

UNIVERSITY OF HONG KONG

FACULTY OF ARTS

DEPARTMENT OF HISTORY

A Thesis

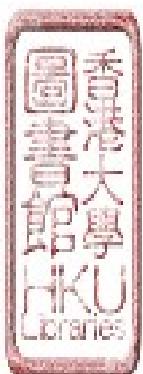
A STUDY OF THE 1925-26 CANTON-HONG KONG  
STRIKE-BOYCOTT

Submitted by

CHUNG Lu Cee, Rosemarie

In Partial Fulfillment for the  
Degree of Master of Arts

September 1969



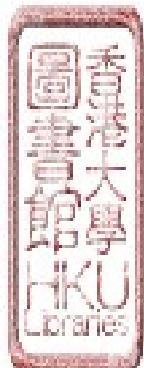
## ACKNOWLEDGEMENTS

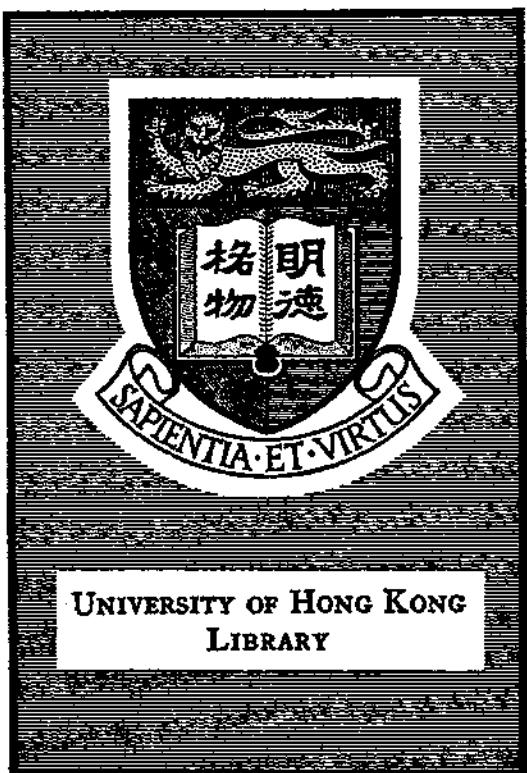
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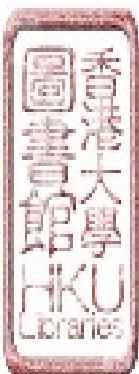
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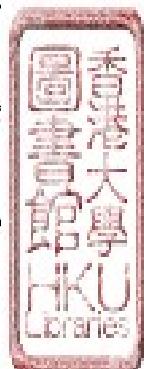


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## CONTENTS

Chapter		Page
	ACKNOWLEDGEMENTS .....	1
	MAPS .....	ii
	INTRODUCTION .....	1
I	HONG KONG AND CANTON 1920-1924 .....	18
II	THE STRIKE IN HONG KONG JUNE-JULY 1925 .....	71
III	THE BOYCOTT AND HONG KONG .....	123
IV	CANTON AND THE STRIKERS .....	179
V	THE NEGOTIATIONS FOR THE ENDING OF THE STRIKE-BOYCOTT .....	216
	GLOSSARY .....	31
	BIBLIOGRAPHY .....	31



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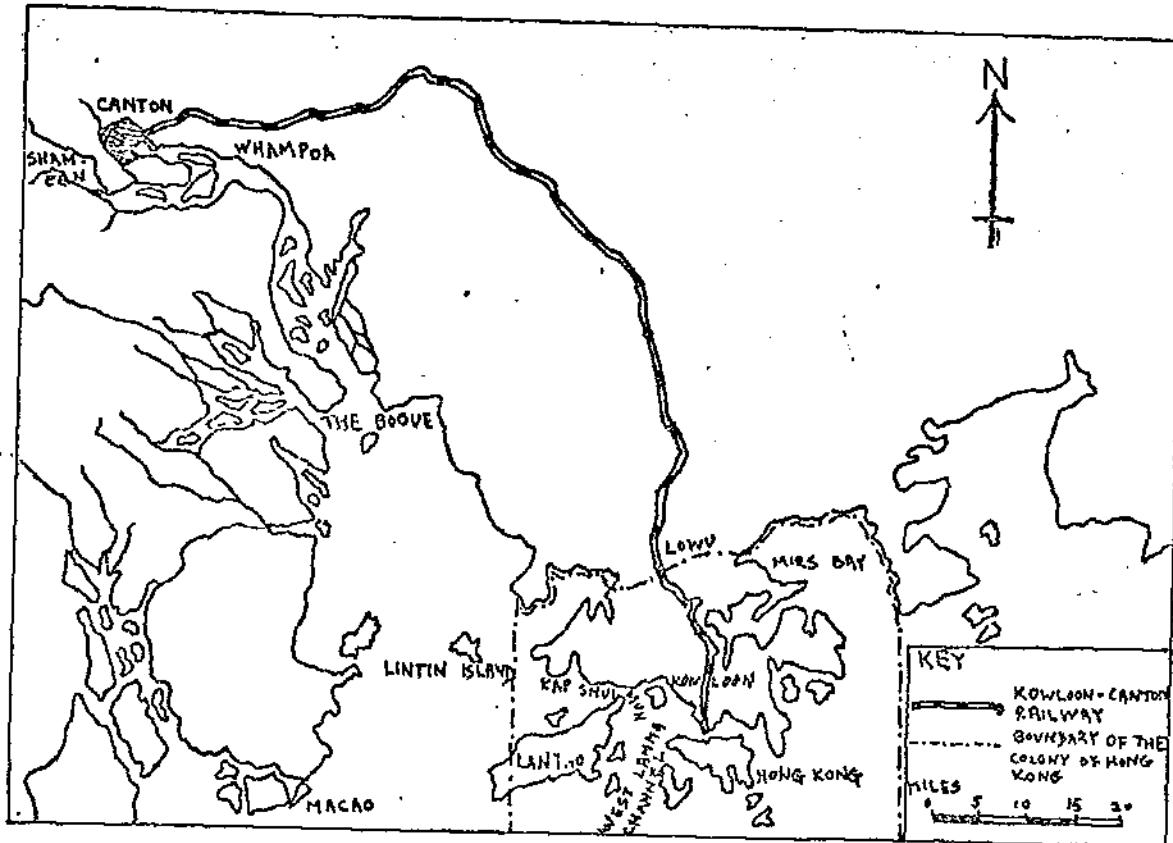
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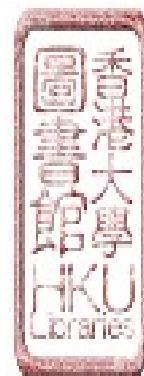
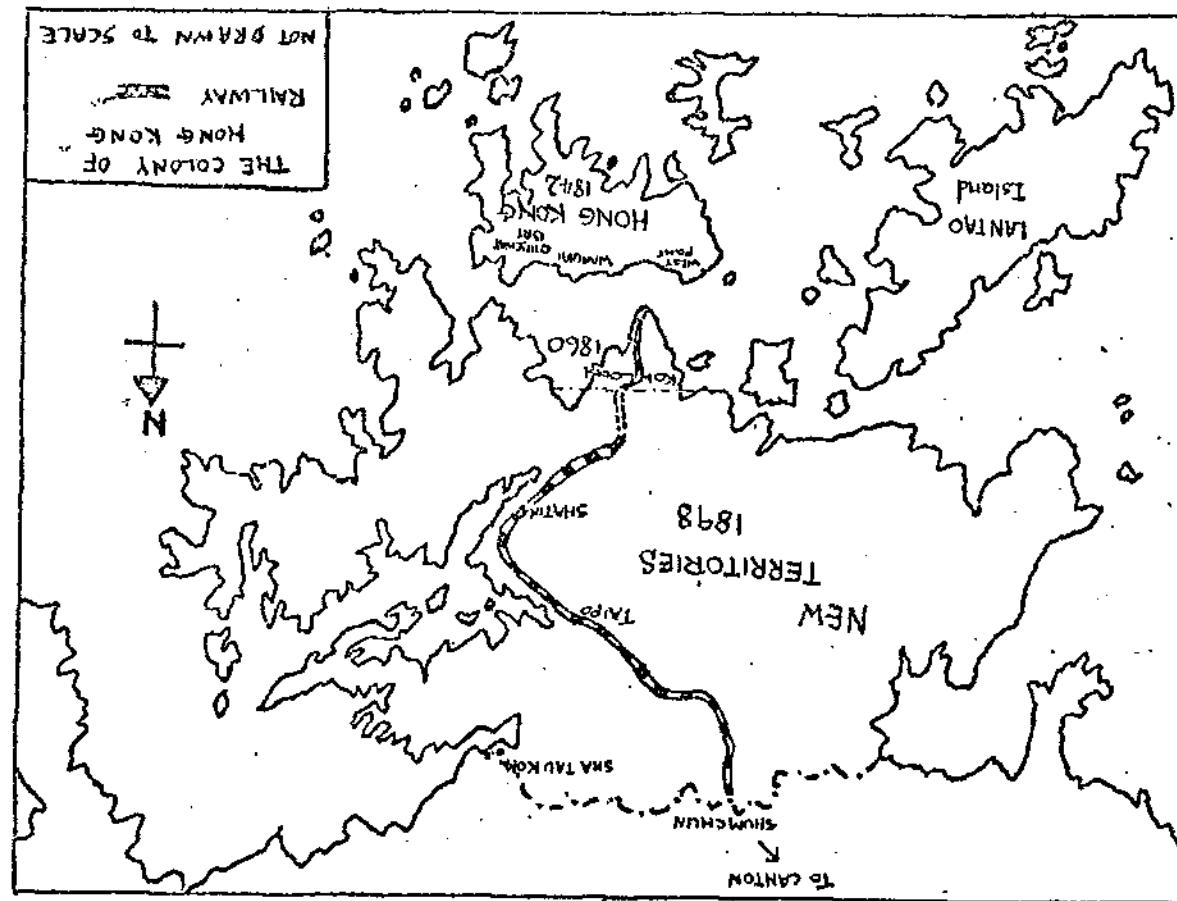
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## INTRODUCTION

During the 1920's the Chinese came to realise the efficacy of the strike and the boycott as weapons against the privileged position of the foreigners in China.<sup>1</sup> The ideology of the boycott was by no means new in China. Chinese guilds or villages had frequently resorted to this technique of passive resistance as their means of passive defence against unsatisfactory local officials, and more especially against overbearing foreign merchants and presumptuous foreign municipal governments.<sup>2</sup> C.F. Remer, who studied twentieth century Chinese boycotts in some detail, referred to the Chinese usage of the boycott as "instinctive".<sup>3</sup> However, it was only after the May Fourth incident of 1919 that the boycott and the strike assumed a national character and a patriotic over-note. Chow Tae-tsung, discussing the momentous effects

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1. W. Levi, Modern China's Foreign Policy (Minneapolis 1953), pp. 171-179.

2. See H.B. Morse, The Guilds of China (London, 1909), p. 28, pp. 46-8, p. 96 where he cited a number of such cases in the latter half of the nineteenth cen-

3. C.F. Remer, A Study of Chinese Boycotts (Baltimore, 1933), p. 16.



of the May Fourth Movement pointed out that it contributed to the rise of the student and labour movements, the reorganization of the Kuomintang, the birth of the Chinese Communist Party and other political and social groups. Anti-warlordism and anti-imperialism developed. A new popular vernacular literature was established and the fabric of traditional Chinese society was destroyed.<sup>4</sup>

The rise of the student and labour movements had direct effects on the popularisation of the boycott and the strike. The students were responsible for the transformation of the boycott from a guild or community action against one select group of foreigners to a wholesale national resistance of one or more foreign nations. The existence of a relatively new labour force facilitated the process of this transformation. Student patriotism first raised its head in January 1915, when Japan presented the infamous twenty-one demands to the Chinese president, Yüan Shih-k'ai. The demands virtually proposed to put southern Manchuria, eastern Inner Mongolia, and the Shantung province under Japanese jurisdiction, reducing China to the status a Japanese satellite.<sup>5</sup> Richard Storry summed it up succinctly as "an opportunist and maladroit attempt by Japan to bring

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4. Chow Tse-tsung, The May Fourth Movement (Cambridge, 1960), p. 2.

5. For the impact of the twenty-one demands on China see Jerome Ch'en's Yüan Shih-k'ai (London, 1961), pp. 185-195.



China under her supervision if not control".<sup>6</sup> The Chinese reaction was unprecedented. Mass rallies were organized in big cities, exhorting the Government to reject the demands. Strikes and boycotts of Japanese goods were organized by students, shopkeepers, merchants, workers and coolies. Yuan's government, alarmed by this public ebullition, actually ordered that the boycotts should be abandoned.<sup>7</sup> The apellation boycott was eventually dropped but the movement continued under the slogan "encourage the use of native goods" and the Japanese suffered heavy losses. The value of Japan's exports to China for 1915 decreased by 12% over that of 1914.<sup>8</sup> The 1915 boycott clearly revealed the power of this weapon when employed by a considerable number of people.

With the death of Yüan Shih-k'ai in June 1916, Peking fell into the clutches of the pro-Japanese Anfu clique, headed by the warlord Tuan Ch'i-jui.<sup>9</sup> The Okuma Cabinet which had drafted the twenty-one demands fell in Autumn 1916 and the new premier Terauchi was in favour

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- 6. Richard Storry, A History of Modern Japan (London, 196 p. 151).
  - 7. Chow Tse-tsung, p. 23.
  - 8. Present Condition of China with Reference to Circumstances Affecting International Relations and the Good Understanding between Nations upon Which Peace Depends. (Document Japan, 1932), p. 55. This government document was prepared and presented to the Lytton Commission in 1932.
  - 9. O.E. Clubb, Twentieth Century China (New York, 1964), pp. 68-9.



of a policy of bribery rather than of threats. Thus by early 1918, Tuan's government succeeded to negotiate with Japan for what was known as the Nishihara loans. In return Tuan conceded to Japan the right to station troops in northern Manchuria and outer Mongolia, to operate two new railways in Shantung and agreed to appoint Japanese officers to train the Chinese armies.<sup>10</sup> The students at the Peking University, recently reformed by a group of enlightened intellectuals, headed by Ts'ai Yian-p'ei, seethed at the Anfu Club's traitorous betrayal of Chinese interests.<sup>11</sup> They pinned their hopes on the Versailles Peace Conference to redress China's grievances, desiring restitution of full sovereignty over Shantung. These hopes were soon shattered when Japan publicised the secret agreements she had made with Britain, France, and Italy respectively in February 1917, by which these countries promised to support her claims to former German concessions in China. But the publication of the Nishihara loans was the coup de grâce for China, for they provided Japan with a legal basis for the occupation of Shantung.<sup>12</sup>

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10. Chow Tse-tsung, p. 79.

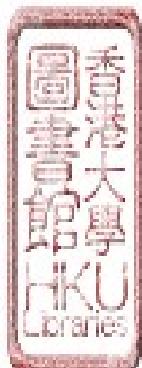
11. Ibid., p. 94.

12. J.K. Fairbank, East Asia: The Modern Transformation, (Tokyo, 1965), pp. 665-666.



Articles 156, 157 and 158 of section VIII of the Versailles Peace Treaty transferred all German interests in China to Japan.

This was a shattering blow to the aspirations of young China. Incensed by the treachery of the Anfu clique, the students held a mass demonstration on May 4. The demonstration was originally scheduled to be held on May 7 in commemoration of the anniversary of the presentation of the twenty-one demands. It was decided that the demonstration should take place three days earlier. Manifestos written in clean-cut and vivid vernacular Chinese were distributed in the streets. Student orators delivered highly inflammatory tirades against the government, and the slogan "externally struggle for sovereignty, and internally throw out the traitors" became the byword of almost every Chinese. After several fiery speeches, the students decided to carry on their demonstration outside the foreign legations. They were advised to leave, and the procession proceeded to storm the houses of the government officials who were responsible for arranging the loan. The government then resorted to drastic reprisals. Mass arrests of the offending students were made and one of them died from injuries in prison.



This was the catalyst of a nation-wide strike and boycott.<sup>13</sup>

On May 19, a general strike of all the students in Peking was called. Liaison with students in other large cities was made and the example of Peking was followed in cities like Shanghai, Tientsin, Hankow, Nanking and Canton.<sup>14</sup> The students succeeded to rally the merchants and workers to their cause and with their cooperation initiated demonstrations, strikes, business stoppages, and an anti-Japanese goods boycott which lasted until the end of 1921.

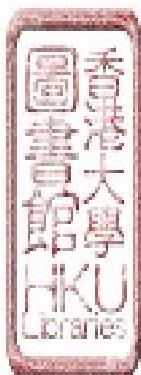
The workers at Shanghai responded by going on a sympathy strike in June. Though exact statistics are unavailable, it has been estimated that some 60,000 or more workers from at least 43 factories and firms went on strike at Shanghai, involving a loss of 350,000 man-days and 204,400 Chinese dollars in wages.<sup>15</sup> The Yuan regime had to capitulate eventually and on June 12, the entire cabinet resigned. On June 28, the gratifying news that the Chinese delegates had refused to endorse the Versailles Peace Treaty was received with due jubilation by the students,

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13. A vivid account of the May Fourth incident may be found in Chang Kuo-tao's "Wo ti hui-i" [My Memoirs], Hsiu-pao yu-chi-k'an [King-Pao Monthly], I, no. 4, (April, 1936), pp. 88-93. (Hereafter referred to as the KPY). Chang became one of the prominent labor leaders of the Chinese Communist Party.

14. Chow Tse-tsung, p. 157.

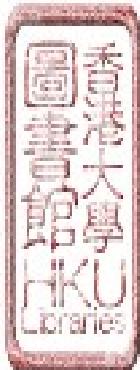
15. Ibid.



merchants and the workers.

The student leadership in the turbulent May Fourth incident served to make boycotting a national weapon against intrusions of an aggressive foreign nation. Boycotting, hitherto the sole means of resistance of one craft guild against foreign merchants, was made more general, since there was a greater sense of country-wide solidarity among the students. The boycott now also became more responsible, since students had always occupied a special position in the Chinese society, and more patriotic, since the new leaders expounded the injuries that China suffered from the unequal treaties.

A second significant effect of the student leadership in the May Fourth Movement was the new relationship between students and workers. Since as early as 1918, the Marxist ideology had been gaining increasing hold on the minds of the Chinese students. It had been propounded by certain members of the more radical intelligentsia such as Ch'en Tu-hsiu and Li Ta-chao and a number of Marxist study societies had already been organised. Overseas Chinese students in Japan and France formed communist groups, among which the group in Paris was to become the most significant for it eventually produced outstanding communist politicians and statesmen.



such as Chou En-lai, Li Li-san and Ts'ai Ho-sen.<sup>16</sup> Overseas students returning from France were also particularly active in labour affairs, since many of them had worked in French factories or had been engaged in trench-digging at the front lines of the allies during World War I.<sup>17</sup> The Marxist doctrine of the proletariat's revolutionary role provided a theoretical basis for the consolidation of the alliance between the radical intelligentsia and the workers during the May Fourth strikes.

The labour force in China in the early 1920's was estimated to be about 1,489,000 strong.<sup>18</sup> Working hours ranged from twelve to fourteen hours daily. There was no weekly day of rest and hardly any protection from accidents or injuries.<sup>19</sup> There were great disparities and variations in wage rates<sup>20</sup> but generally speaking, wages were frequently outstripped by the acute increase in the cost of living.<sup>21</sup> It has been reliably estimated

16. Jean Chesneaux, The Chinese Labour Movement 1919-1927, trans. H.M. Wright (Stanford, 1968), p. 170 and p.

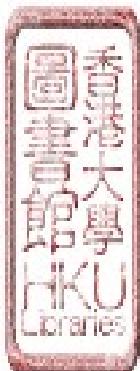
17. Chow Tse-tsung, pp. 37-40.

18. Jean Chesneaux, p. 41. In Fang Fu-an's Chinese Labour (Shanghai, 1931), p. 31, the number was estimated to be 1,260,000.

19. Fang Fu-an, p. 37.

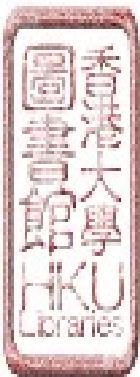
20. Jean Chesneaux, pp. 96-97.

21. Ch'en Ta, Chung-kuo lao-kung wen-t'i [The Labour Problems in China] (Shanghai, 1929), pp. 151-2.



that over forty percent of the workers were living beneath the poverty line.<sup>22</sup> One could detect all the evils of the early era of the European Industrial Revolution such as exploitation of female and child labour, poor sanitary conditions, unhealthy living quarter in large industrial centres such as Shanghai, Canton, Hankow, Peking.<sup>23</sup> The workers became increasingly conscious of the need to organise themselves against the exploitation of the capitalists. Sporadic strikes and lockouts had occurred already in late nineteenth century. Between 1895 and 1918, at least 152 strikes had broken out, most of them were in protest of low wages or maltreatment.<sup>24</sup> In the twentieth century workers were offered practical guidance by students. In 1921 they founded the Labour Secretariat in Shanghai under the auspices of the newly formed Chinese Communist Party.<sup>25</sup> The Labour Secretariat was headed by a Peking University student Chang Kuo-tao and later by Teng Chung-hsia, both of whom had already begun propaganda work among the workers before its forma

22. Helen Snow, The Chinese Labour Movement (New York, 1945), p. 12.
23. J.B. Toyler, Farm and Factory in China (London, 1962), pp. 57-61.
24. Jean Chesnoux, p. 126.
25. For an account of the founding of the Chinese Communist Party see Hu Chiao-wu, Thirty Years of the Communist Party (Peking, 1959), pp. 2-8.



Chang, for example, had been engaged in setting up evening schools for adult workers at Peking. These schools aside from giving elementary education to the workers, also disseminated rudiments of the Marxist theory on class struggle.<sup>26</sup> The first All China Labour Conference was convened by the Labour Secretariat in May 1922 at Canton with the specific aim of devising ways of raising the general standard of the workers' life.<sup>27</sup> The period between 1922 and February 1923 witnessed the first great wave of labour strikes all over China. Over 300,000 workers took part in at least 100 strikes in major industrial cities.<sup>28</sup> This first upsurge of the labour movement was crushed in February 1923 by Wu P'ei-fu, the warlord controlling Hopei, Honan and Hupei.<sup>29</sup> The "February 7 Massacre" marked the end of the first great wave of strikes.<sup>30</sup> The next upsurge of the labour movement occurred in 1925, following the May 30 incident at Shanghai.

26. Chang Kuo-tao, "Wo ti hui-i", PPK, I, no. 5, 74-5.
27. Lin Tung-hai, The Labour Movement and Labour Legislation in China (Shanghai, 1935), pp. 92-3.
28. Hu Chiao-mu, p. 9.
29. Li Chien-nung, The Political History of China (New Jersey, 1956), p. 405.
30. See "Erh-ch'i kung-ch'on" [Revenge against the workers on February 7], Chin-tai-shih tzu-liao [Material on Modern History], no. 1, (1955) for an account of the massacre. (hereafter referred to as CTSL).



The nature and extent of the labour movement is best illustrated by the statistics compiled by Dr. Ch'en Ta, one of the pioneers in the study of the Chinese labour movement. The following table illustrates the number of workers involved in these strikes.<sup>31</sup>

Table I

## NUMBER OF WORKERS INVOLVED IN STRIKES 1918-1926

Year	Actual number of strikes	Number of formally reported strikes	Total number of workers in reported strikes	Average number of workers involved per reported strike
1918	25	12	6,455	538
1919	66	26	91,520	3,520
1920	46	19	46,140	2,428
1921	49	22	106,025	4,910
1922	91	30	139,050	4,635
1923	47	17	35,635	2,108
1924	56	18	61,860	3,437
1925*	318	198	784,821	3,964
1926+	535	313	539,585	1,723.91
Total		1,233	655	2,768.38

\*Of the strikes in 1925, 135 were provoked by the May 30 incident of that year; 95 of these were formally reported with 381,487 workers involved.

+The Hong Kong-Canton Strike is counted as a unit in both years.



31. Sources of Tables I, II, & III : Ch'en Ta, "An Analysis of Strikes in China in the last eight years," Tsing Hua Journal, III, no. 1, (June, 1926), 801 and "An Analysis of Strikes in China from 1918 to 1926" The Chinese Economic Journal, I, nos. 10, 11, 12, (Peking, 1927), 1077-8.

These statistics denote that a comparatively larger number of strikers were involved in the strikes in the years 1921, 1922, 1925 and 1926. The increase in 1921 and 1922 may be taken as the evidence of the Labour Secretariat's efforts while the figures for 1925 and 1926 illustrate the effects of the May 30 incident. According to available statistics, the duration of these strikes varied considerably. Table II illustrates this fact.

Table II  
DURATION OF STRIKES

Year	Actual number of strikes	Number of formally reported strikes	Total number of days reported strikes lasted	Average number of days per reported strike
1918	25	15	124	8.27
1919	66	52	294	5.65
1920	46	22	157	7.14
1921	49	21	155	7.38
1922	91	54	452	8.37
1923	47	21	134	6.38
1924	56	26	241	9.27
1925*	318	120	2,266	18.88
1926	535	340	2,335	6.87
<b>Total</b>	<b>1,233</b>	<b>671</b>	<b>6,158</b>	<b>9.18</b>

\*of the 120 reported strikes, 25 were provoked by the May 30 incident of 1925. These 25 strikes lasted 1,761 days in all.



Again, it can be seen that the statistics for 1922 and 1925 and 1926 are outstanding. The causes of these strikes may be classified under three categories: demand for wage increase, resistance of ill treatment and patriotic movements.

Table III  
CAUSE OF STRIKES BETWEEN 1918 AND 1926

Number of strikes caused by:	Year								Total	
	1918	1919	1920	1921	1922	1923	1924	1925		
1 Demands for wage raises	15	23	32	33	61	28	34	105	250	581
2 Opposing overwork and ill- treatment	7	7	11	9	12	4	9	52	172	283
3 Patriotic Movements	-	35	-	-	1	1	1	141	19	198
4 Organization of Labour Unions	-	-	-	-	4	2	-	4	11	24
5 Conflict with other Groups	-	-	-	3	3	3	2	4	15	47
6 Sympathy strikes	-	-	-	1	2	2	1	-	16	24
7 Miscel- laneous	3	1	2	3	3	4	7	11	23	51
8 Cause unknown	-	-	1	-	5	3	2	1	29	41

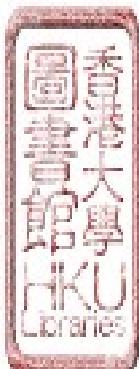


The above table may be further condensed under the three main causes.

	<u>Wage increase</u>	<u>Resistance of Patriotic Movement</u>	<u>ill treatment</u>
1918 - 1924	226	58	38
1925	105	52	141
1926	250	172	19

It can be seen at a glance that there is an accentuated increase in the number of strikes caused by patriotic sentiments in 1925 over the total number in the preceding eight years but this subsided again in 1926. Following 1925, however, there was another acute increase in the number of strikes during which workers demanded wage increase and better treatment.

The year 1925 was significant in the history of the Chinese labour movement. The workers in a Japanese-owned cotton mill at Shanghai had gone on strike in an attempt to resist ill-treatment by the Japanese foremen. The factory owner refused to discuss the worker's terms. The workers attempted to break into the factory. In the struggle which followed a striker was shot and six others wounded. Infuriated by the incident, over 2,000 students, labourers and merchants harangued the masses along Nanking Road in the business centre of Shanghai. The ring-leaders were subsequently arrested. The demonstrators then marched to the police station in the international settlement.



The municipal police under the command of a British officer fired on them, killing eleven and wounding a great number.<sup>32</sup> The May 30 incident engendered an unprecedented wave of anti-Japanese and anti-British strikes and boycotts throughout China.<sup>33</sup> A total of 135 strikes in 1925 involving at least 381,387 strikers may be attributed to the May 30 incident.<sup>34</sup> In South China, especially in the Kwangtung province, the strike became primarily anti-British. The British colony of Hong Kong suffered drastic economic losses as a result of what was known as the shêng-kang ta-pa-kung or the Hong Kong-Canton strike-boycott. In mid-June strikes occurred in both Hong Kong and Shamien, the British concession at Canton, as protests against the Japanese and British atrocity at Shanghai. Gradually, the strike hardened into a boycott action against British goods and, as a British colony, Hong Kong became the victim

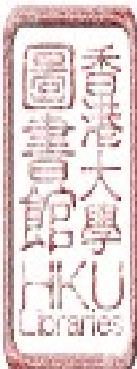
32. Voluminous source materials on the May 30 incident can be found. See for example Liang Hsiac-ning, Yu-san-shih yün-tung [May 30 Movement], (Peking, 1956), Akira Iriye, After Imperialism: The Search for a Order in the Far East 1921-1941 (Cambridge, 1965) pp. 57-62. Contemporary periodicals also devote special attention to the incident. See Tung-fa tsao-chi (1925), XXII, nos. 13, 18 and the special June supplement on May 30, or the Far Eastern Re XXI, no. 8, (Shanghai, August 1925).
33. Hua Kang, Chung-kuo min-tsü chih fang yün-tung (A history of the liberation of the Chinese race. 2 vols., (Hong Kong, 1940), II, 344-351.
34. Ch'en Ta, Lao-kung wen-ti, p. 196.



of a shipping boycott. The shêng-kang ta-pa-kung lasted from June 1925 to October 1926 when the strike-boycott was finally called up by the Kuomintang government at Canton.

This phenomenal strike-boycott has been studied by several historians. Chinese labour veterans, like Ma Chao-chün<sup>35</sup> and Teng Chung-hsia<sup>36</sup> both of whom were actually present at Canton during the strike, and Ch'en Ta<sup>37</sup> have all made analytical studies of the strike-boycott in its context as an important stage in the development of the Chinese labour movement. Jean Chesneaux's work The Labour Movement in China also offers a detailed study of the boycott. It has also been studied by a number of Chinese Communist

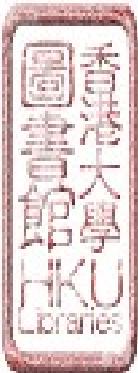
- 35. Ma Chao-chün was one of the earliest followers of Sun Yat-sen, and had been actively engaged in organising the Cantonese workers during the 1920's. He served as director of the Board of Labour and Peasantry at Canton in 1923 and became minister for Labour at Nanking later. In recent years, he has produced two works on the Chinese labour movement. He edited Chung-kuo lao-kyung yin-tung-shih [A History of the Chinese Labour Movement], 5 vols., (Taipei, 1958), and was author of A History of the Labour Movement in China, (Taipei, 1955).
- 36. Teng Chung-hsia was one of the pioneers of the Chinese labour movement. He served as secretary of the Lab Secretariat at Shanghai and was a prominent member of the Hong Kong-Canton Strike Committee. His major work is Chung-kuo chih-lung yin-tung chien-shih [A Short History of the Chinese Workers' Movement], (Peking, 1949).
- 37. Ch'en Ta, professor of history at the Tsing Hua University in the 1920's was a pioneer in the compilation of statistics in the study of the Chinese labour movement.



writers.<sup>38</sup> The shêng-kang ta-pa-kung has been interpreted by them as an integral part of the wave of sympathy strikes activated by the May 30 incident. It is defined as the major success in the first revolutionary civil war. C.P. Remer's book, A Study of Chinese Boycotts pointed out a certain connexion between the spread of the nationalist movement and the boycott. Admittedly, the strike-boycott involved both Hong Kong and Canton, but the emphasis in these and others studies have been placed on Canton, and relatively little has been mentioned about Hong Kong. Questions like: what was the attitude of the Hong Kong government to the growth of the labour movement, what measures did it adopt to cope with the situation and what factors affected its subsequent attitude towards Canton, have been left unanswered or half-explored. This study attempts to make a comprehensive survey of the strike-boycott within the limitation of available source material. Special attention would be paid to the response and reaction of the Hong Kong government to the strike-boycott and its relations with Canton during this period.

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38. See for example Liu Li-k'ai and Wang Cheng, 1919 chih 1926 nien-ti Chung-kuo kung-jen yin-tung [The Chinese labour movement from the year 1919 to 1926], (Peking, 1956); Kan T'ien, Shêng-kang ta-pa-kung [The Hong Kong Canton strike], (Peking, 1956); (ed.) Jen-ain chu-par Ti-i-tsu kuo-nai ko-ning chan-cheng shih ch'i ti kung yin-tung [The Chinese labour movement during the period of the first revolutionary civil war], (Peking, 1954); Lui Chao-ch'i, Chung-kuo chih-kung yin-tung chien-shi [A brief history of the Chinese labour movement] (n.p., 1947).



## Chapter I

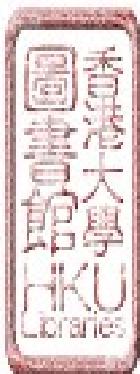
### HONG KONG AND CANTON 1920-1924

The relative geographical position of Hong Kong and Canton explains the close connexions between the two places. The British colony of Hong Kong comprises the main island itself, ceded in 1842 to Britain by the Treaty of Nanking, the Kowloon Peninsula ceded in 1860 and the New Territories leased for a period of 99 years from 1898,<sup>1</sup> the total area being 410 square miles. The New Territories shares a 17½ mile frontier with Kwangtung province. The frontier had not been clearly demarcated especially in the area round Shumchun and Shataukok. At Shataukok it ran through the middle of the main street.<sup>2</sup> It was comparatively easy for the Chinese from Kwangtung to travel across the

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4. For a comprehensive history of Hong Kong see G.B. Endacott, A History of Hong Kong (London, 1958). For its history in the earlier period, see E.J. Eitel, Europe in China: The History of Hong Kong (London, 1895), and G.R. Tayer, Hong Kong: Birth, adolescence and coming of age (London, 1957).

2. Foreign Office Records: Confidential Prints, China (London: Public Records Office). Series F.O. 405, volume 250, number 82, enclosure 1, Hong Kong Coverno Clementi, to the Secretary of State for Colonies, Amery, January 19, 1926. Hereafter, all citations from the Foreign Office records would be quoted in th following method: F.O. 405/250, no. 82. The last num refers to the number of the document as listed on the index at the beginning of each volume.

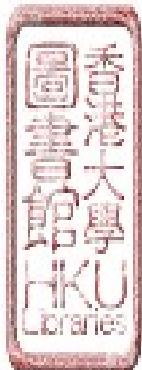


border to Hong Kong. The supplementary treaty to the Treaty of Nanking, signed in 1843, stated that all Chinese were free to go to Hong Kong to trade or to live, and the Hong Kong government adopted a very liberal attitude towards the influx of Chinese from Kwangtung. The total population in 1922 was 638,300. Of these, 622,300 were Chinese, and nearly ninety percent of them were Cantonese. The British formed the majority of the 16,000 non-Chinese inhabitants. By July 1925, the population had increased to 725,100,<sup>3</sup> but the main components remained approximately the same.

Hong Kong was administered by a governor who was responsible to the Colonial Office in England. The governor, with the advice and assistance of a Legislative Council, formulated laws for the peace, order and good government of the colony. The Executive Council assisted the governor in carrying out the laws, to make grants of land, and to appoint and suspend officials. The Legislative Council in 1920 consisted of six leading government officials and five unofficial members nominated by the governor. In 1880, the first Chinese unofficial member was appointed. Since then, there were always two or three non-British unofficial members in the council.

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3. A Historical and Statistical Abstract of Hong Kong, (Hong Kong, 1953), Table 9.



The Executive Council consisted of nine members, seven of these being officials in the government. It was only in as late as 1926 that the first Chinese member was nominated to the council. General administration of the Chinese was the task of the Secretary for Chinese Affairs and his staff. Alexander Grantham who was the first governor of Hong Kong after the Second World War and had served as a cadet in the Colony's civil service between 1922 to 1935, had this remark to make about government in Hong Kong in the 1920's:

"the machinery of Hong Kong government was ponderous in the extreme, with great attention to details",

and of the government officials:

"in those days, Hong Kong was very protocol-minded, and the heads of firms and senior government officials were extremely conscious of their position and demanded proper respect..."<sup>4</sup>

Despite the acquisition of Kowloon and the New Territories, Hong Kong was not self-subsistent. It had to import foodstuffs from Kwangtung and other south-east Asian countries. Its economy however, depended on its supreme situation in south-east Asia. She was on the chief routes of world trade, and her location, together

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4. Alexander Grantham, Via Ports, from Hong Kong to Ho Kong (Hong Kong, 1935), p. 13 and p. 16 respectively



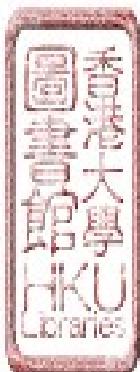
with the added advantage of a natural deep-sea harbour of 17 square miles, enabled her to become a major distributing market in the south China trade as well as to become the entrepôt of south China. Over 30% of China's total foreign trade went through Hong Kong in the 1920's.<sup>5</sup> In 1920, the total value of the export and import trade between Hong Kong and China amounted to 159,000,000 haikuan taels. In 1922, this amount had increased to 409,000,000 haikuan taels.<sup>6</sup> Not unnaturally, British interests were predominant in the shipping trade of the colony. Over 80% of the ocean-going tonnage and 40% of the river tonnage handling the entrepot trade with China was British-owned.<sup>7</sup>

Its neighbour Canton was the capital city of Kwangtung province which covered an area of over 100,000 square miles. In 1922 the population of the province stood at 37,000,000. Two and a half million of these resided at Canton. The city was about 95 miles away

5. Ho Ping Yin, China's Foreign Trade (Shanghai, 1935) p. 628.

6. C.F. Remer, Foreign Investments in China (London, 1933), p. 341.

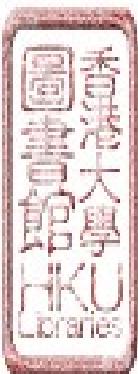
7. E.M. Gull, British Economic Interests in the Far East (London, 1943), p. 163.



from Hong Kong. The Canton-Kowloon Railway was the chief means of land transportation between the two cities. The 27½-mile British section terminates at the Lowu Station off Shunchun at the border. Another means of communication was by sea and the journey generally took one day. From time immemorial Canton had always been strongly anti-foreign. Stormy relations with the foreigners could be traced to the early days of the cohong trade culminating in the Canton City Question<sup>8</sup> in 1849. Official relations between Hong Kong and Canton was greatly strained by a customs blockade from 1866 to 1886 during which junks from Hong Kong were searched by the Chinese government for smuggled opium. The blockade left residual ill-feelings. Constant disputes occurred after the New Territories were leased. The Chinese authorities and Hong Kong constantly disagreed with each other in the interpretation of the terms of the lease concerning the exact boundary. In late nineteenth century Canton became the hotbed of revolutionary ideas. It was Sun Yat-sen's headquarters during his early revolutionary attempts and alternatively Hong Kong

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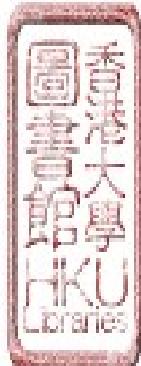
8. J.K. Fairbank, Trade and Diplomacy along the China Coast (Cambridge, 1964), pp. 267-284.



was used as a revolutionary base.<sup>9</sup> In 1895, however, he was banished from the Colony for being engaged in undesirable activities.

Even in the twentieth century Hong Kong's relations with Canton had not improved. The governor Edward Heath Stubbs,<sup>10</sup> whose term of office lasted from September 1919 to October 1925, highly distrusted the activities of Sun Yat-sen in Canton.<sup>11</sup> After a series of political vicissitudes, Sun had again returned to Canton, which had already been governed by several exceedingly ephemeral governments since the 1911 Revolution. Stubbs was known at the Colonial Office for his fondness of using "strong language", his bellicosity, and his tendency of getting over-excited and suspicious about the slightest event in

9. Li Chien-nung, pp. 236-7. See also Mary Chen, Chinese Revolutionaries in Hong Kong 1898-1911 (unpublished M.A. thesis, Hong Kong University, 1964).
10. For a brief biographical sketch of Stubbs, see J. M. Braga, Hong Kong Business Symposium (Hong Kong, 1957), p. 49.
11. F.O. 405/256, no. 129, "Foreign Office memorandum respecting Sun Yat-sen, Moscow and Britain", February 6, 1928. See also Colonial Office Records (London, Public Records Office), series C.O. 129, volume 489, (hereafter referred to as C.O. 129/489 or any other appropriate volume number); minutes of the Colonial Office officials on Stubbs' despatches entitled "Strike Movement", dated August 14, 1925 and "Canton Situation", dated September 25, 1925.



Canton.<sup>12</sup> In May 1921, when Sun was elected president of the Chinese Republic by the parliament in the south which had broken off with Peking, the Chinese community in Hong Kong were fore-warned and prohibited from holding any form of celebration.<sup>13</sup> Even the customary firing of crackers indicating festivity was forbidden. Police squads patrolled main streets and back lanes and kept a strict watch over labour union premises.<sup>14</sup> Stubbs further emphasised that "no one in colony should have anything to do with that unrecognised government".<sup>15</sup> The local English-language press reflected the same attitude. They labelled Sun's election scornfully as the "Canton farce".<sup>16</sup>

Stubbs' uneasiness and enmity towards Sun could probably be explained by the fact that Sun was intimately associated with the new forces in China, namely, the

- 12. G.O. 129/169, confidential despatch (hereafter confid. desp.), Stubbs to Amery, Secretary of State for Colonies, entitled "Canton Situation", September 25, 1925.
- 13. South China Morning Post (hereafter SCMP), May 6 1921.
- 14. Ibid., May 7, 1921.
- 15. F.O. 405/247, no. 106, "Foreign Office Memorandum respecting Canton", undated.
- 16. SCMP, May 6, 1921.



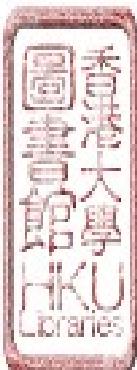
labour ferment and student nationalism. Sun had shown a great interest in the May Fourth incident, and at the time had actually communicated a telegraphic protest to Peking in favour of the student movement.<sup>17</sup> In October 1920, a close associate of Sun, Hsieh Ying-po founded the Mutual Aid Society. Its specific aim was to cater for the welfare of the Kuomintang members among the labourers.<sup>18</sup> It claimed that it had 500,000 members each paying a monthly subscription of thirty cents. Two newspapers written in the vernacular language were edited for the workers: the Mutual Aid Society Post and the Young Socialist. Both Hsieh Ying-po and Ma Chao-chin were active in organising the workers, especially the mechanics, railway workers and telephone employees. In October 1920 when Sun Yat-sen and the southern warlord Ch'en Chiung-min<sup>20</sup> were fighting their way back to Kwangtung, Hsieh directed a strike among the mechanics thereby obstructing the movement of the Kwangsi troops

17. Chow Tse-tsung, p. 126.

18. Hsieh was educated in three American Universities and was a member of the first parliament at Peking in 1911.

19. Sheldon Tso, The Chinese Labour Movement (Shanghai, 1928), p. 68.

20. For Ch'en's biography, see N.L. Soozman, A Biographical Dictionary of Republican China (New York, 1967), vol. I, pp. 175-180.



in command of Canton for almost a week, gaining precious time for Ch'en's troops.<sup>21</sup> On the other hand Ma Chao-chün organised guerilla warfare against the Kwangsi troops.<sup>22</sup>

After his inauguration as president, Sun immediately repealed the laws restricting combination. A labour department - the first of its kind in China - was set up. In 1923, a commission was formed with the task of drafting a legal code for the protection of the rights of labour. This code, promulgated by the Canton government in October 1924, was described as the manifestation of Sun's San-min Chu-i or Three Peoples' Principles of nationalism, livelihood and democracy.<sup>23</sup> The right of combination was granted to the labourers. They were free to organise federations of labour unions or to hold conferences to discuss relevant organisation and welfare issues. This legal code was the pioneer in Chinese labour legislation.<sup>24</sup>

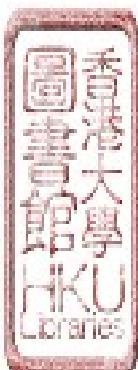
Hong Kong viewed the labour ferment at Canton with some apprehension. In 1920, it was calculated that

21. Jean Chesneaux, p. 202.

22. Ma Chao-chün, A History of the Chinese Labour Movement 5 vols. (Taipei, 1959), I, 140.

23. Ma Chao-chün, vol. III, pp. 321-322.

24. Lin Tung-hai, pp. 175-8.

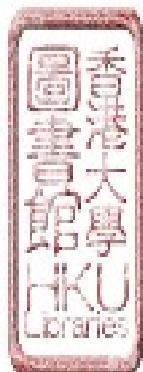


some 60,000 Hong Kong workers - over half of them being Cantonese - belonged to a union or a guild of some kind.<sup>25</sup> The strong ties of affinity between Cantonese workers in Canton and Hong Kong often overrode political boundaries. Consequently, many of the Hong Kong workers often were members of labour unions at Canton or vice versa.<sup>26</sup> The fact that by 1921 nearly every Canton union had gone on strike for at least once could hardly fail to alarm the Hong Kong authorities.<sup>27</sup> The first large-scale and successful labour strike in Hong Kong had occurred in April 1920. Finding that their wages could not keep in pace with the rise in the cost of living, 9,000 mechanics from 26 different firms went on strike. To show their determination to carry the struggle to a successful end they returned under the direction of their president Hon Man-wai to Canton where they were given assistance by the Canton Mechanics Union. The owners had to capitulate eventually and the mechanics' terms were accepted.

25. Ch'en Ta, "Shipping Strike in Hong Kong", Monthly Labour Review, May 1922, p. 9.

26. Two outstanding examples would be the Tung Tak Coolies Guild and the Chinese Seamen's Union. See Jean Chesneaux, Les Syndicats Chinois 1919-1927 (Paris, 1965), p. 29 and p. 39.

27. Ch'en Ta, "Shipping Strike", p. 9.



Following the success of this strike, the Hong Kong government enacted an ordinance (Societies Ordinance) in June which required all societies to register with the Secretariat for Chinese Affairs. Section four of the ordinance further empowered the governor-in-council to outlaw any society or union which disrupted the peace or stirred up lawlessness. Any society which by reason of its action or proceedings was calculated to excite tumult or disorder in China, or to excite persons to crime in China could likewise be outlawed.<sup>28</sup> The government sought to prevent intimidation by passing a further Crimination Intimidation Ordinance in November of the same year.<sup>29</sup>

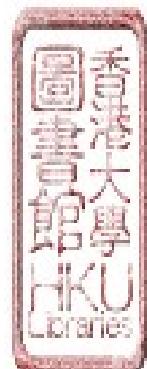
In 1921, the Secretary for Chinese Affairs Hallifax reported that a total of 99 labour unions had registered with the Secretariat and noted the comparative figures for the years 1920 and 1921:<sup>30</sup>

	1920	1921
Masters' societies	11	12
Men's Societies (trade union)	31	70
Masters and Men's Societies (guilds)	20	17
<hr/>	<hr/>	<hr/>
Total	62	99

28. John A. Fraser (ed.), The Ordinances of Hong Kong, 1937 edition, (Hong Kong, 1940), pp. 1483-1486. (Hereafter referred to as H.K. Ordg.).

29. H.K. Ordg., pp. 1487-1488.

30. "Report of the Secretary for Chinese Affairs", C 14, Hong Kong Administrative Reports, 1921. (Hereafter referred to as "Report of the SCA", HKAR).



The increase in the number of registered trade unions indicated the expansion of the labour movement in Hong Kong. Following the mechanics' strike, the Hong Kong correspondent of the North China Herald lamented,

"the passing of an era brings us face to face with the fact that the good old days of the guild relations with the employees are disappearing, and more and more in the future we are likely to be faced with conflict between the combination of employees on one hand and the employers on the other."<sup>31</sup>

This proved to be an apt observation.

In March, 1921, the Hong Kong government took a realistic step with regard to the labour issue. A commission of enquiry was appointed to report and make recommendations on the industrial employment of children. Subsequently the Industrial Employment of Children Ordinance was passed in September 1922. The new legislation undertook to protect child labourers under fifteen years of age. The government was also empowered to appoint inspectors to enforce the regulation of working hours and a six-days' week. However, no attempt was made to regulate general conditions of health and safety.<sup>32</sup> Though the new legislation was well-meant,

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31. North China Herald, April 24, 1920. (Hereafter NC)

32. A.M. Anderson, Humanity and Labour in China (London, 1928), pp. 53-62.



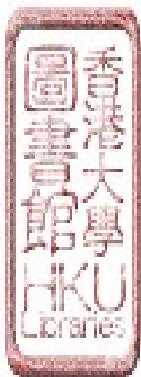
it hardly touched on the crux of the matter. The burning issue was not protection of child labour, but the general labour discontent, aggravated by the economic dislocation after World War I.

It was estimated in 1920 that while the average monthly income of the Chinese worker in Hong Kong was about £25, the minimum sum required by a worker with a wife and one child for monthly subsistence was at least £50. The unmarried worker required a sum of £13, if rent and light were placed at the lowest estimate of £2 a month.<sup>33</sup> However, the cost of living had been sharply increased. Since 1919 food prices had risen by 40%. The price of polished rice, the staple diet of the Chinese, had increased by 155%.<sup>34</sup> By 1925, it was reported that the ordinary household expenditure had increased by 25% over that of 1924, which was already twice what it was in 1919.<sup>35</sup> The situation was further aggravated by the constant fluctuation in the exchange rate of the

33. Hollington K. Tong, "Chinese labour problems coming to the fore", Hillard's Review (it was later known as the China Weekly Review, hereafter CWR), July 10, 1920.

34. William Ayres, "The Hong Kong Strikes 1920-1926", Papers on China, V, 101-2.

35. Hong Kong Daily Press (hereafter HKDP), May 6, 1921.



Hong Kong dollar for the pound sterling. During the 1920's, the value of the Hong Kong dollar fluctuated between 2s. 2½d. and 6s. 3d. with serious rise and fall,<sup>36</sup> causing considerable instability of the currency. In the summer of 1919, rice riots broke out due to the acute economic situation. The riots became so serious that government interdiction became necessary. An ordinance giving the government the sole right of disposing the sale of rice had to be rushed through the Legislative Council immediately.<sup>37</sup> Another problem was the sharp increase in rent rates after the war. In July 1921, 79,800 workers belonging to 103 labour unions signed a petition requesting the governor to take some steps about the exorbitant rent increases.<sup>38</sup> An ordinance (Rents Ordinance) was subsequently passed, and a standard rent was fixed at the amount which had been collected on December 31, 1920.<sup>39</sup> Due to the high cost of building and the great demand for houses, rents again rose gradually

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36. Handbook on Conditions and cost of living in Hong Kong (Hong Kong Government Printer, 1927), p. 10.

37. H.K. Ords., pp. 1475-8.

38. Hong Kong Hansard: Minutes of the proceedings of the Legislative Council, 1/21 (printed by the HKGP), pp. 80-81. (Hereafter referred to as the H.K. Hansard).

39. Hong Kong Government Gazette, July 19, 1921.



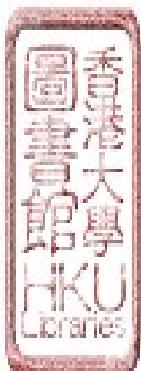
until in 1925, government action was once again necessary. But this will be discussed in Chapter two.

On the whole, the Hong Kong government was reluctant to interfere with the economic situation of the colony. When queried in the Legislative Council in the summer of 1921 whether the government would take any steps to prevent compradores putting up the price of foodstuffs, notably fish and firewood, the Colonial Secretary Claud Severn replied that the government was "not disposed to interfere with retail trade in the colony" except in very urgent and exceptional circumstances.<sup>40</sup> Though not completely ignorant of the labour issue, the government was clearly unprepared to tackle the basic issues involved. In 1922 it came face to face with the first serious labour strike - that of the Chinese seamen.

The Chinese Seamen's Union originated in a secret organisation which had assisted Sun Yat-sen in passing news from port to port in his early revolutionary attempts.<sup>41</sup> Ch'en Ping-sheng, an old member of the

40. H.K. Hansard 1921, p. 77.

41. For the history of the Seamen Union, see Lowe Chuan "The Chinese Seamen's Union: Its History and organisation", The Chinese Nation, July 23, 1930 and Teng Chung-hsia, Ching-kuo chin-tung yun tung chien shih, pp. 36-38 (hereafter referred to as Chien-ani



forerunner of the Kuomintang: the Tung Meng Hui was the president of the union. He was assisted by Su Chao-cheng and Lin Wei-min, both of whom later joined the Chinese Communist Party. The official name of the union, "Chinese Seamen's Union" was given to them by Sun Yat-sen and the union registered with the Ministry of the Interior under the Canton government in 1920. Sun Yat-sen also sent a personal representative to Hong Kong at the inauguration ceremony of the Chinese Seamen's Union on February 28, 1921.

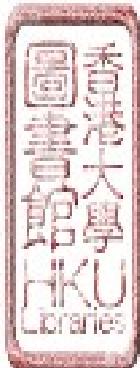
This was the mainstay of a contemporary allegation that the strike was pre-arranged by Sun to revenge himself on Hong Kong for the slights it bestowed upon him. This was strongly denied by Sun who said at the time,

"I knew nothing about the strike until my war-supplies failed to reach Fuchow (on the way to Kweilin) because of interruption of transportation. My own feelings towards the strikers, so far their strike was economic - is one of sympathy. And the strike was economic in its origins, however much it may have become with politics at a later stage. As for the suggestion that I supported the strike in order to damage British interests, I absolutely repudiate it."<sup>42</sup>

The fact that Sun was away during the strike and that Ch'en Chiung-ming, who had the support of the southern bourgeoisie and was quite conservative regard-

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42. "Dr. Sun Yat-sen's views on Labour and Capital", CWR, December 9, 1922.



