

## 29: THE RISE AND FALL OF THE NATIONALIST REPUBLIC (11/87r, 8/89e; 11/94e; 9/95e, 11/96e)

*a. What is a “revolution of national liberation” and how might one characterize the three long “generations” of its evolution? Why and with what consequences does the KMT fit into the second “generation”? Compared to all the early modern dynasties (Song, Yuan, Ming, Qing), the early republic and the People’s Republic, how much credit should the KMT be given for China’s run toward full industrial takeoff? How might its being a second generation revolution have affected what the KMT did about industrialization?*

*b. Under what circumstances did the Great Defensive War begin? What were the strategic consequences of the way the KMT fought it? Under what circumstances did the Civil War begin? How did these circumstances affect the course of the struggle? What long-term factors may also have affected the outcome? In strategic terms, how did the Civil War both resemble and differ from Qin’s and then Han’s campaigns to unify the Warring States?*

### A. Revolutions Of National Liberation

#### 1. Definition

Anyone who spent much time on a college campus during the generation prior to 1989 (or has had to take liberal arts courses from people educated during that generation), has probably heard the term “revolution of national liberation” bandied about. So you are probably vaguely aware of the late 20th century left’s definition of that term as a revolution by “oppressed” people of the

“Third World” against the direct and “indirect” oppression of Western imperialism.

Such a revolution requires the violent expulsion of the oppressive Western power, and the adoption by the formerly oppressed peoples of some local version of Marxism-Leninism, perhaps disguised under some other label.

I will accept the label (if not the current definition) so as to share a common vocabulary with those I otherwise oppose. I prefer to abbreviate it as “RNL” so as to reduce wear and tear on my computer printer, and to symbolize that I will define an RNL differently from the material determinists and the academic consensus.

I define an RNL as either an excluding or a non-excluding revolution, occurring between the 17th and 20th century. The earlier versions usually made the transition from an early modern to a fully modern social order. Later versions more often started from some state of affairs that precedes early modernity. Their aim was to create a heavily statist sort of fully modern political and social order, and use political intervention to make a full industrial revolution.

The ruling class created by an RNL tended to become ever more meritocratic. In the later versions, at least part of that meritocracy soon turned itself into a Communist Party aristocracy.

Earlier RNLs occurred in Western nations, more recent ones either in non-Western cultures or in cultures on the fringes of Western civilization. The revolutionary process has normally been overtly Western. Hence recent RNLs have been destabilizing because Westernization is highly alienating to an originally non-Western culture. However, even the earlier intra-Western transition from early to full modernity was no picnic either.

Under this definition, the earlier of the RNLs should remind you of what the historian Robert Palmer called “The Age of Democratic Revolutions” stretching from the English Puritan Revolution of the 17th century through the American and French Revolutions of the 18th century. You may recall that when discussing the Meiji Restoration I extended these revolutions into the 19th and 20th century as the “Age of Modern

Revolutions.”

By relabeling these earlier revolutions as RNLs I may disconcert American patriots who lack a sense of humor. (Can you imagine a meeting of the Daughters of the American Revolution of National Liberation?) And yet if these earlier “democratic revolutions” truly inaugurated full modernity, and if full modernity is only a polite label for the crisis of the second stage of Western civilization, they could not have been such unalloyed blessings as English, American and French patriots normally consider them to have been.

#### 2. The first two generations

As I did with the full industrial revolution, I will divide the history of RNLs into three long “generations.” Note, however, that their chronology does not exactly coincide with that of the three generations of the industrial revolution.

The first RNL long generation began in the 1640s (a century before the first generation of the full industrial revolution), and extended into the 1790s.

The second RNL long generation ran from at least the 1790s to the turn of the 20th century, which does roughly coincide with the full industrial revolution’s second generation.

The third RNL long generation began early in the 20th century and may have ended in 1989, some thirty years (a normal length generation) before I anticipate the third generation of the full industrial revolution will end (c.2020).

##### a. the first generation RNLs

The first generation began with the Puritan Revolution in England. The temporary overthrow of the Stuart Dynasty in the 1640s fits the definition of an RNL tolerably well. Cromwell and his Roundhead friends conducted an excluding revolution at the expense of Charles I and his Cavaliers. This RNL reached closure with the Glorious Revolution of 1688. England completed its transition from early modernity to full modernity, the first state ever to do so. By the 1720s it began the world’s first full industrial revolution.

The Calvinism that animated the

Puritans came from Eastern France and Switzerland, and was perceived even by many Church of England believers as a foreign influence. Calvinism lodged most fully in the somewhat alien culture of Scotland.

The Puritan Revolution and its aftermath were traumatic events, both for England and its neighbors. The latter tended to view 17th century England in much the same way as many have viewed the Soviet Union after 1917—as a dangerously novel regime.

The American Revolution also fits the definition of an RNL pretty well. It completed the colonies' political transition from early to full modernity by violently excluding the Loyalist wing of the old ruling class. A few years later America's full industrial revolution began.

As for foreign influences, the Enlightenment sentiments which animated the American founding fathers came not just from England and Scotland, but also (notably Jefferson's notion of a "natural aristocracy of talent") from France, and indirectly from China. The idea of a large republic came from a long defunct somewhat alien civilization—that of the ancient Roman Republic and its empire.<sup>1</sup>

As a consequence, we can reasonably conclude that the Founders were being influenced by at least two alien civilizations—Rome and China-via-France—but were separated from the first by time and from the second by space.

The American Revolution also shared some of the same, but no longer so alien religious roots as the earlier Puritan Revolution. It was at least in part a product of the first "Great Awakening," which represented a revival of the same Pietist Protestant spirit that lay behind the Puritan Revolution. The

work of John Locke, one of the philosophers whose ideas grew out of the Pietist Protestantism of the Puritan Revolution, and that of some of his still more libertarian successors also constituted part of the philosophical foundation of the American Revolution.

