, an implicit criticism of merchant organizations as they had previously existed and hence a challenge to the leadership of the commercial community. It is not surprising, therefore, that the organization of Merchant Associations was also accompanied by expressions of conflict within various trades. For instance, when the Pawnshop Guild (*Dianye gongsuo*) voted to join the Federation of Street Associations on March 27, it also voted to adopt the committee system (*weiyuan zhi*), which the KMT was then promoting as more democratic, to increase the number of directors, and to initiate an organization of employees in pawnshops.⁴⁵ Such changes must have made the older directors wince.

An explicit example of reorganization threatening the established leadership of commercial organizations is contained in the manifesto of the Bean and Rice Industry Merchant Association (*Doumiye shangmin xiehui*). This organization stated its aim ambitiously and comprehensively as “improving the organization of the whole body, breaking through the prejudice of individualism, reviving the spirit of the occupation, increasing the knowledge of merchants, forming a

strong and firm group, expanding its great strength, abolishing accumulated evils, and striving strenuously for the common benefit of the members.”⁴⁶ It went on to lament the state into which commercial organizations had fallen. Organizations, it said, had become the preserve of the elite; their members were directors or managers of shops or companies, not the representatives of the majority of merchants. As a result,

the body of merchants of each industry is completely separated from the commercial associations. Thus there are no obligations to fulfill and definitely no rights of which to speak. Practices have accumulated and become custom; the merchants get further and further away from the commercial associations. In nearly every occupation the body of merchants regard the commercial associations that they themselves established as their adversaries. If we wish to eliminate the oppression of this situation and strive for the welfare of the individual [merchant], we cannot but organize a separate group and struggle against our former group.⁴⁷

The virulent tone of this manifesto shows that at least in this case, those recruited into the Merchant Association were those alienated under the old system. Only by forming a new organization, rejecting the old leadership, and basing itself on the majority of members could the elitism of the past be overthrown, a new unity formed, and the trade as a whole strengthened. This manifesto is clearly consistent with the tone of the Resolution Concerning the Merchant Movement passed by the Second Party Congress; later events would show that the militancy of these merchants was shared by others in the Merchant Association.

The attempt to reorganize Shanghai merchants and bring them under the supervision of the Party organization did not cease with the April 12 coup. On the same day as the coup, the Merchant Association issued a statement reiterating its organizational purpose as representing the interests of the merchants and pledging its absolute support for the Three Principles of the People and Chiang Kai-shek. Two days later, as if to underline its determination to organize the city, it announced the division of Shanghai into ten districts and appointed people responsible for organizing merchants within each district.⁴⁸

In the days that followed the coup the formation of Merchant Associations proceeded apace. Over a hundred people attended the

formation of the Beef and Lamb (*niuyang ye*) Merchant Association on April 13; more than two hundred attended the first meeting of Inter-Guild Noodle (*gebang mianshi*) Merchant Association on April 19. More than two hundred attended the formation of the Nanhou Merchant Association also on April 19; and more than three hundred attended the organizational meeting of the Southeast District Merchant Association on April 21.⁴⁹ Other Merchant Associations formed in this period include the Silk and Cocoon Industry (April 10), the Fourth District (April 22), the Shoe Industry (April 22), the Electric Silk Weaving Industry (April 23), the Zhabei Pharmaceutical Industry (April 24), the North Shanxi Road (April 26), and the West Huade Road (April 26).⁵⁰ The Accountants' Guild said that it ought to be supervised by the Party and encouraged its members to join the KMT.⁵¹ The Pharmaceutical Guild (*Yaoye yinpian gonghui*) similarly vowed to put the Three Principles of the People into practice (later it also formed a Merchant Association).⁵² The Nanshi Merchant Association reported that more than sixty groups had joined it.⁵³ Other Merchant Associations continued to be formed throughout May and June and into July.

Since the coup, of course, Communists were defined as antirevolutionary. They, like "trouble-makers" (*daluan fenzi*) and "dual Party members" (*kuadang fenzi*) were to be "struck down." From the point of view of Kuomintang members, the suppression of the Communists did not, however, mean the end of the revolution. To the contrary, compradors, corrupt officials, filthy lictors, "foreign slaves" (*yangnu*), opportunists, "fence sitters" (*qiqiang pai*), and political opportunists (*zhengke*) were still defined as "fundamental obstacles" to the revolution.⁵⁴ The Shanghai Party branch formed a Committee to Expose Landed Bullies, Evil Gentry, and all Reactionary Elements.⁵⁵

It is not surprising, therefore, that the desire to reorganize society and bring its organizations under Party control soon affected the highest levels of Shanghai society. As a populist movement aimed at maximizing participation and consolidating KMT political power, the merchant movement started taking aim at the most prestigious associations in Shanghai. The targets of this reorganization were the Lawyers' Guild (*Lushi gonghui*) and the Shanghai General Chamber of Commerce.

The effort to undermine the directors who controlled the Lawyers' Guild actually started some time prior to the arrival of the National-

ist army. For ten years the Guild's affairs had been dominated by its chairman, Zhang Yipeng, and its vice-chairman, Zhang Jiazen, both of whom seem to have had close ties with Sun Chuanfang. The Guild had long maintained a restricted membership and was responsible for determining the qualifications for practicing law. The exclusivity of the Guild came under increasing attack after Chinese recovery of the Mixed Court, which was renamed the Provisional Court, in January 1927. Chief Justice Xu ruled that all lawyers registered with the Mixed Court would be permitted to practice in the Provisional Court. The Lawyer's Guild objected that those registered with the Mixed Court included many without formal licenses (*fabu lüshi zhengshu*) who had received only provisional permission.⁵⁶ Meanwhile a group of lawyers not previously admitted to the Lawyers' Guild took advantage of the ruling and began to agitate for admission and/or the establishment of a separate association. The Lawyers' Guild replied that standards must be maintained and charged that

if such people are permitted to establish a separate association, the faults would be unimaginable. . . . It is just that this sort of people, because they cannot join the formal Lawyers' Guild, want to use another clever device to indulge their desires.⁵⁷

The arrival of the Nationalists in Shanghai gave the dissidents an undisputed advantage in their quarrel. In April, the Association of Lawyers (*Lüshi xiehui*) was established, and later that month the KMT ordered the Lawyers' Guild not to convene another meeting until new regulations were issued.⁵⁸ Dissidents took advantage of this order to form the Committee for the Reorganization of the Shanghai Lawyers' Guild, appoint their own executive committee, and submit their regulations to the Shanghai Party branch for approval.⁵⁹

Other members of the Lawyers' Guild resisted. Led by Zhang Yipeng, over one hundred (of the more than two hundred fifty members) signed a petition saying that the group planning the reorganization did not have a quorum and therefore had no legal basis for action. They urged the chairman to exert every effort to maintain the status quo.⁶⁰

The Reorganization Committee, however, had the full support of the political authorities. On April 29, the Shanghai Party branch

ruled that retroactive to April 20, the original Lawyers' Guild no longer existed.⁶¹ On May 15 the transfer of authority was effected; a representative of the Shanghai Party branch supervised the meeting. At the same time a resolution was passed declaring that the minority should absolutely obey the majority, and that if there were any obstructionists, the Party would apply strict sanctions.⁶²

At the same time that the Lawyers' Guild was being transformed, the General Chamber of Commerce came under fire. In April, the Kuomintang issued a warrant for the arrest of Fu Xiaoan, the chairman of the Chamber. Shortly thereafter, the Political Council of Shanghai dissolved the executive committee of the Chamber, declared the preceding year's election null and void, and appointed a supervisory committee to take over the affairs of the Chamber. The *North China Herald* considered these actions as "unprecedented and totally illegal."⁶³ In a recent work, Parks Coble has argued that this action "silenced the body in the face of Nanking's extortionist policies."⁶⁴ While it is true that this act drove out Fu Xiaoan, there is no evidence that it suppressed the merchant elite.

As we have seen, there were multiple reasons for the Kuomintang's notable dislike of Fu. He had opposed the May Thirtieth Movement, and that opposition was no doubt remembered by merchants and Party cadres alike. He and his faction had seized control of the Chamber in the June 1926 election, and those whom he had defeated, most notably Feng Shaoshan, now sought his ouster. Moreover, his rivalry with Yu Xiaqing, which probably intensified as the Northern Expedition advanced, left him vulnerable to attack from that quarter. Finally, his own support of Sun Chuanfang made him a visible opponent of Nationalist rule. There is considerable reason, then, to believe that the April takeover of the General Chamber of Commerce was directed primarily against Fu. No doubt there were those in the Party who wanted to bring the Chamber under Party control (and would continue to try to do so for the next two years), but, as the course of events shows, they were not successful either in the spring of 1927 or later.

On April 26, the Shanghai Branch of the Central Political Council appointed a seven-person committee to take control of the Chamber. The seven were Guo Taiqi (Commissioner of Foreign Affairs), Wu Zhongxin (Commissioner of Shanghai Police), Pan Yizhi (a member of the Executive Committee of the Shanghai Party branch), Qian Yongming (prominent Shanghai banker and Vice-Minister of Finance), Yu Xiaqing, and Feng Shaoshan.⁶⁵ The evidence indicates

that this move did not work out as well as its planners had hoped. Almost immediately, Yu Xiaqing pointed out that he was on the then-abolished Board of Directors of the Chamber and that it would not be right for him to serve on this committee. He was permitted to resign. The committee, apparently caught off guard, did not proceed immediately to take over the affairs of the Chamber. It was not until May 7, ten days after being appointed, that the committee finally moved to take over the Chamber. On that day the committee supervised its *first and only* meeting of the Chamber. Undoubtedly reflecting the Chamber members' displeasure at this intervention in their affairs, the meeting was attended by only one hundred (out of five hundred) members. When asked repeatedly to express their opinions they remained silent. Finally, they got on with the task of electing a thirty-five-person Provisional Executive Committee. The members of this committee were all chosen from within the Chamber of Commerce. Chen Bulei, later Chiang Kai-shek's personal secretary, was defeated for election. The Provisional Committee was mandated to supervise new elections within three months.⁶⁶ Having supervised the selection of this executive committee, the seven-person committee appointed by the local Party branch was then abolished.

This is not to say that this intervention in the affairs of the Chamber had no effect. On the contrary, Feng Shaoshan was elected chairman and, judging by his many public appearances in this period,⁶⁷ he was very much in political favor. Control within the Chamber, then, had been shifted to the faction which had attacked the Chamber leadership during the May Thirtieth Movement and had then been defeated by Fu Xiaoan and his faction in July 1926. Feng's triumph, however, was to be short-lived. Before long he disappeared from the Board of Directors of the Chamber. In its first assault on the bastion of the Shanghai commercial elite, the local Party organization had come away, at best, with a partial victory. It had been able, temporarily, to transfer power to Feng Shaoshan's activist faction. But it failed here, as it would in the future, to bring the Chamber under Party control.

Mass Mobilizations

The effort to establish Party authority in Shanghai was also reflected in—and furthered by—the continued organization and mobilization

of the population. Contrary to popular belief, the April 12 coup and the suppression of the Communist-organized labor unions did not mean the abandonment of a populist strategy—at least not by the Party organization. Throughout the spring and summer, the Kuomintang continued to organize a series of mass meetings. Quite consistent with the Kuomintang's own theory of the mass movement, these meetings sought to mobilize and demonstrate mass support for the KMT at the same time that they provided the context in which the reorganization of the organizational structure of the city could continue and the authority of the Party be consolidated. The Japanese dispatch of troops to Shandong and the decision of the Municipal Council to raise taxes provided issues of genuine popular concern around which the Party could build its campaign of mobilization and reorganization.

The first such meeting was held on April 19. Twenty or thirty thousand people affiliated with more than four hundred organizations attended a meeting to celebrate the establishment of the capital in Nanking. In a circular telegram to the nation, the organizers said:

Today we are holding an open meeting to celebrate the establishment of the Nationalist Government in Nanking and the restoration of the Party authority of the Kuomintang. This has a very important meaning. We believe that the foundation of the Kuomintang cannot again be usurped by those opportunists [i.e., Communists]. We firmly believe that by obeying the supervision of the Kuomintang, China will certainly attain freedom and equality. We firmly believe that by obeying the supervision of the Nationalist Government in Nanking the unequal treaties will certainly be abolished.⁶⁸

Stores throughout the International Settlement, at the behest of the General Chamber of Commerce, displayed Nationalist flags for three days.⁶⁹

At about this time preparations were being made to celebrate the various revolutionary events the anniversaries of which fell in May. Starting with Labor Day on May 1, the Kuomintang also organized mass meetings to mark the May Fourth Incident, the sixth anniversary of Sun Yat-sen's assumption of the office of extraordinary president on May 5, National Humiliation Day on May 7, the acceptance of the twenty-one demands on May 9, the anniversary of the assassination of Chen Qimei on May 18, and, finally, the second

anniversary of the May Thirtieth Incident. From the point of view of the merchant movement, the most significant of these meetings was that held on May 5. While marking Sun's taking office as extraordinary president of the Guangzhou government in 1921, it was also designated as the All-Shanghai Merchant Celebration Meeting (*Quan Hu shangmin qingzhu dahui*).

The idea for such a meeting was proposed by Chen Yiting of the Shanghai Federation of Street Associations.⁷⁰ Only merchants were allowed to attend this meeting, and passes were distributed to merchants through the major commercial associations. The seven-person presidium that ran the meeting represented the major commercial organizations of the city: Wang Yansong (Merchant Association), Yu Guozhen (Merchant Department of the Shanghai KMT), Shi Zhikun (Shanghai Commercial Federation), Yan Esheng (Shanghai Federation of Street Associations), Yu Xiaqing (Shanghai General Chamber of Commerce), Ye Huijun (Shanghai District Chamber of Commerce), and Wang Xiaolai (Zhabei Chamber of Commerce). Others with responsibility for organizing and overseeing the meeting are all identifiable as activists in the May Thirtieth Movement and the various street associations. They included Zhang Zhenyuan, Yang Zongkai, Chen Yiting, Zhang Zilian, Yu Zhongxian, and Xu Yunhui.⁷¹

This meeting was attended by some forty thousand merchants affiliated with more than one hundred twenty commercial associations. Wang Yansong, elaborating on the meaning of the meeting, said that merchants had long ago joined with other classes to form a united front. He went on: "From now on we merchants should unanimously become one with the Party [*danghua*], participate in the National Revolution, sweep clean the Communist elements, and struggle to obtain freedom and equality for the nation."⁷² Slogans adopted by the meeting expressed support for the Nanking government, issued a warning to Wang Jingwei, stressed the promotion of national products, and, finally: "Long live the merchant movement!"⁷³ One concrete result of this meeting was the formation of the Association of Merchants for the Support of the National Revolutionary Army and the Northern Expedition (*Guomin geming jun beifa shangmin houyuanhui*).⁷⁴ The purpose of this group, of course, was to solicit funds for Chiang's armies (one wonders if the Kuomintang agents whom reporters for the *North China Herald* saw going from door to door were from this group). As a demonstration of the local

Party organization's ability to mobilize the middle classes of Shanghai, this Merchant Celebration Meeting was indeed impressive.

In late May the Japanese dispatched troops to Shandong to protect their interests around Jinan. To the Nationalists this was a direct attempt to intervene with the Northern Expedition by interposing Japanese forces between Chiang's troops and those of the Northern warlords Zhang Zongchang and Zhang Zuolin. On June 6, over three hundred delegates representing 146 groups met to discuss ways to counter the Japanese move. This meeting resulted in the formation of the Committee for the Movement to Oppose the Japanese Dispatch of Troops to China (*Fandui Riben chubing lai Hua yundong weiyuanhui*). Of the twenty-one groups chosen to the executive committee of this group, five were merchant groups: the General Chamber of Commerce, the Federation of Street Associations, the County Chamber of Commerce, the Zhabei Chamber of Commerce, and the Merchant Association.⁷⁵ Shortly thereafter, on June 12, these groups sponsored massive demonstrations to show popular Chinese opposition to Japanese imperialism. In Zhabei some two hundred fifty thousand turned out to denounce imperialism. Another three hundred thousand people attended a similar meeting in Nanshi. A smaller meeting in Jiangwan drew thirty thousand.⁷⁶ At the Zhabei meeting, Chen Yiting proposed severing economic relations with Japan. Another boycott had started.

On the same day a meeting of the Merchant Department of the Shanghai Party branch established a National Products Movement Committee under the chairmanship of Yu Guozhen.⁷⁷ The Party organization began issuing warnings to those who continued to deal in Japanese goods.⁷⁸ A few days later, more than eighty factories established an Association of National Products Factories.⁷⁹ Wooden cages were set in front of the General Chamber of Commerce building to imprison and embarrass "traitorous merchants" (though they apparently were never used).⁸⁰ In late June fourteen groups (including the General Chamber of Commerce, the Merchant Association, and the Lawyers' Guild) organized the Alliance of the Shanghai People for Severing Economic Relations with Japan (*Shanghai minzhong dui Ri jingji juejiao da tongmeng*) to supervise the growing boycott movement.⁸¹ According to Remer, this boycott, though ultimately short-lived, was the most effective to date.⁸²

At the same time that the boycott movement was building, a series of mass meetings kept the people of Shanghai in a state of constant

agitation. As in May, there were in June many occasions worthy of commemoration. Merchants held a meeting on June 3 to commemorate the start of the merchant strike during the May Fourth Movement, a date which speakers identified as the beginning of the merchant movement.⁸³ Another mass meeting on June 16 commemorated the fifth anniversary of Chen Jiongming's rebellion against Sun Yat-sen. The following day opened a massive three-day celebration of the victories of the Northern Expedition, and on June 23 there were more meetings to commemorate the anniversary of the Shamian Incident.⁸⁴

As in the May Fourth period, the Municipal Council of the International Settlement chose this period of intense nationalistic feeling to announce a tax increase. This action, justified in part by the cost of defensive measures which the foreigners had taken to protect themselves against what they thought was the imminent inundation by Chinese mobs, was naturally taken without consulting Chinese leaders. Predictably the Chinese reacted with anger and protests of "No taxation without representation."⁸⁵

The Chinese response, virulent when it came, was strangely slow in happening. The action of the Municipal Council had actually taken place at a meeting of the foreign Ratepayers' Association in April. For almost two months, the Chinese Ratepayers' Association, the group which had been formed to seek Chinese representation on the Municipal Council, said nothing. This lapse provided the pretext for the reorganization of the Chinese Ratepayers' Association. On June 23, an emergency meeting was held. Besides the regular membership of the Association, in attendance were representatives from the Shanghai Party branch, the Political Department of the Second Route Army, the Shanghai Office of the Central Propaganda Department, and the Political Bureau of the Twenty-sixth Army. The meeting passed an emergency resolution to expand and reorganize the Chinese Ratepayers' Association. The *Shenbao* reported the reason for this action as follows:

[We have] already been under the Nanking Government for several months and all groups should naturally accept the direction and policy of the KMT. Therefore such legal groups as the Lawyers' Guild and the Shanghai General Chamber of Commerce have actively reorganized and have gotten rid of those who are corrupt and evil and those who while hanging out a name do not do anything or who borrow public office to do

private business and those who are anti-revolutionary elements, and have thereby consolidated the revolutionary lines. The decision to raise municipal rates is old, but because the Chinese Ratepayers' Association contained corrupt elements, even though a minority struggled, nothing was done except issue a few empty documents. Now, at the instigation of the street associations and with the approval of the Shanghai General Chamber of Commerce, the Chinese Ratepayers' Association is to be reorganized. All Chinese ratepayers in the concessions must join. . . .⁸⁶

This meeting concluded by adopting such slogans as "Recover the Concessions," "Strike Down Imperialism," "Support the Kuomin-tang," and "Complete the Northern Expedition and Complete the Nationalist Revolution."

On July 1, the day the new taxes were to be paid, a representative of the Merchant Department swore in a committee of twenty-one people—including K. P. Chen, Yu Xiaqing, Song Hanzhang, Wang Zhengting (C. T. Wang), Du Yuesheng, and others active in the Merchant Association, the Shanghai Federation of Street Associations, and the Shanghai General Chamber of Commerce.⁸⁷ During the month of July, this committee cajoled and pressured the Chinese community to maintain unity in the face of foreign threats. Toward the end of the month, the Municipal Council resolved to take forceful action to collect the taxes. Groups of policemen went from business to business demanding tax payment and closing the establishments that refused.⁸⁸ Those like the Bank of Shandong that yielded to this pressure were severely censored in the press. Those who suffered closing rather than break rank were not only publicly praised but also were given diplomatic and financial support to minimize their losses.⁸⁹ The result of this combination of pressure and support was that almost the entire Chinese community withheld its taxes until a series of secret meetings between the Chinese Ratepayers' Association and the Municipal Council (in which Yu Xiaqing played a major role) produced a compromise which brought the movement to an end.⁹⁰ This tax protest, like the movement to oppose Japanese troops in Shandong and the boycott of Japanese goods, was an impressive display of organizational strength. It was also not unsuccessful. Partly as a result of this protest, Chinese representatives were finally admitted to the Municipal Council in 1928.⁹¹

As this series of mass mobilizations unfolded, new Merchant Associations continued to be formed. The Dongbei Fishermen's

Merchant Association was formed on May 4, the Pongee (*zhouduan*) Merchant Association on June 17, and the Eyeglass Merchant Association on June 25.⁹² On June 25, a Merchant Association Preparatory Committee was formed, and on July 6, eleven people, including Wang Hanliang, Yan Esheng, Yu Xiaqing, Wang Xiaolai, and Feng Shaoshan, took office as the executive committee of the Shanghai Merchant Association.⁹³ It was the first time since the establishment of the Chamber of Commerce in 1902 that a counter-elite had emerged within the merchant community to challenge the predominance of the merchant elite and the General Chamber of Commerce. It had done so by building on the constituency of middle merchants mobilized in the May Fourth and May Thirtieth movements and by allying itself with the Shanghai Party branch.

The ideology of the Kuomintang as it embarked on the Northern Expedition stressed the mobilization of the people, democratic centralism, and Party rule. The merchant movement of the Kuomintang was organized for the express purpose of uniting the masses of middle and small merchants in order to strike down the “running dogs” of the imperialists and the warlords. It was a movement dedicated to breaking through the psychology of “Don’t ask about politics” (*buwen zhengzhi*) and “When in business speak only business” (*zaishang yanshang*) and to creating a politically conscious merchant community that could be mobilized for the goals of the Party-state. The evidence from Shanghai strongly suggests that the Party leaders there did not abandon these goals either before or after the April 12 coup.

The events described here indicate that our understanding of this period is in need of serious revision. The mobilization, organization, and reorganization of the merchant community—under the direction of the Party-run Merchant Associations—make it clear that something more complex and significant was happening on the local level than the simple extortion of monies or the exaction of a brigand’s payoff. The proliferation of Merchant Associations, the mobilization of street associations, the active involvement of the same merchants who helped lead the May Fourth and May Thirtieth movements, the turnout of forty thousand merchants for the Merchant Celebration Meeting, the participation of merchant leaders in the anti-Japanese boycott, and the organization of an effective tax protest against the authorities of the International Settlement are

difficult to reconcile with any assertion of a general suppression of merchants in this period.

Surely there were many leading merchants, like Fu Xiaoan, who had reason to fear the Nationalists. There were no doubt instances of coercion and extortion. There were probably also instances of settling personal scores and other excesses that occur in times of extraordinary change. But to the extent that extortion and coercion were employed systematically, it seems much more plausible to regard them as the by-product of the effort to reorganize the associational life of Shanghai and to bring it under Party control. No doubt the Kuomintang squeezed vast sums from the citizens of Shanghai, but merchants were among the most outspoken supporters of the new Nanking regime. At a meeting on July 19—more than two months after the start of the “terror”—Zhang Zilian declared: “We merchants must be of the same will as the soldiers and must form a united battle line.” He went on to repeat Sun Yat-sen’s admonition that “those with strength should contribute strength, and those with money [i.e., merchants] should contribute money.”⁹⁴ Fund-raising activities continued throughout the summer, but those most active in organizing these efforts included merchants such as Yu Xiaqing and Wang Xiaolai.⁹⁵

Viewing the events of the spring and summer of 1927 as strongly influenced by the efforts of local Party cadres to establish their authority can perhaps shed light on the role of the Green Gang in this period. Although the activities of that underworld organization necessarily remain obscure, it seems reasonable to suppose that it acted first and foremost to advance its own local authority. It also seems clear that its primary connection with the Nationalist regime was with Chiang Kai-shek rather than with the Party organization. This suggests that the Green Gang, like the merchants around Yu Xiaqing, had, at best, a tenuous alliance with the Party organization. Eventually the Party would co-opt “students” of Du Yuesheng, but that was only after the Party had tried and failed to establish its independent authority.⁹⁶ It seems likely that in the first period of Nationalist rule, Party cadres had little taste for cooperating with underworld sorts.⁹⁷ There is considerable reason, then, to assume that the role of the Green Gang in intimidating merchants was limited and selective.

One area in which the role of the Green Gang was not limited was in the suppression of labor. There is reason to believe that in

organizing labor, the Communist Party was directly challenging the Green Gang for control of the labor force.⁹⁸ There is also evidence that in order to organize workers, Communist cadres had joined the Green Gang.⁹⁹ If there was indeed such a contest for social control, then that would explain, at least in part, the virulence with which labor was suppressed and Communist cadres eliminated. It also suggests why Communist efforts to reinfiltrate labor in later years were so unsuccessful.

To say that the primary responsibility for the violent suppression of labor lies with the Green Gang is not to deny that merchants benefited as well. The emergence of strong, ideological unions posed a serious threat to business, and the suppression of workers clearly restored the position of capital in the *ordre matériel*. But to say that merchants benefited from the suppression of labor is not to say that they were the primary force behind that suppression. The political interests of Chiang Kai-shek and the “organizational” interests of the Green Gang were quite sufficient to ensure the destruction of the labor movement without any special pleading from the merchants.

The efforts of the Party organization to establish its control in these first months of Nationalist rule reflected the ideology and organization of the Kuomintang as they had developed in the revolutionary period. Sustaining that ideology and organization in the post-revolutionary period, however, would prove more difficult. The ideology of the Kuomintang—its call for a revolution of all the people and its concept of the Party as counterweight to the elite—left it vulnerable. Local elites were not slow to take advantage of Party weaknesses.

The Demise of the Merchant Associations and the Failure of Party Rule

It was argued in chapter 4 that all revolutionary parties make the solipsistic claim that they, and they alone, know the “truth” and hence that only they can cure the ills of society. It is on this claim that they base their right to rule and deny that right to others. The truth of their claims is not subject to external verification. Revolutionary ideology denies the validity of both “objective” knowledge (often dismissed as “empiricism”) and the subjective preference of individuals (which are distorted by “false consciousness”). Thus the identity between the ideology of the party and the public interest (*gong*) is taken as self-evident. Failure of others to see this identity is taken as evidence either of insufficient understanding of the ideology or of intent to sabotage the revolution.

The claim that legitimacy derives from solipsistic knowledge of truth ipso facto places both party and ideology in tension with society—and especially with societal elites. We have already seen how Kuomintang ideology, like the ideology of other revolutionary parties, denied individualism, voting, law, education, and private property. There was, *in theory*, no corner of society that should not be “Three-Principles-of-the-People-ized” (*Sanmin zhuyi hua*). The logic of this situation is straightforward. A party which claims that all knowledge derives from ideology is *pari passu* claiming that all position in society should derive from knowledge of that ideology. Any societal elite who derives his position from any other source—such as kinship, wealth, native-place ties, or expertise—is implicitly denying the absoluteness of ideological knowledge and is thus challenging the revolutionary party’s claim to legitimacy.

The absoluteness of a revolutionary party’s claim can be sustained

only if ideology is fused with organization, that is, if it develops into what Selznick has called a "combat party."¹ The evidence from Shanghai strongly indicates that the Kuomintang, particularly on the local level, comported itself very much as a combat party. Control over ideology and organizational coherence are essential to the maintenance of such a party and hence to implementing and sustaining Party rule. From 1927 to 1929, the Shanghai Party branch struggled to retain the fusion of ideology and organization—but it was fighting a losing battle. Its failure to sustain that fusion meant the loss of its specific competence as an organization. Party rule then became impossible.

Because the claim of a revolutionary party is absolute, the independent existence of societal organizations constitute a threat to that claim. The very existence of the Shanghai General Chamber of Commerce (which derived its authority from wealth, social standing, and expertise) thus implicitly threatened the authority of the Merchant Associations and the validity of revolutionary knowledge in general. A Party that sought to maintain itself and to take the slogan "Rule the nation through the Party" seriously could not be expected to tolerate such independence. The Kuomintang's effort to reorganize the General Chamber of Commerce in 1927 had been a partial success—Fu Xiaoan was driven out and authority transferred to more sympathetic merchants like Feng Shaoshan—but failed to bring the Chamber under direct Party control. From 1927 to 1929, the Party organization would try to attain that goal while the Chamber of Commerce resisted.

The failure of Party rule in China started, ironically, with an effort that Party members thought would strengthen the Party—the purge of the Communists. However cynical the perpetrators of the coup that led to the slaughter of thousands of Communists (or those only denounced as Communists) may have been, Party members accepted the purge as essential for maintaining ideological purity and organizational strength. Hu Hanmin and Wang Jingwei both defended the purge as a means of paving the way for pure Kuomintang rule.² By this they meant rule by the Party, not rule by Chiang Kai-shek and his evolving state apparatus. They were to be disappointed.

The purge of the Communists, then, did not imply that the Kuomintang had rejected the notion of Party rule or even the associated idea of a mass movement. The ideas of a tutorial Party, demo-

cratic centralism, and the reform of society through the organization of the masses remained integral to Kuomintang ideology. Leaders like Hu Hanmin, Wang Jingwei, and Chen Guofu continued to assert these ideas, and local cadres continued to try to give substance to them.

The purge did, however, affect the *capacity* of the Party organization to mobilize the masses and confront local elites. Not only did the Party lose many capable organizers, but the purge itself (most notoriously in Shanghai) was carried out not by Kuomintang cadres (which might actually have strengthened the Party) but by local leaders and their cohorts, most notably Du Yuesheng and the Green Gang. These leaders were then able to fill the vacuum created by the ouster (or worse) of Communist cadres.³ In doing so, such local leaders were able to expand and consolidate their influence perhaps well beyond the level which they had achieved prior to the start of the revolutionary movement.

The purge also had another effect. By identifying the Communists with “destruction” and continued struggle, the purge undermined the ability of the Party organization to contest the continued independence of organizations like the Shanghai General Chamber of Commerce. When the Party came into conflict with such organizations, as it inevitably had to, it was immediately vulnerable to the charge of stirring up class conflict and hence to the charge of Communist contamination.⁴ The vulnerability of the Party to such charges ultimately made it impossible for it to maintain control over the interpretation and implementation of Party ideology.

This demise of ideological and organizational coherence is particularly visible in Party efforts to organize and control merchants. Unlike the labor and peasant movements, which were dominated by Communist cadres and consequently decimated in the purge, the merchant movement had developed (apparently) under purely Kuomintang auspices. It thus survived the purge intact and with its ideology unchanged. It still believed that it should “arouse [merchants] for political struggle . . . [and work to] break down the merchants’ psychology of ‘When in business speak only business’ and ‘Don’t ask about politics.’ ”⁵ It continued, in other words, to seek a fusion between business and politics (and hence ideology). The Merchant Associations thus provide a fascinating case study of a Party organization possessed of “pure” Kuomintang ideology in the period after the seizure of power. The ultimate collapse of the Merchant Associa-

tions, like the failure of “second revolutions” in other authoritarian regimes, would mark the triumph of state over Party.

The Emergence of Conflict

The authority of the Merchant Associations and the chambers of commerce, we have noted, rested on very different bases. Whereas the Merchant Associations were to be an extension of the “public” authority of the Party, the chambers of commerce were “private” associations—and jealous of that status. In chapter 5 we saw that during and after the Northern Expedition, many members of the Shanghai General Chamber of Commerce supported Chiang Kai-shek. Such political and financial support, however, did not imply the members’ desire to surrender the Chamber’s status as a private association. On the contrary, they hoped that Nationalist success would enhance their ability to act as a private association. But the organization of Merchant Associations implied the extension of Party authority over society, including (perhaps especially) the chambers of commerce. It was a conflict in which compromise would be difficult if not impossible, for each stood as a threat to the legitimacy of the other. It is more than a little ironic that the support the Shanghai General Chamber of Commerce extended to Chiang Kai-shek implicitly undermined the authority of the Party by which Chiang claimed the right to rule.

The conflict between the chambers and the Merchant Associations became explicit in November 1927 when the Central Merchant Department issued a notice announcing that it intended to introduce a resolution at the Third Party Congress (then scheduled for January 1928) calling for the abolition of all chambers of commerce.⁶ The Shanghai General Chamber of Commerce reacted quickly by inviting the Zhabei and Nanshi Chambers of Commerce to a meeting the following day.⁷ The conferees considered the challenge to their existence great, and they decided to issue an appeal for support to all chambers of commerce in the area under Nationalist control. A meeting of the Inter-Provincial Federation of Chambers of Commerce (*Gesheng shanghui lianhehui*) was called for mid-December.