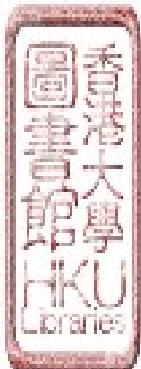
the labour issue was civil-governor of Canton, lends support to Sun's denial. Moreover Sun had already fallen out with Ch'en over the question of an expedition against the northern militarists. Ch'en totally disagreed with Sun about the latter's proposed expedition and wanted to consolidate their position in Canton before risking such an attempt. But for Sun, the expedition against the warlords was such a long-cherished dream. After a violent argument in late 1921, Sun went to Kweilin to prepare for the so-called Eastern Expedition.<sup>43</sup> Sun's deputy Liao Chung-k'ai<sup>44</sup> and Hsieh Ying-po gave what support they could to the strikers, but it seems safe to assert that the seamen received nothing more than benevolent neutrality from Canton.<sup>45</sup>

Aside from the economic grievances mentioned elsewhere, the seamen also suffered from the oppression

43. See the accounts given in the Wah Tze Yat Po, Hong Kong, February 20, April 20, 26, 1922 (hereafter referred to as WTYP).

44. Liao was an early follower of Sun in Japan. He later studied in Moscow and was in favour of Soviet aid to Canton and was the main architect of the Sun-Joffe agreement. See Boorman's Biographical Dictionary of Republican China, vol. II, pp. 364-367.

45. F.O. 405/247 no. 106, "Memorandum respecting the political situation in Canton" (undated).



of the "pou-kung" system or the contractor system through which the shipping companies recruited their crews. To have their names entered on the recruitment list of the "pou-kung" or the contractor, the seamen had to pay an initial bribe of ten to twenty Hong Kong dollars. The illiteracy of the majority of the seamen made them rely on the pou-kung-tou to arrange their working terms on the contracts. Through ingenious contrivances, 50% to 60% of the seaman's wages went to these agencies.<sup>46</sup> The lucrative nature of the system is illustrated by the fact that a contractor often paid as much as \$5,000 to \$6,000 "squeeze" money to the agents of the shipping companies for the privilege of supplying a ship with fuel and labour.<sup>47</sup>

On board, the Chinese seamen were often ill-treated by their European counterpart and their Chinese foremen. They were often induced, sometimes through insidious threats of dismissal, to gamble or to smoke by their foremen. Eventually the seamen would be so heavily in debt that they would have to borrow from the foremen who

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46. Teng Chung-hsia, Chien-shih, pp. 36-7.

47. SCMP, February 2, 1922.



could thus forfeit their wages.<sup>48</sup>

Immediately after the inauguration of the Seamen's Union, a special committee was appointed to investigate the working conditions and the wages of the seamen. It reported that the Chinese seamen were grossly underpaid, their wages being at best a quarter of that of the non-Chinese seamen. The wages of a Chinese seamen ranged from \$10 to \$65 a month, the average monthly wages being between \$20 and \$25. Thus Ch'en Ping-sheng stated at the onset of the strike that the seamen were taking a stand against deprivation of their rights, rough treatment, 14 hours' work a day, and an existence bordering on starvation. He emphasised that they found it impossible to live on \$20 a month and were determined to obtain a minimum of \$29.50.<sup>49</sup> In September 1921, the seamen submitted their first petition to their employers, requesting a wage increase and demanding the abolition of the contractor system. They further suggested that seamen should be recruited through the auspices of the union and that a union representative should be pres-

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48. Liu Ta-ch'ao, "Hui-i sheng-kang ta-pa-kung chien-ho [Reminiscences of the Hong Kong-Canton Strike] in Hung-ch'i p'iso p'iao, no. 1 (May 1957). This periodical contains biographies and memoirs of communists. (Hereafter referred to as HCPP).

49. Ch'en Ta, "Shipping Strike", pp. 10-12.



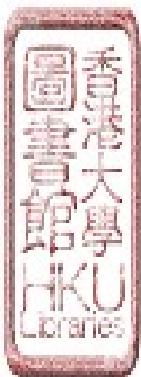
when their members signed contracts with the shipping company. Only the Canton-Hong Kong-Macao Steamboat Company deigned to acknowledge receipt of this petition.<sup>50</sup> A second petition submitted in November 1921 met with similar fate. The final petition delivered in January 1922 was an ultimatum demanding a satisfactory reply within twelve days. The Seamen's Union also informed the Secretary for Chinese Affairs Halifax about this ultimatum. Accordingly, several meetings were arranged between the employers and the seamen to discuss a possible compromise. But three factors seriously hampered the procedure of these negotiations: the attitude of the shipping companies - described as "recalcitrant" by the strikers - and the seamen's militant front as well as the Hong Kong government's failure to take decisive steps before the situation got out of hand.

The employers appeared to the seamen to be "cool and uninterested" in the issue. Su Chao-cheng later attributed this to the inability of the employers to perceive the new spirit infusing the workers.<sup>51</sup> Actual

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50. Ma Chao-chün, vol. I, p. 168.

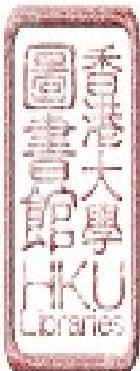
51. Su Chao-cheng, "Report at the first national confer of the Chinese Seamen's Union", May 1926 in The Chi Labour Movement during the Period of the First Revolutionary Civil War, (Peking, 1954), p. 176.



the employers' nonchalance was due more to their abhorrence of dealing with the new labour unions which seemed to them to be infested with new and dangerous ideas.<sup>52</sup> The employers were more accustomed to the old guild relations between master and man, thus after receiving the petition, instead of studying the seamen's demands they tried to obtain the separate opinion of their men. This was a time-consuming and unrealistic approach, for the seamen either firmly adhered to the resolutions of their union, or were too afraid to make any individual response. During the meetings held after January 5 at the office of the Secretary for Chinese Affairs, the employers continued to make such futile efforts. They stated that they were very willing to negotiate with the union but only if this could be done in a reasonable way. They added that "a reasonable way would necessarily involve the closest inquiry into all the details". The strikers regarded the promise to negotiate as an empty excuse, and the employers' proposal to investigate into the problem was interpreted as an undisguised attempt to procrastinate. They resented the "trivial" questions that the employers asked such

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52. SCMP, January 11, 1922.



how many men had families in the colony, how many men were from Ningpo, what were wage rates compared to those in 1914. They felt that such questions were superfluous. The issue at stake had been fully stated in their petitions. Thus they felt that they had been slighted by their employers since the latter had apparently neglected or refused to study their demands.

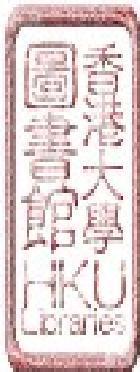
However, one basic difficulty for the employers was that the strikers demanded a standardised wage increase for both British and Chinese-owned shipping companies. This was difficult to achieve since the various shipping companies had different rates. At one point, the representatives of the various companies accused each other of underpaying the seamen and thus causing the strike.<sup>53</sup>

A second important factor in the failure of the negotiations was the militant front displayed by the seamen. Early in January, it was reported that the seamen had organised several picket squads of ten men each to patrol the waterfront.<sup>54</sup> It was further reported that they had sought the assistance of the Mutual Aid Society at Canton in the erection of a number of matsheds and had rented

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53. SCNP, January 11, 17, 1922, see also Ma Chao-chün, I, p.169.

54. Ch'en Ta, "Shipping Strike", p. 11.

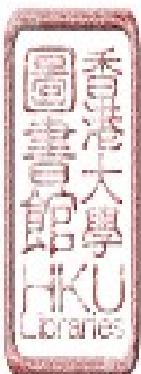


several large houses in the outskirts of Canton city to accommodate 1,000 or more men.<sup>55</sup> After January 13, a temporary headquarter was set up at the office of the Mutual Aid Society. It doled out to the strikers a daily subsidy ranging from 45 cents to a dollar.<sup>56</sup> A bulletin was printed and copies of these were circulated to the Hong Kong and Canton press regularly. The bulletin consisted mainly of the latest news on negotiations with Hong Kong and feature articles criticising the attitude of the employers and the Hong Kong government. One particular issue accused the Hong Kong press of deliberately misrepresenting their reports and invited all interested parties to call at their general office at Canton to obtain the latest correct information.<sup>57</sup> On the other hand, neither the Hong Kong government nor the employers were willing to disclose the progress of negotiations. The South China Morning Post, a leading Hong Kong English newspaper, voiced the grievances of the press when it complained of the "greatest difficult

55. SCMP, January 10, 1922.

56. "The Chinese Seamen Union", Erh-shih-erh nien Chung-huo lao-tung nien-chien, [Chinese Labour Year Book for the 22nd Year of the Republic], (Shanghai 1934), p. 39. (Hereafter referred to as the Lao-tung nien-chien).

57. SCMP, March 15, 1922.



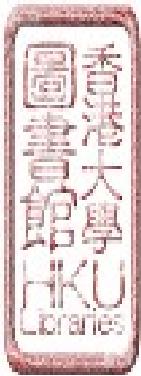
in eliciting facts from the shipowners and the government".<sup>58</sup>

One difficulty for the Hong Kong government was that it had no specific department to deal with labour problems. Labour affairs were ostensibly the concern of the Secretary for Chinese Affairs, but the spate of labour ferment in the 1920's had so swollen the dimensions of the labour problem that he could no longer cope with it competently. In 1920 and 1921, the Secretary for Chinese Affairs had mediated successfully in the minor labour disputes<sup>59</sup> but he had obviously felt the exigency of the labour situation and after the 1922 strike he suggested that an employers' federation should be formed. He thought that the existence of a body with all necessary technical knowledge represented on it to which disputes could be referred to immediately would prevent the delay that could become dangerous at the commencement of any strike. Halifax further believed that the united front of employers in such a federation would facilitate the settlement of future disputes. It would also have the added advantage of being time-saving, since a great deal of formalities would necessarily be involved before any

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58. Ibid.

59. For details see the section on labour in the "Report of the SCA", HKAR, 1920 and 1921.



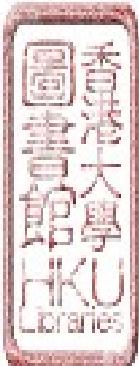
government commission could be appointed when a labour dispute arose.<sup>60</sup> Hallifax's reflections were well on the point, for in 1922, the lack of co-ordination among the employers proved fatal. The government had twice offered to appoint an arbitration board during the early days of the strike,<sup>61</sup> but the employer's vacillations delayed its appointment. It was not until February, when a general strike was already in motion that the board was finally appointed. By then, the situation had got sadly out of hand.

The government itself also gave the impression that it lacked a definite policy. Canton was surprised by the apparent lack of a policy on Hong Kong's part towards the strike. It criticised the lack of co-ordination among the separate agencies negotiating for ending the strike at both Hong Kong and Canton.<sup>62</sup> This criticism was levelled at the diplomatic confusion which occurred in mid-January. After 1,500 stokers and deckhands had "downed

60. "Report of the SCA", C 15, HKAR, 1922.

61. See "Account of the part played by the Government in the negotiations" (hereafter referred to as "Government's account"), Hong Kong Government Gazette March 10, 1922, pp. 102-106.

62. SCMP, March 13, 1922.



"tools" on January 13, the Hong Kong government asked the seamen to return to work and await the appointment of an arbitration board and set about to mediate in the dispute. Through the mediation of the Chinese General Chamber of Commerce, 23 Chinese employers signed the undertaking to guarantee a wage increase. However, the European employers refused to sign and so the seamen refused to accept the undertaking.

On January 16, martial law had to be declared due to the huge exodus of workers to Canton. Armed military and naval posts were placed at strategic points along the frontier. On January 17, the employers presented their terms to the seamen. The discrepancy between the seamen and the employers' terms is illustrated below:



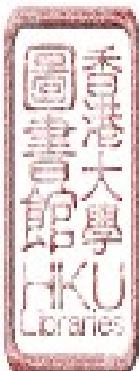
Table I

Comparison between terms of the seamen and the employers  
as on January 17<sup>63</sup>

Type of steamer	Strikers' demands	Owners' term*	Difference
1 Coastwise steamers	35½%	15 %	20 %
2 Chinese river steamers	32½%	25 %	7½%
3 Other Chinese steamers	32½%	25 %	7½%
4 Canton-Macao-Hong Kong steamers	25 %	15 %	10 %
5 Other British steamers	25 %	15 %	10 %
6 Java lines	17½%	12 %	5½%
7 Pacific lines	17½%	7½%	10 %
8 European lines	17½%	7½%	10 %
9 Australian lines	20 %	10 %	10 %

\*Percentage represents % of increase over existing salary

On the same evening, Hallifax and an interpreter went to the Seamen's Union's office to explain these terms to the seamen gathered there. He was emphatic that these were absolutely the last terms to be offered and concluded by saying:



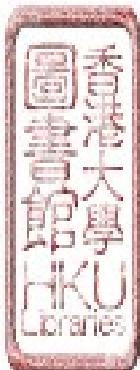
"don't imagine that the companies will do anything you want just because you stop work. If you think that you can get better pay elsewhere, for goodness sake, go. We don't want men here as pressed men. We are not going to force on you a wage you don't like. But if you don't want to work, don't prevent others who will. I have no more to say. The matter rests with you."<sup>64</sup>

At the same time, A.E. Wood, the assistant Secretary for Chinese Affairs, was sent to Canton to request Ch'en Chiung-ming to assist in the mediation. He left for Canton on January 17. But on the same day, the Seamen's Union announced that it could not accept the employers' terms. A telegram was sent to Taipo where Wood was stationed, instructing him to refrain from action until further directions reached him, but the telegram was delayed en route and on January 18, Wood was already at Canton and had requested audience with Ch'en Chiung-ming without being aware of the fact that the strike had taken a further turn for the worse. The employers, after having received information from Manila and Shanghai that a large supply of strike-breakers would be available within a few days, retracted their former offer to be seamen, without first consulting the Hong Kong government.

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64. SCMP, January 19, 1922. See also the account in WTYP, January 18, 1922.

65. "Government's account", p. 103.



The strikers immediately retaliated by announcing that they too nullified their proposed counter demands and appealed to all fellow workers to go on strike. By January 20, 6,500 strikers had returned to Canton. The seamen had made arrangements with 12 other labour unions in Hong Kong<sup>66</sup> in December 1921 to the effect that in event of a protracted lockout, all twelve unions would declare a sympathy strike. The coolies were the first to respond. On January 29, they went on strike. The reason they gave was that they could not watch the seamen being defeated since the seamen's defeat would "reflect on the co-operation prevailing among the labour guilds in Hong Kong".<sup>67</sup>

Thus, Wood's position at Canton caused Hong Kong considerable embarrassment. On January 23, Hallifax himself went to Canton to explain the imbroglio to James Jamieson, the British consul-general at Canton and to make personal representations to Ch'en Chiung-ming. Ch'en Chiung-ming was on fairly good terms with Britain and was well-commended at Hong Kong. Hong Kong newspapers

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66. Ma Chao-chin, vol. I, p. 169. Ma named several unions, the Chap Yui Coolies Guild, Tung Tak Coolies Guild, and the Chinese Mechanics' Union.

67. SCMP, February 1, 1922.

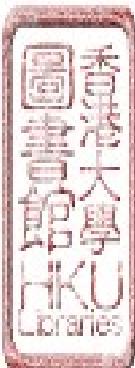


later described him as a man of tolerance and good sense.<sup>68</sup> At Canton he had the support of the bourgeoisie who particularly disliked labour disturbances.<sup>69</sup> Not unnaturally, he was wont to frown on the troublesome strikers. However, since a large sector of Canton labourers was known to be Sun Yat-sen's supporters, he was careful not to alienate them. The Canton government hitherto too had not interfered with the actions of the Mutual Aid Society and the Chinese Seamen's Union. Ch'en received the Hong Kong emissary with considerable cordiality. At the same time, the Canton government denied reports in the seamen's bulletins about government aid to the strikers. It refuted reports that the Kuomintang had during the end of January thrice entertained the strikers. On January 23, the secretary to the Minister of Foreign Affairs sent a terse note to the South China Morning Post stating that reports printed in that paper concerning government reception of the seamen were incorrect. The note also denied that the vice-Foreign Minister, Wu Chao-chu, known as C.C. Wu in Canton,<sup>70</sup> had promised to help the seamen and the repor-

68. SCMP, September 20, 1922.

69. Jean Chesneaux, p. 202.

70. For a biographical sketch of Wu Chao-chu see A.R. Burt, (ed.) Biographies of Prominent Chinese (Shanghai, 1927?), p. 172.



that the Commissioner for Foreign Affairs had ever "advised" them.<sup>71</sup>

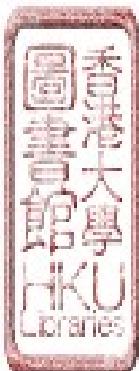
Ch'en obligingly agreed when Jamieson requested his interdiction in asking the seamen not to interfere with the passage of two armed steamers sent from Hong Kong to Canton to purchase fresh food supplies. The Cantonese merchants had been induced to ostracise Hong Kong by the seamen and no food supplies were available in mid-January. The attempt was highly unsuccessful for the stevedores at Canton simply refused to load or unload the steamers. The affair provoked a stream of uncomplimentary comments from the Chinese Seamen's Union. It was described as an illustration of the forcible methods of the capitalists and the biased help of the Hong Kong government to enable them to carry out their wicked plans against the labouring class.<sup>72</sup>

Meanwhile, after a series of meetings with the strikers, Ch'en finally succeeded in persuading them to draw up a set of proposals which were delivered to Hong Kong on January 27. They requested the establishment of an arbitration board which was to meet at Canton, the abolition of the contractor's system and the substitut:

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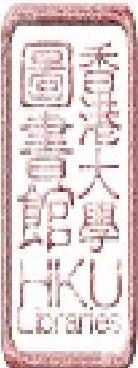
71. SCMP, January 23, 1922.

72. SCMP, January 20, 1922.



of the union in the role of the "poo-kung-tou". A further demand was that no seamen or officer of the Seamen's Union was to be banished for any unproven charge. A secret meeting of employers was held on January 27 during which they unanimously refused to discuss any problem other than remuneration. The governor Stubbs, after some deliberation also stated that he could not agree to these terms. The proposal that seamen should be employed through the union was found to be unpalatable. Stubbs quoted the international merchant shipping laws to support Hong Kong's case, pointing out the difficulties involved for ships owned by nations other than Britain or China if Hong Kong were to agree to the seamen's demand. He reiterated that the owners were still prepared to refer the issue over wages to an arbitration board appointed by the Hong Kong government and suggested that the Seamen's Union should send a delegation to Hong Kong to discuss this possibility.<sup>73</sup> Failing to receive a favourable reply from the seamen, Stubbs declared the Seamen's Union an illegal society on February 1. He explained that the orders-in-council had not been made because the members of the Seamen's Union had struck for higher wages, but because of its

73. "Government's account", p. 104.

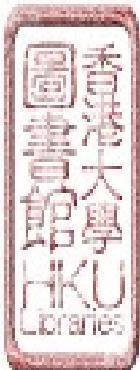


attempts to paralyse the life of the colony by creating strikes among workmen who had no grievances against their employers. The offices of the Seamen's Union and the Tung Tak Guild and the Chap Yin Transportation Workers Union were raided and closed down. A number of union officials were arrested and kept in custody. Under an emergency ordinance, the government was given the right to commandeer labour. The police was authorised to search or seize any premises and arrest any suspicious person. Armed soldiers, assisted by American and British volunteers, patrolled the waterfront and the Chinese business quarters which had to do business behind half-closed doors. Indian soldiers patrolled the Kowloon suburbs and the other residential areas. A military cordon was placed along the frontier and all men leaving the colony had to produce a pass issued by the police. The Central Police Station was so heavily congested with applicants for passes that the main entrance had to be closed. A temporarily "office" was set up at the side door. Between mid-February and early March an average of a hundred passes were issued daily. At least 2,000 passes had been issued by March. But before this system was enforced a large number of



Chinese had already left the colony. This was due to the steep rise in the food prices due to the stoppage of supplies from Canton. The Chinese populace were afraid of starvation and chose to return to Canton where conditions seemed to be better than in Hong Kong.<sup>75</sup> On February 8, a further emergency measure was passed prohibiting the export of coal, rice and flour from the colony. Private citizens now also enrolled for the maintenance of the essential services. A total number of 462 foreigners enlisted for voluntary work and took over the posts vacated by the strikers in bakeries, abattoirs and restaurants. The colony seemed to have mobilised and entered into a state of war. Ch'en Chiung-ming, finding the situation too difficult to handle, announced in early February that he was leaving for Waichou - ostensibly to carry out his filial duties in sweeping his family's ancestral graves.

The Hong Kong government then enlisted the aid of leading organisations of Chinese merchants and businessmen notably the Tung Wah Hospital Committee, a powerful voluntary charitable organisation which operates several clinics and a dispensary for the poor. A public meeting was called by the Tung Wah Hospital



75. Lao-tung nien-chien, p. 38.

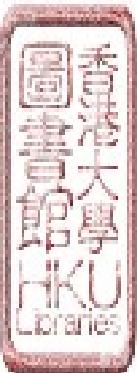
Committee, urging the Chinese workers not to go on strike. However, the seamen foiled this attempt by sending agents from Canton who proceeded to turn the workers against the sponsors.<sup>76</sup> Thus the deadlock continued throughout early February. Finally, the Hong Kong government announced that it would allow the Chinese Seamen's Union to re-open on condition that the seamen would agree to submit their grievances to an arbitration board and that they would refrain from intimidating other labourers. The seamen were also to re-open their union under a new name.

The question had now clearly become a "face" issue. The Hong Kong government could not capitulate to all the strikers terms entirely without losing face, and on the other hand the seamen, bent on carrying the struggle to a victorious end, likewise refused to budge an inch. They insisted on the return of their signboard which had been removed during the raid on February 1. Thus the Hong Kong government's proclamation offering the above mentioned terms were again thrown out on February 24.<sup>77</sup> By this time, Ch'en Chiung-ming had returned from Waichau

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76. Teng Chung-hsia, Chien-shih, p. 47.

77. Ibid., pp. 48-9.

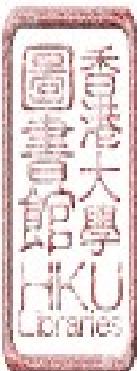


and became quite alarmed at the state of affairs in Canton. The assistant superintendent of the customs reported a serious drop in the customs returns since the beginning of the strike. Between January 25. and February 12 no goods could clear through the customs due to the stoppage of work by seamen, stevedores and coolies. Normally, about 50,000 haikuan taels' worth of goods went through the customs daily. The Canton authorities thus suffered a total loss amounting to over ten million yuan (Chinese dollars) since the commencement of the strike. Also the Canton mint which had been operating at a net profit of 30,000 yuan before the strike daily was forced to suspend operations due to the embargo placed on silver bullions by Hong Kong.<sup>78</sup>

As long as the strikers remained discreet in their activities and caused no trouble for the Canton government Ch'en was able to suffer their presence. He could not, however, tolerate the drain on government revenue. He therefore took steps to curtail the acts of the strikers, and ordered the immediate suppression of all illegal picketing. The Canton police was also instructed to demand the return of rifles loaned to th

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78. ETYP, February 14, 1922.



strike pickets. From February 17 onwards, the government began to hold weekly political conferences to discuss important affairs. At the first conference, a discussion was held on possible solutions to the seamen's strike, and four measures were ultimately drawn up. The sum and substance was that the Canton government would now mediate for a speedy settlement of the strike as an impartial party. The seamen were ordered also to refrain from interfering with the passage of cargoes and passengers to Hong Kong.<sup>79</sup> Jamieson was informed of the meeting's decisions.

A meeting was finally arranged on March 3 between the seamen's representatives and the employers. An arbitration board comprising representatives from the leading shipping lines was formed to discuss wage increase. The Hong Kong government was not represented at the conference but Jamieson attended it in an unofficial capacity. During the conference the seamen demanded that aside from the other terms, the employers should reimburse them the sum of HK\$200,000 as a compensation for the losses they had suffered. Obviously the empl-




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79. SMP, February 9, 1922.

would not agree to such a demand and again negotiations came to a standstill. Meanwhile the situation had taken a turn for the worse. The Hong Kong government had closed the passenger traffic of the Canton-Kowloon railway in order to prevent strikers from leaving the colony. On March 4, some 2,000 workers decided to return on foot to Canton. They attempted to break through the military cordon at Shatin in the New Territories since they were without the required passes. A warning shot was fired by the military guard but this proved to be ineffective. Several volleys were fired consequently, killing 3 strikers and wounding 8. The Shatin massacre, as it was called, stirred up considerable ill-feelings towards the Hong Kong government and consequently the seamen were able to gain their point.<sup>80</sup> The recompense issue was finally solved when an eminent Chinese merchant Robert Ho Tung<sup>81</sup> offered to guarantee the payment of the sum involved. The following table illustrates the concessions that the seamen gained in the matter of wag-



80. ITYP, March 5, 1922.

81. Ho Tung was the first Chinese in Hong Kong to be knighted. He was known as the "merchant prince of Hong Kong". See Woo Sing-lien, The Prominent Chinese in Hong Kong (Hong Kong, 1937), pp. 1-3.

Table II

Wage increase as agreed to in March<sup>82</sup>

	Increase	Original Demand
1 Coastwise steamers	20%	35 %
2 Chinese river steamers	30%	32½%
3 Other Chinese steamers	30%	32½%
4 Canton-Macao-Hong Kong steamers	20%	25 %
5 Other British steamers	20%	25 %
6 Java lines	15%	17½%
7 Pacific lines.	15%	17½%
8 European lines	15%	17½%
9 Australian lines	15%	20 %

After these terms were settled, the Hong Kong government representatives then proceeded to discuss with the seamen other problems involved. The government agreed to return the seamen's signboard and to rescind its former order of closing down the union. Moreover the Chinese Seamen's Union was allowed to retain its former full title. The seamen's representatives point out to the government representative that since most the labour contracts were made out in English, it was deemed highly necessary that an union representative w




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82. Ch'en Ta, "Shipping Strike", p. 14.

had command of that language to be present whenever contracts were signed. The government representatives agreed to allow the seamen to take with them an interpreter to the signing on or off of articles, but a proviso that this agreement would not apply to other foreign companies was added to avoid international complications. Finally, the government representatives assented to the proposal that a public judicial enquiry should be held on the Shatin massacre.<sup>83</sup>

On the morning of March 6, the governor accordingly rescinded the former order banning the Seamen's Union and the other 2 unions. The Seamen's Union's signboard was replaced by the same police constable who had removed it. The seamen celebrated their victory with a procession and a feast.

The fifty-two-day strike incurred heavy economic losses for the Hong Kong shipping companies. In mid-February, 166 steamers carrying 280,404 tons of cargoes were held up in the harbour. This tie-up of cargo caused losses of at least £5,000,000 (Hong Kong dollars) for fourteen different shipping companies. The Chinese and non-Chinese communities at Hong Kong also

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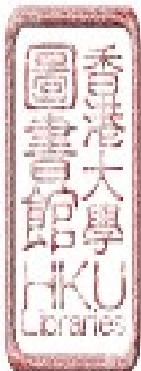
83. "Government's account", p. 106. A public enquiry was subsequently held and the families of those killed or wounded were recompensed accordingly.



suffered some hardship, since importation of foodstuffs from Canton was stopped by the seamen. The price of food rose steadily. The cost of one pound of rice before the strike was 13 cents. By January 24, this had risen to 22 cents and by the end of February it had further risen to 32 cents. The cost of other foodstuffs, such as fish, beef and pork also rose by thirty to fifty percent.<sup>84</sup> For the first time, Hong Kong was to feel the immense impact of a labour movement carried out on a large scale. It was to feel the weight of a general strike declared by workers who were not involved in a labour dispute. Even the mechanics who were satisfied with their existing wage rates and had no complaints against their employers <sup>went</sup> ~~were~~ on strike to support the seamen. Chinese public opinion too, showed that it was inclined to sympathise with the strikers.<sup>85</sup> The workers themselves seemed to have realised their strength. The seamen's strike was followed by a wave of labour disputes among a large number of workers such as the launchmen, bakers, motor bus drivers, the Chinese restau-

84. Ch'en Ta, "Shipping Strike", p. 10.

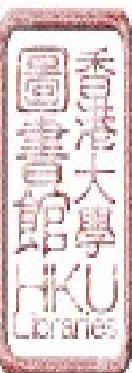
85. For example, see the editorials in ETYP, January 18, February 24, March 5, 1922.



employees, the tram drivers, the Hong Kong Electric Company employees. Halifax blamed this situation on Canton. In his lengthy report on the development of the labour problem in Hong Kong during 1922, he pointed out that though in most cases the economic grievances of the workers were genuine enough, the labour disputes were often exploited by agencies whose aims were more political than economic. He stated:

"the principal cause of this effect was the political position of China, and particularly of South China: the services of labour, and of such funds as the Guilds could provide, had been enlisted in a purely political struggle in a manner that went far towards putting the control of the balance of political power in the hands of its leaders."<sup>86</sup>

The Hong Kong government's apprehension about the political situation in South China was not unfounded. It has already been mentioned elsewhere that Sun Yat-sen showed himself to be particularly partial towards the workers. In May, Sun pardoned Ch'en Ping-sheng from the murder of his wife at Canton, for which crime he was arrested in February. This action was severely criticized by Hong Kong. The South China Morning Post commented in a scathing editorial:



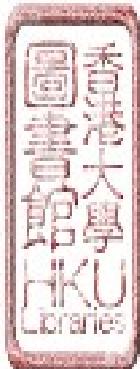

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86. "Report of the SCA", C12-15, HKAR, 1922.

"There seems to be not a shadow of doubt that Dr. Sun's action was determined purely by consideration of the support he has received from organised labour in the past and the exigencies of the present political situation. Nothing will justify such a scandalous precedent in the eyes of thinking and genuinely patriotic Chinese."<sup>87</sup>

When Ch'en returned to Hong Kong, he was arrested and deported immediately despite threats from the seamen of a second impending strike.

Another cause of Hong Kong's uneasiness about labour developments at Canton was the convention of the All China Labour Conference in May 1922. The conference, called by the Labour Secretariat, attempted unsuccessfully to set up a national labour organisation but it promulgated in its manifesto the urgent need for more co-ordination among the different unions. The Chinese Seamen's Union subsequently endeavoured to organise such a federation at Hong Kong but their attempts were unsuccessful due to the vigilance of the government to all the seamen's activities. However, the spate of labour ferment continued to loom large. The Chinese Seamen's Union, now under the direction of Su Chao-cheng, continued to distribute among its members propaganda handbills and manifestos secretly. Anonymous handbills inciting the workers to rise up against the



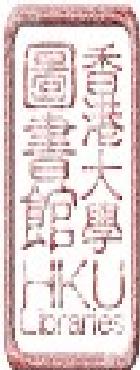
87. SCMP, May 5, 1922.

imperialists and the capitalists were left mysteriously under office doors or factory windows and were often perused eagerly.<sup>88</sup> Labour Day, occurring on the first day of May, began to receive attention and was celebrated by some unions in Hong Kong.

The Hong Kong government stepped in to mediate between the employers and the workers whenever this became necessary, but on the whole the Hong Kong government still maintained the *laissez-faire* attitude and took no active steps to improve the lot of labour. Generally speaking, the employers were also slow in accepting collective bargaining, and few showed great interest in the labour problem. One lofty-minded employer did draft a welfare project for the workers. He proposed to erect a six-storey building in Kowloon, housing a labour bureau with a technical education department, an estimation board, an arbitration board and a hostel and canteen for the workers. He claimed that some 5,000 workers had expressed an interest in this scheme and were willing to take part in its activ. However, the scheme fell through partly because it was regarded as a "far-fetched dream" by fellow-employees,<sup>"</sup> partly because it involved immense costs and also equally

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88. "Report of the SCA" C 11, HKAR, 1922.



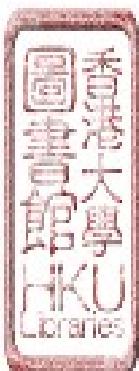
immense problems where the government was concerned. Unfortunately, too, the master-mind died before he could resolve the problems.<sup>89</sup>

Meanwhile, Sun Yat-sen now fully realised the potential power of organized labour. By this time he was thoroughly disillusioned with alliances with warlords, for in June 1922 Ch'en Chiung-min had turned against him and he barely managed to flee to Shanghai. The Cantonese mechanics had protested against Ch'en's treachery by going on a strike. Sun was not slow to take mental note of the loyalty of the labourers.

In September 1922, it was reported that the British at Hong Kong had agreed to make a loan of 2 million pound sterling to Ch'en Chiung-min.<sup>90</sup> Though it is extremely difficult to verify these allegations it is interesting to note that in one of Stubbs' despatches to the Colonial Office during this period, he suggested that Ch'en should be assisted in his attempts to drive Sun away from Kwangtung forever. This suggestion was

89. China Mail, September 30, 1925, hereafter referred to as CM.

90. Hin Wong, "Facts about the British loan to Canton, CWR, October 28, 1922, pp. 295-6. Also reported in SCMP, September 20, 1922.

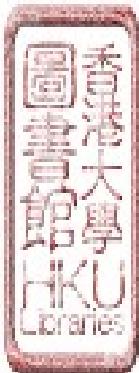


however, prudently shelved by the Colonial Office. In 1923 Sun, aided by a force of mercenary soldiers from Kwangsi and Yunnan, was able to control Canton once more. Sun, recalling that Jamieson had once remarked that should China be reunited Hong Kong might be willing to send a number of experts to help Kwangtung in reorganising its economy, requested through Jamieson for a list of names of these experts from Hong Kong. Told by the Colonial Office earlier that he should not alienate Sun any further, Stubbs was uncertain whether he should comply with the request or not. However, the scheme did not materialise since the British Foreign Office, in accordance with its China policy, refused to agree to give assistance in any form to any of the regional governments in China. Sun Yat-sen once again suffered a rebuff at the hands of Hong Kong.<sup>91</sup>

Meanwhile, Sun's government was hard-pressed for funds for the maintenance of the mercenaries. Sun's attempt to obtain a loan from the Chinese merchants of Hong Kong failed. This was much publicised by the Hong Kong press, which criticised Sun's desperate attempts to obtain money. Merchants and landowners at Canton had

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91. F.O. 405/252 no. 129, "Foreign Office Memorandum respecting Sun Yat-sen, Moscow and Britain", February 6, 1928.

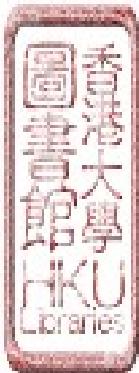


be heavily taxed. Brothels and gambling houses were allowed to re-open on payment of a licensing fee, and public land was put up for auction. Despite these measures, Sun could not meet with the acute financial stringency. In September 1923, he proceeded to claim for Canton the share of customs surplus allotted to southern government in 1919.<sup>92</sup> An ultimatum was delivered to the foreign consuls concerned, threatening the seizure of the Customs House if the request was not met with. The foreign powers decided to make their move. A few days before the ultimatum's expiry, sixteen foreign gunboats staged a naval demonstration off Canton. The incident was a fiasco for Sun and he became thoroughly embittered with Britain, America, and other foreign nations alike.

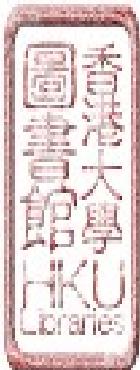
In 1924, his antagonism against Britain again flared up over the rising of the Canton Merchants' Volunteer Corps.<sup>93</sup>

92. O.E. Clubb, Twentieth Century China, p. 121. In 1920 the foreign powers allocated 86.3% of the surplus from the Maritime Customs to Peking and 13.7% to the south-western provinces.

93. For a detailed account of the rising, see NTYP (ed. pub.) Kuang-chou k'ou-hsich-ch'ao (Hong Kong, 1925), section I of the book deals with the course of event involved, section II consists of the official correspondence involved, section III consists of first hand accounts of the rising, and section IV is a collection of press comments. The Wah Fye Yat Po was known to be an outspoken and critical newspaper.

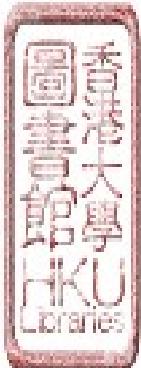


The Merchants' Volunteer Corps was first created in 1923 by the Canton Chamber of Commerce to protect the merchants' interests against banditry and unlawlessness, and sometimes also to break labour strikes since the Canton workers resorted more and more to striking after 1920. By 1924, there were over one hundred corps with 100,000 fully-armed men who could be called up almost instantly. The corps were headed by a competent young man, Ch'en Lien-p'o who was a British subject and the chief compradore of the Canton branch of the Hong Kong and Shanghai Bank. His connections with Hong Kong made him all the more repugnant to Sun who also deeply distrusted the presence of a militant, well-armed force at Canton. He himself had no military force of his own: the mercenaries were highly unreliable, and the Whampoa Military Academy, founded in 1924, could not yet produce sufficient number of cadets and soldiers. Sun counted therefore on the so-called labour organisation army, which had been formed by the workers to resist the Merchants' Volunteer Corps. The existence of this army had been sanctioned by Liao Chung-k'ai and Sun. The labour army often came into conflict with the merchants. Eventually the Merchants Volunteer Corps demanded that the labour army should be disbanded, but the government simply turned a deaf ear.



to the demand. In August 1924, Sun seized a consignment of arms which had arrived at Canton by ship for the Merchants' Volunteer Corps. After prolonged negotiations, he agreed to return part of the consignment, but for some obscure reason, fighting suddenly broke out between the Merchants' Volunteer Corps and the labour army in the city. The labourers were aided by the Whampoa cadets and replenished with munitions recently seized from the merchants, they were able to defeat the latter. Ch'en Lien-p'o fled to Shantou and was granted political asylum by Jamieson. Requests from Sun for his extradition was repeatedly and resolutely refused.

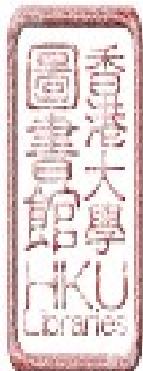
Sun suspected that the Canton merchants were in collusion with Hong Kong. His suspicion was based largely on the ground that Ch'en Lien-p'o had intimate relations with Hong Kong, and payments of the consignment had been made through the Hong Kong and Shanghai Bank. In August, too, Jamieson had warned the Canton government that the British Commodore at Hong Kong had been empowered to order a naval attack on Canton should the Canton government begin its offensive against the merchant corps. Sun responded by denouncing publicly the merchants as agents of British imperialism and made a protest to the British prime minister. In a public letter to Britain printed in the Canton Gazette - an English-language



newspaper which was the official organ of the Kuomintang — Sun accused Hong Kong of backing Ch'en Lien-p'ê's plot to overthrow him.<sup>94</sup> The Hong Kong press refuted these charges and charged Sun Yat-sen of attempting to "bolshevise" Canton. This accusation was not entirely groundless, for in January 1923, the Sun-Joffe agreement,<sup>95</sup> by which Russia affirmed her willingness to assist China's national unification had been signed. Since then a number of Russian agents had arrived at Canton for this purpose. This was resented by the multitude of the old Kuomintang members. In spite of them, the Russian agents proceeded to assist Sun in the reorganisation of his party and the government. In January 1924, the first National Congress of the Kuomintang was called. During the congress, a definite political platform was evolved. Sun's San-min Chu-i or Three Peoples' Principles were reaffirmed, and the so-called "three new policies" of co-operation between the Kuomintang and the Chinese Communist Party, the alliance with the Soviet Union, and support for the workers and peasants'

94. Chung-shan ch'u'an-shu [The Complete Works of (Sun) Chung-shan], 4 vols. (Shanghai, 1937), IV, 36.

95. For the text of agreement see C. Brandt, B. Schwartz and J.K. Fairbank, A Documentary History of the Chinese Communist Party (New York, 1966), p. 70.



movements in China were also confirmed by the congress. These were embodied in the manifesto issued after the congress. Sun was assisted by Borodin, the chief Russian agent, in drafting this manifesto. By this time Sun had already lost all hopes of obtaining assistance from the western powers. His hopes in Britain had been crushed and overtures to the American minister in China were also snubbed.<sup>96</sup> It was only logical that he should turn to the Russians who appeared to be willing to assist him in his hour of need.

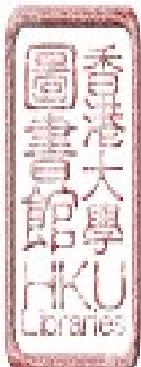
Cecil Clementi, the Hong Kong governor who dealt with the ending of the 1925 strike-boycott, had this to say about the Canton-Moscow alliance:

"The British Foreign Office (in 1920's) clung desperately to the illusion that Peking somehow or other governed all China though even then it was clear that Peking had no control whatsoever in Kwangtung. Accordingly, when Sun Yat-sen, who was at that time dominant in Kwangtung wished to be friends with Hong Kong and to get help from us, H.M. Government decided that he must be treated as a rebel in arms against Peking and that British help could not be given to Canton."<sup>97</sup>

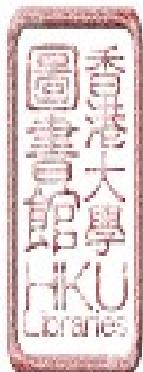
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96. Hallett Abend, My Life in China (New York, 1943), pp. 23-25.

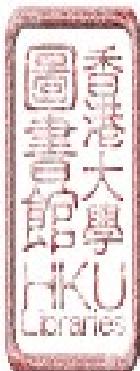
97. Cecil Clementi, "The Future of Hong Kong", Crown Colonist, September 1936, p. 62.



By way of conclusion, one can surely say that the early 1920's witnessed great political, economic and social changes both at Canton and Hong Kong. The prominent feature of this period was the mutual antipathy and distrust between the two neighbouring cities. Sun Yat-sen came to realise the potency of the new labour force and was not slow to court its favour. In a bid to strengthen his political party the Kuomintang and his government at Canton, he came to an understanding with Russia, and agreed to allow the Chinese Communist Party, which was intimately associated with the labour movement, to join the Kuomintang. On the other hand, Stubbs, the governor of Hong Kong, was extremely suspicious of Sun's action. He heartily distrusted Sun Yat-sen, and made no bones about this fact. The chief problem in Hong Kong after the first world war was the growth of the labour movement. The government failed to cope with the labour discontent, which was partly caused by the post-war economic dislocation. But the workers were also influenced by new ideas germinated during the May Fourth Movement and carefully nurtured by the Chinese Communist Party. The occurrence and success of Chinese seamen's strike in 1922, led by an old associate of Su



Ch'en Ping-sheng and two communists: Lin Wei-min and Su Chao-cheng who subsequently became president of that union, served to intensify the mutual antipathy between the two cities. The antipathy became more marked as Hong Kong grew increasingly critical of all Sun's measures at Canton. The cleft gradually widened. A rupture came in 1925.



## Chapter II

### THE STRIKE IN HONG KONG JUNE-JULY 1925

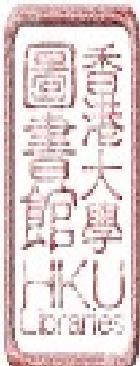
At his death in March 1925, Sun Yat-sen bequeathed a tumultuous legacy to his followers. In late 1923 he had said: "our faces are turned towards Russia, we no longer look to the Western powers."<sup>1</sup> In 1924 he again said with firmer conviction: "The capitalist countries will never be sympathetic to our party. Sympathy can only be expected from Russia."<sup>2</sup> Despite this, the Moscow-Canton entente was never fully accepted by the entire rank and file of the Kuomintang. Sun's imposing personality was the only factor which prevented the dissident right wing Kuomintang members who distrusted and disliked the three new policies from falling out with the left wing.<sup>3</sup> To show their dissatisfaction, the right wing adopted obstructive tactics in the operation of the government and this so annoyed Sun that he eventually

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1. Stephen Chan and Robert Payne, Sun Yat-sen: a port (New York, 1946), p. 198.

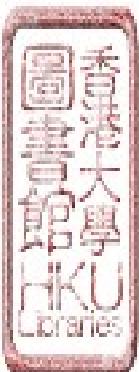
2. Schwartz and Fairbank, A Documentary History of Chinese Communism, pp. 72-3.

3. *Ibid.*, pp. 32-33.



created a Political Council in later 1923 and excluded all right wing members from it. This was significant since the function of the council was to advise Sun in all his political decisions. The council included men like Liao Chung-k'ai, Wang Ching-wei<sup>4</sup> and Hu Han-min, who was somewhat less extreme in his views than the other two.<sup>5</sup> With Sun's death the conflict between the right and left wings came to the fore. The polarisation of the two distinct factions was further complicated by the presence of the Chinese Communist Party and the Soviet advisers. Consequently, the years 1925 and 1926 witnessed a bitter internecine political struggle at Canton. The fate of Hong Kong was tied up with this struggle for an anti-Hong Kong strike-boycott occurred precisely in these two years. The present chapter will deal with the circumstances leading to the outbreak of the strike, the situation at Hong Kong, and the measures adopted by the Hong Kong government to deal with the situation.

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- 4. Wang Ching-wei was an early and trusted follower of Sun Yat-sen. For his biography, see Tung Li-chang-1 Wang Ching-wei: a biography, (Peking, 1931).
  - 5. Hu Han-min, a member of the Cantonese gentry, became governor of Kwangtung immediately after the 1911 revolution. Though not a member of the right wing he was what one would call a moderate rather than an extremist. See H.L. Boorman, Biographical Dictionary of Republican China, II, 159-160.



In March 1925, the immediate position at Canton was far from satisfactory. Sun's arch foe, Ch'en Chiung-ming, who had retreated to Swatow after his defeat in 1923, had been mobilising along the eastern border of Kwangtung. In February 1925, Sun ordered an expedition against him under the direction of Chiang Kai-shek,<sup>6</sup> the young commandant of the Whampoa Military Academy. Chiang and his Whampoa cadets achieved their first military success against Ch'en in early March. While raiding Ch'en's headquarters, Chiang discovered correspondence showing that the leaders of the mercenaries Liu Chen-huan and Yang Hsi-min had been plotting with Ch'en to seize power in Canton. There were also reports that Yang had sent an emissary to see the British Minister at Peking and later paid a personal call to the latter, requesting

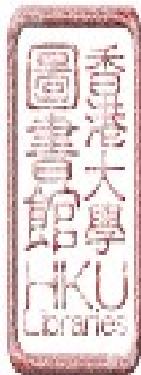
6. See Hollington K. Tong, Chiang Kai-shek, Soldier and Statesman, 2 vols. (London, 1938), or Liao Ssu-ch'en's Kin-wu shih-wu nien ch'ien chin Chiang Chieh-shih hsien-sheng [Chiang Kai-shek before the fifteenth year of the republic] (reprinted, Hong Kong, 1964). The latter contains Chiang's diaries, speeches and correspondence during this period. Other biographical accounts include S.I. Hsiung's The Life of Chiang Kai-shek (London, 1948), and Huang Chieh's Chiang chieh-shih hsien-sheng ch'uap-chi [Biography of Chiang Kai-shek], and Ichiaru Tota's Chiang chieh-shih p'ing-ch'uan [A critical biography of Chiang Kai-shik] (Nanking, 1937).



British aid in their plan against the Canton "reds".<sup>7</sup> The British Minister, however, maintained a policy of neutrality and refused to become involved in purely Chinese affairs. The mercenaries constituted a great menace for the Kuomintang members. They had been allowed to collect taxes for the maintenance of their troops, and they patronised gambling and other illegal activities in the city. As a result, corruption and extortion were rampant. The financial administration was in shambles. Sun's heirs found that it was impossible to rule Kwangtung without eliminating the forces of Liu and Yang first. Hu Han-min, who had assumed the title of Acting Generalissimo after Sun's death, decided to take this decisive step.<sup>8</sup> Accordingly, the government officials withdrew to the suburbs outside Canton city, and the

7. These reports were corroborated by British and American records. P.O. 405/248, no. 7, telegram (hereafter tel.), from Palairat, British Minister at Peking to Chamberlain, Secretary of State for Foreign Affairs May 19, 1925. See also Records of the Department of State relating to the Internal Affairs of China 1910-1929 (Public Archives, Washington), volume 45 despatch no. 320, from the consul-general at Canton D. Jenkins to the Secretary of State entitled "Political Conditions in the Canton Consular District" May 27, 1925. (Hereafter referred to as USGRDS/45 or any other appropriate volume no.)

8. Ko Yan-cho, Chen-hua min-kuo t'a-shih chi [Major events of the Chinese republic], (Taipei, 1957), pp. 174-5.



offensive against the Kwangsi mercenaries began on June 5.

The outbreak of the May 30 incident at Shanghai thus coincided with the commencement of a bitter military struggle at Canton. On June 2, railway and transportation workers in Canton went on strike in obedience to Liao Chung-k'ai's order. This action was an attempt to delay the mobilisation of the Kwangsi troops and was entirely successful. During the next few days, the workers gave active assistance to the Canton government in transportation work.<sup>9</sup> In response to the May 30 incident, workers, students and cadets had staged a demonstration on June 2 in the city, during which they voted for a boycott against Britain, Japan and United States and for a strike of all Chinese workers in foreign employment.<sup>10</sup> However, the strike and the boycott did not materialise due to the military struggle in the city, which continued until the end of June.

The Hong Kong government was on the alert for any contemplated sympathy strikes similar to those wh

9. Ibid., p. 175.

10. The Present Condition of China with reference to circumstances affecting international understand between nations upon which peace depends, p. 23.

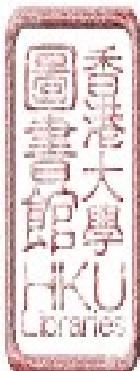


had broken out in Hankow, Kiukiang, Ningpo and other cities.<sup>11</sup> In fact, ever since March 1925, it had been keeping a close watch over the activities of the Chinese Seamen's Union which had shown itself to be anti-imperialistic and anti-capitalistic.<sup>12</sup> To commemorate the third anniversary of the successful strike in 1922, the seamen issued a manifesto addressed to all labourers of the world. Five million copies of the manifesto were circulated among the workers in the colony and abroad. The treatise attacked fiercely an alleged plot of the Hong Kong government and Robert Ho Tung to defraud the seamen of the promised 5½-months' strike-pay.<sup>13</sup> The seamen pointed to this attempt as a classic example of the treachery of the imperialists and the capitalists. In May 1925, Su Chao-cheng and Lin Wei-min returned to Canton in May to attend the second All-China Labour Conference during which they established contact with

11. See C.A. Macartney's Survey of International Affairs (London, 1928), II, 1925, 336 for a useful contemporary background picture.

12. "Report of the SCA", C 46, MEAR, 1925.

13. Su Chao-cheng, "Report at the first national conference of the Chinese Seamen's Union" in The Chinese Labour Movement during period of the First Revolutionary Civil War, pp. 171-182. (Hereafter referred to as Labour during first civil war).



Teng Chung-hsia and other communist labour leaders and joined the Chinese Communist Party.<sup>14</sup> Lin was voted chairman of the All-China Labour Federation, a communist body which was formed to carry out the resolutions of the conference, one of which stated that the workers should overthrow the imperialists and the capitalists by force if necessary.<sup>15</sup> When the two seaman leaders returned to Hong Kong they continued to denounce imperialism and capitalism.

The May 30 incident was seized upon as the best incentive for initiating a movement against the imperialists. A leading Hong Kong newspaper saw this danger, and pointed out that:

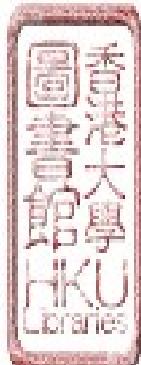
"the state of unenlightened Chinese thought is such as to make it quite possible that the Shanghai strike ... should spread to Hong Kong."<sup>16</sup>

Aware of the imminent danger of a strike, the Hong Kong government had interviewed several Kuomintang leaders who stopped over at Hong Kong on their way to Canton to assume their posts in the newly-formed government.

14. Chang Kuo-tao, "Wo ti hui-i", WPM, II, no. 13, (January 1967), 92.

15. Ibid., p. 91. Also see Lin Tung-hai, The Labour Movement and Labour Legislation in China, p. 93.

16. SCHP, June 12, 1925.



These men included C.C. Yu, who was the new Minister for Foreign Affairs, and Sun Fo, Sun Yat-sen's son. They all professed an attitude of sincere goodwill towards Hong Kong, and the Hong Kong governor was able to elicit a promise from them to do all they could to prevent any "untoward actions" against Hong Kong.<sup>17</sup>

In the meantime, the Hong Kong government took precautionary steps to prevent the outbreak of a strike. The police carried out searches in the streets for firearms and inflammatory literature. Suspicious persons were detained and interrogated before release. This action was considered necessary since there was a sudden influx of refugees fleeing the warfare at Canton. It is not possible to give an exact estimate of the number of refugees, but one source states that generally, "a daily ebb and flow of 50,000 people between the two places is not uncommon at times of civil strife at Canton".<sup>18</sup> It was known that among these refugees there were a number of labour agitators who travelled to Hong Kong to stir up a strike.<sup>19</sup> By means of street searches, the poli-

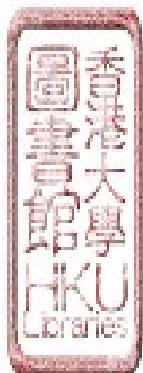


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- 17. C.O. 129/483, confidential telegram (hereafter confid. tel.) Stubbs to Amery, entitled "The Strike Situation", June 26, 1925.
  - 18. Annual Report of the Hong Kong General Chamber of Commerce, 1925, p. 15.
  - 19. SCMP, June 12, 1925.

hoped to comb them out. However, this aimless search met with little success.