This religious bent distinguishes both the Puritan and American Revolutions from the second generation of RNLs that soon began with the French Revolution.

#### **b. the second generation RNLs**

Irreligious though it was right from its beginning, the French Revolution was, nevertheless, in some ways a continuation of this earlier tradition. The French initially *thought* they were having an American type of revolution. But it was soon evident that their animating ideas about the nature of the good state came more directly from contemporary China and Roman antiquity than did American ideas.

The first generation RNL may only have given way to the second a year or two (or more; certainly by 1795) into the French Revolution, when outside observers (like Edmund Burke) and then its own participants began to realize they were behaving in a radically more violent way than their supposed American model.

The French revolutionaries thought (not entirely mistakenly) that the Enlightenment they embraced was a French version of the Chinese humane and enlightened despotism their predecessors so admired. The revolution was their intellectuals' (i.e. their private and public meritocrats') attempt to achieve a more perfect, because less Christian, but still humane and enlightened despotism than could the French Old Regime.

Where the revolutionaries were not inspired by non-Christian Chinese humane and enlightened despots, they aped the outer forms of Greco-Roman paganism.<sup>2</sup> The revolutionary new regime was explicitly pagan rather than merely eccentric Christian in its orientation. It even publicly worshipped a "Goddess of Liberty" in the form of a comely young lady of dubious reputa-

tion who was paraded down the avenues of Paris draped only in a bedsheet.

Also, and unlike the Americans and English, the French did *not* get an unambiguous full industrial takeoff soon after their revolution, though they made a stab at having one.

In social terms, the first generation RNL added a plutocracy to (England) or raised the status of a plutocracy and used it to replace an old aristocracy (America). Neither added more than the beginnings of a meritocratic element.

Right from its French Revolution beginnings, the second generation RNL tilted more toward the meritocratic pole as it (temporarily) got rid of its aristocracy.

In a sense, the French Revolution faced both ways. It was both the last of the first generation and the first of the second generation RNLs.

Like the two first generation revolutions, it started as an excluding revolution. But it was more state directed than the American and Puritan Revolutions, because it was more meritocratic in its ruling class structure, and more alienated from those aspects of its civilization's religious tradition that would have inhibited the growth of state power.

The end of the Jacobin Terror in 1794-5, Bonaparte's 1799 coup and then his 1804 assumption of the throne as "Emperor of the French" began and the restoration to power of the Bourbons and the survivors of the Old Regime's aristocracy in 1815 completed the French Revolution's regression to non-excluding form. The second and third French Revolutions of 1830 and 1848, and the abortive 1848 revolutions in Central Europe remained statist, and took a non-excluding turn. After 1848, the proprietors of the old states took the lead in transforming their states and societies, the better to survive themselves. Their RNLs were all non-excluding.

These Western and Central European non-excluding RNLs inspired several other non-excluding revolutions at or beyond the boundaries of Western civilization, most notably in Japan, and then in Turkey.

By 1868, the wave thrown up by earlier second generation RNLs washed up onto the shores of Japan. The Meiji Restoration was a non-excluding revo-

<sup>1</sup> The classical revival in American architecture began in the late colonial and early national period. Jefferson's buildings and most American public buildings until recently had Roman columns in front of them, and attempted to exude an aura of Roman *gravitas*. They symbolize the Founding Fathers' belief that they were reproducing a scaled up and revised version of the institutions of the ancient Roman Republic. In the end, the Fathers decided Rome was too remote and too alien to be imitated literally. Judge for yourselves whether that makes Rome as alien to us as the West has been for most of the non-Western RNLs.

<sup>2</sup> But not Greco-Roman republicanism, which was the American founders' concern.

lution, like the mid-century RNLs of Central Europe. Japan rapidly assimilated alien Western fully modern institutions into its native early modernity and thereby began a transition into a unique hybrid full modernity, industrial as well as political. It succeeded in this feat of cross-cultural athleticism mainly because its history was strikingly parallel to Europe's. By contrast, France's history had a much lesser resemblance to that of imperial China.

If Meiji era Japan's was the penultimate of the second generation RNLs the last of them was the Chinese revolution in its first phase—the phase beginning with the overthrow of the imperial order in 1911-1912 and continuing into the early republic and Kuomintang years.

### 3. The third generation

The third generation of the RNL has almost exclusively occurred in non-Western cultures. Its guiding ideas have been peculiarly deformed because they have been almost wholly derived from the secular side of Western civilization since the late 19th century, when the West was entering fully into its crisis of civilization.

The motto of the Puritan Revolution was the Holy Trinity. The Americans secularized this trinity into Life, Liberty and the Pursuit of Happiness. This in turn was mimicked by the French Revolution's Liberty, Equality and Fraternity. The Russian Revolution's motto trivialized this to Bread, Land and Peace.

The Russian Bolshevik Revolution of 1916-17 became the first third generation revolution of national liberation to be recognizable as such. It was the model for all subsequent such revolutions. The last phase of the Chinese Revolution, the two decades leading up to the triumph of the People's Republic of China in 1949 saw China's second generation revolution metamorphoses into a full blown third generation RNL.

As a consequence, the Chinese Communist Party (CCP), which was organized from the ground up as a third generation revolutionary party, outbid the Kuomintang's second generation party for control of the Chinese RNL.

The KMT was as vulnerable to the CCP during the 20th century transition from second to third generation RNLs as the Gironde Party in France was to the Jacobins during the French Revolution's initial first generation.

If you asked a typical post-Russian Revolution third generation revolutionary intellectual to epitomize his movement's ideas with two capitalized nouns, he would undoubtedly reply with synonyms for "Science" and "Marxism." The recent shift back toward religious mottoes (as in Iran's "Islamic Revolution") represents either a turning away from RNLs altogether or the beginning of some fourth generation, the nature of which is still obscure. I suspect the age of RNLs ended in 1989.