The Shanghai General Chamber of Commerce proposed to defend itself on several grounds. First, it disputed the meaning of the resolutions on the merchant movement passed by the Second Party

Congress. The Congress, the Chamber argued, had merely said that those old-style chambers of commerce which were manipulated by the comprador class should be gradually reformed by appropriate methods. The General Chamber of Commerce maintained that very few chambers were manipulated by the comprador class (it would later go further and denounce such accusations of comprador domination as “empty words without foundation”).⁸ Moreover, the General Chamber of Commerce argued that the word “reform” referred to weeding out bad members, not to the “annihilation” of the chambers themselves.⁹ There was no need to abolish chambers of commerce.

Second, the Shanghai General Chamber of Commerce continued, even the Central Merchant Department itself had admitted that the platform of the Kuomintang called for a “revolution of all the people” (*quanmin geming*) and not for class struggle. Yet in declaring that it would aid the middle and small merchants and help them organize Merchant Associations, the Merchant Department had adopted a strategy that divided the merchants and was therefore tainted by class struggle and in violation of the principles of a revolution of all the people.¹⁰ The language of the Kuomintang was already coming back to haunt it.

Finally, the Chamber said that all chambers were organized in accordance with the Chamber of Commerce Law. If their organization was bad, as the notice of the Central Merchant Department said, then all that was needed was to revise the law. The problem was a legal one and had no relation to the existence of chambers of commerce.¹¹ In making this legalistic argument, the Chamber was subtly denying that law was an emanation of ideology and thus making an argument for legal-rational authority and against Party rule.

When the Inter-Provincial Federation of Chambers of Commerce met on December 17, the Shanghai General Chamber of Commerce was provided with an ample display of support. Over one hundred delegates representing seventy-seven chambers of commerce in ten provinces attended. There is no question but that the views of the chambers received a good hearing. Among the many guests attending the opening session were Chiang Kai-shek, Dai Jitao, H. H. Kung (minister of industry), and Zhang Dingpan (mayor of Shanghai). The meeting was chaired by Feng Shaoshan, who, in his opening remarks, stressed that merchants and officials should work closely together. The warlords, he said pointedly, had not done so,

and as a result virtually nothing had been accomplished. Merchants should now exert every effort to help the Nationalist revolution so that the government could, "in accordance with the political principles laid down by Sun Yat-sen, proceed with an *orderly* reconstruction."¹²

Feng's concern was more than matched by the encouraging words of H. H. Kung. After first emphasizing the need for law and for cooperation between merchants and officials, he reminisced tellingly about his experience in Guangzhou:

I remember when I was in Guangzhou, the merchants, seeing the raging malice that the Communist Party [spread through] the peasants and workers, just let their heads droop and lost heart. After a while, some merchants asked me [what to do]. I said, "The peasants and workers have all united together, why do merchants alone not understand [the value] of unity?" Later the merchants applied themselves to organizing and were able to express their misery as a body. The government then had to accept their appeals and gradually made reforms. Therefore, I hope that you gentlemen will understand this point and *give the government something to follow.*¹³

Here was the brother-in-law of Chiang Kai-shek and one of the highest officials in the Nationalist regime encouraging merchants to stand together and defy the Party organization!

During the ten days of the meeting the Federation passed a number of resolutions dealing with such things as commercial law and taxation. It also decided to establish a head office of the Inter-Provincial Federation in Shanghai and branch offices in provincial capitals. These permanent offices were to work to "protect and preserve the long-term work of the chambers of commerce." Specifically, they were enjoined to participate in "government revisions of commercial affairs and laws affecting commercial affairs."¹⁴

When the meeting came to a close near the end of December, the Federation issued a manifesto that again blamed the Communists for sowing division within the commercial community and expressed hope for a "genuine unity of merchants."¹⁵ The manifesto also proposed that an economic conference be called to consider making commercial laws more in consonance with economic principles and the circumstances of China. Such laws would "cause the economy to become daily more stable and all types of political recon-

struction to proceed according to plan.” Finally, the manifesto issued a thinly veiled warning. Economic conditions, it said, had been particularly bad during the preceding year. If they did not improve, “then not only will the people’s livelihood be *in extremis*, but there will be no way to provide [funds] for the military payroll and government expenses. How will the great enterprise of unification be completed?”¹⁶

Reining in the Mass Movement: The First Phase

This attempt to abolish the chambers of commerce—and the determined response of the merchant elite—graphically illustrates the conflict inherent in the Kuomintang’s promise to lead a “revolution of all the people” and to “rule the nation through the Party.” The fact of the matter was that not “all the people” were willing to be ruled “through the Party.” The mass movement, intended to harmonize divergent interests and provide a basis for Party rule, was proving to be compatible only with Party rule—and the opposition to Party rule (ironically, even within the Party) was strong and varied.¹⁷ It was apparent that the role of the mass movement, and with it the role of the Party, would have to be reevaluated.

At this time, the winter of 1927–1928, the authority of Nanking was tenuous indeed. The divisions within the Kuomintang and the rivalries between military leaders had forced Chiang Kai-shek to “retire” in August 1927. Those divisions continued to exist. Moreover, the influence of the Party, both within the nation and in Nanking, was at a nadir. As Chiang returned to power in January 1928, he faced a formidable task of coalition building. In order to find a common denominator which could accommodate the diversity of interests, it was necessary to redefine the role of the Kuomintang, a task which could be given legitimacy only by a Party Plenum. Few thought that Chiang would be able to assemble a quorum, so it was cause for some surprise when the Fourth Plenum opened on February 3, 1928.¹⁸ At this Plenum the Kuomintang began a transformation from a nascent ruling party into a mere legitimating device.

The Fourth Plenum was a critical turning point for the Party. As Chiang Kai-shek frankly admitted, “The spirit of the Kuomintang is dissipating daily. . . . Today, the Kuomintang has a poison spread throughout its entire body.”¹⁹ The many factions within the Party

would have to be reconciled, the structure improved, and popular faith restored. The Fourth Plenum, said Chiang, was a “chance for the restoration [*zhongxing*] of the Chinese Kuomintang.”²⁰ But the methods by which the Fourth Plenum sought to “restore” the Kuomintang were in fact a major step toward the emasculation of the Party. Rather than attempt to define Party ideology, the Plenum tried to cover over differences with ambiguity.

The first step of the Plenum, and one which clearly sidestepped doctrinal disputes, was to blame all problems and divisions on the baleful influence of the Communists.²¹ Communist methods were purely “destructive” (*pohuai*) and excessive even for the military phase of the revolution. Now, as the period of tutelage neared, destruction had to be replaced by “construction” (*jianshe*). The key term now was “unity” (*tuanjie*). But the burying of differences under a rhetoric of construction and unity denied the Party the very combat environment which it needed to consolidate its ideological and organizational coherence.

This new emphasis on construction entailed a reevaluation of the mass movement. As the Plenum now viewed it, Communist tactics had separated the different parts of the mass movement—peasants, workers, youth, women, and merchants—from each other as well as from the Party center. As a result there had been struggle, conflict, and excess.²² Chiang Kai-shek in particular was critical of such excesses and sharply rebuked the local mass organizations for overstepping the bounds of their authority and breeding factionalism:

The mission of the Peasant Association Preparation Committeeen is only to plan for the healthy [organization] of the peasant associations. But they do not wait for preparations to be completed, but take themselves to be the representatives of the peasants. [They] interfere in political matters, carry out personal grudges, and dominate local [affairs]. The organization of unions was originally to advance the interests of workers and aid the workers’ livelihood, but because the views of the Kuomintang comrades are not united there are many cliques. Each clique wants to cultivate its strength and so uses the labor movement as its own bailiwick. First they exchange accusations and then they tear each other apart. The middle and lower Party branches were originally the foundation of the Kuomintang. The only principle for a foundation is to be steady and solid [*jianquan*], but people are changed in the morning and names are switched in the evening. As if this were not enough, they oppose each other, causing the people outside the Party to become dizzy

when they see it and those within the Party to be sorrowful when they hear of it. Alas!²³

As the Plenum saw it, such excesses, apart from the Communist influence, were the result of the immature leadership which the many students brought to the mass movement. The Plenum soberly intoned that the mass movement directly affected "people's real lives and the nation's real interests" and could not be entrusted to students. The physical and spiritual development of students remained incomplete; they still could not live without their parents' protection. If the affairs of the nation were left in the hands of such adolescents, it would "simply be making the lives of the whole body of the nation's society into the experimental objects of a child's game."²⁴

The task of the Plenum was to reverse this tide and create a "constructive" mass movement. The mass movement was now to help increase production, disseminate propaganda, and, when needed, boycott Japan. Building a constructive mass movement meant institutionalizing it and using it for concrete projects that would contribute to the social and economic development of the nation. Such mundane tasks as literacy and sanitation became important new goals, as did the protection of the lives and property of the people. Moreover, the masses were not to be aroused for abstract goals. As the manifesto warned,

If political proposals do not become concrete laws and if political organizations do not create long-term and tight [jingmi] institutions, then not only does all theory become empty words, but the social order, people's property and lives, and all things related to life are without guarantee. Certainly it is an important task of the Chinese Kuomintang which is building up the nation to arouse the masses, but it is especially [important] to establish order and guarantees for the citizens' lives.²⁵

Struggle was being replaced by administration.

The Plenum's concern with "construction" was paralleled by its emphasis on "unity." Mass organizations during the period of tutelage were to "cause all the oppressed masses to advance together toward the common goal of the National revolution."²⁶ As the interests of the people advanced in common, it was hoped that "all classes would gradually lose their class natures and become one party to social production."²⁷ As unity and social production became

goals of the mass movement, the “common interest” became the standard to which all separate interests were to yield. Whereas previously the goal of the mass movement had been to advance the interests of specific groups (peasants, workers, merchants, etc.) within the context of the whole, now the emphasis was reversed. The whole had to be developed before the interests of individual groups could be recognized. Thus the Plenum resolved that “prior to the development of agriculture, we simply cannot talk about the interests of the peasants. Prior to the development of industry, we simply cannot talk about the interests of workers.”²⁸ Accordingly, the Plenum forbade labor and student strikes as well as movements for rent reduction, higher wages, shorter hours, and other such “lazy acts.”²⁹

For all its criticism of past excesses and its exhortations for unity and construction, however, the Fourth Plenum did not propose abandoning the mass movement. On the contrary, it continued to emphasize the need for an ideologically guided mass organization. As Chen Guofu said:

If the Party has no mass movement as its rearguard, then the Party will have an empty political organization. . . . If there is a mass movement but no revolutionary Three Principles of the People as its kernel, it will easily turn into a chaotic situation.³⁰

While not as enthusiastic as Chen, Chiang Kai-shek likewise admitted that “divorced from the masses there is no revolution.”³¹ Moreover, the manifesto of the Plenum still demanded “arousing the force of the masses and calling on the people to struggle for the revolution.”³²

This endorsement lent an ambiguity to the Plenum’s resolutions on the mass movement. Efforts to tighten central control over the mass movement in fact heightened this element of ambiguity. Greater control was to be exerted by consolidating the various departments of the mass movement into the newly established Committee for Training the Masses (*Minzhong xunlian weiyuanhui*).³³ Although the committee was intended to correct the “adolescent destructive actions” of the past, the Plenum selected Chen Guofu, perhaps the leading advocate of a strong and active mass movement, to head it. While personally loyal to Chiang Kai-shek, Chen nevertheless hoped to build a strong and centralized mass movement and

thus establish the authority of the Party. International events were soon to intervene to strengthen both his hand and that of local Party activists. The Fourth Plenum had begun to redefine the mass movement and, whether it knew it or not, to circumscribe the role of the Party, but its resolutions remained ambiguous and the potential for Party rule was still not clearly eliminated.

The Conflict Continues

The Northern Expedition, which had stalled while the Party “purged” itself of its Communist allies and settled internecine quarrels, resumed in January 1928. Four months later, on May 3, Chinese and Japanese troops clashed outside the city of Jinan. A nationwide protest and boycott reminiscent of the May Thirtieth Movement was touched off. Students took to the streets, and merchants began another, and still more effective, boycott (and incidentally displayed the organizational progress which had been made in the preceding year). This new wave of nationalism encouraged the more militant Kuomintang leaders at both the central and local levels to start reactivating the mass movement. Chen Guofu, in particular, wanted to use his position as head of the Committee for Training the Masses to lead an active, centralized mass movement.³⁴

By midsummer, however, the passions generated by the Jinan Incident had quieted, and those not so enthusiastic about the mass movement began to assert themselves again. Proponents and opponents of an active mass movement were apparently evenly matched, for neither side could gain a clear-cut victory. This balance found expression in ambiguous policy. Unable to abolish either the chambers of commerce or the Merchant Associations, the Central Party Bureau tried to fudge the issues by demarcating spheres of activity for each organization. In late July or early August, the Party promulgated the Principles and Structures of Merchant Organization (*Shangmin zuzhi yuanze ji xitong*). Unfortunately, these regulations conflicted with the Resolution on the Organization of Merchant Associations (*Shangmin xiehui zuzhi an*), which was passed at about the same time. The former regulations specified that the chambers of commerce were to be peak associations based on trade associations (*tongye gonghui*). The latter resolution, however, said that Merchant Associations were to be based on individual merchants and that such individual members could form trade associations, presumably as

branches of the Merchant Association. This provision thus implied that the trade associations were to be based on the Merchant Associations, whereas the other regulations had specified that trade associations were to be the basis for chambers of commerce.³⁵

These conflicting regulations left the status of chambers of commerce ambiguous. If chambers were to be based on trade associations which were, in turn, based on Merchant Associations, then the implication seemed to be that chambers were to be organized indirectly by Merchant Associations. The Shanghai General Chamber of Commerce objected that if this was what was meant by the regulations, then it plainly "contradicted the facts." Furthermore, the Chamber said, if the regulations meant that trade associations *had* to be initiated by members of the Merchant Associations, then this implied that the existing trade associations—which were not so organized—were illegitimate. Such a conclusion, the Chamber warned, would "not be in accord with commercial feeling."³⁶

The objections of the Shanghai General Chamber of Commerce were seconded by the Inter-Provincial Federation of Chambers of Commerce, which warned that the government "should not be influenced by Communist [-sown] dissension and forcibly divide the merchants into two classes."³⁷ It went on to intimate that the government would not be able to survive without the support of the chambers of commerce:

If commercial organization is to be centered on the middle and small merchants [as were the Merchant Associations] then this is to discriminate against the chambers of commerce. If the Party does not care about the large commercial and industrial [businessmen], then they will feel afraid [*hanxin*]. Moreover, most of the heavy burden of developing commerce, industry, and foreign trade lies on the chambers of commerce. If the Party does not value them, then [the Party] will lose the faith of the whole nation.³⁸

This dispute over the legal status of the chambers prefigured a more serious debate in 1929. As the Third Party Congress started convening in March of that year, the Merchant Associations and chambers of commerce began to exchange accusations and threats. The virulence of this dispute strongly suggests that the Merchant Associations, even after two years of Nationalist rule, were very much the heirs of the middle-class populism of the May Thirtieth Movement and the spring of 1927. In language reminiscent of the

revolutionary period, the Party-run Merchant Associations (both at the central and local levels) launched a strong attack against the chambers of commerce. The opening salvo in this battle was fired by the Merchant Associations on March 18, 1929, when they appealed to the convening delegates to abolish the chambers of commerce. Closing the chambers of commerce, they told the Congress, would “resolve the greatest obstacle and [source of] conflict in the merchant movement during the past two years.”³⁹

Commercial organizations did not take lightly this threat to their independence. One group of trade associations, which included the Shanghai Bankers’ Association and the Shanghai Native Bankers’ Association, accused the Merchant Association and the local Party branch of making “false accusations.” By way of rebuttal these trade associations gave a long defense of their revolutionary record and invoked the authority of Sun Yat-sen:

Various Party branches have advocated unifying merchant organizations and strictly controlling the chambers of commerce which [they say] are dominated by “landed bullies and evil gentry.” We marvel when we hear this. The chambers of commerce are organizations of pure merchants. If they were in fact the bastions of the comprador class, landed bullies, and evil gentry as stated, then why would Sun Yat-sen in the plan he personally drew up for a Citizens’ Congress [*Guomin huiyi*] recognize clearly that chambers of commerce were pure mass organizations and allow them to select delegates to participate in the Congress? Moreover, the First Party Congress also clearly ruled that chambers of commerce are legitimate occupational organizations and have the right to participate in the Congress. Now to say that chambers of commerce are not legal organizations is to slander Sun Yat-sen and to forget the principles of the Party. Furthermore, at the time of the Northern Expedition, the [Shanghai] General Chamber of Commerce sent merchant investigation groups to various places throughout the nation to investigate, to collect secretly information for the Party, [worked] to make the whole of the Shanghai commercial community loyal to the Party, and raised money energetically for the military payroll. When the Central [Government] issued public bonds, the Chamber of Commerce raised the greatest amount of money. When the facts are like this and yet the chambers of commerce are called bastions of landed bullies and evil gentry, then one cannot avoid [the conclusion] that they are being deliberately slandered.⁴⁰

The bravado of this statement is striking. Here was a non-Party organization berating the Party for “slander[ing] Sun Yat-sen and for-

getting the principles of the Party”! The fact that the Chamber of Commerce could engage in such a dispute with the Party organization over the meaning of the Party’s ideology and revolutionary heritage is a clear indication that the “public” language of the Party was rapidly becoming privatized.

In response, the Shanghai Merchant Association issued a manifesto refuting the claims of the chambers of commerce. It was true, they admitted, that Sun Yat-sen had decided to permit representatives of the chambers of commerce to participate in the Citizen’s Congress, but in doing so, Sun was merely “responding to the environment of the time with a temporary method.”⁴¹ Moreover, the manifesto continued, whereas the First Party Congress had recognized the legitimacy of the chambers of commerce, the Second Party Congress—the resolutions of which took precedence—had referred to the “temporary existence” (*zhancun*) of the chambers. It went on to challenge the Chamber to explain the actions of Fu Xiaoan, chairman of the General Chamber of Commerce at that time, who “colluded with warlords and engaged in counter-revolutionary activity.” Finally, the manifesto imputed that the contributions of the General Chamber of Commerce toward military expenses were simple opportunism, for “the Chamber likewise purchased the bonds of warlord governments.”⁴²

At this time various Merchant Associations joined together to form a United Petitioning Delegation to carry their protest to Nanking. As they left for the capital, they issued a statement virulently denouncing the chambers:

We observe that the chambers of commerce at all levels [*geji*] have from the beginning coexisted with imperialism. Compradors and parasitic merchants met their [the imperialists’] every need. The facts of their reactionary collusion with imperialism and of their banding together with the warlords to oppress the middle and small merchants and to exploit the masses have long been apparent to the eyes and ears of the people. Ironclad proof of this is provided by Chen Lianbo, chairman of the Guangzhou General Chamber of Commerce, who [in 1924] used the merchant militia to oppose the revolutionary government. Therefore, this Party, in accordance with the resolutions of the Second Party Congress to aid the revolutionary merchants and keep the anti-revolutionary merchants under surveillance, organized Merchant Associations in various places and established the National Merchant Association. However, the anti-revolutionary elements are skilled at opportunism; they changed

their visages and flattered [the government] to gain a new and undeserved lease on life. Thus, [the chambers] continued to exist alongside the Merchant Associations and bring about a situation of antagonism. The Merchant Associations are hindered in their every move, and the merchants feel that leadership is divided [*yiguo sangong*]. The chambers of commerce have always been reactionary and must not exist; and at the present time there is especially no need for the divided [form of] organization which has developed.⁴³

With the Chamber of Commerce and the Merchant Association hurling these charges and countercharges at each other, the Third Party Congress convened in Nanking.

Reining in the Mass Movement: The Second Phase

As the first Congress to meet since the purge of the Communists and the establishment of the Nationalist regime, the Third Party Congress had to deal first and foremost with defining policy for the period of tutelage. How the Congress dealt with the mass movement, and hence with the organization of commercial associations, would greatly affect the role of the Party and its relationship to local society. The resolution to abolish the chambers of commerce was introduced by Chen Dezheng, the director of propaganda and commissioner of education in the Shanghai Party branch. This resolution was clearly designed to enhance the authority of the Party on the local level and to carry the revolution to what he and many Party activists thought was its logical conclusion. The Congress (which was cut short by a military threat) did not vote on Chen's resolution. Nevertheless, its manifesto and resolutions were clearly against such thoughts of a "second revolution" as embodied in Chen's resolution.

In its manifesto the Congress grieved that the revolutionary struggle had unfortunately whetted the Party members' desire for political power and had decreased their real knowledge and ability. Party members were vague about Party ideology, had distorted it for their own purposes, and had begun to entertain wild hopes.⁴⁴ Such faults were the legacy of cooperation with the Communists. In words that echoed the chambers of commerce's accusations against the Merchant Associations, the Congress warned that, "although Commu-

nist Party elements have been gradually eliminated, the methods, attitudes, and so forth which they left behind in the Party have still not been washed away.”⁴⁵ In order to correct these deficiencies, it was necessary to tighten Party organization, increase centralization, and, most of all, concentrate on “real and concrete construction” to “show the people the reality of the Three Principles of the People.” What the people wanted, the manifesto concluded, was social order and economic progress; not empty ideology and struggle:

The civil wars of the past decade have long since reduced the people to poverty. Formerly, in order to relieve the misery of the people, some demanded constitutionalism, others demanded self-government for allied provinces, and still others demanded class struggle. The result [of these demands] was not only not to relieve [the burden of the people], but to imperil the existence of the nation and to deepen the suffering of the people. This proves that what the people demand is not empty, biased, and abstract theories [*yilun*], but rather the pacification of the social order, the elimination of rural bandits, the expansion of agriculture, industrial, and commercial production, and the resolution of the four great needs: clothing, food, shelter, and transportation.⁴⁶

The area in which such “abstract theories” most clearly abounded was the mass movement. In a passage worth quoting at some length, the Congress roundly condemned the excesses of the mass movement in the past and emphasized the need for construction in the future. It listed the problems of the mass movement as follows:

First, the mass movement of the past did not decide beforehand on its basic method; it was simply a movement to arouse the masses. . . . [However], the masses themselves had no method and those who directed the mass movement had no method for guiding them. As a result the masses fell into a state of wanton action and rioting.

Second . . . [the movement] took only a part of the people, a minority of the people, and considered this a movement of the masses. It did not use a part of the masses in a movement to assist the social organization of the vast majority of the people.

Third, during the earlier period of military conquest, the methods and organization of the mass movement were very far from perfect. [When these methods] were carried into the period of tutelage, their great weakness and unsuitability was immediately exposed. Even the methodological and organizational strengths of the mass movement during the period of military conquest have become completely unsuitable by being con-

tinued into the present period of tutelage. Indeed, the work of the period of tutelage is very different from the work of the period of military conquest. The work of the past lay in revolutionary destruction; the work of the future lies in revolutionary construction.⁴⁷

In the future, the resolution went on to say, the mass movement must concentrate on the needs of the people with respect to their social existence and on the importance of increasing production.

Although the Third Party Congress did not deal directly with the dispute between the chambers of commerce and the Merchant Associations, its criticisms of past errors in the mass movement, its warning that "Communist" methods and attitudes remained within the Party, and its emphasis on social order, construction, and increasing productivity left no doubt about the direction of future policy. Chen Dezheng and other Party activists who continued to want to "rule the nation through the Party" were becoming an unwanted legacy of the past. The regime had decided to leash the Party and make its peace with the local elite.

The Conflict Turns Violent

The conservative tone of the Third Party Congress was opposed by local activists. Wang Yansong, the leader of the Shanghai Merchant Association, told the press that he still considered the unification of commercial organizations to be an urgent affair. He urged that there should be one and only one organization for each type of business in each district, and that all organizations should be under the supervision of the Party.⁴⁸ Coming as they did as the Congress drew to a close, Wang's remarks were a clear indication of (at least) local Party dissatisfaction with the direction policy was taking.

In April (about a month after the close of the Congress), this dissatisfaction boiled over in violence. Perhaps in an attempt to force their views on the Central Executive Committee, local Party activists provoked a dispute with the Shanghai General Chamber of Commerce. On April 22, the Shanghai Merchant Association created a disturbance at the Chamber of Commerce building. The following day, the National Salvation Association (*Jiuguo hui*), also a Party-run organization, decided to appropriate one of the Chamber's more lavishly decorated rooms for its own use. Although the

Association already had offices in one of the Chamber's rooms, it decided to forcibly occupy the better quarters. Association members forced open the locked room they desired, moved out (and damaged) some of the furniture in the room, and moved in their own office supplies. The willful arrogance of the Association provoked the standing committee of the Chamber of Commerce and a heated dispute ensued. The next day the Chamber of Commerce issued a statement that, effective immediately, it would suspend work and wait for the government to resolve the incident according to law. It could not, it said, carry out its responsibilities under the threat of "riot and intimidation."⁴⁹

An interesting glimpse into the differences between the Shanghai Municipal Government and the Shanghai Party branch (and one which illustrates the growing supremacy of the bureaucracy over the Party) is provided by their opposite reactions to the altercation at the Chamber of Commerce building. The Party organization issued a statement accusing the General Chamber of Commerce of "slandering" the National Salvation Association and warned that it would "punish severely" the Chamber of Commerce. In contrast, the city government, ignoring the Party organization, immediately ordered the main gate of the Chamber compound closed and asked the Settlement authorities to post police there to prevent a recurrence of violence. It clearly took a dim view of the Party's threats and denounced the actions of the National Salvation Association as "undermining of authority and an insult to the nation" (*sangquan ruguo*).⁵⁰

Despite the seeming triviality of the incident itself, the emotions underlying it were such that there was no easy solution. Zhang Qun, the mayor of Shanghai, asked Yu Xiaqing to settle the affair directly with Party cadres Chen Dezheng, Wang Yansong, and Wu Kaixian. Yu at first issued a conciliatory public statement calling the incident a "small matter," but the next day, finding mediation impossible, he withdrew.⁵¹ There was no room for compromise.

On May 2, the Central Party Bureau intervened in the dispute and ordered all commercial groups to stop functioning immediately. It appointed a thirty-two-person Committee for the Reorganization of Commercial Groups in Shanghai Special Municipality (*Shanghai tebie shi shangren tuanti zhengli weiyuanhui*) to oversee the unification and fundamental restructuring of all commercial organizations.⁵² At first glance it seems as if the local Party branch had triumphed. That

is how many foreigners at the time interpreted events, and that is the interpretation presented by Parks Coble in his recent work.⁵³ The facts, however, support Tachibana Shiraki's judgment that this unification enhanced the power of the commercial elite.⁵⁴

The outcome of this affair may have been affected by changes in Nanking, for even as the tension was increasing in Shanghai, the balance of power on the Central Executive Committee was shifting in a conservative direction. In April, Dai Jitao had replaced Chen Guofu as the Minister of Training, and he had begun immediately to clamp down on local activism.⁵⁵ In fact, the reorganization of commercial groups would come out so much in favor of the merchant elite that one wonders why the Merchant Associations were not simply abolished. The answer was simply that by "unifying" the commercial organizations, the Central Executive Committee could salvage some "face" for local Party activists.⁵⁶

That the reorganization of the commercial community would favor the merchant elite was ensured by the composition of the Reorganization Committee. Of the thirty-two people appointed to the Committee, seven were from the General Chamber of Commerce, two from the Zhabei Chamber of Commerce, four from the Nanshi Chamber of Commerce, nine from the Bankers' and Native Bankers' associations, nine from the Merchant Association and National Salvation Association combined, and one from the local Party branch. Thus, only ten members, less than one-third of the Committee, could be considered merchant activists. Moreover, of the standing committee of seven, five were clearly members of the merchant elite; the chairman of the Committee, Yu Xiaqing, was on record as opposing the position of the Merchant Association and the local Party branch.⁵⁷

Over the following month and a half this Committee presided over the unification of commercial organizations under the auspices of the newly established Shanghai Special Municipality Chamber of Commerce (*Shanghai tebie shi shanghui*). The domination of this Chamber by the merchant elite was demonstrated when the Reorganization Committee requested the long-established trade associations (rather than the Party-organized Merchant Associations) to send representatives to a June 21 meeting to select the new Chamber's first executive and supervisory committees.⁵⁸ Of the fifteen-person executive committee only four members represented the constituents of the former Merchant Association or the Federation of

Street Associations.⁵⁹ When, on July 1, the executive committee selected a five-member standing committee, the dominance of the commercial elite was even more evident. Wang Yansong was surrounded by banker Xu Jiqing (later named chairman), Wang Xiaolai, Yuan Lüdeng, and Ye Huijun—all of whom were established leaders in Shanghai's commercial world.⁶⁰ What is more, progressive merchants such as Feng Shaoshan, Wu Zhihao, and Zhao Nangong, who had risen with the relative democratization of the Chamber in 1920, now faded from sight. This evidence bears out Negishi's assertion that the new Chamber reflected a revivification of China's old guild spirit.⁶¹

The End of the Mass Movement and the Imposition of State Corporatism

The model of interest organization that was envisioned by the Party organization and which found imperfect expression in the Merchant Associations was very much a “monist” model linking individuals to the state through a hierarchical network of Party-controlled associations.⁶² The creation of such a monist model implied the breaking up of all preexisting associations, which derived their authority from non-Party sources, and the subsumption of their members into a new Party-dominated structure. In denying the legitimacy of alternative forms of interest organization, such a monistic structure reflected the solipsistic claims of the revolutionary party. When the attempt to abolish the chambers of commerce and replace them with Merchant Associations failed, the possibility of monism (not very great in any case)⁶³ passed from the scene. With it went the authority of the Party. It was replaced by a form of interest organization better described as state corporatism (to be discussed below). This final emasculation of Party authority and the institutionalization of state corporatism is clearly visible in the resolutions of the Second Plenum (of the Third Central Executive Committee) and in the promulgation of a new Trade Association Law and a new Chamber of Commerce Law.

When the Second Plenum opened on June 10, 1929, it added its appeal for what was rapidly becoming the cliché of the postrevolutionary period: unity, construction, and peace.⁶⁴ Just as destruction had been the task of the Party during the military phase, so con-

struction was the responsibility of the government during the period of tutelage. Those who continued in destruction (implying Party militants at the local level) were denounced as a “harmful legacy of the past.”⁶⁵ The needs of the time had changed and such “reactionary elements” could no longer be tolerated:

In this period when the military phase has ended and the period of tutelage has begun, there are still within the Party a few bad and reactionary elements. Since the closing of the Military Disarmament Conference, we have repeatedly declared that the way to save the nation is through peace and unity. No one is to violate this. However, there are a few reactionary elements who continue in destruction. Therefore, in order to maintain the peace and unity of the nation, we cannot but severely sanction them.⁶⁶

The manifesto further warned that “those who destroy peace and unity . . . will be viewed as the public enemy of the whole nation.”⁶⁷ The resolutions of the Second Plenum were dedicated to restraining such elements by further tightening central control over local Party branches and reducing the scope of the Party authority.

The Plenum did not completely abolish the authority of the Party over associations. In what appears to be more a face-saving nod to the Party than a real concession to Party authority, the Plenum continued to recognize the Party’s role in supervising mass organizations. In regulations specifying procedures for establishing occupational groups, the Plenum allowed that the Party branch would be given primary authority to approve or disapprove petitions for new groups.⁶⁸

However, having confirmed the role of the Party in supervising the organization of groups, the Plenum then proceeded to limit the authority of the Party itself. First, in order to “unify authority and avoid duplication and disunity,” the Plenum resolved to concentrate all responsibility for mass organizations in the Training Department (*xunlian bu*), *explicitly* denying the Organization Department any authority in this area.⁶⁹ This move severed the mass movement from its original organizational anchorage—and from Chen Guofu.

Next, the Plenum moved to tighten the control of the Central Party Bureau over local Party branches. The qualifications of all Party branch representatives and candidates were to be submitted, both before and after each election, to the scrutiny of the next highest Party organ. The Plenum also announced the intention of trans-

ferring local Party workers to the Central Party Bureau for some time before letting them resume local work. The Central Party Bureau was also supposed to evaluate the work of each area at the end of every month and rank the cadres accordingly.⁷⁰

Furthermore, despite the Party's authority in approving the establishment of new organizations, once they were established the Party was limited to a "supervisory and supportive" role.⁷¹ The Plenum specified that the Party should concentrate on supervising the development of local self-government, which meant, in practice, issuing propaganda and investigating social conditions (i.e., collecting statistics). There was again no mention of any direct involvement by the Party organization; the actual planning for local self-government was under the jurisdiction of government organs.