A vigilant watch was also kept over the vernacular newspapers. They were carefully scanned for inflammatory articles. The Sun Man Po, which had referred to the British king as the "big devil", Stubbs as the "little devil" and the local officials as "running dogs" in an article appearing on June 11 denouncing British imperialism, had its offices raided on the same evening. It was subsequently closed down on the grounds that its proprietors were absent from the colony.<sup>20</sup>

Apart from these measures, the government showed that it was prepared to take a strong line in the event of a strike. In an interview with the Chinese reporters, the Secretary for Chinese Affairs Tratman reiterated that the government's policy was similar to the policy held in 1922: to protect loyal workers. He appealed to the workers not to be intimidated by the agitators. He also insisted that since the Shanghai incident had nothing to do with Hong Kong, the government would have nothing to negotiate with the workers if they should be so fool as to choose to go on strike. The government was read;




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20. Ibid.

too, to take all necessary action against a strike motivated by a purely political issue.<sup>21</sup>

At the same time, the workers were being stirred up by the labour agitators from both Canton and Shanghai.<sup>22</sup> Among them were Teng Chung-hsia, the secretary of the All-China Labour Federation as well as several other Cantonese labour leaders. Teng reported afterwards that they were highly pessimistic about their mission mainly because of the vigilance of the Hong Kong government and the presence of labour spies who reported to the Hong Kong government their every move. He complained too of the apathy of the general Chinese workers.<sup>23</sup> One main difficulty for the agitators was that there were three clearly demarcated groups of labour unions, all formed in 1924 at Hong Kong and only one or two of the more radical labour unions in these groups were interested in the projected strike.<sup>24</sup> The first of these groups

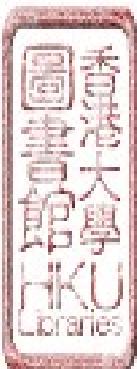
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21. HKDP, June 20, 1925.

22. F.O. 405/248, no. 140, "Hong Kong Monthly Intelligence summary no. 7 of 1925". The Hong Kong police received information that at least ten of the leading agitators were bolsheviks. Some of them were from Canton.

23. See Teng Chung-hsia's Chien-shih, and also extracts from Sheng-kang pa-kung kai-kuan (short account of Hong Kong-Canton strike) as reprinted in Labour during the first civil war. (Hereafter referred to as Kui-kuan)

24. Teng Chung-hsia, Chien-shih, p. 187.



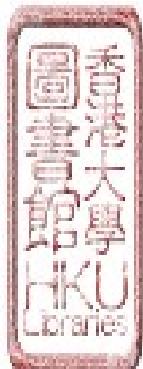
was the Hong Kong Federation of Labour which consisted of over 70 unions. The Chinese Seamen's Union was the largest and most influential of these unions and in June, it had taken the initiative of sending emphatically-phrased telegrams to Chinese workers abroad on the May 30 incident. One typical telegram was phrased:

"We are resolved to lay down our lives in the struggle against Imperialism and Capitalism ... the British and Japanese (must) apologise ... all the unequal treaties be abolished, otherwise all the hundreds and more workers of Hong Kong will swear to be the backup (of the Shanghai strikers), never will they allow the imperialists within our territory freely crush us."<sup>25</sup>

All these telegrams were issued in the name of the Hong Kong Federation of Labour. However, it seemed that the Chinese Seamen's Union alone was enthusiastic about calling a strike. A second large group of labour unions was to be found in the General Union of Chinese Labourers which had 30 unions under its wing. Here, the Tramway Workers' Union was the chief ally of the seamen in their endeavour to begin a strike. Aside from these two federations, there were about 20 other

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25. The translations of a number of these telegrams which had reportedly been sent to the British Labour Party, the British Federation of Labour Unions, the Kuomintang Central Executive Committee at Canton, various labour and peasant organisations and the vernacular press at Canton and Shanghai, appeared in HKDP, June 11, 1925. Words in parenthesis were inserted by the author.

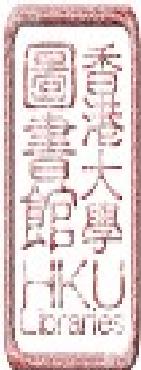


unions which did not belong to either group, of which the Chinese Mechanics Union, also known as the Chinese Engineers' Institute, was the most influential. This union had been loyal to the Hong Kong government ever since its successful strike in 1920.

Thus, on June 11, when the labour agitators from Canton called a meeting at the office of the Chinese Seamen's Union, there was very little favourable response from labour union officials. Most of the union leaders objected to the propositions of the labour agitators. They agreed that it could be possible to stir up considerable feelings against the Hong Kong government over a recent ordinance authorizing a 15% increase from July 1925 onwards on the standard rent as set down in 1921. In fact, this issue was raised when the strike broke out. But they pointed out numerous insurmountable difficulties: the question of maintenance of a large body of unemployed workers at Canton, the political instability of that city at the time, and the fear that Hong Kong would blockade the passage to Canton and keep the workers in the colony by force.<sup>26</sup> Thus, no clear-cut programme could be worked out at the meeting.

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26. Teng Chung-hsia, Chien-shih, p. 138.



The agitators therefore decided to work on the labourers on whom they had more influence.<sup>27</sup> With the defeat of the mercenaries and the success of the Kuomintang forces, they were able to persuade a number of labour representatives to return to Canton to see Liao Chung-k'ai, who was the Minister for Labour and Finance in the provisional government of the city.<sup>28</sup> During this meeting the workers were warmly assured of every possible assistance. Liao promised that the new nationalist government would support the Hong Kong workers in their struggle against the imperialists.

On their return to Hong Kong the delegates conferred with the labourers. Secret meetings were held at nearly every union office. However, even at this late stage, the workers seemed still lacking in a united front. It was reported that lots had to be drawn to decide on the order in which the workers were to leave the colony. The coolies were stated to have drawn lot number one, the mechanics and fitters lots three and the seamen lot seven.<sup>29</sup> A great deal of



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- 27. Jean Chesnecoux, p. 291.
  - 28. "Report of the SCA", C 17, HEAR, 1925.
  - 29. China Mail (hereafter CM), June 22, 1925.

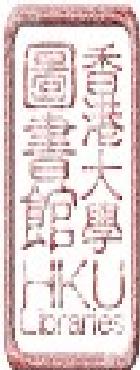
contention and disagreement ensued. Eventually, it turned out that the seamen were the first to leave. The coolies did not join in until June 29, and the mechanics on July 9. In the next few days, several Canton labour delegates went to Hong Kong to make arrangements with the strikers.<sup>30</sup> Details about meeting the strikers at the British border and putting them aboard special trains for Canton and accommodation on arrival at Canton were settled. A Hong Kong Labour Commission was formed to direct the strike and it established its headquarters at the Chinese Seamen's Union's office.

On June 17, the Secretary of the Chinese Seamen's Union, purporting to act on the behest of the Canton branch of the Seamen's Union, instructed all Chinese seamen working on board foreign-owned vessels to cease work immediately. They were to leave the ship as a protest "against the British imperialists who had brutally massacred innocent Chinese at Shanghai". In a statement to the press, he emphasised that the instruction was not merely meant for the seamen alone, but for all "red-blooded Chinese".<sup>31</sup> These instructions were carried out faithfully on June 18 by over a thousand Chinese sea

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30. CM, June 20, 1925, see also SCMP, June 19, 1925.

31. CM, June 20, 1925.



In conjunction with this announcement, a propaganda campaign was initiated to induce all Chinese to leave the colony. News that pitched battles would be fought in the streets, that the colony would be burnt to the ground and that the authorities would poison the water supply and cut the electricity supply were circulated. Posters containing such "news" were appended to lamp posts along the water-front and on the walls outside the Chinese Seamen's Union office. Similar alarming announcements were painted in red on the outside walls of the union building, admonishing the workers to leave immediately as there was no point in staying to tolerate such sufferings. A number of men were also placed at strategic points such as tram shops and terminuses. They approached men in the streets, persuading them to join the strike.<sup>32</sup>

The crews of a number of British-owned shipping companies went on strike on June 18, and were followed by the crews of the leading British shipping line, the Jardine, Matheson & Co. on June 21. The seamen were joined by the students on June 18. There had been a noticeable drop in the number of attendance in government schools since June 16. Pupils were told by coolies that they should stop receiving imperialist education and that

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32. "Report of the SCA", C 17, HKAR, 1925.



they should go on strike by staying away from school, otherwise they would be beaten up. A number of senior pupils were also involved in this intimidation.<sup>33</sup> The slogan that they used was: "a foreign book in your hand makes you a subservient slave of the foreigners".<sup>34</sup> The older pupils tried to rally their fellow schoolmates to protest against the May 30 incident and to show that they were not supine slaves of the imperialists. A number of students from Canton belonging to communist youth groups were also sent to Hong Kong to stir up the pupils.<sup>35</sup> As a result, younger pupils had to be accompanied to school by their parents. Eventually however, fearing the safety of their children, the parents kept them at home. By June 18, over half of the pupils at the Queen's

33. This information was supplied by a local merchant Mr. Ho Cheung-kwong of 3, Dragon Terrace, Hong Kong. He was involved in intimidating a younger pupil at the Saiyingpoon Government School. Mr. Ho changed his name and returned to Canton where he took part in the Shakese demonstration and later became a picket for two weeks.

34. This information was rendered to se by Miss Hui Wai-haan of the Chemistry Department, Hong Kong University. Miss Hui was a student at a government school - the Belilius Public School at the time.

35. Hua Kang, Chung-kuo min-tsu chich-fang yün-tung-shi vol. II, p. 350.



College, one of the largest government schools in the colony, were absent.<sup>36</sup>

The defection of a large number of pupils to Canton was a considerable blow to the government. A manifesto issued in the name of the students of the Queen's College appeared in the Canton Gazette of June 24. Its sum and substance was that the Chinese students had so far been silenced by the "servile education of the British imperialists" but now they pledged their support to the fight against imperialism, and the overthrow of "slave education".<sup>37</sup> The Hong Kong press vented its rage at what they termed "schoolboy pranks of half-baked students under the influence of communism" but the students continued to absent themselves from the schools and eventually the early commencement of the summer vacation had to be announced.<sup>38</sup>

On June 22, the Hong Kong Labour Commission published in the vernacular press a series of 6 demands addressed to the Hong Kong government.<sup>39</sup> The Labour

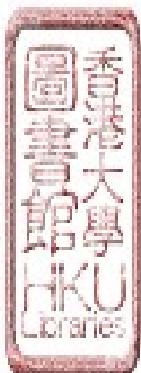
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36. HKDP, June 16, 18, 1925.

37. Ibid., June 26, 1925.

38. CK, June 22, 1925.

39. Ma Chao-chün, vol. III, pp. 402-403.

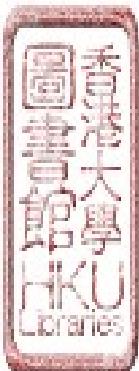


Commission, aside from stating that its avowed intention was to fight imperialism to the end, demanded freedom of speech and writing, equality of treatment for Chinese and non-Chinese subjects, labour enfranchisement, improvement of labour conditions and revocation of the ordinance increasing the standard rent by 15% as from July 1, 1925. Since no grievances had been previously voiced on these issues the Hong Kong government pointed out that the strike was entirely political and that the demands had been made merely to justify the strike. It seems safe to assert that this was very much the case at Hong Kong then.

Stubbs' term of office was due to end in June but he cabled the Colonial Office offering to stay in Hong Kong to deal with the emergency. His gesture was supported by the unofficial members of the Legislative Council who sent a cable to the Colonial Office to this effect. Since a refusal of his request would seriously affect Stubbs' "face" at this juncture, the Colonial Office could not turn him down.<sup>40</sup> At a luncheon meeting on June 20, he had already declared publicly,

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40. C.O. 129/491, minutes on the report: "Extension of Stubbs term of office as governor", June 1925.

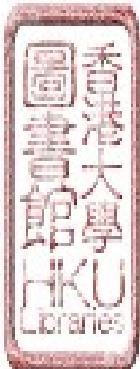


"if this nonsense continues, I am going to see it through and I don't think the arrangement will be a comfortable one for those responsible for my delay."<sup>41</sup>

True to his word, he declared a state of emergency in the colony on June 22. A well-organised system to take over the essential services, modelled and improved on the lines of the system devised in 1922, assumed its duties immediately. There were three co-ordinated systems, each placed under an appointed controller. The Labour Control System set up its headquarters immediately at the City Hall to recruit volunteers for the essential services. Assisted by two British assistants and six boy-scouts, the Labour Controller was able to recruit over 2,000 Europeans belonging to 24 different races by June 24. A Chinese Labour Office was set up separately and it recruited 500 men and 100 ex-police who came forward as volunteers for the reserve forces. The volunteers were sent to assist at hospitals, restaurants, abattoirs and later to drive motor lorries and trams. The Transport Control System worked closely together with the Labour Control. It organised and trained new recruits to operate the tram and ferry services which had been dislocated after

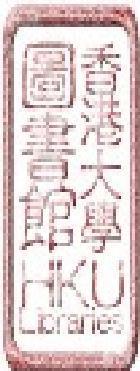
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41. HKDP, June 21, 1925.



the strike of the drivers and the sailors. The Star Ferry was barricaded and for over one week only European season-ticket holders were allowed to travel across the harbour on its limited services. After a complete stoppage of service for nine days, eight trams commenced to run again, manned by 20 European and Indian volunteers. The Transport Controller also made a survey of the motor lorries and other public vehicles and notified all drivers of these vehicles that their driving licenses would be cancelled if they would not return to work immediately. On the whole, the labour control system was quite successful. At the beginning of the strike, the Food Controller was commissioned to survey the stock of foodstuffs in the colony. He reported on June 23 that there was sufficient rice to last the colony's population for six months, firewood for two months, and that there was also a large supply of frozen meats. Arrangements were made with farmers in the New Territories to supply the five temporary government depots with poultry and fresh vegetables which were then sold at fixed prices to the public.<sup>42</sup>

Aside from putting this elaborate system for the maintenance of essential services into motion, on June




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42. "Report of the District Officer of the New Territories", J 2, HKAR, 1925.

21 Stubbs also called out the Volunteer Defence Corps for duty. On June 22, Stubbs again evoked ordinance number 5 of 1922 which gave him the right to make emergency regulations. Censorship of the mail, the vernacular press and all cables were enforced, and the police was now given the right to search, seize and arrest suspicious persons. Fire brigade members were sworn in as special constables and given the same rights as the police. In reviewing these measures at the meeting of the Legislative Council on June 23, Stubbs said:

"This government is not without power and it will use its power to the utmost to protect everybody who lives under its shadow."

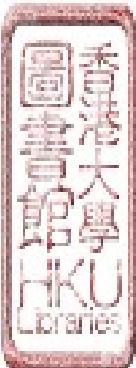
He further promised full protection to all those who obeyed the law and pointed out that:

"those who disturb the peace of the colony will be treated, as is the way with the English, justly but sternly. Any attempts at disorders will be relentlessly suppressed."<sup>43</sup>

However, events took a sharp turn on the same day. On June 23, what was known as the Shamian Massacre occurred at Canton. The shooting of Chinese demonstrators at

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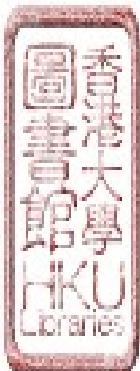
43. H.K. Hansard, 1925, pp. 41-42.



Canton had great reverussions on the Hong Kong workers.<sup>44</sup> The British atrocity committed against their compatriots not 100 miles away was to have a singular psychological effect on the Hong Kong workers.

On June 21, the Chinese workers at Shamien, the British concessions at Canton, had gone on strike in protest against the May 30 incident. Over 2,000 cooks, houseboys, scavengers, hospital staff, and transportation workers left their posts and returned to the native city. All communications between the British concessions and the native city were cut off. Tension mounted in Shamien as news came that the Canton students had decided to make martyrs of themselves for their country's cause at the demonstration set on June 23. Placards and handbills denouncing the British appeared mysteriously at street corners of the concessions. The apprehension at an impending incident was such that on the evening of June 22, the British and French troops on the Shamien began to fortify the bund, and the Brit consul-general Jamieson sent a note of warning to C.C. Wu, Minister of Foreign Affairs at Canton. He stated

<sup>44</sup>. This view is corroborated by Mr. Ho Hong, an offi of the Hong Kong and Kowloon Trades Unions Council (formerly the Hong Kong Federation of Labour). H was a member of the minor staff of the General Po Office at the time, and became a member of the Ge Administration Committee under the Hong Kong-Canton Strike Committee during the period of the strike-boycott.

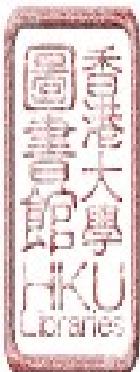


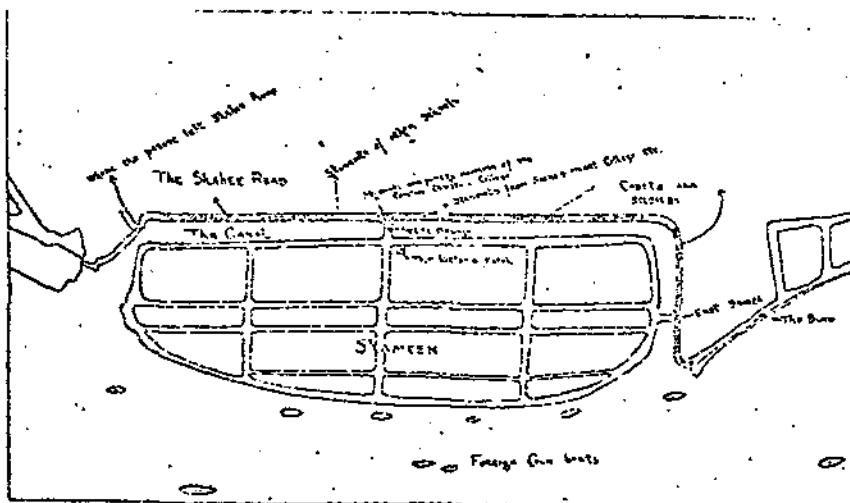
"any attempt to penetrate onto the Shamian will be resisted by force of arms, and for the consequences your government will be held individually responsible. I write this in serious strain so that it may not be said hereafter that British Imperialist rifles wantonly massacred unoffending Chinese youths."<sup>45</sup>

On the afternoon of June 23, a monster demonstration took place at Canton. Over 10,000 students, workers, merchants and soldiers gathered to listen to speeches made Hu Han-min, Liao Chung-k'ai, and Wang Ching-wei. The government officials propounded Sun Yat-sen's tenet of nationalism in his San-min Chu-i, and applied this to the struggle against imperialism. After these speeches, the procession filed through the streets of Canton, waving banners, and shouting slogans like "down with the British Imperialists" and "abolish all unequal treaties". While they were passing through the Shamian Street, which was directly opposite to Shamian and separated from the main street of the latter by a narrow creek, shots were fired upon the procession. In the confusion which followed, 52 Chinese were killed and 117 wounded. Seven foreigners on Shamian were injured. The British gunboats moored

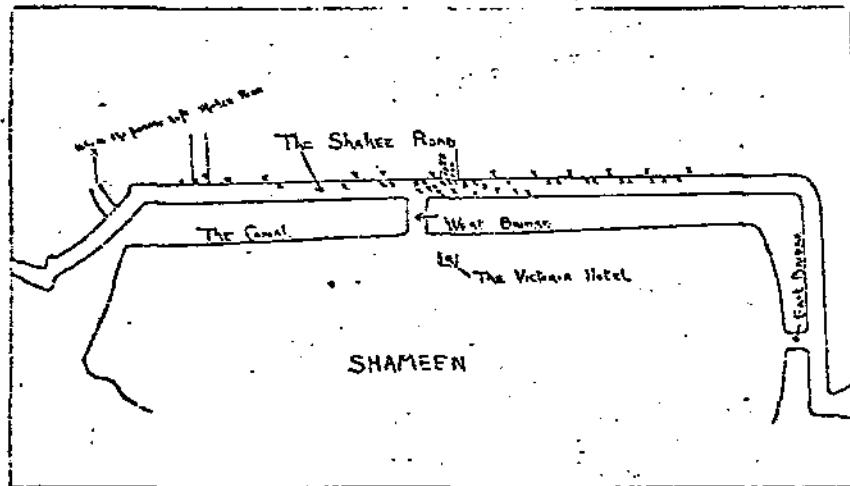
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45. For correspondence between C.C. Wu and Jamieson in June and July 1925 on the June 23 Massacre see E.O. 405/248, no. 113; and also no. 38 for correspondence between Jamieson and Chamberlain; no. 63 for various correspondence on the Canton shooting.



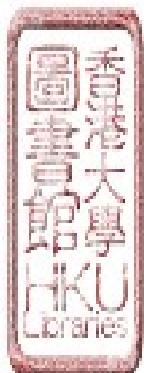


*This map shows the positions of the demonstrators in Shakee and its relation to Shameen.*



*This map indicates positions of those who were killed and those who were heavily wounded and died afterwards. Each "X" represents one person.*

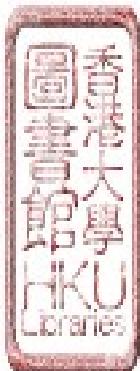
(reprinted from "June 23 - Report of the Commission for the Investigation of the Shakee Massacre").



outside the harbour also joined in the firing.<sup>46</sup> The Shameen massacre provided the strikers with excellent propaganda material. Jamieson's letter was freely quoted in the Canton press as the most damning proof that the British imperialists had premeditated the massacre. The incident was greatly publicised in the Chinese newspapers of Hong Kong before they went out of print. This fact was exploited by the agitators, and after exerting pressure on the workers through intimidation, succeeded in inducing the workers to leave Hong Kong.

The British case was further undermined by the set of resolutions made by the American staff at the Canton Christian College. The seventeen American staff members of the College expressed their "horror and regret" at the shooting and stated that they were convinced that the responsibility for the "merciless and unjustified assail" rested upon those who directed the firing from Shameen. They assured the Chinese that they would use their influence with the American government to persuade

46. For the British case of the massacre, see "Papers Respecting the First Firing in the Shameen", China, no. 1, 1926 (Cmd. 2636). The Canton Commission of Enquiry produced a "Report on the June 23 Massacre" in 1925. In reply to this, Hong Kong's Publicity Bureau issued a pamphlet "June 23 - the truth" in early 1926. Another Chinese account of the massacre is Ch'en Yi-ch'ang's She-ch'i t'ung-shih [A history of the tragedy at Shekoo]; (Canton, 1925), which was reprinted in Labour during first civil war.



it to do all in its power to assist China in securing just treatment and in realising her aims to free herself from imperialism.<sup>47</sup>

This statement was subsequently retracted by the president of the Canton Christian College Alex Baxter on the grounds that neither he nor the vice-president had been aware of the Chinese text of the resolutions when they put their signatures on the document. The retraction was printed in the English press in Hong Kong on June 26. The resolution created a great stir among the British community at Hong Kong and provoked a stream of indignant correspondence in the English language press, giving the matter a great deal of publicity. The Hong Kong government was greatly perturbed by the resolutions and when one of the signatories arrived at Hong Kong in mid-July, he was told that it would be better if he should voluntarily leave the colony as soon as possible.<sup>48</sup>

47. The Canton Christian College was a college run by American missionaries. It was also known as the Lingnan College. See WERDS/45, despatch no. 338, Jenkins to Macmurray, American Minister at Peking, entitled "Canton Christian College", July 8, 1925.

48. WERDS/47, despatch no. 779, R. Tredwell, consul-general at Hong Kong to the Secretary of State, Washington "the resolutions of the Canton Christian College", July 15, 1925; despatch no. 800, dated July 17, discussed the case of Graybill, the signatory concerned.



The great hullabaloo created by June 23 incident in the press was much capitalised by the agitators. They intensified their intimidatory campaign among the workers and combined this with the more subtle appeal to the patriotic sentiments of the workers. Thus, despite the small number of them left to undertake this job at Hong Kong - a reliable source put the number at 700 - the agitators accomplished their task.<sup>49</sup> They assumed their task methodically along several lines. An early tactic of the agitators was to distribute free passage tickets to Canton. It was estimated that by late June at least 25,000 train and boat tickets to Canton were distributed to the dockyard workers.<sup>50</sup> Another tactic was to place bombs or explosives in factories or shipyards. The workers in the Shamoa docks had been terrorised into leaving their posts by this tactic.<sup>51</sup> The Chinese Mechanics Union's president Hon Man-wai had on several occasions exhorted the union members to uphold

49. L.A. Mills, British Rule in Eastern Asia, (London 1942), p. 463. He obtained his information from high government official.

50. C.O. 129/189, "Hong Kong: the Strike and Boycott - a memorandum by R. Kotewall, unofficial member of Legislative Council", (Eastern, no. 144), p. 8. (Hereafter referred to as Kotewall's memorandum).

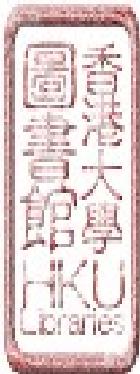
51. Ma Chao-chtin, vol. III, p. 410.



their resolution of remaining loyal to the Hong Kong government. They had decided to remain at work by secret ballot by a margin of 700 to 17 votes at a general meeting on June 27. However, by July 9, the majority of the fitters and solder workers had gone on strike due to the strong pressure put on them by the intimidators. Tram drivers and peak tram hands informed their employers that they were forced to leave, giving due notice of their prescribed date of departure and promised to instruct the volunteers taking over their jobs before they left. Another means of intimidation was by mail. Threatening letters purporting to be written by a certain "Blood and Iron Society" or the "Dare to die Corps" were sent to the workers.<sup>52</sup> After the censorship of the mail was enforced these were pushed under the doors or windows of the living quarters of the workers. Sometimes large stacks of handbills were left at the door step of the workshops. The wording of these letters was almost identical. They urged the workers to stop work immediately and promised dire consequences and "extraordinary treatment" should the workers refuse to obey their order within a certain limit of time.<sup>53</sup>

52. See "The Menace to Hong Kong", The Roundtable, XVI no. 63 (June 1926), 547.

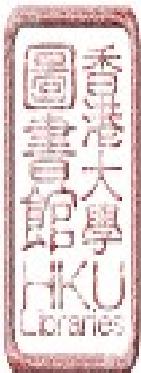
53. HKDP, June 22, 1925.



With the imposition of the censorship, the agitators resorted to oral threats made through the telephone. One example of the effectiveness of oral intimidation was that the entire Chinese staff employed by a local newspaper, the Hong Kong Daily Press suddenly disappeared on July 7. At the beginning of the strike the workers had requested the employers to place an armed guard outside the building and had been living in the premises since June 25. They had persistently refused to step out of the building, and appeared most anxious to give the impression to all outsiders that they were prisoners of their employers. More than once they had reiterated their reluctance to go on strike. Nevertheless, they left on the morning of July 7. No one could have gone into building and threaten them and there was no evidence of threatening letters being received. The telephone had, however, kept on ringing during the ten days, and anonymous callers persistently asked for the men at work by name. Whenever possible, a European staff would answer the telephone and the caller would then hurriedly hang up, but it was impossible to keep an Euro<sup>54</sup> at the side of the telephone all day. Thus, the intimidators succeeded in their mission.<sup>54</sup>

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54. Ibid., July 9, 1925.

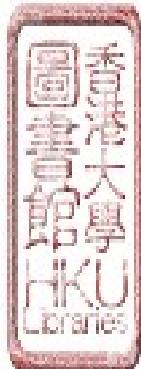


As a result, between June 22 and July 11 a record number of 24,851 passengers travelled to the border station at Shunchun on the Canton-Kowloon Railway.<sup>55</sup> There was also a wild rush for tickets on steamers bound for Canton. It became quite impossible to keep order in the wharves. Consequently, the steamers were docked mid-stream in order to prevent a wholesale stampede at the wharves. A first class passage on the steamboat the "Tung On" and the "Charles Hardouin", the two steamboats left plying the regular Canton-Hong Kong route, cost as much as \$10 and a third class ticket \$5, several times their original price. A third class train ticket to Shunchun, originally 45 cents now rose to \$1. By July 7, Canton announced that 20,000 strikers from Hong Kong, nearly a third of the latter's Chinese population, were in Canton city.

From the end of June to mid-July, workers from nearly all trades left their jobs. Journalists, compositors, delivery boys, washermen, night-soil coolies, ice factory employees, telephone company employees, pastry-makers, restaurants and teahouses employees, wine-makers, painters, coppermiths and blacksmiths, stone masons, cargo and

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55. "Report of the Kowloon-Canton Railway", S 4, HKAR, 1925.

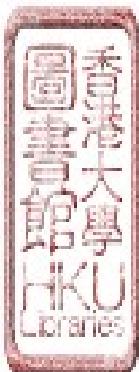


godown coolies, postmen and clerks of the General Post Office, Chinese mechanics of the Royal Naval Yard, the Taikoo Docks, the Hunghom Docks, and Bailey's Shipyard, government and civil Hospitals coolies constituted part of the list of the strikers.<sup>56</sup> The government attempted to prevent the exodus of the strikers by stating that all Chinese leaving the colony had to get a pass-permit first, but this could not stop the panic among the strikers. The government then increased the strength of the police patrols at the border region, but it was impossible to block every footpath along the frontier.

The strike of these workers had serious reverberations on the daily life of the colony. Newspapers were not published for over a week. One or two more enterprising newspapers such as the China Mail and the Wah Kiu Yat Po came out in lithographic form but circulation was limited due to the small number of copies available and in any case there were hardly any news-vendors to sell them. The mail was seriously delayed by the strike of the minor staff and clerks of the Post Office as well as by the disappearance of 170 postmen. The censorship and the stoppage of the mail-b

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56. "Report of the SCA", C 18, HKAR, 1925.



also caused a congestion of incoming and outgoing mail. Telegrams and cables could not be delivered since the messenger boys had vanished. The addressee had to collect them personally from the head-offices. There was thus a complete dislocation in all forms of communications. The trams and the ferries had stopped running and for many days the Chinese were not allowed to take the Star Ferry across the harbour. Later, this was remedied by the re-opening of the Yaumati Ferry Service, and by the issue of a special pass-permit on request from the Star Ferry authorities. Food prices soared to unprecedented heights. It was reported that they rose at least six times over the normal price. In the first few days, neither pork nor vegetable was available from the markets. The market-stalls had to close down because of the departure of their "fokis" (employees) and the Chinese could obtain food only from the hawkers whose prices were exorbitant. This situation facilitated the spread of rumours, especially since there was no way to verify or discredit them through the usual sources of information, i.e., the newspapers. Thus, rumours that the godowns had been burnt down by the strikers, that the governor had been assassinated by an Indian soldier, that thousands of Canton troops had marched across the border, and that



the water supplies would be cut any minute pervaded both Chinese and British communities.<sup>57</sup>

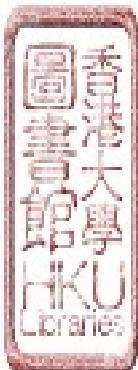
Both communities were severely inconvenienced by the strike of the scavenging coolies. The entire fleet of lorries and motor launches engaged in the disposal of refuse was laid up by July 31. Refuse was unceremoniously dumped on the streets and this situation was ridiculed by the Canton strikers, who boasted that they had turned Hong Kong - the fragrant harbour - into the "stinking harbour",<sup>58</sup> and that none of those who still stayed in that city ventured out of doors for fear of asphyxiation. This boastful statement was indirectly corroborated by an interesting observation that the sale of gramophone records increased by four times during this period: an evidence that the Chinese preferred to stay at home and listen to music instead of going out.<sup>59</sup>

The effect of the strike on Hong Kong's economy was much more serious. Between June 19 and June 22 there was a run on banks operated by the Chinese. The

57. "Kotewall's memorandum", pp. 1-9. Andre Malraux gave a vivid account of his stay in Hong Kong during June and July 1925 in his book, The Conquerors, trans. W.S. Hale, (London, 1929).

58. See Teng Chung-hsia, Chien-shih, p. 193.

59. "Kotewall's memorandum", p. 34.



was a general loss of confidence in the value of the notes issued by these banks, which was reflected in the rush to change silver coins for bank-notes at the money-changers'. The latter immediately demanded a commission varying from 60 cents to a dollar for changing a ten dollar note. By June 27, the situation had so deteriorated that they would only give a five dollar silver coin for a ten dollar note.<sup>60</sup>

Within the four days between June 19 and June 22, a total of \$16,000,000 was withdrawn from the Chinese banks and taken away from the colony before the imposition of the embargo on gold and silver bullions, and notes over the value of five dollars. A further \$10,000,000 was estimated to be hoarded up. This had immediate drastic effects on the financial situation. At the time, the total issue of bank notes was about \$65,000,000. Under normal conditions a free circulation of at least \$45,000,000 was necessary for the normal amount of general transactions in trading and business. With the outbreak of the strike and the subsequent run on the Chinese banks at least \$40,000,000 went out of circulation. The following figures concerning the fiscal situation was reported at the end of June:




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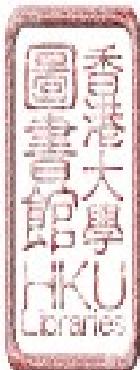
60. SOMP, June 26, 1925.

i.	reserves in the three leading foreign-operated banks (including the Hong Kong and Shanghai Bank, the Chartered Bank)	\$7,000,000
ii.	reserves in non-native banks	13,000,000
iii.	amount held in China	10,000,000
iv.	amount hoarded up by private individuals	10,000,000
		<hr/>
	Total amount out of circulation	\$40,000,000 <sup>61</sup>
		<hr/>

Evidently, the amount that was left in circulation, some \$25,000,000 could not suffice the needs of the businessmen. The run on the Chinese banks clearly had very serious reverberations on the whole financial fabric of the colony. On June 23 the native banks were granted a partial moratorium by the government. The amount which any creditor could withdraw from a Chinese bank was limited to 10% of his standing credit with the bank. But even this measure could not suffice to meet the intricate situation. These Chinese banks had been making loans indiscriminately to stocks and shares brokers and operators and much of their liquid cash was tied up in shares, or other securities offered by the operators and they could

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61. "Kotewall's memorandum", p. 26. This estimation was put forward by the comendadores of the foreign banks.

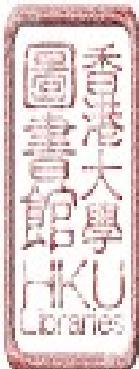


not liquidate those immediately. They had to close down for a week during which time their liquidity was bolstered by a \$6,000,000 loan from the Hong Kong and Shanghai Banking Corporation and the Chartered Bank. Those two banks, however, demanded a government guarantee of the loan. They also demanded securities from the Chinese banks, stating that they would not accept any security offered unless the latter were proven to be in order. Eventually, the steadfast refusal of the British Treasury to accept any liability for the proposed loan and its retort that the British banks in Hong Kong could not be indifferent to the imminent failure of the Chinese banks overrode these stiff stipulations. The two British banks advanced two-fifths of the worth of the securities deposited with them, and the Chinese banks were finally able to reopen on June 30.<sup>62</sup>

The strike and the run on the banks were not the main reasons for the discomfiture of the Chinese banks. Their stability was widely suspected on the grounds that they had been over-financing speculative enterprises. In the preceding years, a great influx of Chinese gold had been brought into the colony for safe-keeping on

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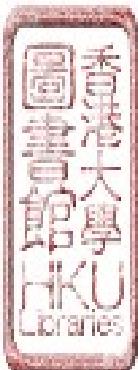
62. For the negotiations of the loan see C.O. 129/488 priority tel., Stubbs to Amery, June 29, 1925, and the reply from the Colonial Office, June 30, 1925.



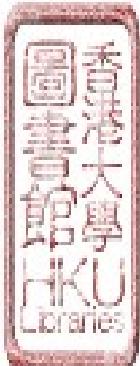
account of the unsettled conditions prevalent in China. Money became cheap and this encouraged speculation, both real and anticipated. A great deal of real prosperity did exist among the many local companies, but in many cases, however, the value of their shares and stocks had risen beyond the figure which their actual prosperity justified. The foreign-owned banks were cautious in advancing loans to shares operations, and loans were made on a much more conservative basis, generally at an interest of 7% and only against appropriate securities. The Chinese banks, however, had been advancing money to share dealers at an interest of from 12% up to 90%, sometimes even 100% of the market value of the shares. The shares, or a portion of them, were held as securities against the loan. Thus much of the native banks' liquid reserve became tied up in shareholdings and it was impossible for them to liquidate these holdings at a short notice. Thus they could not meet the demands of their depositors.<sup>63</sup>

The insolvency of the banks naturally had a chain reaction on the shares market. June 23 was

63. "The Report of the Stocks and Shares Commission laid before the Legislative Council by command of His Excellency the Governor on October 22, 1925". Hong Kong Government Gazette, no. 16, 1925, pp. 103.



settlement day on which all money transactions concerning the buying and selling of stocks and shares agreed to during the month had to be settled. It had been previously arranged with the Chinese banks that they would accommodate stocks clients with a sum of over \$2,000,000 for settling their accounts. But on the evening of June 22, the Chinese banks notified the Hong Kong Stocks Exchange and the Sharebrokers Association, the two enterprises dealing with shares operation, that they could no longer undertake this function. Deprived of the normal source of credit facilities, these two organisation found that they could not effect settlement. The date was postponed several times and the banks still could not advance the necessary sum. In the end, the Stocks Exchange appealed to the government for the legalisation of the postponement. During one session of a Legislative Council meeting, the Stocks Exchange engaged a barrister to plead for the cancellation of all contracts made in June. This was strongly opposed by the other organisation, the Sharebrokers Association, which pointed out that this would be an unrealistic and selfish move. Stubbs was reluctant to interfere in these strictly technical problems, and he commented



"my own feeling is one of reluctance to deal with this matter in any shape or form, and I think the wisest course is to limit interference to a minimum."<sup>64</sup>

But the resolution of the problem was urgent and the governor had to legalise the postponement reluctantly.

Government actions were received with mixed feelings, especially after July 23 when the June settlement was finally held. Most of the sharebrokers and dealers took advantage of the litigation to shirk their contracts and to deny all monetary transactions previously agreed to. It was felt that the Stocks Exchange was not legally entitled to postpone the settlement date and that the sharedealers took undue advantage of the postponement, and that the litigation did no good in amending the crumpling financial fabric.<sup>65</sup> However, it was to be wondered if the government had any other viable alternative in the exigency.

The situation was so serious during the week after June 22 that Stubbs appealed to the British Admiralty for the dispatch of a cruiser from the south China fleet to Hong Kong. The request was turned down. It was felt that the situation at Hong Kong was not serious enough



64. H.K. Hansard, 1925, p. 57.

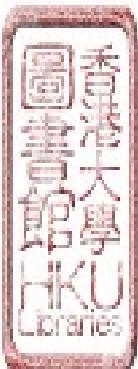
65. For an impartial account, see USRDS/HB despatch no. 12, Tredwell to the Secretary of State, Washington, entitled "Political and Economic Conditions in Hong Kong". September 11. 1925.

to justify the despatch of a cruiser and in any case none could be spared due to the intense anti-British feeling throughout China. The Hong Kong government had to resort to other measures to ease the tense atmosphere in the colony.<sup>66</sup> As a first step an economic blockade was instituted against Canton. By July 5, all exports of rice, flour, foodstuffs, gold and silver bullions, bank notes over the value of five Hong Kong dollars, petroleum and fuel were prohibited.<sup>67</sup> The aim of this embargo was to starve the Cantonese but it was unsuccessful because Hong Kong had no means of preventing foodstuffs from going direct to Canton short of a full naval blockade. The Cantonese suffered some initial hardship but soon repaid measure for measure by proclaiming a counter-economic blockade. This put prices up to exorbitant levels. For example the cost of rice, the staple diet, rose from \$8.60 to \$10.50 per picul (100 catties). Pork, which was sold before the strike at 80 cents a catty now sold at \$1.20. Chinese bakeries costing 8 cents a pound previously rose to 12 cents. Eggs which cost 32 cents

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66. C.O. 129/488 confid. tel., Stubbs to Amery, June 26 1925.

67. The embargo was instituted in accordance with the provisions of the Importation and Exportation Ordin no. 32 of 1915 to deal with food shortage during times of emergency.



a dozen now cost 75 cents a dozen. The price of fuel showed a greater increase. In the first week of June it was possible to obtain eighty to ninety catties of firewood for a dollar. Now a dollar could only buy forty catties. Likewise, the price of coal rose from \$22 to \$28.50 a ton. All these were the wholesale quotations, so the actual cost for the consumer was possibly much more higher.<sup>68</sup> In conjunction with the Food Controller, the Tung Wah Hospital Committee organised a sale of cheap rice at the Central Market on Hong Kong island from June 29 onwards. This was an attempt to ease the nervous apprehension of the Chinese community, which had begun to hoard up food. Rice was sold at fifteen catties for a dollar and each individual was allowed to buy fifty cents' worth. A total of \$120 worth of rice was sold out on the first day within several hours, and the sale of rice continued in the following fortnight. The Tung Wah Hospital Committee suffered considerable loss due to the low price at which it sold the rice.

At first, it seemed that the government was helpless in face of the wholesale departure of the strik-

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68. All prices were quoted in the "Profitethics Column" SCMP, August 14 to 21, 1925.



After some deliberation, the government adopted various preventive measures to stop the spread of the strike. A first step was to prevent the spread of intimidation. The postal censorship was vigorously enforced. The postmaster general, assisted by fifty Chinese merchants and a number of justices of peace, carried out the onerous task. Student from various schools volunteered to assist in sorting the letters and carrying them to the make-shift collection centres in the various districts. All pillar boxes were closed on July 4 due to shortage of staff. Likewise, door to door delivery of letters ceased. Letters addressed to persons living in a certain district, after being censored and checked, were left with a well-known Chinese shop in that area for collection. The censorship of the mail, though an assiduous and time-consuming task, proved to be a successful deterrent to intimidation.

The vernacular press was also censored. The censors scrutinised all news items which were to appear in the following day's papers before passing them on to the printing press. This measure had certain unforeseen undesirable effects. It frequently delayed the publication of the newspapers since the censors often demanded that parts of an article should be re-written or re-phrased, and the Chinese public came to regard all published news

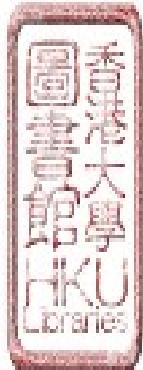


with a certain cynicism, since they were aware that the papers had been censored.<sup>69</sup>

To counteract the adverse propaganda and the spread of rumours, the government decided to dose the Chinese with its own propaganda. This task was put under the charge of Robert Kotewall and Chou Shou-son, both unofficial Chinese members of the Legislative Council.<sup>70</sup> They were delegated full power in the matter of propaganda among the Chinese community. Kotewall felt that the predisposing cause of the strike was the prolonged propaganda of the agitators among the workers. To counteract this, he made contacts with local Chinese newspapers to print the government's own propaganda. The Wah Kiu Yat Po had printed two articles for the government on June 22 exhorting the workers not to listen to the

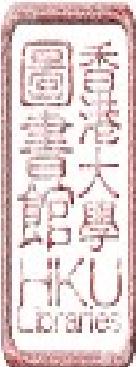
69. SCMR, July 3, 1925.

70. Robert Kotewall was formerly in the Hong Kong civil service. In the 1920's he was the director of the R.H. Kotewall and Co. : Importer, Exporter & General Merchants. He was also a justice of peace and served on the Legislative Council as an unofficial member. Chou Shou-son was an eminent and venerable Chinese merchant. In 1926, he became the first Chinese to be appointed to the Executive Council. For Kotewall's biography see A.R. Burt, ed., Biographies of Eminent Chinese, (Shanghai, 1927), p. 80 and also Woo Sing-Lien, The Proinent Chinese in Hong Kong, (Hong Kong, 1937), pp. 6-7. For Cho Shou-son's biography see Woo, pp. 4-5.



intimidators' iniquitous propaganda. After the strike of its compositors it promised the government that it would print several pamphlets of the same nature on resumption of publication. When a number of compositors returned, they were duly given copies of the aforesaid leaflets. The compositors gradually disappeared mysteriously. Kotewall and Chow then solicited the help of the director of the Society of Foreign Missions - a priest named Father Roberts - as the society had a printing press in the Pokfulam area. But the printers refused to work and when pressed by Father Roberts, they all left their jobs. Finally the propaganda leaflets had to be printed in the gaol press. Some mishaps occurred at first, such as frequent mysterious 'accidental' upsetting of the types, and disappearance of several vital types. However, Kotewall and Chow managed to have enough pamphlets printed for circulation in the first two weeks of July.

These pamphlets were widely distributed by coolies engaged through the Labour Protection Bureau. It was later discovered that the distribution routes were not always followed and that the coolies often met with intimidation whilst carrying out their job. Nevertheless the continuous propaganda against the strikers and the agitators created a good effect among the Chinese commu-





## 活生養自殘信惹人集威

### SOMETHING TO COUNTERACT STRIKE PROPAGANDA

The above represents a poster of which several thousands have been prepared to counteract the Cantonese agitators' efforts in Hongkong.

The man at the table is writing:-

"Friendly Labourers.—When this letter arrives you are to stop work immediately."

If you disobey we will deal with you forcibly.

"Signed by the Blood and Iron Child."

The characters down the middle say:-"Such letters can be written even by 10-year old children!"

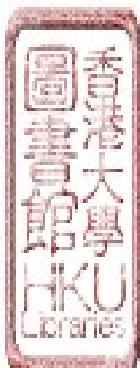
The four men to the right are

respectively labelled "Servant" "clerk", "tramwayman", "mechanic" and the characters underneath say:-

"These four grown up persons after looking at these letters are willing to commit suicide so far as their livelihood is concerned."

Propaganda issued by the Hong Kong Government

(reprinted from the North China Herald, July 18, 1925)



who gradually came to regard all rumour with a grain of salt.

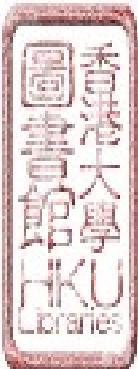
Posters to the same effect were also printed and widely distributed. Placards were put up in places where large numbers of Chinese usually gather, in recreation grounds, tram terminuses and teahouses. Sometimes these posters were issued in the name of a so-called "Peace and Order Preservation Society" but sometimes the name was left out. Generally speaking, posters had a better effect than the leaflets, for even the illiterate coolies could easily comprehend the message conveyed.

Seeing that it could not rely solely on the local newspapers to print propaganda material, the publicity bureau decided that it would run its own newspaper. Kotewall and Chow enlisted the services of two experienced and competent editors. Together with a number of younger men, these editors began work on a new vernacular newspaper entitled the Kung Sheung Yat Po. It at first appeared as a single-paged paper but was so well received that the numbers of its pages eventually grew. Its articles attacking bolshevists being at the back of the strike were eagerly perused by the readers, and the other vernacular papers, which had been more reticent on the subject, soon followed suit. Initially the government paid a monthly



subsidy of \$500 to the paper, but with the expansion of the paper the grant had to be increased eventually to \$3,000 per month. It became a permanent newspaper later and was turned over to a private enterprise, and has been a popular journal of the colony since. Aside from the grant to the Fung Sheng Yat Po, the government also gave a monthly subsidy of \$5,000 to the South China Publicity Bureau, a private enterprise which supplied news from the Reuter agency to over 60 vernacular newspapers in south China, to ensure that no perverse or distorted news about Hong Kong would be sent out.<sup>71</sup> This Publicity Bureau also undertook the publication of special propaganda pamphlets for the government. It published a pamphlet entitled "June 23: the truth" in reply to the report published by Canton on the Shakese massacre, and later, various pamphlets in defence of the Hong Kong government. These pamphlets were widely distributed both inside and outside the colony.

Since it was known that the strikers had been collecting large amounts of donations from the overseas Chinese to support their cause, Kotewall and Chow decided to adopt the same tactic themselves. The Kung Sheng



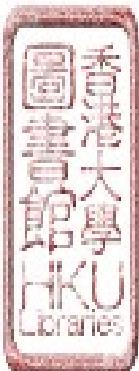
71. C.O. 129/Lch, despatch (hereafter desp.), Clementi to Amery, entitled "Propaganda in Hong Kong" dated September 3, 1926.

Yat Po was mailed to a number of eminent overseas Chinese regularly. Correspondence with a selected group of overseas Chinese leaders was also undertaken through friends of these men in the attempt to convince them that the strike was entirely groundless. Another measure that the two Chinese leaders devised was to employ street lecturers. Six Chinese offered their services for this job and three were appointed. They made speeches to gatherings at recreation grounds or parks frequented by the lower classes. They were stoned once or twice, but this did not stop the orations. The government was satisfied that the gatherings which listened to the lecturers were quiet and seemed eager to obtain information from the orators about government policy and attitude.<sup>72</sup>

Kotewall also suggested that rewards for the arrest or information leading to the arrest of intimidators should be made. A reward of £250 to £500 was given to informers. However, only in very few cases did the informers come forward to collect the reward. The govt also promised to compensate workers who were injured because they remained at their posts a sum of \$2,000. In many private firms, workers remained faithful because of the

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72. "Kotewall's memorandum", pp. 19-23.



promise of a further \$1,000 in case of bodily injuries.<sup>73</sup>

On July 5, a Labour Protection Bureau was formed under a retired Chinese general, Leung Wing-sun. The specific objects of the Labour Protection Bureau was to protect the men in their work and to enable them to earn an honest living. The bureau was never openly mentioned in the newspapers, but the public was aware of its existence. There were some adverse criticisms about the general and the 150 pickets under him, all of whom had notorious antecedents and a few were actually ex-pirates. The government justified itself by saying that it had to find bold men to intimidate the intimidators, and that boldness was a rare quality among the Chinese, which could only be found in those who had had somewhat adventurous background. As far as boldness and intimidating the intimidators were concerned, the Labour Protection Bureau was a great success. Its promise of protection in the palpable shape of Leung's forces was sufficient guarantee to draw the Chinese from their hideouts, and on the first day, the bureau was able to register over 2,000 coolies. By July 21, it was supplying 2,000 coolies daily to

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73. Ibid., pp. 14-15.



shipyards, factories and workshops. If informed well beforehand, the bureau could supply up to 10,000 coolies at a time. Later the supply so exceeded the demand that the daily wages fixed by the bureau for casual coolie labour fell from \$1.90 to \$1.20 and eventually to \$1 in early August. These coolies were mostly engaged in loading and unloading ships docked in the harbour. Export permits were again issued in August and some semblance of normal life resumed at the wharves.<sup>74</sup>

Meanwhile, the police had been actively raiding parts of the city. Premises on a certain street would be cordoned off and placed under military guard while the police searched for seditious literature and firearms. Places like Jardines' Bazaar in the eastern district, Connaught Street Central and Hollywood Road in the western and central districts on the island were favourite spots for police search. That such raids were highly successful could be seen from the fact that a great deal of seditious pamphlets and a number of printing machines were seized.

On July 7, Stubbs announced that all idlers would be deported from the colony. In a few days' time, over

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74. Ibid., pp. 17-18.

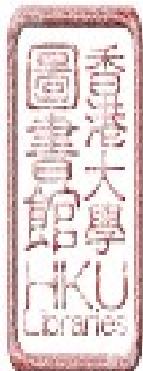
75. HKDP, July 8, 1925.



100 idlers rounded up during the police raids were deported to Canton, among them was the president of the Painters' Guild, an extreme leftist who was allegedly involved in intimidating members of his guild. On the same day, a military parade was organised. Joint units of naval and military forces marched in the streets of the western district, an especially turbulent area where most of the Chinese coolies gathered. Units of the Volunteer Defence Corps also paraded in the eastern district, attesting to the government's strength and its determination to maintain peace.

In the Legislative Council meeting held on July 9, Stubbs emphasised that his methods in breaking the strike were very far from what the local English newspapers scorned as "rose-water methods". The English newspapers reflected the general dissatisfaction of the British community who complained incessantly that it had not been informed of the government's policy and methods in breaking the strike.<sup>76</sup> He remarked:

"it is not always necessary to believe that the government is doing nothing because it does not talk about what it is doing. There are many occasions on which it is wiser to say nothing because measures that are being taken are likely to be more successful if they are not talked about."<sup>77</sup>



76. See S.C.P., C.M., HKDP and Hong Kong Telegraph (hereafter HKT), July 3 to July 10, 1925. Editorials in these papers persistently criticised the government for remaining silent about its policies.

77. H.K. Economic, 1925, p. 47.

The connection with this, he stated that he had already completed arrangements concerning the punishment of intimidators. One method was to give them the punitive task of removing night-soil and cleaning up the streets. Stubbs said with relish that by giving them these "useful, though somewhat unattractive duties" he was actually affording them a chance of "proving their value to humanity".<sup>78</sup> Another much more drastic punishment was that offenders could be flogged. Concerning this, he said,

"they will in future be dealt with in a manner which will be likely to appeal to their deepest feelings - that is, by 'the cat'".<sup>79</sup>

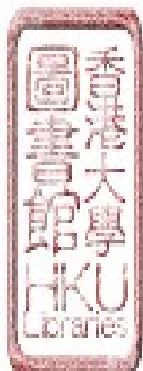
The announcement that flogging would be employed in punishing the strikers aroused mixed feelings both at Hong Kong, Canton and England. At Hong Kong, this move was applauded by the British community. It approved of the strong attitude adopted. At Canton, the news was received as another example of British imperialistic brutality.<sup>80</sup> The Foreign Office was greatly perturbed by Stubbs' action due to the unfavourable response with

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78. Ibid.

79. Ibid., p. 46.

80. SCMP, July 10, 11, 13, 14, 1925.



which the news was received in England.<sup>81</sup> The Feng Kong Daily Press quoted the editorial of an English newspaper, the Manchester Guardian which criticised Stubbs' actions and his pungent remarks:

"... 'fighting speeches' may be excellent at English elections; they are less excellent in the mouth of a British governor explaining the attitude of his government towards a large body of the nationals of a power with whom our formal relations are still friendly, though critical".<sup>82</sup>

Ultimately, flogging was not inflicted on the culprits. In the official report of the strike, it was mentioned that owing to the "salutary effects" of the announcement of this punishment alone, it had been unnecessary to impose the actual sentence on the intimidators.<sup>83</sup> Actually, Stubbs had been warned by Amery, the Secretary of State for colonies. Amery's telegram to Stubbs stated:

81. C.O. 129/488, minutes on the confid. tel., Stubbs to Amery "the Strike Situation", June 26, 1925. Also, see C.O. 129/421, "Report of the interview with Mr. Oldham in regard to the governor's threat to flog intimidators". Colonial Office officials spoke to Oldham, who was the Secretary of the International Conference of Missionary Societies. Oldham reported that he received severe criticism of Stubbs' proposal to flog intimidators from missionaries all over England and also from the United States.