In the composition of its ruling class, the third generation represents a drastic shift toward meritocracy, with one part of the new meritocracy becoming a new aristocracy. Plutocracy fades as the economy shifted from market toward state control.

## B. The Kuomintang's Version Of A Revolution Of National Liberation

### 1. Sun Yat-sen's Heritage

#### a. an Overseas Chinese RNL

Because the Kuomintang (KMT) was born in this awkward position betwixt and between the second and third generations, the career of its founding father, Sun Yat-sen, contains more inconsistencies than you might otherwise expect from a "Founding Father." Still, though others may have been more coherent, Sun managed to either steal their ideas and successes or these were posthumously attributed to him out of patriotic piety.

Sun was born in southeast China, but brought up and educated abroad in Hawaii. He studied medicine in Hong Kong, and then for many years spent more time traveling in America and Europe than living in China. He was most inspired by the American Revolution, since its ideas were "in the air" or were part of the "spirit of the age" in most of the places where he lived while

abroad.

Sun's ideas were shared by many of the more thoughtful Chinese businessmen among the Overseas Chinese diaspora. In Sun's hands, however, they remained wholly secular and something of a hodgepodge. Sun first enunciated them in his Tokyo journalism early in the century. He (and his ghost writers) tried to state them definitively in a book, *The Three Principles of the People* (*Sānmǐn zhǔyì* 三民主意), with Sun's name on it, and published just before his death in 1926.

The "Three Principles" are usually rendered in English as Nationalism (*mínquán* 民權), Democracy (*mínzhǔ* 民主) and Socialism (*mínshēng* 民生), the latter sometimes literally translated as "People's Livelihood."

This was the Chinese second generation version of the tripartite type of slogan which seems to have been a required trademark for any RNL since the 17th century. Sun's secular trinity was perhaps a bit closer in conceptual incoherence to the fully third generation Russian revolutionary slogan of "Bread, Land and Peace" than it was to the French Revolution's "Liberty, Equality and Fraternity."

#### b. an ethnic/racist RNL

Sun's giving of primacy to nationalism was typical of the 19th and 20th century RNLs' obsession with ethnic (the polite word; the real word is "racist") identity and pride. But since all nationalists, and not just revolutionaries were racist nationalists by the late 19th century, we should not single out Sun for reproach.<sup>3</sup>

Sun proposed making China into a new nation based on the "Hàn (漢) race" or "Chinese race." He would overthrow the hitherto dominant but racially inferior Manchus so that ethnic Chinese like himself could build their own nation state.

Of course, since Sun was Cantonese, most north Chinese viewed *him* as ra-

<sup>3</sup> Silly people then even talked about an "English race" and a "French race" as being genetically different from each other and even as being different from an "American race," whatever that could have been, since the Americans were already the most mongrelized of all the highly civilized peoples of this planet.

cially inferior. In this respect he was like the Corsican Napoleon or the Austrian Hitler, who led the French and German “races,” respectively, and with which they identified even though they themselves came from places Frenchmen and Germans believed peripheral and full of people inferior to themselves.

Sun bemoaned the fact that he had to teach the Chinese that they were in fact Chinese so that they would stop being so indifferent to racial politics. He called his fellow countrymen a “rope of sand,” for being content to allow the alien Manchus to reduce them to a mere congeries of local subcultures. Even his own Cantonese thought of themselves as drastically different from all the other Chinese and preferred not to cooperate with them. To change such ancient bad habits, Sun asserted, would require a drastic (i.e. excluding) revolution.

### c. Sun’s revolutionary stages

This excluding revolution to expel the Manchus and establish a republic would be only the first of three stages in a revolutionary process. It would be followed by a second stage of tutelage and climax with a third stage of full democracy.

Sun’s Overseas Chinese style secret society would overthrow the Manchus. The tutor would be Sun Yat-sen’s own party, the latest of his succession of cockamamie secret societies, the Kuomintang (KMT 國民黨). The paradoxical literal translation of this name, “national people’s faction,” may puzzle you. It also puzzled traditional-minded Chinese.

The KMT, actually created by Sun’s brilliant Cantonese colleague, Song Jiaoren, was China’s first parliamentary party. It fell back into Sun’s hands after Yuan Shikai murdered Song in 1914. Since Sun only knew how to run a secret society, the KMT lapsed back into being little more than that, though it still called itself a political party.<sup>4</sup>

Once the Chinese people learned from the KMT how to be democrats,

their revolution would enter into its third stage as a stable parliamentary democracy.

The form this democracy would take was supposed to be uniquely Chinese. Actually, it was a rather weird hybrid of American constitutionalism (with both a president and congress separating power between them), European parliamentarism (with a prime minister unifying executive and parliamentary power) and the traditional Chinese administrative system.

This political monster was to be composed of five coequal branches: Three branches from the Anglo-American tradition (executive, legislative and judicial), plus two others—examination and censorate—derived from China’s political tradition.

If you visit Taipei, the final refuge of the KMT after 1949, you will find large buildings actually devoted to the Examination and Censorate branches of government. But aside from occupying some space and providing innocuous sinecures for aging KMT politicians, these allegedly coequal branches of government have never amounted to much. The secret society core of the KMT has always done the supervisory work of the Censorate. Informal meritocratic factionalism has always been more important than the Examination branch’s templates of merit.

Such was the wholly secular and almost wholly absurd proposed constitutional structure Sun bequeathed to his party. Sun’s economics was no better.

### d. Sun’s version of “lawyer’s socialism”

Socialism, or “people’s livelihood,” the third of the Three Principles, was merely the Single Tax “lawyer’s socialism” of the American amateur economist and eccentric politician, Henry George.