Finally, in order to reduce further Party interference in local administration, the Plenum resolved that when a Party branch was dissatisfied with the actions of its corresponding unit of government, it was to make a report to the next highest level of the Party which would, if it approved, notify the governmental unit at its level to handle the matter. Likewise, if the local government unit was not satisfied with the local Party branch, it was to report to the next highest level of government, which would notify the corresponding unit in the Party organization. Local Party branches were thus denied authority to intervene directly in any judicial, administrative, or other matter of local government.⁷²

At the end of the summer, when the government promulgated the Commercial and Industrial Trade Association Law (*gongshang tongye gonghui fa*) and a new Chamber of Commerce Law (*shanghui fa*), the Party was even stripped of its authority to supervise the formation of occupational groups.⁷³ With the enactment of these two laws came the complete jettisoning of the monistic approach which had been embodied in the Merchant Associations. The idea of organizing commercial organizations as an extention of Party authority was rejected. In a complete reversal of the original program of the Kuomintang, the regime now decreed that commercial organizations should be under state (not Party) supervision, should have jurisdiction over commercial matters such as disputes, and should assist the state to manage the economy by submitting suggestions, compiling statistics, and stabilizing the market in case of panic.

In stark contrast to the militant regulations of the Merchant Associations, neither the Trade Association Law nor the Chamber of

Commerce Law made any mention of completing revolutionary goals, of realizing the Three Principles of the People, or even of relieving the misery of the merchants. The purpose of commercial organizations was simply “to plan for the development of commerce, industry, and foreign trade, and to advance the common welfare of commerce and industry” (Article 1). Though the new laws still prohibited those who had engaged in antirevolutionary activities or had been deprived of their rights as citizens (presumably because of anti-Nationalist activity) from becoming members of trade associations or representatives to the chambers of commerce, this provision was a long way from those of the Merchant Associations which specified that “running dogs” of imperialists or warlords, “evil gentry and corrupt officials,” compradors, and priests were not permitted to join. Such revolutionary vocabulary was now notably absent.

By far the most significant change, however, was to make the trade associations—the very organizations which the Merchant Associations had been established to oppose and replace—the basic organizational units of the chambers of commerce. During the 1910s and 1920s, an increasing percentage of the Chamber’s membership had been made up of individual (rather than trade) representatives and this trend may well have contributed to the internal strife which developed within the Chamber. By confining membership to representatives of trade associations, the new regulations were, in effect, turning back the clock to the early 1900s when the Chamber had emerged as a type of supra-guild. Moreover, by reestablishing chambers of commerce as strictly peak associations, the new law completely contradicted the organizational basis of the Merchant Associations (which had been built on widespread individual participation) and thus underscored the rejection of that pattern.

A resolution of the Standing Committee of the Central Executive Committee explained the reason for this change as follows:

The new Chamber of Commerce Law prescribes that the organizational foundation of the chambers of commerce is to be shops and trade associations; they are not to take natural persons [*ziran ren*] as their organizational foundation. The import of this legislation is entirely in accordance with the age-old customs of China, and corrects the defects of the previous [law] promulgated by the Peking [government] which allowed individuals to enter chambers freely. At the same time it also eliminates the disputes of the last several years [caused by] the adolescent merchant movement of various places. Because the goal of the chambers of commerce is to develop commerce and industry, and not to solve the individ-

ual problems of merchants, their [the chambers'] nature is entirely different from that of the so-called Merchant Associations.⁷⁴

The resolution goes on to say that, unlike in Germany and elsewhere, in China small businesses should be included as members of trade associations. Doing so would be consonant with China's tradition and (more importantly!) would prevent shop employees from organizing a separate union (such as the Merchant Associations) which would exacerbate tensions. Thus the middle merchants, who had worked for ten years to establish alternative associations, were to be "represented" by an organization which was clearly run by the merchant elite. In a final invocation of the past, the resolution concluded that "in order to protect and nurture commercial and industrial groups, it is best to adopt the spirit of the *landsmannschaften* system [*huiguan zhidu*]."⁷⁵

This final emasculation of Party authority and the consolidation of commercial organizations into the reorganized Chamber of Commerce brought into being a unitary, noncompetitive, hierarchical structure of interest organization which was, on the one hand, largely self-governing (and clearly free of any direct Party interference) but was, on the other hand, subordinate to (and indeed brought into being by) state authority. This pattern of interest organization accords well with the model of corporatism developed by Philippe Schmitter. He has defined corporatism as follows:

Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports.⁷⁶

Schmitter has further distinguished between "state corporatism," which is imposed from the top down, and "societal corporatism," which is structurally similar but is associated with advanced capitalist societies. Clearly in the Chinese case the development of corporatist structures came as the result of vigorous state action. The forceful subordination of labor organizations has long been known; the use of such organizations for controlling merchants has, however, gone unnoticed.

The imposition of state corporatism did not mark the suppression of merchants (such regimes often treat labor and capital very differently). As Schmitter remarks elsewhere, “the hallmark of corporatism is the exchange of a legal monopoly on representation and guaranteed access to decision-makers in return for compliance with certain limitations on behavior.”⁷⁷ This emphasis on the exchange relationship seems to be particularly applicable to the Shanghai Chamber of Commerce. The consolidation of commercial organizations clearly gave one group a representational monopoly. Moreover, that monopoly seems to have been granted to a specific and limited segment of the Shanghai merchant elite. The groups that we identified in chapter 5 as the national financial elite and those centered around Yu Xiaqing seem to have been the clear beneficiaries. Fu Xiaoan had been driven from power, and the middle merchants were disenfranchised. Clearly those who were willing to observe “certain limitations on behavior” derived benefits from the system.

It is significant that the imposition of state corporatism came at the expense of the very merchants who had supported the Kuomintang most vigorously. Such merchants, as the incident at the Chamber of Commerce building showed, were willing to go to considerable lengths to press their demands. The consolidation of commercial groups and the emasculation of the Party organization denied these merchants a separate channel for expressing their demands (just as it denied the Party a constituency for its organization). The advent of state corporatism thus marked a sharp reversal of the trends toward wider participation, more numerous and competitive associations, and greater democratization which typified the development of merchant organizations in Shanghai since at least the turn of the century. The brief era of open and competitive organization and expression of interests was over.

The disenfranchisement of middle-class merchants was reinforced by provisions in the new associational laws which explicitly limited participation and control within organizations. For instance, in contrast to the Merchant Associations which railed against the elitism of the past (for example, in the manifesto of the Bean and Rice Industry Merchant Association), the new Trade Association Law specified that associations be composed of companies or shops which were each to “send one or two persons, limited to the manager or other important person” as its representative(s) to the association.⁷⁸ Moreover, the Chamber of Commerce Law decreed that chamber

affairs were to be conducted by a standing committee of no more than fifteen members. This narrowness of control contrasts with the regulations of the old chamber of commerce law. Under that law (which had, in the past, been attacked as overly exclusive), membership on the standing committee was required to be between twenty-five and thirty-five members. At the same time that the new law contracted the size of the ruling body, it lengthened the terms of its members. The previous practice had been to select new standing and supervisory committees every year; the new law specified terms of four years, with half of the members to be elected every two years.

The dispute between the Merchant Association and the Shanghai Chamber of Commerce was a manifestation of the tension inherent in the Kuomintang's claim to rule as a revolutionary party, its ideology of a "revolution of all the people," and the co-optation of elites by the Nationalist regime. A strategy of co-optation was simply incompatible with the creation of a party state. The sort of mass movement *cum* party rule envisioned by Sun Yat-sen, Zhou Fuhai, and others, in which the authority of the Party would offset the greater resources and organizational ability of the elite, proved impossible to maintain. Such a middle position was crushed between the proponents of Party rule and those who would do away with the authority of the Party altogether. The ironic trade-off was that as elites accepted the vocabulary of the Kuomintang, they did away with the ability of the Kuomintang to interpret that vocabulary authoritatively. When the Kuomintang no longer had a monopoly over its own vocabulary, it no longer had the ability to rule.

In Shanghai, at least, the suppression of the mass movement and the gutting of Party authority brought about a "representational monopoly" which reversed long-term trends on the local level. The Shanghai Chamber of Commerce no longer faced competition from street associations or Merchant Associations, much less labor unions. Its position in the *ordre matériel* was assured and even guaranteed. The new representational monopoly halted the trend toward middle-class populism and reinforced the position of the elite. It did so, in part, by reestablishing the trade associations as the basis of representation. In 1924 there had been only 121 members of the Chamber of Commerce representing guilds, trade associations, or native-place associations, as opposed to 430 members who represented individual stores and companies. By 1934 there were only 44

members representing individual companies and stores. The number of members was also reduced in the same period from 551 to 401 (a decline of 27 percent).⁷⁹ Moreover, the geographical basis of the Chamber became even more restricted. Always the leading group, those from Zhejiang increased their dominance of the Chamber from 86 percent in 1923 to 95 percent in 1928.⁸⁰ Finally, the merchant activists, those we have called the Young Turk faction, faded from sight. The 1934 list of executive and supervisory committee members reveals *no* merchant activists.⁸¹ Elite dominance of the Chamber was complete.

This reassertion of elite control was underscored by the dissolution of the Shanghai Federation of Street Associations and its component branches.⁸² This step, taken in October 1928, clearly foreshadowed the outcome of the clash between the General Chamber of Commerce and the Merchant Association. At the same time, populist leaders who had risen in challenge to the commercial elite began to disappear from the scene. A warrant for the arrest of Feng Shaoshan, perhaps the chief beneficiary within the Chamber of Commerce of the KMT's policies in the spring of 1927, was issued in July 1928.⁸³ In 1930, Chen Dezheng, the fiery head of the propaganda department, was arrested and jailed for a year—allegedly at the behest of Yu Xiaqing.⁸⁴ Wang Yansong continued to prosper as a merchant, but he was deprived of his leadership role in Shanghai's commercial organizations.⁸⁵ Thus in the two years following the split with the Communists, the Nanking regime moved continuously, if not always steadily, to deflate the mass movement and curtail Party activists. The experiment with Party rule came to an inglorious end.

In 1932, Chiang Kai-shek declared that “the Chinese revolution has failed.” The Party, he said, no longer possessed the revolutionary spirit it had in 1924.⁸⁶ The evidence from Shanghai indicates that this loss of vigor resulted from a consistent and conscious effort to enervate the local Party branches. If the Party in later years became entrenched in bureaucratic routine and lacked a “larger vision of the political requirements of the time”—as Melville Kennedy has observed⁸⁷—then the reason seems to be that the vitality of the Party was sacrificed to the interests of the local elite. The beneficiary of this was, of course, Chiang Kai-shek who, despite his lamentations, used the decline of the Party to enhance his own indispensability.

PART THREE

THE CHINESE EXPERIENCE IN COMPARATIVE PERSPECTIVE

The Nanking Regime as a Case of Authoritarian Rule

In the course of this study we have traced several themes that are familiar to students of authoritarian regimes in general and of interwar fascism (broadly defined) in particular. We have noted the divisions within the Shanghai merchant community, the rise of an organized and militant middle class, and the support of that middle class for the Kuomintang. We have also noted that the ideology of the Kuomintang was a critique of both Bolshevism and liberal democracy. It not only opposed class struggle, it rejected both the practice and premises of liberal democracy. In doing so, it very self-consciously presented itself as a “third way,” a route which could simultaneously avoid the pitfalls of capitalism and garner the fruit of socialism. This picture of a nationalistic movement supported by a vulnerable and radicalized middle class—and then rejecting that middle-class support in favor of elite co-optation—resonates so well with the European experience that one feels compelled to look at the comparison more closely. While trying to avoid the pitfalls of forcing the Chinese experience into the European mold (or vice versa), exploring the extent to which these different cases can be considered as belonging to a common political genus is an important and useful exercise. This chapter attempts to probe these parallels by outlining the development of authoritarian regimes in Europe and then using this model to look at features of the Chinese case which seem important for the evolution of Nationalist politics in the 1930s.

Drawing on the work of Juan Linz, Samuel Huntington, and others,¹ the present approach attempts to define a structure of relations that may be called “authoritarian.” In particular, Linz, in his

path-breaking article on Spain, suggests a number of variables and characteristics which define authoritarian regimes as *sui generis*, distinguishable from both democracy and totalitarianism.² Three variables in particular stand out and can, I think, be considered as a defining syndrome. These are an indispensable leader, a heterogeneous elite, and a "mentality." Although we will want to explore these features in some detail below—and to analyze why they emerge, how they interact, and their implications for the polity—it is appropriate here to sketch briefly a model of authoritarian rule.

"Mentality," Linz has suggested, may be distinguished from ideology in that the former is past- or present-oriented, diffuse, ill-defined, and contradictory whereas the latter is future-oriented, utopic, cohesive, and systematic. Regimes which have a mentality are characterized by their "pragmatism" and a tendency to sanction contradictory policies with the same "ideology." Such a situation is described by Stanley Payne when he writes of Franco's Spain: "The eclectic composition of Franco's cabinet and the opportunistic compromises of his policies left even his supporters hard put to make a viable definition of his regime and its structure."³

The lack of ideological definition both contributes to and results from a heterogeneity of the elite. The diffuseness of a mentality permits and encourages the absorption of a wide range of elites into the regime. "Heterogeneous" implies that regime elites are not just different but represent and promote mutually antagonistic interests. In Riggs' terms, they are "poly-normative."⁴ Again, the situation in Spain is illustrative. Franco, we are told, maintained a "pragmatic balance of interests" relying alternately, or simultaneously, on such groups as army extremists, Falangists, monarchists, and clerical reactionaries.⁵ Such an eclectic coalition of elites further dilutes and undermines the coherence of the ideology.

Holding together such a collection of conflicting elites in the absence of a normatively compelling ideology requires an indispensable leader. Chiang Kai-shek, like other authoritarian leaders, reserved for himself the ability to promote or demote, to hammer out compromises or to delineate spheres of authority, and to have the final say on public policy. By maintaining a certain "uncommittedness" to any single elite interest, the authoritarian leader is able to mediate between divergent sectors. To the extent that he becomes the sole link between the different parts of the coalition, he makes himself indispensable. In Chiang's case, he both demonstrated and

enhanced such indispensability when he "retired" in 1927 and again in 1931.⁶

These three characteristics—mentality, elite heterogeneity, and indispensability of the leader—are not isolated features but form a mutually reinforcing syndrome. The heterogeneity of the elite reinforces the tendency toward mentality as well as the need for a leader to arbitrate among diverse interests. Mentality gives the leader greater latitude in arbitrating, because his freedom of action is bound by neither procedural rationality nor ideology. Mentality also contributes to the heterogeneity of the elite by allowing co-optation without conformity to any standard. Finally, the leader uses his indispensability to keep elites apart and in conflict which enhances his freedom of action and simultaneously perpetuates elite heterogeneity and mentality.

Defining a model of authoritarian rule in terms of such a syndrome allows us to abstract it from a specific historical setting and get away from the "laundry list" approach which plagues much of the literature on authoritarian rule in general and fascism in particular.⁷ Rather than list the characteristics which are associated with or differentiate a particular form of rule, the present approach emphasizes the interrelationship of a small number of variables and the extent to which they define an identifiable mode of politics.

This approach allows us to consider a large number of examples occurring over a wide range of economic development as belonging to a common political genus. Thus, despite the enormous differences between, say, Salazar's Portugal and Hitler's Germany, they can nevertheless be seen as varying along a continuum from high mobilization/high confrontation to low mobilization/low confrontation.⁸ This approach allows one to "measure," however heuristically, the impact of, say, economic development or urbanization on a model of authoritarian rule.

Authoritarian regimes, however, do not emerge on the scene full-blown; they are responses to, and are conditioned by, specific economic, social, and political conditions. The comparison of the origins of a number of authoritarian regimes reveals a constellation of factors which seem conducive to the development of one-party authoritarian movements. Such similarities compel us to consider the extent to which the rise of Nationalist rule, for all of its historical uniqueness, represented one example of a more general "authoritarian response to modernization." More important for our under-

standing of the dynamics of authoritarian regimes is the extent to which they possess a common set of tensions which influence their development. In this regard, we will consider the organic conception of state and society favored by these movements and the problems it creates for party rule. Finally, we will suggest some of the implications of authoritarian rule for understanding the development of Chinese politics in the 1930s.

The Authoritarian Response to Modernization

Kuomintang ideology, as we have seen, offered both a critique and a program for transcending liberalism. It is not surprising that liberalism failed to develop in China (there was little reason to expect that it would). But the “failure” of liberalism was important to the Kuomintang, providing it with a mirror reversal of what “real” democracy should be. Where liberalism in China was associated with a weak state and an absence of national purpose, the Kuomintang promised to reinvigorate the state and reassert China’s position in the world. Where liberalism was a model imported from abroad, the Kuomintang offered to return China to its national traditions. In viewing liberalism as a “foreign” ideology which betrayed national traditions, provided no positive goals, and weakened the state in the face of foreign threats, China was by no means unique.

Whether one looks at conservative authoritarian regimes, such as Salazar’s Portugal and Franco’s Spain, or at radical authoritarian regimes, such as Fascist Italy or National Socialist Germany, it is apparent that each rose in response to the “failure” of liberal democracy. In Portugal, the Republic “was characterized by disorder, chaos, and a long-term trend toward fragmentation, polarization, and anarchy.”⁹ In Spain, the Republic was abandoned by the left even as it was attacked by the right.¹⁰ In Germany, the Weimar Republic never escaped the odium of signing first the surrender and then the peace treaty;¹¹ in Italy, the Republic was hamstrung by economic crisis, instability (six governments in the three postwar years), and corruption.¹² In no case had parliamentary democracy gained widespread legitimacy; in each case crisis—economic, social, and national—transformed an absence of consensus into outright hostility.

It has been suggested that this crisis of legitimacy is really a dual

crisis. On the one hand, the search for “wealth and power” (to use the Chinese metaphor) and the consequent importation of new ideas and the emergence of new elites are sufficient to undermine the legitimacy of the *ancien régime*, but the weakness and often geographical isolation of industrialization efforts and other forces of “modernization” are by no means sufficient to destroy the authority of traditional elites, particularly in, but not limited to, rural areas. The simple proliferation and diversification of interests (as the Chinese case amply demonstrates!) does not provide a basis for pluralism. An “agreement to disagree” does not emerge, and parliamentary democracy fails to gain legitimacy. On the other hand, the crisis of legitimacy is compounded by a developmental crisis in which an equilibrium between new and old elites not only undermines the old order but frustrates the acceptance of a new order. A point is reached (and where that point lies depends on particular historical factors within each nation as well as on the international situation) at which the traditional elite is no longer able to rule effectively yet remains strong enough to resist domination by new elites. At such an impasse it may become impossible to go forward or backward while mounting crisis makes the status quo untenable. It is at such point that authoritarian movements and ideologies are most likely to develop.

It is instructive to look at Marx’s analysis of Bonapartism as a response, in part, to such a “crisis of development.” According to Marx, bourgeois rule is thwarted by hostility and suspicion that divides “big landed property” (the Bourbons) from “high finance, large-scale industry, and large-scale trade” (the Orléanists). Weak and divided, the representatives of the bourgeoisie are incapable of ruling and descend instead into “parliamentary cretinism.”¹³ As a result, the National Assembly becomes alienated from the mass of the extraparliamentary bourgeoisie, which “does not understand how the bourgeoisie inside parliament can waste time over such petty squabbles and imperil tranquility by such pitiful rivalries with the President.”¹⁴ Above all, it is the “rivalry between capital and landed property” which leads the bourgeoisie into “petty jurisdictional squabbles, pettyfoggery, legalistic hairsplitting, and delimitational disputes.” Finally, only despotism can save the bourgeoisie from the “danger of its own rule.”¹⁵

The argument that authoritarian rule is a response to developmental crisis has been elaborated by A. F. K. Organski in his *The*

*Stages of Political Development.*¹⁶ According to Organski's interpretation, fascism (which he calls "syncratic government") is most likely to arise when there is particularly acute conflict between the old, landed elite and the new industrial and financial elite. This conflict is "based on the explosive tendencies of the modern sector to expand and to do so largely at the expense of the traditional portion of society."¹⁷ Syncratic government arises as a form of compromise which "give[s] each [elite] complete sway within its own economic and social sector."¹⁸ Specifically, Organski argues that there is a "danger point" (i.e., the point at which fascism is most likely to occur) when the percentage of the male population engaged in nonagricultural pursuits is between approximately 40 and 55 percent.¹⁹ Such a measure of modernity seems unduly restrictive and gives an unwarranted sense of scientific accuracy. It would seem that other factors such as the political importance of cities, the degree of labor concentration, political organization, and "lateness" of development are more relevant for the emergence of "syncratic government" than the numerical balance between the new and old sectors of the economy. Nevertheless, Organski's discussion has the virtue of relating "the rivalry of capital and landed property" to the developmental process and of specifying authoritarian regimes as a response to this conflict.

This interpretation of authoritarian rule has also been developed by A. James Gregor. While sharply critical of several aspects of Organski's analysis (particularly his contention that fascism slows down the rate of economic growth), Gregor agrees that fascism occurs as a response to a developmental crisis and hence should be considered (along with communism) as an "ideology of delayed development."²⁰ He argues that at least in the case of Italy, "A plausible case can be made for the thesis that Fascism was a mass mobilizing developmental dictatorship committed to the modernization of Italy's economy."²¹ Moreover, he suggests that fascism worked to overcome the crisis of development by, on the one hand, demobilizing both urban and agrarian workers and, on the other hand, "providing the working classes with a sense of community identity, of purpose and status . . . which provided some considerable measure of noneconomic satisfactions to the maintenance of collective morale during the protracted period of economic austerity for rapid capital accumulation, industrial development, and modernization."²²

Whereas the notion of a developmental crisis typified by urban-

rural conflict makes understandable the marginal legitimacy of parliamentary democracy and the inability of parliaments (given their limited legitimacy) to be able to overcome the crisis, Organski and others argue that such *immobilisement* is not enough in and of itself to give rise to authoritarian rule. What makes both urban and rural elites willing to accept authoritarian rule is the challenge from below.²³ Communist-led strike waves, the declaration of a Soviet republic in Munich, and uprisings in Hamburg and elsewhere provided an important boost to Hitler's fledgling movement just as the red scare of 1919–1920 in northern Italy and the widespread social disorder in the Po Valley presented the Fascists with an opportunity to appear as the bulwark against the "red menace." It is this challenge from below that hamstrings capitalist development and makes elites willing to turn to authoritarian rule. Thus, Solé-Tura has described fascism as a political "instrumentality" which overcomes an equilibrium "typified by a ruling class unable to resolve the crisis by ordinary means and a working class unable to bring about socialist revolution."²⁴ It has been pointed out that at the time of the authoritarian movement's seizure of power in Germany, Italy, and elsewhere (including Bonapartist France) there was no serious threat of socialist revolution.²⁵ The point, however, is that waves of social disorder provide authoritarian movements with much of their early momentum, that they are able to continue to manipulate effectively the specter of socialist revolution in their climb to power, and that, in any event, any attempt to overcome economic crisis and increase capitalist accumulation by lowering the wages of workers would be met by renewed outbursts of violence. Authoritarian rule is effective, in Organski's words, in "holding down mass consumption while permitting capital to accumulate in the hands of those who will invest at least a portion of it in capital goods."²⁶

This interpretation of authoritarian rule as a response to developmental crisis *cum* class conflict gives meaning to the oft-observed relationship between fascism and the middle classes. Although recent studies have pointed out that fascism was by no means an exclusively middle-class phenomenon, the general consensus seems to bear out Lipset's contention that fascism represents a "radicalism of the center."²⁷ As Palmiro Togliatti wrote in 1928, "The social basis of fascism consists of certain strata of the petty bourgeoisie in town and country. . . ."²⁸ Traditionally this middle-class support for fascist movements has been explained as a reaction against the

“squeezing” of the middle class between big business on the one hand and radical labor on the other. Lasswell, for instance, contended that, “Psychologically speaking . . . the lower middle class was increasingly overshadowed by the workers and the upper bourgeoisie, whose unions, cartels and parties took the center of the stage.”²⁹ Similarly, Germani has written, “It is widely recognized that ‘disequilibrium’ had caused loss of status (in terms of prestige as well as in terms of power and wealth) for the urban middle classes. . . . The advance of the working class was represented as an ‘invasion’ or ‘usurpation’ of status.”³⁰ Rapid socioeconomic change, inflation, economic crisis, labor unrest, and political mobilization combined to threaten the position of the middle classes and make them susceptible to the appeal of fascism.

Recently, De Felice, with regard to the Italian case, has advanced the controversial thesis that fascism was supported by an *emergent* middle class rather than a *déclassé* sort of people. According to De Felice, “Fascism as a movement was in large part the expression of an emerging middle class, of bourgeois elements who, having become an important social force, attempted to participate and to acquire political power.”³¹ This hypothesis, which seems to be consistent with the Chinese case, does not deny the fact that the middle classes reached for political power as latecomers when the political space was already largely occupied by others.³² The turn toward radicalism thus seems compatible with the difficulty these elements had in gaining a political voice. But whether one interprets the middle classes as becoming *déclassé* (as the German case suggests) or as an emergent political force (as De Felice argues), it seems that they, particularly in a period of economic crisis and rising class conflict, confronted unique economic and political problems which made them susceptible to the fascist appeal. While the appeal of fascism was broader than the middle classes, the recruitment of activists in the movement from the lower middle class or middle middle class was, as Linz argues, “decisive.”³³

Finally, the catalyst which provides authoritarian movements with the means to transform urban-rural tension, class conflict, and a mobilizable middle class into a political force capable of seizing power is a heightened sense of nationalism. This sense of nationalistic aspiration and frustration is perhaps best exemplified by the Italian case, in which the romantic nationalist poet D’Annunzio captured the nation’s imagination, avenged the “mutilated victory,”

and, in the process, humiliated the government in Rome by leading his band of adventurers to seize the city of Fiume. Not only did D'Annunzio express the frustrated nationalism of the Italians after the war, but the symbols, parades, and banners used by his group provided the model on which other fascist movements built themselves.³⁴ Perhaps even more than in Italy, in Germany nationalism provided the issue that simultaneously undermined the tenuous legitimacy of the Republic and catapulted the Nazis to power. The humiliation of the Treaty of Versailles was followed by the French occupation of the Ruhr in 1923 to enforce the terms of the Treaty. The "November criminals," it was said, had created the Republic and would never lift Germany out of its humiliation. As in Italy (and in China), nationalism seemed to dictate opposition to the government: "It was openly said that loyalty to the Fatherland required disloyalty to the Republic."³⁵

In Spain, a growing nationalism and the defeat of the Spanish in Morocco paved the way for Primo de Rivera's coup in 1923. For seven years patriotic feeling was the "only ideological basis" for Primo de Rivera's dictatorship.³⁶ For his son, José Antonio, the Jeje of the Falange, fascism was a force which would "not only save the political integrity of Spain but raise the country to a more prominent position in the new nationalist European order."³⁷ Finally, in Portugal, nationalism was one of the key impulses underlying Salazar's *Estado Novo*. Teotinio Pereira, an Integrationalist ideologue, expressed sentiments with which Kuomintang writers would have readily concurred when he said: "We must reject English parliamentarianism and our status as a *de facto* British colony. . . . We must restore Portugal to its true nature and its legitimate power through the erection of a corporatist system in accord with our own history and culture."³⁸ In their effort to build a national myth to support the *Estado Novo*, the Portuguese, not unlike the Germans, the Italians, and the Spanish—not to mention the Chinese—revived the memory of a more glorious past. They looked to the "glorious days of Rome and of incipient nationhood in the twelfth and thirteenth centuries, and above all to that model of state and society of the fifteenth and sixteenth centuries when Portugal achieved its greatest power and prestige as a nation."³⁹

This brief survey of the emergence of authoritarian rule in Europe suggests that there (as in China) such rule developed as a response to a particular type of crisis typified by an elite which was weak,

divided, and under challenge from below, from economic crisis, from a middle class which was vulnerable and hence prone to radicalism, and from a sense of frustrated nationalism which demanded the sort of strong leadership that a paralyzed government of uncertain legitimacy was unable to provide. Caught between the “parliamentary cretinism” of divided republican governments and the threat (probably more imagined than real) of socialist revolutions, people turned increasingly to authoritarian movements that promised to unite them on the basis of a common nationalism and give them a sense of purpose—and, in doing so, resolve economic problems at home and restore national prestige abroad. Authoritarian movements, in other words, presented themselves as a “third way” which could avoid the amoral individualism of capitalist society and the class war promised by revolutionary socialism. The basis of this third way was an organic conception of state and society.

The Organic Conception of State and Society

In 1910, Enrico Corradini addressed the founding conference of the Italian Nationalist Party. Turning Marxism on its head (or at least on its side), Corradini argued that just as the proletarian classes in the advanced capitalist nations had adopted socialism, it was now necessary for the “proletarian nations” to adopt nationalism in their struggle against the richer nations.⁴⁰ Whereas socialism had emphasized the conflict between classes within each society, the concept of a proletarian nation stressed the conflict between the rich and poor nations—and the consequent need for unity within the nation.⁴¹ Whereas socialism talked of distribution, authoritarian movements demanded cooperation for the sake of production. Unity behind a program of “productive socialism,” Benito Mussolini told his followers, provided a “common interest which cancels and suppresses the class struggle.”⁴² Like the Kuomintang in China, the authoritarian movements of Europe asserted the unity of the nation in a type of global “class struggle.” Within the nation, the benefits of socialism could be achieved without the price of class struggle.

Just as the socialist concept of class struggle demanded the unity of the proletariat, so the concept of a proletarian nation demanded the unity of the nation. The fundamental units of society were not, as liberalism asserted, individuals, or, as socialism posited, classes.

People derived their meaning from their participation in the collective life of the nation. As Alfredo Rocco, the Italian Fascist minister of justice, wrote:

Man lives and must live in society. A human being outside the pale of society is an inconceivable thing—a non-man. . . . Fascism replaces therefore the old atomistic and mechanical theory which was at the basis of the liberal and democratic doctrines with an organic and historic concept. . . . The important thing is to ascertain that this organic concept of the state gives to society a continuous life over and beyond the existence of the several individuals.⁴³

Thus, as Gregor has noted, “Individuals are products and not creators of society and the state. Society and the state are the sources of the fullness of self, and freedom is activity in conformity to law.”⁴⁴

It was the nation, then, that carried the values which gave meaning to the individual and whose claims must come before those of individuals or classes. The state accordingly had a special obligation to remain above class and party and to protect the common interest of the collectivity. In the words of José Antonio Primo de Rivera:

The *Patria* is a total, in which all individuals and classes are integrated; the *Patria* cannot be in the hands of the strongest class or the best organized party. The *Patria* is a transcendent synthesis, an indivisible synthesis, with its own goals to fulfill; and we want this movement of today, and the state which it creates, to be an efficient, authoritarian instrument at the service of an indisputable unity, of that permanent unity, of that irrevocable unity that is the *Patria*.⁴⁵

The assertion of the *Patria* as a “transcendental synthesis” above individual and class required that society be integrated into an organic unity. Above all, it meant that the radical individualism that lay at the root of liberalism must be denied. Liberalism, authoritarian movements argued, was built on an amoral individualism that left some to be crushed by the forces of capitalist exploitation while others, particularly big capitalists and landlords, were able to accumulate immense wealth and power. Liberal theory of the neutrality of the state became a thin guise for the domination of the state by a partial interest. Thus, the liberal stress on individual rights and the sanctity of private property ended by trampling the collective rights of the nation, abandoning all but the propertied classes to capitalist

exploitation, and destroying the fundamental unity of the nation. The benefit of the few was at the cost of the welfare of the many.

The organic conception of society, then, began by asserting the collective rights of the nation. Private property would be private only insofar as it was used for the common benefit of society. The state was to protect the common interest, restrain the abuses of the few, and protect the great masses of the people. On the fundamental task of the state to advance the collective rights of the people and to root out the amoral individualism that weakened the society, authoritarian movements as divergent as Nazi Germany and Salazar's Portugal concurred. The Nazi program declared, "The German National Socialist Workers' Party is not a narrow class party, but defends the interest of all those engaged in honest productive work."⁴⁶ In order to do so, Point 13 of the "unalterable" Nazi program called for the nationalization of all trusts and large-scale companies, while Point 19 demanded the abolition of Roman law (which "served a materialist world order") and its replacement by "Germanic law."⁴⁷ In Portugal, the constitution said that property, capital, and labor are all to have their respective social functions, but that the law is to "determine of the use or exploitation in accordance with the community aim in view."⁴⁸ In contrast to the Machiavellian tradition which separates ethics from statecraft, the organic conception of society insisted that the state address man's moral, spiritual, cultural, and social needs as well as his economic needs.⁴⁹ By integrating the individual into society and giving the state a moral purpose, there would be "structured participation rather than rootlessness and alienation."⁵⁰

Salazar's Portugal (and Franco's Spain) was, of course, vastly different from Hitler's Germany or even Mussolini's Italy. The cult of violence, the promotion of *Führerprinzip*, the use of police terror, the degree to which the state penetrated society, among other things, distinguished radical authoritarian movements from their conservative counterparts and ultimately led them in different directions. What is interesting, however, is that in their common hostility to socialist revolution and bourgeois liberalism, authoritarian movements, whether conservative or radical, whether in Europe or in China, were led to advocate an organic conception of society which asserts the primacy of the collectivity and the 'irrevocable unity' of the *Patria*. What is likewise common to authoritarian movements is their solipsistic claim that only they can provide the state with the

proper moral content and thereby make the state truly representative and prevent it from once again falling under the domination of some party or class and hence serving a partial interest. The organic conception of society thus leads naturally, perhaps inevitably, to the notion of a party state.