82. Quoted by the HKDP, August 8, 1925.

83. "Kotewall's memorandum", p. 16.

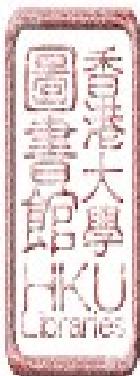


"I have no desire to limit your discretion in the existing critical circumstances but have no doubt that you will not overlook the possibility of retaliation against British nationals in China and the fact that if flogging is employed there would be gross misrepresentations and exaggerations, particularly in America and China".<sup>64</sup>

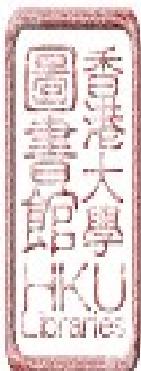
In reviewing the events leading to the outbreak of the strike at Hong Kong, one can assert that despite the economic hardship existing in the colony,<sup>65</sup> political implications were evident at the inception of the strike. The labourers at Hong Kong were sufficiently awoken to the new trends of thought and a number of them such as Su Chao-cheng and Lin Wei-min were actually communists. Labour agitators came down to Hong Kong to invite the workers to go on a strike, and when the majority of the workers evinced their reluctance to participate in a political strike, the agitators launched an intimidation campaign. The Chinese Seamen's Union, veteran of the 1922 strike, was their chief ally. The June 23 incident provided them with excellent propaganda, and they were able to persuade or intimidate the workers into returning to Canton where peace had been restored by late June. Another explanation for the exodus to Canton was that

64. C.O. 129/431, "Report of the interview with Mr. Oldham enclosure: draft telegram from Amery to Stubbs, July 1925.

65. It had been pointed out in chapter I that the cost of living in Hong Kong in 1925 had risen by 25% over that of 1924. A rent increase was also to come into effect on July 1, 1925.



the Chinese were afraid of starvation since an embargo was placed against Hong Kong. During June and July, Hong Kong suffered enormous hardships; its transportation and communication systems were paralysed, fresh food supplies were unobtainable at first, and its economy suffered a great blow. In fact, every facet of her normal daily life was affected. Stubbs resorted to strong measures in dealing with the strike. By mid-July he could boast that the back of the strike had been broken. However, Hong Kong's troubles had just begun.



## Chapter III

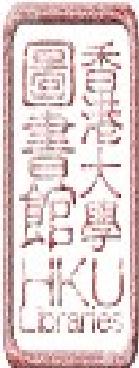
### THE BOYCOTT AND HONG KONG

It will be recalled that a strike and a boycott had been announced against Britain and Japan at Canton. Due to the military struggle in the city, the strike and the boycott did not materialise until after the Kuomintang forces had defeated the mercenaries. Notices issued in the name of the Cantonese students appeared on the city walls and in the streets, exhorting the public not to supply food to the foreigners, not to buy foreign goods - especially British and Japanese merchandise - not to use foreign money or work in foreign firms.<sup>1</sup> After the June 23 incident, all Chinese employed by the British went on strike. Not a single Chinese could be found at Shamian, the British concessions at Canton.

With the outbreak of the strike at Hong Kong, Stubbs placed an embargo on the exportation of foodstuffs and fuel. This was correctly interpreted by Canton as an attempt to cut off her essential supplies, most of which normally came through Hong Kong. The Canton

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1. SAMP, June 19, 1925.



government thus ordered a counter-embargo against Hong Kong in retaliation. This attempt was entirely successful, and Hong Kong suffered a shortage of fresh food supplies and had to import meat, poultry and vegetables from other neighbouring cities of Kwangtung.<sup>2</sup> Eventually, however, Canton intercepted this line of supply. A boycott against Hong Kong was rigorously enforced by the Hong Kong-Canton Strike Committee formed on July 6, 1925. This association of strikers who had returned from Hong Kong and Shamsen had a picket forces which searched all incoming ships at Canton for British goods or goods imported from Hong Kong. Later, they prevented all British ships and all ships from Hong Kong from entering any Kwangtung port. The character of this phenomenal organization will be discussed in the next chapter. It suffices to mention here that the Strike Committee was instrumental in operating the boycott against Hong Kong. At first there was no methodical system governing the boycott. But on August 12, a set of coastal regulations was published in the Canton Gazette, the semi-official English-language newspaper of Canton. The regulations were issued in the name of the Hong Kong-Canton Strike Committee and the All China Labour Federation which was formed in May, 1925 after the




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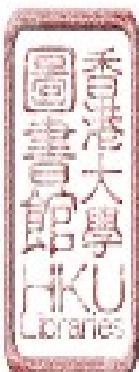
2. See "Kotewall's memorandum", p. 11.

second National Labour Conference. The regulations ruled that steamers belonging to any nation other than Britain and Japan were allowed to enter any port in the Kwangtung province on condition that they had not visited Hong Kong first. Upon entering a port of Kwangtung, all ships were subjected to the inspection of the labour picket corps. To ensure that Hong Kong could not obtain any supplies elsewhere from Kwangtung, the exportation of all foodstuffs and raw materials was expressly prohibited.<sup>3</sup>

The embargo that Canton placed against Hong Kong had considerable adverse effects on trade at Canton. The Cantonese merchants resented these restrictions which curtailed the regular volume of trade between the two cities. They were also dissatisfied with the high-handed actions of the pickets, and they brought pressure upon the Canton government to remedy the situation. A meeting was subsequently called by the government to discuss this and representatives of the strikers and the merchants came to a compromise.<sup>4</sup>

3. C.O. 129/489 confid. desp., Stubbs to Amery, "Strike Situation", August 21, 1925, enclosure 4: extract from the Canton Gazette, dated August 12, 1925.

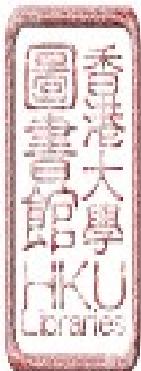
4. Teng Chung-hsia, Kai-kuan, p. 125. Also see Hsiao Ch'ao-jan, (ed.) Hong-kong ta-na-kung (The Hong Kong-Canton Strike) (Peking, 1956), pp. 21-22.



It was agreed that in future the pickets would cease their practice of indiscriminate searches and confiscation of cargoes. However, restrictions were still placed on the importation of "enemy goods". "Enemy goods" were defined as British and Japanese goods, or any goods re-exported to Canton from Hong Kong. Non-enemy goods enjoyed free circulation, but, to import "enemy goods", the merchants had to obtain a "wu-chiao" or a special permit from the Import and Export Supervision Bureau first. The latter bureau consisted of delegates from the Commissariat of Customs, the Commissariat of Finance and Commerce and representatives of the Strike Committee. The special permit fee usually amounted to about 10% of the total value of the cargo concerned.<sup>5</sup> Fines of 5% were also imposed on medicine and 10% on foodstuffs imported from Hong Kong but all British produce from Hong Kong were confiscated without fail.<sup>6</sup>

These regulations were subsequently revised by the Strike Committee. By mid-September, the revised coastal regulations further tightened the boycott against

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- 5. See HKDP, August 15, 17, 1925. News item in the Canton Gazette were reprinted.
  - 6. C.O. 129/489, confid. desp., Stubbs to Amery, "Situations in the colony", September 18, 1925, enclosure 6: notification of the Strike Committee to all foreign powers, dated August 16, 1925.

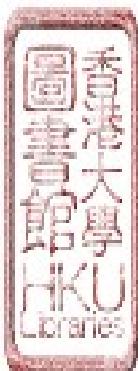


Hong Kong.<sup>7</sup> No merchandise from either Hong Kong or Macao was allowed to be exported into Canton or any other area in Kwangtung. At this point, it is necessary to explain that Macao was involved in the boycott because of the presence of a Portuguese gun-boat in the Canton waters during the June 23 incident. During the early stages of the boycott, the Portuguese colony had also supplied Hong Kong with food.<sup>8</sup> To return to the regulations, all vessels which had called at Hong Kong were prohibited from discharging their cargoes at Canton or any port in Kwangtung. On the other hand all non-British vessels or goods were allowed free passage and circulation, but if the vessel concerned called at Hong Kong or Macao after departing from a port of Kwangtung, it would be likewise subject to the boycott on its future trips. Goods stored in the godowns at Canton before the strike could be claimed by their owners on conditions that the goods had not been manufactured in England or Hong Kong and that the owners were not British or British subjects.

7. HKDP, September 25, 1925.

8. J.M. Braga, Hong Kong and Macao (Macao 1950), p. 108

9. The text of the revised regulations can be also found in the Annual Report of the Hong Kong General Chamber of Commerce, 1925, pp. 16-17. (hereafter HKGCC).



The boycott against Japan gradually dwindled off, and the movement became entirely anti-British and anti-Hong Kong. This interesting process of the tightening of the boycott will be discussed later and at the moment, the efficacy of the boycott against Hong Kong and Britain will be discussed.

That the boycott against British shipping and Hong Kong shipping was a success can be illustrated by the following statistics obtained from the Hong Kong Annual Reports. In 1924, a total of 764,492 vessels with a tonnage of 56.7 million cleared through the Harbour Office at Hong Kong. In 1925, these figures showed a 50% decrease: only 379,177 vessels totalling 41.4 million tons cleared through the Harbour Office. The drop in tonnage was less acute, since most of the ships entering the Hong Kong harbour tended to carry more cargo on each run after the outbreak of the strike-boycott to defray the losses endured. In 1926, there was a further drop in these figures. Only 310,361 vessels entered the Hong Kong harbour and their total tonnage was only 36.8 million.<sup>10</sup> There was an equally severe drop in the number of British steamers entering Canton. During t

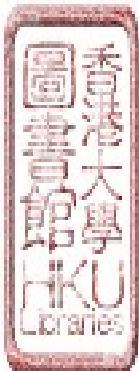
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10. All statistics were taken from the Harbour Master's report as published in the Hong Kong Annual Report, 1924, 1925, 1926.



latter half of 1924, the average number of British vessels entering Canton varied between 160 and 240 per month. In the corresponding period in 1925, only an average of 2 to 27 British vessels visited the Canton harbour, and practically all of these vessels belonged to one shipping company which had a branch office at Hong Kong. This shipping company operated at severe losses, since the pickets prevented them from handling any cargoes. Normally, a great percentage of the south China trade was in the hands of British-owned shipping lines which had their head or branch offices at Hong Kong. Their steamers carried cargoes in the following proportion: 50% of the cargo were bound for Canton, 30% for Swatow and 20% for Hong Kong. Due to the anti-British and anti-Hong Kong movement, the 20% was all the trade that remained for these British shipping lines. The boycott against British ships came as a windfall for Chinese, Norwegian, Danish and all other foreign-chartered ships. They began to take over the shipping trade in south China.<sup>11</sup> By September 1925 most of the non-British shipping lines had conformed to the coastal regulations. The full effect of the boycott upon Hong Kong's trade is difficult to determine, since the Hong Kong government ceased to collect trade statistics.

<sup>11.</sup> HKCCG, p. 17.

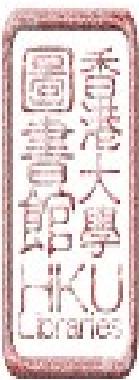


from September 1925 onwards, when the Statistical Office of the Imports and Exports Department was abolished by Stubbs. This absence of official statistics is unfortunate, but through statistics derived at from various other sources, one can still envisage the extent of the losses sustained by Hong Kong.

Normally, 86.9% of Hong Kong's trade was conducted with the following countries: China, Japan, United Kingdom, French Indo-China, United States and Dutch East Indies and Siam. At the end of 1925, an over-all decline of 56.2% in the total value of the trade with these countries was noted.<sup>12</sup> Individually, trade with United Kingdom declined by 48%, mainly because of the boycott against British goods enforced throughout south China, while the value of the Hong Kong trade with the other mentioned countries declined by one third. The quarterly average value of British exports to China was £7.2 million in 1924, but the quarterly figures for 1925 were: £6.5 million, £4.6 million, £4.5 million and £4.1 million in succession, showing a steady decrease in the value of this trade. Most of the trade with south China was conducted through Hong Kong and the losses suffered by that colony may thereby be contemplated.

12. D.J. Orchard, "China's use of the boycott as a political weapon", Annals of the American Academy of Political and Social Sciences, (November 1930), pp. 259-60.

13. C.F. Remer, p. 126.



It has been calculated that a total loss of \$300,000,000 in gold was sustained by the colony.<sup>14</sup> Another source estimated that the losses suffered amounted to HK\$500,000,000 in December 1925.<sup>15</sup> Official statistics for 1925 had not been published, but it seemed that the statistics for the third quarter of the year had been computed, though not published in their final form. The Hong Kong Telegraph reported these figures in one of its issues and compared them with the figures of the two previous years:

Table I : Value of the Import and Export

Trade for the Third Quarter of the Years 1923-1925<sup>16</sup>

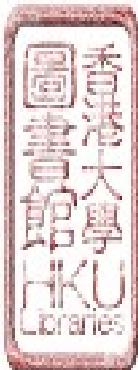
<u>Year</u>	<u>Import Value</u>	<u>Export Value</u>	<u>Total Value</u> (to the nearest figure)
1923	£15,114,449	£15,850,342	£31 million
1924	£20,094,135	£16,241,848	£36.3 million
1925	£11,122,880	£7,573,826	£18.7 million

The figures themselves are sufficiently illustrative. One may add that during the years 1922 to 1924, China received about 25% of her imports from Hong Kong. In 1925, this

14. D.J. Orchard, p. 259.

15. C.O. 129/491, private letter, John Ward to Amery, Dec.

16. HKT, November 9, 1925. C.F. Romer also quoted these figures from the China Weekly Review.



percentage dropped to 18.6, and in 1926 it fell further to 11.1%. Likewise, exports from China also showed a severe drop. In 1924, 22.4% of China's exports went through Hong Kong, by 1925 this had fallen to 14.8% and in 1926 only 10.9% passed through Hong Kong.<sup>17</sup> Another illustration of this fact can be found from the report of the China Association, a powerful organization of merchants in Britain. The vice-chairman of the China Association reported that in the first half of 1925, exports from Canton to Hong Kong totalled 25,000 tons but during the second half of the year this amount had diminished to 505 tons, the bulk of which was actually stored at Shanceen when the strike began.<sup>18</sup> Generally speaking, the value of the China trade fell by half in 1925 when compared with that of previous years. The published figures of the Maritime Customs illustrate this fact clearly.

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17. C.P. Remer, pp. 123-124.

18. H.G.W. Woodhead, (ed.) The China Year Book, 1926, (Tientsin, 1927), p. 859. (hereafter CYB).

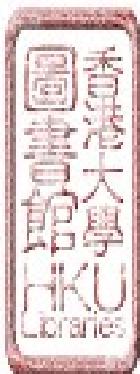
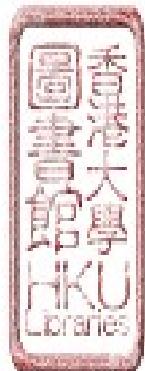


Table II : Value of China's trade with Hong Kong  
 (in haikuan taels)<sup>19</sup>

<u>Year</u>	<u>Net Import Trade</u>	<u>Export Trade</u>	<u>Total</u> (to the nearest figure)
1924	238,355,000	173,163,000	411.5 million
1925	172,789,000	114,715,000	287 million
1926	119,976,000	93,802,000	214 million

From the above figures, one can conjecture the losses that Hong Kong suffered. The annual report of the Hong Kong General Chamber of Commerce also divulged the extent of this loss. It was reported that 1925 was an exceptionally bad year for trade. In its section on the trade of Hong Kong during 1925, the Chamber of Commerce discussed the marked decrease of the value of its three main trades, namely, the rice trade, the textile trade and the silk trade. The rice business was completely paralysed by the boycott and the embargo. Local trade with south Africa, Cuba, United States and Australia was gradually transferred to Indo-China, Siam and Burma. Millers and exporters in the producing centres, finding

19. China: The Maritime Customs Statistical Series,  
Ecs. 4-5. The Foreign Trade of China; 1926, Part I:  
Report and Abstracts of Statistics, p. 25.



Hong Kong a closed market, stopped consignments there.

Later, the producers sent consignments direct to Canton and other consuming areas. Hong Kong thus lost her role as chief distributing centre and her position as a transient port of the rice trade in south China. A stock of rice worth HK\$6,000,000 waiting to be shipped to Canton in June was left to rot in the warehouses due to the embargo that Stubbs placed on the exportation of rice.<sup>20</sup> The chief rice dealer in the colony, the Nam Pak Hongs, was severely affected and had to close down temporarily. The Chamber of Commerce commented:

"The year ended with no prospects of a resumption of the rice business, and even if the prolonged political trouble should soon cease, the rice trade is likely to be less important than in the past".<sup>21</sup>

The textile market was at a standstill from June 1925 onwards. Pending a more favourable outlook in the adjoining provinces, dealers looked askance towards all forward commitments and confined all their buying operations to goods destined for consumption in areas free from the boycott. Immense difficulties were encountered by the dealers in the liquidation of stocks in hand. Two large



20. C.O. 129/489, confid. dep., Stubbs to Amery, "Strike Situation", August 8, 1925.

21. "Trade of Hong Kong during 1925", EKGCC, 1925, p. 100.

picce goods dealers and a number of smaller ones unable to do so had to declare bankruptcy.<sup>22</sup> The main feature of the textile trade throughout 1925 was the gradual liquidation of stocks. By mid-year of 1926 the dealers experienced such immense difficulties that they requested the Chamber of Commerce to revise the standard contracts of business and proposed that a lower rate of interest should be charged on cargoes stored in the warehouses after the initial free storage period. These proposals were turned down by the Chamber of Commerce but such difficulties were suffered in the trade that by December 1926 it was found expedient to waive a portion of the interest charged on the goods stored.<sup>23</sup>

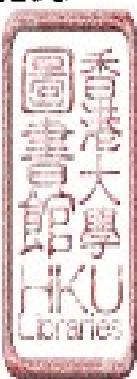
The silk trade was in the words of a prominent local dealer, 'literally dead'.<sup>24</sup> Business was entirely oral, with the express understanding that goods would be delivered and accounts cleared only when normalcy returned. The situation continued to worsen in the latter part of 1925 as the boycott intensified. It had been the practice to ship silk from Canton to Hong Kong after cargoes had been inspected at Shameen, and then to export them to Britain, U.S.A. or Europe. However, due to the boycott

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22. "Trade of Hong Kong during 1925", HKGCC, 1925, p.

23. "Piece goods situation in 1926", HKGCC, 1926, p. 1.

24. HKDP, July 24, 1926.



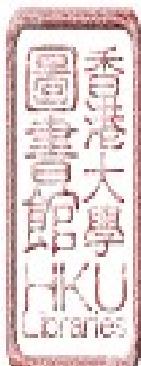
against Hong Kong, bales of silk piece goods and waste silk had to be loaded onto highly unsuitable native crafts or tramp steamers and then taken to Shanghai, Keelung or Japan for transhipment. This method of transport incurred great contingent risks of damages and pilferage. It also took a considerably longer time than if the cargo had been sent through Hong Kong.<sup>25</sup> It was extremely unsatisfactory for the foreign importers as well as to the Hong Kong dealers. It is impossible to calculate the exact amount of losses suffered, but a rough estimate might be deduced from the following figures, which show the amount of silk piece goods and waste silk sent abroad by some members of the Chamber of Commerce:

Table III : Silk Exports from Hong Kong between 1924 and 1926<sup>26</sup>

<u>Year</u>	<u>Silk Piece Goods (in packages)</u>		<u>Waste Silk (in bales)</u>	
	<u>to Britain</u>	<u>to Europe</u>	<u>to Britain</u>	<u>to Europe</u>
1924	266	530	11,444	11,769
1925	157	441	1,687	960
1926	12	128	50	187

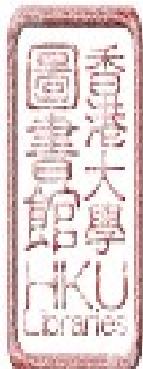
25. CYB, 1926, p. 859. See also HKGCC, 1925, pp. 18-19

26. HKGCC, 1926, pp. 142-143. These tables were compiled with statistics gathered from a number of local shipping companies.



It must be pointed out that these figures did not represent the total volume of the business done in the trade but they illustrate adequately the devastating effect of the boycott. The decrease in the figures for 1925 was not so acute mainly due to the fact that most of the goods were actually stored at Shanceen when the boycott broke out. These goods were subsequently shipped by a few steamers belonging to the Hong Kong-Canton-Macao Steam-boat Company or Chinese junks to Shanghai. The drop in the volume of trade was more noticeable in 1926, when no more cargoes were sent down to Hong Kong from Shanceen.

The merchants in Hong Kong thus suffered a dual loss. They were unable to transact business with Canton. In addition, if they wished to send their goods to Canton, they had to ship them eight hundred miles northwards to Shanghai, and then transport them southwards again to Canton by train. The same procedure was necessary for goods stored at Shanceen. All traces of marks on the cargoes associating them with Britain or Hong Kong had also to be removed first. Faced with the predicament of having their capital forever locked up in goods which could not sell, the merchants resorted to sending their goods off under such means of subterfuges. Most of them risked



having their goods damaged, stolen or even lost in sending them off on Chinese junks or other non-British steamers.

The extent of the losses that the boycott entailed on the Hong Kong merchants as a whole is practically incalculable. This was considerably aggravated by the fact that most of the merchants were involved in speculative operations in the stocks and shares markets. It may be remembered that the shares market had collapsed in June due to the curtailment of many normal credit facilities. The stocks and shares market did not re-open until late in October. By then, the influence of the boycott was clearly discernible. There was an over-all depreciation of 40% over the value of stocks and shares in general. This involved a loss of £100,000,000 for the speculators, about 90% of whom were Chinese businessmen.<sup>27</sup> The depreciation in value, however, was not even. Losses were much more general and noticeable in the shares issued by the shipping companies, an evidence of the effect of the shipping boycott. The comparative share quotations in June and October are illustrated by the following table:




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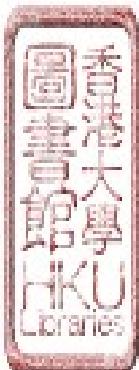
27. CSRDC/48, desp. no. 15, Fredwell, consul-general at Hong Kong, to Washington, Department of State, entitled "Political and economic situation in Hong Kong", September 11, 1925.

Table IV : Shares Quotations before and after the Strike<sup>28</sup>

Name of Co.	Quotation on 17 June	Quotation on 26 Oct.
Hong Kong Banks	£1,280 (buyers' quotation)	£1,140 (buyers)
Bank of East Asia	£ 97½ (nominal)	£ 95 (nominal)
Union Insurance	£ 287 (buyers)	£ 265 (buyers)
Canton Insurance	£ 750 (nominal)	£ 620 (buyers)
Douglas Steamship	£ 54 (sellers')	£ 40 (buyers)
Indo-China Steamship Co.		
{preferential)	£ 38 (nominal)	£ 38 (nominal)
{deferential)	£ 90 (sellers')	no quotation
(HK registered)	£ 90 (sellers')	no quotation
HK and Kowloon Wharves	£ 192½ (buyers)	£ 142 (buyers)
HK and Kowloon Docks	£ 114 (nominal)	no quotation
Star Ferries	£ 81½ (nominal)	£ 59½ (sellers)
HK Realty Investment	£ 4 (buyers)	£ 2.4 (sellers)
HK and Shanghai Hotels	£ 13½ (sellers)	£ 9½ (nominal)
HK Lands Investment	£ 88½ (sellers)	£ 70 (buyers)
HK Electrics	£ 74½ (sellers)	£ 57 (nomi

At the end of 1925, the Douglas Steamship Company explained that due to a severe loss in operations it was

28. The share quotations appeared in CM, June 17 and October 26, 1925.



not able to pay dividends to its shareholders though it had paid a dividend of 8% in 1925. The Hong Kong-Canton-Macao Steamboat Company failed to pay a dividend in 1925 and it reported a loss of £305,000.<sup>29</sup> In an attempt to save the company from financial ruin, the Whampoa Docks extended the offer of new shares to existing holders even after the deadline had expired in June.<sup>30</sup> It too failed to pay a dividend to shareholders in 1925. The Hong Kong Tug and Lighter Company was another victim of the boycott. A final attempt to amalgamate with another company - the China Provident Loan and Mortgage Company - failed because directors of the latter had no confidence in the former's resuscitative power.<sup>31</sup>

Many business concerns declared insolvency as they were unable to meet with the adverse financial conditions. In September, the bankruptcy court dealt with an average of 20 bankruptcy cases daily.<sup>32</sup> At least 3,000 cases had been reported by November.<sup>33</sup>

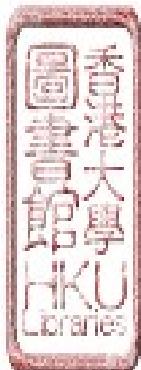
29. C.F. Remer, p. 126. Remer quoted from the China Stocks and Shares Handbook published at Shanghai.

30. CM, July 25, 1925.

31. HKT, September 14, 1925.

32. HKT, September 12, 1925.

33. Teng Chung-hsia, Chien-shih, p. 195.



The stranglehold on the mobility of goods continued to affect the liquidity of the native Chinese banks. By September 22, another run on these banks occurred due to a recurrent loss of confidence in their stability. Seven banks were suspended from business. On the same day a deputation of businessmen with representatives from the leading Chinese and European operated banks, shipping lines, the Chinese General Chamber of Commerce, as well as the Twenty-four Merchants' Guild requested an audience with Stubbs. The deputation easily convinced Stubbs to expedite financial assistance from Britain. On the following day, Stubbs cabled the Colonial Office, asking for a trade loan of £3,000,000.<sup>34</sup>

The Colonial Office, however, had some difficulties in complying with Stubbs' request. The Foreign Office, "for reason of world politics", frowned on any assistance from the British government to Hong Kong. This was understandable, since anti-British feeling was then at its height in south China following the May 30 incident. Great difficulty could be anticipated also in any endem-

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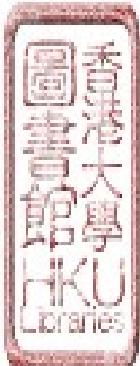
34. C.O. 129/489, confid. desp., Stubbs to Amery, "Situation in the colony", September 18, 1925. Stubbs mentioned that a deputation from the Chinese General Chamber of Commerce had called on him to discuss the possibility of arranging a loan from Britain.



to obtain this sum from the British Treasury. The Colonial Office complained of the Treasury's narrow and "parochial" view concerning colonial affairs. In fact, a Colonial Office official, while commenting on the critical situation at Hong Kong, complained that the British Treasury was in the habit of "taking all the money they can get from the Far Eastern colonies, including generous gifts, and refusing to give them any assistance whatever in their hour of need."<sup>35</sup> A subsidiary difficulty was that great delay would be involved and an act of parliament would be required for a loan or guarantee of a loan from the British government. After some trepidation, the Colonial Office decided to obtain funds for Hong Kong from the West African Currency Board and the Straits Settlement.<sup>36</sup> In the meantime, a telegram was sent to Stubbs on September 26, briefly explaining that in view of the delay involved in obtaining a loan from the home government, the Colonial Office was arranging for financial aid to Hong Kong from various other sources instead and promised that this aid would be forthcoming shortly.

35. C.O. 129/491, Colonial Office file on "Hong Kong Financial Conditions" dated October 21, 1925.

36. C.O. 129/489, Colonial Office file on "Financial Crisis", tels. from Amery to Stubbs, to Singapore, and to West African Currency Board, all dated September 23, 1925.



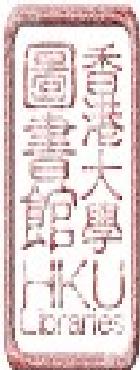
On receiving this telegram, Stubbs ordered immediately that a notice to the same effect be inserted in every newspaper in the colony. The entire business community was greatly relieved on learning this, and Stubbs was able to report that the salubrious effects of the announcement of the promise of a loan gave a new lease of life to the colony's tottering finances.<sup>37</sup> However, there were still numerous difficulties. In the first place, the Colonial Office received a stiff reply from the West African Currency Board. It stated that it found the proposed loan to Hong Kong an unsuitable investment, but if the Colonial Office should definitely request for such a loan, it would be willing to comply and would advance up to one and a half million pounds to Hong Kong on condition that no further application would be made, that the British government would guarantee the loan and that appropriate securities should be offered. The Straits Settlement appeared to be more co-operative and agreed to supply the other half of the required sum.<sup>38</sup>

Certain technical difficulties were involved in making the promised loan available to the colony. The

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37. C.O. 129/489 tel., Stubbs to Amery, "Hong Kong Loan October 11, 1925."

38. C.O. 129/489 Colonial Office file on "Financial Cri replies from the Straits Settlement and the West African Currency Board, October 1, 1925.



leading bank in Hong Kong, the Hong Kong and Shanghai Banking Corporation, professed that it was unable to advance any money to the Hong Kong government. The most it would do was to issue notes on behalf of the government, backed by appropriate silver and gold bullions. After protracted negotiations, the Chartered Bank and the Mercantile Bank agreed to advance money to the government on its guarantee of repayment alone. The Hong Kong and Shanghai Banking Corporation then followed suit and agreed to waive its former demands. By the terms of the agreement, the Hong Kong government assented to pay 5½ interest on gold coins deposited in London by its two creditors and ½% interest to the banks for their services. The banks were also relieved of the note issue tax. In the final agreement an interest of 8% was set down on the loan to the merchants.<sup>39</sup> By January 1926, the Hong Kong and Shanghai Banking Corporation had advanced to the Hong Kong government HK\$2,800,000, the Chartered Bank HK\$1,000,000, and the Mercantile Bank \$200,000. The Hong Kong and Shanghai Banking Corporation eventually agreed to finance the loan up to HK\$15,000,000.<sup>40</sup> The reluctance of the Hong Kong

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39. C.O. 129/489 confid. desp., Stubbs to Amery, "Loan for purpose of financing colony's trade", October 16, 1925.

40. C.O. 129/492 confid. desp., Clementi to Amery, "Trad Loan arrangements", January 15, 1926.

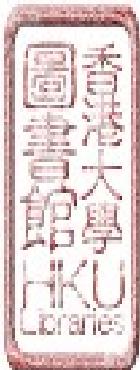


Shanghai Banking Corporation in financing the government was understandable when one considers the instability of the exchange rate of currency at the time. It was obvious that the exchange rate would be seriously affected by the transfer of such a great sum of money from London to Hong Kong.

The West African Currency Board's insistence on a parliamentary guarantee and the Treasury's warning that loans should only be made on a conservative basis delayed the actual apportioning of the loan. Though an advisory committee formed for this purpose on October 3 began to examine applications for financial assistance almost immediately, actual loans were not paid out until in early December. A leading Chinese newspaper, the Wah Tze Yat Po expressed some doubts as to the usefulness of the loan: it reported that out of 460 applications, only 45 had been examined by November, and not all of these were granted.<sup>41</sup> Robert Kotewall, a committee member on the advisory committee, constantly appealed to the Chinese merchants not to take advantage of the trade loan for self-profit and asked them not to apply at all unless they were under extreme financial pressure.<sup>42</sup> Actual

41. WTP, November 19, 1925.

42. HKDP, September 29, 1925.



all applications were scrupulously scanned and the applicants' assets and liabilities were assiduously checked and double-checked by the advisory committee chaired by the Colonial Treasurer. Considerable delay and heavy expenses were thus involved in the investigation of each application. By December 1925, only one sixth of the total amount of the £3,000,000 trade loan was made out to the merchants. The last two months of the year were most critical for many firms. For most of them, failure to obtain a loan brought bankruptcy. In December, John Ward, a former Hong Kong resident who was now a justice of peace and a member of parliament in England, wrote to the Colonial Office on behalf of his former Hong Kong associates, impressing on it the seriousness of the economic position in Hong Kong. He pointed out that the Hong Kong Stocks Exchange reported a loss of HK\$300,000,000 among Hong Kong business concerns and forebode utter disaster for both Chinese and British merchants alike in the new year should the Colonial Office delay in authorising the pay-out of the loans.<sup>43</sup> The actual situation was that larger and sounder enterprise were able to pull through the crisis by means of carefu

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43. C.O. 129/491 private letter, John Ward to Anery, December 15, 1925, enclosing a telegram from the Hong Kong Stocks Exchange dated December 15, 1925.



budgetting and retrenchment. But smaller Chinese firms, without sufficient resources, and unable to meet the requirements for application of the loan had no alternative but to close down. The high rate of interest set down for the loan - 8½ per annum - and the prerequisite of possessing sound and ample securities certainly prevented many smaller business concerns from obtaining the benefit of the loan. The trade loan was thus far from being the elixir of the average Chinese businessmen.<sup>44</sup> The government could do very little about these conditions since the Treasury had specifically stated that great prudence should be exercised in the apportioning of the loan. The high rate of interest was inevitable as 5½ had to be repaid to the West African Currency Board and the Straits Settlement for the billions they advanced and ½ to the banks which issued the loan in Hong Kong currency. By January 13, 1926, loans up to HK\$12,907,100 had been approved but the actual sum paid out was only £6,806,480. A number of applicants to whom loans had been approved on condition they produced appropriate securities of property or shareholdings by a certain date took no step

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44. Cheng Hsiao-an, "Yu kang kai-kuen" [Impressions of a visit to Hong Kong], You-han Chou-Pao (Shanghai/Tientsin, 1926), II, no. 48, 5-6. Cheng described the closing down of many Chinese firms and shops.



to claim their allotments. This was probably due to their inability to produce such securities. Consequently a sum of \$935,000 was withdrawn.<sup>45</sup> By 1927, 278 major loans amounting to a total sum of HK\$15,000,000 had been contracted, and only a third of this sum had been repaid,<sup>46</sup> showing clearly that the financial recovery after the termination of the boycott was a comparatively slow process.

As might be expected, the business communities in Hong Kong were indignant at the losses they were made to suffer. The British community held three public meetings, during all of which they heartily denounced the "Canton bolshevists" as the root of all evil. There was a gradual and subtle change in the utterances at these meetings, reflecting the psychology of the British community during the strike and then the boycott. The first meeting was held on July 27, 1925. During this meeting, the British community was mainly preoccupied with the matter of strike-pay and reinstatement of the domestic servants who had disappeared in June. The first decision of the meeting was to withhold wages:

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45. C.O. 129/492, confid. desp., Clementi to Amery, "Trade Lorn Arrangements", January 15, 1926.

46. F.O. 405/254 no. 97, Foreign Office to Colonial Office, enclosing desp. from Clementi to C.O. on the financial situation, dated August 18, 1927.



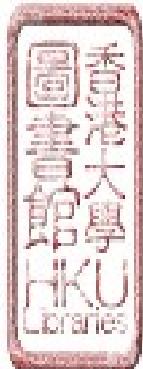
the month of June from the "ingrates" should they choose to return. It was felt that the employers' attitude during the 1922 strike had been mistaken as weakness on their part, and that they should now show their determination to end this misconception. One gentlemen said eloquently:

"let us be merciful as expressed by the resolution, but strong and just - just to ourselves, our wives, and our families, and to our loyal workers - who have suffered and will suffer through the strike."<sup>47</sup>

A second resolution was also aimed at the refractory workers. It was proposed that a system of registration of servants be put into practice to ensure that there would be no further trouble from domestic servants. As a reprisal towards the "Canton bolshevists" a third resolution was that while anti-foreign strikes and disturbances continued in south China, the British government should refrain from discussing tariff revision with China. The meeting further recommended that His Majesty's Government should take strong and immediate action to protect British lives, property and trade in Hong Kong and in China at once by increasing the strength of the China Squadron in river boats and aircraft carriers. In addition, a battalion of British forces should be transferred to Hong Kong at the earliest possible moment.

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47. HKDP, July 28, 1925.



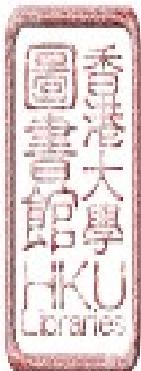
It also urged the British Government to inform the de facto government of Canton that unless it withdrew its support of the attack on the British and Hong Kong interests, it would be regarded as having entered into a state of hostility with the British government. These requests were cabled to the Foreign Office and were widely publicised in the local papers during the next few days. It was promptly described by Canton as the latest manifestation of British imperialism.<sup>48</sup>

These resolutions were admittedly excellent propaganda material for the Canton government. Even British compatriots elsewhere pointed out that the meetings were "of a jingo character".<sup>49</sup> They showed clearly that the British at Hong Kong still cherished the gunboat policy which had helped to enhance British prestige in China half a century or more before. This attitude played into the hands of the strikers and they made great capital out of the so-called imperialist oppression. One can imagine the chagrin and frustration that the British at Hong Kong felt when they failed to receive any reply from the Foreign Office. Meanwhile, they invited the Swedish consul general at Canton to deliver

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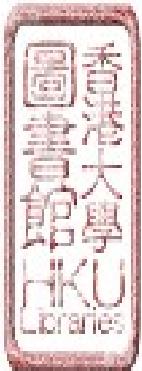
48. Ibid.

49. MCH, October 3, 1925.



a public lecture on the Canton situation. This was held on August 13. During the lecture, the speaker gave an account of what he termed the "bolshevisation" of Canton and how the leftists in the Kuomintang had gained the upper hand in the government. He painted a very dark picture of the outlook for Hong Kong, giving a description of the activities of the pickets and the inability or reluctance of the Canton government to regulate their actions. After this lecture, the British community became more sober in their attitude to the strike and began to consider the whole event in a more serious light.

By the second meeting on August 25, the impact of the boycott was clearly discernible. No allusions were made to the domestic servants. Instead, the meeting evinced a strong apprehension at the catastrophic results of the shipping boycott. The chairman of the meeting announced solemnly the losses that Hong Kong suffered through the boycott. It was reported that in the first half of 1925, an average of 60 vessels with a total tonnage of 99,600 cleared through the harbour daily. After the imposition of the boycott, only an average of 34 vessels with a tonnage of 55,819 cleared through the harbour daily, and practically all of these vessels

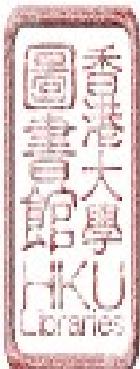


belonged to shipping lines which had not been involved in the strike. The Hong Kong-Canton traffic, comprising 12 fast passenger steam-boats, ceased to run on July 1. The daily average number of ships held up in the harbour due to the boycott was about 70, over half of these being British-owned. In view of this critical situation, a telegram was sent to the British prime minister, requesting him to deliver an ultimatum to the Canton government demanding the immediate removal of the coastal regulations, the cessation of the anti-British propaganda and the anti-British boycott, the expulsion of the Russians and the disarming of the Whampoa cadets. The telegram prophesised darkly that if the British government delayed decision on immediate action, it would most certainly have a far larger problem to face at Canton in the future than that confronting it at the moment.<sup>50</sup>

Britain was reluctant to comply with the effusions of the British at Hong Kong for reasons already explained elsewhere. In fact, the British public opinion at home was generally against this agitation. The London Telegraph wrote:

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50. SIMP, August 26, 1925.



"Does it not seem rather uncomplimentary to both the Hong Kong Government and Sir James Jamieson that the community here should continue to hold mass meetings at which a certain amount of hot air and possibly tactless utterances will be released?"<sup>51</sup>

Stubbs was apparently aware of this feeling in England. He reported that representatives of leading British firms discreetly absented themselves from the meetings since it was known that their principals in London did not favour the resolutions propounded by the convener of the meeting.<sup>52</sup> But both the Hong Kong government and the Colonial Office were greatly embarrassed by the vehement utterances emitted during these meetings. For example, P.H. Holyoak, who was chairman of the Hong Kong General Chamber of Commerce and an unofficial member of the Legislative Council, was reported to have said emphatically at the meeting on August 25,

"does His Majesty's Government still utterly disbelieve responsible statements made in the stream of cables of the gravest nature by the governor of this colony and all the responsible bodies already on the spot referred to, or do they seriously profess that they are unable any longer to protect, or at any rate are prepared to abandon the rights of the British subjects secured to them by solemn treaty



51. Quoted in the SMP, August 24, 1925.

52. C.O. 129/439, confid. desp., Stubbs to Amery, "Local situation: report on further course of events", September 4, 1925.

and will they supinely submit to the latest insolent challenges to Great Britain of the present Cantonese bolchevist regime?"<sup>53</sup>

The local press was also equally outspoken on the issue. The China Mail wrote:

"during the last 25 years, not less than HK\$49,000,000 has been contributed (by Hong Kong) as an insurance fund for the protection of the rights secured to British subjects by treaties with China ... upon that ground alone, Hong Kong is entitled to demand immediate action to protect it from insidious forces that are threatening its prosperity."<sup>54</sup>

The British community was thus greatly disappointed by the terse reply from the Foreign Office. It merely acknowledged receipt of their two telegrams and promised to

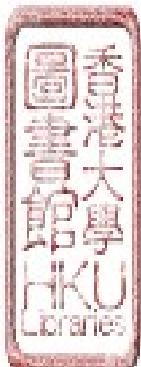
"find a remedy consistent with their treaty engagements with other powers as well as China and likely to serve the vital interest of the whole empire and especially Hong Kong whose sufferings His Majesty's Government deeply deplore."<sup>55</sup>

The Chinese community's response to the strike and the shipping boycott was conditioned by their subtle

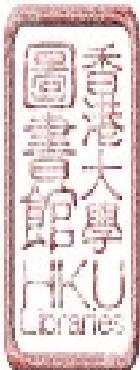
53. C.M., August 26, 1925.

54. Ibid., August 24, 1925. Words in parenthesis are the author's own addition.

55. C.O., 129/491, tel. to McIvoak, via Stubbs, enclose in C.O. file entitled "Situation at Canton".

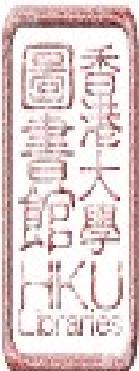


connections with south China. They could not afford to sever trading relations with China forever and did not wish to alienate general Chinese opinion by publicly declaring their sympathy with the colonial government. The Chinese merchants ultimately found a compromise. At a confidential meeting of the Twenty-four Merchants' Guild and the Chinese General Chamber of Commerce, a set of resolutions were passed concerning the strike. These resolutions were conveyed to the Colonial Secretary by the two Chinese members of the Legislative Council, Chou Shou-son and R. Kotewall. However, the merchants requested that their resolutions should not be made public either in Hong Kong or in England, in view of the fact that almost all members of those two bodies had relatives or business connections in the interior of China. These resolution denounced the "Bolshevist" government at Canton whose labour agents had successfully managed to strangle the trade of Hong Kong. They deplored the adverse economic conditions created by the boycott against Hong Kong shipping and trade and they stated that unless effective remedial measures were taken, the colony would be ruined. Another telegram, milder in expressions at terms, was sent to overseas Chinese communities by the Hong Kong General Chamber of Commerce and its Chinese



counterpart to dissuade the former from contributing to the strikers' cause.<sup>56</sup> In several cases abusive replies were received from these communities. One telegram, signed by the "Whole body of Chinese residents in Los Angeles" accused the Chinese merchants of acting as the "running dogs" of the English "robbers" and ended with a dark warning that even death could not expiate their heinous crime. Another telegram from the Dutch East Indies foretold a similar fate for the Chinese merchants who "fawned on the British schemes against China". The two Chinese representatives on the Legislative Council were threatened constantly by the strikers and a reward was actually placed on their heads at Canton by the strikers.<sup>57</sup>

There are few written evidences of the general reaction of the Chinese public to the boycott. However one can safely venture to say that the daily life of the average Chinese living in Hong Kong could not have been unaffected by the boycott. One major factor was Canton embargo on the export of foodstuffs. Canton was Hong K



56. C.O. 129/489, confid. desp., Stubbs to Amery, "Strikers' situation", August 21, 1925, enclosure 5: secret resolutions of the Chinese Chamber of Commerce and the Twenty-four Merchants' Guild. A telegram, mild in phraseology, but on the same lines as the aforesaid resolutions, was sent abroad to overseas Chinese on August 26.

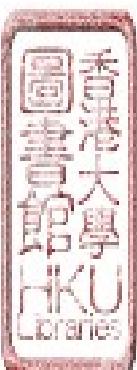
57. The abusive replies quoted can be found in C.O. 129/489, confid. desp., Stubbs to Amery, "Local situation", September 4, 1925, enclosure no. 4.

sole supplier of meat, livestock and vegetables and the embargo naturally put up prices by almost half. By September, no poultry was available. The price of eggs doubled, and there was a 40% increase on the price of meat. Some food came from Macao on the steamer service of the Canton-Hong Kong-Macao Steamboat Company, but the Chinese had to endure the high costs.<sup>58</sup> Though rents fell by 60% due to the fact that a large number of Chinese had left the colony leaving many tenements vacant, the average Chinese were affected by the retrenchment policy of their employers. Public opinion was reflected by the Wah Tze Yat Po, which repeatedly urged the speedy settlement of the boycott. It stated in its "current comments" column:

"Hong Kong is the leading trading port of south China, and commands the economy of the whole area. If the stranglehold on her trade continues, one can only envisage a pessimistic future for both Hong Kong and south China. Steady progress in trade is inseparable from good government. Thus our opinion is that it is vital that communications and trade between Hong Kong and Canton should be restored in the nearest future to avoid suffering and disaster for both places".<sup>59</sup>

A few days later it again wrote:

"A settlement of the boycott which is causing disastrous results in Hong Kong and Canton



58. See CM, June 12, and September 23, 1925, for comparative wholesale prices on items of food.

59. WTYP, November 21, 1925. The translation is the author's own.

is imperative. Sincerity is the prerequisite for any future negotiations between the two cities."<sup>60</sup>

By February, 1926 it admonished both Canton and Hong Kong to end the boycott which had incurred heavy losses for both cities in the past six months and causing severe suffering for the Chinese.<sup>61</sup>

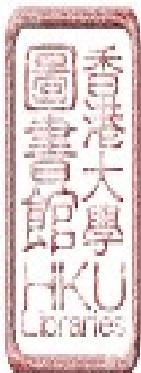
Stubbs' reaction to this situation could easily be imagined. He was a man who would mince no words where relations with Canton was concerned. He was very adverse to the new government at Canton which had proved itself to be entirely partial to the strikers and the Strike Committee. He had hoped against hope for the collapse of the Canton government, but by September he realised two factors: firstly, there was no hope of the Canton government being overthrown by their adversaries in the near future and secondly, some action was necessary to bring about the end of a situation which was costing Hong Kong's economy life.<sup>62</sup> This conviction was further strengthened when in early September, the pickets arbitrarily seized a Chinese steamer sailing from Hong Kong to Canton. He had been contempl-

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60. Ibid., November 24, 1925.

61. Ibid., February 2, 1926.

62. C.O. 129/489, tel., Stubbs to Amery, "Situation in Hong Kong", August 20, 1925.



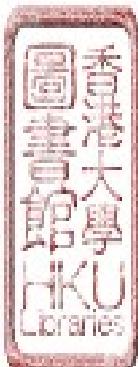
on the line of action that Hong Kong should pursue and in September, suggested successively the following courses to the Colonial Office: a naval blockade of the Pearl River, the bombing of the Boca Tigris forts, and offering material and financial assistance to opponents of the Cantonese regime. In a telegram sent to the Colonial Office on September 12, he commented:

"The Peking government should be called upon to compel Canton to put an end to anti-British actions and should be offered assistance by His Majesty's government for this purpose both in money and material ... the Peking government could justifiably be given our support in any measure taken against them (viz. Canton)."<sup>63</sup>

A further proposal was to allow one admiral Li who commanded three cruisers of the Peking government navy to use Hong Kong as a base for actions against Canton. Admiral Li's cruisers had on several occasions successfully prevented Russian steamers loaded with munition from sailing into Canton. Stubbs therefore requested that Li should be allowed to obtain supplies and ammunition from Hong Kong for this purpose in the future. He argued that provided that Hong Kong and the Colonial Office showed clearly that they were not acting against China but for China against the bolshevists, the Chinese

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63. C.O. 129/489, tel., Stubbs to Amery, "Canton situation", September 12, 1925.



would indubitably welcome their intervention. A safeguard for this action would be to send a responsible official from England to discuss this with the Peking government first.<sup>64</sup>

A few days after sending out the telegram which embodied the above suggestions, Stubbs again reported to the Colonial Office that he had interviewed Ch'en Chiung-ming. Ch'en informed Stubbs that he had collected a large number of troops and had the support of the Peking government. Though Stubbs admitted that past experience of Ch'en's military operations did not exactly inspire him with confidence, he thought that Ch'en might be able to succeed should he be given a liberal supply of arms.<sup>65</sup> He also reported that he was definitely informed from reliable sources that as soon as Wu P'ei-fu could obtain funds up to HK\$3,000,000, he would be prepared to march south against the bolshevists.<sup>66</sup> However, Stubbs believed in the success of Ch'en's proposed expedition and persistently wrote to the Colonial Office concerning Ch'e

64. Ibid.

65. C.O. 129/489, confid. desp., Stubbs to Amery, "Situation in the colony", September 19, 1925.

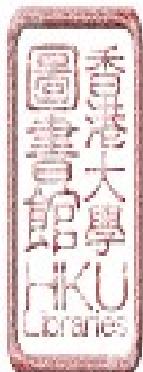
66. C.O. 129/489, tel., Stubbs to Amery, "Canton Situation", September 14, 1925.



Chiung-ming.<sup>67</sup> It seemed that Ch'en's actions had the tacit approval of the Peking government and Stubbs reported that if he should encourage the local Chinese merchants, they would be very willing to advance a loan of a million dollars to Ch'en. He pressed this fact urgently again in a telegram dated October 16, in which he stated that the Chi Kung Tong, the most important and influential association of overseas Chinese in the United States, had elected Ch'en as their honorary president. Stubbs felt that this weighed heavily in Ch'en's favour and could possibly facilitate his chances of success in the proposed expedition against Canton.<sup>68</sup>

However, none of Stubbs' suggestions materialised. The Colonial Office doubted the advisability of a blockade on the Pearl River and the Foreign Office would not agree to Stubbs' proposals. In fact the Foreign Office was very averse to any action which might stir up further anti-British sentiments in China. The attempts of the Colonial Office in pressing Hong Kong's case to the Foreign Office was somewhat hampered by Stubbs' habitua

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67. See for example, C.O. 129/489, Stubbs to Amery, tel. on "Canton Situation", "Situation in China", dated September 26, 29, 1925 respectively, confid. desp. entitled "Local situation", "Reports on local situation", dated October 2, 16, 1925 respectively
68. C.O. 129/489, Stubbs to Amery, tel. "Situation in China" August 24, 1925.



outspoken and almost blatant reports concerning Canton in the past few years. A Colonial Office official wrote:

"Sir R.E. Stubbs is in the habit of using such strong language that he leaves no margin for impressing on us and the Foreign Office the gravity of such a situation as in the present."<sup>69</sup>

When the Colonial Office sounded out the Foreign Office on the issue of financial assistance to Ch'en Chiung-ming and other adversaries of Canton, it was told that the British government would not countenance overt assistance, official or private, to any regional government in China. No official reply was sent to the Colonial Office concerning Ch'en Chiung-ming's case,<sup>70</sup> and it was only early in January 1926 that the Foreign Office advised the Colonial Office that it disapproved of proposal assistance to admiral Li. Its reasons were that this would only intensifying the antagonism of Canton, and besides, one or two cruisers could not possibly take any decisive actions.<sup>71</sup> By the time this reply reached

69. C.O. 129/489 minutes on tel. from Stubbs to Amery, "Strike Movement", August 14, 1925.

70. C.O. 129/489 minutes on tel. from Stubbs to Amery, "Situation in China", August 20, 1925.

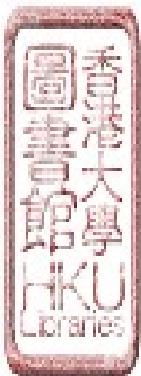
71. C.O. 129/495 Foreign Office to Colonial Office on "Admiral Li" dated January 22, 1926.



Hong Kong, Stubbs had already left the colony. The Colonial Office suspected that the officials at the Foreign Office refrained from commenting their objections to Stubbs' proposals for fear of giving the impression that they always turned down on principle everything that Stubbs suggested. Due to the long silence of the Foreign Office, the Colonial Office was forced to send a reply on its own to Stubbs. It was apparent that the Colonial Office could not reply entirely on its own initiative to comprehensive and important proposals which was really the concern of the Foreign Office. The China policy of the Foreign Office was as already explained to abstain from giving pecuniary assistance to any faction in China. On the other hand, the Colonial Office was unwilling to send a blunt negative reply to Stubbs since he would certainly resent a set-down. It therefore strove to "let Stubbs down gently" by telling him that he was not in a position to give any encouragement to the Chinese merchants in the proposed loan to Ch'en Chiung-ming or any other militarist. With this reply, the Colonial Office hoped to convey to Stubbs that he should exercise extreme discretion in a matter of such gravity and delicacy. Privately the

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72. C.O. 129/491, C.O. file, "Canton activities of Ch'en Chiung-ming" October 5, 1925.