George was a slightly weird but endearing economic crank. His 1880 book, *Progress and Poverty*, popularized David Ricardo’s version of classical economics. George reached the same mistaken conclusion as Ricardo—that landowners are the villains in an otherwise wholesome market economy. That both George and Ricardo were wrong on

this point points to one of the prime weaknesses of classical economics.

George started with Ricardo’s three generalized factors of production: Land, Labor and Capital.

If you get an increased demand for Labor, George observed, that causes no problem. Increased demand for Labor drives up wages. As Malthus pointed out, people breed more rapidly when their wages go up. But any increase in wages is only temporary, because it evokes a larger supply of people, which then drives wages back down. (This depressing and incorrect argument is also known as the “iron law of wages,” and is one reason why 19th century economics came to be known as the gloomy or dismal science.)

If you want more Capital, there is also no problem. If the demand for savings becomes greater than the supply, the interest rate goes up, which attracts more savings. After a while these savings are transmuted into more capital goods, and the greater quantity of capital forces the interest rate to go back down. That was the equally mistaken “iron law of interest.” (Time preference involves free will and can change at any time.)

But what if you want more Land? You raise the price of Land (rent) and what happens? Whoops! God stopped making Land on the third day! All He did during the next three days was make Labor and so provide the possibility for Capital. (And then He rested on the seventh day.)

Since you cannot get any more Land than there already is, Land’s price must, therefore, *permanently* go up as the quantity of Labor and Capital increase and these two factors keep bidding for Land. Both Ricardo and George insist on this point: as civilization progresses, monopoly rent must accrue to the landlords; they get to take (virtually to steal) wealth that Labor and Capital have sweated and saved (respectively) to create.

There is a lot wrong with this theory. Among other things, it exaggerates the scarcity of Land. There are, after all, still vacant lots in Hong Kong and Amsterdam, the world’s two most densely populated cities. All 5 billion people now living on this planet could fit

<sup>4</sup> Not until the Russians helped Sun to reform it once more early in the ‘20s did the KMT finally at least take on the outward form of a third generation revolutionary party. See subsection e, below.

within the borders of Texas, housed in groups of four in suburban bungalows on standard suburban lots. That would leave the other forty-nine states and all the rest of the planet's land empty of people. As population increased, we could either expand our global suburb into Arizona, or start putting up high-rise condos in Texas. Even under more realistic settlement patterns, Ricardo's and George's worry about running out of land was and still is highly premature.

Logical and empirical absurdity did not prevent George's ideas from attracting reforming lawyers and businessmen and whole regiments of Mrs. Jellybees in the late 19th century urban United States and Great Britain. That they also appealed to this slightly addled Chinese revolutionary, Sun Yat-sen, should be no surprise.

Euro-American lawyers and businessmen saw Georgism as providing a rationale for easing taxes on business and labor by socking it to those landowners who refused to develop vacant city lots.

They devised a real estate tax divided into two parts: one part on returns to the value of the land, the other on returns to capital improvements on the land. The tax rate on the former would be 100 percent. This would tax away all of the landowners' monopoly rents. A landowner could then only make money by developing his land. The tax on capital improvements and indeed all other taxes might eventually be foregone altogether.

The remaining impost on land values was the "Single Tax" celebrated by the Georgists. This was why Georgism was also called the Single Tax Movement.

New York, Philadelphia, Cleveland, Chicago all adopted one version or another of the Single Tax. Most American local governments still tax real property loosely in Georgist terms, but still tax the capitalized value of the land and do not set the tax rate on land's supposed intrinsic value so high as George's confiscatory Single Tax would have done. In practice, of course, the distinction between land and capital value of land's improvements is hard to make.

Sun Yat-sen wanted to apply this scheme not to urban lots, as in America, but to the densely settled rural farming

areas of China. A heavy tax on the intrinsic value of farm land would encourage landowners to sell land off to tenants, or at least to mitigate their own tax burden by improving their land, since improvements would be taxed only modestly.

If the government set the value of their land too high, landowners could, under Sun's scheme, call the government's bluff by obliging it to buy the land at that price. Conversely, if a landowner priced his land too low for tax avoidance purposes, the government could buy it at that price, and resell at cost to the tenant.

This sort of scheme would appeal to the urban manufacturers of China's infant industrial revolution as much as it did to American capitalists. Chinese manufacturers hoped to shift the entire burden of taxation from themselves and their workers to those rural landlords who did not improve their land.

Fortunately (or unfortunately if you like such crank economic theories), neither Sun nor his successors could ever apply this scheme in its pure form on a large scale, and so did not discover, as Americans eventually did, that George's theory does not work.

Yet Georgism did have some wholesome non-economic results in China. It "inoculated" the Chinese of Sun's generation and some of the next generation against Marxism. By focusing on wicked landowners, it let manufacturers and merchants off the hook and discouraged class warfare between them and workers.

Becoming a Henry George socialist was, therefore, a little like getting cowpox. Someone who got cowpox would not get smallpox. A Henry George socialist would likely not become Marx's or Lenin's type of socialist.

### **e. Sun's deal with the Comintern**

That made it less dangerous for Sun to do something otherwise highly risky but nevertheless expedient: making an alliance with the Soviet Union during the early 1920s. The Soviet Union then sent advisers to convert the KMT from an isolated secret society to a secret society controlling a party army and a mass base of party members and sympa-

thizers.

The Soviet link also allowed the KMT to form an alliance with (not quite a political marriage, but at least a living together with) the newly founded Chinese Communist Party (CCP). The Soviets advised the new CCP that the best way to advance its own interests was to serve as a vanguard group of organizers and mobilizers of masses on behalf of the KMT.