The Failure of Party Rule and the Emergence of Authoritarian Rule

Given their view of society and their identification of party as the repository of the public interest, it is ironic that no authoritarian movement has ever created a party state. Can this failure be related to their notion of an organic society? Two factors suggest themselves. First, the organic conception of state and society contains a fundamental contradiction between its promise to politicize the entire society and its commitment to *administer* (rather than restructure) class relations. As Gregor notes, authoritarian movements reject the “fundamental philosophical premise of the liberal economic and political order, [namely,] the distinction between self-regarding and other-regarding acts.” Under authoritarian rule, “*all* acts were other-regarding acts and *all* interests were public interests.”⁵¹ The entire society, in other words, was subject to political intervention. Yet even as society was to be politicized, the prevailing economic relations of society were to be preserved. The distinction between capitalist and worker was not to be abolished (certainly not in the short-run); only their conflict of economic interest was to be transformed into a common interest in production. The stewardship concept, by which property is entrusted to private interests subject to public supervision, affirms the political (and public) content of economic relations but denies the need for direct intervention and control. The administration of class relations, then, implies their *preservation*. The preservation of class relations, however, implies the co-optation of existing forms of social organization. Co-optation, in turn, yields the very leverage needed for the “party-ization” of society.

Second, and precisely because authoritarian movements do commit themselves to preserving class relations, they invite and, despite some misgivings, welcome the support of elite elements. It has often been noted that the authoritarian movements of Europe, like the Kuomintang in China, attained power not in opposition to, but in

collaboration with, large capitalists and landlords. It has been alleged, but it does not follow, that this fact makes authoritarian movements “tools” of the capitalists. Collaboration and co-optation do not transform authoritarian leaders into capitalist agents, but they do imply that there are criteria other than ideological purity for determining societal elites and hence that the authoritarian party is not free to remake society in its own image. The state may not become subordinate to the capitalists, but the party does become subordinate to the state. The “party-ization” of society is undermined by the atrophication of the party.

Thus, an organic conception of society, by recognizing the private stewardship of property, grants a de facto legitimacy to private claims that property was better administered in accordance with economic rationality and expertise than by strictly political criteria. Such a concession puts the party on the defensive, forcing it to justify its assertion of control rather than demanding that private interests justify their retention of control. Moreover, collaboration and co-optation sharply delimit the party’s arena of struggle. As a result, its effectiveness as a “combat weapon” is severely undermined. As Selznick points out, the fusion of ideology and organization characteristic of a combat party needs enemies; it needs a combat environment.⁵² By confining the party to administration rather than struggle, the organic conception of society undermines the party’s organizational integrity. In other words, Kuomintang ideology, like that of other authoritarian movements, implied an elaboration of commitments which ultimately make the party unable to fulfill its self-proclaimed mission.⁵³

The failure of party rule does not occur without conflict. The solipsistic claims of the party inevitably bring it into conflict with the state as the latter moves to co-opt societal elites and to delimit the authority of the party. As Franz Neumann has written with regard to Nazi Germany, “The claims of the party and the claims of the totalitarian state were obviously conflicting. If the state was to be supreme, the party could only be one of its arms, such as the civil service or the army, and perhaps less important than either.”⁵⁴ It is precisely such a conflict that lay behind Ernst Röhm’s idea of a “second revolution,” behind the radical stance of the Fascist *raz* in Italy—and behind the actions of the Merchant Association in Shanghai. However, if there is any single feature that distinguishes authoritar-

ian regimes from their Leninist counterparts, it is that in this test of claims the authoritarian party clearly loses to the state, whereas in the Leninist system the party emerges as superordinate to the state.

The subordination of party to state means that the radical heritage of the party—and the radical elements in the party—must be jettisoned. As Solé-Tura writes, “All fascist movements begin with the immediate expulsion of extremist elements as soon as they come to power. . . .”⁵⁵ This expulsion was certainly most dramatic in the “Night of the Long Knives” which purged Röhm and the S.A. (storm troopers, Sturm Abteilung), but it was none the less real in Italy. By early 1927, over two hundred thousand of the “most radical, the most idealist, and the most thuggish” of the Fascists had been purged and “the party had become a bureaucratic instrument of the state.”⁵⁶ The history of the Grand Council of Fascism reflected this atrophication. During the first decade of Fascist rule it met 139 times; in the twelve years from 1932 until 1943—despite the crucial nature of those years—it met only 47 times.⁵⁷ In Spain a weak and disorganized Falange was simply co-opted by Franco; the question of party rule was never allowed to come up.⁵⁸

In a similar fashion, the conflict between the Merchant Association and the General Chamber of Commerce expressed a rearguard and ultimately doomed effort by the Kuomintang to enforce Party rule and to sustain the organizational integrity of the Party. The clash took place on two levels. Ideologically, the Party’s effort implied an attempt to interpret Sun Yat-sen’s legacy so as to maximize the Party’s authority over private property and to minimize the degree of autonomy implied by the stewardship concept. Organizationally, it represented a continuation of the Party’s struggle against “corrupt elements” and “compradors” which had been so vital to its sense of mission in the revolutionary period. The way in which the Merchant Association and the Party organization lost this struggle was significant as well. The Chamber of Commerce, in its own defense, had evoked the mantle of Sun and charged that the Party’s propensity to continue to struggle was the result of Communist contamination. And the charges stuck. In granting victory to the Chamber of Commerce over the Merchant Association, Chiang Kai-shek implicitly severed the vocabulary of the revolution from its anchorage in the Party organization.

The significance of this divorce between ideology and organiza-

tion and its implication for party rule is made clear by comparison with the Leninist party. Leninist organization fuses ideology and organization; loss of ideological coherence and control threatens this fusion and undermines its ability to function as a combat party. As Jowitt points out, the idea of "correct line" is vital to Leninist organization. In Stalin's words, "*A correct political line is of course the primary and most important thing.*" A correct line is not just a statement of general principles but also "an authoritatively compelling and exclusive ideological-political statement that must be adopted and adhered to."⁵⁹ The same point is made by Linz when he hypothesizes that "a fully autonomous totalitarian system cannot exist without almost full control over the formulation and interpretation of the ideological heritage or context."⁶⁰

If, as I think reasonable, the Merchant Association's assault on the General Chamber of Commerce was part of a general attempt by the Party organization to maintain control over the formulation and interpretation of its ideology, then its failure was likewise a part of the Kuomintang's general failure to retain control over its own ideology. For the Kuomintang there could be no question of correct line. Ideological statements became platitudes that individuals and organizations were free to interpret in their own way. The Party was denied the ability to authoritatively interpret its own ideology. The lack of organizational coherence this implied was reflected in the absence of a commonly understood political vocabulary, both within the Party and without. As Melville Kennedy has written:

There was a basic lack of agreement in the use of political terms and in the understanding and interpretation of political concepts and institutions. There appeared to be no least common denominator of understanding for the definition and analysis of a wide range of political issues with the result that political discourse displayed a disconcerting lack of consistency. Using the same terms, writers frequently appeared not to be talking about the same things.⁶¹

The failure of the Merchant Associations was one sign among many that the promiscuous use of revolutionary vocabulary had received official (state) sanction.

This divorce between revolutionary vocabulary and party organization illuminates the question of mentality introduced above. As we have noted, Linz has suggested that a mentality may be distin-

guished from an ideology in that the former deals almost exclusively with the present or past whereas the latter has a utopic vision of the future.⁶² Elsewhere Linz has written that “mentalities are ways of thinking and feeling, more emotional than rational, that provide noncodified ways of reacting to different situations. Mentality is a *subjektiver Geist*; ideology is *objektiver Geist*. Mentality is intellectual attitude; ideology is intellectual content. . . .”⁶³ To put the distinction in Geertz’s terms, an ideology provides a “template for action”; a mentality does not.⁶⁴ While Linz’s distinction seems real and significant, it does seem to hinge too much on subjective criteria. Moreover, close examination reveals that mentalities often possess greater coherence than they are usually credited with. Gregor has argued persuasively that Fascist ideology in Italy possessed such a coherence,⁶⁵ and our discussion in chapter 4 likewise indicates that Kuomintang ideology was more than an “intellectual attitude.” Moreover, Linz’s comment that one does not find shelves of exegeses on mentalities clearly does not fit the Chinese case; there has been and continues to be a vast outpouring of writings elucidating the thought of Sun Yat-sen.⁶⁶

What seems critical—what makes one and not the other a “template for action”—is whether the vocabulary is anchored in organization. Whereas Selznick emphasizes that effective organization requires ideology, it seems equally important to emphasize that “ideology” requires effective organization.⁶⁷ In Italy, as in China, official doctrine possessed at least a reasonable coherence on the ideational level; what was lacking—in both cases—was an organization to enforce the meaning of those ideas in concrete situations. In both cases, the party was reduced to a legitimating device. The state legitimated itself on the basis of party doctrine, but the party was not allowed to be the authoritative interpreter of that doctrine. Thus as the party organization was separated from effective control over its own ideological symbols—in other words, as the goal of the party state yielded to the reality of state party—party ideology was transformed into regime “mentality.”

This privatization of political language and the consequent inability of the party to formulate or enforce a correct line was paralleled by a proliferation of *faction*. Factions are subversive of Leninist organization, and one of the prerequisites of democratic centralism is that criticism within the party not be organized. Organized factions—like an opposition press—are antithetical to party cohesion be-

cause they destroy the *party* as the locus of loyalty.⁶⁸ This threat to party loyalty and hence to party legitimacy was expressed emphatically by Stalin:

It follows that the existence of factions is incompatible with Party unity and with its iron discipline. It need hardly be emphasized that the existence of factions leads to the creation of a number of centres, and the existence of a number of centres connotes the absence of a common centre within the Party, a breach in the unity of will, the weakening and disintegration of discipline, the weakening and disintegration of dictatorship. . . . The Party is synonymous with unity of will, which leaves no room for any factionalism or division of Party control.⁶⁹

The existence of a “number of centres” is a threat to the Leninist party because it undermines the solipsistic claims of the *party*. The multiplication of centers inevitably means a shifting of loyalties from the party to individuals. The impersonal charismatic authority of the party is replaced by the personal charisma of individuals.⁷⁰ Informal factional alignments are perhaps inevitable in Leninist organization, but they are always seen as a threat to party unity. The emphasis on the “correct line” leads the winners of inner-party struggle to strive not for a “minimal winning coalition,” as the logic of faction struggle would dictate, but for an all-encompassing “grand coalition.”⁷¹

Precisely the opposite tendency is typical of authoritarian systems. Factions proliferate, are sometimes formalized, and tend to be highly personal in nature. We find that even in such a “totalitarian” system as Nazi Germany, Hitler “subcontracted (with the understanding that the contract could be terminated at will) segments of his authority to his individual agents, rather than to offices or institutions, on the basis of intensely personal relationships. . . .”⁷² Nazi rule thus took on an aspect of “feudal” rather than “bureaucratic” rule.⁷³ In other authoritarian systems, this tendency to rely on factions—often representing mutually antagonistic interests—was also apparent. As Gregor notes for Italy, Mussolini always had to effect a delicate balance between competing interest groups—and “at every stage in the trajectory of Fascism the influence of those groups was evident.”⁷⁴

Factionalism, as many have noted, was endemic in Nationalist China. In describing the situation within the Kuomintang, Ch’ien

Tuan-sheng has brought out both the degree of factionalism and the personalism that was inherent in it:

The Kuomintang has a Leader who leads all groups and is not adverse to seeing the Party rent into groups so long as *they are unquestionably and intimately loyal to him*. There is an advantage in having these groups. Since the leaders of one group cannot exact loyalty from those of another, the leaders of all groups must take orders from him [Chiang Kai-shek]. . . . The Leader has allowed the Party to be segmented so that *he alone supplies the link between its several segments.*⁷⁵

As it was in the Party, so it was throughout the regime. One can identify levels of factionalism in the Nationalist system that spread out in concentric circles, varying with their distance from Chiang Kai-shek. In the innermost circle, Chiang's "inner court," one finds factions formed around his closest associates, particularly T. V. Soong and H. H. Kung. At a short remove there were the Party, the policy experts and administrators, and the military—as represented by the C. C. Clique, the Political Study Clique, and the Blue Shirt Society respectively. At a third level, Chiang had to maintain a certain amount of legitimacy by allying with Party elders, most notably Wang Jingwei and Hu Hanmin, and securing the support of the Western Hills faction.⁷⁶ A fourth level was composed of what has been called "residual warlordism," which consisted of those warlords who aligned themselves with the Nationalist regime but maintained their own separate military forces and presented a continuing challenge to the authority of the central government. Also at this level were powerful local elites—such as the Shanghai merchants—whose support was needed for the continued viability of the regime. What held these different and often mutually hostile groups together was precisely what held the different segments of the Kuomintang together: Chiang Kai-shek alone supplied the connecting link between them.

What is significant about this structure of factionalism—and stands in such dramatic contrast to Leninist organization—is that it perpetuated rather than undermined Nationalist rule. By emerging as an *indispensable leader*, one who was the focus of loyalty but in turn remained uncommitted to any of his devotees, Chiang was able to bring incompatible elements together to support his regime. Personalism rather than organization held the regime together. The

other side of the coin, of course, was that such a coalition of essentially antagonistic elements was based on such a degree of segmentation that almost all the resources of the regime were concentrated on survival; there was little left over to expend on imposing control over the environment.⁷⁷ The dilemma which Nationalist China faced was that the conditions that permitted its survival also condemned it to weakness.

Another aspect of factionalism in authoritarian regimes which stands in direct contrast to the practice of Leninist systems is the extent to which they are characterized by "societal" rather than "political" factionalism. As Linz points out, when cleavages emerge in party-state systems, they tend to do so among the top leadership or between organizations created by that leadership rather than emerging from the preexisting institutions or organizations.⁷⁸ Precisely the opposite occurs in authoritarian systems. What is striking about factionalism in the Chinese case is the degree to which bureaucratic factions were able to acquire economic and political resources independent of the regime. The incorporation of warlord armies without integrating them into the Nationalist command structure is the most obvious example, but of greater significance was the way in which elements of the regime itself bolstered their position through the acquisition of extrabureaucratic resources.

One clear example was T. V. Soong's organization of more than ten thousand well-armed, well-paid, and well-trained treasury agents, who acted virtually as a personal army. Their independence was vividly demonstrated when Soong continued to supply them during the fighting associated with the defense of Shanghai in 1932 after Chiang Kai-shek had stopped their supplies.⁷⁹ The independence and strength of this force displeased Chiang Kai-shek and was a major factor in Soong's resignation as minister of finance in 1933.⁸⁰ More often bureaucratic factions acquired control over economic resources, as did T. V. Soong when he became head of the Bank of China following the nationalization of the banks in 1935. In a similar fashion, the financial strength of the C. C. Clique had its origin in the Farmers' Bank of Jiangsu when Chen Guofu (who, with his brother Chen Lifu, headed the C. C. Clique) was governor of Jiangsu and Zhao Dihua (a "C. C. man") was general manager of the bank.⁸¹ H. H. Kung, brother-in-law to both T. V. Soong and Chiang Kai-shek, acquired control over financial resources first through his own business in Shanxi province and, more importantly,

through his control over the Bank of Communications.⁸² Factionalism was not diminishing during the Nanking decade; it was being formalized and institutionalized.

It is this interpenetration of bureaucratic faction and “societal” resources which makes the student of Nationalist China read Selznick’s classic study on the TVA with a sense of *déjà vu*. The TVA, like the Nationalist regime, faced the task of establishing itself in a hostile environment. It did so through a process of co-optation and delegation of authority. Delegation of authority, however, led to increased competence in specialized areas. In turn, there was departmentalization and a divergence of interests between the subunits and the organizational center. The maintenance needs of the sub-units conflict in part with those of other subunits and with the overall organization. There is, as a result, a “lack of effective control over the tangential goals of individuals and subgroups.”⁸³ The organization is diverted from its initial path as the subunit tail comes to wag the organizational dog.

The “hostility” of the environment, of course, is only half the story. The other half, as suggested above, lies in the stewardship concept of property that was so integral to the Kuomintang’s claim that it could avoid class struggle by administering class relations. Administration denies the party’s use of violence. Violence, as Jowitt has argued, is employed by revolutionary parties to minimize their commitments, a process which he sees as essential to achieving a “revolutionary breakthrough.”⁸⁴ For the Kuomintang, the stewardship concept of property inevitably involved it in bargaining and a proliferation of commitments. The Kuomintang was unable to maintain itself as an “organizational weapon” and hence lost its organizational integrity. The result was the decline of ideological coherence and the increase in factionalism outlined above. The clash between the Merchant Association and the Shanghai General Chamber of Commerce can thus be seen as an attempt, though belated, to renege on the Party’s commitments and to preserve itself as an organizational weapon. State intervention against the Party ensured its loss of specific competence.

It might be thought that the demise of the Party organization would usher in a period of rule through interest associations, a Chinese version of the “corporatist state.” It seems, however, that this did not develop.⁸⁵ The reason that it did not was that the practice of corporatism⁸⁶ (as opposed to the structure of corporatism) would

have posed as great a threat to the independent power of the state as the establishment of an effective Party organization. On an ideological level, rule by private associations—and conspicuously elite ones at that—would have stood in blatant contrast to the proclaimed doctrine of the regime. However biased the structures and policies of the regime may have been in practice, a figleaf of ideological conformity apparently remained a necessity. Perhaps more to the point, the practice of corporatism would have meant a devolution of power that would have undermined the authority of the state. The interests of societal elites were something to be taken into consideration, perhaps even catered to, but not given autonomous existence, much less real authority.

The articulation of corporatist structures, in other words, implied the existence of societal claims that were, in the final analysis, in conflict with the claims of the state. Such tension was not unique to China. In the case of Italy, as Roland Sarti notes, “The corporative principle of the *autodisciplina della categorie* as practiced by the cartels was ultimately incompatible with the regime’s totalitarian aspirations.”⁸⁷ That incompatibility, however, was largely finessed as both the regime and the industrialists, despite clashes, shied away from open confrontation. A case in point is the Charter of Labor promulgated in 1927. Originally promoted as the Magna Charta of the Fascist revolution, it was ultimately deflected from impinging on the prerogatives of industrialists. In its final form, the Charter upheld both the principle of managerial independence and that of state supervision. “The ambiguity,” Sarti perceptively observes, “was absolutely necessary.”⁸⁸ Similarly in Portugal, the tension implicit in corporatist organization was mitigated by an extensive, informal system of *personalismo*, through which state and business collaborated closely.⁸⁹

Authoritarian regimes, it seems, have a compelling interest in establishing hierarchical, noncompetitive interest associations that *do not work*. Manuel Lucena, in analyzing Portuguese corporatism, has written a description which might well have depicted the situation in which the Shanghai Chamber of Commerce found itself in the 1930s:

Portuguese corporatism gives one the impression of an astonishing mixture of untruths and political visions. Always contradictory, its institutions are often founded “in order not to exist,” then exist “in order not to

function," finally one discovers that they have become consistent, but are not what they seem to be. Looking even closer one suspects that this is more-or-less the way they were intended in the first place and that, therefore, the scheme is strong and at the same time ridiculous.⁹⁰

Like the Party organization that was not permitted to function, China's corporatist structures existed "in order not to function."

This analysis suggests that corporatist organization in Nationalist China, as in other authoritarian regimes, performed an essentially *negative* function. Schmitter, in his analysis of Portuguese corporatism, has suggested that corporatist structures fulfill four negating functions. First, they are *preemptive*. To the extent that interest associations are organized and licensed from above they prevent the autonomous formation of grassroots associations. Second, they are *preventative*. By occupying organizational space, corporatist organizations prevent the emergence of competing organizations. Third, they are *defensive*. By granting certain "rights," the regime encourages corporatist associations to defend those rights rather than to bargain aggressively for new rights. Fourth, they are *compartamental*. To the extent that corporatist associations confine conflicts to a limited arena, they prevent them from becoming broad "class" issues that might pose a threat to the regime.⁹¹

These negating functions seem to apply quite well to the Chinese case. Clearly, at the time of the Northern Expedition, Shanghai possessed an abundance of interest associations that were highly politicized and articulated a wide diversity of often sharply conflicting interests. The suppression of labor associations and the organization of workers into regime-sponsored "yellow" unions, on the one hand, and the consolidation of merchant organizations under the auspices of the Shanghai Chamber of Commerce, on the other hand, sharply reversed the rapidly expanding "art of association."⁹² Whereas the growth of interest associations in Shanghai had for thirty years been associated with an increasing mobilization and politicization of the populace, the imposition of state corporatism by the Nationalists seems quite clearly associated with a deliberate—and successful—attempt to *demobilize* society.

The decline of the Party organization and the essentially negative role of interest associations left a large amount of political space between state and society. That space was, I would suggest, taken up by "bureaucratic capitalism" (*guanliaoziben*).⁹³ Bureaucratic capital-

ism refers to the interpenetration of political position and societal resources—particularly as practiced by such people as T. V. Soong, H. H. Kung, and the brothers Chen Lifu and Chen Guofu. Although the term bureaucratic capitalism has traditionally implied the use of public office for private gain (described in Chinese as *huagong weisi* or *jiagong jisi*), it was far more than simple or random corruption. What distinguished bureaucratic capitalism from traditional corruption (such as the famous case of Ho-shen in the time of the Qianlong emperor)⁹⁴ was the way in which individual corruption was related to bureaucratic factions. The control of economic resources was not only intended to enrich the office holder but also to advance the general interests of his faction vis-à-vis other factions. Bureaucratic capitalism, in other words, was not corruption narrowly defined but a structure of political action.

What defined this structure of political action was the way in which control of economic resources was related to factions. For instance, when the Bank of China was nationalized in 1935, it became not simply a state bank but a resource enhancing the power of T. V. Soong and his faction. Similarly, Soong's activities in the China Development Finance Corporation, the Bank of Guangdong, and the Chinese Cotton Industrial Company were—and were seen as—efforts to expand the influence of Soong and his faction rather than simply an extension of bureaucratic (and hence impersonal) control over the economy.⁹⁵ The economic activities of Soong and his faction were paralleled by those of other factions. H. H. Kung's control of the Bank of Communications, the Shanxi Yuhua Bank, and the Chinese Industrial Company were vehicles through which Kung and his faction expanded their influence.⁹⁶ In similar fashion, the C. C. Clique and the Political Study Group enhanced and exerted their influence through the acquisition of administrative-cum-economic domains.⁹⁷

The corollary of this factional control of economic enterprises was that the economic resources possessed or dominated by a given faction were directly related to the influence of that faction. Thus, factions would seek to acquire economic resources not only to expand their own influence but also to preempt other factions from acquiring the same resources. For example, after the end of World War II, the Political Study Group beat out other factions for control of Manchuria and Taiwan, while T. V. Soong and his faction gained control over the salt fields and cotton textiles.⁹⁸ Such competition reached a

climax when one faction ousted another from control of an enterprise. It was a major setback for Soong when he lost control of the Bank of China in 1941 and another blow to him when the Political Study Group and the C. C. Clique joined forces to wrest control of the Central Trust Bureau from him in 1947.⁹⁹

This fusion of bureaucratic faction and economic resources appears to have been the logical outgrowth of the decline of the Party organization and the erection of nonfunctioning corporatist structures. Personal faction substituted for impersonal organization. If, as we have suggested above, the primary functions of China's corporatist interest structures were negating and demobilizing, then it was bureaucratic capitalism which, by co-opting economic elites, rendered formal interest associations contentless. Rather than confronting the state through formal organizations, economic interests were pursued within the state. In an ironic and perverse fashion, bureaucratic capitalism fulfilled the Kuomintang's promise to harmonize (!) public and private. But in making China's interest associations functionless, bureaucratic capitalism did not make them superfluous. If the Shanghai Chamber of Commerce, as Shirley Garrett has written, "appeared less and less in discussions of public affairs,"¹⁰⁰ it is not because it was not important. The Shanghai Chamber of Commerce may well have existed "in order not to function," but in its demobilizing function it served the regime well. The price of such negative associations, however, was the growth of rampant (but not random) corruption that ultimately undermined the legitimacy of the regime.

This chapter has explored some of the ways in which China's experience paralleled that of other nations, particularly those of interwar Europe. Our purpose is not to downplay, much less to deny, the differences among these cases, but to suggest that there are important and systematic similarities which make comparison valuable. To the extent that these various regimes (and others) represent a common response to a particular type of developmental crisis, they provide examples of a political genus which needs to be explored for its structural similarities across regimes as well as for the variety of subtypes which it can exhibit. Without denying the historical and cultural uniqueness of each case, one is nevertheless struck by the degree to which the common search for a "third way" constrained each regime, led to the failure of party rule, and resulted in a distinctive

syndrome typified by an indispensable leader, elite heterogeneity, and a mentality. While the radicalism of the German case clearly led it in a different direction, the similarities between China and those cases on the “conservative” (low mobilization/low confrontation) end of the continuum (Portugal, Spain, and, to a lesser extent, Italy) are impressive.

In the Chinese case one finds a revolutionary movement trying to establish itself in a hostile environment on the basis of solipsistic claims to legitimacy. The Party was defined as the only source of *gong* (public) and hence existed in ipso facto tension with society. But the Kuomintang, like other authoritarian parties, lacked the ideological and organizational resources to avoid encumbering commitments. In fact, its ideology was subversive of its organizational integrity. Even as its members fought a rearguard action to maintain the organization’s specific competence, the ideology undermined their efforts. As political vocabulary became privatized, the Party lost the fusion of ideology and organization necessary to formulate and impose a correct line on a hostile environment. Party rule failed and the Party became a faction.

The contrast with Leninist organization is instructive. Whereas the Leninist party defines its enemies in class terms and maintains its organizational integrity through continued struggle and the selective use of violence, the Kuomintang saw its enemies (warlords and compradors) as manifestations of imperialism. Because they were essentially external to Chinese society they posed no continuing threat. There was no need to remake society; it was sufficient to administer class relations. After coming to power, the Kuomintang turned immediately to “construction” and “unity,” in vivid contrast with the Leninist party’s need to “continue the revolution.” Construction, unity, and administration undermined the ideological and organizational coherence of the Kuomintang. It became unable to function as a combat party.

The failure of party rule—the inability of the authoritarian party to maintain its specific competence—has consequences for the evolution of politics under authoritarian regimes. One of those consequences, we have suggested, is the triumph of mentality over ideology. By being deprived of its authoritative role in the society, the party is likewise denied control over its own vocabulary. Political discourse, in the absence of authoritative interpretation, becomes privatized. The symbols by which the party hoped to assert its

authority over society are, ironically, used to defend interests against the party. Severed from its anchorage in party organization, revolutionary ideology becomes regime mentality.

We have suggested that the privatization of party vocabulary is associated with the elaboration of a factional structure, incorporating a wide range of often incompatible elites, and the emergence of an indispensable leader. As co-optation displaces party rule, a wide range of societal elites enter the regime. With interests divergent from those of the party, such elites focus their loyalty on the authoritarian leader rather than on the authoritarian party. The authoritarian leader, for his part, welcomes such elites, partly, as a counter-weight to the party. Freed from dependence on the party, the authoritarian leader is able to form personal alliances. To the extent that he is able to make himself the sole link between factions, he emerges as indispensable. Thus, the factional structure that lies at the core of authoritarian regimes emerges as the precise antithesis of the Leninist emphasis on party unity and the absence of faction.

The subordination of the party, the co-optation of societal elites (particularly when structured in corporatist organizations), and the emergence of such an authoritarian syndrome forces tensions between public and private to the surface again. How such tensions are worked out depends on a wide variety of factors, including, at least, the strength of the economy, the secular authority of the state, the ambitions of the authoritarian leader, and the international situation. In the Nanking decade, we suggest, the tension between public and private, raised by the late Qing reforms, finally resolved itself in bureaucratic capitalism.

CONCLUSION

Nationalist China and the Problem of Public Authority

THIS book has argued that, viewed from the longer perspective, the Kuomintang emerged as a response to the crisis, or crises, of legitimacy which undermined the Chinese polity from the late Qing on. The inability to meet the military and economic threat of the West—and the increasing obviousness of that failure—drove the court to search for new answers and new support. The arguments of reformers like Zheng Guanying and Ma Jianzhong proved increasingly irresistible. “Commercial warfare” offered the hope of strengthening the economy, stopping the drain of wealth, and securing the support of an increasingly important constituency. But unleashing commercial warfare implied a change in the status of merchant organizations. Rather than exist as *pouvoirs subsidiaires* whose authority derived from the state, they emerged as *pouvoirs intermédiaires* whose authority rested on their special competence and whose functions included linking state and society. The recognition of merchant organizations thus implied the recognition of a sphere outside the state (a “private” sphere) and a form of knowledge (expertise) outside of, and in no way dependent on, Confucian knowledge. What the Qing could recognize, it could not reconcile. The public sphere no longer had a monopoly on legitimacy, and Confucian knowledge was no longer sufficient to decide policy. Not only could the Qing not explain how the two competing claims to authority might be reconciled, it became increasingly unable to explain its right to rule at all.

The establishment of the Republic provided no better explanation of public authority. Although private interest was no longer ipso facto bad, neither had it become a positive good. To the extent that private interests had been recognized as mere instrumentalities, they

provided no rationale for parliamentary democracy. Private interests were supposed to support the state, not to define it. Yuan Shikai attempted to define public and private by force, but his efforts resulted only in the privatization of public authority and in the destruction of the state's claim to represent the public interest. One of the ironies of the Republican period is that what had traditionally been seen as inimical to public authority (i.e., *si*, private) had emerged as legitimate (even if of uncertain status), whereas the state, which had traditionally been the institutional embodiment of public (*gong*), had been unveiled as an instrument in the pursuit of private (warlord) power. The task which the Kuomintang set for itself was to restore the state to the realm of *gong* and to reconcile the exercise of public authority with the existence of private interest.

The Kuomintang tried to ensure that both state and private association would uphold the public interest by establishing an identity between the Party and *gong* and by placing the Party above both state and society. The complete identity between Party and *gong* implied that the authority of the Party was total. In contrast with both state and society, each of which had definable limits, the Party was all-encompassing. *All* interests were public interests—and the Party was the arbiter of what was public about them.

The identity between the Party and *gong* was total and exclusive. Because the claims of the Party were solipsistic, the authority of the Party was threatened by appeals to any forms of knowledge external to the Party. It was because of this that Dai Jitao insisted that the Party had to be "monopolistic, exclusive, unifying, and dominating," and Hu Hanmin claimed that the Party was "all-encompassing with nothing outside it and lofty with nothing above it." Kuomintang ideologues viewed the environment as a threat because they were aware that compromise with elements in that environment would deprive the Party of its ideological and organizational cohesion. They were aware that in order to survive in such a hostile environment, the Party had to comport itself as a combat party.

Yet there were major elements of Kuomintang ideology which made it vulnerable to precisely such compromise. In particular, the advocacy of the stewardship concept of property recognized the validity of private ownership even as it denied the exclusivity of the control over property. The stewardship concept of property, in other words, consigned the use of property to private ownership while retaining authority in the Party. At the same time that this concept

explicitly limited the use of property, it implicitly limited the role of the Party. If property was not being misused, there was nothing for the Party to do. The role of the Party was thus passive; it was to administer rather than to struggle and control. But precisely such a limitation of Party activity threatened its ability to function as a combat party and hence undermined its “monopolistic, exclusive, unifying, and dominating” nature.

The contradictions inherent in Kuomintang ideology were manifested in and exacerbated by its appeal to the urban middle classes. The Kuomintang’s notion of an “all-people’s revolution” (that is, a revolutionary change achieved without class struggle) must have been attractive to a constituency that had only recently emerged on the political scene, was highly vulnerable to economic change, and was threatened by imperialism on the one side and the burgeoning labor movement on the other. Although in studies of the period workers and students have captured the greatest attention, it is clear that an emergent middle class was likewise mobilized by the waves of nationalism that swept across China’s political landscape. The degree to which activists in the street associations emerged as leaders of the Party-run Merchant Associations suggests that the Party message indeed had great appeal for these people. The Kuomintang, not unlike its European counterparts, found its base in middle-class populism—a fact generally neglected in the historiography of this period.

In appealing to the urban middle classes, the Kuomintang was looking toward a constituency whose interests and beliefs coincided closely with the vision the Party was then articulating. The street associations of Shanghai shared many interests with their Chamber of Commerce counterparts (e.g., rendition of the Mixed Court, representation on the Municipal Council, tariff revision, etc.), but their approach to these problems was significantly different and brought them into repeated conflict with the Chamber. Distinctly more militant, the street associations looked to organization and mobilization to achieve their ends. Implicit in their approach was an infusion of political content into the conduct of business. Both Party organization and street associations sought a fusion of ideology and organization as a means of achieving far-reaching (but not radical) social and economic change.