Colonial Office wished that the Chinese merchants should raise the sum quietly without obtaining its sanction, since this was the best alternative.<sup>73</sup>

Actually, Stubbs had already taken action without receiving permission from his superiors. On August 25, a Cantonese general Wei Bong-ping who was an associate of Ch'en arrived at Hong Kong and requested for financial assistance from the Hong Kong authorities. He was interviewed by Chou Shou-son, Kotewall, the Colonial Secretary, and the Secretary for Chinese Affairs. Wei asked for a sum of one million Hong Kong dollars to finance an expedition against Canton. Of this amount, fifty thousand was required immediately. Since Stubbs raised no objections to financing this expedition, the Chinese merchants set out to obtain funds for this purpose.<sup>74</sup> However, they were short of funds and as a result the chairman of the Tung Wah Hospital Committee<sup>75</sup>

73. C.O. 129/489, minutes on tel. from Stubbs to Amery August 20, 1925.

74. C.O. 129/493 confid. desp., Clementi to Amery, "Raising of money for a coup d'etat in Canton", September 24, 1926.

75. The Tung Wah Hospital, it may be remembered, was a local charitable organisation founded in 1872. Under an ordinance of 1904, the directors on the committee were empowered to lend money or mortgage property at their discretion.



was approached to advance the sum as a loan to the merchants. The arrangement was made with the tacit approval of Stubbs who later also reported it to the Executive Council.

Unfortunately, the compt d'état at Canton failed dismally. By 1926 only one of the eight merchants who signed the undertaking given to the chairman of the Tung Wah Hospital Committee repaid the HK\$100,000 under his name. The remainder, HK\$400,000, was not repaid, though interest on the loan for the first half year was duly paid in April 1926. The merchants pleaded inability to repay at the end of the period promised. The chairman of the Tung Wah Hospital Committee was aghast since he had to balance the accounts and hand them over to the new committee. He appealed to the new governor Clementi for help. After some trepidation, Clementi appropriated the sum from the trade loan. This was later discovered by the Colonial Auditor, and a cloud of dissatisfaction and ill-feeling was created both at Hong Kong and at the Colonial Office when in September 1926 Clementi reported the incident.<sup>76</sup> It was only then that the Colonial Office understood the reason why Stubbs persistently reported

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76. See note 74.



home for instructions regarding financial support to opponents of the Canton government instead of arranging the loan rapidly without reference home as the Colonial Office had privately wished that he would do. Stubbs had already embarked on the course of affording aid to a particular faction and was hoping against hope for some encouragement or at least tacit acquiescence in his actions from his superiors. Also, since Wei's coup failed completely, the Chinese merchants would not advance further sums to Ch'en Chiung-sing unless they obtained a guarantee from the British government. This was why Stubbs tried to impress on the Colonial Office the need to afford assistance to Ch'en and other militarists.

In commenting on Stubbs' arbitrary action, the Colonial Office rebuked: "How could they (viz. Hong Kong authorities and the Chinese merchants) have thought that £500,000 would be enough for the purpose? Perhaps they had already remitted other sums?"<sup>77</sup> Unfortunately, this is an issue which no one can ascertain. It seems apparent from Stubbs' attitude to Canton that such action might have been taken. But even if this were true, or

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77. C.O. 129/438, "Raising of money for a coup d'état in Canton", minutes of the Colonial Office. Words in parenthesis are the author's own addition.

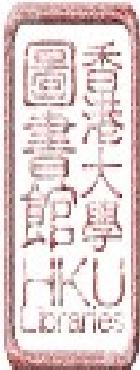


could hardly blame Stubbs, for as the Colonial Office remarked, it was Stubbs' intention in safeguarding the interests of Hong Kong. One could criticise, though, his over-excited frenzy, and his general uncomplimentary attitude to the Canton government, dating as far back as the inauguration of Sun Yat-sen as president of the southern province.

Various unofficial reports stated that Hong Kong had contrived to end the strike-boycott by giving financial assistance to the foes of the Canton government. Contemporary Chinese sources persistently reported that the British at Hong Kong were in league with the anti-revolutionary forces. It was alleged that Hong Kong had been supplying the Yunnan warlord Tang Chi-ying, the Cantonese militarist Ch'en Chiung-ming and the Kwangsi mercenaries led by Liu Chen-huan with arms and money during June, when a fierce struggle for power occurred at Canton.<sup>78</sup> It was also reported that the assassination of Liao Chung-k'ai in August had been instigated by the Chinese merchants at Hong Kong and that a bribe of two million Hong Kong dollars was involved. Hu Han-min's

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78. Chu Chiu-pai, "The British Imperialists' Attack on China and on the Canton Government" in the Guide Weekly, no. 127, August 31, 1925, p. 1163

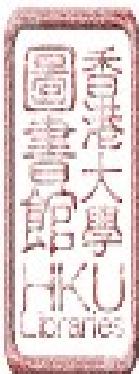


brother Hu I-sheng was named as the sole partisan.<sup>79</sup> Other contemporary sources also attributed similar intrigues to Hong Kong. A contemporary English-language journal, the Chinese Weekly Review, reported in November that an American engineer had been attempting to raise a loan of several million dollars for Ch'en Chiung-ning's expedition against Canton.<sup>80</sup> This report was corroborated by American official sources. The American consul-general at Hong Kong Tredwell also reported the activities of a certain Edward Shank in this direction. Shank had been very active among the Chinese merchants in previous years and had good connections with them. In the summer of 1925 he was attempting to canvass a sum of HK\$4,000,000 for Ch'en Chiung-ning. He assured the Chinese merchants that he had been able to establish connections with Macao and French Indo-China for the importation of arms and munition for Ch'en. He also alleged that he had spoken to the two Chinese members on the Legislative Council on this matter and that they had reassured him that the Hong Kong government would "close its eyes" to his activities

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79. "The Cantonese political situation before and after Liao's assassination", Guide Weekly, no. 130, September 22, 1925, pp. 1192-3.

80. Hin Wong, "The Last Stage of the Boycott in Hong Kong", CWR, November 7, 1925.



in this connection. However, when Shank requested that the consul-general should connive at his scheme, he was warned by the latter in very strong words that he should "do nothing which may be accused of filibustering by the Canton Government." Thus warned, Shank promised that he would not carry on his activities any further, but as Tredwell remarked, it would be virtually impossible to hold him at his word if he was bent on carrying out the scheme.<sup>81</sup> Tredwell also reported that he had learnt that actions against the Cantonese government were under discussion and that a large number of prominent local merchants were involved.

If one were to consider the great financial strain suffered by the colony, the frenzy of Stubbs and the Chinese merchants can be fully appreciated. The revenue of the government dropped abruptly by a full million dollars. The following statistics, taken from the Sessional Papers of the Legislative Council, illustrate the sharp decrease:<sup>82</sup>

81. Tredwell to the American Minister in Peking dated September 10, 1925 entitled "The Activities of Mr. Shank".

82. Statistics taken from the Sessional Papers of the Hong Kong Legislative Council for 1925 and 1926, Section C, "Abstract of the Revenue and the Expenditure of Hong Kong".

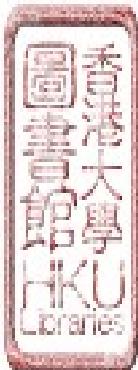
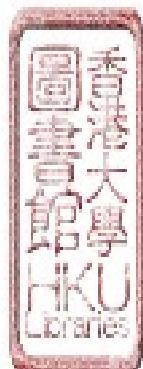


Table V : Comparative Expenditure and Revenue of Hong Kong Government between 1924 and 1926

<u>Year</u>	<u>Revenue</u> (excluding land sales)	<u>Land Sales</u>	<u>Expenditure</u>
1924	HK\$24,209,639.72	HK\$1,999,235	HK\$26,726,428.14
1925	HK\$23,244,365.94	HK\$ 570,242	HK\$28,266,817.94
1926	HK\$21,131,581.61	HK\$ 286,341	HK\$23,524,715.94

One enormous source of income had been derived from the sale of land. However, the land boom ended abruptly with the collapse of the stocks and shares market and all speculative investments. Thus revenue derived from land sales fell to a third of its former value. A general diffidence in the colony's stability and prosperity followed the strike and the enforcement of the boycott. The latter factor had serious reverberations on the colony's revenue, for the boycott induced fewer ships to visit the harbour of Hong Kong. This caused a decrease of HK\$50,000 in the revenue collected under the heading of light dues in 1925.<sup>83</sup> A further decrease of nearly HK\$20,000 was noted in the issuing of sundry cargo-working permits. Losses suffered under these two headings came up to over 75% of the total decrease in revenue, showing very well

83. Ibid., C2-C4, pp. 48-50.



the effect of the shipping boycott. The calling out of the Volunteer Defence Corps, and the payment of grants to loyal workers in various governmental departments also entailed a larger expenditure for the government. While revenue fell by almost a million dollars, expenditure increased by almost two million dollars. Thus, in September, the government was forced to draw on its reserve funds. A total of HK\$700,000 - the equivalent of £86,041 - was remitted from the Treasury. On September 30, a further sum of \$600,000 (£73,750) was remitted. The normal monthly expenditure of Hong Kong was about £50,000 or HK\$61,500, of which £20,000 was spent on stores. After the outbreak of the strike-boycott, Stubbs immediately requested that indents up to the value of £11,000 be held up. Though at the beginning of the financial year, the assets of the colony amounted to HK\$13,000,000, this sum fell to a little over \$3½ million at the end of the year, distributed among the following items:<sup>84</sup>

Surplus funds (investments at current market value)	£990,929
Cash lent out at an interest	£ 38,110
Cash on deposit	£200,000
Cash in hand	£ 31,000
	<hr/>
	£1,052,129
	(or HK\$8½ milli)

84. C.O. 129/490 correspondence between C.O. and the Colonial Auditor, ref. A/682 Hong Kong, dated September 30, 1925.

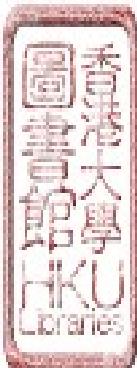


Most of Hong Kong's funds were tied up, being invested or lent out, leaving a comparatively small amount of mobile funds. These sums had to be used in clearing outstanding commitments in respect to indents already contracted and which could not be retracted. The total sum contracted for these indents was £120,000, of which £100,000 had to be settled by the end of 1925.

Stubbs attempted to deal with the situation through a policy of intense retrenchment. He adopted this alternative in preference to either increasing taxation or raising a loan from the London market. The objections raised against the first alternative was that any attempt to increase the taxation would only aggravate the financial difficulty. It was believed that with more liquid cash going around, the merchants could overcome the financial trouble much more quicker. Similarly Stubbs deprecated the suggestion of raising a loan from the London market on the grounds that in the existing conditions, investors at home would require exorbitantly generous inducements before they would risk their capital. Rather than incur greater losses for Hong Kong, Stubbs chose to economise.

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85. The H.K. Hansard, 1925, p. 86.

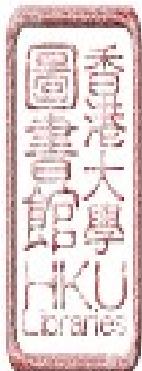


Government economies were chiefly directed in the field of public works and education, with one noticeable cut in the budget of the Imports and Exports Department. This was the abolition of the Statistical Office. The reason Stubbs gave was that the utility of the office did not justify the sum involved in its upkeep which amounted to \$44,000 a year. This occasioned some surprise since the revenue saved was comparatively speaking trifling. The Hong Kong General Chamber of Commerce pointed out \$44,000 was a relatively small account when compared with the value of the Hong Kong trade which had amounted to £135,800,000 in 1924. In addition, the statistics published at regular intervals by this office were extremely useful for the merchants for they indicated clearly the direction of trade and illustrated vividly the vicissitudes of the main trades, especially the rice trade.<sup>86</sup> This action was severely criticised by Holyoak, the Chamber's representative on the Legislative Council, as a "very retrogressive step".<sup>87</sup> During a session of the meeting of the Legislative Council Holyoak pointed

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86. "Trade Statistics", Annual Report of the Hong Kong General Chamber of Commerce for 1926, pp. 113-5.

87. *Ibid.*, p. 114.

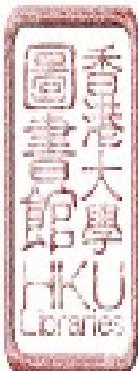


out that if it was desired to find out in two years' time what effect the strike had on Hong Kong trade, it would be impossible to get the necessary information without these figures.<sup>88</sup> It seems probable that this was in fact the main reason why the office was abolished, since an equally large amount of money could have been saved by reducing the ponderous clerical staff in departments such as the Colonial Secretariat, the Royal Observatory or the Secretariat for Chinese Affairs.

In other departments, public works schemes were cut down to a minimum through careful calculation, a total of over HK\$170,000 was saved. Schemes for improving the road system in North Point and on the Kowloon Peninsula were temporarily scrapped and other less important schemes were dropped altogether. A total of 44 posts in that department was left vacant from resignations and retirements, saving the government nearly HK\$20,000. A similar policy was adopted in almost other departments, with the result that a total of \$150,948 was saved. Personal emoluments for the cadet service was drastically cut down, saving another \$18,000. A further sum of \$24,000 was saved by reducing the University Examinations Grants and the

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88. H.K. Hansard, 1925, p. 106.



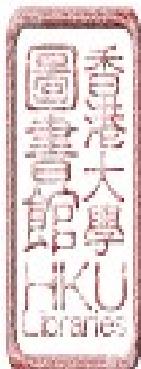
Capitation Grants. In the Education Department, many temporary assistant teachers were dismissed since a large number of students had gone on strike and fewer teachers would be required in the government schools. About 30 teachers were thus dismissed.<sup>89</sup> In September, Stubbs telegraphed the Colonial Office, informing it of the reductions in the staff lists. A list of officers available for transfer overseas should there be suitable vacancies was also communicated to the Colonial Office. Stubbs also requested that all new appointments which had not yet taken effect should be cancelled.<sup>90</sup>

As a result of the retrenchment policy, Stubbs was able to reduce the estimated deficit of HK\$7,750,000 to a little under HK\$5,000,000.<sup>91</sup> However, one must note that in the early part of 1925, the government had collected nearly HK\$2,000,000 from death duties due to the death of several prominent Chinese merchants. This source of unexpected income had boosted the government's revenue considerably. At the end of 1925, the assets of the

89. Ibid., pp. 79-85.

90. C.O. 129/404, Clementi to C.O. "Detailed Statement of Revenue and Expenditure", undated.

91. Ibid.

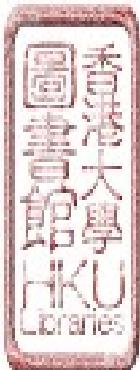


colony stood at a little over eight million Hong Kong dollars. However, the happy surplus of 1925 was discounted by the severe decrease in revenue. In 1926 a further decrease of HK\$2,000,000 was registered. This sum had to be appropriated from the assets to balance the budget. The difficulty that the colony encountered was, as has already been explained elsewhere, the fact that most of its assets were locked up in loans made out in the days of the flowing exchequer, in subsidiary coins, and in other investments which could not be easily and rapidly liquidated. In fact, Clementi had a difficult time attempting to balance the 1927 budget.<sup>92</sup>

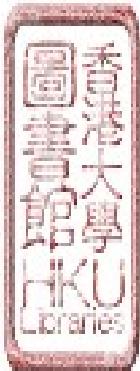
In the midst of the financial trouble, Stubbs left the colony for his long over-due vacation. His post was taken up by Clementi, who elected to take a different approach to the problem. This, however, will be discussed in a later chapter. In the way of a summary, one can certainly say that the boycott had drastic effects on the colony. Though it is impossible to set down the exact amount of losses that it entailed for Hong Kong, one can envisage the extent of the injuries suffered from statistics derived from unofficial sources. The reaction of the

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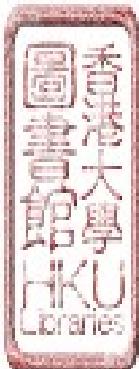
92. C.O. 129/493 minutes on secret desp., Clementi to Amery, "Estimates for 1927", November 2, 1926.



Chinese and British merchants was similar in one respect: they were both appalled and aghast at the curtailment of trade. The British community held several public meetings during which they vehemently denounced the strikers for instigating and enforcing the strike-boycott and accused the Canton government of conniving at the strikers' arbitrary actions. They demanded that the British government should take strong actions to end this unhappy state of affairs. The Chinese community of businessmen was more reticent concerning their feeling towards the strikers, since they had long-standing ties and connections with Kwangtung which they did not wish to sever. However, they privately supported the claims of the British merchants. As for the general populace in Hong Kong, one cannot but suppose that they suffered gravely from a boycott against Hong Kong's shipping, which was the sole livelihood for many Chinese coolies and labourers. Other Chinese firms and shops were equally affected by the collapse of the stocks and shares market. The reaction of Stubbs was almost typical of the man. He instantly impressed upon the Colonial Office for the need of a strong policy against the strikers and their friends at Canton. Stubbs' suggestions ranged from naval action to the assistance of adversaries of the Canton government. However, the



suggestions could not gain compliance of the Colonial Office, since they were contrary to the official British policy towards China. Only on one occasion, Stubbs mentioned that there were suggestions for calling off the strike in return for certain terms put up by the strikers. However, he did not attach great importance to this overture, and certainly did not think of negotiating with the strikers.<sup>93</sup> This was the attitude of Hong Kong in the period immediately following the outbreak of the boycott. We will now turn to the Canton scene in the following chapter.



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93. C.O. 129/489, confid. desp., Stubbs to Amery, "Local Situation", October 2, 1925.

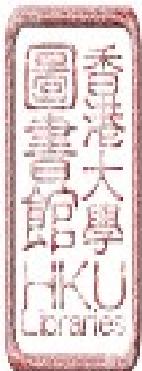
## Chapter IV

### CANTON AND THE STRIKERS

It has already been discussed in preceding chapters that Sun Yat-sen's adoption of the "three new principles" aroused a sharp controversy among the rank and file of the Kuomintang. Sun himself alone was the only force which had prevented the Kuomintang from collapsing under the weight of intra-party disputes.<sup>1</sup> After his death in March 1925, factional quarrels had to be temporarily shelved since a military campaign was being waged against Liu Chen-hsun and Yang Hsi-min, but the power struggle did not subside and each faction aspired to fill the political vacuum. Eventually, the Canton government was established on July 1, 1925. In accordance with the Kuomintang constitution published after the first National Congress in 1924, the committee-type of government was adopted. In actual fact three governments were established at Canton - the Nationalist

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1. J.R. Shirley, "Control of the Kuomintang after Sun Yat-sen's death", Journal of Asian Studies (Harvard JAS), XXV, 1965, 69-82. Shirley discussed the conflict between left and right wing in the Kuomint

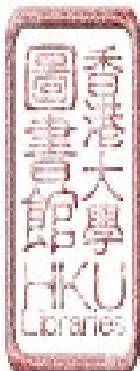


Revolutionary Government of China purporting to be the rightful government of all China, the Provincial Government of Kwangtung and the Canton Municipal Government. The specific aim of the latter two governments was to unify the military, civil and financial administration of Kwangtung and to extend its rule to all China. It may be mentioned that references to the Canton government here unless otherwise stated refer to the Nationalist Revolutionary Government. This government consisted of a sixteen-member committee appointed by the central executive committee of the Kuomintang.

The Canton government formed in July 1925 was a mottled assemblage in its composition. Wang Ching-wei, protégé of Sun Yat-sen and Borodin, was chairman of the mentioned committee and also chairman of the powerful Political Council and the Military Council. Though he was considerably younger than Hu Han-min and Liao Chung-k'ai, he was acceptable to the conservatives on one hand and to the leftists on the other, since Liao was considered an ultra-leftist and Hu an ultra-rightist. The British consul-general described him as a "60% radical", who did not lean too much to the right or to the left too apparen

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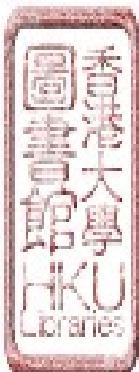
2. See F.O. 405/251, Foreign Office Memorandum, by Mark Patrick, July 13, 1926.



Wang emerged as leader of the Kuomintang in the place of Hu Han-min who was serving as the acting generalissimo and civil-governor of Kwangtung after Sun's death. Wang Ching-wei and Liao Chung-k'ai who soon took over the post of governor of Kwangtung were considered to be leaders of the left wing of the Kuomintang, and they were supported by the Chinese communists. Liao had been branded an extreme leftist and was accused of being a communist but he refuted these charges stating that he worked only for the progress of the revolution.<sup>3</sup> Hu Han-min, the chief contestant of Wang in the power struggle, was relegated to the relatively humble position of foreign minister. Hu himself was a moderate but he had the support of a number of conservative Kuomintang members who later broke off from the Canton government to form the Western Hills Group. Besides from the left and the right wings, the so-called "prince" clique also existed. This faction was led by Sun Fo, son of the late illustrious Tsung-li. He was on very good terms with C.C. Wu, the mayor of Canton, Foo Ping-ch'ang, the Commissioner of

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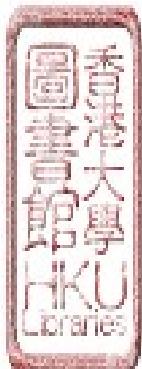
3. U.S.D.A./72 despatch no. 50, the American Minister at Peking to Washington, enclosing a manifesto from Hu Han-min to Jenkins, refuting that Liao was a communist. See also Tsou Lu, Chung-kuo kuomintang shih kao [A History of the Kuomintang] (Shanghai, 1947), vol. pp. 1586-97.



Foreign Affairs and he was also supported by Wu Tch-ch'en, Commissioner of Public Safety. Both Sun Fo and C.C. Wu returned to Canton from Peking in late June and were immensely dissatisfied with the existing political situation, finding that Wang had already occupied all the leading posts in the new government. However, the "prince" clique did not have a large following and its appeal depended solely on its leader being the son of the late Tsung-li. A fourth faction to be considered was the militarists. General Hsii Chung-ch'i was the most influential military leader. He held the posts of Minister of Military Affairs and chairman of the Provincial Administration concurrently and was backed by a large military force. General Hsii himself was a moderate, but many of his subordinates were known to be strong rightists. Another notable military figure was Chiang Kai-shek, the young commandant of the Whampoa Military Academy who was Hsii's subordinate in rank. Chiang was not a member of the government formed in July and was not even a member of the Military Council but his potential strength lay in his cadets.<sup>4</sup>

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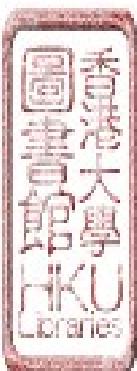
4. Pichon P.Y. Loh, "The Politics of Chiang Kai-shek: a reappraisal", J.A.S., XXV, 1965, 433. Loh discusses the components of the different factions.



All these factions concurred with each other only on one point: that the Kuomintang should struggle against imperialist domination and should strive to abolish the unequal treaties as had been laid down by Sun Yat-sen in his Three People's Principle. As early as May 24, 1925, the central executive committee of the Kuomintang had issued a manifesto stating that their imminent task was to carry out the late Tsung-li's will, and to continue to struggle against imperialism. It announced that it would recognize nations which respected China's integrity and independence as its friend while all nations which continued to oppress China would be their enemy. It also stated that it would adhere to Sun's will and continue to accept the assistance of the Russians in achieving the unification of China and the completion of the revolution.<sup>5</sup> Thus the Russians continued to occupy a major role in the government. Borodin, the chief Soviet agent, remained as the political adviser of the Kuomintang. The avowed programme of the new Canton government as stated in its manifesto was "to obtain the independence and freedom of China, the first step being the abolition of all unequal

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5. Li Yun-han, Tsun-yung-hsing tao ching-tang (From the Admission of the Communists to the Purge 1923-1927) (Taipei, 1965), vol. I, pp. 372-374.



treaties".<sup>6</sup>

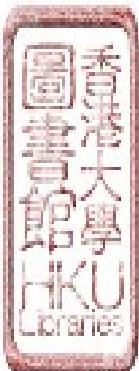
Actually, one could differentiate a divergence of opinion concerning the policy to be adopted against the imperialists.<sup>7</sup> The left wing opposed all imperialists vehemently and Liao Chung-k'ai therefore warmly welcomed and assisted the Hong Kong strikers who returned to Canton in protest against imperialist atrocities at Shanghai. The right wing and the moderates were in favour of opposing one imperialist at a time while temporarily compromising with the others. Others in the KMT favoured a policy of compromise rather than animosity against the imperialists. It will be remembered that when Sun Fo and C.C. Wu passed through Hong Kong in June they had promised Stubbs to do all in their power to prevent the outbreak of the strike. Their attempts were unsuccessful, due to the strong opposition of Liao Chung-k'ai who was in favour of immediate action against Hong Kong. The "prince" clique did not favour this policy and later Foo Fing-ch'ang divulged that

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- 6. Chen Hsi-hua, Xuo chu san-shih-wu nien chih chung-kuo Kuo-min-tong ('The Kuomintang in the past thirty years' (Shanghai, 1934), pp. 87-90. Chen quoted the text of the manifesto. The translation is the author's own.
  - 7. C. Martin Wilbur and Julie Lien-ying How (ed.), Documents on Communism, Nationalism and Soviet Advice in China 1916-1927 (New York, 1956), p. 237. A Chinese document containing a resolution on the relations between the Chinese Communist Party and the Kuomintang distinguished the attitudes of the different factions towards imperialism.



Sun Fo had urged that the strike should be limited to "nothing more than a three days' affair and a demonstration". The leftists, however, were too strong to be over-ruled and their plans were greatly facilitated by the opportune outbreak of the June 23 incident. The divergence in the attitude of the different factions sharpened as the power struggle intensified and members of the "prince" clique including Foo Ping-ch'ang were obliged to leave Canton in September.<sup>8</sup>

It has been mentioned that the outbreak of the June 23 incident was opportune for the leftists. It will be recalled that the May 30 incident roused anti-British and anti-Japanese feelings throughout China. Canton was no exception. During June, the students and cadets of the Whampoa Military Academy canvassed for support for an anti-British and anti-Japanese strike and boycott. Posters were pasted on the city walls, and the cadets issued a circular addressed to all classes in Canton to rise up against the imperialists.<sup>9</sup> The government neit



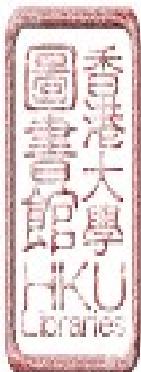
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- 8. See Chapter I, p. 78. Foo was interviewed by Kotew in Hong Kong before leaving for Shanghai in September 4, 1925. See C.O. 129/189, confid. desp., Stubbs to Avery, enclosure 6.
  - 9. F.O. 405/246, no. 38, Jamieson to Chamberlain, Secre of State for Foreign Affairs, "Canton Situation", July 28, 1925.

interfered with this nor did it comment on the actions of the students and the cadets. It was entirely engaged in the military manoeuvres against the mercenaries. A public meeting at Canton of students and cadets in early June had resolved to call an anti-foreign strike-boycott in support of the May 30 incident. When Jamieson inquired whether the Canton government approved of the meeting, he received a somewhat elusive reply from C.C. Wu who was then the acting Foreign Minister:

"The meeting in question being a spontaneous indignation meeting organised by the people, the government is not in a position to act as its spokesman in reply to you. On the other hand, the government cannot view with apathy demonstration of popular feeling, national in extent, in protest against a dastardly act, and I may, on its behalf, state the motives underlying the movement".

C.C. Wu then followed with a dissertation on the Canton government's determination to abolish the unequal treaties and to put an end to extra-territoriality, and ended by saying that the May 30 incident served to strengthen his government's belief in this direction. He then wrote:

"if a strike is decreed against foreigners in Canton or anywhere in China, it is the public and popular registration of a protest against such a system. It is an error to say that the event took place in Shanghai and does not therefore concern Canton, because the system responsible for the Shanghai event



exists in Canton as much as in Shanghai and hence the matter is as local to Canton as it is to Shanghai".<sup>10</sup>

However, up to the eve of the June 25 incident, the Canton government did not commit itself to a definite anti-British policy though it emphasised its stand against imperialism.

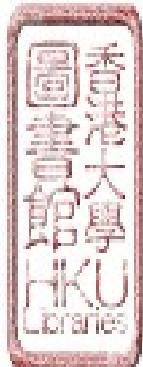
During the month of June, anti-foreign, especially anti-British propaganda appeared daily in the Canton Gazette, the semi-official English newspaper run by KMT members. Itinerant groups of students toured the whole province to harangue the Cantonese to join in the movement. All expenses were reportedly paid by the government.<sup>11</sup> An anti-foreign association was set up by merchants, soldiers and workers, and they took stock of all the foreign goods in the market, confiscating all British and Japanese goods. Merchants were told not to deal with the British or the Japanese any longer and not to supply food and other merchandise to Hong Kong.<sup>12</sup>

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10. F.O. 405/248, no. 113, enclosures 1 and 2, correspond between Jamieson and C.C. Wu, dated June 23, 1925.

11. F.O. 405/248, no. 73, Jamieson to Chamberlain, July 6, 1925.

12. F.O. 405/248, no. 197, Jamieson to Chamberlain, memorandum respecting the boycott of British and Japanese goods, September 11, 1925. Jamieson had reported earlier that the Canton Customs Superintendent Fan Chi-wu had reportedly notified the Cantonese merchants verbally that they should cease to send food supplies to Hong Kong. See F.O. 405/248, no. 64, Jamieson to Chamberlain, June 29, 1925.



On June 23, a demonstration against May 30 took place in the eastern parade ground at Canton. Over 10,000 students, strikers, merchants and cadets turned up to listen to speeches made by Hu Han-min, Liao Chung-k'ai, Wang Ching-wei and C.C. Yu. Hu spoke as a representative of the Kuomintang and emphasised that the immediate task for the Canton government was to oppose the imperialists and the unequal treaties which were the symbol of imperialism. After the speeches, the meeting proceeded to march through the city. When they approached Shakese Street, which was just opposite to the main street of Shanceen, firing suddenly began. The aftermath of the Shakese massacre has already been discussed in chapter two.<sup>13</sup>

With the outbreak of the June 23 incident, the Canton government immediately issued a strong protest against the British, the French and the Portuguese who were involved in the firing against the Chinese. It demanded compensation for the dead and wounded and the return of Shanceen and the immediate re-call of all foreign gunboats lying off Shanceen.<sup>14</sup> The central executive

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13. Ma Chao-chin, vol. III, pp. 404-405. Ma quoted Hu Han-min's entire speech.

14. Ko Yan-cho, p. 178. See also F.O. 405/243 no. 63, Jamieson to Chamberlain, enclosure 2, communique from Canton government to Jamieson dated June 26, 1926.



committee of the Kuomintang declared that though it would not go to war with Britain it would resort to a peaceful means of achieving its objectives of the abolition of unequal treaties.<sup>15</sup>

Meanwhile, an announcement that the Chinese government was preparing to sever economic ties with Japan and Britain appeared in the Canton Gazette of June 25. Foo Ping-ch'ang, the Commissioner for Foreign Affairs, denied that he had authorised publication of the announcement but did not deny specifically that such a resolution had been made.<sup>16</sup> In effect, the boycott was carried out not by the government but by the strikers who had returned from Hong Kong. Their pickets began to enforce a boycott against Hong Kong shipping. Meanwhile, the government reacted strongly to Stubbs' embargo on the exportation of rice and fuel to Canton. Normally Hong Kong transhipped these goods to Canton and the Canton trade was conducted through Hong Kong. Canton then turned to other countries for these supplies. In welcoming the crew of the Russian steamer "Lenin" which brought supplies of fuel to Canton, C.C. Wu made the

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15. Wilbur and Hsu, p. 161.

16. C.O. 129/190, Admiralty to C.O., "Situation in China November 2, 1925, enclosing report from Commander-in-Chief, China Station, September 4, 1925. The latter quoted Jamieson's letter and C.C. Wu's reply."



following allegation:

"The imperialists have been attempting to kill us all with the weapon of starvation".

He continued to say that Canton was now determined to free itself from its former dependence on Hong Kong.<sup>17</sup>

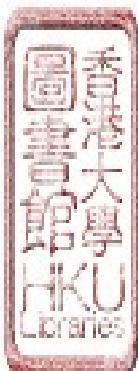
A counter-embargo against Hong Kong was soon instituted. Aside from enforcing an embargo on rice to obviate Hong Kong's control on the trade, Canton proceeded to negotiate for direct shipments from producing countries. It was able to achieve this and by July, and 60,000 piculs were imported from the Kang Yuan Sheng firm of Siam.<sup>18</sup> Fortunately for Canton too, the rice crop of Kwangtung in 1925 was the richest in the past ten years, thus Canton did not suffer the economic hardship which Stubbs had anticipated when he imposed the embargo. However, initially it was affected by the stoppage of rice and fuel consignments from Hong Kong. Through the Soviet commission headed by Borodin, Canton was able to arrange for supplies of petroleum and kerosine from Russia.<sup>19</sup> Regular passages for freight and passengers between Canton and Vladivostock were also arranged and

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17. See HKT August 28, 1925 for C.C. Yu's speech as reported in the Canton Gazette.

18. "Trade Conditions in Canton", Chinese Economic Bulletin (CEB), VIII, no. 254, (1926) Peking Bureau of Information January 1926, 3.

19. "Hong Kong-Canton Shipping", CEB, 1926, p. 828.



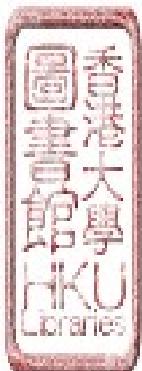
a total of four ships plied between these two places.<sup>20</sup>

In a public statement published in the Canton Gazette, the government stated:

"Notwithstanding the extreme patience and toleration with which the people of Canton met the outrageous massacre by the imperialists and in spite of the fact that peace and tranquillity were maintained by our people after the massacre, Hong Kong proceeded to cut off our communications with the outside world by detaining our telegraph messages, holding up transportation and thus putting our city in a state of complete isolation. All these facts support us in our belief that so long as Canton is not free of the yoke of Hong Kong, the British imperialists will continue to hold the fate of Canton in their clutches".<sup>21</sup>

The task of freeing Canton from the yoke of Hong Kong was left to the Hong Kong-Canton Strike Committee, whose pickets began to stop all ships from Hong Kong and Britain ships from entering Canton and to search and confiscate all cargoes from Hong Kong. These ships were required to apply for a special permit. This special permit had to be signed by a responsible official of the Commissariat of Finance and Commerce, the Commissioner for Public Safety, the Strike Committee, and then countersigned by the Commissioner for Foreign Affairs. The involvement of the government at this early stage ca

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20. "Extracts from a press interview by Karokhan on his return from China", Jane Degras, Soviet Documents on Foreign Policy, (London, 1952), Vol. II, pp. 54-55.
21. F.O. 405/248, no. 107, Jamieson to Chamberlain, August 20, 1925, enclosing an extract from Canton Gazette dated July 8, 1925.

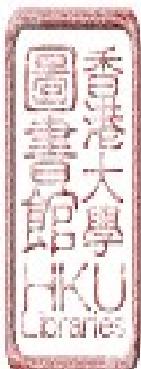


be seen. The incessant complaints of the merchants against the extortions of the pickets led the government to call a meeting of strikers' and merchants' representatives during which the special permit system was cancelled. All non-British goods and ships which had not stopped at Hong Kong could now sail into Canton waters. This measure had a dual purpose: firstly, to obtain supplies for Canton from places other than Hong Kong, and secondly, to ostracise Hong Kong. This step was deemed necessary. Food supplies, especially rice, had come through Hong Kong previously, and as a result of Stubbs' embargo the wholesale quotation for rice rose by 130%, flour by 150% and coal by 350%.<sup>22</sup> Canton had obtained a little fuel from the Russian steamers, but it needed other supplies. Obviously the Cantonese would not have tolerated a greater increase in the cost of living. All evidences show that the coastal regulations were important for the Canton government's existence and for the consolidation of its rule at Canton. The regulations were subsequently revised and re-defined in September 1925.

The Canton government obviously also felt that it was expedient for the boycott to be directed against one nation rather than all foreign nations. The outbreak

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22. "Trade Conditions in Canton", CEC, 1926, no. 254, pp. 3-4.



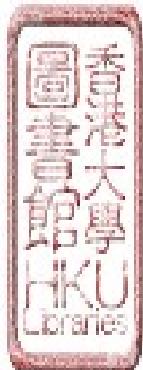
of the June 23 incident helped the government in making its choices. On July 12, it was reported that the Commissioner for Public Safety, Su Teh-ch'en suggested to the Political Council that the existing boycott against foreign nations should be narrowed down to Hong Kong and British shipping only. He felt that the challenge to imperialism had a great chance of success if they dealt with one nation at a time. This suggestion seemed to have been approved by the government.<sup>23</sup> The manifesto in the Canton Gazette attested to its approval. This was a reversion to the traditional policy of using the barbarians against the barbarians, the old tactic of concentrating attacking on one nation alone while temporarily appeasing the others. Subsequent events show that this was in fact the course pursued by the Canton government.

Chiang Kai-shek's biographer reported that the Soviet advisers considered it good tactics for Canton to concentrate propaganda against one imperialist country at a time and thus were in favour of the anti-Hong Kong boycott.<sup>24</sup> An American source quoted Foo Ping-ch'ang as having said that once the British boycott was over,

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23. Ch'en Ta, Chinese Labour Problems, pp. 206-207.

24. Hollington K. Tong, Chiang Kai-shek, p. 85.



it would be "quite satisfactory" to the government to begin a similar boycott against Japan. Foo continued to say as long as the trouble with Hong Kong continued, it would be "bad policy to permit anything to develop against another power, which would only complicate the situation".<sup>25</sup>

At the commencement of the strike-boycott movement, the American consul-general at Canton was informed by Foo that the Kuomintang would except America from the boycott. The Cantonese officials also took great pains to impress upon the Americans that they were not hostile to America.<sup>26</sup> Towards Japan, the other culprit in the May 30 and June 23 incidents, the Canton government appeared to be less cordial. The Japanese, however, adopted an assiduously conciliatory attitude towards Canton. By means of this policy, the Japanese had reportedly "succeeded almost completely in getting out from under" by the time the coastal regulations were issued.<sup>27</sup> On August 12, it had completed a settlement

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25. USRDS/52, despatch no. 367, Jenkins to Macmurray, Peking, "Canton Political Situation" January 20, 1926. Jenkins recorded a confidential conversation between himself and Foo.
26. USRDS/49, telegram no. 259, Jenkins to Macmurray June 23, 1926.
27. USRDS/47, confid. tels. (no number) from Macmurray to Washington, September 9, 1925.



of the May 30 incident at Peking. The Japanese mill-owners at Shanghai undertook to re-register the Mill-hands Union, and granted considerable concessions to the workers, including the payment of \$100,000 as compensation to the dead and wounded.<sup>28</sup> Hong Kong complained that Japan showed a supine "unreasonable patience" both to pickets' provocations and the insulting remarks of the Strike Committee.<sup>29</sup> Clementi, the new governor, reported that when Japanese steamers were fired upon by the pickets, the Japanese consul-general simply acted as if nothing had happened and took no action about it. On at least three occasions when Japanese steamers were held up by the pickets, the Japanese authorities reportedly paid large ransoms to have them set free. Colonel Bell, the Commissioner of Customs, estimated that at least HK\$1,250,000 had been paid to the pickets in this manner. Also, contrary to their previous practice, Japan sent no gunboat to patrol the West River and no gunboats entered the precincts of Canton harbour.<sup>30</sup> By September, Britain

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28. Ko Yan-cho, p. 182. See also Hatano Kenichi's Chung-kuo kung-ch'an tsing shih [A History of the Chinese Communist Party], (Tokyo, 1961), vol. I, pp. 125-126 for a brief account of the aftermath of the May 30 incident.
29. C.O. 129/492, secret desp., Clementi to Amery, "Japan policy in China", December 15, 1925.
30. Ibid.



became the sole target of the onslaught.

By September, American and Japanese shipping lines had conformed to the special permits system. The Robert Dollar Company and the Mitsui Bussan Kaishan Line were the first to accept the stipulations of the strikers.<sup>31</sup> Thus, even during the boycott, an average of 45 ships docked at Canton daily, and the number of ships in Canton harbour increased considerably as the boycott of Hong Kong was enforced.<sup>32</sup>

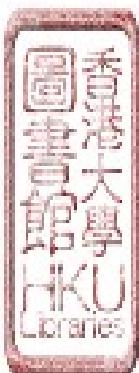
Liao Chung-k'ai was the one government official who was most explicit about his approval of the strikers and the boycott movement against Hong Kong. He was a frequent speaker at the meetings of the Strikers' Delegates Congress. At the seventh meeting of the congress, he expounded the aim of the strike. He stated that the strike was the first step in the struggle for the complete independence of China and the Chinese people:

"Hong Kong is our first target in the struggle against imperialism... We must break Hong Kong by three methods, firstly, by refusing to work for them, secondly by cutting their food supplies, and thirdly by stopping all Hong Kong steamers from coming up to Canton... a simple analogy to illustrate my point is: Hong Kong is the throat of China's economy,

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31. Teng Chung-hsia, Kai-kuan in Labour during first civil war, p. 125.

32. "Trade Conditions in Canton", CEC, 1926, no. 254, pp. 3-5.



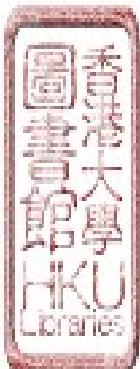
she has a stranglehold over us. Let us throttle her and open up a new outlet of our own at Canton... Hong Kong is an isolated island yet its annual revenue is over 19,000,000. Kwangtung is nearly a thousand times larger than Hong Kong yet its revenue is only 30,000,000... if we do not work for them, Hong Kong will immediately be turned into a deserted island."<sup>33</sup>

At the press conference arranged by the Delegates' Congress on August 14, Liao spoke in the capacity as the representative of the Canton government:

"this strike is not economical, but political. Its aim is to abolish all unequal treaties. It is a movement organised to achieve the economic and political independence of China from the imperialist stronghold. To achieve this means, we have only one way before us and that is peaceful warfare by means of the strike. The strike is much more effective than using machine guns and gunboats. We are now using this peaceful method to fight the imperialists."<sup>34</sup>

When Foo Ping-ch'ang was pressed by the British consul-general, he admitted that the strike was called for a political reason and that was to fight against the imperialists.<sup>35</sup> One may conclude therefore, that

- 33. "Speech to the Seventh Meeting of the Strikers' Delegates Congress, August 5, 1925" Liao Chung-k'ai [Collected works of Liao Chung-k'ai], (Peking 1954), pp. 249-259. Liao did not mention the unit of the revenue quoted.
- 34. Ibid., pp. 251-253 "Speech at the Press Conference, August 14, 1925".
- 35. F.O. 405/251, no. 25, C.O. to F.O. March 27, 1926 enclosure 1, Cleamont to Anery "Infringement of treaty rights during the Canton boycott", February 18, 1926.



a certain sector of the Canton government was in favour of the strike and in so far as the strike was a manifestation of anti-imperialism, the other factions had no grounds on which to oppose it entirely.

The boycott became entirely gradually directed against the British. In September, the All China Labour Union and Hong Kong-Canton Strike Committee conjointly issued an announcement that Chinese servants could now resume to work for the foreigners, after signing a form of provisional agreement. The Strike Committee announced:

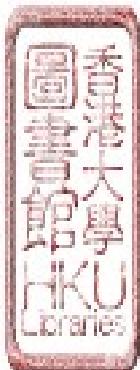
"to prolong the strike against our friends would give the wrong impression that we are insensible to justice, fair play and a friendly spirit ... but against the Britain alone the strike should continue, because from the very inception of the strike, the British people residing in the coast ports of China and Hong Kong have shown a combative spirit and advocated measures for dealing with the strike which can only be termed harsh, unjust and uncalled for."<sup>36</sup>

The Striker Committee then went on to list out the coastal regulations and conditions under which non-British steamers and firms could resume trade with Canton. Servants were allowed to resume work with foreign households after signing a form, a sample of which is given here:

"Contract executed by A. employer's name  
B. employee's name

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36. Reported by HKT, September 15, 1925.



Both sides have already agreed upon the terms of contract for service but at present, during the period of the strike, it is necessary to act in conformity with the supplementary rules which were passed at the cancellation of the special permits by the Hong Kong-Canton Strike Committee and the four Chambers of Commerce together with the rules of the former affecting non-British firms and steamers. The 5th regulation applicable to Japanese, American and French steamers and firms deducts one tenth from wages earned which amount it is obligatory to hand over on fixed dates to the Canton-Hong Kong Strike Committee ... The remainder of the rules will be strictly observed and kept.

The contract is genuine.

**Witnesses**

"signature of parties concerned"

Date

One final stipulation of these regulations of the Hong Kong-Canton Strike Committee was that any one trading in Canton should observe the laws of the Canton government.<sup>57</sup> Many non-British firms were unwilling to sign this form. In early 1926 when the employees of an American firm refused to pay 30% of the pay-roll to the Strike Committee, they were forcibly arrested and taken to the strikers' headquarters and were released only after the sum had been paid. Besides this, the pickets collected 'donations'

37. F.O. 405/248 no. 251, Jamieson to Chamberlain, report on development of the boycott, undated (received at the F.O. on December 12, 1925), enclosures 2, 3, 4. The form of provisional agreement may be found in enclosure 4 and was dated October 31, 1925.



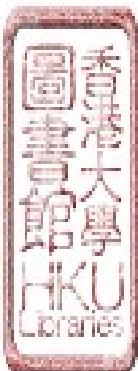
from the foreign firms. An American firm, the Anderson and Mayer Company was unable to carry on any business because it refused to donate to the strikers.<sup>38</sup>

One cannot but surmise at the extent of the government implication in the strike. Jamieson seriously doubted the government's claim that it had not authorised the regulations. He wrote to the Commissioner for Foreign Affairs, inquiring whether the coastal regulations had been passed and approved by the government but no reply was received until August 23. The disclaimer briefly stated that neither the National Government, the Kwangtung government nor the Municipal Government had printed, published or approved of these rules.<sup>39</sup> On the other hand the Japanese consul-general seemed to be satisfied that the coastal regulations had not been published by the Canton government, and reported to Tokyo that after investigating into the matter he found no indication that the regulations had been promulgated by the Canton government. One must bear in mind, however, that the Japanese were attempting to appease the Canton

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38. JSDDS/54, letter from the American Association of South China to Kellogg, Secretary of State, dated May 3, 1926, the Association enclosed reports of losses suffered at the hand of the boycott and the pickets.

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during this period.<sup>40</sup>

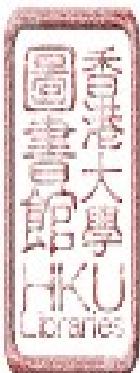
It has been mentioned that the Hong Kong-Canton Strike Committee was responsible for the publication of the shipping regulations. A brief survey of this committee will be made here. Prior to its formation, the strikers were administered by the labour section of the central executive committee of the Kwangtung. Liao Chung-k'ai had promised government assistance to the strikers at the beginning of June and had rapidly made improvisations for the return of the strikers. On June 21, strikers returning from Hong Kong or from Shamian were ordered to register at any one of the eight district registries established in Canton. After registration, they were billeted in groups of forty to designated living quarters, and were given two free meals a day. Later, a daily allowance of twenty cents was also meted out. Gambling houses were closed down by the government to accommodate the strikers and unoccupied tenements were temporarily loaned for this purpose.<sup>41</sup> Later the government also took steps to plan for the organization of a free lab employment agency.<sup>42</sup> But the Canton government was

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40. HKDP, August 27, 1925.

41. Ma Chao-chin, vol. III, pp. 410-411.

42. C.O. 129/469 confid. desp., Stubbs to Amery 'The Strike Situation', August 21, 1925.

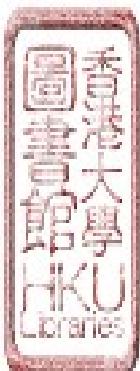


unable to cope efficiently with the large influx of strikers from Hong Kong which at the beginning of July was estimated to total about 200,000. It was evident that a more efficient system had to be evolved. The All China Labour Federation took the initiative in urging the formation of an organization for this purpose.<sup>43</sup> A mass meeting was duly organised on July 6<sup>44</sup> during which 800 delegates were elected from those present to form a Strikers' Delegates Congress, this being the legislative body of the strikers. From amongst these delegates, 13 members were elected to form the Hong Kong-Canton Strike Committee, the executive organ. Nine Hong Kong delegates and four Canton delegates were elected to this committee. Su Chao-cheng, president of the Chinese Seamen's Union, was voted chairman of the Strike Committee. His chief adviser was Teng Chung-hsia, the general secretary of the All China Labour Federation.<sup>45</sup> Both Teng and Su were ardent communists and thus it was alleged that the communists controlled the strategy and organization of the strike-boycott. It has been stated

43. Ma Chao-chün, vol. III, p. 411.

44. SCMP, July 15, 1925.

45. Teng Chung-hsia, Chien-shih, pp. 190-191.



that "neither the Nationalist Government, nor the people of Canton had any illusions about this".<sup>46</sup> Teng Chung-hsia admitted that the organization of the strikers was somewhat similar to the soviets of Russia but denied that the organization had any subversive aims. He emphasized that its sole aim was to defeat the imperialists.<sup>47</sup> The Kuomintang later explained that they were aware of the nature of the Strike Committee but the exigency of the situation prevented them from examining the political background of the elected delegates. After the organization had been formed it was difficult to eradicate the communists. Thus the communists came to control the Strike Committee.<sup>48</sup>

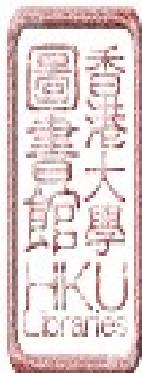
Teng Chung-hsia admitted that the Strike Committee and its suborganization possessed every power of a government except that of sentencing culprits to death.<sup>49</sup> The opinion of the Americans at Canton was that the Strike Committee

46. Jean Chesneaux, p. 292.

47. Sheng-kang pa-kung kung-jen tai-piao ts-hui ti-i no. tsu chi-nien k'an [Commemorative issue on the 100th meeting of the strikers' Delegates Congress], (Canton, 1926), reprinted in JWU no. 22, October 1958. (Hereafter referred to as chi-nien k'an). See p. 80 for Teng's remark.

48. Xa Chao-chün, vol. III, p. 411.

49. Teng Chung-hsia, Chien-shih, p. 191.



was in fact an arm of the government doing work that the government could not well do and yet maintain its self-respect.<sup>50</sup> This change was not entirely groundless.

The strikers were extremely active. Up to March 1926, the Strikers' Delegates Congress had passed a total of 263 major resolutions during its meetings. Forty-six resolutions concerning elections of members to specific departments and committees, the working of the various departments, and the amendment of the general constitution of the congress were passed. It had also passed thirty-one resolutions concerning the strike-boycott, including the decision to sever communications with Canton and Macao, confiscation of enemy goods, imposition of fines, and the co-operation with the merchants in enforcing the special permit system. Regarding internal administration, forty-six resolutions were passed against defrauding members and corrupt practices among pickets. Other tasks of the congress ranged from devising methods of preventing corruption, voicing its support for strikes in Kweintung and elsewhere in China, seeking support of the Russian and British labourers and the settling of disputes among individual labour unions which had returned from Hong Kong.




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50. USRDSS/54 letter, American Association of South China to Secretary State, Washington, May 3, 1926.

At every meeting of the congress, resolutions to co-operate with the Canton government and to assist it in every possible manner were customarily passed after the political report was delivered. The political reports were usually given by Su or Teng, followed by a speech by Liao Chung-k'ai. After his death, other leftist members of the Kuomintang continued this practice of attending the strikers' meetings.<sup>51</sup>

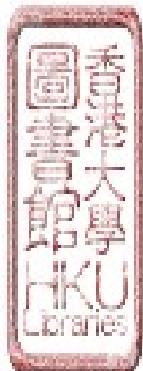
The Strike Committee also had its own tribunal, consisting of a panel of five judges, two of them from the strikers of Canton and three from Hong Kong. It requested the Canton government for permission to establish a special judiciary court to try offenders against their regulations. A number of corrupt picket leaders were tried and sentenced to imprisonment. Persons attempting to break the boycott were also caught and brought before their court for trial.<sup>52</sup>

All persons travelling to Hong Kong had to obtain a permit from the Strike Committee first. The cost of the permit ranged between \$3 and \$35 per head. The stipulations attached was that the applicant should have the chop of a Chinese shop at Canton to guarantee his

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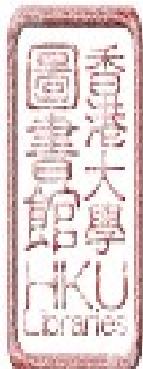
51. Chi-nien k'an in CSTL, pp. 101-102.

52. Teng Chung-hsia, Kai-kuan in Labour during first civil war, p. 126.



return within seven days. Travellers found without these permits were arrested and brought before the tribunal for trial. These passengers were not allowed to carry any food to Hong Kong. If they were found in possession of food by the pickets, they would also be arrested, regardless whether they had a permit on them or not.<sup>53</sup> Sentences ranging from fines to imprisonment were imposed on the culprits. It was largely because of this that the Strike Committee earned itself an infamous reputation, and was nicknamed the "second government of Canton" or the imperium in imperio.<sup>54</sup>

The Canton government assigned a building to the Strike Committee as its headquarters. They were given free use of the Tung Yuan or the Eastern Garden, an amusement park which had fallen into disuse. The Tung Yuan housed a number of sections and departments under the Strike Committee which dealt with finance, auditing, auctioneering of seized contraband goods, propaganda, reception and general welfare work. Over 120 strikers were engaged in the general administrative work.<sup>55</sup> It also operated



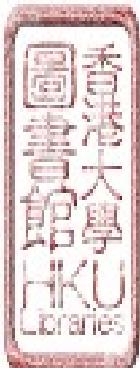
53. F.O. 405/250, no. 74, Jamieson to Chamberlain, "Interview of Dr. Henry", January 18, 1926.

54. Teng Chung-hsia, Chien-shih, p. 191.

55. "Hui-i Sheng-kang ta-pa-kung chien-hou", ICPP, no. 1, May 1957, 90.

public kitchens, and provided lodgings for the strikers and later opened a hospital for the sick.