Thanks to the Georgist inoculation, the KMT could take on the outward form of a Communist Party, but without the inner animating spirit of one. At least over the short run, that rendered this alliance more risky for the Russian and Chinese Communists than for the KMT, since it would make the KMT stronger, sooner than the CCP.

The three parties to the agreement, Sun's KMT, the Russians and the CCP, entered into this risky alliance because each needed the other. Sun Yat-sen was no longer content to run a little secret society which could not even govern a local state in Canton without being bullied by the local warlord. Nor could Sun abide having to defer to the English controlling nearby Hong Kong, so as to use them to countervail the warlord's power.

The Soviet Union was hardly better off. It had only just finished its own civil war during 1920-22, and still faced a Japanese army sitting across the border in Manchuria casting covetous eyes on Eastern Siberia. The Japanese had only recently evacuated Siberia after the failure of their joint attempt with Woodrow Wilson's Americans to overthrow the Russian Communists by occupying their easternmost territory. Nor could the Soviets make a deal with the warlords of the early republic in Peking. Those fellows still preferred to stay in bed with the Japanese.

Who was left for Russia but Sun Yat-sen? Who was left for Sun Yat-sen but Russia? As for the minuscule new Chinese Communist Party, it had little to lose by becoming a "bloc from within" the KMT, since a parasite can only gain from acquiring a new host. So all three parties made the only deal open to them.

It worked. Between 1922 and 1924 the Soviet agents reorganized the KMT

into at least a simulacrum of a third generation revolutionary party of national liberation. Soviet Russia had seemingly at last found a friend in East Asia. The CCP also grew rapidly, thanks in part to the patronage of its KMT host.

And then Sun did the best thing he could have done next. He went up to Beijing in 1925 on a fool's errand trying to negotiate national unification with the warlords. There he came down with liver cancer (an endemic disease in China because of the prevalence of hepatitis B, which is its precursor) and in 1926 died.

## 2. Chiang Kai-shek and the Northern Expedition

Sun's death left the affairs of the KMT in the hands of his brother-in-law, Chiang Kai-shek.

Both Sun and Chiang had married daughters of the Soong family, one of the new plutocratic clans of post-1912 Shanghai. These were second "trophy" marriages for both. They put aside the wives from their first, arranged marriages because of the many advantages of a link to the family of Charles Jones Soong.

The latter's son, T. V. Soong, a brilliant chip off the old block, soon became Finance Minister of the KMT government. The man who eventually replaced him in that job was H. H. Kung, a descendant of Confucius who had married another of Charlie Soong's beautiful and brainy daughters.

Chiang Kai-shek was the scion of a modest lower Yangzi meritocratic family. In the years just before the revolution he wangled a government scholarship to become a military detained student at the Tokyo Imperial Military Academy. He came home, joined the revolutionary movement, and perhaps also got involved with the Green Gang—the Chinese equivalent of our Mafia—which controlled the opium trade from southwest China down the Yangzi River to Shanghai. He then married into the Soong family (perhaps themselves also involved tangentially with the same gang). This made him Sun's brother-in-law.

Not long before, Chiang had briefly

studied in Russia, as a part of Sun's Soviet deal. On his return, he became head of the KMT's new Whampoa Military Academy, located near Canton. By supervising the training of the newly reorganized Party Army's officers, Chiang became their *xiansheng* (J. sensei, "teacher") and could use the KMT party army bluff the Communists, and muscle his way into control of the KMT political apparatus after Sun's death.

Then, using the Communist Party members as an advance guard of agitators,<sup>5</sup> he conquered the Yangzi Valley. These Communist Party agitators went ahead of Chiang's KMT Party Army to soften up the enemy as Chiang launched his Northern Expedition in two columns advancing north from Canton into the central and lower Yangzi Valley.<sup>6</sup>

The two columns of the KMT forces took the Yangzi Valley rapidly and with surprising ease. The southern warlords were not so used to handling modern military techniques as were the northern warlords who had originated as the generals of the late Qing modern divisions created by Yuan Shikai.

Regional governments in the south were mostly run by surviving Qing period military and civilian meritocrats. These people could not stand up even to the modestly massive numbers of masses and pseudo-masses (mostly students already concentrated in a few modern secondary and tertiary schools) mobilized by the KMT's Red agitators.

As boss of the KMT, Chiang played the role of the military meritocrat in both its traditional and fully modern aspects. The former allowed him to deal with the traditional regional meritocrats he faced. The latter allowed him to deal with the new elite. As was normally the

case during a time of troubles between the fall of an old and the rise of a new dynasty, military power could normally trump civilian bureaucratic finesse. Chiang used his military base to call the bluff of his civilian meritocrat rivals within the KMT.

Chiang also instinctively understood the Golden Rule of Meritocracy (Do it unto them before they do it unto you). Even before he had fully consolidated his newly conquered position in the Yangzi Valley, he turned on his erstwhile Communist allies, killed as many of them as he could catch, and chased the rest off into the wilderness parts of subzone B4. (More on this in the next chapter.)

For a time, Chiang's civilian rivals dominated the western wing of the new state with its headquarters in Wu-Han. But once Chiang purged the Communists, the Wu-Han crowd had no alternative to resubordinating themselves to him. The KMT now controlled most of the south.

## 3. The Kuomintang in power

Chiang set up his capital in Nanjing (Nanking) in 1927. In 1929, now without benefit of Communist agitators to soften up the warlord soldiers, he launched a more tepid extension of the Northern Expedition, this time to take the Yellow River valley.

This turned out to be less a military expedition than the occasion for repeated offers of bribes to the northern warlords. Chiang also tried to attract them to his national government by appealing to their nascent national patriotism. More to the point, he threatened to appeal over their heads to the national patriotism of the new meritocracy and even to the masses. That was a less plausible threat after his break with the Communists, who had closer links to more lower meritocrats than did Chiang, and had learned methods for mobilizing genuine masses.