The alliance between Party organization and street associations posed a clear threat to the continued dominance of the merchant

elite. In part that threat was an expression of continued class conflict. The street associations had repeatedly expressed their dissatisfaction with those dominating the Chamber of Commerce, and that dissatisfaction did not cease with the change in Chamber leadership in 1927. Continued opposition to the Chamber of Commerce derived from the fact that the Chamber was not willing to accept the same degree of political control as was inherent in the Party-run Merchant Associations. Even people like Yu Xiaqing who strongly supported the Nationalist regime, opposed the Kuomintang and its attempt to “party-icize” (*danghua*) society. This alliance of Party and middle merchants found expression in the efforts to reorganize the commercial organizations of Shanghai in 1927 and in the later attempts to abolish the Chamber of Commerce. The defeat of those efforts (which appears to have been quite decisive) should give pause to those who would have us believe that the merchant elite suffered in the Nanking decade. On the local level at least, they seem to have held their own.

The triumph of local elites over the Party organization was possible, in part, because of the limitations of Kuomintang ideology. I have argued that the Kuomintang had a reasonably clear and coherent ideological vision (and certainly a clearer vision than it is usually credited with). But in trying to square the circle—in attempting to achieve a “revolutionary breakthrough” without class conflict—both the coherence of that vision and of the Party organization were foredoomed, for Kuomintang ideology placed the Party organization in an untenable position. In its effort to define a third way, a path of national reconciliation, the Kuomintang (again like its European counterparts) forsook the atmosphere of struggle that was necessary for its own organizational survival. In the revolutionary period, when it could struggle against “corrupt officials and filthy lictors,” the Kuomintang could act like a combat party. And it was in that period that it achieved its highest degree of ideological and organizational coherence. Once in power, however, it had no clearly defined enemies. When the period of “destruction” was replaced by that of “construction,” then a party which continued to struggle was vulnerable to charges of immaturity and Communist contamination. Having renounced class struggle, the Party condemned itself to administration—but even that was denied to it as the Party was deprived of the authority to intervene directly in the bureaucracy.

Part of the reason for the Party’s demise, we have argued, lay in

the separation of revolutionary vocabulary from the Party organization. In order to maintain its organizational coherence, the Party needed to be the authoritative interpreter of its own ideology. It had to have the authority to decide and enforce a correct line. When non-Party organizations—such as the Chamber of Commerce—could employ the Party's own symbols against the Party—and win—then it was clear that political vocabulary had become privatized. Party ideology had given way to regime mentality.

In its opposition to Party rule, the merchant elite paradoxically found its surest ally in Chiang Kai-shek. Chiang sought to rule in the *name* of the Party, not *through* the Party. He never would have agreed with the Soviet Communist Party that the “cadres decide everything.” Chiang exercised power not as the head of the Party but as an indispensable leader mediating among interests and factions. Even though the Party (at least that part of it under Nanking’s control) remained loyal to Chiang, Chiang, for his part, remained uncommitted to the Party. Ironically, Chiang’s assumption of the role of Party Leader (*zongcai*) in 1938 (which elevated him to a position only slightly below the immortalized Sun Yat-sen) represented not the consolidation of Party authority under Chiang but the complete subordination of the Party to the person of Chiang. Chiang sought to rule through personal charisma, which could be developed only at the expense of organizational charisma.

The demise of the Party organization was paralleled by the disenfranchisement of its constituency. The imposition of state corporatism sharply halted and reversed a twenty-year trend of widening political participation, proliferating interest associations, and increasing activism. That labor was quickly and efficiently disenfranchised need not be belabored. What was remarkable was the degree to which the Party’s erstwhile allies from the middle class were likewise disenfranchised. The coerced consolidation of merchant organizations deprived middle merchants of the independent voice they had been developing since at least the May Fourth Movement. The one person who could be said to represent this middle-class constituency, Wang Yansong, was soon dropped from the standing committee of the Chamber of Commerce. With this bit of Chinese *Gleichschaltung*, the only voice of middle-class merchants was through the highly elitist Chamber of Commerce.

The consolidation of merchant groups, then, was not aimed at organizing merchant interests (something they had shown an admi-

rable ability to do on their own), but at *demobilizing* a politically active constituency. This demobilizing aspect of Nationalist rule suggests that under the Nanking regime merchant organizations (like other intermediary groups) did not function to channel opinion and participation up to the state but rather as devices through which the state controlled society. If control rested on demobilization, then mobilization, even on behalf of the regime, was implicitly a threat to the state. In this lay one of the Nationalists' weaknesses in responding to internal and external threats.

The failure of party rule and the corresponding demobilization of society implied more than the jettisoning of a revolutionary heritage. The transition from "revolution" to "restoration" was not a victory of the "right" over the "left." Both right and left were defeated—and both knew it. The defeat of the Party meant redefining the role of the Party and, in particular, its relationship to the state. By 1929 the Party *qua* party lost significance and Party *qua* faction emerged as important. This transformation from party to faction marked the transition from embryonic party state to state party. It also marked the emergence of a distinctive pattern of authoritarian rule.

This pattern of authoritarian rule, we have argued, was characterized by the interaction and mutual dependence of an indispensable leader, a heterogeneous elite, and a mentality. In such a system, the Party served as a legitimating device for the regime but, as we have seen, had no control over its own vocabulary. Thus, however close to an ideological vision the Kuomintang once possessed, it could be nothing more than a mentality under the Nationalists. The Party, possessing no authority of its own, became a faction, petitioning and advocating like other factions. As the indispensable leader, Chiang mediated between and perpetuated this system of faction.

This book began by observing that the emergence of modern interest associations in the late Qing marked a separation of state and society and a breach in the traditional identity between *gong* and Confucian knowledge. Reconciling private interest and objective knowledge with the exercise of public authority has been one of the constant themes of twentieth-century Chinese politics. The Kuomintang (like the Chinese Communist Party) established a new identity between party and *gong*. Like traditional notions of *gong*, the Kuomintang denied the existence of any purely private interest. In this, the Kuomintang (like the Communist Party) was neotradi-

tional.¹ But the Kuomintang (unlike the Communist Party) then collapsed as a party organization. The claims of state and the claims of society were thus left to confront each other unmediated by the intended party organization. Moreover, the creation of corporatist organizations possessing a monopoly of interest representation seemed *prima facie* to enhance the ability of private interests to press their claims against the state. The tension between public and private remained.

China's corporatist structures, like those of Portugal, seemed to "exist in order not to function." But even as the regime closed down the possibility of pressing interests *against* the regime, it opened up the possibility of pursuing interests *as part of* the regime. Bureaucratic capitalism had the functional advantage of permitting the pursuit of private interests without recognizing genuinely independent private associations. The ironic fulfillment of the Nationalist promise to harmonize public and private was the simultaneous privatization of public power and "publification" of private interest.

Notes

INTRODUCTION

1. For standard interpretations of these events, see Chen Boda, *Zhongguo sida jiazu* [The four great families of China]; Chen Boda, *Renmin gongdi Jiang Jieshi* [The public enemy of the people: Chiang Kai-shek]; and Zhong Qisheng, *Da caifa Jiang Jieshi* [The great robber-baron Chiang Kai-shek].
2. Robert W. Barnett, *Economic Shanghai: Hostage to Politics, 1937–1941*, p. 12. Cited in Parks M. Coble, Jr., *The Shanghai Capitalists and the Nationalist Government, 1927–1937*, p. 2.
3. Akira Nagano, *The Development of Capitalism in China*, p. 19. Cited in Coble, *The Shanghai Capitalists*, p. 2.
4. Cited in Harold R. Isaacs, *The Tragedy of the Chinese Revolution*, pp. 181–182.
5. See the reports in *North China Daily News*, 1927: May 18, p. 8; 1927: May 30, p. 6; and *Chinese Weekly Review*, 1927: June 25, p. 77.
6. *North China Daily News*, 1927: August 9.
7. *North China Herald* (hereafter cited as NCH): 1927: June 4, p. 410; U.S. Department of State, *Records Relating to the Internal Affairs of China, 1910–1929* 893.00/9395.
8. Isaacs, *Tragedy*, p. 181.
9. Ibid., p. 182.
10. In Marx's description of Louis Bonaparte's coup, which Isaacs follows so closely, Marx is careful to distinguish between the political and economic interests of the bourgeoisie. He argues that in order to maintain the capitalist economic system, the bourgeoisie is driven to yield its political power. Thus Bonaparte, in Marx's interpretation, rules over the bourgeoisie even while serving bourgeois economic interests. The subtlety of Marx's analysis makes it of continuing interest to students of authoritarian regimes. See, for instance, Philippe Schmitter's use of the "Bonapartist model" in his "The 'Portugalization' of Brazil?" pp. 179–232. By lumping Isaacs with less incisive thinkers like Barnett and Nagano, Coble fails to deal with a complex and important interpretation.
11. Lloyd E. Eastman, *The Abortive Revolution: China under Nationalist Rule, 1927–1937*, p. 230.

12. Ibid., p. 240.
13. Coble, *The Shanghai Capitalists*, p. 3.
14. Richard C. Bush, *The Politics of Cotton Textiles in Kuomintang China, 1927-1937*, pp. 87-114.
15. See, for instance, Samuel H. Beer, *British Politics in the Collectivist Age*; Suzanne Berger, ed., *Organizing Interests in Western Europe: Pluralism, Corporatism, and the Transformation of Politics*; G. Breunthal, *The Federation of German Industry in Politics*; Henry Erhmann, *Organized Business in France*; Richard Kimber and J. J. Richardson, eds., *Pressure Groups in Britain*; Robert B. Kvavik, *Interest Groups in Norwegian Politics*; Joseph LaPalombara, *Interest Groups in Italian Politics*; Olaf Ruin, "Participatory Democracy and Corporatism: The Case of Sweden," pp. 171-186; and Graham Wooton, *Pressure Groups in Britain, 1720-1970*.
16. Two exceptions to this generalization are Shirley S. Garrett, "The Chambers of Commerce and the YMCA," pp. 213-238; and Edward J. M. Rhoads, "Merchant Associations in Canton, 1895-1911," pp. 97-117.
17. E. E. Schattschneider, *The Semi-Sovereign People*, p. 71.
18. The *baojia* system was a hierarchical network of families arranged in units of ten which provided for mutual surveillance and security. The *baojia* heads were to keep a watch on accidents, report unlawful activities, and maintain a local security patrol. See Ch'u T'ung-tsu, *Local Government under the Ch'ing*, pp. 150-154; and Kung-ch'üan Hsiao, *Rural China: Imperial Control in the Nineteenth Century*, pp. 27-28 and 43-83 *passim*.
19. Mary Clabaugh Wright, "From Revolution to Restoration: The Transformation of Kuomintang Ideology," pp. 515-532.
20. Nagano, *The Development of Capitalism in China*; Frederick Spencer, "Chiang Kai-shek's Dictatorship Stumbles," pp. 46-47; Barnett, *Economic Shanghai*.
21. Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World*, p. 196.
22. Yuji Muramatsu, "A Documentary Study of Chinese Landlordism in Late Ch'ing and Early Republican China," pp. 566-599.
23. Y. C. Wang, *Chinese Intellectuals and the West, 1872-1949*, p. 484.
24. Philip A. Kuhn, *Rebellion and Its Enemies in Late Imperial China: Militarism and Social Structure, 1796-1864*, p. 225.
25. The relationship between party and state was a subject of dispute among Kuomintang writers in the early years of the regime. See Peng Xuepei, "Dangzhi yu fazhi" [Party rule and rule of law]; Shan Mu, "Dangzhi yu guomin huiyi" [Party rule and a national congress]; and Xiao Zheng, "Xunzheng shiqi yu xianzheng shiqi dang zhengfu min tuanti sanzhe zhi guanxi" [Relations between party, government, and people's groups in the tutelage and constitutional periods]. In his memoirs, Xiao Zheng has been quite explicit about the conflict between party and state. See his *Tudi gaige wushi nian: Xiao Zheng huiyi lu* [Fifty years of land reform: The memoirs of Xiao Zheng], pp. 18-25.
26. Susan Mann, "Review of Parks M. Coble, Jr., *The Shanghai Capitalists and the Nationalist Government, 1927-1937*," p. 670.
27. D. K. Lieu [Liu Ta-chün], *The Growth and Industrialization of Shanghai*, pp. 117-118.

28. According to Lieu, of 15,688 Chinese deaths in Shanghai in 1935, 6,471 corpses had no responsible person to manage their burial, indicating extreme poverty and destitution. See *ibid.*, p. 166.
29. The quoted phrase is that of the Duke of Somerset, who visited the city in 1869. It is quoted in Rhoads Murphey, *Shanghai: Key to Modern China*, p. 7. The statistics are from Lieu, *Growth and Industrialization*, p. 171.
30. Murphey, *Shanghai*, p. 12.
31. R. C. Feetham, *Report to the Shanghai Municipal Council*, 1:306.
32. Lieu, *Growth and Industrialization*, pp. 13-14.
33. Chen Duxiu, "Junfa ji zichan jieji zai Shanghai minzhong yundong zhi yingxiang" [The influence of the warlords and the capitalist class in Shanghai's mass movement], pp. 1144-1145.
34. Albert Feuerwerker, *The Chinese Economy, 1912-1949*, p. 17.
35. Eastman, *The Abortive Revolution*, p. 231.

CHAPTER I

An earlier version of this chapter appeared as Joseph Fewsmith, "From Guild to Interest Group: The Transformation of Public and Private in Late Qing China," *Comparative Studies in Society and History* 25 (4) (October 1983).

1. On the role of guilds in the Chinese economy, see He Bingdi, *Zhongguo huiguan shilun* [A historical survey of *landsmannschaften* in China]; Negishi Tadashi, *Chūgoku no girudo* [The guilds of China]; Susan Mann Jones, "Finance in Ningpo: The 'Ch'ien-chuang,' 1750-1880," pp. 47-77; Hosea Ballou Morse, *The Gilds of China*; D. J. Macgowan, "Chinese Guilds or Chambers of Commerce and Trade Unions," pp. 133-192. On the prohibition against gentry associations, see Lo Jung-pang, ed. and trans., *K'ang Yu-wei: A Biography and a Symposium*, p. 71.

2. Maurice Courant, "Les associations en Chine," p. 69; E. T. C. Werner, *Autumn Leaves*, p. 32; and S. Wells Williams, *The Middle Kingdom*, 2:87-88.

3. I am grateful to Kenneth Jowitt for suggesting the term *pouvoirs subsidiaries*.

4. Ouyang Xiu, "Pengdang lun" [On factions], *ce* 5, *juan* 17:6b-8a.

5. David S. Nivison, "Ho-shen and His Accusers: Ideology and Political Behavior in the Eighteenth Century," pp. 226-227.

6. On the Qing bureaucratic system and its relation to local society, see Ch'u T'ung-tsu, *Local Government under the Ch'ing*; and Etienne Balazs, *Chinese Civilization and Bureaucracy*.

7. Maurice Freedman, *Chinese Lineage and Society: Fukien and Kwangtung*, pp. 97-117 passim.

8. On language and politics, see G. J. A. Pocock, *Politics, Language, and Time: Essays on Political Thought and History*.

9. Kung-ch'üan Hsiao, *Rural China: Imperial Control in the Nineteenth Century*; and Ch'u, *Local Government* pp. 168-169.

10. William Townsend Rowe, "Urban Society in Late Imperial China: Hankow, 1796-1889," pp. 544-648.

11. Quan Hansheng, *Zhongguo hanghui zhidu shi* [A history of China's guild system], p. 159. See also Negishi, *Chūgoku*, pp. 380–383.
12. As Rowe notes, by the late nineteenth century, the salt monopoly too was largely privatized. See Rowe, “Urban Society,” pp. 217–227. The cohong was a guild monopoly system authorized by the Qing government to regulate trade at Guangzhou, the only port then open to foreign trade.
13. Quan, *Zhongguo hanghui*, p. 159; Peng Zeyi, “Shiji shiji houqi Zhongguo chengshi shougongye shangye hanghui de zhongjian he zuoyong” [The revival and function of urban handicraft and commercial organizations in late nineteenth-century China], pp. 81–90.
14. Peng, “Shiji shiji houqi,” p. 81–90; Quan, *Zhongguo hanghui*, pp. 161–162.
15. Quan, *Zhongguo hanghui*, p. 160; Negishi, *Chūgoku*, pp. 380–381.
16. Negishi, *Chūgoku*, pp. 378–379.
17. Charles F. Remer, *A Study of Chinese Boycotts, With Special Reference to Their Economic Effectiveness*, p. 13. For a fuller description of the boycott, see Rowe, “Urban Society,” pp. 275–289.
18. Quan, *Zhongguo hanghui*, p. 161.
19. Cited in F. L. Dawson, Jr., “Law and the Merchant in Traditional China: The Ch'ing Code, *Ta-Ch'ing Lü-li*, and Its Implications for the Merchant Class,” pp. 73–74.
20. Morse, *Gilds of China*, p. 25.
21. In his *Economic and Social History of Medieval Europe*, Henri Pirenne writes, “The medieval burgess . . . was a different kind of person from all who lived outside the town walls. Once outside the gates and the moat we are in another world, or more exactly, in the domain of another law” (p. 55).
22. Negishi, *Chūgoku*, p. 73.
23. Ibid., p. 384.
24. Negishi Tadashi, *Shanghai no girudo* [The guilds of Shanghai]. pp. 7–14.
25. The development of *tuanlian* is surveyed by Philip A. Kuhn in *Rebellion and Its Enemies in Late Imperial China: Militarization and Social Structure, 1796–1864*. See especially pp. 211–223.
26. Franz Michael, “Regionalism in Nineteenth-Century China,” pp. xxi–xlili.
27. Kuhn, *Rebellion*, pp. 206–208.
28. Ibid., pp. 97–100.
29. Susan Mann Jones, “Commercial Tax-Farming at the County Level under the Republic: A New Perspective on Merchant Networks in Chinese Society.”
30. One stimulus for this was the favored tax status of the foreigners. By guaranteeing tax revenues, guilds were able to gain control of lijin and destination taxes and lower the burden on themselves. These guild monopolies were later challenged with at least partial success by “contract merchants” who were outsiders. See James Coates Sanford, “Chinese Commercial Organization and Behavior of the Late Nineteenth and Early Twentieth Centuries,” pp. 126–127, 132–133.

31. Negishi, *Chūgoku*, pp. 65-66; Sanford, "Commercial Organization," p. 120.
32. Sanford, "Commercial Organization," pp. 119-127.
33. For a discussion of the difficulties of measuring the growth of trade in this period, see Yang Tuan-liu et al., *Statistics of China's Foreign Trade during the Last Sixty-Five Years*, pp. xvi-xxiv, tables 1-3. See also Ho Ping-yin, *The Foreign Trade of China*, pp. 10-11.
34. T. R. Banister, "A History of the External Trade of China, 1834-81," pp. 22-25.
35. Charles F. Remer, *The Foreign Trade of China*, p. 30.
36. Banister, "A History," pp. 52, 60-61. See also Rhoads Murphey, *Shanghai: Key to Modern China*, pp. 97-100, 103-111, and 127-129.
37. The growth in the number of guilds in this period was not only due to the growth of foreign trade but also to changes in post-Taiping society. For instance, Rowe has noted the proliferation of guilds in post-Taiping Hankou, before that city became a treaty port. See Rowe, "Urban Society," pp. 526-534.
38. Negishi, *Shanghai no girudo*, pp. 7-14.
39. Ibid.
40. Sanford, "Commercial Organization," p. 109.
41. The development of *zizhi* thought has been analyzed by Philip A. Kuhn in his "Local Self-Government under the Republic: Problems of Control, Autonomy, and Mobilization," pp. 256-298.
42. Ibid., p. 275.
43. Yang et al., *Statistics*, table 1.
44. Zheng Guanying, *Shengshi weiyian* [Words of warning to a seemingly prosperous age], p. 681. On Zheng, see Yen-p'ing Hao, "Cheng Kuan-ying: The Comprador as Reformer," pp. 15-23. For an excellent survey of this school of thought, see Wang Ermin, "Shangzhan guannian yu zhongshang sixiang" [The concept of commercial war and mercantilist thought], pp. 233-379. See also Li Chen Xunyan [Mabel Lee], "Wan Qing de zhongshang zhuyi" [The "exalt commerce" movement of the late Qing], pp. 207-221.
45. Zheng, *Shengshi weiyian*, pp. 680-681.
46. Cited in Wang, "Shangzhan guannian," p. 302.
47. Cited in ibid., pp. 252 and 242.
48. On the origin of the *guandu shangban* system, see Albert Feuerwerker, *China's Early Industrialization: Sheng Hsüan-huai (1844-1916) and Mandarin Enterprise*, especially pp. 8-12.
49. Zheng, *Shengshi weiyian*, pp. 680-681, 692.
50. Cited in Zhao Fengtian, *Wan Qing wushi nian jingji sixiang shi* [A history of economic thought during the last fifty years of the Qing], p. 111.
51. Ibid., p. 101; Wang, "Shangzhan guannian," p. 304.
52. Zheng, *Shengshi weiyian*, p. 692.
53. Cited in Wang, "Shangzhan guannian," p. 240.
54. Zheng, *Shengshi weiyian*, pp. 680-681.
55. Zhang Jian, "Shanghui yi" [Discussion on chambers of commerce] *ce* 8, *juan* 1:4a-4b.

56. On the emergence of popular mandates, see Reinhard Bendix, *Kings or People: Power and the Mandate to Rule*.
57. Liang Qichao, “Xinmin shuo” [On the new people], *juan* 1:1-86; *juan* 2:1-82; and *juan* 3:1-117.
58. Hao Chang, *Liang Ch'i-ch'ao and the Intellectual Transition in China, 1890-1907*, pp. 103-104.
59. Ibid., pp. 105-106.
60. Liang, “Xinmin shuo,” *juan* 1:1.
61. See in particular the section of “Xinmin shuo” titled “Shengli yu fenli” [Producing and consuming wealth], *juan* 2:18-38.
62. See the following essays by Liang Qichao: “Lun shangye huiyisuo zhi yi” [On the benefits of commercial consultative associations]; “Lun xuehui” [On study associations]; “Lun zhengfu yu renmin zhi quanxian” [On the demarcation of authority between the government and the people]; “Lun Zhongguo yi jiangqui falü zhi xue” [China ought to strive for the study of law]; “Shanghai lun” [On chambers of commerce]; “Shuoqun” [On grouping]; and “Shuoqun xu” [Preface, On grouping], all *Yinbingshi heji, wenji* [Collected essays from the ice-drinker's study].
63. Wellington Chan, *Merchants, Mandarins, and Modern Enterprise in Late Ch'ing China*, p. 201.
64. Sheng Xuanhuai, *Sheng shangshu Yuzhai cungao chukan* [Collected drafts of Board President Sheng Yuzhai, first draft], *juan* 7:35a-37b.
65. Chan, *Merchants, Mandarins, and Modern Enterprise*, p. 218; Negishi, *Shanghai no girudo*, p. 340.
66. Sheng, *Sheng shangshu*, *juan* 7:35a-37b.
67. Negishi, *Shanghai no girudo*, p. 341.
68. Ibid., pp. 341-342.
69. Feuerwerker, *China's Early Industrialization*, p. 71; and Shirley S. Garrett, “The Chambers of Commerce and the YMCA,” p. 218.

CHAPTER 2

1. NCH, 1902: November 26, p. 1124.
2. Jiang Zhenwu, “Shanghai shizheng de fenzhi shiqi” [Shanghai municipal administration during the period of divided rule], pp. 1213-1222.
3. Ibid., pp. 1222-1238; Mark Elvin, “The Gentry Democracy in Chinese Shanghai, 1905-14,” pp. 41-65; and Elvin, “The Administration of Shanghai, 1905-1914,” pp. 239-262.
4. Elvin, “Administration of Shanghai,” p. 245. There was by this time a considerable intermingling of merchants and gentry. Gentry, such as Li Ping-shu and Nie Qikui, became involved in commercial enterprises, and merchants purchased official rank. Regarding the latter, the *North China Herald* reported, “Within the last few years merchants have sought for the rank and button of a mandarin. . . . Hardly a Chinese merchant in Shanghai but has a red, blue, white, or gold button” (1906: December 15, pp. 595-596). See also NCH, 1910: January 21, p. 129. It may be, however, that this intermingling did not

altogether eliminate status consciousness. Factions within the merchant community, although caused by many factors, may have been influenced by differences in status and background. See p. 119.

5. Zhu died shortly after the establishment of the Bureau and control passed to Shen Yong and Qian Kangrong. As a consequence Zhu and Chen were omitted from the account in the Shanghai gazetteer. See Jiang's discussion, "Shanghai shizheng," pp. 1246–1251.

6. Marie-Claire Bergère, "The Role of the Bourgeoisie," p. 250.

7. The dispute between the Ningbo Guild and the authorities of French Settlement is described in Fang Teng, "Yu Xiaqing lun" [On Yu Xiaqing], 12.2:49–50; Susan Mann Jones, "The Ningpo *pang* and Financial Power at Shanghai," pp. 86–87; and Hosea B. Morse, *The Gilds of China*, pp. 52–54.

8. Morse, *Gilds of China*, pp. 52–54. One of the by-products of this boycott was the emergence of Yu Xiaqing as a leader of the Ningbo community and a skilled negotiator with the foreign community. It was precisely his skills as a mediator rather than his ability as an entrepreneur that established Yu as a leader of the Ningbo community.

9. NCH, 1905: December 5, p. 593; 1906: February 16, pp. 331–332.

10. Zhang Cunwu, *Guangxu sanshiyi nian Zhong Mei gongyue fengchao* [The crisis of the Sino-American dispute over the labor agreement of 1905], pp. 43–50, 91–108, and 147–156.

11. Dong Shu, "Danao gongtang an" [The great court disturbance], pp. 407–440; and Fang, "Yu Xiaqing lun," 12.2:50–51.

12. On this effort to gain participation in municipal affairs, see NCH, 1905: December 29, p. 707; 1906: January 5, pp. 1 and 11; February 16, p. 346; February 23, pp. 396–397 and 427; March 2, pp. 495–496; and March 9, p. 534.

13. Anatol Kotenev, *Shanghai: Its Municipality and the Chinese*, pp. 152–160.

14. Fang, "Yu Xiaqing lun," 12.4:59; NCH, 1906: November 23, p. 425; and Fang Jiaobo, "Zhonghua dui zhi ershi nian" [Twenty years of the Chinese company]. Yu's group was followed by the development of merchant militia in other parts of the city; see Kojima Yoshio, "Shingai kakumei ni okeru Shanghai dokuritsu to shōshin sō" [The role of the merchant-gentry class in the independence of Shanghai in 1911], pp. 113–134; "Shanghai shangtuan xiaoshi" [A brief history of the Shanghai merchant militia], 7:86–90; and Shen Weibin and Yang Liqiang, "Shanghai shangtuan yu Xinhai geming" [The Shanghai merchant militia and the Revolution of 1911], 67–68.

15. Bergère, "The Role of the Bourgeoisie," p. 255. See also Chang P'engyuan, "The Constitutionalists," pp. 153–168.

16. Mary Backus Rankin, *Early Chinese Revolutionaries: Radical Intellectuals in Shanghai and Chekiang, 1902–1911*, pp. 103–112; Shen Diemin, "Ji guangfu hui ersan shi" [Recollections of two or three things about the Restoration Society], 4:131–142; and Feng Ziyou, *Geming yishi* [Fragments of revolutionary history], 2:74–101.

17. Shen and Yang, "Shanghai shangtuan," pp. 74–75; Kojima, "Shingai kakumei," pp. 116, 118, 123, and 127–128; Mei Lanfang, "Xiju jie canjia Xinhai geming de jijian shi" [A few items about actors' participation in the Revolution of 1911], 1:349; Rankin, *Chinese Revolutionaries*, p. 120; and "Yü Yu-

jen," in Howard Boorman and Richard C. Howard, eds., *Biographical Dictionary of Republican China*, 4:74-78.

18. According to Shen and Yang, Shen Manyun was close to many commercial leaders, including Zeng Zhu, Gu Lügui, Yu Xiaqing, Wang Yiting, Yao Wennan, and Lu Wenlu, all of whom were later active in the 1911 Revolution. Whether or not they came into contact with the revolutionary movement through Shen is not clear.

Li Pingshu (Li Zhongjue) was one of the most important gentry-merchants in Shanghai. He had served as a district magistrate in Guangdong and later was on Zhang Zhidong's staff. He was very active in both commerce and the development of local self-government. He was a director of the Nanshi Chamber of Commerce and a leading director of the Shanghai City Council. In 1905, Sheng Xuanhuai appointed him general director of the Commercial Bank of China and the following year he became manager of the Huacheng Insurance Company. In 1907, he became a director in the head office of the China Merchants' Steam Navigation Company. On Li, see Shen and Yang, "Shanghai shangtuan," pp. 69-70; *Shanghai xianzhi* [Gazetteer of Shanghai district], *juan* 15:37b-39b; Shen Yunlong, "Chen Yingshi, Li Pingshu yu Shanghai zhi guangfu," [Chen Yingshi, Li Pingshu, and the recovery of Shanghai], pp. 10-16; and Li Zhongjue, *Qiewan laoren qishi sui zixu* [The autobiography of Li Pingshu at seventy].

19. Zhang Jian may have played a key role in throwing the support of the constitutionalists behind the revolution. It is known that he supported at least two revolutionary undertakings, the Chinese Public Institute and Yu Youren's *Shenzhou Daily*, prior to the Revolution. In the period just before the Revolution he seems to have become exasperated with the dynasty. When the Wuchang uprising occurred, Zhang met with the civil governor of Jiangsu, Cheng Dequan, and drafted a memorial urging the court to convene quickly a national assembly. Then, on October 17 and 22, Zhang made two trips to Shanghai, where he conferred with Li Pingshu and other leaders. He then returned to his home in Nantong and remained silent until late December. It was only two days after Zhang left Shanghai that Shen approached Li, and Li agreed to support the uprising. See Rankin, *Chinese Revolutionaries*, pp. 113-116, and Shen and Yang, "Shanghai shangtuan," pp. 75-76. Chang P'eng-yuan, however, maintains that Zhang did not give up his belief in constitutionalism until his public declaration of support for the Republic on December 23. See "The Constitutionalists," pp. 179-180. See also Shen Yunlong, "Zhang Jian, Cheng Dequan duì xinhai kaiguo qianhou zhi yingxiang" [The influence of Zhang Jian and Cheng Dequan before and after the founding of the Republic], pp. 271-295.

20. On the course of the Shanghai uprising and the role of the merchant militia, see "Shanghai shangtuan xiaoshi"; Shen and Yang, "Shanghai shangtuan," pp. 72-78; Mei, "Xiju jie canjia Xinhai geming de jijian shi," 1:349-355; "Qingzhen shangtuan jilüe" [A sketch of the Moslem merchant militia], 7:90-92; and *Shanghai chunqiu* [A history of Shanghai], 1:45-52.

21. Kojima, "Shinhai kakumei," pp. 129-131.

22. NCH, 1911: November 18, p. 413.

23. The one setback that merchants suffered in this period was the seizure of

the Mixed Court by the Municipal Council. In the final years of the dynasty, the juridical authority of Chinese guild organizations, to the dismay of foreigners, had been expanding. In 1910–1911, the Chinese authorities, supported by the guilds, attempted to abolish the Mixed Court. Shortly after the Revolution broke out, the foreigners took over complete control of the court and extended its jurisdiction. See Anatol Kotenev, *Shanghai: Its Mixed Court and Council*, pp. 168–171, 250–251.

24. Pan Gongzhan, *Chen Qimei*, p. 38; “Chen Ch’i-me,” in Boorman and Howard, *Biographical Dictionary of Republican China*, I: 163–165.

25. *Shanghai xianzhi*, juan 13:853–854.

26. Pan, *Chen Qimei*, pp. 58–59; NCH, 1913: July 26, p. 295–296; August 2, pp. 313 and 342–343; and August 9, pp. 438–439.

27. Elvin, “The Gentry Democracy,” pp. 63–65. On Li’s sympathy to the Second Revolution, see NCH, 1913: August 9, p. 349; and October 11, p. 139.

28. *Shanghai xianzhi*, juan 1:169–170; NCH, 1914: March 28, p. 953. Elvin, “The Administration of Shanghai,” p. 261; Elvin, “The Gentry Democracy,” pp. 58–59; and *Shanghai tongshe*, ed., *Shanghai tong yanjiu ziliao* [Research materials for the Shanghai-hand], p. 104.

29. Albert Feuerwerker, *China’s Early Industrialization: Sheng Hsüan-huai (1844–1916) and Mandarin Enterprise*, p. 5.

30. Yan Zhongping, *Zhongguo mianfangzhi shigao* [Draft history of China’s cotton textile industry], pp. 98–106 and 342–351. See also *Hengfeng shachang de fasheng fazhan yu gaizao* [The birth, development, and reorganization of the Hengfeng cotton mill], pp. 3–5, 13–15, and 18.

31. Wang Jingyu, ed., *Zhongguo jindai gongye shi ziliao, dier ji 1895–1914 nian* [Materials on modern Chinese industrial history, part 2, 1895–1914], 2:906–909; Yang Dajin, *Xiandai Zhongguo shiye zhi* [A record of contemporary Chinese industry], 1:635–638, 285–287, and 113; Chen Zhen et al., eds., *Zhongguo jindai gongye shi ziliao* [Source materials on China’s modern industry], 4a:446, 594–598; *Shanghai zhi gongye*, pp. 47–48; and Lieu, *Growth and Industrialization*, pp. 48–49, and 51.