A remarkable department under the Strike Committee was the Propaganda Department. It published a news bulletin called the Labour's Way which was dedicated to anti-imperialistic propaganda and publicising the activities of the strikers. It was widely circulated in Canton and copies were sent at intervals to the Hong Kong press. The Canton Gazette often printed excerpts from the Labour's Way. Other pamphlets written in the easily comprehensible vernacular language were also printed for the strikers to read in their leisure. This was, of course, a new and important feature of the development of the new politico-cultural trend: an important consequence of the May Fourth movement. The growing popularity of the vernacular language throughout China became evident by the 1920's. It was especially popular in Kwangtung since the spoken Cantonese dialect was much more closer to the vernacular language than to the old literary language. The Kuomin and the Communist Party were not slow in utilising the vernacular language for propaganda purposes. Another interesting point was that Teng Chung-hsia was a norther who did not know the Cantonese dialect and his speeches had to be interpreted by Su Chao-cheng. To a great ext



he relied on the pamphlets for direct communication with the mass of the strikers. Some common titles of these pamphlets included, "the Life of Sun Yat-sen", "the Shanghai Massacre", "the Unequal Treaties", "an Elementary Course on Imperialism", "a Treatise on Labour Unions", "the Communist Manifesto" and "problems of the Young Workers".<sup>56</sup> An Education Department was also eventually established in April 1926 to co-ordinate the sporadic attempts of the Strike Committee to educate the workers. Eight schools were set up for the adult workers, one for officials of labour unions, a number of primary schools for the workers' children and an evening school for women.<sup>57</sup> The two-months' schooling for the workers included four major courses: "what is Imperialism?" "the History of the Imperialist Invasion of China", "the Labour Movement in China" and "the World Labour Movement".<sup>58</sup> In conjunction with the education facilities of the Striker Committee, the Canton government sponsored a two-weeks' "crash" course for the students through the Ministry of Education, which trained them to become voluntary instructors of the workers.<sup>59</sup>

56. John McCook Roots, "Chinese Head and Heart", Asia, XXVIII, February 1927, 91-97, 157-160. Roots paid a visit to the strikers' headquarters in 1926.

57. Jean Chesneau, p. 293.

58. Lewis S. Gannett, "In Red Canton", Asia, XXVI, June 1926, 489.

59. SCMP, August 27, 1925.



The most remarkable feature of the Strike Committee, however, was its picket squads. All steamers bound for Hong Kong were searched by the pickets methodically, even though the ships ~~were~~<sup>might</sup> be flying foreign flags. This militant police force of about 2,000 men was organised into five regiments of 540 men each, all dressed in blue cotton uniforms with conspicuous red armbands.<sup>60</sup> Some of the men also bore weapons. One source estimated that the entire picket corps had about 400 rifles between them and that the government had put 12 small armed cruisers and several motor launches at their disposal.<sup>61</sup> It seems that the pickets utilised these rather frequently. An American news-correspondent travelling from Hong Kong to Canton experienced "a rattle of rifle fire" between a British gunboat and an unmentioned boat during the short journey on the steamer the 'Fatshan'. He later observed frequent sniping from Chinese launches lying off Shameen.<sup>62</sup> Apart from this, Hong Kong reported a total of 31 incidents at or along the frontier involving the pickets.<sup>63</sup> Besi

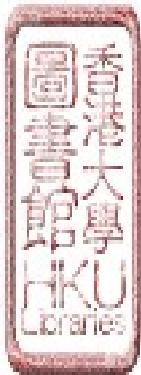
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60. Ch'en Ta, p. 212.

61. Teng Chung-hsia, Chien-shih, p. 193.

62. Hallett Abend, My Life in China, (New York, 1943), pp. 9-11.

63. F.O. 405/251, no. 25, C.O. to F.O., enclosing despatch from Clementi to Amery "Infringement of treaty rights during Canton boycott" dated February 18, 1925.

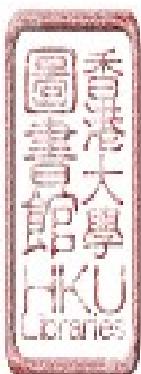


patrolling the frontier, the pickets also patrolled an area extending from Swatow to Fakhoi and soon earned themselves the nickname of "the worst of the worst". A contemporary assessment of the calibre of the pickets was that "80% are 'damn fools', 15% are patriots, and 5% are becoming millionaires".<sup>64</sup> Naturally, they were greatly resented by Chinese and foreign merchants, and even by the general Chinese populace. It was reported that peasants in an area near the Hong Kong border were so irritated by their constant irritations and extortions that they seized a number of the pickets, put them into rattan pig baskets and threw them into the sea.<sup>65</sup> The pickets' rough handling of cargoes often damaged the more delicate goods. Besides this, many of them extorted exorbitant sums from the incoming ships before they would report to the Import and Export Supervision Bureau which issued the necessary permit for admittance into the Canton harbour. One ship, which was known to have docked at Hong Kong before proceeding to Canton - had to pay HK\$25,000 to the pickets before they agreed to issue it a permit.

64. "Disturbances in South China", CYB 1926, p. 969.

65. C.O. 129/489 confid. desp., Stubbs to Anery "Final report on the strike boycott before leaving the colony", October 30, 1925.

66. CYB 1926, p. 969.



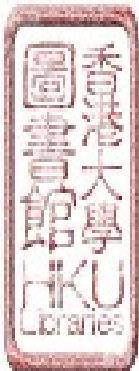
It was freely circulated among the Chinese business community at Hong Kong that provided that Hong Kong steamers were willing to pay a minimum of 10% "levy" on the value of their consignments, they could still sail up to Canton.<sup>67</sup> The North China Herald reported that sometimes it was less expensive to bribe the pickets than to satisfy the judgement of the tribunal in the Tung Yuan.<sup>68</sup> This state of affairs was admitted by the Strike Committee itself, though it emphasized that it did its best to regulate the activities of a few ill-disciplined members.<sup>69</sup> One could conclude that the activities of the strikers extended far beyond the normal bounds of ordinary strikers. Further evidences of the arbitrary actions of the pickets may be found in the despatches of both British and American consul-generals. The gates on the two bridges linking Shamen to the Canton city were reopened on October 15. The pickets immediately kept a vigilant watch outside the gates and searched all persons going in and out Shamen. Their actions met with no interference from the police of Canton.

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67. HKDP, August 15, 1925.

68. NCH, January 2, 1926.

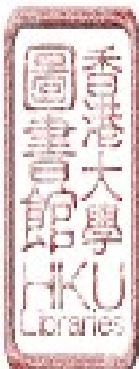
69. Chi-nien k'an in CTSL, p. 84.



Contemporary despatches from the Douglas Jenkins, the American consul-general at Canton in this period described the high-handed actions of the pickets. On one occasion, the American vice-consul Stephens, on his way back to Shamian from the native city, was detained by the pickets for several hours because he refused to be searched by them. He was unable to persuade a police constable standing nearby to effect his release. Finally, after long drawn-out arguments and negotiations, he was taken to the Strike Committee headquarters where he was allowed to get in touch with the Commissioner for Public Safety, Wu Teh-ch'en, at whose order he was subsequently released.<sup>70</sup> Other cases quoted included molestations and detention of Americans travelling out of Shamian because they carried parcels and food supplies. At Jenkins' repeated protests, the Canton government put pressure on the strikers to release the persons involved.<sup>71</sup>

70. USRDS/49 despatch no. 312, Jenkins to Macmurray, "Local government largely controlled by strike pickets", October 23, 1925, enclosures 1 and 2, statement of Mr. Stephens.

71. USRDS/50 despatch no. 330, Jenkins to Macmurray, "The case of Mr. Lyon", November 25, 1925; USRDS/49 despatch no. 252, Jenkins to Macmurray, "The case of Mr. H.H. Proseus", November 6, 1925. These two reports are typical of the many similar reports sent by Jenkins to Washington which may be found in volumes 49 and 50.

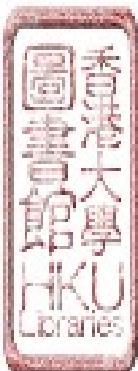


Jenkins pointed out that it was obvious that the Canton government was closely related to the Strike Committee. His evidence was that in most of the official correspondence with the Canton officials over the actions of the pickets, the latter quoted communiqués from the Strike Committee as if they were official documents from a recognized government department. On one occasion, Jenkins requested the Commissioner for Foreign Affairs to arrange for his nationals to be supplied with Chinese servants since the American community at Canton were greatly inconvenienced by the strike of their servants. The latter sent the following reply:

"Having already requested the Bureau of Public Safety to notify the Committee of Strikers Delegates to take note and act accordingly, I am now in receipt of a reply from the said bureau: 'It is requested that you (i.e. the Commissioner of Public Safety) have the Commissioner of Foreign Affairs notify the consul-general that after his countrymen have manifest their intention to deal justly with this government in the matter of the Shakese Massacre and so inform the National People's Government of their intention, then this society may decide to compromise by making some exceptional arrangements whereby the entire body of brother labourers will take note of this request and act accordingly.'

Another reply to a protest note from Jenkins regarding the picket's interception of the free movement

72. USRDS/50 despatch no. 368, Jenkins to Macmurray, "Interference by Strikers with American citizens" January 25, 1926.



of American citizens was written in the same strain:

"I have honour to inform you that after communication with the Strikers' Committee, I am now in receipt of their reply as follows: 'In order to stop clandestine transportation and to protect the Strikers' Committee, for the sake of maintaining friendly intercourse with the other nationals, you are specially prepared a kind of pass for the convenience of Chinese and foreigners who desire to enter or leave Shanceen on business and duly notify all concerned as on record ... it is hoped you will be good enough to notify the consul-general that in case any of his national desire to leave or enter Shanceen, two photos must be transmitted to the Department of Communication of the Strikers' Committee in order that necessary passes be issued.'"

Protests of Jenkins and the American and other foreign communities over this were to no avail. Eventually, they had to succumb to this system of obtaining a pass from the strikers.<sup>73</sup>

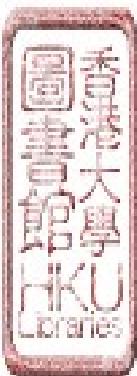
British records contained similar reports.

Jamieson reported what he termed the "wanton interference" of the strikers with the British nationals who ventured out of Shanceen. For instance, in December 1925, a case was reported where a British was forcibly arrested together with two other Indians by the pickets.<sup>74</sup> Chinese employees who refused to pay the ten per cent tithe on their wages were removed forcibly from a British firm.

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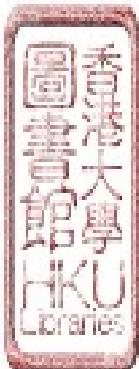
73. Ibid.

74. F.O. 405/250 no. 38, Jamieson to Chamberlain, "Abduction of British Subjects", December 24, 1925.



Before this, two British reporters from Hong Kong were arrested and put into prison by the pickets without trial, and were released only after repeated protests from Jamieson. A Hong Kong police launch washed ashore Kwangtung territories was also seized summarily by the pickets.<sup>75</sup> Aside from their task of boycotting Hong Kong the pickets, therefore, also maintained the anti-British boycott. Their surveillance over cargoes and food going into Shameen was complete. Several firms who had a 6-year lease on premises at the British concessions notified their landlords that since they could not conduct any trade, they would not be able to pay the full rent and proposed to reduce the rent by half. Most of the non-British firms had moved into the native city and accepted all the terms of the Strike Committee.<sup>76</sup> Food supplies for the British community who remained in Shameen was brought to them by a steamer of the Hong Kong-Canton-Macao Steamboat Company which ran at a loss. Up to February 1926 a total loss of HK\$110,168 was sustained by that company.<sup>77</sup>

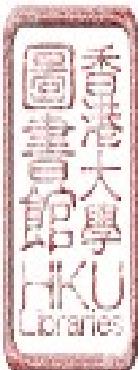
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- 75. C.O. 129/493 secret desp., Clementi to Amery, "Strike Pickets' Activities", July 23, 1926.
  - 76. F.O. 405/248 no. 227, Jamieson to Chamberlain, "Canton Situation", November 23, 1925.
  - 77. C.O. 129/492 confid. tel., Clementi to Amery, "Losses sustained by the Hong Kong-Canton-Macao Steamboat Company", April 8, 1926.



Gradually some Chinese passengers were carried on these steamboats since it was possible to leave Canton after obtaining a permit from the Strike Committee, but no cargo could be carried. A small amount of cargo was surreptitiously shipped from Hong Kong by Chinese junks on devious routes. But on the whole the pickets were able to limit the movement of the foreigners and of cargoes and the Canton government appeared to accept this situation.

From the foregoing accounts one can only deduce that the Strike Committee was in fact supported by the government, otherwise they could not have taken these arbitrary actions nor could they have set up a ponderous administrative organisation within Canton. When George Sokolsky, correspondent of the North China Daily News visited Canton to report on current development of the boycott, he asked a leading official why the Canton government allowed the strikers such a wide latitude of freedom. The official replied that it was the principle of the government to do all it could to help any patriotic movement against imperialists.<sup>78</sup> The same explanation was given to Jamieson when he requested the Canton government to limit the activities of the pickets. Th

78. CYB, 1926, p. 970.



latter replied:

"if my government were to protect the interests of Hong Kong in Canton by force of arms, ~~inse~~  
facto it would come into conflict with the  
public opinion and it is to be feared that  
the strike would be still more protracted".<sup>79</sup>

This again lends weight to the argument that the government was in fact supporting the actions of the strikers against Hong Kong. Further evidence of this may be seen from the amount of financial assistance that the strikers received from the Canton government.

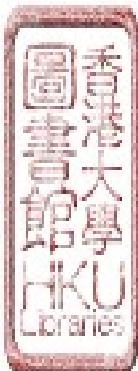
The cost of maintaining the strikers was met by contributions from various sources. According to a balance sheet published by the Finance Department of the Strike Committee in July 1926 the total amount of money which passed through its hands amounted to over five million Chinese dollars, or the equivalent of 15,000,000 days' wages of an average Chinese worker.<sup>80</sup> This sum include a contribution of \$2,800,000 from the Canton Government, donations amounting to \$1,120,000 from overseas Chinese, and \$400,000 from fines on dealers of "enemy goods", and some donations from labour unions from all over China.<sup>81</sup> Aside from these items, it will be

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79. C.O. 129/489 confid. desp., Stubbs to Amery, enclo 8, dated October 2, 1925.

80. Jean Chesneaux, p. 293.

81. Teng Chung-hsia, Chien-shih, p. 201.



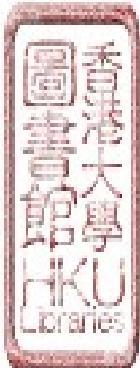
remembered that the strikers had been collecting tolls from persons travelling to and from Canton. The proceeds from this source of income was, however, not included in the balance sheet. Other sources gave different estimates of the government subsidy, but generally the sum was put at about \$30,000 a month.<sup>82</sup> An American source put the total sum contributed by the Kuomintang up to June 1926 at no less than \$4,000,000 and the daily cost was calculated to fluctuate between \$7,000 to \$10,000 daily depending on the number of strikers present at Canton.<sup>83</sup> The government's contribution came from a levy of half month's rent and later one-month's rent on the Kwangtung landlords, in addition to a surtax on all trading licences,<sup>84</sup> and the enforcement of the registration of pawn shops. The latter source of income alone provided a sum of \$120,000.<sup>85</sup> The Canton government was also reported to have appealed to the different classes to contribute voluntarily but the response was at best lukewarm. When Liao Chung-k'ai

82. T'ang Leang-li, Inner History of the Chinese Revolu  
p. 209. See also HKDP, August 15, 1925 which  
reported that the Canton government subsidised larg  
sums to the strikes.

83. Hallett Abend, p. 26.

84. HKT, October 14, 1925.

85. Ma Chao-chin, vol. III, p. 413. See also HKDP,  
October 20, 1925.



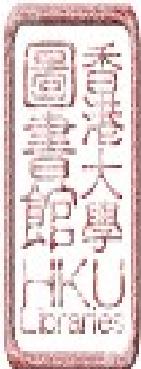
asked the merchants to donate to the strikers' cause, they only gave him several thousand dollars.<sup>86</sup> During their second National Congress the Overseas Department of the Kuomintang reported that it had collected the sum of HK\$471,410 and Chinese \$21,264.02 for the strikers.<sup>87</sup> Since the Canton government was actually appointed by the central executive committee of the Kuomintang, the involvement of the government in the strike may be seen.

In actual fact, the left wing of the Kuomintang was the active champions of the strikers. It has already been discussed that Liao Chung-k'ai favoured the policy of utilising the strike to free Canton from what he termed the economic oppression of Hong Kong. At the inception of the strike-boycott, all factions within the Kuomintang were in favour of it, since it was a struggle against the imperialists' domination of China. However, the right wing and the moderates, supported by the bourgeois gradually came to regard the boycott as a hindrance to the trade of Canton. The process of application for special permits was extremely troublesome for all partic-

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86. Teng Chung-hsia, Chien-shih, p. 198.

87. Chung-kuo kuo-min-tang ti-erh tz'u chuan kuo tai-ni ta-hui hui-i chi-lu [Records of the 2nd National Congress of the Kuomintang delegates], (n.p., n.d.) p. 52, report no. 9, January 9, 1929.



concerned.<sup>88</sup> The left wing and the strikers were forced to compromise by cancelling the special permit system and to substitute in its stead a full-fledged boycott against Hong Kong shipping alone. While Liao Chung-k'ai was alive, the strikers enjoyed a great latitude of freedom, and the pickets became an all-powerful force in Canton. It occasions some surprise, therefore, that even after Liao's assassination on August 20, they continued to remain a powerful force at Canton.

One possible explanation for this phenomenon was that while the Canton police force consisted of only 4,600 men, the strikers were never less than 40,000 strong and at one time exceeded 300,000 in number.<sup>89</sup> On more than one occasion, the pickets were engaged in armed conflicts with local inhabitants and sometimes even with the police. One typical example was the notorious "Tai Ping Mart affair". The merchants and trade dealers of that district resisted strongly the pickets' stock-taking and came to blows with them. Consequently 24 pickets were mortally wounded and 37 seriously injured. The pickets squads were then called out in full force and they returned to surround the whole Tai Ping Mart area. It was finally




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88. Teng Chung-hsia, Kai-kun, in Labour during first civil war, pp. 128-129.

89. See Hallett Abend, p. 27.

forced to pay a fine of \$100,000 and to deliver 100 merchants over for imprisonment at the Tung Yuen until the sum was fully paid.<sup>90</sup> The strikers also boasted of the many successful battles they waged against bandits whom they claimed were assisted by the Hong Kong imperialists.<sup>91</sup>

In a resolution during a meeting of the Strikers' Delegate Congress, the strikes declared:

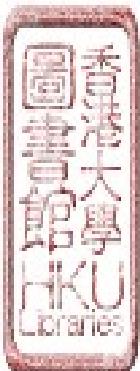
"We, the workers, are very thankful to the Kuomintang and the National Revolutionary People's Government for their invaluable help. We acknowledge that our victory is their victory and the victory for the whole Chinese people: the National People's government shall immediately rally all Chinese classes and corporations to help us ... whosoever, and under whatsoever pretext may try to harm the strike will be considered not only as the enemy of the proletariat, but also as an enemy of the country and will be severely dealt with by the labour organisation".<sup>92</sup>

The strikers were drawn into the political struggle by their own statement. Naturally, the stand of the left wing was greatly bolstered by the presence of these militants and this was resented by the right wing and the moderates. Liao Chung-k'ai became their target of attack owing to the support he received from the strikes.

90. HKDP, October 20, 1925.

91. Liu Li-k'ai and Wang Cheng, 1919 chih 1926 nien ti Chung-kuo kung-jen yün-tung [The Chinese labour movement during 1919 to 1926], (Peking, 1953), pp. 30-33.

92. HKDP, August 4, 1925.



Hu Han-min's brother Hu I-sheng was one of these reactionaries among the right wing. His newspaper, the Kuo Min Hsin Wen, constantly agitated against the "bloc within" policy, the Moscow-Canton entente and it criticised the wisdom of tolerating and supporting the strikers from Hong Kong. The actions of Wang Ching-wei, Liao Chung-k'ai and Borodin also came under attack and its editorials always ended with the recommendation that all extremists should be "removed". Exactly in what manner they were to be removed was not mentioned.<sup>93</sup> Hu I-sheng was also active in organising political clubs. One of these clubs, the Wen Hua Hui, had closely connections with Hong Kong. Another club organised by the right wing member Tai Chi-tao was known as the Study of Sun Yat-senism Society. It was specifically organised for the cadets at the Whampoa Military Academy. Its aim was to instil detestation of communism and a hatred of the leftists into the minds of the cadets. It was organised to counteract the influence of the Young Soldiers' Society, an organisation popular with the cadets and strongly inclined towards communism.

93. Li Yun-han, vol. I, p. 383. See also T'ang Leang-Wang Ching-wei: a biography, pp. 111-112.

94. Chiang Kai-shek, Soviet Russia in China (New York, 1957), p. 35.



A number of military leaders also showed intense distrust of the strikers. General Li Fuk-lam, nicknamed the "King of the Honam Island", had specifically ordered that no strike pickets were to be allowed within the precincts of the Honam Island, just in the suburbs of Canton. Li had already shown very little inclination in obeying the orders of the Canton government.<sup>95</sup> In fact, one of his confidential agents confided to a British senior naval officer in July that a plot to remove Liao Chung-k'ai and other leftists as well as the Russians and the strikers - all of whom Li disliked intensely - was being carried on secretly.<sup>96</sup> Though Hsü Chung-ch'i did not betray his feelings towards the leftists, two of his trusted aides, Liang Hung-kai and Wei Bong-ping were known to detest the "reds" thoroughly. It will be remembered that Wei Bong-ping was the individual who went to Hong Kong to canvass for a financial support for the ill-fated coup to oust the "reds".

Liao was the chief government official sympathetic to the strikers. He firmly believed that in supporting the

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95. USRDS/48 desp. no. 263, Jenkins to Macmurray, "Political and Military development in Canton" July 11, 1925.

96. C.O. 129/49Q the Admiralty to C.O. November 2, 1925, enclosure no. 6, report from the Hong Kong Commodore to the Admiralty, dated July 17, 1925.



strikers, he was adhering to Sun Yat-sen's "three new principles". Besides this, there was the practical fact that their presence strengthened the left wing's hold on the government.<sup>97</sup> Liao's dual posts as the Financial Minister of Kwangtung Province and of the Canton city also considerably facilitated his determination of assisting the strikers. It seems obvious, therefore, that the left wing and the strikers were mutually dependent.

Hu Han-min, leader of the moderates and the right wing also attempted to win over the Canton students and workers by appealing for support for the strike. He presided over a public meeting in early August, during which twenty-two resolutions were passed. The first resolution was the familiar slogan: "Down with all the Imperialists!" The meeting further called for a complete severance of economic ties with the imperialists, for the opening of Whampoa as a rival port to Hong Kong, for the promotion of native goods, and a general appeal to all Cantonees to assist the strikers. A final resolution called for the suspension of all communications with Hong Kong forever.<sup>98</sup> Hu, however, was unable to turn the

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97. See Liao Ch'eng-chih's account of his father's belief in Nym Wales' Red Dust (Stanford, 1952), pp. 29-30.

98. U.S.R.D.S./48 desp. no. 283, Jenkins to Macmurray, "Political conditions in Canton", August 13, 1925.



tables on Liao, whom the strikers continued to support.

In fact, on August 11, the strikers organised a demonstration, urging the government to remove the "traitorous elements" within it. By "traitorous elements" they meant the right wing members in the armies who had joined the Study of Sun Yat-senism Society, but more especially, they referred to Liang Hung-kai and a number of other military leaders who were accused of supplying Hong Kong with food supplies through the small outport at Kongmoon reportedly in return for arms from Hong Kong.<sup>99</sup> This accusation was not entirely groundless and Stubbs' despatches mentioned this.<sup>100</sup> During the same period, Hu Han-min was involved in a serious personal disagreement with Hsi Chung-ch'i over administrative issues and also over the proposed unification of the army. Chiang Kai-shek had already hinted to Hu that it was best for him to leave Canton temporarily.<sup>101</sup> This political tension was heightened by the sudden assassination of Liao Chung-hai by an ex-soldier on August 20. The culprit confessed before his death that the assassination had been instigated by the Wen Hua Hui. He claimed also that the action was

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99. Hsiao Ch'ao-jan, (ed.) Shêng-kang ta-pa-kung, p. 1

100. C.O. 129/489 confid. desp., Stubbs to Amery, "Strikes Situation", August 21, 1925.

101. Mao Ssu-ch'eng, p. 489. See also Yao Yu-sheng's Hu Han-min chuan (Biography of Hu Han-min), (Taipei, 1954).



financed by the Hong Kong merchants and that he received his orders from Chu Cho-wen, a close associate of Hu I-sheng.<sup>102</sup>

Since Hu I-sheng was involved in the plot, Hu Han-min naturally became the prime suspect for the crime, though conclusive evidence was never found. On Borodin's suggestion, a special commission was set up to investigate into the plot. Wang Ching-wei, Hsi Chung-ch'i and Chiang Kai-shek were members of this commission, with Borodin as their adviser. Hu Han-min was significantly excluded from this commission. The commission was vested with summary powers over-riding even the authority of the central executive committee of the Kuomintang, the Political Council or any other government departments. The commission immediately ordered a search of the entire city. A curfew was imposed while Chiang's cadets searched the city for the 'traitors'. The cadets were aided by the strikers. Wang was convinced that Hu was the chief culprit and suggested that he should be expelled from the Kuomintang. However, on the recommendation of Chiang, Hu Han-min was sent away from Canton, ostensibly on a government missio

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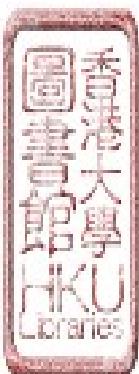
<sup>102.</sup> Li Yun-han, vol. I, pp. 371-392 gives a detailed account of the assassination, its causes and after. For a contemporary account see "Comments on Current Affairs: political change at Canton" in the Easter Miscellany, XXII, no. 18, 1925, 4-5.



to Moscow.<sup>103</sup> While the commission was still deliberating over this, a plot to overthrow the Canton government was discovered. Wei Bong-ping and Liang Hung-kai were plotting an uprising and had received assistance from Hong Kong for this. Chiang Kai-shek, taking advantage of the powers vested in him as member of the special commission, took decisive actions. He ordered the arrest of the military leaders involved and disarmed their forces. Hsü Chung-ch'i, though not personally involved in the plot, "lost face" since the main culprits were his subordinates. With Hsü's humiliation and subsequent departure, Chiang Kai-shek was able to take his place as the leading military leader at Canton. Previously, Hsü and Chiang had been disputing over Chiang's proposal to reorganize the armies and unify them into a national force. This would have meant centralised control, which Hsü would not tolerate. Hsü also was not in favour of Chiang's proposed expedition against the northern warlords. With the discovery of the plot, Hsü was "advised" to leave Canton and he was escorted to the north by a Kuomintang envoy. Thus the

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103. Hu Han-min, Hu Han-min hsien-sheng cheng-lun hsien- [Selections of the Hu Han-min's political discussions] (Canton, 1934), pp. 561-571. In an article written in 1930, Hu defended himself denying that he was involved in the assassination and accused Borodin of aiding Wang to oust him.



reorganisation of the armies was carried out without further objections from other military leaders.<sup>104</sup> With the demise of Liao and the departure of Hu Han-min and Hsu Chung-chi, Chiang and Wang became the military and civilian leader at Canton. After the reform of the many armies into five armies, Chiang became the commander-in-chief of the First Army, which included most of the Whampoa graduates. It may be recalled that Chiang was the principal of the Whampoa Military Academy founded in the summer of 1924 with Soviet assistance. Russia furnished the Kuomintang with an initial fund of one million Chinese dollars for this purpose and contributed a sum of \$2,000 monthly for its maintenance. Initially, there were only 660 resident students divided into four companies. Each company had a Soviet adviser and a Chinese political instructor.<sup>105</sup> The essence of the "Whampoa training" was the combination of ideological indoctrination and modern military training on practical lines. The calibre of the cadets thus produced was far above that of the ordinary Chinese soldier.<sup>106</sup> If one has to pick out



104. Mao Ssu-cheng, p. 507.

105. F.O. 405/252 no. 41, annex 2, Report of the British Military Attaché to F.O., March 1925.

106. USRDG/4 American Service Reports no. 3, "Report on the Whampoa cadets", March 17, 1925.

the shortcoming of this training, then it may be argued that six months was hardly adequate for a thorough training. However, the Kuonintang was bent on producing a party army instead of depending entirely on the forces of the militarists. Other Cantonese military leaders were highly skeptical of the new military academy at first and when the cadets were called out to help in suppressing the merchants revolted in 1924, they jeered at the small and seemingly incompetent forces.<sup>107</sup> But by March 1925 the British Military Attaché reported that the cadets were "distinctly a military asset for the master that owns it".<sup>108</sup> By June 1925 the cadets numbered over 6,000 and their prowess and military superiority had been attested during the first eastern expedition in March and the struggle in June against the Kwangsi-Yunnan mercenaries.

Their commandant Chiang Kai-shek's attitude towards Britain and Hong Kong was lucidly expressed in the appendix of a memorandum which outlined the forces and supplies necessary for the proposed Northern Expedition against

107. Chang Kuo-tao, "Wo ti hui-i", MPK, II, no. 14, 1967, 63. General Fan Shih-sheng, who was responsible for putting down the rising, was extremely contemptuous of the cadets.

108. *Supra* vide note 105.



the warlords. He had anticipated interference from Hong Kong in the oncoming expedition, and with the outbreak of the June 23 incident, he appended a draft on proposed actions towards Britain.<sup>109</sup> He recommended immediate improvements in the arsenals, stating that:

"Our army should decide rapidly within three to six months whether we could go to war with Britain ... British prowess in the orient has passed its peak and its weaknesses are beginning to show. If we remain timid and tolerate them further and merely stop at the severance of economic ties, then our country will surely be destroyed in no time. Our immediate plan now should be to maintain the severance of relations and at the same time, make long-term plans for the wars and all appropriate preparations ..."<sup>110</sup>

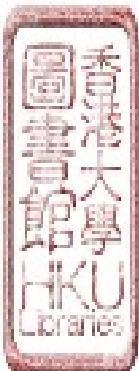
Chiang added that this recommendation was highly confidential. It serves to show Chiang's attitude towards the British. Later, in presenting a six-point plan to the Military Council concerning the Northern Expedition, Chiang also blamed the British at Hong Kong in assisting the anti-revolutionary forces. He stated that after the June 23 incident, there was no ground on which the Canton government could possibly compromise with the imperialist. As for the labourers, he commented that they had an

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109. See Roderick L. MacFarquhar, "The Whampoa Military Academy", Papers on China, IX, 146-172.

110. Ma Ssu-cheng, p. 409.

111. Ibid., p. 464.



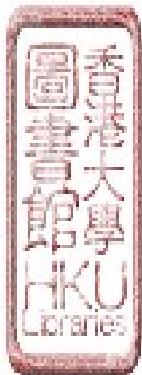
important role in the revolution, and admonished the government to accommodate those who had sacrificed their employment to join in the struggle against the imperialists.<sup>112</sup> He proposed to rid Kwangtung of all anti-revolutionary forces within three months, to add Kwangsi province to the existing government, and to march against the northern warlords within two years.<sup>113</sup> The strikers could, in his opinion, assist the government in these plans. They could be employed in constructing five major roads into the Kwangsi area and in assisting the transportation of supplies. Instead of relying entirely on tithes from the landlords, merchants and clerks at Canton for their maintenance, the strikers could work for their living as well as serve the government. He suggested that in view of the Canton government's financial stringency, this was the best possible alternative. He pointed out that an exaction of three months' rent from the landlords could cover the cost of employing 30,000 strikers at 40 cents a day in the road-building scheme.<sup>114</sup> In fact, Liao Chung-k'ai had already discussed this plan with the Strike Committee, but he was not able to convince the

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112. Ibid., p. 466.

113. Ibid., pp. 467-468.

114. Ibid., pp. 472-474.



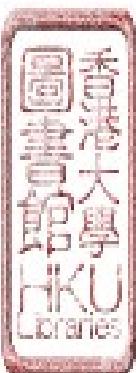
committee of the feasibility of the scheme.<sup>115</sup> However, a large number of strikers were employed in transporting ammunition and supplies to Swatow during the second eastern expedition against Ch'en Chiung-ming in October. It is possible to conclude that Chiang Kai-shek was anti-British. At the same time he was pre-occupied with the advancement of the Canton government to the other provinces. The large body of strikers present at Canton could only serve him in one way: and that was to facilitate the expedition against Ch'en Chiung-ming and the other warlords who stood in the path of the unification of China.

In connection with this, Chiang Kai-shek had been given considerable assistance in organising the Whampoa Military Academy by the Russian advisers. During his visit to Moscow in 1923, Chiang had obtained the personal assurance of Trotsky, one of the Russian leaders, that Soviet aid to the cause of the Chinese revolution would be forthcoming. Chiang later described his interview with Trotsky:

"He (Trotsky) said to me in all seriousness: 'Except direct participation by Soviet troops, Soviet Russia will do her best to help China in her National Revolution by giving her

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<sup>115.</sup> Ma Chao-chün, vol. III, p. 414.



positive assistance in the form of weapons and economic aid' ... I was particularly interested in this part of the conversation."<sup>116</sup>

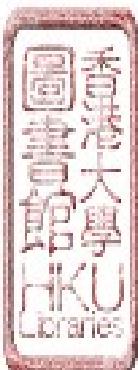
There is ample evidence to show that Russia did keep her promise. Documents seized during a raid on the Soviet Military Attaché's office at Peking in 1927 showed that at least 2,500,000 roubles' worth of war supplies had been forwarded to Canton during 1925 and 1926.<sup>117</sup> Stubbs also reported that Russian steamers loaded with munitions and other military weapons had been visiting Canton regularly.<sup>118</sup> Another source stated that a sum of about HK\$250,000 had been remitted from Moscow to Borodin in 1925 of which a large amount was used in the upkeep of the Central Bank of Canton.<sup>119</sup>

116. Chiang Kai-shek, Soviet Russia in China, p. 22.

117. Wilbur and How's selection of the documents seized during the raid on the Soviet Military Attaché's office does not include all the documents. Four brochures entitled Dolshevick Activities in China containing documents issued by the Peking government in a White Paper, were published by the Peking and Tientsin Times in May 1927. Some of these have been left out by Wilbur and How, but are relevant to the Canton scene. Document H, printed in the second brochure, p. 11, was the draft of a telegram dated July 4, 1926, in the handwriting of the Soviet Military Attaché to Galen, the Military Adviser at Whampoa Military Academy.

118. C.O. 129/490 confid. dep., Stubbs to Amery, "Situs in China", November 2, 1925, enclosure 7, Hong Kong Commodore to the Admiralty dated August 2, 1925.

119. USRDS/74 dep. no. 157, Jenkins to the American Minister at Peking, September 18, 1925.



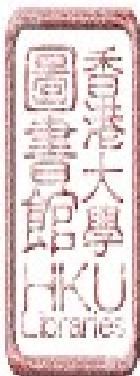
Hong Kong believed that the Russians were responsible for the anti-British policies and the strike-boycott. According to a contemporary report, the labour unions at Canton were closely related to the Soviet commission at Canton, headed by Borodin, agent of the Third Communist International.<sup>120</sup> An official of the strikers told an American reporter that they had been given "practical" assistance by the Russians.<sup>121</sup> These activities were hardly surprising when one considers the policy of Third Communist International founded by Lenin, father of Soviet Russia. Its instructions to the 3rd Congress of the Chinese Communist Party were:

"Our party must try to extend it (the boycott movement against Japan) into a general anti-imperialist movement of the Chinese democracy, aiming at the abrogation of treaties and obligations forced on China not only by England and America, but also by other imperialist countries."<sup>122</sup>

120. C.O. 129/493 confid. desp., Stubbs to Amery, "Report of the visit of Lt. Col. Malone to Canton", June 7, 1926.

121. URGDS/49 desp. no. 313, Jenkins to Macmurray, "Interview with Canton Strike Leader", October 26, 1925.

122. In 1913 Lenin suggested that the communist-led proletarian revolution of industrialised Europe should support Asian nationalist revolutions. In 1920 the task was given to the Third Communist International. See "Extracts from ECCI instructions to the third Congress of the Chinese Communist Party", May 1923, in Jane Degras, The Communist International, 1919-1942, (London, 1960), vol. II, pp. 25-26. Words in parenthesis have been inserted by the author.



If American secret service reports are to be believed, in early 1925, a meeting between representatives of the Communist International and the Chinese Communist Party was held at Hankow. The meeting resolved to stir up the Hong Kong workers against British domination.<sup>123</sup> This report was corroborated by a similar statement made by an ex-communist agent to the British later.<sup>124</sup> By the end of 1925, the Communist International proudly claimed that "Canton is already very much like Moscow" and by January 1926 it again claimed "England is incapable of preventing the growing alliance, political and economic, between the Soviet Union and the peoples of the east".<sup>125</sup> One cannot but conclude that the agents of the Communist International played a greater part in the Canton government than the Russian government would admit. Moscow claimed that it had no part at all in the anti-British sentiments in south China,<sup>126</sup> and that the Communist International

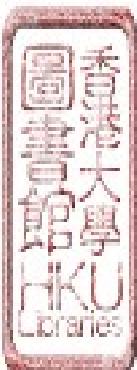
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123. USRDS/72 no. 2759, from the United States Legation at Riga, Latvia to Washington, "Confidential report regarding plans of the Comintern for operation in China", April 14, 1925.

124. F.O. 405/255 no. 12, "Memorandum on Communism" by an ex-agent, undated.

125. Jane Degas, The Communist International, vol. II, pp. 218-219.

126. "Extracts from a press interview by Chicherin on relations with England and events in China", July 1925, Jane Degas, Soviet documents on foreign policy, vol. II, pp. 51-52.



was independent of the government. This was a fiction which Russia maintained throughout the 1920's.<sup>127</sup> Despite Russia's denial, General Galen, the chief Russian military adviser, was actually in charge of the committee for organisation of troops and defence for the second eastern expedition and all military appointments and payment of salaries had to be approved by him. Chiang received financial assistance through Galen for the second eastern expedition against Ch'en Chiung-ming.<sup>128</sup>

Chiang embarked on the said expedition in October, and during the next two months conducted military campaigns in and around Swatow. In the meantime, a number of self-appointed Chinese merchant delegates went to Canton in September to sound out the strikers for the settlement of the strike-boycott. During this period, it was rumoured among foreign circles that the Canton government was contemplating "to bring the strikers to heel".<sup>129</sup> On

127. See Julius Braunthal, (trans. John Clark), History of the International 1914-1942, London, vol. II, pg. 162-167.

128. C.O. 129/492 confid. desp., Stubbs to Amery, "Russian Activities at Canton", January 22, 1926, enclosure 1, report of Captain Karatsky, enclosure 2, notes on Russians at Canton.

129. USRDS/49 desp. no. 310, Jenkins to Macmurray, "Political developments at Canton", October 23, 1925.



September 22, the Political Council announced that the time was opportune for the commencement of negotiations. It explained that if Hong Kong should accept the strikers' terms, the Canton government would gain considerable prestige and this would help to strengthen the national revolutionary movement. If Hong Kong should refuse to accept their demands, it would demonstrate to the world at large the imperialists' untrustworthiness and insincerity.<sup>130</sup> At a joint meeting of the Political and Military Councils, Borodin proposed that it was necessary to bring the strike to an end for the above mentioned reasons. He proposed that Wang Ching-wei should assemble the representatives of the strikers and explain to them the reasons for ending the strike.<sup>131</sup> Borodin and the Political Council's decision that the end of the strike could help the national revolutionary movement was based on two factors. Firstly, the objective of the Kuomintang was to unite China by defeating imperialism and the alleged tools of the imperialists: the warlords. The strike-boycott against Hong Kong was a successful step in the challenge against

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130. Teng Chung-hsia, Kai-kuan in Labour during first civil war, p. 131.

131. See for note no. 117. Bolshevist Activities in China, Part II, Document F "Joint Meeting of the Political Bureau and Military Council", September 22, 1925, p. 9.



British imperialism, but Canton by itself was not a broad enough base for a wholesale assault on imperialism. The logical sequence to the success of the anti-Hong Kong strike-boycott was to annihilate the warlords one by one.<sup>132</sup> In north-central China, Wu P'ei-fu was still a power to be reckoned with, and he was constantly planning to push southwards. In the north, Feng Yu-hsiang had built up a strong army. Aside from these two warlords, there were Ch'en Chiung-ning, Sun Chuan-fang, and Tang Pun-yun in the south. Canton was afraid that the southern warlords would unite to fight against it, and suspected the British at Hong Kong of complicity with the warlords. These suspicions, it may be remembered, were not entirely groundless. The immediate task of the Canton government was therefore to remove this menace. The expedition against Ch'en and the others necessarily involved great expenses and the Canton government was finding it extremely difficult to finance the Military Academy, upkeep the army, subsidise the strikers and maintain the general administrative costs at the same time. The strike-boycott had already served its purpose in dealing a blow to Hong Kong, the citadel of British

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132. Chiang Kai-shek firmly believed in this fact. See Mao Ssu-cheng, p. 448, for the report he delivered during the graduation ceremony of the cadets.



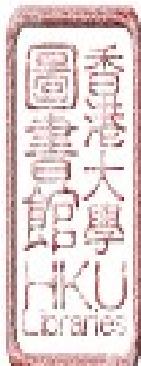
imperialism in south China, and the actions of the pickets were causing considerable discomfiture and dissatisfaction among the more moderate Kuomintang members in the government.

A Hong Kong newspaper reported that Chiang had confided to a close associate that he favoured the commencement of negotiations because this would deter the Hong Kong merchants from assisting Ch'en financially. He felt that the Hong Kong merchants would desist, at least temporarily, from contributing to Ch'en so freely as in the past in view of hopes for settlement of the boycott. He could then take advantage of the opportunity and sweep the eastern frontier clear.<sup>133</sup> It is doubtful whether a man like Chiang was liable to make such candid remarks, but one could conclude that the Canton government found it expedient indeed to commence negotiations for settling the strike.

On September 24, the strikers were told that they should draft their demands and submit these to the central executive of the Kuomintang and then to the Political Council for ultimate approval.<sup>134</sup> The Hong Kong striker listed 12 demands, 6 of which were the original demands

133. HKT, September 30, 1925.

134. Tang Hai, Chung-kuo lao-kung wén ti [Chinese Labour Problems], (Shanghai, 1928), pp. 506-508.

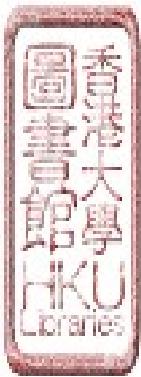


presented to the Hong Kong government by the Hong Kong Labour Commission on June 22. It may be recalled that the strikers demanded that members of the Legislative Council should be elected among the several other proposed political reforms at Hong Kong. The strikers added terms like re-instatement of workers to their former jobs, similar privileges in the colony for European and Chinese alike, and efficient supervision of labour conditions. The Shameen workers demanded greater political freedom in the British concessions, better working conditions, and no racial discrimination. A final stipulation was that the Chinese should be allowed to sit on the Bund — which was then forbidden by law and was considered to be an insultory discrimination by the Chinese. The Hong Kong students listed six other demands concerning the education system at Hong Kong, proposing alterations in the curriculum and inclusion of books on the new political ideas in China.<sup>135</sup>

When the merchants returned to the colony, they submitted the draft to the Secretary for Chinese Affairs for transmission to the governor. The former refused to transmit "truculent demands" brought back by an unauthor

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135. For the full text, see Na Chao-chün, vol. III, pp. 454-457.



and unofficial deputation. In any case, Stubbs did not show any interest in the negotiations, since he was counting on the success of Ch'en Chiung-ming. These demands were also entirely unacceptable to Hong Kong since they proposed to effect changes in the administration of the colony.<sup>136</sup> Unfortunately, Ch'en Chiung-ming was ultimately defeated, and Stubbs' hopes were crushed. Thus by November, an impasse was reached. Negotiations were revived only after the change in governorship at Hong Kong.

The reasons why the strikers were allowed to remain at Canton even after the death of their chief ally in the government have been the subject of much speculation. One explanation is that by allowing them to continue to carry on the boycott, Canton was able to reorganise its finance, a factor which was essential for the consolidation of that government's rule and for the projected expeditions against the warlords. An American journalist, George Sokolsky, who visited Canton in April 1926, obtained the following figures from T.V. Soong, the Minister of Finance on the trade and revenue of Canton in 1925.




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136. F.O. 406/251 no. 26, C.O. to F.O., enclosure 2, Stubbs to Amery, September 1925 and C.O. 129/251 confid. desp., Stubbs to Amery, "Local Situation", October 2, 1926.

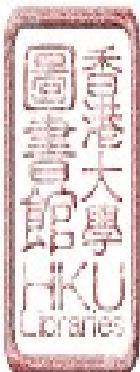
Table I Trade of Canton in 1925 (in haikuan taels)<sup>137</sup>

<u>Month</u>	<u>Total Value</u>	<u>Average value of the trade in the three previous years</u>
July	70,711	255,167
August	150,180	299,205
September	232,407	317,662
October	306,125	319,602
November	337,532	333,490
December	304,838	301,099

Sokolsky was told that trade in the earlier part of the year was severely affected by the warfare in and around the city. In July Hong Kong's embargo against Canton also had considerable adverse effects on her economy but a steady increase was noted after September. Teng Chung-hsia later attributed this to the efficacy of the coastal regulations and the boycott of Hong Kong. Teng reported that every Chinese and non-British steamer sailing from Canton to Shanghai were loaded with goods - a sign that the non-British firms had accepted the Strike Committee's terms unconditionally. This was regarded as a major victory for the strikers as well as for the government.<sup>138</sup>

137. G.E. Sokolsky, "The Kuomintang", CYB, 1928, p. 1338.

138. Teng Chung-hsia, Kai-kuan in Labour during first civil war, pp. 162-163.



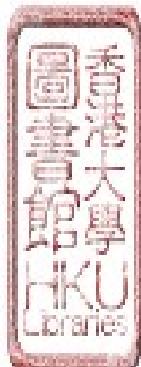
Another feat achieved by Canton during this period of the strike-boycott was the increase in its revenue and the reform of the Canton currency. The following table denotes the revenue collected during 1925.

Table II Revenue of Canton in 1925 (in Chinese \$)<sup>139</sup>

<u>Month</u>	<u>Revenue</u>	<u>Month</u>	<u>Revenue</u>
January	854,511	July	799,500
February	811,227	August	1,470,567
March	549,126	September	981,939
April	459,393	October	3,616,529
May	722,558	November	3,832,838
June	702,439	December	4,215,166
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Total for half year	4,099,244		14,916,743

A total of over nineteen million Chinese dollars were collected into the government coffers. In comparison, the total revenue of 1924 was only \$7,986,952. A great increase in the revenue in the second half of the year, especially after July, should be noted. The increase

139. G.E. Sokolsky, "A visit to Hong Kong and Canton", part II, U.S. Li, May 1, 1926. Jenkins confirmed that Sokolsky's article on Canton was the "most complete and trustworthy account" that has been written in regard to the situation in Canton. (See U.S.R.D.S./ no. 450, Jenkins to Macmurray, May 13, 1926).



revenue was due to two factors. T.V. Soong's appointment as Finance Minister was evidently a wise choice.<sup>140</sup> An adept and efficient financier, he soon reformed the entire fiscal structure at Canton. A scientific and systematic approach was adopted, accounts were audited and budgets were carefully drafted. Under his management, the Central Bank of Canton was able to gain the confidence of the Canton merchants and the general public. Previously, a dollar note issued by that bank could only exchange for 30 cents to 40 cents in Hong Kong currency, and the Cantonese were very loathe in using its bank notes. They preferred to use the Hong Kong dollars in all business transactions.<sup>141</sup> After Stubbe's embargo on the export of Hong Kong dollars and gold and silver bullions, the Cantonese were forced to fall back onto the bank notes issued by the Central Bank. Through Soong's efficient operation, and his practice of backing the issue of notes with the full weight of the legal coins, the bank gradually gained the confidence of the Cantonese. Thus Teng Chung-hsia could justifiably

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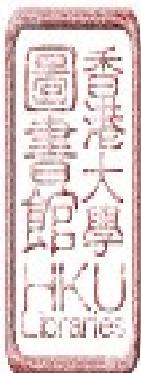
140. T.V. Soong (known to the Cantonese as Sung Tez-man) was a graduate of the Harvard University and a man of the wealthy and influential Soong family at Shanghai. His three sisters all married affluent Chinese leaders, namely, Sun Yat-sen, Chiang Kai-shek and H.H. Kung, a wealthy financier.

141. Teng Chung-hsia, Kai-kuan in Labour during first civil war, p. 163, see also Sokolovsky's "Kuomintang", CYB, 1928, p. 1340.



report that the strike-boycott succeeded in freeing Canton from the economic oppression of Hong Kong.

As a conclusion, one may say that the strikers enjoyed their privileged position at Canton due to the support they received from the left wing of the Kuomintang. The Canton government in the summer of 1925 was still torn by factional struggles, and the strikers' presence was an asset for the left wing. Their presence was tolerated because they had the support of Liao Chung-k'ai and also because they were champions of anti-imperialism and could be given the task of liberating Canton from Hong Kong's economic oppression quite conveniently. In any case, even if the Canton government had wished to crush the strikers, it would have been quite impossible to do so, since the government and the military forces were still greatly divided. The Cantonese were also constantly harrassed by the intrigues of Hong Kong to overthrow their "red" government. Thus even after Liao's death, the communist structure were allowed to remain until the Canton government found it possible to dispose of it.



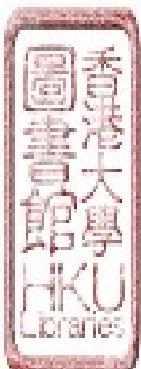
## Chapter V

### THE NEGOTIATIONS FOR THE ENDING OF THE STRIKE-BOYCOTT

Towards the end of 1925, Hong Kong and Canton began negotiating for ending the strike-boycott. Considerable difficulties were involved in the commencement of the negotiations. The governor of Hong Kong had little or no contact with the consul-general at Canton, since they were responsible only to the Colonial Office and the Foreign Office separately. In fact, Stubbs was not even on speaking terms with Jamieson.<sup>1</sup> The dearth of official communications between Hong Kong and Canton was further aggravated by the incredible lack of an adequate intelligence system in the two neighbouring cities. After the seamen's strike in 1922, the Colonial Office had proposed to Stubbs that a political intelligence bureau should be established. The recent strike had shown the deficiency of Hong Kong's means in obtaining information from Canton. However Stubbs did not take to the proposal mainly because he felt that Hong Kong should not be expected to pay for the maintenance of a bureau which in

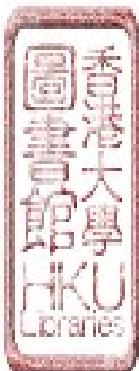
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1. Alexander Grantham, Via Ports, p. 106. Grantham was a cadet in the Colonial Secretariat in 1925.



thought would be more useful to Canton than to Hong Kong. When the proposal was put to the Foreign Office, it "shied off" and even refused an inter-departmental conference to discuss this matter due a reluctance to shoulder the additional expenses. The inadequacy of the intelligence system was also discussed by the War Office and the Admiralty. Both departments complained that the existing joint naval and military intelligence bureau was incapable of dealing with the ever-changing political situation in south China since it could only function within very narrow limits. The issue was again referred to Stubbs, but he reiterated that he was satisfied with the existing arrangements. He argued that it would be too costly to send specially trained secret agents to Canton, that he could always rely on the British consul-general at Canton for information.<sup>2</sup> Later, the Secretary for Chinese Affairs was sent to Canton at regular intervals to obtain relevant information.<sup>3</sup> But there were no means of obtaining any reliable inside information concerning Canton after June

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2. C.O. 129/496 C.O. Memorandum, "Situation in China", June 3, 1925, enclosure: summary of correspondence on political intelligence at Canton 1922-1924.
  3. F.O. 405/250 no. 101, C.O. to F.O., March 10, 1926, enclosure 2: notes on points raised in F.O. tel. no. 15, January 12, 1926.

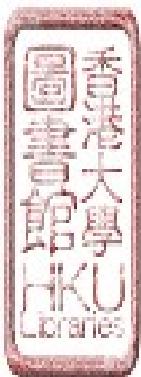


1925.<sup>4</sup> After the outbreak of the June 23 incident in June, the English language newspapers at Hong Kong complained:

"In times of crisis such as the present, British government official should show some character and personality and rise above obsolete and absurd routine regulations when rigid adherence to them may prejudice British interests. We all know, of course, that officially the consul-general at Canton is answerable only to Peking and the Foreign Office. Broadly speaking, he is answerable to the British people and the British residents here are anxious to know what exactly he is doing in Canton, the centre of the disturbance, to settle the difficulty ... Quite frankly we are growing extremely tired of sitting down and waiting "until the clouds roll by" ... Since the attack on Shamian and the dispatch of the note relating the occurrence to Peking, we have heard nothing else ... Even if it might not be politic for private individuals to mix too freely with Chinese there during the present disturbed state of popular feeling, we take it that safe access to officials would be guaranteed to our consular representatives ... possibly Sir Jamieson has been maintaining contact with the heads of the Kuomintang government in this way, if so we would like to hear the result of the interviews."<sup>5</sup>

This ebullition was immediately contended with by Jamieson. He stated in a public speech that duplicates of reports he made to Peking concerning relations with Canton had been duly sent to Hong Kong.<sup>6</sup> The Hong Kong

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4. C.O. 129/426 Public and Judiciary Department of the India Office to C.O., June 8, 1926, forwarding "Report of the Special Officer deputed to the Far East".
  5. HKDP, August 14, 1925.
  6. HKDP, August 18, 1925.