Chiang could not conquer most of the warlords. They remained in power in the north, playing a role like that of the Zone A barbarian clans of the Northern Dynasties of the post-Han era, the marcher lords of the northern border-

<sup>5</sup> The word "agitator" was originally spelled "adju-tator" and was the title for extremist Calvinist propagandists assigned to Cromwell's army during the 1640s. The adjutators' preaching helped create the climate of opinion that led to the beheading of King Charles I. Eventually the spelling was simplified into the modern "agitator." All revolutions of national liberation use agitators, sometimes under other labels, to mobilize their countries' masses or some reasonable facsimile thereof.

<sup>6</sup> Steve McQueen's tragic death in *The Sand Pebbles*, came at the hands of the western wing of the Northern Expedition force moving north down the Xiang River past Changsha toward Wu-Han at the confluence of the Han and Yangzi Rivers. The student of missionary lady Candace Bergen he killed just before that was a CCP agitator.

lands during late Tang or the civilized pastoral-nomads who extended their states into that same region during early Song times. Like his imperial age predecessors, Chiang had to settle for giving these warlords a kind of secular baptism as provincial governors. But their subordination to his regime was, as the above historical precedents might suggest, barely more than nominal.

Most of the northern warlords also proved to be dishonest politicians in Tammany Hall terms: Chiang could buy them, but they would not stay bought.

As a consequence, Chiang could only set up what was essentially a weak, southern-based state. That, of course, is what you might expect from a regime with its capital in Nanking.

It was not just that Chiang's capital had to remain in Nanking. The most loyal of the constituents he had inherited from Sun were the patriotic merchants of Canton and their overseas brethren. Chiang's marriage and the Northern Expedition had added to their number the great bankers and industrialists of nearby Shanghai, who had functioned as a kind of national plutocracy since the turn of the century.

The academic consensus holds that these connections made the KMT no better than a kind of southern dynasty, like Southern Song of the 12th and 13th centuries, or the Southern Dynasties of the period of the Northern and Southern Dynasties of the 4th through 6th centuries AD. These southern states were militarily weak, though, generally speaking, commercially strong.

By contrast, says the academic consensus, the Communists, who took refuge in subzone B1 after the KMT drove them out of their first base along the B3-4 border, partook of B1's strategic robustness.

The KMT's partisans have never accepted this view. A new survey of 20th century military history<sup>7</sup> agrees. It argues that the KMT might well have been able to throttle the Communists even after they fled to B1 if the KMT had not been thwarted first by the Sian Incident (see section D below) and then by the Japanese invasion which fol-

lowed as a consequence.

Still, the KMT was no more than a second generation revolution of national liberation. The rival third generation revolution of national liberation was flourishing in the remote rural areas to which Chiang had driven the Communists.

At least, however, the KMT second generation RNL did not get in the way of China's run to full industrial takeoff.

## C. China's Run Toward Industrial Takeoff In Historical Perspective

### 1. Late Qing & early republic

You may recall that the entry of foreign machine-spun cotton thread into the Chinese early industrial economy during the early 1880s accidentally triggered the full industrialization of the Chinese cotton thread and textile industry.

That was only part of the story. Similar tales (with lesser Western contributions) could be told about other trades becoming Rostovian leading sectors of a run to takeoff in the early industrial areas of the east coast and in the major hub cities on or near the Yangzi River valley during the next two generations.

The evolution of banking shows how ready China was for full industrialization. Traditional banks dated back to late Ming (which reinvented forms first used during early Song). These *qiánzhūāng* 錢莊 or money shops grew in size and number after the 1880s and began to finance some of the first Chinese full industrial revolution projects. In their essential functions, these money shops were like modern Western banks, but since they evolved out of the Chinese banking tradition, they are disparagingly called the "native banks."

Another set of banks, which originally specialized in money transfer from place to place, were called *piàohào* 票號—literally note houses. Like the Osaka Banks of Tokugawa Japan earlier, they offered their services to officials and bureaus. As a consequence, they gradually became the defacto central

banking network of Qing Dynasty China. Like the Osaka banks after Tokugawa's fall, they went belly up when the Qing Dynasty did.

By the 1890s, Chinese businessmen were organizing Western-style banks, called *yínháng* 銀行—a newly redefined Chinese word once meaning silver guilds.

After 1901, the Qing government began to turn to Chinese *yinhang* to help it organize the first full-fledged central bank that it set up as part of its process of general modernization. The rich Chinese private bankers who ran it transformed themselves into a national plutocratic segment to the Chinese ruling class, the first national level plutocracy based on domestic trade since early Han times.

Unfortunately there is not much statistical evidence extant regarding the course of the late Qing industrialization. Much anecdotal evidence exists, however, suggesting that the early industrial areas of the east coast and the Yangzi Valley hub cities were moving as rapidly toward takeoff during the last decades of Qing as we know they were during the twenty years after 1912.<sup>8</sup> Was it merely coincidental that these were also areas of foreign influence? Partly, but these were also centers for the later stages of the intrinsically Chinese early industrial revolution.

Better and larger bodies of statistical data exists for the early republic, 1912-1926, such as time-series data for many industries. As Lincoln would have put it, such numbers are just the sort of thing for people who like that sort of thing. This statistical evidence is not much more reliable than the anecdotal evidence for the late imperial period. It is just that numbers *seem* more impressive.

The base inherited by the early republic from the Qing was still not very impressive in absolute terms, but the growth rate was very high, as we would expect in a third generation run toward industrial takeoff: 13.8% was the overall industrial growth rate, 1912-1920. Even the poorer rural parts of north China

<sup>7</sup> Edward L. Dreyer, *China at War, 1901-1949* (New York: Longman, 1995).