32. Wang, *Zhongguo jindai gongye shi ziliao, dier ji*, 2:847–860.

33. Lieu, *Growth and Industrialization*, p. 423.

34. The traditional view that prosperity was followed by collapse can be found in almost all Chinese writings on the economy. It is systematically presented by Gong Jun, *Zhongguo xin gongye fazhan shi dagang* [An outline history of the development of modern industry in China]; Chen et al., *Zhongguo jindai gongye*, vols. 1 and 4; and Zhou Xiuluan, *Diyici shijie dazhan shiqi Zhongguo minzu gongye de fazhan* [The development of China’s native industry during World War I]. This view has been critiqued by Chi-ming Hou in his *Foreign Investment and Economic Development in China, 1840–1937*, and by John K. Chang in his *Industrial Development in Pre-Communist China*. Chang’s industrial index shows a more or less continuous expansion of industrial production over the entire 1912 to 1949 period (though even his figures do show a substantially higher rate of growth during World War I). It is, however, important to note that the only output series for the 1912–1927 period which could be expected to reflect the situation in Shanghai is for cotton yarn—and that series does reveal considerable

swings in output. The other series are for minerals. Thus, even though the index no doubt presents an accurate picture of industrial production for China as a whole, it cannot be taken as reflective of Shanghai. In fact, the myth of stagnation in the 1920s was debunked forty years ago by D. K. Lieu. See *Growth and Industrialization*, pp. 29-30.

35. Yang Tuan-liu et al., *Statistics of China's Foreign Trade During the Last Sixty-Five Years*, tables 2 and 3.

36. Yu-kwei Cheng, *Foreign Trade and Industrial Development of China*, p. 28. The export of bean oil is one example of an industry which experienced sudden growth and then equally sudden decline. In 1913, the value of bean oil export was Hong Kong Taels (H.K. Tls.) 3.7 million. In 1918, it reached a high of about H.K. Tls. 25 million, after which it declined rapidly. In 1921, the U.S. imported less than H.K. Tls. 1 million worth of bean oil. See Charles F. Remer, *The Foreign Trade of China*, pp. 191-192.

37. Remer, *Foreign Trade*, pp. 188-198; Cheng, *Foreign Trade*, pp. 29-34; Ho Ping-yin, *The Foreign Trade of China*, pp. 26-39; Yang et al., *Statistics*, tables 4 and 5; and Lieu, *Growth and Industrialization*, pp. 406-412.

38. Yan, *Zhongguo mianfangzhi shigao*, pp. 163-164.

39. Lieu, *Growth and Industrialization*, p. 23.

40. Yang et al., *Statistics*, table 5.

41. Zhou, *Diyici shijie dazhan*, p. 30.

42. Zhang Jian, "Dasheng shachang gudong xuanyan shu" [Declaration to the stockholders' meeting of the Dasheng cotton mill], *juan* 8:33b; *Maoxin Fuxin Shenxin zonggongsi sanshi zhounian jinian ce* [Commemorative volume on the thirtieth anniversary of the head office of the Maoxin, Fuxin, and Shenxin companies], pagination chaotic; Mu Xiangyue, *Ouchu wushi zixu* [Mu Ouchu's autobiography at fifty], p. 80; *Hengfeng shachang*, pp. 22-23; and *Rongjia qiye shiliao* [Historical materials on the Rong family enterprises].

43. Wang, *Zhongguo jindai gongye shi ziliao*, 2:906-909; Yang, *Xiandai Zhongguo shiye zhi*, 1:622-626, 636-645; Chen et al., *Zhongguo jindai gongye*, 4a:381-385; and Chang, *Industrial Development*, pp. 42-44.

44. On the paper industry, see Chen et al., *Zhongguo jindai gongye*, 4b:588. On the rubber industry, see ibid., 4b:686. On the cement industry, see ibid., 4b:716, and Zhou, *Diyici shijie dazhan*, pp. 58-59. On the machine industry, see ibid., p. 57, and Chen et al., *Zhongguo jindai gongye*, 4b:595-598. On the number of silk filatures, see Lieu, *Growth and Industrialization*, pp. 34-35.

45. One must remember that the bulk of Shanghai's merchants were not industrialists but small-scale manufacturers and traders. Some of these businesses had some modern features. For instance, there were more than two hundred old-style tanneries (known as *pichang* or *pifang*) compared with only ten modern tanneries. These old-style tanneries, however, used imported chemicals in the tanning process. The knitting industry, which was largely a cottage industry, employed hand-operated machines. Lieu, *Growth and Industrialization*, pp. 40 and 49.

46. Computed from Yang, *Xiandai Zhongguo shiye zhi*, 1:65-66.

47. Ibid., pp. 43-44.

48. Richard C. Bush, *The Politics of Cotton Textiles in Kuomintang China*, pp. 27-31.

49. Chen et al., *Zhongguo jindai gongye*, 4a:381–385.
50. Yang, *Xiandai Zhongguo shiye zhi*, 1:635.
51. Chen et al., *Zhongguo jindai gongye*, 4b:595–598, 867; and 4a:447–450; An-min Chung, “The Development of Modern Manufacturing in China,” pp. 120–121.
52. For a general discussion of this problem, see H. D. Fong, *Industrial Organization in China*, pp. 8–13.
53. Chung, “Modern Manufacturing Industry,” p. 60.
54. Ibid., pp. 120–121; Gong, *Zhongguo xin gongye fazhan shi dagang*, pp. 159–164.
55. Chen et al., *Zhongguo jindai gongye*, 4a:423.
56. Ibid., 4a:447.
57. Ibid., 4b:630–631.
58. An interesting example occurred in the cloth goods business. See Zhongguo shehui kexue yuan jingji yanjiu suo [Economic research institute of the Chinese Academy of Social Sciences], ed., *Shanghai shi mianbu shangye* [The cotton cloth business of Shanghai municipality], pp. 103–115.
59. Yang Yinpu, *Zhongguo jiaoyisuo lun* [Chinese stock exchanges], pp. 39–44.
60. Chow Tse-tsung, *The May Fourth Movement*, pp. 99–116.
61. On the formation and leadership of the Federation of Commercial Groups, see Joseph T. Chen, *The May Fourth Movement in Shanghai: The Making of a Social Movement in Modern China*, pp. 66–70; and Shanghai shehui kexue lishi yanjiu suo [Shanghai Academy of Social Sciences, institute of history (hereafter Shanghai Academy)], ed., *Wusi yundong zai Shanghai shiliao xuanji* [Selected historical materials on the May Fourth Movement in Shanghai], pp. 648–654.
62. Chen, *The May Fourth Movement*, pp. 74–78.
63. *Shibao*, 1919: May 7.
64. *Shibao*, 1919: May 8.
65. Ibid.
66. *Shibao*, 1919: May 9.
67. On the role of Nanyang Brothers Tobacco Company, see Sherman Cochran, *Big Business in China: Sino-Foreign Rivalry in the Cigarette Industry, 1890–1930*, pp. 103–122.
68. *Shibao*, 1919: May 10. See also Shanghai Academy, *Wusi yundong zai Shanghai*, pp. 186–190.
69. *Shibao*, 1919: May 10; and Shanghai Academy, *Wusi yundong zai Shanghai*, pp. 231–236.
70. *Shibao*, 1919: May 13.
71. *Shibao*, 1919: May 11.
72. Shanghai Academy, *Wusi yundong zai Shanghai*, pp. 233–234 and 237–239; and *Shibao*, 1919: May 15.
73. Chow, *The May Fourth Movement*, pp. 132–139.
74. On the Association to Study Industry and Commerce and the Association to Maintain National Products, see *Shibao*, 1919: May 15, 16, and 17; and Shanghai Academy, *Wusi yundong zai Shanghai*, pp. 141 and 215–216. On the native banks, see *Shibao*, 1919: May 17, 20, 23, and 30; and Shanghai Academy, *Wusi yundong zai Shanghai*, p. 215. On the Association of Commercial Guilds, see *Shibao*, 1919: May 16, 20, and 23; and Shanghai Academy, *Wusi*

yundong zai Shanghai, pp. 141 and 201–203. On the support of native-place associations for the boycott, see *Shibao*, 1919: May 13, 17, and 19. On other occupational groups, see Shanghai Academy, *Wusi yundong zai Shanghai*, pp. 203–212. For a general description of the course of the boycott, see Chen, *The May Fourth Movement*, pp. 93–100.

75. Chen, *The May Fourth Movement*, pp. 106–115; and *Shibao*, 1919: June 4, 5, and 6.

76. *Shibao*, 1919: July 24. For an account *cum* apology of the structure of the General Chamber of Commerce, see Zhu Baosan's "last" letter of resignation, *Shibao*, 1919: July 1.

77. *Shibao*, 1919: July 25.

78. NCH, 1920: August 28, p. 561; *North China Daily News*, 1920: August 18.

79. *Shibao*, 1919: June 13, 24, and 25. Kuai Shixun, "Shanghai gonggong zujie Huaguwen de shizhong" [The complete history of the Chinese advisers in the International Settlement], p. 934.

80. Kuai, "Huaguwen de shizhong," p. 927; Anatol Kotenev, *Shanghai: Its Municipality and the Chinese*, p. 157.

81. Kuai, "Huaguwen de shizhong," p. 928.

82. Ibid., pp. 928–929; Kotenev, *Shanghai: Its Municipality and the Chinese*, pp. 157–158; and *Shibao*, 1919: July 6, 7, 12, 13, 15, 21, and 28; and August 11, 14, and 16.

83. Kuai, "Huaguwen de shizhong," pp. 931–934.

84. Ibid., p. 935; *Shibao*, 1919: October 26.

85. *Millard's Review*, 1919: December 13, p. 67; Kuai, "Huaguwen de shizhong," p. 937–943; NCH, 1920: January 10, pp. 54–56, 85, 98–99; January 17, pp. 129–130, 133, 139, 156–157, and 178.

86. Kuai, "Huaguwen de shizhong," p. 940.

87. Ibid., pp. 953–954; Kotenev, *Shanghai: Its Municipality and the Chinese*, pp. 159–160.

88. NCH, 1920: January 10, p. 54.

89. Kuai, "Huaguwen de shizhong," p. 957.

90. Kotenev, *Shanghai: Its Municipality and the Chinese*, pp. 159–160.

91. Kuai, "Huaguwen de shizhong," pp. 962–964; NCH, 1920: June 12, pp. 660 and 664; June 19, p. 724.

92. Kuai, "Huaguwen de shizhong," p. 964.

93. As Cochran has shown with regard to Nanyang Brothers Tobacco Company, nationalism could be a profitable business strategy. See *Big Business in China*, pp. 68–77, 98, 101–102, 158–159, and 178–187.

CHAPTER 3

1. Jean Chesneaux, *The Chinese Labor Movement, 1919–1927*, trans. H. M. Wright, p. 262. As George E. Sokolsky has noted: "In a city like Shanghai prices have risen so considerably that it is doubtful whether the rise in wages has been on the same course as the rise in the cost of commodities. . . . Toward the

end of 1925, the cost of rice was so high that public bodies had to devise means of establishing a price within the purchasing power of the labourers. In March 1926, rice stations were opened where rice was sold at \$12 per picul, which is about \$4.00 more than the normal price fixed by the British-American Tobacco Company as the basis for its wage scale. On the market rice was selling for \$14-16 or double this arbitrary figure." Sokolsky, "Labour, Strikes, and the Anti-Foreign Agitation," pp. 960-961.

2. *Yangcheng gong* was a system of child labor in which children often replaced older and more expensive labor. See Xu Shihua and Zhang Zhonghua, *Wusa yundong* [The May Thirtieth Movement], p. 10; and Emily Honig, "Women Cotton Mill Workers in Shanghai, 1919-1949," pp. 156-162.

3. Xu and Zhang, *Wusa yundong*, pp. 13-16; and Deng Zhongxia, *Zhongguo zhigong yundong jianshi* [A brief history of the Chinese labor movement], pp. 121-127.

4. Xu and Zhang, *Wusa yundong*, p. 16.

5. Liang Xiaoming, *Wusa yundong* [The May Thirtieth Movement], pp. 11-17; and Wusa yundong bianxie zu, ed., *Wusa yundong* [The May Thirtieth Movement], pp. 19-27.

6. Shanghai's newspapers were printed in the Settlement and were subject to pressure from the foreign authorities. During the February labor troubles several newspapers were fined for printing the manifesto of a labor union. Therefore, they were reluctant at first to carry controversial articles about Gu Zhenghong's death and the resulting strike activities. See Hu Yuzhi, "Wusa shijian jishi" [A true account of the May Thirtieth Incident], p. 6.

7. *Ibid.*, p. 7.

8. Details of the Incident vary with different accounts. Fortunately, there is no need to be comprehensive or definitive. In general I have followed the descriptions given in *Dongfang zazhi*, *Wusa shijian linri tekan* [The eastern miscellany, special issue on the May Thirtieth Incident]; Sokolsky, "Labour"; and Chenbao and Qinghua Student Association, eds., *Wusa tongshi* [The painful history of May Thirtieth]. For a recent account, see Nicholas R. Clifford, *Shanghai, 1925: Urban Nationalism and the Defense of Foreign Privilege*, pp. 14-17.

9. Liang, *Wusa yundong*, p. 40.

10. The standard accounts of merchant activities and attitudes are Huang Yifeng, "Wusa yundong zhong de da zichan jieji" [The big bourgeoisie in the May Thirtieth Movement], pp. 11-24; Xu and Zhang, *Wusa yundong*; Liang, *Wusa yundong*; and Chesneaux, *The Chinese Labor Movement*, pp. 262-289. Also useful is Deng, *Zhongguo zhigong yundong jianshi*, pp. 163-173.

11. *Shanghai zongshanghui yuekan* [Monthly journal of the Shanghai General Chamber of Commerce].

12. There are ads for this display room throughout the *Shanghai zongshanghui yuekan*.

13. *Shanghai zongshanghui yuekan* 2.3 (March 1922).

14. Sokolsky, "Labour," pp. 905-910.

15. *Ibid.*, p. 919.

16. *Shenbao*, 1925: May 31, p. 13; Deng, *Zhongguo zhigong yundong jianshi*, pp. 155-156.

17. Liu Hua worked at the China Bookstore and later at Shanghai University, where he became acquainted with Qu Qiubai, Deng Zhongxia, Chen Duxiu, and other Communist leaders. Chesneaux, *The Chinese Labor Movement*, p. 504. According to interviewees in Taiwan, Liu Hua, like Lin Jun, joined the Green Gang as a means of influencing labor.

18. *Shenbao*, 1925: June 1, p. 13. These original demands, never formally adopted for the purpose of negotiations, were actually closer to those proposed by the Shanghai General Chamber of Commerce than they were to those put forth by the Federation of Workers, Merchants, and Students. They thus provide a benchmark for measuring the growing radicalism and assertiveness of the labor movement.

19. Deng, *Zhongguo zhigong yundong jianshi*, p. 155.

20. *Shenbao*, 1925: June 1, p. 13.

21. Ibid.

22. One reason for the emergence of Fu Xiaoan as a leader at this time may have been the ill health of Zhu Baosan. Zhu died in 1925.

23. Interview. For details on Fu, see chapter 5, pp. 118–119.

24. For instance, Wu Zhihao was a member of the Fujian Road Street Association (*Shenbao*, 1925: June 8, p. 15); Feng Shaoshan, Huo Shouhua, and Xu Chunrong were directors of the North Shanghai Street Association (*Hubei shangjie lianhehui*), of which Chen Yiting was a member (*Shibao*, 1925: October 13). Chen Yiting and Huo Shouhua were also members of the Five Districts of Northern Shanghai Street Association (*Shenbao*, 1925: June 14, p. 13; and *Shibao*, 1925: October 3).

25. For details on Yu, see chapter 5, pp. 119–122.

26. Interview. Fang was employed at the Chinese Commercial Bank (of which Fu Xiaoan was manager), but he was close to Yu rather than Fu.

27. *Shenbao*, 1925: June 5, p. 11.

28. *Shenbao*, 1925: June 6, p. 9.

29. All three participated in the effort to make the Chamber of Commerce take an active role in the Movement. See Huo Shouhua's letter to the Chamber of Commerce, *Shenbao*, 1925: June 8, p. 14, and below, p. 72.

30. *Shenbao*, 1925: June 3, p. 13.

31. *Shenbao*, 1925: June 6, p. 9; and *Shibao*, 1925: June 5 and 6.

32. *Shibao*, 1925: June 6; and *Shenbao*, 1925: June 6, p. 9.

33. Ibid. It is interesting to note that student representatives supported the actions of the Commercial Federation and agreed to send students around to shops and ask them to open for business. See below, n. 51.

34. *Shenbao*, 1925: June 7, p. 13.

35. Ibid., p. 14.

36. *Shenbao*, 1925: June 8, p. 13.

37. Deng, *Zhongguo zhigong yundong jianshi*, p. 165. Clifford suggests that Dai Jitao's presence in Shanghai may have had something to do with this shift. See *Shanghai*, 1925, p. 55.

38. Chesneaux says that Yu Xiaqing "had close ties with Japanese interests" and cites *The China Year Book, 1926–1927*, p. 1220. However, the biography of Yu referred to does not mention any ties to Japanese interests. Although some of

his close associates such as Wang Yiting (comprador for the Nishin Shipping Company) had close ties to Japan, there is no evidence that Yu had any special ties. In 1926, when he was visiting Japan with a delegation of Chinese businessmen, he told his hosts:

The development of Sino-Japanese trade ought to have a basis in good feelings. . . . Unfortunately, in the past ten or so years, China and Japan have not only not had good will, but have had ill will. Under this type of circumstance, to desire the expansion of trade is like climbing a tree in search of fish. . . . Trade and politics cannot be separated.

This sentiment echoed precisely what he had told the Municipal Council in March 1926. He said that China's foreign relations must be conducted on a basis of racial equality and respect for sovereign rights. Pointing out that a nation's actions speak louder than its words, he warned, ". . . there is a limit to our love of peace, and speaking quite frankly, we do not care to have it 'at any price.'" See *Shanghai zongshanghui yuebao* 6.6 (June 1926); and NCH, 1926: March 20, p. 523.

39. Tang Youren, "Dui Ying jingji juejiao" [Severing economic relations with England], p. 301.

40. Deng, *Zhongguo zhigong yundong jianshi*, p. 164.

41. Clifford, *Shanghai*, 1925, p. 58.

42. *Shenbao*, 1925: June 8, p. 14.

43. *Shenbao*, 1925: June 11, p. 13.

44. NCH, 1925: June 13, p. 457.

45. *Shenbao*, 1925: June 11, p. 13.

46. Others on the committee included Huo Shouhua, Yuan Lüdeng, Ye Huijun, and Feng Shaoshan. See *ibid.*

47. In a delightfully ironic move, Fu was also named to serve on the committee. Needless to say, he did not take an active role in its affairs and never supported the merchant strike or boycott. Interview.

48. *Shenbao*, 1925: June 10, p. 13.

49. *Ibid.*

50. *Ibid.*, p. 16.

51. For instance, when merchants in the area of Dongxiao Gate started to strike, students encouraged them to reopen their shops. Likewise when the Dongbei cheng Street Association voted to strike, students urged them to reopen. The same thing happened when merchants started to strike in the French Concession. See *Shenbao*, 1925: June 8, p. 13.

52. *Shenbao*, 1925: June 12, p. 13.

53. For his membership in the Groups of Ten, see *Shibao*, 1926: March 1. For his involvement in the Merchant Associations, see *Shenbao*, 1927: March 22, p. 11.

54. See *Shenbao*, 1925: June 14, p. 15; *Shibao*, 1926: March 3; and *Shenbao*, 1927: April 9, p. 15.

55. *Shenbao*, 1925: June 12, p. 13.

56. Chesneaux, *The Chinese Labor Movement*, p. 265; and Clifford, *Shanghai*, 1925, pp. 26-27.

57. NCH, 1925: June 13, p. 441.
58. *Shenbao*, 1925: June 13, p. 9.
59. Ibid.; and Clifford, *Shanghai*, 1925, p. 29.
60. NCH, 1925: June 20, p. 464.
61. Clifford, too, has noted the mixed reaction of the Federation of Workers, Merchants, and Students (which he translates as United Society). See *Shanghai*, 1925, pp. 29–30.
62. According to the *Shenbao* (1925: June 13, p. 9), the Federation of Workers, Merchants, and Students explicitly approved dropping the demand that British and Japanese gunboats be permanently withdrawn from the waters around Shanghai.
63. *Shenbao*, 1925: June 16, p. 13. Emphasis added.
64. *Shibao*, 1925: June 17, p. 13.
65. After this time the coalition became strained, with the Federation of Street Associations complaining that decisions were being made without its approval. This eventually culminated in the Federation insisting on, and being granted, a veto power. See *Shenbao*, 1925: August 3, p. 14.
66. *Shenbao*, 1925: June 18, p. 13. The only street associations to participate were those of the Eleven Streets of Zhabei (*Zhabei shiyi lu*), Fujian Road, and Henan Road.
67. On the breakdown of the negotiations, see Clifford, *Shanghai*, 1925, pp. 25–31. The decision to reopen business may have been influenced by official pressure. On June 20, the provincial governor Zheng Jian met with Yu Xiaqing, Wu Zhihao, Zhang Jiaao (Chang Kia-ngau) and others to persuade them to return to business. *Shenbao*, 1925: June 21, p. 14. Not all merchants agreed with the decision to reopen. At a meeting chaired by Pan Donglin, the Wenjian shi Road Federation of Industry and Commerce voted to continue striking. See *Shenbao*, 1925: June 23, pp. 9 and 11.
68. Huang, “Wusa yundong zhong de da zichan jieji,” pp. 13–14.
69. According to Yu Guozhen, merchant losses due to the May Thirtieth Movement were at least 30 million taels (*Shenbao*, 1925: July 11, p. 15). In September various street associations submitted reports on their losses and contributions to the support of striking workers. See, for instance, *Shenbao*, 1925: September 2, p. 14; and September 19, p. 13. Moreover, various shortages developed, of which sugar and coal were most prominently covered. See *Shenbao*, 1925: July 16, p. 15; and August 18, p. 13.
70. Ma Yinchu, “Ruhe tichang Zhongguo gongshang ye” [How to promote China’s industry and commerce], p. 280. For the views of Chamber of Commerce leader Fang Jiaobo, see his “Tichang guohuo yundong yu guanshui yundong” [The movement to promote national products and the tariff movement], *Shanghai zongshanghui yuebao* [Monthly journal of the Shanghai general chamber of commerce] 5.9 (September 1925).
71. Xie Xunchu, “Qing guoren zhuandui Ying Ri” [A request that Chinese concentrate on England and Japan], pp. 262–263.
72. Ma, “Ruhe tichang gongshang ye,” p. 280.
73. Xie, “Qing guoren zhuandui Ying Ri,” p. 262.
74. Yang Xueying, “Xuechi yundong zui youxiao shouduan” [The most

effective method for the movement to wipe out the national shame], pp. 303-304.

75. *Shenbao*, 1925: June 4, p. 15.

76. This was the statement of purpose of the Association for the Promotion of National Products (*Shenbao*, 1925: June 11, p. 14). Other organizations issued similar statements.

77. See, for instance, the various statements from the Association for the Determination to Use National Products (with over one thousand members) in *Shenbao*, 1925: July 26, p. 15; August 5, p. 9; and August 22, p. 14; and the statements of the Association for the Use of National Products, also in *Shenbao*, 1925: June 14, p. 11; and July 17, p. 13.

78. Charles F. Remer, *A Study of Chinese Boycotts, With Special Reference to Their Economic Effectiveness*, p. 92.

79. *Shenbao*, 1925: August 8, p. 14.

80. There are many news reports about the Association for the Maintenance of National Products. See, for instance, *Shenbao*, 1925: June 13, p. 11; June 18, p. 13; June 27, p. 11; July 2, p. 15; July 8, p. 14; and July 15, p. 14.

81. On the Association for the Promotion of National Products, see *Shenbao*, 1925: June 11, p. 15; June 14, p. 15; June 26, pp. 9-19; June 28, p. 13; July 6, p. 13; July 8, p. 15; July 15, p. 14; July 17, p. 14; July 18, p. 14.

82. *Shenbao*, 1925: June 11, p. 14.

83. *Shenbao*, 1925: July 6, p. 13.

84. *Shenbao*, 1925: July 7, p. 14.

85. *Shenbao*, 1925: July 15, p. 14.

86. See above, n. 78.

87. *Shenbao*, 1925: July 18, p. 14.

88. Remer, *A Study of Chinese Boycotts*, p. 116.

89. *Ibid.*, p. 114.

90. *Ibid.*, pp. 119-120.

91. American cigarettes were boycotted because of American interests in (and in fact domination of) the British-American Tobacco Company (BAT). On the BAT, see Cochran, *Big Business in China*. On the growth of the tobacco industry in China, see Chen Zhen et al., eds., *Zhongguo jindai gongye*, 4a:446-447. The expansion of the tobacco industry in the context of the boycott of foreign cigarettes led naturally to the formation of new tobacco associations. Chen Liangyu, a leader of the national products movement and later a leader in the Shanghai Merchant Association, helped organize and chair the Association of Chinese Cigarette Factories. Over a thousand people attended the opening ceremony. *Shenbao*, 1925: September 11, p. 14.

92. Sokolsky, "Labour," pp. 1000-1001.

93. *Ibid.*

94. Several examples are given in *Shanghai shi mianbu shangye*. See especially chap. 1.

95. *Shenbao*, 1926: June 18, p. 13.

96. *Shibao*, 1927: April 27.

97. *Shenbao*, 1926: June 18, p. 13.

98. *Ibid.*

99. Immediately following the Incident, foreigners, afraid that a tide of anti-Western feeling might literally sweep them into the sea, declared a state of emergency, imposed a strict curfew, and moved gunboats close to the city. The military preparedness of the foreigners made the specter of imperialism visible and tangible. This presence offended all sectors of the Chinese population and added to the tension. The foreigners also occupied and sealed Shanghai University and other schools which they regarded as hotbeds of radicalism.

100. Wang Yunwu, “Wusa shijian zhi zeren yu shanhou” [The responsibility for and the way to make amends after the May Thirtieth Incident], p. 12.

CHAPTER 4

1. Joseph R. Levenson, *Liang Ch'i-ch'ao and the Mind of Modern China*, pp. 1–11, 193–219; and Philip Huang, *Liang Ch'i-ch'ao and Modern Chinese Liberalism*, pp. 141–159.

2. On China's labor movement, see Jean Chesneaux, *The Chinese Labor Movement, 1919–1927*; and Zhongguo laogong yundong shi bianzuan weiyuanhui [Committee on the compilation of the history of the Chinese labor movement], ed., *Zhongguo laodong yundong shi* [History of the Chinese labor movement].

3. The contrast between the Kuomintang “rightist” revolution and the Maoist “leftist” revolution is vividly expressed in Mao Zedong's famous “Report on an Investigation of the Peasant Movement in Hunan.” In contrast to the KMT, which defined moral corruption in non-class terms, Mao clearly relates the moral ills of society to its class structure. According to Mao, bad customs such as gaming, gambling, and opium smoking “arose out of the rotten political environment of the *landlord class* and are swept away once its authority is overthrown.” Hence, he argues that the peasant associations “must wage the political struggle more vigorously until the landlords' authority is completely smashed.” Moral reform through peaceful, educational efforts was simply inadequate: “Even if ten thousand schools of law and political science had been opened, could they have brought as much political education to the people, men and women, young and old, all the way into the remotest corners of the countryside, as the peasant associations have done in so short a time? I don't think they could.” *Selected Works of Mao Tse-tung*, ed. Committee for the Publication of the Selected Works of Mao Tse-tung, Central Committee of the Communist Party of China. Quotes are from vol. 1, pp. 52, 36, and 47 respectively. For Sun's moderate view of the mass movement, see pp. 105–106.

4. On the notion of commitment, see Howard S. Becker, “Notes on the Concept of Commitment,” pp. 276–287; and Kenneth Jowitt, *Revolutionary Breakthroughs and National Development: The Case of Romania, 1944–1965*, pp. 16–17.

5. The analysis presented here is highly indebted to the ideas developed by Bernard S. Silberman. Silberman argues that any “total succession of leadership” is dependent on solipsistic appeals which deny the validity of the natural order. For his application of this notion to the case of Japan, see “Bureaucratization of the Meiji State: The Problem of Succession in the Meiji Restoration, 1868–1900,” pp. 421–430.

6. I am grateful to Bernard S. Silberman for this formulation.
7. For a history of European revolutions from the KMT perspective, see Shao Yuanchong, *Geguo geming shilüe* [A historical outline of the revolutions of various nations].
8. Sun Yat-sen, *San Min Chu I*, p. 257.
9. See, for instance, Hu Hanmin, “Sanmin zhuyi de jingshen” [The spirit of the Three Principles of the People], p. 46–47; Zhou Fuhai, *Sanmin zhuyi zhi lilun de tixi* [The system of the theory of the Three Principles of the People], p. 131–132 passim; and Sun, *San Min Chu I*, pp. 173, 180 passim.
10. Sa Mengwu, *Sanmin zhuyi zhengzhi xue* [The political science of the Three Principles of the People], p. 78.
11. Shao Yuanchong, “Dazhan qianhou zhi Ou Mei shiye zhuangkuang” [The circumstances of industrial enterprises in Europe and America before and after the World War], pp. 1–28; Shao Yuanchong, “Xiandai jingji zhidu bujun buan ji minsheng jingji zhi tiaojian” [Inequality and instability under contemporary economic systems and the conditions for a *minsheng* (People’s Livelihood) economy], p. 45–53; and Zhou, *Sanmin zhuyi zhi lilun de tixi*, pp. 315–128.
12. Chen Gongbo, *Zhongguo Guomindang suo daibiao de shi shenma?* [What is it that the Chinese Kuomintang represents?], p. 33.
13. In 1912, Sun had observed, “In nations like England and America civilization is already advanced and industry and commerce developed; therefore, social revolution is difficult. In China civilization has not advanced and industry and commerce have not developed; therefore, social revolution is easy.” Quoted in *ibid.*, pp. 20–21. Compare Dai Jitao’s statement: “Apart from foreign oppression, China is truly a sheet of blank paper.” Dai Jitao, *Sun Wen zhuyi zhi zhuxue de jichu* [The philosophical foundations of Sunism], p. 17.
14. Chen, *Zhongguo Guomindang suo daibiao de shi shenma?*, p. 23.
15. Hu Hanmin, “Guomindang minzhong yundong de lilun” [The theory of the mass movement of the Kuomintang], p. 163.
16. Zhou Fuhai, *Zhongshan xiansheng sixiang gaiguan* [An overview of the thought of Mr. Sun Yat-sen], p. 16.
17. On imperialism as the enemy of the Chinese revolution, see *Guomin geming de xingzhi shiming he fangfa* [The nature, mission, and method of the national revolution], pp. 34–38; Wang Jingwei, “Geming de fenzi yingyou zhi juexin” [The determination which revolutionary elements ought to have], pp. 57–62; Liao Zhongkai, “Zhongguo shiye de xianzhuang ji yechan louhou de yuanyin” [The present state of China’s industry and the reason that production is undeveloped], pp. 29–49.
18. Wang Jingwei, “Zenyang cai neng shixing minsheng zhuyi” [How can the principle of the people’s livelihood be realized], *juan* 3:29–49.
19. See n. 85.
20. See, for instance, Sa, *Sanmin zhuyi zhengzhi xue*, pp. 185–202; and Zhou, *Sanmin zhuyi zhi lilun de tixi*, pp. 99–106, who insist that a clear recognition of the existence of classes is vital to the success of the revolution.
21. Sun, *San Min Chu I*, p. 259. Cui Shuchin, *Sun Zhongshan yu gongchan zhuyi* [Sun Yat-sen and communism], p. 160.
22. For instance, Zhou Fuhai said, “The principle of the People’s Livelihood

proposes first to restrict private capital and then to abolish private capital and in that way resolve the problem of capital.” See *Sanmin zhuyi zhi lilun de tixi*, p. 302. See also Cui, *Sun Zhongshan yu gongchan zhuyi*, pp. 150–163; and Dai Jitao, *Sun Wen zhuyi zhi zhuxue de jichu*, p. 17.