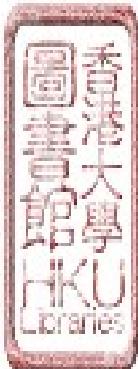


public, however, remained unenlightened about the Canton situation. This obfuscation was not limited to Hong Kong alone. The Foreign Office did not seem to have grasped the Canton situation as well. In September, when Stubbs' proposals to aid Ch'en Chiung-ming and the other southern militarists were referred to the Foreign Office, Austen Chamberlain, the Secretary of State for Foreign Affairs replied that he could not make any decision until he had obtained full knowledge on the Canton scene. He requested that to facilitate the despatch of business, Stubbs should be asked to send copies of his telegrams and despatches to Jamieson and to the British charge d'Affaires at Peking.<sup>7</sup> By the end of 1925, the Foreign Office again requested that Hong Kong should forward weekly news bulletins to the Colonial Office and all relevant information it could obtain on Canton.<sup>8</sup> This request was necessitated by the dearth of communications between Canton and Hong Kong. When Clementi assumed his post in November, he discovered that there had been in fact, very little communication between Stubbs and Jamieson. He also discovered that after June Jamieson had little contact with the Cen-

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7. C.O. 129/491 reply from F.O. to C.O., September 15, 1925.
8. C.O. 129/489 minutes on the tel., Clementi to Amery, "Canton Situation", December 22, 1925.



government. Due to the high passions excited by the June 23 incident and the strike-boycott there was little possibility of re-establishment of friendly relations.<sup>9</sup> In fact, Jamieson confided to a visiting British businessman, that friendly relations with Canton were not likely to be resumed, and that he had no idea of what the future would be like. To attempt to look into the future, he said, would be like "trying to look through a brick wall".<sup>10</sup> He himself showed no disposition of even attempting to break through that brick wall. He refused to venture into Canton since he believed that he would be assassinated the minute he stepped out of Shamian.<sup>11</sup> But all official communications between Hong Kong and Canton had to be conducted through him. Therefore, Clementi had to use private channels in contacting Canton. Through the auspices of eminent Chinese merchants, Clementi commenced this task. In the meantime, Clementi made it his chief duty to find out as much as he could about the Canton government from Kotewall and Chou Shou-son. In December he reported that he was still not very clear about the position at Canton and confided that he could hardly fathom Chiang Kai-shek.<sup>12</sup>



9. C.O. 129/489 tel., Clementi to Anery, "Canton Situation", December 22, 1925.

10. ECH, November 28, 1925.

11. C.O. 129/489 tel., Clementi to Anery, "Canton Situation", December 22, 1925.

intents. Though Clementi felt that the de facto government at Canton was indeed greatly influenced by the Russians, he was dubious whether C.C. Wu, T.V. Soong and even Wang Ching-wei could be properly described as "reds" - the epithet bestowed on them by Stubbs.<sup>12</sup> But then, Clementi and Stubbs were entirely different in their personality. Clementi was greatly interested in Chinese studies,<sup>13</sup> and had an adequate knowledge of the language. He was reportedly "pro-Chinese",<sup>14</sup> and there had reportedly been some misgivings among British business circles in Hong Kong over his appointment due to his "slant to the Chinese".<sup>15</sup> Contemporaries described him as "intelligent in appearance, kindly, but over-serious, lacking somewhat in a sense of humour".<sup>16</sup> An old Hong Kong resident's verdict on him was that he was "not orthodox".<sup>17</sup> One could certainly not

12. F.O. 405/250 no. 41, annex XVI, secret desp., Clementi to Amery, December 23, 1925.

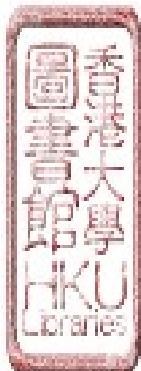
13. See the feature articles on Clementi in HKDP and also HCT, August 13, 1925.

14. Teng Chung-hsia, Kai-kum in Labour during first civ war, p. 130.

15. USRDS/56 desp. no. 303, Fredwell to Kellogg, August 1926.

16. USRDS/56 no. 728, F. Mayer to Macmurray, "Report on visit to Canton and Hong Kong", July 7, 1926. Maye legal adviser to the American Legation at Peking, was sent on a special mission to Canton and Hong Kong to investigate into the existing situation.

17. HKDP, August 13, 1925.



employ these adjectives in describing Stubbs' character.

His first public utterance at Hong Kong, a speech made at the Hong Kong University, was devoted entirely to the theme of reviving friendly relations between Hong Kong and Canton.<sup>18</sup> This conciliatory spirit was shown also in his reports to the Colonial Office during this period. He reported in December 1925:

"I am convinced that the prosperity of Hong Kong depends mainly upon the maintenance of friendly, and even intimate, relations between this government and the government of Kwangtung and the sooner the present sore which is festering and may become chronic can be healed, the better it will be for British interests not only in Hong Kong but throughout China ..."<sup>19</sup>

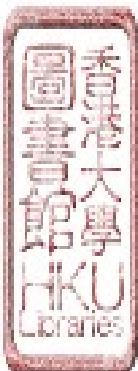
In November, delegates of the Canton merchant guilds had visited Hong Kong. The Cantonese merchants stated that the object of their visit was to revive attempts in ending the strike-boycott. A previous attempt in this direction had been made by the Hong Kong merchants in September. Like that unsuccessful deputation, they had received no authority from the Canton government and had not previously conferred with the Strike Committee, thus the mission was bound to fail.<sup>20</sup> However, Clementi was

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18. HKT, November 13, 1925.

19. F.O. 405/250 no. 41, annex XVI, confid. desp., Clem to Anerry, December 24, 1925.

20. See HTYP, November 18, 22, 1925.



satisfied with the fact that at least a sector of Canton showed its anxiety to end the strike-boycott, and he took the opportunity to announce that Hong Kong would appoint a deputation of plenipotentiary delegates to visit Canton, on condition that Canton would nominate suitable delegates to convene with them. The delegates named were Paul Charter, Chou Shou-son, Robert Kotewall, and D.G.M. Bernard.<sup>21</sup> A formal proposal was handed over to C.C. Wu through an eminent local resident who was his close relative. In return the Canton government proposed that the Canton delegation should include only representatives of the strikers and the merchants, and that only a minor government official was to be included as the secretary of the proposed deputation. Clementi felt that it was pointless and undignified to send the mentioned Hong Kong delegates to Canton to negotiate with the strikers, and therefore took no further action in this direction.<sup>22</sup>

In the meantime, with Jamieson's approval, he continued his endeavour in establishing contacts with Canton. Personal letters were sent to C.C. Wu and Wang Ching-wei,



21. HKT, December 8, 1925. Paul Charter represented the bankers, Bernard the shipping lines and the other two were Chinese members of the Legislative Council.

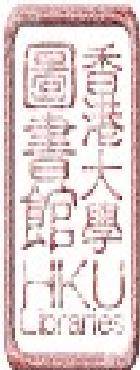
22. F.O. 405/250 no. 41, annex XVII, confid. desp., Clem to Amery, December 24, 1925.

suggesting that a Canton official should be sent to Hong Kong to discuss the possibilities of opening negotiations. Finally on December 18, Wang Ching-wei agreed to send T.V. Soong to visit Hong Kong.<sup>23</sup> Hitherto the Canton government had been very reluctant in assuming responsibility for the strike-boycott and one might ascribe this sudden pliant attitude to the challenge posed to Wang Ching-wei and the Canton government by the Western Hills Conference.<sup>24</sup> This conference was organised by fifteen so-called "old comrades" including Tai Chi-tao, Tsou Lu, Lin Shen, Chang Chi, all of whom were staunch conservatives of the right wing.<sup>25</sup> On November 3, they held a conference outside Sun Yat-sen's mausoleum on the Western Hills near Peking, and formed themselves into a new central executive and central supervisory committee. In early December, they adopted resolutions for the expulsion of all communist members from the Kuomintang, to abolish the Political Council, dismiss Borodin and at the same time censured Wang Ching-wei for having capitulated to the Russians and the communists. They proposed to expel Wang from the Kuomintang for a period of six months during which he should be relieved

23. Ibid.

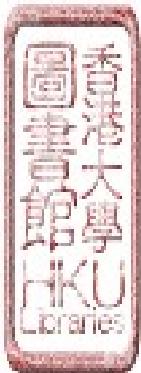
24. T'ang Leang-li, Inner History of the Chinese Revolution, pp. 229-231.

25. H.R. Isaacs, The Tragedy of the Chinese Revolution, (New York, 1926), p. 61.



of all his current posts in the government.<sup>26</sup> Two other significant resolutions passed were: first, ally with Chiang Kai-shek to overthrow Wang, and second to pursue a policy of compromise with the imperialist powers.<sup>27</sup> Chiang, who was then engaged in military campaigns at Swatow, denounced the resolutions of the Western Hills Conference, but the split between the right and left wings of the Kuomintang was complete. Wang was greatly disturbed by the resolutions of the Western Hills group, and at Borodin's advice, sought to strengthen his stand in the Canton government in the second National Congress of the Kuomintang scheduled to be held in January 1926.<sup>28</sup> The Western Hills group had denounced the Strike Committee as a communist government within the Canton government with the aim of subverting the Kuomintang and accused Wang of conniving at this. In such circumstances it was obviously expedient for Wang to end, or at least attempt to end this allegation.

Thus, on December 19, T.V. Soong travelled to Hong Kong to discuss the terms for ending the strike. Soong pointed out that the two main issues were compensations for the strikers and their reinstatement and made it quite



26. Li Yun-han, vol. I, pp. 415-419.

27. H.R. Isaacs, p. 82.

28. Chang Kuo-tao, "Wo ti hui-i", APL, II, no. 15, (March, 1967), 95.

clear to the Hong Kong officials that Canton would not and could not use force to compel the strikers to abandon the boycott. He was said to have remarked:

"The Canton government would not last a single day if it shot down the strike pickets".<sup>29</sup>

However, he agreed that if Hong Kong should offer sufficient compensation to the strikers, there was ground for belief that the movement could be satisfactorily settled. It was decided that Fletcher, the acting Colonial Secretary, should be sent to Canton for further discussions. Fletcher left Hong Kong on December 20 with verbal instructions from Clementi to find out the real intent of the Canton government.

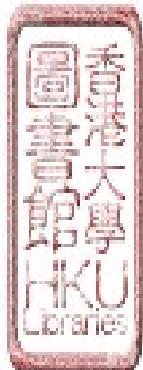
At Canton, Fletcher had several meetings with Wang Ching-wei, C.C. Wu, Foo Ping-ch'ang and T.V. Soong. The latter refuted his former statement concerning the pickets, but admitted that the Canton government would never let the labourers down, since they were engaged in a cause - anti-imperialism - which the Canton government supported whole-heartedly. Soong intimated that once the payment and reinstatement of the strikers were set the political terms could be put aside. Fletcher now

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29. F.O. 405/250 no. 41, annex XVI, enclosure 1, note prepared by Tratman, Secretary for Chinese Affairs on the conversation with T.V. Soong, December 19, 1925.



spoke to Wang Ching-wei. Fletcher's impression was that Wang wanted to settle the strike, but he was a very difficult person to deal with. Wang appeared to be the chief exponent of the strikers, for he gave a lengthy discourse on their political grievance. It became obvious to Fletcher that negotiations with the strikers concerning the political terms would probably take many weeks to come. As instructed by Clementi, he replied that the Hong Kong government would in no circumstance yield to any of the political terms as a condition for ending the boycott. If the strikers felt the need to voice their grievance, the correct procedure was to approach the Secretary for Chinese Affairs. During another meeting with Soong and C.C. Wu, Fletcher decided to find out whether Canton would bring about the settlement in return for some direct benefit for itself. Though he had not been authorised to do so by Clementi, he mentioned casually that if the circumstances appeared opportune, Hong Kong might be willing to consider to make a loan to Canton for the completion of the Canton-Hankow railway and suitable arrangements could be made for the employment of the strikers in the work of the construction. Both Wu and Soong seemed to be impressed by the proposal, but Wu insisted that the issue of compensation had still to be resolved. At the final meeting C.C. Wu stated that



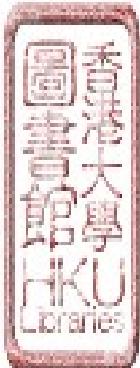
after discussions with Wang and the strikers, he had found a way round the impasse. The Canton government would persuade the strikers to abandon the political terms but a "formula" had to be found for the ending of the strike. Fletcher warned Wu that the "formula" should concern strike-pay alone which would be discussed between the strikers and the Hong Kong merchants. Since the Canton officials had impressed on him that they were in complete control at Canton, Fletcher stated Hong Kong expected them to decide very shortly they would take active steps to end the whole affair.

Later, Fletcher spoke to Wu privately about existing situation at Shamian and inquired whether normal life could be restored there. Wu complained bitterly that the cessation of friendly communications was entirely Jamieson's fault with all his "absurd wires and sand-bags piled up on the bund". Soong also volunteered the statement that the Canton government found Jamieson "most difficult".<sup>30</sup>

Clementi felt that the result of Fletcher's visit eliminated all matters for future discussion between the two governments except the payment of a lumpsum by the employers to the strikers as a quid pro quo for ending

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30. F.O. 405/250 no. 41, annex XVI, enclosure: "Diary of a visit to Canton, December 20-23, 1925", by Flet



the strike. Clementi discussed this in the Executive Council on the morning of December 24. Both Chou Shou-sun and Kotewall had earlier impressed on him the willingness of the Chinese merchants to pay the strikers to end the strike. Clementi seriously doubted the sincerity of paying the blackmail. His objections were based on several factors. Firstly, he was apprehensive that payment now would encourage further similar strikes. Secondly, he doubted the permanency of the existing Canton government, and thirdly he was still uncertain about Chiang Kai-shek's real political standing though he felt that Chiang was undoubtedly the most important man at Canton. Clementi feared that Chiang might return from Swatow and seize power at Canton, confiscate the blackmail, divert them into his war-chests and continue the strike for purposes of further blackmail. But Clementi had only two alternatives before him: either to take positive military action against Canton or to allow the Chinese to pay the blackmail. The first course was not feasible and he explained:

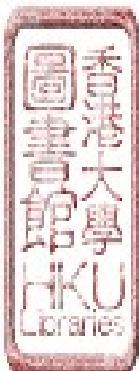
"The time is passed when it is possible for foreign nations at the point of the bayonet to compel the Chinese to trade with them, and our commercial rivals in the Far East are not slow to take advantage of any hostility displayed by the Chinese towards British merchants in China".<sup>31</sup>




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31. F.O. 405/250 no. 41, annex XVI, confid. desp.,

The second course was inevitable in view of the acute financial situation among the Hong Kong Chinese. Due to the Treasury's reluctance to guarantee the trade loan the approved loans could not be paid out. The delay was crucial for the Chinese merchants were getting in deep waters. It was customary for them to settle all outstanding accounts before the Chinese new year, which fell on February 12, 1926. With less than two months before them to settle their accounts the Chinese merchants felt that some action had to be taken to end the existing state of affairs. Official opinion in Hong Kong was emphatically against the blackmail payment, but the merchants had been suffering from the boycott for nearly half a year, and they would grasp at any opportunity of ending the seemingly hopeless economic situation. If Clementi expressly forbade them from to do so he would indubitably invoke a general widespread dissatisfaction among the Chinese populace - a course neither he nor the Hong Kong government could afford. Though the idea of paying blackmail was extremely repugnant to Clementi, he had to give his approval though he emphasised that on no account would the government pay the amount from the trade loan.<sup>32</sup>



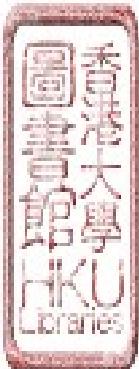

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32. Ibid.

Two separate deputations of Chinese merchants went to Canton at the end of December with the purpose of ending the strike. The first was an unofficial party, consisting of nearly 300 Chinese, merchants and clerks. It was known as the "hun-chun" or fraternity party. Its purpose was to re-establish amicable relations with Canton. These merchants were the representatives of the minor Chinese firms and shops and were mostly ineligible to apply for the trade loan. They were therefore suffering severe economic losses. By early December even larger Chinese shops, all with a capital of \$300,000, were in arrears and had to close down. Many other smaller business concerns had already declared bankruptcy.<sup>33</sup> They were therefore anxious to settle the boycott. They were cordially received by the Canton government. On their arrival at Canton, they were met by representatives of government officials, Canton merchant representatives, the Strike Committee, and a guard of honour of 400 strike pickets. Wang Ching-wei and C.C. personally attended the reception of the fraternity party and they were later taken around the city after visiting the Tung Yuan. Many of them enrolled to become members.

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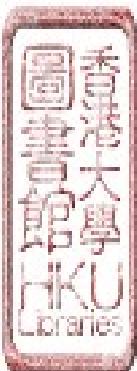
33. HET, December 10, 1925. See also Lao-kung jih k' [Labour Daily], January 9, 1926.



of the Kuomintang.<sup>34</sup> Meanwhile eight delegates representing the more well-to-do Chinese merchants went to Canton seeking to end the strike through payment of a lumpsum. The delegation was headed by Lo Nan-kam, an eminent lawyer, and they were met by the representatives of the Canton Chamber of Commerce. The latter and C.C. Wu expressed dissatisfaction when they learnt that the delegation represented the Chinese only, and not the British or the Hong Kong government. C.C. Wu also asked why the four official delegates had not arrived. T.V. Soong told Lo that he had warned Fletcher that the difficulty could not be solved by the payment of a lumpsum. The discussions ended in unrelieved gloom for the Hong Kong merchants, further aggravated by Teng Chung-hai's speech at a dinner party for the delegates. Teng's speech, interpreted by Su, emphasised that the strike was political in nature and was directed at the British jurisdiction at Hong Kong which had shown itself to be harsh and vicious, having promulgated "severe measures" unparalleled in any civilised country to starve the Cantonese. The quarrel was with the British and not the Chinese merchants, thus the strikers had nothing to

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34. HKT, December 29, 1925.



discuss with the merchants. The only channel through which negotiations could be conducted was for Hong Kong to send the four mentioned plenipotentiaries. Teng ended by saying,

"The least we must procure is equal treatment for our Chinese people in Hong Kong and other privileges".<sup>35</sup>

During their visit, the eight delegates were fiercely attacked by the Cantonese press, the most vehement of which was the Kwong Choy Kwok Nan Yat Po. In an article entitled "Warning to the Rebels", it wrote:

"The only rebels of the Chinese republic are the cold-blooded foreign slaves and compradores ... these eight rebels should be killed. They now actually call themselves responsible representatives for the Chinese merchants, and have come to Canton, while formerly they said no living man should come to Canton ... Will you (addressing the delegates) be responsible for having helped Ch'en (Chiung-ning) with arms to attack Kwangtung? Will you be responsible for having caused injury to the strike and acted as tame dogs to the foreigners?"<sup>36</sup>

The Chinese delegates were greatly disappointed at the failure of their mission. Lo wrote on his return:

35. F.O. 405/250 no. 45, Jamieson to Chamberlain, January 5, 1926, enclosing an extract from the Canton Gazette of the same date.

36. C.O. 129/408 secret desp., Clementi to Amery, "Can Boycott", January 6, 1926, enclosure 4, extract from Kwong Choy Kwok Nan Yat Po of December 31, 1925. Words in parenthesis have been inserted by the auth.

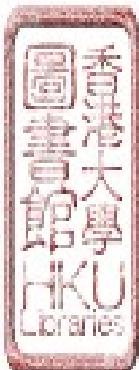


"If I had known all the circumstances of the recent 'negotiations' as I now do, I would have strongly urged against any delegation such as ours coming up unless and until information has been received from or through the Strike Committee that they would negotiate with such a delegation because it was bound to fail as ours had failed".<sup>37</sup>

Clementi was greatly relieved that the merchants had failed to effect the payment of the blackmail. He had never looked upon the scheme with favour and he had allowed them to go to Canton because he felt that the government was not justified in obstructing such a settlement if the Chinese merchants were willing to pay. His explanation of the failure of the mission of that C.C. Wu was merely playing for time. Clementi claimed that C.C. Wu took advantage of the fact that Fletcher was due to be transferred to Ceylon in January. After Fletcher departure, it was relatively easy for Wu to repudiate everything he had said during their conversation including the proposal of a "formula".<sup>38</sup>

For the strikers and the Canton government, the ending of the boycott was decidedly a face issue. They had declared they would fight imperialism and settlement without a certain amount of victory was unthinkable. An

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37. Ibid., enclosure no. 1, letter from Lo Nan-kam to Kotewall and Chou Shou-son, dated January 2, 1926.
38. C.O. 129/498, secret desp., Clementi to Amery, "Canton Boycott", January 6, 1926.



intercepted telegram contained the following message from Canton government and strikers to overseas Chinese:

"The imperialists in Hong Kong remain obstinate and have actually planned to do harm to the (Canton) government and the strikers ... The imperialists merely hope utterly to defeat the strikers so that they can maintain their dignity over the workmen. It has always been our duty to lead our people to fight for our country and we must appeal to all our patriotic Chinese at home and abroad to render assistance and not to leave the workmen to fight alone".<sup>39</sup>

The telegram was signed by Wang Ching-wei and the newly elected central executive committee.

Thus no progress was made on the negotiations. On their return to Hong Kong, the delegates published a communique in the local press, stating that due to Canton government's obstinacy, it was impossible to settle the boycott. Local opinion was expressed by the South China Morning Post which stated that the cause of the failure was that Hong Kong had depended too much on the "formula" of "monetary compensation where possible".<sup>40</sup> It pointed out that as long as the Canton government refused to accept responsibility for the boycott, there could be no settlement.

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39. F.O. 405/251 no. 28, C.O. to F.O., April 26, 1926, enclosing intercepted telegram from Canton to abroad dated February 21, 1926.

40. SCMP, January 29, 1926.

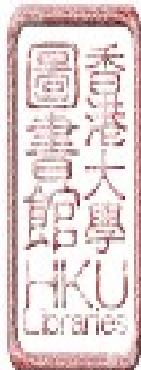


In the mean time the Foreign Office had asked Clementi, Jamieson and the British Minister at Peking: Robert Macleay to endeavour to decide on a sound and practical policy regarding the situation in south China, as the information that it had on its hands was insufficient for it to decide on a definite policy towards Canton. An underlying cause for its resolution in deciding on a definite policy was that it was anticipating criticisms and questions from the parliament when the latter would re-assemble shortly in the new year. Even if no feasible solution could possibly be found, the Foreign Office hoped that it could present a reasoned argument to the parliament when it should be called upon to do so.<sup>41</sup>

A meeting was called at Hong Kong on January 15, 1926 among the Hong Kong government officials and the naval and military authorities stationed at south China. This was followed by an interchange of telegrams between Hong Kong, Canton and also Peking.<sup>42</sup> Ultimately, several suggestions were recommended, and the advantages and disadvantages were discussed. It was unanimously deemed inadvisable to employ force in ending the boycott, as this would leave an indelible legacy of hate in south China.

41. C.O. 129/495 F.O. to C.O., January 15, 1925.

42. C.O. 129/492 secret desp., Clementi to Anery, "Canton Boycott", January 26, 1926.

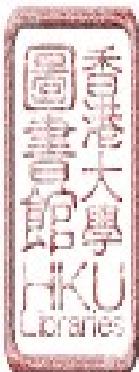


and would probably stir up all eighteen provinces in China against Britain.<sup>43</sup> There was also the added consideration that it might be necessary to evacuate Shamian first, since Canton could be expected to put up a fight. A second alternative was to institute an international blockade of Canton. Both Jamieson and Clementi thought that this suggestion merited some consideration. Macleay, however, doubted whether the other foreign nations could be induced to join in the action to end a state of affairs which was not entirely unsatisfactory to them due to the temporary removal of Britain as a commercial rival in south China. Again, the evacuation of Shamian was considered to be an "essential preliminary" for the initiation of the action.<sup>44</sup> A third suggestion was that the British government should subsidise Chinese militarists in anti-Canton activities. This was, however, a radical departure from the British policy of non-interference in China's affairs. Failing these, a desperate action was to put pressure on Moscow to end the anti-British activities at Canton sponsored by Borodin. The disadvantages of this course of action greatly outweighed its merits, since the only action which

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43. C.O. 129/498 minutes on Clementi's desp. dated February 6, 1926.

44. C.O. 129/496 F.O. to C.O., "Committee on Imperial Defence papers on Canton Situation", April 4, 1926.



Britain could possibly take against Moscow was to threaten to withdraw the British mission from that capital, a course which would hardly have any effect on Russia. Besides, the Russian government resolutely denied that it had any connection with the troubles in south China, and repeatedly emphasised that Borodin was the agent of the Third International, and not a Russian government representative. Britain would certainly "lose face" instead of gaining anything material from the threat if Russia should call her bluff. A further alternative was to carry on the policy of conciliation — a course which would hardly improve Britain's position in south China.<sup>45</sup> As long as the Cantonese continued to obtain support from the Russians, it was unlikely that they would resume friendly relations with Britain. Another alternative, suggested by Clementi, was to appeal to the League of Nations to censure the actions of the Cantonese government, a suggestion described to be "quite fallacious" by Macleay, since United States, the other power which mattered, was not even a member of that international organization. Also, he pointed out that China would absolutely welcome the opportunity of gaining an opportunity of airing its

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45. F.O. 405/250 no. 67, F.O. to C.O., "Canton Alternative Attitude", February 17, 1926.



grievances before an international council.<sup>46</sup>

Clementi personally considered that so long as Russia continued to afford material and financial assistance to Canton, the latter was unlikely to show any disposition to resume friendly relations with Hong Kong or the British. He felt that some enticement should be offered to Canton as a positive step in the negotiations. In this connection, he suggested that Britain should abandon the fiction that the Peking government had authority over all China, and afford recognition to the Canton government as a condition for the ending of the boycott. This was a novel departure from the policy of Stubbs, who, it might be recalled, had suggested to the Colonial Office that Britain should work in co-ordination with the Peking government in putting down the Canton Bolsheviks. Clementi also reported that he would exert his personal influence to induce Canton to accept British rather than Russian assistance. One possible course was to assist the Cantonese in building the loopline railway connecting the Canton-Kowloon railway to the Canton-Hankow railway, a fact that would also have the added advantage of facilitating the trade with Canton. Failing these two

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46. F.O. 405/250 no. 106, C.O. to F.O., enclosure 2, Peking to Foreign Office, February 2, 1926.



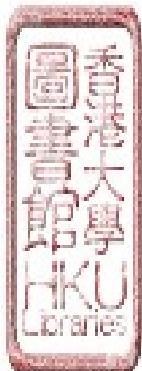
courses, he felt that the only course open to them was to wait for the collapse of the leftists in the government.<sup>47</sup>

The Foreign Office was not disposed to adopt any of these courses. After giving consideration to the courses proposed by the three British officials, it ultimately decided on a policy of patience and tolerance. Its China policy was conditioned by the agreements under the Washington Treaty of 1922, which stated that no foreign power should take separate action in China without consulting the other signatory powers. It also believed that it could not obtain the collaboration of the other powers in taking any action against Canton.<sup>48</sup> In a special memorandum, it stated:

"it is unlikely that any other country, except perhaps France, would actively assist us, and a campaign against Canton would involve considerable military expedition and an indefinite duration of hostilities. We have, therefore, preferred to endure the almost intolerable conditions inflicted by the boycott on British trade in general, and on Hong Kong in particular, rather than expose this country to the even greater loss and misfortune which we believe would be entailed by war against Canton".

The Foreign Office continued to state:

"Our policy in China has been to regard that country as in a state of transition and of abnormal conditions, to which ordinary rules do not apply.



47. C.O. 129/492 secret desp., Clementi to Amery, "Situ at Canton", February 10, 1926.

48. F.O. 405/250 no. 102, P.O. to C.O., "Canton Blockade", March 11, 1926.

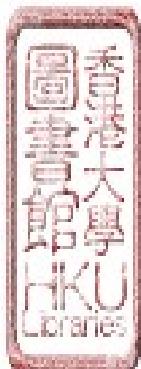
We believe that patience and non-interference are the only means by which a satisfactory solution can be reached ... we have no intention of resorting to armed force unless British property is actively attacked and British lives are in danger; we do not believe that the present ferment in China is moving in the direction of hostilities between China and foreign Powers".<sup>49</sup>

However it admitted that in a situation which was so obscure and so changeable, it was impossible to guarantee that there is no risk of such an eventuality.

At all events, the Foreign Office was not prepared to take any active actions on its own. In fact, it had been extremely conciliatory towards China during the latter half of 1925. It energetically supported the special tariff conference opened at Peking in October 1925 which promised tariff autonomy to China by January 1, 1929. At the end of the year, an international commission on extra-territoriality was formed to bring about legislative and judicial reforms in that direction. Early in 1926 a special commission was sent out by Britain to decide upon the allotment of the British share of the Boxer Indemnity Funds. The mission, led by Lord Willingdon,

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49. "Memorandum on the Foreign Policy of His Majesty's Government with a list of British commitments in their relative order of importance" undated, sent to Chamberlain under cover of a minute dated April 10, 1926 by Mr. Gregory in Medlicott, Documents on British Foreign Policy 1919-1939, series I A, vol. p. 876, see also F.O. 405/250 no. 41, F.O. memorandum respecting Canton, February 3, 1926.



visited China to investigate into the possibility of affording financial aid to educational and economic and social welfare schemes.<sup>50</sup>

Clementi was duly informed of the Foreign Office's attitude. While he was convinced that friendly relations should be restored with Canton, and recommended several alternatives to the Colonial Office to this effect, he stated that on no account could Hong Kong negotiate with the strikers, a body of unruly communist workers who left the colony of their own choice. He would only concede to negotiate with the Canton government alone.

In a speech to Legislative Council on February 4, Clementi expressed a friendly feeling towards Canton but denounced the strikers:

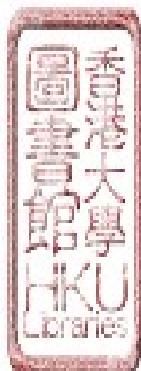
"we in this colony are animated by the friendliest feelings towards our neighbours in the Kwangtung province, and we are persuaded that the great mass of the Cantonese people are still as they used to be, ready and willing to trade with us in the most amicable manner to our mutual advantage ... only the Strike Committee prevents this ... we expect the Canton government to put an end to these illegalities ..." <sup>51</sup>

He ended by emphasising that Hong Kong would under no condition agree to the strikers' demands of strike-pay & reinstatement.

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50. For the conciliatory spirit shown by the British, Akira Iriye, After Imperialism, p. 63.

51. H.K. Hansard, 1926, pp. 1-2.



His strong attitude was influenced by the attempts of the strikers to foment a second strike in the colony, an attempt to bring Hong Kong to her knees and submit to the demands of the strikers. The Strike Committee relaxed the boycott against Hong Kong shipping temporarily and encouraged the Hong Kong workers to return.<sup>52</sup> Clementi resorted to strong measures to prevent the outbreak of this strike, and was able to do so with the active cooperation from the Chinese Mechanics Union, whose president Non Man-wai worked steadily to stem intimidation among the workers.

During the same month, an incident occurred which brought considerable satisfaction to Hong Kong and the British. The Commissioner of Customs at Canton, Edward Hayley Bell took a strong line of action towards the pickets. He had been greatly irritated by their constant interference at the Maritime Customs House and ordered the cessation of all activities until the pickets agreed to return over 2,000 packages which they had seized from the cargo boats before they went through the inspection of the Customs. Permits to discharge ships, cargoes and passengers' baggages would be issued only after the return of the goods and a guarantee of disciplined conduct in fu-

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52. Teng Chung-hia, Kai-kuan in Labour during first civ. war., p. 139.



Bell explained that this action was necessary "in the interest of the public and for the safeguarding of the revenue".<sup>53</sup> Hong Kong watched the affair with intent interest. It was thought that this drastic action of Bell would force the Canton government either to admit responsibility for the pickets activities or make them suppress the pickets altogether. However, the Canton government merely issued a proclamation exhorting the pickets not to interfere with what they termed the "prescribed rights of the customs" and to carry out their duties in the search for contraband enemy goods only after these had cleared through the Customs. Copies of this announcement were given to Bell to be posted at the Customs' offices. On February 25 the pickets capitulated and returned the cargoes to Bell. But they set up an examination shed just next to the Customs and continued to conduct their search for goods from Hong Kong and Britain.<sup>54</sup>

This victory against the strikers was probably a result of the insecure political situation at Canton. Though the leftists and the communists had gained the




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53. See C.F. Remer, p. 107. F.O. 405/250 no. 125, enclosure 16, Jamieson to Peking, February 22, 1922 enclosing letter from Bell on the subject.

54. F.O. 405/251 nos. 3 and 5, Canton to Peking, received at F.O. on April 6, 1926.

upperhand during the second National Congress of the Kuomintang - they reportedly controlled 163 out of 276 votes at the congress<sup>55</sup> - they could not exclude the rightists and the moderates altogether. The Western Hills group though not backed by a military force, was continuously denouncing the leftists at Canton, and ultimately Wang Ching-wei had to come to an understanding with Sun Fo, leader of the moderates, for fear they might be induced to join the Western Hills group. Thus both Sun and Tai Chi-tao, who was responsible for anti-leftist propaganda, were included into the newly elected central executive committee.<sup>56</sup> At the same time, Borodin's instructions from the executive committee of the Communist International was to maintain unity among the Kuomintang ranks:

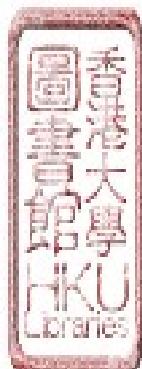
"a single national revolutionary front of the widest strata of the population (workers, peasants, bourgeoisie) under the leadership of the revolutionary democratic organization (viz. the Kuomintang)".<sup>57</sup>

Stalin - the chief political leader in Moscow - was the chief exponent of this policy. Thus Borodin was far from pleased with the activities of the communist am-

55. Jane Degas, The Communist International, vol. 2, p. 276.

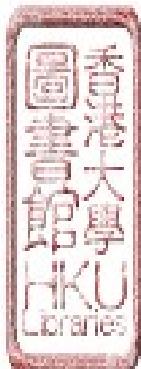
56. See F.O. 405/250 no. 46, Jamieson to Chamberlain, extract on China Press on Kuomintang delegates cong: January 6, 1926.

57. Jane Degas, The Communist International, vol. 2, pp. 277-9.



the strikers. He was afraid that a pronounced proletarian movement might turn the bourgeois in the south against the Kuomintang, and was therefore not disposed to oppose ending the strike-boycott.

Meanwhile, a struggle for power ensued between Wang Ching-wei and Chiang Kai-shek. Wang had become the acknowledged civilian leader at Canton, but the success of Chiang in the eastern expedition had greatly enhanced his prestige, and a personal feud between the two began. It was extremely unsatisfactory for Chiang to find that he was only listed as the fourth member on the Standing Committee of the central executive committee, and he had absented himself from the closing ceremony of the second National Congress on pleas of "heartburns and pains in the foot".<sup>58</sup> He refused the appointment of the Inspector-general of the national army and resigned also from his post as commander-in-chief of the First Army in favour of a trusted lieutenant, and from the post of Garrison-Commander of Canton, but not from the central executive committee or its standing committee or the post of the principal of the military academy.<sup>59</sup> He continued to complain that the Russians and "certain parties"<sup>60</sup> were opposing him



58. Mao Ssu-cheng, p. 609.

59. Ibid., p. 616.

60. Ibid., p. 615.

and obstructing his plans for the northern expedition. He was reported to have said,

"I have treated them (the Russians) with sincerity but they are sly and pretentious and I cannot work together with them".<sup>61</sup>

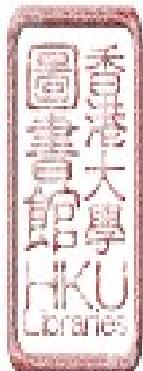
His resignations were probably designed to be a threat to Wang to withdraw his support from the government. Threat led to stalemate, and stalemate to tension which eventually erupted in the shape of the March 20 com  
d'état.<sup>62</sup>

It was probably due to the uneasy relations between Wang and Chiang that Wang sent Foo Ping-ch'eng to resume talks with Hong Kong at Macao. During this meeting Foo demanded that Hong Kong should pay \$14 million to the strikers in lieu of strike payment and reinstatement.<sup>63</sup> This was resolutely refused by Hong Kong, and the representatives, Chou and Kotewall, reported to Clementi that though they would not pay this sum, it was vital that Hong Kong should not belittle the Canton government as

61. Ibid., p. 609.

62. Pichon P.Y. Loh, "The Politics of Chiang Kai-shek" Journal of Asian Studies, XXV, 435.

63. F.O. 405/251, no. 26, C.O. to F.O., enclosure 6, memorandum by Kotewall and Chou on the conversation with Foo Ping-ch'eng, March 5, 1925. Foo later said that he was sent to Hong Kong because Wang heard rumours that Sun Fo wanted to settle the strike, and wished to forestall Sun to take the wind out of his sails.



it had done at the beginning of the strike. Above all, they should not place too much hope on internal dissensions, for it appeared to them that there was no hope of the "reds" falling from power. At this juncture, the March 20 coup occurred. The background of the incident will be briefly discussed here.

Chiang's relations with Kissanka, the chief Russian Military Adviser, had been rapidly deteriorating due to the overbearing attitude of the latter towards Chiang. Kissanka also disagreed with Chiang over the projected Northern Expedition and said that Chiang simply had no chance to win.<sup>64</sup> As a result of this disagreement, Chiang tendered his resignation to Wang Ching-wei on February 9. But Wang took no action during the following fortnight, at the end of which Chiang demanded that if he was not allowed to resign, Kissanka should be sent back to Moscow. By March 14, Wang hinted to Chiang that he should leave Canton. In the meantime anti-Chiang propaganda was begun on March 8.<sup>65</sup> It was rumoured that Li Chih-lu a communist and the commandant of the gunboat 'Chungshan' was ordered to "escort" Chiang - by force if necessary - to leave Kwangtung. But Chiang out-maneuvred his oppo

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64. Chiang Kai-shek, Soviet Russia in China, (New York, 1957), p. 39.

65. Mao Ssu-chang, p. 628.



He ordered the arrest of commandant Li, and seized the gunboat. At the same time, the headquarters of the Strike Committee, the residences of the Soviet agents and the Soviet Commission were surrounded and searched. Several strike leaders and Soviet agents were arrested and detained for questioning. Three Soviet agents were immediately sent back to Moscow while the others were detained. The Soviet political staff attached to the First Army Corps was disbanded. The Young Soldiers' Society, a communist organisation among the soldiers was also dissolved.<sup>66</sup> All these actions were taken without previous consultation with other members of the government. Wang was so infuriated by Chiang's actions that he refused to receive Chiang for nearly a week, and stated that he was in ill-health.

The March 20 coup d'état was the crowning achievement of Chiang's rising career. However, the incident is one of the many nebulous mysteries in the power struggles in China. Existing documentation does not allow one to draw any conclusion as to the actual cause of the incident. Neither Chiang nor Wang gave any clear explanation for




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66. Hollington K. Tong, p. 90. See also WORD/54 intelligence report, file 103-100, serial no. 234-2 April 12, 1926, for the report of the commander-in-chief of the Asiatic fleets.

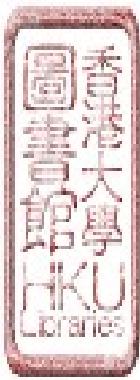
the plot and the subsequent coup. It is beyond the scope of this study to delve into this mystery, but one might conclude, however, that it was evident that Wang was not at all opposed to the removal of Chiang from Canton. Li Chih-lung affirmed that he was on extremely good terms with Wang Ching-wei and one might suggest that the power struggle culminated in the outbreak of the incident, and Wang was therefore forced to leave Canton ostensibly for "health reasons".<sup>67</sup> His biographer discreetly wrote:

"Being ill, and not personally ambitious, he considered that the best way of solving the situation was for him to retreat and, for the time being, to allow Chiang to take charge of affairs".<sup>68</sup>

Chiang explained later that the coup was all a misunderstanding and stated that he was willing to give himself up for reprimand. However, no action was taken against him, and his actions were endorsed by the Political Council. The Russians and the Chinese Communist Party decided to accommodate Chiang, since Stalin believed that the Chinese revolution could progress only if the Chinese

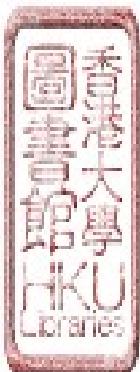
67. A recent study on the March 20 coup is Wu Tien-wei's "Chiang Kai-shek's March 20th coup d'etat of 1926" in Journal of Asian Studies, XVII, 1967-8, 585-602. Pichon F.Y. Loh's "The Politics of Chiang Kai-shek: a reappraisal" also discusses the coup in some detail. See also Wilbur and How, pp. 248-254, document 23, "Stepanov's report on the March 20th coup d'etat". Stepanov was a Russian adviser with Chiang's First

68. T'ang Leang-li, Wang Ching-wei, p. 132.



Communist Party remained within the Kuominteng.<sup>69</sup> On April 3, Chiang suggested the initiation of the Northern Expedition, and there were rumours that another coup would be made against the remaining Russian staff and Chen Kung-po, a communist who replaced Liao Chung-k'ai's after the latter's death. However Chiang's next action was to remove Wu Teh-ch'en from his post as Commissioner of Public Safety, on the grounds that he could not hold a civil appointment concurrently with a military post and he was replaced by a loyal henchman of Chiang. Presumably this was an attempt to placate the leftists, since Wu Teh-ch'en was never counted among their ranks.<sup>70</sup> Later Foo Ping-ch'ang divulged that Chiang was faced with the choice of either discarding the Russians and the communists altogether or to continue to receive Russian assistance and carry on the Northern Expedition.<sup>71</sup> His decision

69. Conrad Brandt, Stalin's Failure in China (Cambridge, 1958), p. 33. According to Chang Kuo-tao, a section of the Chinese Communist Party was against this line and was in favour of retreat from the Kuomintang, but they were over-ruled by the Comintern. See "Wo ti hui-i", NFL, II, no. 16, (April 1967) which discusses the reaction of the Chinese Communist Party to the c
70. WTYP, March 29, 1926. The editor suggested that Chiang's actions were entirely conditioned by his obsession with the Northern Expedition.
71. F.O. 405/2524, no. 44, C.O. to F.O., June 8, 1926, enclosure 2, memorandum of the conversation between Foo Ping-ch'ang and Kotewall dated June 4, 1926.



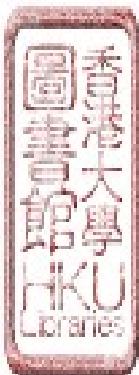
was influenced largely by the fact that even among his own cadets two factions existed - the rightists in the Study of Sun Yat-senism group and the leftists in the Young Soldiers Society, the latter being more influential.<sup>72</sup> It was obvious that he would choose the latter course. The moderates were now the subject of Chiang's attack. Wu Teh-ch'en known to be averse to the presence of Russians in the government, was arrested on some oblique charges. Later in June, C.C. Wu was "advised" to leave. In return for this, Chiang reportedly received 8,000 rifles and 8 million rounds of munition from Borodin. Relations with the Chinese Communist Party were readjusted, in accordance with Stalin's decision that the Chinese Communist Party should continue to operate from among the ranks of the Kuomintang. The communists were allowed to hold only a third of the posts in the government, and had to submit a list of their members to the central executive committee of the Kuomintang. Kuomintang members were prohibited from joining the Chinese Communist Party.<sup>73</sup> He also rejected an overture of reconciliation from the Western Hills group.<sup>74</sup>

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72. Mao Ssu-cheng in p. 538 and p. 616 record Chiang's speeches admonishing the two factions cease their hostilities towards each other.

73. Wilbur and How, pp. 220-224. Mao Ssu-cheng, p. 66

74. Wu Tien-wei, p. 592.



His relations with the strikers were also resumed. He spoke to the third congress of the All China Federation of Labour on May Day and praised the workers for their assistance in his recent campaigns, ending his speech with "Long Live the World Revolution!" Outwardly, at least, the wound was healed.<sup>75</sup>

The Strike Committee was "puzzled" by the sudden action against them, but Teng Chung-hai expressed in no uncertain terms that the course of the strike-boycott severely affected by this incident due to the change in the imperialists' attitude.<sup>76</sup>

Hong Kong watched this sudden development with great interest. Though it had no reliable inside information on the coup it endeavoured to elicit information from visiting Canton officials. At the time, Sun Fo passed through Hong Kong and Clementi asked for information about the incident. Sun admitted reluctantly that Chiang was indeed the supreme power behind the government but would not agree that Chiang was a communist. He said

75. E.R. Isaacs, pp. 118-119.

76. When Teng wrote the account (August, 1926) he could not have foreseen Chiang's "betrayal" against the Communists in April 1927. Thus he made no strong attack on Chiang's actions, as would have been expected. See Kai-kun, p. 143.



that the plot was engineered by the communists to get rid of him and to place Wang firmly at the head of the government. Sun also expressed that he was 'very glad' to see the strikers stripped of their illegal powers, and stated that there were hopes of the non-communist moderates coming into power soon.<sup>77</sup>

Clementi's attitude to the strikers was also affected by reports he received from Jamieson. During March, Jamieson reported that eight strike leaders sent word to him that they would be willing to call off the strike in return for the payment of \$2,000 for each. He alleged that these men included Su Chao-cheng, Wong Kam-yun - leader of pickets - and Teng Chung-hsia.<sup>78</sup> Before long, Wang Ching-wei also announced that he was "indisposed" and would not be able to assume his regular duties in the government but a verbal message was sent to Hong Kong through an eminent Chinese who was the brother-in-law of the late Liao Chung-kai stating that the Canton government would be willing to appoint three delegates: C.C. Wu, Che Kung-po (head of the Labour Department and a communist) ; T.V. Soong to negotiate for the settlement of the strike.



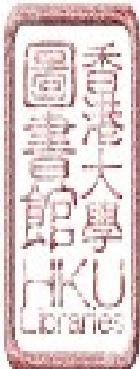
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77. C.O. 129/492 secret desp., Clementi to Amery, "Canton Situation: conversation with Sun Fo", March 29, 1926.
78. F.O. 405/251 no. 26, telegram, Jamieson to Macleay, March 16, 1926.

boycott and requested that preliminary talks should be arranged first.<sup>79</sup>

Clementi had reason to feel that the tide was turning very much in the favour of Hong Kong. Following closely in the wake of the customs dispute in February, the March 20 coup dealt a blow to the prestige of the Russian agents and the strikers - the two elements, which in Clementi's opinion, were solely responsible for the perpetuation of the strike-boycott. The return of Sun Fo to assume the mayoralty at Canton was also considered to be favourable to Hong Kong. Thus, when C.C. Wu and Hong Kong's Attorney General J. Kemp met in April for preliminary talks, Hong Kong insisted that under no circumstances would payment be made. C.C. Wu on the other hand again emphasised that the Canton government was only mediating in the dispute and presented the following claims from the strikers: for each of the 70,109 strikers a monthly sum of HK\$29.22 totalling £20,000,000, and for the strikers who returned before the Chinese New Year £2 per month each, amounting to HK\$60,000. As for the proposed industrial loan for building the loopline, Wu estimated that it would cost HK\$50,000 to build each mile, while

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79. "His Excellency's speech at the Annual Meeting of the Chamber, March 25, 1926" in HKCC, 1926, p. 154.



Hong Kong proposed to raised a sum of only HK\$1,000,000 initially. Neither side would give way, and the negotiations ended in deadlock.<sup>80</sup>

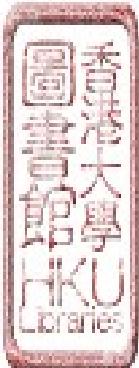
In his report to the Colonial Office, Clementi justified his strong attitude by explaining that Canton had constantly changed their terms, thereby giving "an air of unreality to the whole attempt at a money bargain for calling off the strike-boycott and throwing lurid light on the profession of patriotism made by the strike leaders".<sup>81</sup> The March 20 coup d'état against the strikers was considered to be a favourable factor for Hong Kong. Thus when in April, the Canton government sent Lam Tsz-fung, a former Hong Kong resident who was recently appointed Director of Central Customs and Administrator of the Ministry of Finance at Canton for informal discussions no progress was made.<sup>82</sup>

Meanwhile Chamberlain was constantly harrassed by the Labour Party members in the Commons on the negotiations. They demanded to know what actions had been taken failing

80. F.O. 405/251 no. 64, G.O. to F.O., May 21, 1926, enclosure 6, secret desp., Clementi to Amery, "Canton Boycott", April 11, 1926.

81. Ibid.

82. G.O. 129/492 secret desp., Clementi to Amery, "Canton Situation", April 29, 1926.



the settlement by payment.<sup>83</sup> The Foreign Office came to regard the settlement of the boycott as an issue which should be solved immediately. During the early months of 1926, it had been deliberating whether it should give Canton preferential treatment in apportioning the surplus balance of the revenue from the Washington surtaxes: an issue which would be discussed at the Chinese Tariff Conference to be held at Peking in November 1926. The British Minister at Peking and Clementi opposed this on the grounds that Hong Kong-Canton dispute had not risen out of the customs surplus question and thus it could not be remedied by a conciliatory spirit at the tariff conference.<sup>84</sup> Clementi's opposition was, of course, based on the grounds that a government favourable to Hong Kong might be established at Canton soon.

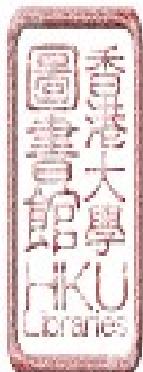
At the beginning of June, Chiang announced an eight-point programme to the effect that:

- (1) the monopoly on sale of coal and oil was to be abolished,
- (2) the strike-boycott against Hong Kong was to be resolved by the government,
- (3) the suppression of piracy and banditry,

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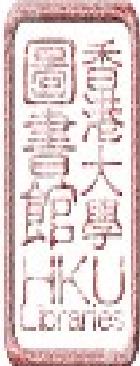
83. See, for example, F.O. 105/250 no. 110, "Questions asked in the House of Commons", March 22, 1926.

84. C.O. 129/493 secret desp., Clementi to Anery, "Chinese Tariff Conference", May 21, 1926.



- (4) the establishment of a labour bureau to settle the incessant labour disputes,
- (5) the prohibition of private possession of arms,
- (6) the severe punishment of corrupt officials,
- (7) court-martial for all rumour-mongers, and
- (8) improvement of the education system,<sup>85</sup> transportation, and port facilities.<sup>86</sup>

This eight point programme seemed to have been aimed at clearing the path for the Northern Expedition. In connection with point no. 6, C.C. Wu was suddenly stripped of his office in June, being suspected of complicity with Hong Kong. It was alleged that both C.C. Wu and Wu Teh-ch'en (who was placed under strong guard in Whampoa since May) were engaged in a plot to call off the strike-boycott on the payment of HK\$12,000,000 from Hong Kong bankers and merchants, and that the extra \$2,000,000 was "to be allocated as the government felt fit". Chiang alleged that C.C. Wu and Wu Teh-ch'en were guilty of corruption and bribery.<sup>86</sup> The charge might or might not have been valid, but members of the so-called "prince" clique including C.C. Wu, Foo Ping-ch'ang and Sun Fo were forced to leave Canton. This



85. Ko Yan-cho, p. 212. See also USRDS/55 desp. no. 46 Jenkins to Macmurray, "Political Development in Canton", June 11, 1926.

86. USRDS/54 desp. no. 467, Jenkins to Macmurray, "Flight of Dr. C.C. Wu from Canton", June 4, 1926. Ko Yan-cho, p. 213 mentioned that Wu went "on leave" in June.

was clearly a step to conciliate the Russians and the leftists, since C.C. Wu was known to have many interests at Hong Kong and Wu Teh-ch'en had been unpopular with the Strike Committee and the Russians.<sup>87</sup>

Chiang appointed Eugene Chen, a former journalist and a somewhat flamboyant figure, to become Foreign Minister. He was fairly unpopular with the foreigners for his trenchant speeches. He was, to an American official, "a person I wouldn't trust out of my sight".<sup>88</sup> He talked incessantly of the "forging of the weapon" viz. the strike, against the imperialists and commented that the Canton government could put down all labour troubles including the Hong Kong strike if it wanted. But he added that "to do so would be to deprive Nationalist Chinese of the great force of her working population which is needed to carry her through to victory. We should be alienating the people and our strength lies precisely in the people's trust in us".<sup>89</sup> He again said, "we are against British institutions in China that are unjust to the Chinese, not against English as such in China or elsewhere".<sup>90</sup> Presumably, the



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- 87. Teng Chung-hsia, Kai-kuan, p. 141. For the "prince clique's account of the incident, see F.O. 405/252A no. 44, memorandum of conversation between Kotewall and Foo Ping-ch'ang, June 4, 1926.
  - 88. USRDS/55 no. 728, Report Mayer to Macmurray, August 1926.
  - 89. H.O. Chapman, The Chinese Revolution (London, 1928), p. 28.
  - 90. A. Ransome, The China Puzzle (London, 1927), p. 72.

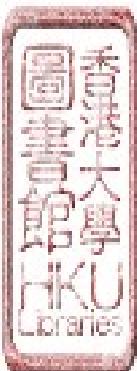
institutions referred to racial discrimination at Shamian and Hong Kong. In June Chen informed the Hong Kong government that Canton was ready to re-open negotiations and had appointed 3 plenipotentiaries for this purpose: they were T.V. Soong, C.C. Wu and Chen Kung-po (later replaced by Kuo Meng-yu). He suggested that Hong Kong should do the same.<sup>91</sup>

Hong Kong's delegation consisted of J. Kemp, Halifax, and Brenan, the acting British consul-general. Brenan was to serve as the representative of the British government and the other two as representative of the Hong Kong government. They could deal with the strike-boycott and the anti-British troubles in south China at the same time and all other cognate questions which Canton wished to raise. Macleay was apprehensive of the negotiations being used as "a piece of deliberate bluff designed to obtain funds for Hong Kong".<sup>92</sup> However, as a safeguard against this, it was suggested that Hong Kong should make an industrial loan on condition that it would be used only for public works of a non-military nature.