<sup>8</sup> Cf. Thomas G. Rawski, *Economic Growth In Prewar China* (Berkeley: University of California Press, 1989).

seem to have averaged better than a 1 percent annual growth rate in overall income during the early republic and KMT periods. Clearly the run toward takeoff would have had to have gotten underway during late Qing for such a head of steam to have built up during the generation immediately following Qing's fall.

Many consumer goods (textiles, clothing, processed foods) were being manufactured by full industrial methods. These went from 22.5% of all industrial production in 1912 to 45% in 1920. Their proportion remained at that level for the rest of the pre-1949 epoch. That is what we would expect from a market-led industrialization. Suppliers create their own demand. Most suppliers were laborers who mostly demand consumer goods.

Only command economies can avoid having such rising proportions of consumer goods in their modern sectors. The issuers of commands are, in the phrase coined during Stalin's industrialization of Russia, "eaters of iron"—i.e. creators of capital goods to enhance the prestige of the issuers of commands.

Primary production (mining as opposed to manufacturing and services, i.e. secondary and tertiary production) increased in absolute quantity. But as you would expect during a market-led run toward industrial takeoff, it declined as a percentage of all industrial production because so much more secondary and tertiary (i.e. still more indirect) production was being evoked by increased net investment. Primary production declined in proportion from 36.5% to 8.5% of total industrial production by the 1930s, but its absolute quantity was up sharply.

## 2. *The role of the KMT*

The statistical evidence shows that not just during the early republic but also during the KMT's only relatively peaceful decade, 1927-37, the Chinese economy's growth continued, but at a lower percentage growth rate. It dropped to 8.4% per annum from 1928 to 1936. But if you measure 1931-1936 with 1931 as your base year, the growth rate rises to 9.3% per year.

This is lower than the 13.8% per

annum for the whole period from 1912, but it is on a much higher base, so that the absolute number of new factories, for example, was much greater under the KMT than under the early republic.<sup>9</sup>

This statistics-based conclusion that the run toward industrial takeoff continued to accelerate under the KMT is interesting, because the conventional view, the view that is not based on sophisticated use of statistics, or even on looking very hard for appropriate anecdotes, will tell you that the Chinese economy went downhill under the KMT. Many of the American observers in China then made this mistake honestly, though naively, by comparing Chinese life with contemporary America's mature full industrial standard of living.

At the other extreme, you can make KMT China in the 1930s look even better if you are selective in other ways in the anecdotes you use. You can even treat the central coastal provinces and the lower Yangzi Valley that it dominated as a separate country. To not do this, you can argue, would be like giving combined statistics for Western and Central Europe, using Poland and Albania to drag down the average provided by England, Holland and northern Germany, and then concluding that Holland was not industrialized.

China's figures could be made to look even worse during this time by omitting the data for the Japanese controlled parts of China—Manchuria, southern Shandong, and after 1938 the whole eastern third of China.

But China eventually (post-1945) got back Manchuria and Shantung. These areas continued to fill up with ethnic Chinese all during the Japanese occupation. The east coast occupied by Japan after 1937 was the original home of the indigenous Chinese early and then full industrial revolution's autonomous run toward takeoff prior to 1937

and of the indigenous plutocratic sector of the Chinese ruling class—the Shanghai end of the Nanking-Shanghai Axis of the KMT after 1927.

Even so, how much credit should we give the KMT for all this industrialization? It might surprise you to learn that I would not give it much of the credit. The most I am prepared to say is that the KMT did not hurt industrial development much. It used the government to build about 40 percent of the modern industrial sector. But, as you might expect, it often did not build appropriate factories in the right locations. It taxed or borrowed from the modern sector to build these factories and to fight the Communists and the Japanese.

This taxation hurt the modern sector. At least, however, it did not burden the traditional sector. The KMT left taxation of land and the traditional sector to provincial and local governments. This was a mixed blessing, since these governments at least attempted to levy higher taxes on traditional activities to finance modern schools and modern levels of corruption. So the central government's benign neglect of the traditional economy probably did not do it that much good either.

Still, at least the KMT did not itself add to the traditional sector's burden. Though the KMT did not subsidize the modern sector with wealth drawn from the traditional side of the economy, it apparently did not get too badly in the way of the modern sector either. Otherwise, how can we account for its high growth rate and all the anecdotes about dark and satanic mills and mines spreading over east central China?

The upper levels of the plutocracy unquestionably did some cheating. Gen. Chiang's Soong in-laws, and their friends, and "their sisters and their cousins and their aunts" did more than a bit of stealing both from the government (i.e. the modern sector) and from the general public. T. V. Soong (though not H. H. Kung), however, was a rational and fairly honest Finance Minister, even though he was the boss's brother-in-law. He and his Shanghai friends at least provided a minimally adequate administration for a state that did not steal so much from the market sector as to abort the run toward takeoff.

<sup>9</sup> You must always use percentages carefully. We do not consume percentages. We consume absolute quantities. If I have been offering you one peanut for breakfast, and then up the quantity to two peanuts, I have increased your consumption by a percentage of 100, but you are still consuming peanuts, and damn few of them. Conversely, if you were eating four eggs, and I then give you five, your consumption has gone up by "only" 25 percent, but your absolute increase in consumption is not peanuts!

Indeed, though partly via increased Japanese investment in occupied China, that run toward takeoff continued after 1937, at least until 1942.

### 3. *The People's Republic*

By 1933, at least the lower Yangzi, parts of Shantung and of Manchuria were on the verge of achieving full industrial takeoff. Even China as a whole was within twenty years of reaching that point.

And yet, the Chinese Communists and many people in the West, particularly on the left, give all the credit to the People's Republic for China's subsequent industrial takeoff: comes the revolution, and then after a mere six years of Communism, you have industrial takeoff! What the preceding pages should suggest to you is that the credit for this accomplishment must mostly go to the people who ran Chinese society and worked and invested in Chinese industry, transportation and banking from 1880 to 1937 or 1942.