23. Zhou, *Sanmin zhuyi zhi lilun de tixi*, p. 195.
24. Sun, *San Min Chu I*, pp. 243–244.
25. Wang Jingwei, “Shiyue erri zai lujun guan xuexiao jiuzhi dang daibiao shuoce” [Speech of October 2 at the military officers’ school on taking office as Party commissar], p. 76.
26. *Guomin geming de xingzhi shiming he fangfa*, p. 51.
27. See Chen Shian, “Guomindang yu gongchan zhuyi zhe” [The Kuomintang and Communists], pp. 49–50; and Shao Yuanchong, “Sanmin zhuyi yu nonggong yundong” [The Three Principles of the People and the peasant and labor movements], p. 116.
28. See Hu Hanmin, “Geming lilun yu geming gongzuo” [Revolutionary theory and revolutionary work], pp. 1–16; and Wang Jingwei, “Zhongguo shiye zhi jiuji fangfa.”
29. Thus Dai Jitao appealed to his compatriots to “reject their class nature and restore their national [*guomin*] nature.” See *Sun Wen zhuyi zhi zhuxue de jichu*, pp. 36–37. See also Sa, *Sanmin zhuyi zhengzhi xue*, pp. 185–202.
30. Dai, *Sun Wen zhuyi zhi zhuxue de jichu*, pp. 32–33.
31. Wu Zihui, “‘Quanmin geming yu guomin geming’ de shangque” [A discussion of “all people’s revolution and national revolution”], p. 8.
32. Sun Yat-sen, *Guofu quanji* [The collected works of Sun Yat-sen], 1:419–420.
33. Sun, *San Min Chu I*, p. 137.
34. See Shao Yuanchong, “Dengqing luanyuan yu xinli jianshe” [Expunging the source of chaos and psychological reconstruction], 2:869–873.
35. That what was at question is moral knowledge rather than knowledge (expertise) *per se* is illustrated by the following statement by Hu Hanmin on the use of expertise: “As for the great weight to be placed on experts for solving all problems of reconstruction, that is, of course, a very important matter. . . . Apart from expending the greatest efforts in the execution of one’s responsibilities why would one not collect opinions and make inquiry of experts? In using expert talent, however, *one must have already decided on the direction in which the enterprise is to advance* and only then can [experts] be used. . . .” See “Cong dangyi yanjiu shuodao zhinan xingyi” [From studying Party principles to speaking of knowing is difficult and doing is easy], p. 134.
36. Lyon Sharmon, for instance, dismisses Sun’s aphorism as a psychological “escape” which allowed Sun to explain the failure of the 1911 Revolution. That it might have been, but it was also something much deeper. Despite Sun’s frustration at China’s political weakness, he was never convinced that there was anything fundamentally wrong with its social structure. If people would simply put Sun’s ideas into practice everything would be all right. Lyon Sharmon, *Sun Yat-sen: His Life and Its Meaning*, p. 234.
37. See the introduction to Sun, “Sun Wen xueshuo” [Theory of Sunism] (also known as “Xinli jianshe” [Psychological reconstruction]), 1:419.

38. Hu, “Cong dangyi yanjiu shuodao zhinan xingyi,” p. 128.
39. Sun, *Guofu quanji*, 1:460–461. See also Herman Mast III, “An Intellectual Biography of Tai Chi-t’ao from 1891 to 1928,” pp. 103–107.
40. Hu Hanmin, “Sanmin zhuyi shixing wenti” [The problem of carrying out the Three Principles of the People], pp. 51 and 54.
41. Dai Jitao, *Zhongguo geming yu Zhongguo Guomindang* [The Chinese revolution and the Chinese Kuomintang], p. 2.
42. Ibid.
43. Sa, *Sanmin zhuyi zhengzhi xue*, p. 211.
44. Hu, “Sanmin zhuyi shixing wenti,” p. 54.
45. The idea of a highly dedicated, disciplined, and elite Party was, as Edward Freedman has shown, the motivating concept behind Sun’s formation of the Chinese Revolutionary Party in 1914. See *Backward toward Revolution*, pp. 51–70.
46. Hu Hanmin, “Zhongguo Guomindang de minzhu jiquan zhi” [The system of democratic centralism in the Chinese Kuomintang], p. 176. See also Hu Hanmin, “Shenma shi bendang de dangyi yu dangde” [What are the party principles and party virtues of this Party?], p. 64.
47. Dai, *Zhongguo geming yu Zhongguo Guomindang*, p. 62.
48. Ibid.
49. See, for instance, Wang Jingwei, “Women zenyang shixing sanmin zhuyi” [How we can put the Three Principles of the People into practice], pp. 123–134; Shao Yuanchong, “Sixiang jianshe” [Thought reconstruction], pp. 54–64; Shao Yuanchong, “Dengqing luanyuan yu xinli jianshe,” 2:869–873; and Shao Yuanchong, “Geren zhuyi yu sixiang gaizao” [Individualism and thought reform], 2:880–891.
50. Cf. Hu Hanmin’s statement, “If everyone can gradually transform *si* into *gong* [*huasi weigong*], then this sort of ideology and thought [i.e., individualism and feudalism] will disappear.” Hu Hanmin, “Dajia qu jin dangyuan de tianzhi” [Everyone go and fulfill his sacred duties as a Party member], 10:5.
51. Sun, *San Min Chu I*, pp. 130–131.
52. Shao, “Geren zhuyi yu sixiang gaizao,” 2:881.
53. Sun, *San Min Chu I*, p. 132.
54. Zhou, *Sanmin zhuyi zhi lilun de tixi*, p. 312.
55. Ibid.
56. See n. 9.
57. Wang, “Women zenyang shixing sanmin zhuyi,” p. 131.
58. Wang, “Zhongguo shiye zhi jiuji fangfa,” pp. 71–72.
59. Zhou, *Sanmin zhuyi zhi lilun de tixi*, p. 195.
60. For a survey of corporatist thought, see Matthew H. Elbow, *French Corporative Theory, 1789–1948*. See also José Joaquin Azpiazu, *The Corporative State*.
61. Howard J. Wiarda, *Corporatism and Development: The Portuguese Experience*, p. 58.
62. Hu Hanmin, “Dangwai wuzheng zhengwai wudang” [No government outside the Party and no Party outside the government], p. 219.
63. Ibid., p. 220.
64. Hu Hanmin, “Falü yu ziyou” [Law and freedom], p. 127.

65. Sun, *San Min Chu I*, p. 296.
66. Shao, “Dazhan qianhou zhi Ou Mei shiye zhuangkuang,” p. 28.
67. Gan Naiguang, “Sun Wen zhuyi dagang,” [An outline of Sunism], pp. 64–65.
68. Ibid.; Sa, *Sanmin zhuyi zhengzhi xue*, pp. 203–215; Hu Hanmin, “Dangzhi de zhengfu” [Party-ruled government], 5:52–65; and Chen, *Zhongguo Guomin-dang suo daibiao de shi shenma?*, pp. 119–135.
69. Wang Jingwei, “Zhengzhi yu qunzhong” [Politics and the masses], pp. 67–85; and Wang Jingwei, “Dang yu minzhong yundong” [The Party and the mass movement], pp. 139–144.
70. Wang Jingwei, “Zhongguo Guomindang heyi you cici de xuanyan” [Why does the Chinese Kuomintang have this manifesto?], pp. 76–77.
71. Wang, “Zhengzhi yu qunzhong,” p. 85.
72. Hu, “Geming lilun yu geming gongzuo,” p. 4.
73. Ibid., p. 5.
74. Hu, “Shenma shi bendang de dangyi yu dangde,” p. 61.
75. Ibid., p. 62.
76. Hu, “Guomindang minzhong yundong de lilun,” p. 160.
77. Gan, “Sun Wen zhuyi dagang,” p. 65.
78. Sa, *Sanmin zhuyi zhengzhi xue*, p. 209.
79. Chen, *Zhongguo Guomindang suo daibiao de shi shenma?*, p. 106.
80. *Zhongguo Guomindang dangyuan zai xuanquan gongzuo shang duiyu jieji douzheng yingqu de taidu*, Fulu: zongli zai gongren daibiao dahui jiangyan ce, *Zhongguo gongren yu Zhongguo geming* [The attitude which members of the Chinese Kuomintang should adopt in propaganda work with regard to class struggle, Appendix: Sun Yat-sen’s speech before the workers’ congress, “Chinese workers and the Chinese revolution”], p. 3.
81. The best discussion of this problem is in the collection of essays in the volume *Zhongguo Guomindang de minzhong yundong* [The mass movement of the Chinese Kuomintang].
82. Sun Yat-sen, “Zenyang zuo nongmin yundong,” [How to conduct the peasant movement], pp. 43, 46, and 48.
83. Zhou Fuhai, “Minzhong zuzhi minzhong xunlian he minzhong yundong” [Mass organization, mass training, and the mass movement], p. 91.
84. Ibid., p. 90. See also Tao Xisheng, “Minzhong zuzhi de lilun he fangan” [The program and theory of mass organization], pp. 97–126.
85. See, for instance, Wang Jingwei, “‘Zhongguo geming’ zhi yi” [The meaning of the “Chinese revolution”], pp. 65–67; Wang Jingwei, “Tebie weiyuanhui anhui shangjie zhi yanshuo ce” [Speech at the special committee’s banquet for the merchant community], pp. 85–91; *Guomin geming de xingzhi shiming he fangfa*; and “Zhongguo Guomindang di erci quanguo daibiao dahui shangmin yundong jueyi an” [The second Party congress of the Chinese Kuomintang: resolutions concerning the merchant movement].
86. Huang Zhaonian, *Shangmin yundong yanji shi* [History of the merchant movement], p. 1.
87. Ibid., p. 5. See also “Zhongguo Guomindang shangren yundong jingguo” [The course of the merchant movement of the Chinese Kuomintang].

88. Huang, *Shangmin yundong yange shi*, p. 6.
89. Ibid., p. 7.
90. Ibid., pp. 8–15.
91. Chen, *Zhongguo Guomindang suo daibiao de shi shenma?*, p. 106.
92. Building a legal system on the basis of the Three Principles of the People is a major theme in Yang Youjióng's *Zhongguo jindai fazhi shi* [History of legislation in modern China]. Starting in mid-April 1927, the *Shibao* ran a daily column on the “party-ization” of education.
93. “Zhongguo Guomindang di erci quanguo daibiao dahui shangmin yundong jueyi an,” pp. 34–35. Emphasis added.
94. “Shangmin xiehui zuzhi fa” [Organization law of the Merchant Association], p. 1. See also the regulations of the Shanghai Merchant Association, *Shenbao*, 1927; March 28, p. 11.
95. Mary C. Wright, “From Revolution to Restoration: The Transformation of Kuomintang Ideology.”
96. Dai, *Sun Wen zhuyi zhi zhixue de jichu*, p. 8.
97. Dai Jitao, “Xiao” [Filial piety], p. 129.
98. Quoted in Dai, *Sun Wen zhuyi zhi zhixue de jichu*, p. 36.
99. Sun, *San Min Chu I*, p. 47.
100. Ibid., p. 78.
101. Ibid., p. 43.
102. Ibid., pp. 71–72.
103. Maurice Meisner, *Li Ta-chao and the Origins of Chinese Marxism*, p. 145 and passim.
104. Philip Selznick, *The Organizational Weapon, A Study of Bolshevik Strategy and Tactics*.

CHAPTER 5

1. Harold R. Isaacs, *The Tragedy of the Chinese Revolution*, p. 142.
2. Zhang Jingjiang came from a wealthy Zhejiang family and later went to Paris as an economic attaché with the Chinese embassy. While in Paris he became a theoretical anarchist and was one of the founders of the anarchist World Society in 1906. He returned to Hong Kong and joined the Revolutionary Alliance in 1907. In the years before the Revolution he was a major contributor to Yu Youren's *Minli bao* (“The People's Stand”), and after the Revolution helped raise money for the Shanghai military government. It is quite likely that Zhang met Chiang Kai-shek at this time. See Mary B. Rankin, *Early Chinese Revolutionaries: Radical Intellectuals in Shanghai and Chekiang, 1902–1911*, pp. 120–121.
3. On Chiang Kai-shek's life in this period, see Emily Hahn, *Chiang Kai-shek: An Unauthorized Biography*, pp. 45–84; Pinchon Loh, *The Early Chiang Kai-shek: A Study of His Personality and Politics, 1887–1924*, pp. 24–65; and Shi Feng, “Jiang Jieshi zenyang qijia de?” [What kind of background does Chiang Kai-shek have?], pp. 57–66. Isaacs reports that Huang Jinrong may well have personally inducted Chiang into the ranks of the underworld. See *Tragedy*, p. 143. That

Chiang's ties were first with Huang and only later with Du Yuesheng was confirmed to me by interview sources in Taiwan.

4. The development of the Green Gang is described in Zhang Junyi, *Du Yuesheng zhuan* [Biography of Du Yuesheng], vol. 1. While it is clear that this is a fictionalized account which apotheosizes Du, the description of the relationship between Huang, Du, and Zhang, and of the growth of the organization before the arrival of the Nationalists, appears to be generally true. On the general demise of the mass movement, see Patrick Cavendish, "The 'New China' of the Kuomintang," pp. 138–186.

5. Yang Yinpu, *Zhongguo jiaoyisuo lun*, pp. 36–37; and "Ch'en Kuo-fu," in Howard Boorman and Richard C. Howard, eds., *Biographical Dictionary of Republican China*, 1:202–203.

6. Fang, "Yu Xiaqing lun," 12.2:60–61.

7. Ibid.; Hahn, *Chiang Kai-shek*, pp. 64–65.

8. Isaacs, *Tragedy*, p. 143.

9. Huang Yifeng, "Diguo zhuyi qinlüe Zhongguo de yige zhongyao zhizhu: maiban jieji" [A major buttress of imperialist encroachment in China: the comprador class], p. 60.

10. Shanghai jinrong shihua bianxie zu [Group for the compiling and writing of an informal history of finance in Shanghai (hereafter Shanghai Group)], ed., *Shanghai jinrong shihua* [An informal history of finance in Shanghai], p. 105.

11. Ibid., p. 146.

12. Ibid.

13. Chang Kia-ngau, "Autobiography of Chang Kia-ngau," p. 54.

14. Shanghai Group, *Shanghai jinrong shihua*, p. 105.

15. *Shibao*, 1927: April 17. Originally organized by nineteen groups, the Shanghai Commercial Federation grew quickly. Its executive committee was expanded first from twenty-five to thirty-one persons and then later to forty-one persons. See *Shenbao*, 1927: March 27, p. 11; March 28, p. 11; and March 29, p. 11.

16. *Shibao*, 1927: March 20.

17. NCH, 1927: April 2, p. 20.

18. *Who's Who in China*, p. 77.

19. Ibid.; interview; Shiyi [pseud.], *Du Yuesheng waizhuan* [Biography of Du Yuesheng], p. 28.

20. Fang, "Yu Xiaqing lun."

21. Interview.

22. Shiyi, *Du Yuesheng waizhuan*, p. 28; interview.

23. On the Political Study Group, see Han Si, *Kan! Zhengxue xi* [Look! The political study group]; Chen Zhen et al., eds., *Zhongguo jindai gongye shi zilao*, 3b:1131–1150; and Hung-mao Tien, *Government and Politics in Kuomintang China, 1927–1937*, pp. 65–71 passim.

24. Shiyi, *Du Yuesheng waizhuan*, p. 6. The purpose of the story told here is to show how Du was able to win over bankers like Chen Guangfu during the 1930s, but in doing so it reveals the distance which such bankers had cultivated in earlier years.

25. As a Guangzhou merchant, Feng may also have hoped to benefit from a movement in which many of the top leaders were from Guangdong. With the ascendancy of Chiang Kai-shek, of course, leadership shifted to those from Zhejiang.

26. *Biographies of Kuomintang Leaders*; interview. Some of Wu Kaixian's views are apparent in his *Guonan zhong Zhongguo Guomindang dangyuan yingyou zhi juewu* [The consciousness that members of the Chinese Kuomintang ought to have during this national difficulty]. See also, "Wu K'ai-hsien."

27. U.S. Department of State, *Records Relating to the Internal Affairs of China, 1910-1929* 893/9395; *Who's Who in China*, p. 34.

28. *Shibao*, 1926: May 6.

29. Isaacs, *Tragedy*, p. 167; *Shanghai shi nianjian* [Shanghai municipal year-book], section E, "Dangwu" [Party affairs], p. 1; *Who's Who in China*, p. 253; interview.

30. *Shibao*, 1927: March 23.

31. *Shenbao*, 1927: March 28, p. 11; and March 29, p. 11.

32. *Shenbao*, 1927: March 22, p. 11.

33. *Ibid.*

34. Compare the executive committee of the Federation listed in *Shenbao* on March 29 to that given for the Merchant Association listed in *Shenbao* on March 22.

35. See *Shibao*, 1927: March 26, 29, and 30; *Shenbao*, 1927: March 29, p. 11; and April 1, p. 15. It seems that in this period the Merchant Associations had a very close relationship to, and were practically interchangeable with, the street associations. For instance, a report in the *Shibao* says, "Representatives from Nanking, Shandong, Zhejiang, Fujian, Xizang, Jiujiang, Henan, Huxi, and Shanxi Road street associations held a joint meeting to discuss the organization of the Fourth District Merchant Association" (April 23, emphasis added).

36. *Shibao*, 1927: March 29 and 31; April 5, 9, and 14.

37. *Shenbao*, 1927: March 29, April 10, and April 15.

38. For the resolutions of the Second Party Congress concerning the merchant movement and the Organization Law of the Merchant Association, see Huang Zhaonian, *Shangmin yundong yangshi*, pp. 31-47 and appendix.

39. *Shenbao*, 1927: April 1, p. 15.

40. *Shibao*, 1927: March 27.

41. *Shibao*, 1927: March 27 and 29. See also *Shenbao*, 1927: March 24, p. 12; March 28, p. 11; March 29, p. 11; and April 15, p. 15.

42. *Shenbao*, 1927: March 28, p. 11; and April 11, p. 15.

43. *Shenbao*, 1927: April 22, p. 11.

44. *Shenbao*, 1927: April 26, p. 15.

45. *Shibao*, 1927: March 27.

46. *Shenbao*, 1927: April 1, p. 15.

47. *Ibid.*

48. *Shenbao*, 1927: April 15, p. 15.

49. *Shenbao*, 1927: April 14, 20, and 22.

50. *Shibao*, 1927: April 23, 24, 25, and 27; and *Shenbao*, 1927: April 10, p. 14.

51. *Shibao*, 1927: April 26.
52. *Shibao*, 1927: April 15. On its establishment of a Merchant Association, see *Shibao*, 1927: April 25 and 27.
53. *Shibao*, 1927: April 21.
54. *Shibao*, 1927: April 22. See also *Shibao*, 1927: April 18 and 20, and June 21.
55. *Shibao*, 1927: April 22.
56. *Shibao*, 1927: March 5. On the return of the Mixed Court, see Chen Tingrui, “Shouhui Shanghai gonggong zujie huishen gongxie shimo ji” [Complete account of the return of the Mixed Court of Shanghai’s international settlement], pp. 119–127.
57. *Shenbao*, 1927: March 6, p. 14.
58. *Shibao*, 1927: April 5; and *Shenbao*, 1927: April 25, p. 10.
59. *Shibao*, 1927: April 28.
60. *Shenbao*, 1927: May 4, p. 14.
61. *Shenbao*, 1927: April 30, p. 13.
62. *Shenbao*, 1927: May 16, p. 9.
63. NCH, 1927: April 30, p. 211.
64. Parks M. Coble, Jr., *The Shanghai Capitalists and the Nationalist Government, 1927–1937*, p. 33.
65. NCH, 1927: April 30, p. 211.
66. *Shibao*, 1927: May 8.
67. For instance, Feng was active in the memorial for the May Thirtieth Incident, the commemoration of the June Third Movement, the anti-Japanese demonstration, the tax protest movement, and the boycott of Japanese goods. See, respectively, *Shibao*, 1927: May 28, June 3, 13, 23, and 29.
68. *Shibao*, 1927: April 20.
69. Ibid.
70. Ibid.
71. *Shibao*, 1927: May 6.
72. *Shenbao*, 1927: May 6, p. 13.
73. *Shibao*, 1927: May 6.
74. *Shibao*, 1927: May 7.
75. *Shibao*, 1927: June 7.
76. *Shibao*, 1927: June 13.
77. Ibid.
78. See, for instance, *Shibao*, 1927: June 15, 18, 22, and 25.
79. *Shibao*, 1927: June 17.
80. *Shibao*, 1927: June 18; and NCH, 1927: July 9, p. 62.
81. *Shibao*, 1927: June 27.
82. Charles F. Remer, *A Study of Chinese Boycotts, With Special Reference to Their Economic Effectiveness*, pp. 132–136.
83. *Shibao*, 1927: June 3.
84. *Shibao*, 1927: June 16, 17, 18, 19, 20, 23, and 24.
85. *Shenbao*, 1927: May 11, p. 13.
86. *Shenbao*, 1927: June 24, p. 13.
87. *Shenbao*, 1927: July 2, p. 13. See also *Shenbao*, 1927: June 30, p. 13.

88. *Shenbao*, 1927: July 6, p. 13.
89. On the Bank of Shandong, see *Shenbao*, 1927: July 13, p. 13; and July 14, p. 13. See also the case of the Jinnan Ham Company, which refused to pay taxes, in *Shenbao*, 1927: July 21, p. 13; July 22, p. 13; and July 23, p. 13.
90. On the negotiation between the Chinese Ratepayers' Association and the Shanghai Municipal Council, see *Shenbao*, 1927: July 29, p. 13; July 30, p. 13; and August 4, p. 13.
91. Kuai Shixun, “Shanghai gonggong zujie Huadong chansheng de jingguo” [The development of the native Chinese council members in Shanghai's International Settlement], pp. 1085–1130.
92. *Shibao*, 1927: May 6, June 19, and June 25.
93. *Shenbao*, 1927: July 7, p. 13.
94. *Shenbao*, 1927: July 20, p. 13.
95. See, for instance, *Shenbao*, 1927: July 24, p. 13.
96. By the early 1930s three of the most important members of the Shanghai Party branch were students of Du Yuesheng. Interview.
97. Interview.
98. Richard C. Bush, *The Politics of Cotton Textiles in Kuomintang China*, pp. 39–40. The author of *Du Yuesheng zhuan* comments on p. 272 that the Communist labor leader Wang Shouhua “was constantly struggling against Du Yuesheng with his whole strength.” See also Emily Honig, “Women Cotton Workers in Shanghai,” pp. 156–162.
99. Interview.

CHAPTER 6

1. The term “combat party” refers to an anti-status quo party in which ideology and organization are effectively fused. This means that there must be a relatively cohesive ideology, a “correct line,” an absence of organized factions within the party, and, as will be argued below, the ability to be the authoritative interpreter of its own ideology. The classic statement of this concept is Philip Selznick, *The Organizational Weapon, A Study of Bolshevik Strategy and Tactics*, chap. 1.
2. Hu Hanmin, “Qingdang zhi yiyi” [The meaning of Party purification], 3:74–84.
3. For instance, Lu Jingshi, a student and later the right-hand man of Du Yuesheng, used his knowledge of the Postal Union to oust Communists and secure his own authority. After the purge of the Communists, Lu emerged as one of the most important labor leaders in Shanghai. In 1931, he was elected as an alternate to the executive committee of the Shanghai Party branch and thereafter emerged as one of the leading members of the executive committee. Contrary to popular opinion, the Shanghai Party branch did not cooperate closely with Du Yuesheng when it first arrived in Shanghai, but only after the failure of its confrontational strategy (traced below). By 1935, three of the six most important members of the Shanghai Party branch were “students” of Du Yuesheng (the other three belonged to the C. C. Clique), further evidence that

the Nationalist regime did not so much penetrate society as co-opt and perhaps reinforce the existing social structure. For membership of the executive and supervisory committees of the Shanghai Party branch, see *Shanghai shi nianjian* [Shanghai municipal yearbook], section E “Dangwu” [Party affairs], pp. 1–5. The information in this note is based on interviews done in Taiwan.

4. When the Shanghai General Chamber of Commerce defended itself against the accusations of the Merchant Association, it rarely missed an opportunity to imply that the Party people were tainted by their past associations with the Communists. At least one member of the Shanghai Party branch, Wu Kai-xian, was, before the purge, a member of the Communist Youth. Wu became one of the most important members of the C. C. Clique in Shanghai (the other being Pan Gongzhan) and later became well known for his work in the underground during the Sino-Japanese War. It would not be surprising if other members of the Party branch had at one point had dual party membership. See *Biographies of Kuomintang Leaders*, arranged alphabetically.

5. “Zhongguo Guomindang di erci quanguo daibiao dahui Shangmin yundong jueyian,” p. 33.

6. *Shenbao*, 1927: November 20, p. 13.

7. Ibid.

8. *Shenbao*, 1927: December 23, p. 13.

9. *Shenbao*, 1927: December 13, p. 10.

10. Ibid.

11. Ibid.

12. *Shenbao*, 1927: December 18, p. 13. Emphasis added. Feng’s position here seems more conservative than it had been in the spring. It is not clear whether he changed his position or whether, now that he had greater authority in the Chamber, he was eager to assert the independence of the Chamber from the Merchant Association.

13. Ibid. Emphasis added.

14. *Shenbao*, 1927: December 23, p. 13.

15. Ibid.

16. Ibid.

17. It might seem contradictory to say that Party people opposed Party rule, but that is not the case. “Party rule” describes a particular relationship between party, state, and society in which authority resides in the Party. It is not necessary for Party members to subscribe to this conception of authority; they may for their own reasons choose to act as a faction rather than as a Party organization. But doing so undermines the authority of the Party.

18. Melville Talbot Kennedy, Jr., “The Kuomintang and Chinese Unification, 1928–1931,” p. 14.

19. Zhongyang mishu chu [Central secretariat], ed., *Zhongguo Guomindang di erci zhongyang zhixing weiyuan, di sici quanti huiyi jilu* [Record of the fourth plenum of the second central executive committee of the Chinese Kuomintang], p. 136.

20. Ibid., p. 20.

21. See Chiang Kai-shek’s opening remarks in ibid., especially pp. 17–19.

22. Ibid., pp. 137–138.

23. Ibid.

24. Ibid., pp. 66–67.
25. Ibid., p. 65.
26. Ibid., p. 150.
27. Ibid., p. 152.
28. Ibid., p. 170.
29. Ibid., p. 171.
30. Ibid., p. 68.
31. Ibid., p. 130.
32. Ibid., p. 68.
33. John Israel, *Student Nationalism in China, 1927–1937*, p. 18.
34. Charles F. Remer, *A Study of Chinese Boycotts, With Special Reference to Their Economic Effectiveness*, pp. 137–154; Israel, *Student Nationalism*, pp. 18–22.
35. *Shibao*, 1928: September 14.
36. Ibid.
37. *Shibao*, 1928: September 19.
38. Ibid.
39. *Shibao*, 1929: March 19.
40. *Shibao*, 1929: March 22.
41. *Shibao*, 1929: March 28.
42. Ibid.
43. *Shibao*, 1929: March 29.
44. Minzhi bianyi suo, ed., *Zhongguo Guomindang di sanci quanguo daibiao dahui xuanyan ji jueyi an* [The manifesto and resolutions of the third national congress of the Chinese Kuomintang], pp. 6–7.
45. Ibid., p. 16.
46. Ibid., pp. 7–8.
47. Ibid., pp. 17–18.
48. *Shibao*, 1929: March 29.
49. *Shibao*, 1929: April 24.
50. *Shibao*, 1929: April 25.
51. *Shibao*, 1929: April 25 and 26.
52. *Shibao*, 1929: May 3.
53. Parks M. Coble, Jr., *The Shanghai Capitalists and the Nationalist Government, 1927–1937*, pp. 60–64.
54. Tachibana Shiraki, *Shina shakai kenkyū* [Studies in Chinese society], pp. 214–215.
55. Israel, *Student Nationalism*, pp. 34–35.
56. Interview in Taipei.
57. Negishi Tadashi, *Shanghai no girudo*, pp. 371–372. Yu was a member of the Commercial Petitioning Delegation (*Shangye qingyuan tuan*), which went to Nanking in August 1928 to oppose the proposals of the Merchant Association. In March 1929, he headed a similar petitioning group. See *Shibao*, 1928: August 19; and 1929: March 24.
58. *Shibao*, 1929: June 7.
59. *Shibao*, 1929: June 22.
60. *Shibao*, 1929: July 2.
61. Negishi, *Shanghai no girudo*, pp. 371–372 and 375.

62. See Schmitter's definition of monism in "Still the Century of Corporatism?", p. 16.

63. The significance of the Merchant Associations lies not so much in their chance for success but in that they followed logically from the ideological claims of the Kuomintang and in what their failure reveals about the relationship between the Kuomintang, the Nationalist regime, and local society.

64. See the manifesto of the Second Plenum, *Zhongyang dangwu yuekan* [Central party affairs monthly] 12 (July 1929), pagination chaotic.

65. Ibid.

66. Ibid.

67. Ibid.

68. Ibid.

69. Ibid.

70. Ibid.

71. Ibid.

72. Ibid.

73. The Trade Association Law and the Chamber of Commerce Law can be found in Lifa yuan bianyi chu [Compilation and translation department of the legislature], ed., *Zhonghua minguo fagui huibian* [A compendium of laws and regulations of the Republic of China], 3:567–570 and 6:187–197.

74. *Zhongyang dangwu yuekan* 14 (September 1929).

75. Ibid.

76. Schmitter, "Still the Century of Corporatism?", p. 13.

77. Philippe C. Schmitter, *Interest Conflict and Political Change in Brazil*, p. 111.

78. Article 10 of "Gongshang tongye gonghui fa shixing xize" [Detailed principles for the implementation of the commercial and industrial trade association law], in *Zhonghua minguo fagui huibian*, 3:569.

79. Negishi, *Shanghai no girudo*, p. 350.

80. "Chekiang Financial Group," in *China Annual*, p. 435.

81. Negishi, *Shanghai no girudo*, p. 375.

82. *Shibao*, 1928: October 24.

83. *Shibao*, 1928: July 28.

84. Fang Teng, "Yu Xiaqing lun," 12.4:64.

85. See the list of executive and supervisory committee members for 1934 given in Negishi, *Shanghai no girudo*, p. 375.

86. Quoted in Lloyd E. Eastman, *The Abortive Revolution: China under Nationalist Rule, 1927–1937*, p. 1.

87. Kennedy, "The Kuomintang and Chinese Unification," p. 201.

CHAPTER 7

1. Juan J. Linz, "An Authoritarian Regime: Spain," pp. 251–283; Juan J. Linz, "Totalitarian and Authoritarian Regimes," pp. 277–357; Juan J. Linz, "A Century of Politics and Interests in Spain," pp. 367–415; and Samuel P. Huntington, "Social and Institutional Dynamics of One-Party Systems," pp. 3–47.

2. Linz defines authoritarian systems in terms of their modes of interest representation, "mentality," degree of mobilization, and position of the leader. In his discussion he makes a number of descriptive observations about these and other characteristics. The present effort attempts to abstract from this list of variables a logically coherent model of authoritarian rule, show the interrelatedness of these characteristics, and display their dynamic interaction. It should be noted that whereas Linz distinguishes authoritarian and "totalitarian" systems, I find it more useful to distinguish between authoritarian and "Leninist" systems (see below, n. 8). See Linz, "An Authoritarian Regime: Spain," pp. 255-273 and *passim*.

3. Stanley G. Payne, *Franco's Spain*, pp. 24-25. The distinction between ideology and mentality was originally formulated by Theodore Geiger, but it has been applied to authoritarian regimes by Linz.

4. Fred Riggs, *Administration in Developing Countries*, p. 176.

5. Payne, *Franco's Spain*, pp. 24-25.

6. In 1927, as part of the political maneuvering surrounding efforts to reunify the Kuomintang after the establishment of rival regimes in Wuhan and Nanking, Chiang resigned and went to Japan. After the failure of his opponents to organize a viable regime, he returned to power in December 1927. In 1931, Chiang found himself opposed by both Wang Jingwei and Hu Hanmin and was forced to step down. This time his opponents were even less able to agree among themselves, and Chiang, after only a month, returned to office. See Tuan-sheng Ch'ien, *The Government and Politics of China*, pp. 94-100.

7. A large amount of inconclusive literature on the question "What is fascism?" tries to establish criteria by which a "fascist" movement (or regime) can be distinguished from a "non-fascist" movement (or regime). The basic problem with this approach is that one can define fascism either broadly or narrowly by expanding or contracting the list. Consensus is accordingly difficult to achieve. The approach adopted here is to drop the use of the word fascism (or restrict it to a subtype of authoritarian rule) and to concentrate on what defines authoritarian regimes as a *sui generis* form of rule. By concentrating on the structure of the regime and the relationship between state and society it is hoped that one can analyze authoritarian regimes as lying along a continuum with several subtypes. For a sampling of the range of views regarding fascism, see Reno De Felice, *Interpretations of Fascism*; Nathanael Greene, ed., *Fascism: An Anthology*; A. James Gregor, *Interpretations of Fascism*; Walter Laqueur, ed., *Fascism: A Reader's Guide*; Walter Laqueur and George Mosse, eds., *International Fascism, 1920-1945*; Stanley G. Payne, *Fascism: Comparison and Definition*; and S. J. Woolf, ed., *The Nature of Fascism*.

8. Linz considers the case of Nazi Germany an instance of totalitarian rather than authoritarian rule. The contrast I emphasize is between Leninist and authoritarian regimes. Germany, no matter how "totalitarian," was not Leninist. Its totalitarian features derived from the role of the S.S. rather than from party rule. In its personalistic, factionalistic, and weak-party features it bore a family resemblance to other authoritarian regimes and so is included as a case—albeit an extreme one—of authoritarian rule. See Linz, "Totalitarian and Authoritarian Regimes," pp. 187-240.