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91. C.O. 129/493 confid. desp., Clementi to Amery, "Can Situation", June 10, 1926, also see telegram dated June 13, 1926 in the same volume.

92. C.O. 129/493 minutes on confid. desp., Clementi to Amery, June 13, 1926.



was to be doled out in installments. The construction of the loopline railway or development of Whampoa as a port could be considered in this respect. If Canton should request for the loan of officers, Hong Kong could only agree to send civil but not military officers. The Colonial Office and Clementi decided that any claims of the strikers for backpay or compensation would be met by a counter claim for losses suffered by Hong Kong in the boycott. Similarly, possible claims for compensation for Shamian incident victims would be countered by losses suffered by British subjects at Shamian and possibly losses suffered by British subjects in Kwangtung generally. The last suggestion was somewhat fancifully considered a master-stroke, since it was felt that Canton could not possibly raise any claims to counterbalance this. In this manner Hong Kong hoped to avert the face-loosing act of actually paying the strikers.<sup>93</sup>

The negotiations began on July 15 at Canton. In a statement of the Chinese case, Eugene Chen traced the origins of the boycott to the June 23 incident. He sta-

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93. F.O. 405/250 no. 127, C.O. to F.O., March 30, 1926, transmitting priority telegram from Amery to Clementi March 26, 1926, with instructions for the preliminary negotiations. See also C.O. 129/492 telegram from Amery to Clementi, July 23, 1926, and C.O. 129/493 urgent telegram, Clementi to Amery, "Canton Situation June 10, 1926.

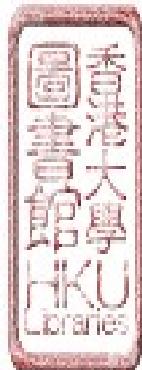


that the Canton government aimed to achieve independence of China from foreign imperialism. He added that the British imperialists had recently added three wrongs to her long record of outrages against China and he stated that they were: the Shanceen Massacre on June 23, 1925, the blockade of Hong Kong against Canton instituted by Stubbs and the refusal of negotiations to end these two wrongs by the summary rejection of demands formulated by the Nationalist Government on June 29, 1925. Eugene Chen then proposed an investigation into the Shakes incident, compensations for the victims and that Britain should guarantee that there would be no repetition of similar incidents. Finally, getting down to business, he proposed that Hong Kong should raise a sum of money to end the "serious unemployment problems created by the strike".<sup>94</sup>

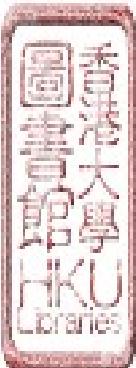
Eugene Chen's speech merits some discussion. Clearly, the Canton government had now discarded its former claims that it was not a party of the strike-boycott. Furthermore, all the political claims presented in the draft of the demands of the students and the strikers were abandoned. The issue was merely a question of a \$10,000,000 compensation. As previously instructed,

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94. For the text of Chen's speech, see CYB, 1926, pp. 987-9 or C.O. 129/193 confid. desp., Clementi to Amery, "Boycott Conference", July 23, 1926.



delegation from Hong Kong had replied that on no account could compensation be paid and that it had to consult the home government about the proposed commission of inquiry. The Chinese delegation then officially proposed that Hong Kong should raise a loan to Canton for "industrial purposes". Privately the Hong Kong delegates were given several alternatives. The first alternative was to agree to pay the sum immediately in return for the immediate calling off of the boycott. Alternatively, T.V. Soong suggested that Hong Kong could deposit an agreed amount of free money with a Canton bank, and if the court of inquiry into June 23 incident ruled in favour of Britain, the sum would then be refunded by Canton. The arrangement that the Chinese delegates preferred would be for Hong Kong to advance them a loan in free money. The British were not adverse to granting a loan to Canton, but they were determined that its purpose should be clearly defined. It offered a loan to Canton to develop the port at Whampoa and to build the loopline railway. Stipulations appended to the loan were the immediate cessation of the boycott and all anti-British activities in Kwangtung and that the Chinese should seek technical assistance from Britain alone. The Chinese then accused the British of taking "one step backward and two steps forward". After five sessions,



both sides ultimately decided to adjourn the negotiations so that they might consult their respective governments.<sup>95</sup>

The British were now fully convinced that the sole object of the Canton government was to obtain a substantial amount of ready money from Hong Kong. Their conviction was based on the ground that the Chinese delegation no longer even pretended to represent the interest of the strikers. When the Strike Committee demanded a voice in the parleys, Chiang, who had already embarked on the Northern Expedition, sent an order to the new Commissioner of Public Safety instructing him to prevent the labour unions from interfering with the discussions.<sup>96</sup> Foreign communities in Hong Kong were pessimistic regarding the negotiations and were convinced that there would be no further meetings for some time to come unless the Canton army fighting in Hunan met with unexpected reverse. So far as Hong Kong was concerned, she found herself in exactly the same position as she was before the conference. The only difference was that she would be liable to be faced with the possible

95. C.O. 129/493 confid. secret desp., Clementi to Amery "Canton Boycott", July 23, 28, 1926, enclosing unpubl notes of the proceedings of conference nos. 4 and 5 held on July 21 and 25 respectively. For the publis text of the conference, see CYB, 1926, pp. 955-998 or SCMP, July 26, 27, 28, 29, 1926, for excerpts.
96. USRD9/55 desp. no. 294, Fredwell to Kellogg, "Negotia for settlement cf boycott against Hong Kong", July 27, 1926.



convening of a commission of inquiry into the Shakese incident. Clementi objected to the inquiry, pointing out that great delay would be involved, during which interval Canton would indubitably perpetuate ill-feelings against Hong Kong. He considered this proposal as a "face-saving" device designed by Eugene Chen to maintain the Kuomintang slogan of fighting the imperialists.<sup>97</sup>

The Foreign Office suspected that the proposed inquiry was an attempt to trap the British government. After lengthy discussions, it was decided that Britain would only agree to hold an inquiry if France would be willing to participate, that the judge would be a national of a power not represented at Canton and that foreign governments would agree to facilitate their nationals in giving evidence to the commission. However, as Canton took no further action on the proposal, the matter was allowed to lapse.<sup>98</sup>

Clementi now strongly recommended the ending of the strike-boycott through recognition of the Canton government by Britain. He urged the Colonial Office to impress upon Chamberlain to approach France, United States



97. C.O. 129/493 secret tel., Clementi to Amery, "Canton Situation", July 26, 1926.

98. C.O. 129/493 minutes or secret tel., Clementi to Amery dated July 26, 1926. See also the secret telegram from Amery to Clementi, dated September 4, 1926 containing the above mentioned instructions.

and Japan concerning this. His proposals in February were now amplified: he pointed out that Peking had absolutely no control over any regional government in China and could not redress any grievances that the foreigners suffered in the south. Britain should therefore propose to recognise the Canton government as a de facto independent body on condition that the latter would cease all anti-British manifestations immediately.<sup>99</sup> But his recommendations were turned down, since the Foreign Office had already stated in July:

"However the Cantonese choose to describe their government, His Majesty's government recognises it only as the provisional administration of Kwangtung".<sup>100</sup>

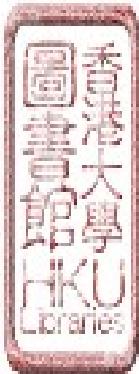
The Colonial Office further pointed out that Canton had not asked for recognition.

Clementi was evidently greatly dissatisfied with the existing impasse, and on August 17, surprised foreign and Chinese circles alike in both Hong Kong and Canton by denouncing the Canton government in a public speech. He accused Canton of conniving at the Strike Committee's

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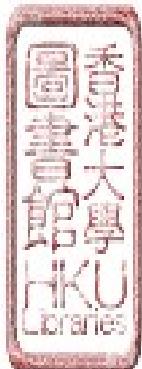
99. C.O. 129/493 tel., Clementi to Amery, "Boycott Negotiations", August 9, 1926 and secret desp., "Recognition of Regional Government in China", August 16, 1926.

100. F.O. 405/252A no. 27, F.O. memorandum on Canton situation July 27, 1926, and again, no. 77, tel., Amery to Brenan, "Recognition of Canton as government of China impossible", August 16, 1926.



illegal activities and warned that if no steps were taken to end this situation, Britain would take strong action against them. This was a departure from his usual attitude towards Canton, and was generally regarded by the foreign circles as a most significant change pregnant with far-reaching possibilities.<sup>101</sup>

The American consul-general at Hong Kong reported a "most distinct hardening of attitude" of Clementi, and that a forthcoming conference with Brenan, and British naval and military officers might precipitate unexpected actions towards Canton.<sup>102</sup> Two meetings were actually held, during which it was decided that a naval demonstration should be staged at the occurrence of the next outrage committed by the pickets. Two leading shipping companies were invited to send steamers to Canton for a trial run after the demonstration. One of them refused, but the Jardine, Matheson & Co. agreed to co-operate. A warning note was duly dispatched to Eugene Chen, stating that if hostilities did not cease, Hong Kong would be forced to resort to take action. On September 4, the projected demonstration took



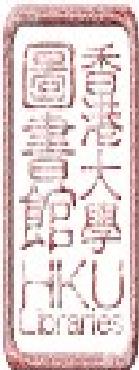
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101. CM, August 17, 1926, reports Clementi's speech at the opening ceremony of the new premise of the Lane Carg Co. See also USRDS/55 tel. no. 332, Jenkins to Macmurray, August 18, 1926, reporting Fredwell's telegran.
102. USRDS/55 tel. no. 343, Fredwell to Macmurray, August 23, 1926.

place. The pickets were driven off the steamer landings and the bund at Shamien, and Chinese junks on their way to the pickets' examination sheds were intercepted. On September 9 and 12, two steamers belonging to the Jardine Co. sailed unhindered to Canton and brought back some freight to Hong Kong.<sup>103</sup>

As expected, Eugene Chen protested against this action immediately. He complained that the Canton government was just about to settle the boycott when the British took the unnecessary and arbitrary action on September 4. He stated to Brenan that the Chinese police would undertake the prevention of illegal picketing, and pressed him for a reply on the issue of the proposed commission of inquiry. He appeared to be greatly upset by the sudden naval demonstration.<sup>104</sup>

Clementi was elated at the success of the demonstration and now pressed for a blockade against Canton:

"A unique opportunity has now arisen of bringing about a rapid termination of the boycott by independent warlike action on our part without running more than minimum



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103. See C.O. 129/493 secret desps., Clementi to Amery, "Proposed actions against pickets", "Action against strike pickets in the Canton harbour", dated August 22, 31, 1926 respectively.
104. F.O. 405/2524 no. 113, tel., Brenan to Chamberlain, "Canton situation", September 12, 1926.

of the risk of creating unfavourable effect either on foreign powers or on situation elsewhere in China".<sup>105</sup>

He then went on to suggest that an ultimatum demanding the immediate cessation of the boycott should be delivered at that opportune moment. In September, all the foreign powers were viewing Chiang Kai-shek's successful onslaught into central China with great consternation. They were apprehensive of an anti-foreign boycott movement being extended to central and northern China in the wake of Chiang's success. Clementi thought that Britain should take advantage of this apprehension to put its foot down on the strike-boycott. He felt that the anti-British manifestations in the Yangtze area caused by the Wanhsien incident<sup>106</sup> could also be justifiably used as the pretext for delivering the ultimatum.

His recommendation was supported by Macleay, who reported that the members of the foreign diplomatic corps at Peking were uneasy at the success of Chiang. Macleay

105. C.O. 129/424 tel., Clementi to Amery, "Canton Situation", September 16, 1926.

106. See Eric Teichman, Affairs of China (London, 1938) pp. 176-177. The incident was precipitated in early September by a Szechuan militarist Yang Sen (who was an associate of Chiang) when he attempted to intercept two British steamers sailing on the Yangtze. The British steamers opened fire on the Chinese city of Wanhsien and this touched off a series of anti-British manifestations in the Yangtze region. At about the same time, Chiang had succeeded to capture Nankow. It was thought by the British that the two events were connected.

*in capturing*



reported that the various Chinese warlords were already discussing a possible united front against Chiang and requested for aid from Britain in any form. Macleay thought that if Chiang Kai-shek was to be prevented from overrunning north China and if the anti-imperialistic propaganda and the strike-boycott were to be stopped, Britain had to give the Canton government a firm set-down. He was therefore in favour of Clementi's suggestion.<sup>107</sup>

The Foreign Office was extremely reluctant to acquiesce in this suggestion as it involved prior agreements with the other foreign powers. The evacuation of Shantou was also deemed necessary in view of possible hostile actions from Canton.<sup>108</sup> On September 18, Brenan reported that Eugene Chen disclaimed any connection between the Canton government and strikers but declared that his government would terminate the boycott on October 10 if Britain acquiesced in the imposition of surtax of 2½% on all luxuries. The income from this source would be used

107. C.O. 129/494 enclosure in file with subject "Canton Situation" dated September 16, 1926 - confid. tel. Macleay to Chamberlain, September 15, 1926.

108. See C.O. 129/495 C.O. file containing "papers from Committee of Imperial Defence (C.I.D.), nos. 677B and 681B" dated April 19, 1926, decided against a blockade against Canton, and see also in the same volume, in a file dated October 8, 1926, the C.I.D. paper no. 722B reaffirming the former papers no. 677B and no. 681B.



in liquidating the Strike Committee and their pickets. This course appeared to the Foreign Office as the lesser of the two evils and it decided to accept these terms instead of adopting the alternative suggested by Clementi. It wrote in October:

"the paramount consideration was the possibility of a termination of the boycott and the substitution of these relatively moderate taxes for the much more extensive illegalities of the Strike Committee seemed a small price to pay for the resumption of trade between Canton and Hong Kong".<sup>109</sup>

The other foreign powers, notably U.S.A., France and Japan agitated at the surtaxes which were regarded as a flagrant violation of their treaty rights. The Foreign Office's decision was conditioned by the fear that if it turned down her demands Canton might set up a separate custom system and collect the taxes on her own. The Foreign Office's China policy was guided by three principles: (1) to conciliate China, this being her most urgent task after the May 30 incident, (2) to maintain the unity among the foreign powers concerning Chinese affairs, and (3) to preserve the Chinese Maritime Customs and remove the restrictions on British trade in China. On balance, the first and third items had more weight than the second.

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109. F.O. 405/252A no. 172, "F.O. memorandum on the Canton boycott - a record of events July 15 to October 13, 1926". See also no. 153 in the same volume, "Customs administration and new taxation proposals", a F.O. memorandum dated September 29, 1926.



consideration. Thus in November, Brennan was instructed to inform Eugene Chen that Britain acquiesced in the collection of the surtaxes through the Maritime Customs. At the same time, however, the Foreign Office did not wish to offend U.S.A., Japan and France and therefore it instructed Macleay to join in the protest against the levy of these surtaxes. The joint protest ended as a miserable fiasco, for Eugene Chen refused to accept the protest handed to him by the senior minister of the diplomatic corps. Chen stated that his government would only discuss the issue if and when the foreign powers would abandon the fiction that Peking governed all China.<sup>110</sup>

Despite Eugene Chen's statement that the government had no connection with the strikers, his announcements to the strikers indicated otherwise. On September 22 he was reported to have told the strike committee:

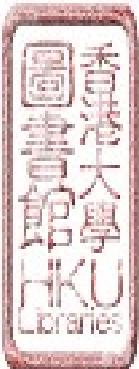
"the boycott must be stopped because the Political Council resolved to resume Hong Kong-Canton traffic by October 1".<sup>111</sup>

This emphatic announcement was followed by other similar declarations and the Kuomintang explained to the

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110. See C.O. 129/496 F.O. to C.O., November 26, 1926, forwarding F.O. Cabinet Papers on China, C.P. 399( and C.P. 300(26). See also C.O. 129/496 F.O. to C.O., November 12, 1926, enclosing tel. from Macleay to F.O. dated November 11, 1926.

111. NYTP, September 25, 1926. The emphasis in the quotation is my own.



strikers that it was necessary to end the strike-boycott as the struggle against imperialism was being extended to central and northern China. The official notification of the Kuomintang to the strikers was printed in the Canton Gazette of October 10. On September 30, the government supervised a session of the Strikers' Delegates Council during which the strikers agreed to terminate the strike-boycott as instructed. On October 12, a notification issued jointly by the Strike Committee and the All-China Labour Federation instructed the workers to heed the Kuomintang's declaration and to end the boycott against Hong Kong.<sup>112</sup>

The pickets were duly re-called, and the Hong Kong-Canton traffic was resumed, but anti-British activities were still carried on.<sup>113</sup> An anti-British economic boycott committee was formed to continue the boycott against British goods.<sup>114</sup> Despite Brenan's protests, the activities of this committee were allowed to continue. However, the anti-British boycott was conducted on a very limited scale when compared with the strike-boycott which had just been

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112. F.O. 405/252A no. 279, Brenan to Macleay, October 1 1926, extracts from Canton Gazette of October 10, 1926. See Ma Chao-chin, vol. III, pp. 584-587 who described the meeting on September 30.

113. C.O. 129/494 confid. desp., Clementi to Amery, "De recognition of Canton government", October 12, 1926

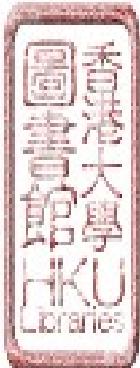
114. WTYP, October 29, 1926.



officially terminated by Canton. By December, the main governmental departments were removed to Wuchang, and Canton was left in the charge of Li Chi-sen, a militarist. Cordial relations were gradually re-established and official visits were exchanged between the heads of the two governments. In December 1927, Clementi paid a personal visit to Canton. In late 1927, Li informed the Strike Committee, which had continued to exist at Canton even after the end of the strike-boycott, that he would take action to dissolve the committee and the remnant forces of the picket squads if they would not disband themselves voluntarily. On November 25, over 10,000 workers were vacated from the Tung Yuan and sixty other buildings which they had occupied in gratis since June 1925. In a last attempt to defy the government, the pickets set fire to the Tung Yuan and the last vestige of the strike-boycott disappeared.<sup>115</sup>

To the leaders of the Strike Committee, and their contemporaries, the episode was known as the Shêng-kang ta-pa-kung or the Great Hong Kong-Canton strike. They

115. F.O. 405/256 no. 80, C.O. to F.O., enclosing desp. from Southern (officer administering the colony) to Anery, December 1, 1927; enclosures 2 and 3, Clementi to Anery, on situation at Canton, dated December 10, 1927 respectively. Ma Chao-chün, vol. III, p. 726, describes the action taken by Li against the pickets at Tung Yuan.



regarded the boycott as an outgrowth of the strike or, to be more exact, one vital part of the strike against Hong Kong. Actually, a close examination of the events in 1925 and 1926 shows that while the impact of the strike was greatly felt in June and July of 1925, the full weight of the workers' actions against Hong Kong came from the boycott. The drastic losses suffered by Hong Kong due to the blockade attest to this fact. Thus the author has taken the liberty to use the term "strike-boycott" in discussing the episode to indicate the two distinct actions - strike and boycott - both as important as the other.

By way of a summary, one may say that Hong Kong's attitude to Canton was subjected to two considerations: the continuously changing political scene at Canton, and the attitude of the Foreign Office to the south China problem. Of the two governors, Clementi was more concerned with settling the strike-boycott, and he attempted to tackle the thorny problem almost as soon as he assumed the governorship, but his decisions were hampered by the lack of sufficient knowledge of the Canton situation. The nebulous and ever-changing political situation at Canton also proved to be a handicap in making quick and accurate decisions. With the rise of Chiang Kai-shek,



the situation at Canton became less obscure. Chiang was primarily preoccupied with the military expedition against the militarists. The settlement of the strike-boycott was therefore considered necessary. Chiang did not favour the idea of having to deal with troubles from the British at Hong Kong in the south while campaigning in the north. Secondly, the Canton government hoped, if possible, to obtain a "loan" from Hong Kong since the expedition was a costly venture. Under these circumstances, the strike-boycott was eventually called off though official negotiations had failed in the summer of 1926. It is clear, therefore, that the strike-boycott was first and foremost a political movement. Evidences of the connexions between the Canton government and the strikers have been already examined elsewhere and it suffices to point out that the strike-boycott was actually endorsed by the second National Congress of the Kuomintang. In its resolution concerning the labour movement, the congress stated that the Kuomintang should utilise the opportune situation created by May 30 to spread its political tene among the workers and to win them over to join in the political struggle against the imperialists for the prog of the revolution. The strikers from Hong Kong were referred to as the vanguard of the revolution, and their



example was held up to all other workers. Finally, the resolution called for an united Canton government, and an united national government.<sup>116</sup>

Admittedly, the congress was inclined heavily to the left, but its resolution showed that the strike-boycott had an important place in its programme for national unity, and therefore, no settlement of the strike-boycott could be effected unless and until the Canton government found it expedient to do so. The emergence of Chiang Kai-shek was to make the settlement possible. The Strike Committee suffered its first reverse at Chiang's hand on March 20, 1926, and since then, its actions were watched closely by the government. In July, when talks between the Hong Kong and Canton governments were begun concerning the settlement of the strike, the strikers, who were the principals involved, were debarred from attending the conferences at Chiang's specific orders. Again, on August 1, at Chiang's orders, martial law was proclaimed at Canton, ostensibly to root "bandits", but actions were actually taken against the pickets. On August 9, the Canton authorities stepped

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116. See Chin-ykuo kuo-min-tang ti erh tz'u ch'uen huo tai-piao ta-hui hui-i chi-lu, pp. 121-123, p. 146.



in with regulations for compulsory arbitration of all labour disputes under government auspices. Workers were forbidden from bearing arms, or assembling in large numbers or parading in the city. The city was placed under strict surveillance until long after the termination of the strike-boycott,<sup>117</sup> for fear that untoward actions of the strikers would endanger the rear of Chiang's armies.

The Strike Committee's presence was tolerated for a while and it continued to issue anti-imperialistic propaganda intermittently, but its heyday had obviously ended with the March 20 coup d'état.<sup>118</sup>

It is evident, therefore, that the strike-boycott was terminated by Canton only because it was felt to be expedient by that government. The initiative for actually terminating the movement lay entirely with Canton. This factor was evidently also realised by Clementi.

One important effect of the strike-boycott on Hong Kong was the efforts of Clementi to establish better relations between the British and the Chinese. He took

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117. CTR, July 31, August 7, 14, 21, 28, 1926. Its "F from South China" column gave a detailed description of the government actions. These accounts were confirmed by the acting British consul-general Bro in the Quarterly Report for Canton Situation, date December 1926 in F.C. 405/252, no. 63.

118. USRDS/roll 72 desp. no. 400, Tredwell to Kellogg, "Transmitting translation of the subscriptions on a certain Chinese new year card", December 30, 1926. The card carried a message exhorting the workers to strive to maintain anti-imperialistic actions against



the unprecedented step of visiting Canton himself and also endeavoured to promote better Sino-British relations in the colony. This was a realistic approach since the Hong Kong government was, and still is, basically a British system superimposed on the Chinese population. As early as March 1926 he had said:

"My acquaintance with Hong Kong and with things Chinese now extends over a quarter of a century and nothing has been a cause to me of more anxiety throughout that period than the fact that the Chinese and the European communities of Hong Kong, although in daily contact with each other, nevertheless move (as it were) in different worlds, neither having any real comprehension of the mode of life or ways of thought of the other. This is a most regrettable misunderstanding which retard the social, moral and intellectual and even the commercial and material progress of the colony".<sup>119</sup>

He suggested that the British <sup>at</sup> Hong Kong should learn the Chinese language in order to understand better the Chinese thought and way of life. The strongest reason raised in support of this statement was that the Hong Kong government was a "large business concern" and as such, it came into contact with the huge body of Chinese merchant both in Hong Kong and China at all times of the year. Clementi also suggested that a social club, perhaps name the Concord Club should be established for both Chinese

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119. Clementi's speech at the Annual Meeting of the Hon  
Kong General Chamber of Commerce in March, 1926.  
See HKGCC, 1926, pp. 135-136.



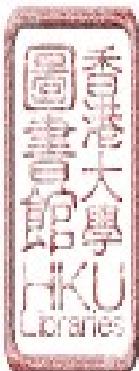
and non-Chinese in place of the exclusive Hong Kong Club open only to the British. This was a suggestion that Stubbs would never even dream of making. In May, 1926 another revolutionary step was taken by Clementi. He proposed to appoint Chou Chou-son to be a member of the Executive Council.

This was a radical departure from the usual policy of Hong Kong. Stubbs had always been strongly against appointing Chinese officials at the highest level of the colonial government. He complained that "the general indifference of the Chinese to all matters of public life was almost unbelievable".<sup>120</sup> Clementi's explanation was that "it is inevitable that a sooner or later we should concede to the claim to Chinese representation in the Executive Council, and the political effect would undoubtedly be better if action were taken by the government spontaneously".<sup>121</sup> But one may suspect, as the Colonial Office also did, that Clementi's decision was influenced heavily by the strike-boycott and that he attempted to conciliate the Chinese by appointing one of them to the

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120. C.O. 129/492 minutes on the secret tel., Clementi to Anery, May 29, 1926.

121. C.O. 129/492 secret tel., Clementi to Anery, "Vacar on the Executive Council", May 29, 1926.



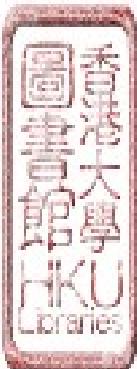
exalted position of a councillor of the highest governmental department.

In 1927 Hu Han-min expresses similar views to Chamberlain while visiting Britain. Hu further pointed out that the weakness of Britain's position had been caused by her consular representatives and officials both in China and at Hong Kong. Hu stated that British officials, like Clementi and Jamieson, assumed fallaciously that they understood the Chinese political situation and everything Chinese just because they had studied a few Chinese books and had taken the pain to learn the language. Thus the policies they suggested to the home government were often erroneous and presumptuous.<sup>122</sup>

Viewed in a wider context, the British position in China had been gradually weakened ever since the late nineteenth century. In the 1840's, Britain was able to build up her position as the leading power in China due to the impotence of the debilitated Manchu government and to her naval supremacy. But by the 1890's British position was challenged by the other foreign powers such as Russia, Japan, Germany, France and U.S.A. and British policy became defensive rather than offensive. To maintain her posit

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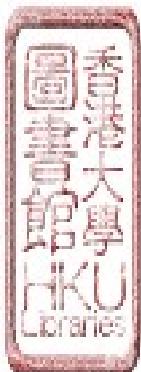
122. Hu Han-min, Ko-ming li-lun yu ko-ming kung-tso [Theories and Practice in the Chinese Revolution] (Shanghai, 1934), vol. 2, pp. 124-126.



in China and her economic interests, she was forced to join in the struggle for concessions, though she viewed this course with distaste.<sup>123</sup> From 1902 onwards, Britain came to rely on the Anglo-Japanese Alliance for the protection and maintenance of her trade with China.<sup>124</sup> Closely connected with her growing weakness, Britain's position in China in the twentieth century became increasingly governed by the internal situation of that country. Out of consideration for her interests in China she adopted a policy of neutrality during the 1911 Revolution though she had been hitherto pro-Manchu and anti-revolutionary. By the 1920's the fact that Britain's China policy had to be subjected to political conditions in China became even more evident. The outbreak of the May 30 incident and the response of the newly established Kuomintang government at Canton to this incident were to force Britain more and more onto the course of conciliation. The attitude of the Foreign Office to the Hong Kong-Canton strike-boycott demonstrated this fact clearly. The culmination of the conciliatory policy was the memorandum on British policy forwarded from London to the new British Minister, Miles Lampson, on December 2, 1926. The text of this memoran

123. Eric Teichman, pp. 44-45.

124. Ian Nish, The Anglo-Japanese Alliance, (London, 19 p. 373.



was printed on Christmas day. It stated that Britain would be willing to negotiate with China on the issue of treaty revision as soon as the Chinese had constituted a responsible government with which the British could deal. It also exhorted the foreign powers to pursue a constructive policy adapted to the new circumstances in China.<sup>125</sup> The memorandum indicated that Britain had abandoned the fiction that Peking governed all China and recognized that the Canton government and Chiang Kai-shek were the potential forces in Chinese politics. Accordingly, when Chiang's troops overran the British concessions at Hankow and Kiukiang, the British forces quietly withdrew without firing a shot and subsequently the British agreed to return these two municipalities to China.

The policy of conciliation was adhered to after the outbreak of Chiang Kai-shek's second coup d'état against the soviet advisers and the communists in April, 1927. The expulsion of the leftists from the ranks of the Kuomintang is beyond the scope of this study, and it suffices to mention here that Chiang gained complete control of the Kuomintang and was able to establish a new Nationalist government at Nanking in 1928. Britain was among the first to recognize

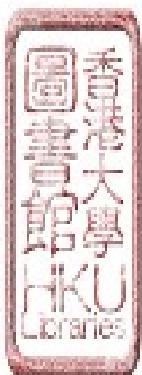
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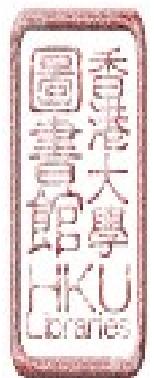
125. F.O. 405/252 nos. 71, 72, F.O. statements on British Policy in China, December 1927.



this new government, and even accorded it tariff autonomy. The Manchurian crisis in 1931 and the outbreak of the Sino-Japanese war marked the emergence of Japan as the major power involved in China in the place of Britain.

It is evident from the foregoing account that the Hong Kong-Canton strike-boycott was an important stage in the process in which Britain's position in China became increasing weakened. The strike-boycott clearly demonstrated the value of strike and boycott as anti-imperialist weapons. As such, the strike-boycott deserves attention in any study dealing with China's foreign relations and growth of nationalism in the 1920's. It is regretted that due to the limited amount of source material available on Canton the author has not been able to present a more complete picture of developments in that city. Much more work has yet to be done on this aspect.

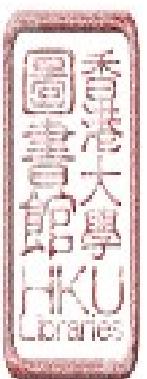




## GLOSSARY

Most of the Chinese names have been romanized according to the Wade-Giles system, but the transliteration of several names such as Sung Yen Han, Wong Kam Yuen, Chou Shou-son does not conform to this system. The Cantonese transcriptions have been retained for two reasons. Firstly, these names were commonly used in both Hong Kong and Canton in the 1920's and secondly, they were enacted in the Hong Kong Governors' correspondence with the Colonial Office as such.

Chang Chi	張	芝	Ishu Chang-ch'i	許	智
Chang Kuo-tao	張	國	Hu Kuo-min	胡	國
Ch'en Chung-ting	陳	炯	Hu I-sheng	經	明
Ch'en Lien-p'o	陳	廉	"Hun-chun" party	生	伯
Ch'en Ping-sheng	陳	秉	Hoai	培	生
Ch'en Tu-hui	陳	獨	Keng Yuan Sheng	源	德
Chen Kung-po	陳	公	Kotewall, Robert	羅	高
Chen Shu-jen (Eugene Chen)	陳樹人	樹人	Liang Shewung Yet Po	良	日
Chiang Kai-shek	蔣	介	Kuo Liang-yu	商	報
Chou En-lai	周	來	Kuo Lin Hahn Yea	顧	新
Chou Shou-son	周	壽松	Kuangtung (KMT)	民	聞
Foo Fing-ch'ang	傅	慶	Kwangtung	廣	廣
Ho Tung, Robert	何	東	Kweilin	東	桂
Henan	河	南	Kwangtung	南	桂
Honan	河	北	Kwangtung	北	桂
Hopel	美	伯	Kwangtung Chooy Kwok	廣	廣
Kateh Ying-po	美	伯	Leung Ying-sun	永	新

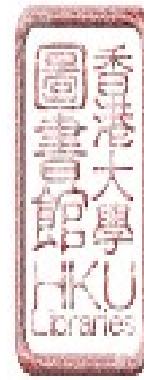


Li Chi-zen	李子文	Hong Kong	香港
Li Chih-tung	李濟之	Hong-kong	大飛工
Li Fook-lam	李福立	Sze-min	深州
Li Li-san	李立三	Su Chao-cheng	蘇兆徵
Li Ta-chao	李大鴻	Sun Chuan-fang	孫傳芳
Liang Hung-kai	梁醒波	Sun Fo	孫福
Liao Chung-k'ai	廖仲愷	Sun Yat-sen	孫逸仙 (Sun Chung-shan)
Lin Shen	林森	Song Tez-han	宋子文 (T.V. Soong)
Lin Wei-min	林偉民	Sator	司徒
Liu Chen-ihsu	劉錦鏗	Tai Chi-tao	戴超
Lo Han-kam	羅漢	Tang Chi-yao	唐堯
Louu station	羅湖站	Tang Pao-jan	鄧肇基
Ma Chao-chin	馬超今	Teng Chung-hsia	鄧鍾夏
Macao	澳門	Ts'ai Hsien-p'ei	蔡和元
Nan Pak Hongs	南華	Tsoo Iu	鄒穎侯
pou kung	包工	Tsing-li	程璧清
pon kung tou	民主	Tuan Ch'i-jui	團結
San-nin chia-i	三民	Tung Weng-hut	同溫
Shakee	基義	Tung Wah Hospital Committee	東華醫院理事會
Shameen	西貢		
Shantung	東北		
Shantankok	東南		
Shatin	東角頭		

Tung Yuen  
Wai Hui Yat Tsze  
 Wei chou  
 Wang Ching-woi  
 Wei zong-ping  
 Wen Hua Fui  
 Wong Kar-yun

吳朝楨 (C. C. Wu) 伍朝樞  
 楊州  
 吳佩孚  
 吳鐵城  
 吳希臘  
 吳楊春  
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吳朝楨 (C. C. Wu) 伍朝樞  
 楊州  
 吳佩孚  
 吳鐵城  
 吳希臘  
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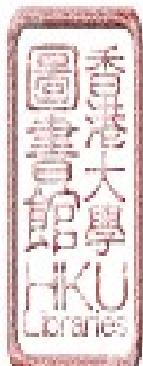


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- A. Colonial Office, C.O. Series 129 (Public Records Office, London) This series consists of despatches from the Governor of Hong Kong to the Secretary of State for Colonies.

It has unfortunately been impossible for the author to have recourse to the full gamut of British archival materials in the Public Records Office. As the University of Hong Kong does not possess a full series of the Colonial or Foreign Office records on the history of the colony and its relations with China, it was necessary to obtain microcopies of the relevant material from the Public Records Office. However, due to the limitation of funds available to the author for this costly procedure, it was not possible to obtain all the records relevant to the years 1925 and 1926. Wherever published records are accessible, the author has consulted these instead of the C.O. series concerned, for example: C.O. Series 130 (Hong Kong Ordinances), C.O. Series 132 (Hong Kong Government Gazette) and C.O. Series 133 (Hong Kong Government Annual Reports). The author was faced with the difficult choice of either obtaining C.O. Series 131 (Proceedings of the Executive Council, Legislative Council and the Sessional Papers) or the China Confidential Prints of the Foreign Office. Ultimately it was felt that since published records of the Legislative Council and the Sessional Papers are available in the Hong Kong University Library and that any important decision arrived at during the meetings of the Executive Council would automatically have been reported to the Secretary of State for Colonies for approval it would be expedient to obtain the Foreign Office Confidential Prints instead. The latter would



also have the added advantage of presenting a much more complete picture of how the reactions and the policies of Hong Kong towards the strike-boycott was affected by decisions at Whitehall. Consequently, the author decided to rely mainly on C.O. Series 129 for information concerning the strike-boycott.

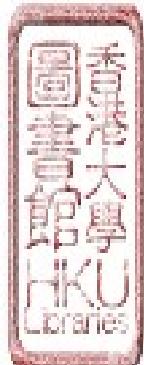
This series consists of despatches and telegrams from the Governor of Hong Kong to the Secretary of State for Colonies. Normally, each despatch is numbered, but due to the exigent circumstances during the strike-boycott, nearly all the despatches sent to the Colonial Office during 1925 and 1926 were classified as "confidential" or "secret". Generally speaking, these despatches present a reasonably adequate picture of the outbreak of the strike-boycott and its impact on Hong Kong and reflect the different personalities of the two governors who dealt with it successively. The minutes on the files, written by the Colonial Office officials and the draft replies as well as actual replies from the Secretary of State for Colonies to the Hong Kong authorities also afford revelation of the Colonial Office's attitude to the strike-boycott.

The series consists of 11 relevant volumes: 4 volumes for the year 1925 and 7 for 1926. An index is found at the beginning of each volume.

C.O. 129/488 Volume I, 1925 - the despatches in this volume cover the period from early 1925 to July, 1925.

C.O. 129/489 Volume II, 1925 - reports on the general situation in the second half of 1925 can be found in this volume.

C.O. 129/490 Volume III, 1925 - this volume consists of correspondence between the Colonial Office and various other government departments, e.g. the Foreign Office, the Admiralty, the Crown Agents, etc.. The Foreign Office also forwarded copies of



despatches from the consul-general at Canton and the British Minister at Peking concerning the situation in China to the Colonial Office. Intelligence Reports from the China Station can also be found.

C.O.129/491 Volume IV, 1925 - this is essentially a continuation of Volume III and consists of further correspondence with the Foreign Office, the Treasury, the War Office, the Board of Trade concerning the critical political and economic situation in Hong Kong and south China generally.

The contents of the seven volumes of correspondence for 1926:

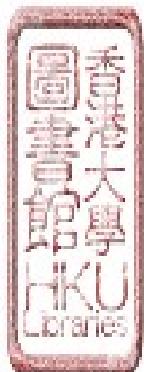
C.O.129/492 Volume I, 1926 - this volume contains correspondence from Clementi, the new governor, to the Colonial Office beginning from November 1925 at which date he assumed the governorship. A number of secret despatches, written between November 1925 and May 1926 had not been included in the volume as they were not available at the time of binding, but they can be found in the Foreign Office Confidential Prints.

C.O.129/493 Volume II, 1926 - this is essentially a continuation of the former volume up to August 1926.

C.O.129/494 Volume III, 1926 - this contains despatches from Hong Kong during September and October 1926.

C.O.129/495 Volume IV, 1926 - correspondence between the Colonial Office and other departments.

C.O.129/496 Volume V, 1926 - mainly Colonial Office correspondence with the Foreign Office between March 1926 and November 1926.



C.O.129/497 Volume VI, 1926 - a continuation of the previous volume to December 1926. Correspondence from the India Office, the War Office, the China Committee, the Committee on Imperial Defence in the same period can also be found.

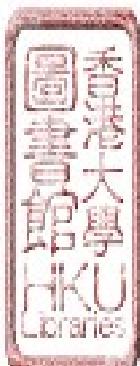
C.O.129/498 Volume VII, 1926 - Colonial Office correspondence from December 1925 to September 1926. Some of these papers had already been included in previous volumes.

B. Foreign Office Confidential Prints, China,  
Series F.O.405 (Public Record Office, London)

Six volumes in this series were consulted. There is an index at the beginning of each volume and the papers are numbered in chronological order. These prints include confidential despatches from the British consul-generals at Canton and other treaty ports, the British Minister at Peking, and correspondence from the British Chargés d'Affaires at Moscow, Tokyo, Lisbon and other European capitals on the China scene. Quarterly summaries, and half-yearly reports from Canton and other treaty ports are also included. Weekly summaries, compiled by the Foreign Office on current events in China and a number of Foreign Office memoranda on the Canton situation were found to be exceedingly useful.

The volumes consulted were:

- F.O.405/247 Further Correspondence respecting China, Part XCII, January to June 1925.
- F.O.405/248 Further Correspondence respecting China, Part XCIII, July to December 1925.
- F.O.405/250 Further Correspondence respecting China, Part XCIV, January to March 1926.



F.O.405/251 Further Correspondence respecting China, Part XVII, April to June 1926.

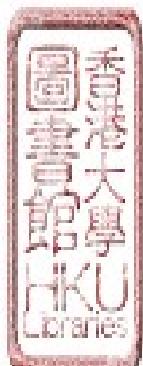
F.O.405/252A Further Correspondence respecting China, Part XVII, July to December 1926.

F.O.405/252 Further Correspondence respecting China, part XVIII, January to March 1927.

C. Records of the Department of State Relating to the Internal Affairs of China 1916-1929 (Public Archives, Washington)

The records of the United States of America are extremely interesting since America, too, was one of the nations which were nominally subjected to the boycott. The Americans expressed a keen interest in the progress of the strike and the consul-generals at Canton and Hong Kong sent regular reports on the political development to Washington. Reports on Hong Kong, however, were somewhat intermittent, not being part of a regular series and they are occasionally interspersed in many volumes.

Some difficulty was encountered whilst perusing these papers, as they have not been arranged in a correct chronological order. However, they present an objective picture of the strike-boycott and also attempt to offer a critical analysis of Canton politics. Aside from consular, legation and intelligence reports, there are also newspaper cuttings (both Chinese and American newspapers), letters from American business interests and missionary bodies which reflect American opinion towards the boycott. Reports from the United States Embassy at Riga, Latvia, which was able to obtain secret reports of the meetings between Communist International agents and the Kuomintang and Chinese Communist representatives are also extremely interesting.



A total of 13 volumes in this series have been consulted. Volume numbers together with the despatch numbers are cited in the text. Volumes 45 to 57 (Roll nos. 43 to 55 in the microcopy) inclusive cover the period from February 1925 to early 1927. Rolls 70 to 72, (file no. 893.00B) contain a special section on "Bolshevism, Communism and Communistic Activities". in which the above mentioned secret reports from Riga Latvia may be found. There is no volume number for this section.

## 2. Published Official Papers

### A. Hong Kong Publications\*

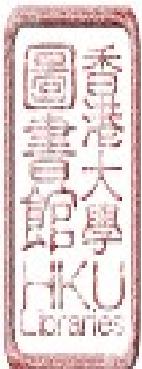
Hong Kong Administrative Reports - published annually and contains reports of the various governmental departments.

Hong Kong Annual Report - contains summaries of the above reports.

Hong Kong Blue Book - published annually. An invaluable source of statistics and general information on the administration of the colony.

Hong Kong Government Gazette - published weekly, contains proclamations of the government concerning official appointments grants of land leases, etc., orders-in-council made by the governor, and other notifications.

Hong Kong Hansard : the printed proceedings of the Legislative Council (printed by the Hong Kong Daily Press) - an annual publication containing minutes of the Legislative Council meetings held during the year.




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\* Unless otherwise specified, all these were published by Noronha & Company, the Hong Kong Government Printers.

Sessional Papers, Hong Kong (Papers laid before the Legislative Council of Hong Kong) - published annually, consists of estimates of revenue and expenditure, statements on finance, reports of specially appointed committees to investigate into specific issues, and also some correspondence concerning the settlement of the boycott.

The Ordinances of Hong Kong, 1937 edition, 3 volumes, covering all ordinances passed up to 1931. This edition was published in 1940 and was edited by John Alexander Fraser.

Other governmental publications include:

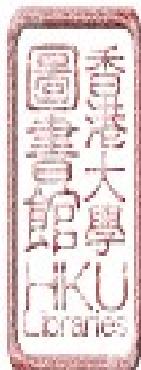
Handbook on the Cost of Living in Hong Kong, published in 1927, this handbook was compiled for the British in the colony's cadet service. However, it also reflects adequately the economic conditions in the colony.

A Historical and Statistical Abstract of the Colony of Hong Kong, published in 1932. It lists out the chief events in the colony's history and also contains a number of useful statistical tables.

B. British Publications (published by His Majesty's Stationery Office, London)

a. British Parliamentary Papers on China (Foreign Office, London)

Papers Respecting Labour Conditions in China, China no. 1 (1925), cmd. 2442.



Papers respecting the First Firing in the  
Shumen Affair of June 23, 1925, China no. 1  
(1926), cmd. 2656.

Report of the Advisory Committee together  
with other documents respecting the China  
Indemnity, China no. 2 (1926), cmd. 2756.

b. Department of Overseas Trade, (London)

Report on the Commercial, Industrial and  
Economic Situation in China in June, 1925,  
by H.J. Brett, 1925.

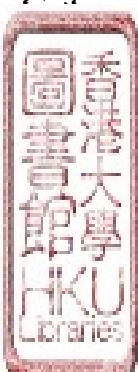
Report on the Commercial, Industrial and  
Economic Situation in China to 30th June,  
1926, by A.H. George, 1926.

c. Documents on British Foreign Policy, 1919-1939.  
Series IA, Volume I, edited by J.N. Medlicott,  
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Majesty's Stationery Office, 1966.)

C. Chinese Publications

Chung-Kuo Kuo-min-tang ti-erh tz'u chuan-kuo  
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國民黨第二次全國代表大會會議紀錄(n.p., n.d.)

China - The Maritime Customs, I - Statistical  
Series nos. 2 to 5 - The Foreign Trade of  
China. (Statistical Department of the  
Inspectorate General of Customs, Shanghai).



CONTEMPORARY MATERIAL.1. NewspapersA. Hong Kong newspapers

China Mail - an evening paper, founded in 1845, originally a weekly.

Hong Kong Daily Press - the first daily newspaper to be published in the far east. Founded in 1857, it was noted for its bold criticisms of the Hong Kong government.

Hong Kong Telegraph - an evening paper with a critical interest in affairs in China.

South China Morning Post - the leading English-language newspaper in the colony.

Wah Tze Yat Po (the Chinese Mail) 勞字日報 - one of the oldest Chinese newspapers in the colony. Its main interest was Chinese politics.

B. Newspapers published in China

North China Herald, Shanghai, published weekly.

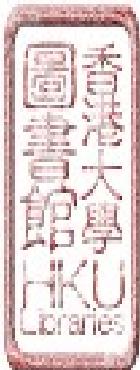
Lao-kung jih-k'an 勞工月刊 [Labour Daily], Peking.

The Hong Kong University Hankow Club Collection has copies of the following:

Shanghai Mercury, emergency editions, volume XCII, no. 14114, June 27, 1925, and volume XCIII, no. 14117, July 1, 1925.

Municipal Gazette (official organ of the Executive Council of the Foreign Settlement of Shanghai), vol. XVIII, no. 980, August 1925.

These newspapers reflect British feelings towards the May 30 incident and the Shaheed incident.



## 2. Journals and Periodicals

Asia (New York) - an American magazine which had a special interest in Chinese politics and culture.

China Express and Telegraph (London) - published weekly.

China Illustrated Review (Tientsin) - a weekly.

China Weekly Review (formerly Millard's Review, Shanghai).

China Year Book (Tientsin) - edited by H.G.W. Woodhead, it presents a comprehensive account of political, economic and social development in China.

Chinese Economic Monthly, (later Chinese Economic Journal, Peking).

Chinese Economic Bulletin (Peking).

Far Eastern Review, (Shanghai) - a monthly publication.

Hsing-tao Guide Weekly , (Shanghai).

Monthly Labour Review, (Washington).

Roundtable, (London), - a quarterly publication on affairs in the British Commonwealth.

The Tsing Hua Journal (Peking) 清華學報.

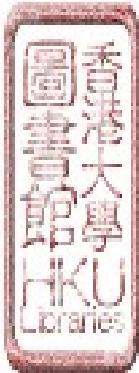
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Teng Chung-hsia 鄧中夏, 1926 nien ti Kuanz-cho kung-chiao [The Labour ferment in Canton during 1926], 一九二六年的廣州工潮 (Canton, 1926).



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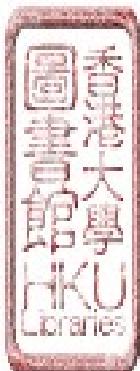
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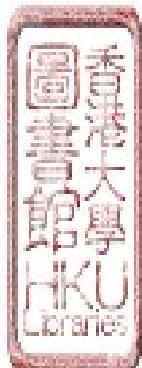
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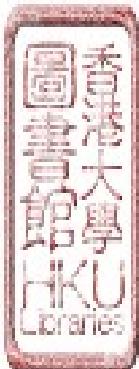
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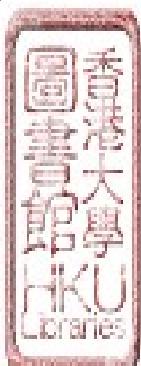
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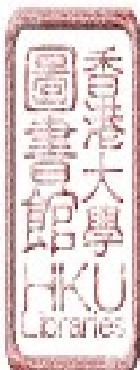
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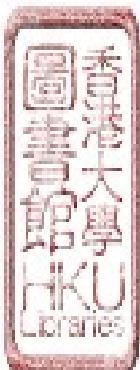
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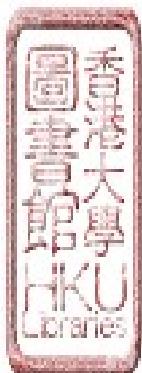
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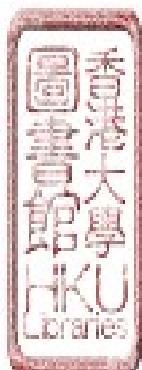
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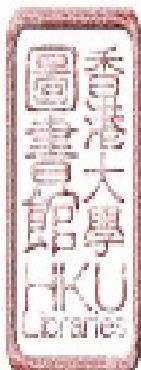
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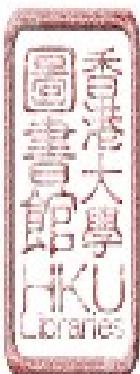
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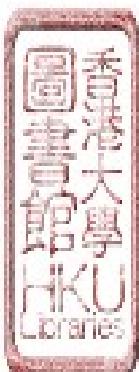
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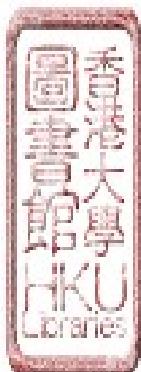
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#### 6. Pamphlets

The Hankow Club Library Collection in the Hong Kong University Library has an invaluable collection of over eighty volumes of pamphlets under the title of "Hankow Club Collected Papers". These pamphlets contain valuable background knowledge and information on China and her problems in the latter half of the nineteenth century and the early twentieth century. A number of these pamphlets and extracts from articles in contemporary journals were found to be exceedingly useful. A list of these is cited below. Where no author is cited, the material had been either anonymously written or compiled.



<u>Title of pamphlet or article</u>	<u>Author and year published</u>	<u>Volume number</u>
The Anti-Christian Movement in China	Ivan D. Ross (in the <u>Contemporary Review</u> , 1925)	74
The Anti-Foreign Movement in China	ibid., (in the <u>English Review</u> , Dec. 1925)	79
Bolshevik Activities in China : some documents seized in the Soviet Military Attaché's office at Peking on April 6, 1927, Parts I, II, III, IV	Supplement of the <u>Peking and Tientsin Times</u> , May, 1927.	83
British Policy in China	Robert Machray, (in the <u>Fortnightly Review</u> , 1927)	79
The Canton Government	W.W. Willoughby, (March 1922)	32
The Canton Incident of June 23 - the truth	ed. A.G.M., (Hong Kong, 1925?)	78
Chaos in China	Herbert A. Giles, (Cambridge: W. Heffer and Sons, 1924)	69
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China's Industrial Revolt - its cause	Thomas Bowen Partington, (in the <u>Fortnightly Review</u> , Aug. 1925)	74
China, the Foreign Powers and the Unequal Treaties	J. Darroch, (Shanghai : Presbyterian Mission Press, 1927)	82



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The Chinese Problem through Chinese eyes : Sun Yat-sen and the Three People's Principles	Ivan D. Ross, (in the <u>Nineteenth Century</u> , May 1927)	82
Disorders in China	J.O.P. Bland, (in the <u>English Review</u> , July, 1925)	74
Has the United States a China Policy?	Stanley K. Hornbeck (in the <u>Foreign Affairs</u> , 1927)	82
June 23 - the Report of the Commission for the Investigation of the Shakee Massacre	ed. the Commission of Investigation; Canton, 1925.	72
More Plain truths about China	J.O.P. Bland, (in the <u>Fort- nightly Review</u> , March, 1927)	79
Mr. Chamberlain's Statement on British Policy in China	printed in the <u>Fortnightly Review</u> , 1927)	79
Paradox and Principle in China	E.M. Gull (in the <u>Nineteenth Century</u> , March 1927)	
The situation in the Far East	Robert Machray (in the <u>Fort- nightly Review</u> , Jan. 1927)	
Young China	Edward H. Hume (in the <u>Foreign Affairs</u> , 1927)	



Two other pamphlets also found in the Hankow Club Library Collection, both written by Col. C. L'Estrange Malone, are entitled

"New China - Report of an Investigation"

Part I - The Political Situation

Part II - Labour Conditions and Labour Organisations.

These two pamphlets were published by the Independent Labour Party Publications Department, London, in September 1926.

The author is also indebted to Mr. Ho Hong of the Hong Kong and Kowloon Trades Unions Council who supplied me with a pamphlet written by himself entitled 'Hsiang kang lao-kung yüan-tung shih' /A History of the Labour Movement in China/ 香港勞工運動史 published by the Hong Kong and Kowloon Trades Unions Council.

#### D. Journals and Periodicals

##### In English

Annals of the American Academy of Political and Social Sciences (Philadelphia, Pennsylvania).

Chinese Culture (Taipei), a quarterly containing the Nationalist interpretation of the Chinese revolution.

The Chinese Social and Political Science Review (Peking).

Free China Review (Taipei)

Papers on China (Cambridge, Harvard University Regional Studies) mimeographed.

Journal of Asian Studies (Ann Arbor, Michigan) formerly Far Eastern Quarterly.



In Chinese

Chin-tai-shih tsu-liao /Materials on Modern History/  
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a bimonthly 1954-1958.

Chung-shan hsieh-pao /Journal of the Chung-shan University/  
中山學報 (Canton).

Hung-ch'i p'iao p'iao /The Unfurling of the Red Flag/  
紅旗風暴 (Peking).  
This periodical appears at irregular intervals and contains collections of biographies and memoirs of communist revolutionary militants.

Ming-pao Yueh-k'an /Ming Pao Monthly/明報月刊  
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