9. Howard J. Wiarda, *Corporatism and Development: The Portuguese Experience*, p. 46. See also Hugh Kay, *Salazar and Modern Portugal*, pp. 26–35.
10. Edward Malefakis, “The Parties of the Left and the Second Republic,” pp. 16–45.
11. Alan Bullock, *Hitler: A Study in Tyranny*, pp. 51–55; and Franz Neumann, *Behemoth: The Structure and Practice of National Socialism*, pp. 7–8, 20–34; Francis L. Carsten, *The Rise of Fascism*, p. 90.
12. Richard Collier, *Duce! The Rise and Fall of Benito Mussolini*, pp. 53–63; A. James Gregor, *The Ideology of Fascism: The Rationale of Totalitarianism*, pp. 30–38; A. Rossi, *The Rise of Italian Fascism, 1918–1922*, pp. 9–33.
13. Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*, p. 47. See also pp. 36, 91, and 97–100.
14. Ibid., p. 84.
15. Ibid., p. 83 and 67.
16. A. F. K. Organski, *The Stages of Political Development*. See also Organski, “Fascism and Modernization,” pp. 19–41.
17. Organski, “Fascism,” p. 24.
18. Organski, *Stages*, p. 138.
19. Organski, “Fascism,” pp. 25–27.
20. Gregor, *Interpretations of Fascism*, pp. 181–185. The term “ideology of delayed industrialization” was developed by Mary Matossian in her “Ideologies of Delayed Industrialization: Some Tensions and Ambiguities,” pp. 252–264. See also A. James Gregor, *Italian Fascism and Developmental Dictatorship*.
21. Gregor, *Interpretations of Fascism*, p. 198.
22. Ibid., p. 199.
23. Organski, *Stages*, pp. 125–133.
24. J. Solé-Tura, “The Political ‘Instrumentality’ of Fascism,” p. 42.
25. For instance, Otto Bauer has pointed out that “in reality fascism did not triumph at the moment when the bourgeoisie was threatened by the proletarian revolution; it triumphed when the proletariat had long been weakened and forced onto the defensive, when the revolutionary flood had abated.” Quoted in Francis L. Carsten, “Interpretations of Fascism,” p. 420.
26. Organski, *Stages*, p. 184.
27. Seymour Martin Lipset, “‘Fascism’—Left, Right, and Center,” pp. 127–179.
28. Quoted in Carsten, “Interpretations of Fascism,” p. 416.
29. Quoted in Lipset, “‘Fascism’—Left, Right, and Center,” p. 89.
30. G. Germani, “Fascism and Class,” p. 89.
31. Reno De Felice, *Fascism, an Informal Introduction to Its Theory and Practice*, p. 46. See also De Felice, “Italian Fascism and the Middle Classes,” pp. 312–317.
32. Linz’s analysis of European fascism stresses its “latecomer” status and consequent need to compete with established parties. See Juan J. Linz, “Some Notes toward a Comparative Study of Fascism in Sociological Historical Perspective,” pp. 3–121. See also Linz, “Political Space and Fascism as a Late-Comer,” pp. 153–189.
33. Linz, “Some Notes toward a Comparative Study of Fascism,” p. 94.

34. Ibid., p. 29.
35. Bullock, *Hitler*, p. 53.
36. Stanley G. Payne, *Falange, a History of Spanish Fascism*, pp. 4-6.
37. Ibid., p. 30.
38. Wiarda, *Corporatism and Development*, p. 77.
39. Ibid., pp. 82-83.
40. Carsten, *The Rise of Fascism*, p. 19. See also A. James Gregor, *The Ideology of Fascism*, pp. 71-83.
41. Linz, "Some Notes toward a Comparative Study of Fascism," p. 16.
42. Gregor, *Interpretations of Fascism*, p. 172.
43. Quoted in Gregor, *The Ideology of Fascism*, p. 185.
44. Ibid., pp. 171-172.
45. Payne, *Falange*, p. 39.
46. Carsten, *The Rise of Fascism*, pp. 82-83.
47. A. J. Nichols, "Germany," pp. 63 and 67.
48. Kay, *Salazar and Modern Portugal*, p. 56.
49. Wiarda, *Corporatism and Development*, pp. 60, 77, and 85.
50. Ibid., p. 64.
51. Gregor, *The Ideology of Fascism*, p. 297. Mussolini expressed the same thought when he said, "There does not exist an economic event of an exclusively private or individual interest." See Benito Mussolini, *The Corporative State*, p. 28.
52. Philip Selznick, *The Organizational Weapon, A Study of Bolshevik Strategy and Tactics*, pp. 17-71.
53. In this regard it should be observed that in the German case it was the S.S. rather than the party (NSDAP) which emerged as a combat weapon. This seems to account for many of the "totalitarian" features of that authoritarian regime.
54. Neumann, *Behemoth*, p. 62.
55. Solé-Tura, "The Political 'Instrumentality' of Fascism," p. 44.
56. Payne, *Fascism*, p. 72. See also pp. 69 and 77.
57. Gregor, *The Ideology of Fascism*, p. 238.
58. Payne, *Falange*, pp. 174-198.
59. Kenneth Jowitt, *The Leninist Response to National Dependency*, pp. 41-42.
60. Linz, "Totalitarian and Authoritarian Regimes," p. 197.
61. Melville Talbot Kennedy, Jr., "The Kuomintang and Chinese Unification, 1928-1931" p. 93.
62. Linz, "An Authoritarian Regime: Spain."
63. Linz, "Totalitarian and Authoritarian Regimes," pp. 266-267.
64. Clifford Geertz, "Ideology as a Cultural System," pp. 193-233.
65. Gregor, *The Ideology of Fascism*.
66. Linz, "Totalitarian and Authoritarian Regimes," p. 268.
67. Selznick, *The Organizational Weapon*, p. 10.
68. Jowitt in particular emphasizes the party as the locus of loyalty in Leninist systems. See *The Leninist Response*, pp. 36-43.
69. Quoted in Selznick, *The Organizational Weapon*, p. 35.
70. Jowitt uses the term "charismatic-impersonal" to describe Leninist

authority. See his contrast between Leninist authority and Hitler's personalistic authority, *The Leninist Response*, pp. 37–38. In this regard, it is worth stressing again that Chiang Kai-shek's authority was personal rather than organizational and hence did not derive from his position as Party leader.

71. Tang Tsou, "Prolegomenon to the Study of Informal Groups in CCP Politics," pp. 98–114.

72. Quoted in Linz, "Totalitarian and Authoritarian Regimes," p. 207.

73. *Ibid.*, p. 237.

74. Gregor, *Interpretations of Fascism*, p. 127.

75. Ch'ien, *The Government and Politics of China*, p. 132.

76. The Western Hills faction was a right-wing faction of the Kuomintang which had protested the alliance with the Communists in 1925 and been expelled as a result. They reentered the Party after the split with the Communists. In part because the Western Hills faction contained many long-time associates of Sun Yat-sen, Chiang's legitimacy was enhanced by their adherence.

77. As Philip Selznick points out, "the leadership of any polity fails when it concentrates on sheer survival" (*Leadership in Administration*, p. 62). One way of distinguishing among authoritarian regimes and predicting their relative "success" or "failure" is to focus on the amount of resources the state can command relative to society. For a highly suggestive effort along these lines, see Alfred Stepan, *The State and Society*, pp. 73–113.

78. Linz, "Totalitarian and Authoritarian Regimes," pp. 189–190.

79. Ai Meng, *Liangchao guojiu Song Ziwen mishu* [A secret history of T. V. Soong, uncle of two dynasties], p. 17.

80. *Ibid.*, p. 18; Chen Zhen et al., eds. *Zhongguo jindai gongye shi ziliao*, 3b:1017.

81. Chen et al., *Zhongguo jindai gongye*, 3b:1091–1092.

82. *Ibid.*, 3b:993–1016.

83. Philip Selznick, *TVA and the Grass Roots: A Study in the Sociology of Formal Organization*, p. 258 and *passim*.

84. Kenneth Jowitt, *Revolutionary Breakthroughs and National Development*, pp. 9–10.

85. Virtually no work has been done on the role of interest associations during the Nanking period, primarily because of the paucity of data available to date. Bush's study of the textile industry suggests that whereas individual mill owners were sometimes able to bargain effectively with the regime, the Cotton Mill Owners' Association *qua* association did not have much influence. See Richard C. Bush, *The Politics of Cotton Textiles in Kuomintang China, 1927–1937*. An important article which suggests that interest associations may have played an important role in the cartelization of Chinese industry in the latter part of the Nanking decade is Wu Jingchao, "Tongye gonghui yu tongzhi jingji" [Trade associations and a controlled economy], pp. 531–547.

86. Corporatism, as Schmitter in particular notes, is a diverse body of often contradictory normative prescriptions in which practice often diverges radically from theory. It is, therefore, difficult to say what exactly the "practice" of corporatism should look like. At a minimum, however, the term corporatism implies a relatively high degree of representation or self-governance through

functional interests associations—that those associations, in other words, be something more than demobilizing structures. In this sense, the practice of corporatism (though not the name) is more closely associated with “societal corporatism” than with “state corporatism.” See Philippe C. Schmitter, “Still the Century of Corporatism?”

87. Roland Sarti, *Fascism and the Industrial Leadership in Italy, 1919–1940: A Study in the Expansion of Private Power under Fascism*, p. 103.

88. Ibid., p. 95.

89. Wiarda, *Corporatism and Development*, pp. 282–290.

90. Cited in *ibid.*, p. 342.

91. Philippe C. Schmitter, *Corporatism and Public Policy in Authoritarian Portugal*, p. 58.

92. On Nationalist control of labor, see Walter Gourlay, “‘Yellow’ Unionism in Shanghai,” pp. 103–135; and Edward Roy Hammond III, “Organized Labor in Shanghai, 1927–1937.”

93. Relatively little work has been done in relating types of corruption to specific regimes. The classic work in this field is James C. Scott, *Comparative Political Corruption*. For a recent effort to apply such an approach to the Soviet Union, see Kenneth Jowitt, “Soviet Neotraditionalism: The Political Corruption of a Leninist Regime.” To the extent that bureaucratic capitalism was politically significant, we should be able to identify it as a specific pattern of corruption and relate it systematically to the major features of the Nanking regime: the decline of the Party, the negating nature of corporatist structures, the rise of a “mentality,” etc. Such an approach, it should be noted, places less emphasis on (but does not deny) political culture as an explanation.

94. On traditional corruption in China, see David S. Nivison, “Ho-shen and His Accusers: Ideology and Political Behavior in the Eighteenth Century.”

95. On T. V. Soong, see Ai, *Liangchao guojiu*; Chen et al., *Zhongguo jindai gongye*, 3b:1017–1089; and *T. V. Song haomen ziben neimu* [The inside story of the house of T. V. Soong].

96. On H. H. Kung, see Chen et al., *Zhongguo jindai gongye*, 3b:992–1016.

97. On the C. C. Clique, see *ibid.*, 3b:1090–1130; *C. C. haomen ziben neimu* [The inside story of the house of C. C.]; Economic Information Service, ed., *How Chinese Officials Amass Millions*.

98. Han Si, *Kan! Zhengxue xi*, p. 15.

99. Chen et al., *Zhongguo jindai gongye*, 3b:1095–1096.

100. Shirley S. Garrett, “The Chambers of Commerce and the YMCA,” p. 228.

CONCLUSION

1. The concept of Neotraditional authority has been developed by Kenneth Jowitt in his “Soviet Neotraditionalism: The Political Corruption of a Leninist Regime.”

Glossary

<i>Pinyin</i>	<i>Wade-Giles</i>	
anmei	an-mei	暗昧
baoban	pao-pan	包辦
Baoguan shangmin	Pao-kuan shang-min	報館商民協會
xiehui	hsieh-hui	
baojia	pao-chia	保甲
bashi	pa-shih	罷市
Bei Zuyi	Pei Tsu-i	貝祖詒
bixu	pi-hsü	必需
buwen zhengzhi	pu-wen cheng-chih	不問政治
buzhi bujue	pu-chih pu-chüeh	不知不覺
Cai Tinggan	Ts'ai T'ing-kan	蔡廷幹
Cai Yuanpei	Ts'ai Yüan-p'ei	蔡元培
Cao Kun	Ts'ao K'un	曹錕
Cao Muguan	Ts'ao Mu-kuan	曹慕管
Cao Rulin	Ts'ao Ju-lin	曹如霖
Chen Bulei	Ch'en Pu-lei	陳布雷
Chen Dezheng	Ch'en Te-cheng	陳德徵
Chen Gongbo	Ch'en Kung-po	陳公博
Chen Guangfu (K. P. Chen)	Ch'en Kuang-fu	陳光甫
Chen Guofu	Ch'en Kuo-fu	陳國夫
Chen Jian	Ch'en Chien	陳建
Chen Jiongming	Ch'en Chiung-ming	陳炯明
Chen Liangyu	Ch'en Liang-yü	陳良玉
Chen Lifu	Ch'en Li-fu	陳立夫
Chen Qimei	Ch'en Ch'i-meい	陳其美
Chen Shaochang	Ch'en Shao-ch'ang	陳紹昌
Chen Yiting	Ch'en I-ting	陳翊庭
Chen Yongsan	Ch'en Yung-san	陳勇三
Chen Zemin	Ch'en Tze-min	陳澤民

Cheng Dequan	Ch'eng Te-ch'üan	程德全
da yuanshuai	ta yüan-shuai	大元帥
dachang	ta-ch'ang	打廠
Dai Jitao	Tai Chi-t'ao	戴季陶
daluan fenzi	ta-luan fen-tzu	打亂分子
danghua	tang-hua	黨化
dangyi yanjiu hui	tang-i yen-chiu hui	黨義研究會
dianye gongsuo	tien-yeh kung-so	典業公所
Doumiye shangmin xiehui	Tou-mi yeh shang-min hsieh-hui	豆米業商民協會 杜米會
Du Guisun	Tu Kuei-sun	杜圭孫
Du Yuesheng	Tu Yueh-sheng	杜月笙
Duan Qirui	Tuan Ch'i-jui	段祺瑞
duichi	tui-ch'ih	對峙
Fa zujie shangye lianhehui	Fa tzu-chieh shang-yeah lien-ho hui	法租界商業聯合會
fabu lüshi zhengshu	fa-pu lü-shih cheng-shu	法部律師證書
Fandui Riben chubing lai Hua yundong weiyuanhui	Fan-tui Jih-pen ch'u- ping lai-Hua yun-tung wei-yuan hui	反對日本出兵來華運動 委員會
Fang Jiaobo	Fang Chiao-po	方椒伯
fazhi	fa-chih	法治
Feng Gengguang	Feng Keng-kuang	馮耿光
Feng Guifen	Feng Kuei-fen	馮桂芬
Feng Shaoshan	Feng Shao-shan	馮少山
Feng Yuxiang	Feng Yü-hsiang	馮玉祥
fengjian	feng-chien	封建
fenhui	fen-hui	分會
Fu Xiaoan (Zongyao)	Fu Hsiao-an (Tsung-yao)	傅筱庵（宗耀）
fuxing	fu-hsing	復興
gebang mianshi	ke-pang mien-shih	各幫麵食
geji	ke-chi	各級
Gesheng shanghui lianhehui	Ke-sheng shang-hui lien-ho hui	各省商會聯合會
gong	kung	公
Gong Baoquan	Kung Pao-ch'üan	龔寶銓
gongshang tongye gonghui fa	kung-shang t'ung-yeh kung-hui fa	工商同業公會法
Gongshang yanjiu hui	Kung-shang yen-chiu hui	工商研究會
Gongshangxue lianhehui	Kung-shang-hsüeh lien-ho hui	工商學聯合會
gongtong shengchan	kung-t'ung sheng-ch'an	共同生產
Gu Lügui	Ku Lü-kuei	顧履桂
Gu Xingyi	Ku Hsing-i	顧馨一
Gu Zhenghong	Ku Cheng-hung	顧正紅

guandu shangban	kuan-tu shang-pan	官督商辦
guandu shangxiao	kuan-tu shang-hsiao	官督商銷
guandu shangyun	kuan-tu shang-yün	官督商運
Guangfu hui	Kuang-fu hui	光復會
guanliao qi	kuan-liao ch'i	官僚氣
guanliao ziben	kuan-liao tzu-pen	官僚資本
guanshan heban	kuan-shang ho-pan	官商合辦
Guo Taiqi	Kuo T'ai-ch'i	郭泰祺
Guo Waifeng	Kuo Wai-feng	郭外峯
Guohuo rikan	Kuo-huo jih-k'an	國貨日刊
Guohuo weichi hui	Kuo-huo wei-ch'ih hui	國貨維持會
Guohuo xunkan	Kuo-huo hsün-k'an	國貨旬刊
Guohuo zhoubao	Kuo-huo chou-pao	國貨週報
guomin	kuo-min	國民
Guomin dahui	Kuo-min ta-hui	國民大會
guomin geming	kuo-min ke-ming	國民革命
Guomin geming jun	Kuo-min ke-ming chun	國民革命軍
beifa shangmin	pei-fa shang-min hou-	北伐商民
houyuanhui	yuan hui	後援會
Guomin huiyi	Kuo-min hui-i	國民會議
guoti	kuo-t'i	國體
hanxin	han-hsin	寒心
houzhi houjue	hou-chih hou-chüeh	後知後覺
Hu Hanmin	Hu Han-min	胡漢民
Hu Linyi	Hu Lin-i	胡林翼
huagong weisi	hua-kung wei-ssu	化公為私
Huang Jinrong	Huang Chin-jung	黃金榮
Huang Yanpei	Huang Yen-p'ei	黃炎培
Huang Zunxian	Huang Tsun-hsien	黃遵憲
huanqi minzhong	huan-ch'i min-chung	喚起民衆
Huaren nashui hui	Hua-jen na-shui hui	華人納稅會
Huashang ticao hui	Hua-shang t'i-ts'ao hui	華商體操會
huasi weigong	hua-ssu wei-kung	化私為公
Hubei shangjie lianhehui	Hu-pei shang-chieh lien-	滬北商界聯合會
ho hui	ho hui	
huiyan	hui-pan	會辦
huiguan zhidu	hui-kuan chih-tu	會館制度
Huo Shouhua	Huo Shou-hua	霍守華
Hushang xiehui	Hu-shang hsieh-hui	滬商協會
jiagong jisi	chia-kung chi-ssu	假公濟私
jianchi	chien-ch'ih	堅持
Jiang Quesheng	Chiang Ch'üeh-sheng	江確生
jianquan	chien-ch'üan	健全
jianshe	chien-she	建設
jiezhiziben	chieh-chih tzu-pen	節制資本
jingmi	ching-mi	精密
jingshen	ching-shen	精神

Jiuguo hui	Chiu-kuo hui	救國會
juewu	chüeh-wu	覺悟
junzi	chün-tzu	君子
keshang	k'e-shang	客商
Kong Xiangxi	K'ung Hsiang-hsi (H. H. Kung)	孔祥熙
kuadang fenzi	k'ua-tang fen-tzu	跨黨分子
Li Dazhao	Li Ta-chao	李大釗
Li Lisan	Li Li-san	李立三
Li Mingzhong	Li Ming-chung	李銘鍾
Li Pingshu (Zhongjue)	Li P'ing-shu (Chung- chüeh)	李平書 (鈤玗)
Li Xianmo	Li Hsien-mo	李顯謨
lianhe quanmin	lien-ho ch'üan-min	聯合全民
lianluo tongye ganqing	lien-lo t'ung-yeh kan- ch'ing	聯絡同業感情
lieshen	lieh-shen	劣紳
Lin Jun	Lin Chün	林鈞
Liu Bosen	Liu Po-sen	劉伯森
Liu Hua	Liu Hua	劉華
louzhi	lou-chih	漏卮
Lu Wenlu	Lu Wen-lu	陸文麓
Lu Wenzhong	Lu Wen-chung	陸文中
Lu Yongxiang	Lu Yung-hsiang	盧永祥
Lu Zhengxiang	Lu Cheng-hsiang	陸徵祥
lüeduo	lüeh-to	掠奪
lunli	lun-li	倫理
Lüshi gonghui	Lü-shih kung-hui	律師公會
Lüshi xiehui	Lü-shih hsieh-hui	律師協會
Ma Jianzhong	Ma Chien-chung	馬建忠
Ma Runsheng	Ma Jun-sheng	馬潤生
min	min	民
Minlibao	Min-li pao	民立報
minsheng zhuyi	min-sheng chu-i	民生主義
Minzhong xunlian weiyuanhui	Min-chung shun-lien wei-yuan hui	民衆訓練委員會
minzhonghua	min-chung hua	民衆化
minzu	min-tsü	民族
Mu Ouchu	Mu Ou-ch'u	穆藕初
muqi	mu-ch'i	暮氣
Niu Yongjian	Niu Yung-chien	鈕永建
niuyang ye	niu-yang yeh	牛羊業
Nongmin yundong jiangxi suo	Nung-min yun-tung chiang-hsi so	農民運動講習所
Pan Donglin	P'an Tung-lin	潘冬林
Pan Yizhi	P'an I-chih	潘宜之
paojie	p'ao-chieh	跑街

Pengdang lun	P'eng-tang lun	朋黨論
Pingmin shangtuan	P'ing-min shang-t'uan	平民商團
pingminhua	p'ing-min hua	平民化
pohuai	p'o-huai	破壞
Qi Xieyuan	Ch'i Hsieh-yüan	齊燮元
Qian Kangrong	Ch'ien K'ang-jung	錢康榮
Qian Longzhang	Ch'ien Lung-chang	錢龍章
Qian Xinzh (Yongming)	Ch'ien Hsin-chih (Yung-ming)	錢新之（永銘）
Qin Runqing	Ch'in Jun-ch'ing	秦潤卿
qingbang	ch'ing-pang	青幫
qiqiang pai	ch'i-ch'iang p'ai	騎牆派
qu	ch'ü	區
Quan Hu shangmin	Ch'üan-Hu shang-min	全滬商民慶祝大會
qingzhu dahui	ch'ing-chu ta-hui	
quanmin geming	ch'üan-min ke-ming	全民革命
qun	ch'ün	羣
renjuan gongsuo	jen-chüan kung-so	認捐公所
renzhi	jen-chih	人治
Rong Desheng	Jung Te-sheng	榮德生
Rong Zongjing	Jung Tsung-ching	榮宗敬
sangquan ruguo	sang-ch'üan ju-kuo	喪權辱國
Sanmin zhuyi hua	San-min zhu-i hua	三民主義化
shang	shang	商
shangbang xiehui	shang-pang hsieh-hui	商幫協會
Shanghai gemalu	Shang-hai ke ma-lu	上海個馬路商界聯合會
shangjie lianhehui	shang-chieh lien-ho hui	
Shanghai minzhong dui	Shang-hai min-chung	上海民衆對日經濟決交
Ri jingji juejiao da	tui-Jib ching-chi	
tongmeng	chüeh-chiao ta t'ung-meng	大同盟
Shanghai shangye	Shang-hai shang-yeah	上海商業公團聯合會
gongtuan lianhehui	kung-t'uan lien-ho hui	
Shanghai shangye	Shang-hai shang-yeah	上海商業聯合會
lianhehui	lien-ho hui	
Shanghai sijianye	Shang-hai ssu-chien yeh	上海絲織業商民協會
shangmin xiehui	shang-min hsieh-hui	
Shanghai tebie shi	Shang-hai t'e-pieh shih	上海特別市商會
shanghui	shang-hui	
Shanghai tebie shi	Shang-hai t'e-pieh shih	上海特別市商人團體整
shangren tuanti	shang-jen t'uan-t'i	
zhengli weiyuanhui	cheng-li wei-yuan hui	理委員會
Shanghai tichang	Shang-hai t'i-ch'ang	上海提倡國貨會
guohuo hui	kuo-huo hui	
Shanghai zhengquan	Shang-hai cheng-ch'üan	上海證券物品交易所
wupin jiaoyi suo	wu-pin chiao-i so	

shanghui fa	shanghui fa	商會法
shangjie lianhehui	shang-chieh lien-ho hui	商界聯合會
Shangmin bu	Shang-min pu	商民部
Shangmin xiehui	Shang-min hsieh-hui	商民協會
Shangmin xiehui zuzhi an	Shang-min hsieh-hui tsu- chih an	商民協會組織案
shangmin yundong	shang-min yün-tung	商民運動
shangmin zuzhi yuanze ji xitong	shang-min tsu-chih yuan-tze chi hsi-t'ung	商民組織原則及系統
Shao Lizi	Shao Li-tzu	邵力子
shen	shen	紳
Shen Chengfu	Shen Ch'eng-fu	沈承福
Shen Enfu	Shen En-fu	沈恩孚
Shen Lianfang	Shen Lien-fang	沈聯芳
Shen Manyun	Shen Man-yün	沈曼雲
Shen Yong	Shen Yung	沈鏞
shengcun yu	sheng-ts'un yü	生存慾
Shi Zhikun	Shih Chih-k'un	石芝坤
shiyong yu si	shih-yung yü ssu	使用慾 私
Song Hanzhang	Sung Han-chang	宋漢章
Song Ziwen	Sung Tzu-wen (T. V. Soong)	宋子文
Su Yunshang	Su Yün-shang	蘇筠尚
Sun Chuanfang	Sun Ch'u-an-fang	孫傳芳
Sun Chuchin	Sun Ch'u-ch'in	孫楚琴
Sun Daosheng	Sun Tao-sheng	孫道勝
Tang Jiezhi	T'ang Chieh-chih	湯節之
Tao Chengzhang	T'ao Ch'eng-chang	陶成章
Tao Zigan	T'ao Tzu-kan	陶子敢
Tianhou gong	T'ien-hou kung	天后宮
tongdao	t'ung-tao	同道
Tongmeng hui	T'ung-meng hui	同盟會
Tongren fuyuan tang	T'ung-jen fu-yüan t'ang	同仁輔元堂
tongye gonghui	t'ung-yeh kung-hui	同業公會
tu	t'u	土
tuanjie	t'uan-chieh	團結
tuanlian	t'uan-lien	團練
tubu	t'u-pu	土布
tuhao	t'u-hao	土豪
Wang Hanliang	Wang Han-liang	王漢良
Wang Hanqiang	Wang Han-ch'iang	王漢強
Wang Jiean	Wang Chieh-an	王介安
Wang Jingwei	Wang Ching-wei	汪精衛
Wang Lian	Wang Lien	王廉
Wang Xiaolai	Wang Hsiao-lai	王曉籟
Wang Xingchai	Wang Hsing-ch'ai	王醒齋

Wang Xingyi	Wang Hsing-i	汪星一
Wang Yansong	Wang Yen-sung	王延松
Wang Yiting (Zhen)	Wang I-ting (Chen)	王一亭 (震)
Wang Zhengting (C. T. Wang)	Wang Cheng-t'ing	王正廷
weilao	wei-lao	慰勞
weiyuan zhi	wei-yüan chih	委員制
Wenjianshi	Wen chien-shih	文監師
Wen Lanting	Wen Lan-t'ing	聞蘭亭
Wu Dingchang	Wu Ting-ch'ang	吳鼎昌
Wu Kaixian	Wu K'ai-hsien	吳開先
Wu Peifu	Wu P'ai-fu	吳佩孚
Wu Shaoqing	Wu Shao-ch'ing	吳少卿
Wu Wenqi	Wu Wen-ch'i	吳蘊
Wu Xing	Wu Hsing	吳馨
Wu Zhihao	Wu Chih-hao	鄒志豪
Wu Zhongxin	Wu Chung-hsin	吳忠信
wuxu	wu-hsü	母需
wuzhi	wu-chih	物質
xian	hsien	縣
xiantian xianfa	hsien-t'ien hsien-fa	先天憲法
xianxiang	hsien-hsiang	現象
xianzhi xianjue	hsien-chih hsien-chüeh	先知先覺
xiaoren	hsiao-jen	小人
xingshang	hsing-shang	興商
xinmin	hsin-min	新民
xiuye	hsiu-yeh	休業
Xu Chunrong	Hsü Ch'un-jung	徐春榮
Xu Juru	Hsü Chu-ju	徐菊如
Xu Xinliu	Hsü Hsin-liu	徐新六
Xu Yuan	Hsü Yüan	許沅
Xu Yunhui	Hsü Yün-hui	許雲輝
xuehui	hsüeh-hui	學會
xunlian bu	hsün-lien pu	訓練部
yahang	ya-hang	牙行
Yan Esheng	Yen O-sheng	嚴謗聲
Yang Xiaochuan	Yang Hsiao-ch'u'an	楊小川
Yang Zongkai	Yang Tsung-k'ai	楊宗凱
yangcheng gong	yang-ch'eng kung	養成工
yangnu	yang-nu	洋奴
yanpiao	yen-p'iao	鹽票
yanzhong kongqi	yen-chung k'ung-ch'i	嚴重空氣
Yao Wennan	Yao Wen-nan	姚文柑
Yaoye yinpian gonghui	Yao-yeh yin-p'ien kung-hui	藥業飲片公會
Ye Chucang	Yeh Ch'u-ts'ang	葉楚倖
Ye Huijun	Yeh Hui-chün	葉惠鈞

Ye Kuangzhen	Yeh K'uang-chen	葉貺振
yidang zhiguo	i-tang chih-kuo	以黨治國
yiguo sangong	i-kuo san-kung	一國三公
yilun	i-lun	議論
yishang jiuguo	i-shang chiu-kuo	以商救國
youxu	yu-hsü	有需
Yu Guozhen	Yü Kuo-chen	俞國珍
Yu Xiaqing	Yü Hsia-ch'ing	虞洽卿
Yu Youren	Yü Yu-jen	于右任
Yu Zhongxian	Yü Chung-hsien	虞仲咸
Yuan Lüdeng	Yuan Lü-teng	袁履登
Yuan Shikai	Yüan Shih-k'ai	袁世凱
Yubei lixian gonghui	Yü-pei li-hsien kung-hui	預備立憲公會
yuwang	yü-wang	慾望
zaishang yanshang	tsai-shang yen-shang	在商言商
Zeng Guofan	Tseng Kuo-fan	曾國藩
Zeng Zhu	Tseng Chu	曾鑄
Zeng Zongjian	Tseng Tsung-chien	曾宗鑑
Zhabei shiyi lu	Cha-pei shih-i lu	閘北十一路
zhancun	chan-ts'un	暫存
zhanyou yu	chan-yu yü	占有慾
Zhang Dingpan	Chang Ting-p'an	張定潘
Zhang Jiaao	Chang Chia-au (Chang Kia-ngau)	張嘉敖
Zhang Jian	Chang Chien	張謇
Zhang Jiazen	Chang Chia-chen	張家鎮
Zhang Jingjiang (Renjie)	Chang Ching-chiang (Jen-chieh)	張靜江 (人傑)
Zhang Meian	Chang Mei-an	張梅菴
Zhang Qun	Chang Ch'ün	張群
Zhang Xiaolin	Chang Hsiao-lin	張嚙林
Zhang Yipeng	Chang I-p'eng	張一鵬
Zhang Zhenyuan	Chang Chen-yüan	張振遠
Zhang Zhidong	Chang Chih-tung	張之洞
Zhang Zilian	Chang Tzu-lien	張子廉
Zhang Zongchang	Chang Tsung-ch'ang	張宗昌
Zhang Zongxiang	Chang Tsung-hsiang	章宗祥
Zhang Zuolin	Chang Tso-lin	張作霖
Zhao Dihua	Chao Ti-hua	趙棣華
Zhao Fengchang	Chao Feng-ch'ang	趙鳳昌
Zhao Nangong	Chao Nan-kung	趙南公
Zheng Guanying	Cheng Kuan-ying	鄭觀應
Zheng Jian	Cheng Chien	鄭謙
Zheng Rucheng	Cheng Ju-ch'eng	鄭汝成
zhengke	cheng-k'e	政客
zhinan xingyi	chih-nan hsing-i	知難行易
zhipei yu	chih-p'ei yü	支配慾

Zhongguo Guomindang	Chung-kuo Kuo-min-	中國國民黨黨立商民
dangli shangmin	tang tang-li shang-min	運動講習所
yundong jiangxi suo	yün-tung chiang-hsi so	
Zhonghua jiuguo shiren	Chung-hua chiu-kuo	中華救國十人團
tuan	shih-jen t'uan	
zhongxiao shangren	chung-hsiao shang-jen	中小商人
zhongxing	chung-hsing	中興
Zhou Peizhen	Chou P'ei-chen	周佩箴
zhouduan	chou-tuan	綢緞
Zhu Baosan	Chu Pao-san	朱葆三
Zhu Chenggui	Chu Ch'eng-kuei	祝承桂
zhuyi	chu-i	主義
ziben tuanti	tzu-pen t'uan-t'i	資本團體
ziran ren	tzu-jan jen	自然人
zizhi	tzu-chih	自治
Zongcai	Ts'ung-ts'ai	總裁
zonghui	tsung-hui	總會
Zongli	Tsung-li	總理
zongzhi	tsung-chih	宗旨
Zuo Jingchai	Tsou Ching-ch'ai	鄒靜齋
Zuo Zongtang	Tso Tsung-t'ang	左宗棠

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