I will argue in chapter 31 that the Communists began to hobble the market producing that earlier momentum almost from the moment of their takeover in 1949. Their only real contribution to industrialization after 1949 may have been the restoration of peace and quiet so that people could, at least for a few years, get back to work on the capital structure produced during the prewar decades.

## D. "Great Defensive War"

### 1. *From the Mukden Incident to the Sian Incident*

"Great Defensive War" (*Dàkàngzhàn* 大抗戰) was the Chinese name for its portion of the second installment of the 20th century's Thirty Years War. We call it World War II, and tend to date its beginning to December of 1941, or perhaps (if we are Europe-minded) to August 1939.

For the Chinese, however, the Great Defensive War got under way with the Mukden Incident of September 18,

1931. That was the great divide after which (we now know) war was inevitable. Thereafter, the Japanese began mindlessly escalating deeper into the dilemma of empire abroad as they drifted further into their fascist process at home.

The Kuomintang was also caught in this dilemma. It too had to drift toward war, however reluctantly. The Chinese nationalism over which the KMT uneasily presided was the engine moving the escalator. The KMT could not halt this drift toward war by appeasing the Japanese. To do so would lose it credibility as the proprietor of China's revolution of national liberation.

As it turned out, the KMT lost that credibility anyway, to a fair degree because they drifted too slowly toward war to keep the allegiance of both the eastern upper and the provincial lower new meritocracies.

The Japanese could not stop with their takeover of Manchuria in 1931. To secure that territory, by 1934-35 they escalated into north China to provide a buffer, called the North China Autonomous Zone, between their puppet state of Manchukuo and anti-Japanese agitators based in the districts surrounding Beijing.

By December 1935, students in the Western missionary-run colleges in Beijing were leading riots against this new and not previously noticed Japanese aggression. Unlike the May 1919 riots in which Beida students took the leading role, this time the agitation came mainly from the hitherto quiet Yenching University, Harvard's branch campus in China. Why the shift? Apparently it was because the Yenching students were upper new elite types who were becoming guilt-ridden because of their privileges and wanted to participate directly in the RNL.

Some of Yenching's teachers, including the foreigners among them, were already fellow travelers of the world Communist movement. This was certainly true of Edgar Snow of Yenching's Journalism Department, and his wife Helen Foster (whose memoir of this time, written under her pen name Nym Wales, confirms she was a Communist and Edgar a fellow-traveler). The handbills for the December 1935 riots

were run off on the Yenching Journalism Department's ditto machine.

For several weeks after the Beijing student riots against the Japanese began, the southern-born KMT leader, Chiang Kaishek, hesitated to put them down. Schools like Yenching had traditionally held the same extra-territorial privileges enjoyed by Westerners in general. During January and February the riots spread south to the native Chinese colleges that were not protected by extra-territorial privileges, and were closer to the sources of Chiang's own power. At last Chiang could crack down, and he did, at first in the south, and then in the north.

In the wake of this repression, some of the upper new elite students left Beijing and scattered. Some of them went to Yan'an in B1, which had just recently been occupied by the Communists. The Communists took them in, gave them further training as agitators, and sent them down to Sian, at the base of the great bend. Their mission in Sian was to co-opt the Manchurian warlord army that had fled from Manchuria after the Mukden Incident in 1931, and was now run by Zhang Xueliang, the son of Zhang Zuolin, whom the Japanese had murdered in 1928.

The Young Marshall (as he was called to distinguish him from his late father, the Old Marshall), bitterly resented having been thrown out of Manchuria. He wanted war with Japan to begin as soon as possible so that he could win back his home region.

The Communists were even more eager for war, partly because they were patriots running their version of a third generation RNL, partly because war was the best way to mobilize masses of new elite and of people in general onto their side.

The guerrilla war they proposed to wage would be cheap. Guerrilla base areas could more easily be established in regions conquered by the Japanese than in KMT areas. The Japanese would be more alien to the local people than the KMT, and their control less firm.

Chiang and the Kuomintang did not want war, at least not yet. War would ruin the KMT. The governing party could not (or thought it could not) rely upon cheap guerrilla methods to fight its

war. The official armies would have to face the enemy in set piece battles. Given the relative strength of the two sides, they were bound to lose most of those battles.

But the KMT could not allow itself to be portrayed as the party of appeasement. Unfortunately, this meant that if the KMT's proprietors did not go along with the escalation toward war, they would be treated as merely the manipulators of an old fashioned second generation of revolution of national liberation—last century's model—and hence as uncomfortably resembling the Qing Dynasty they had replaced. Such a revolution could be outbid by the CCP's third generation RNL.

This was an impossible situation for Chiang, and so it was natural that he stalled, trying to postpone the inevitable war for as long as possible. He could not stall for long.

The students and the Communists kept agitating, kept mobilizing masses of Manchurian soldiers in Xi'an (Sian), and grappling for the soul of the Young Marshall himself. Finally, Chiang realized he must personally visit Xi'an, go to the Young Marshall's headquarters, and either win over Zhang out or put him away where he could cause no further mischief.

Chiang flew into Xi'an in December 1936. The Young Marshall promptly kidnapped him, and held him as prisoner, if not in a gilded cage, at least in a posh hot springs resort, until Chiang agreed that there would be no further stalling over forming an alliance with the Communists against the Japanese. There was to be a second popular front, the first being the one that ran from 1922 to 1927.

As soon as he was free, Chiang clapped the Young Marshall and his local associate into house arrest, and kept him there practically forever after. (He was finally released in 1995.) This second popular front never really involved much actual collaboration, but it served its main function for the Communists. Within six months it frightened the Japanese into launching an undeclared war.

## 2. The "China Incident"

The Japanese were alarmed by even the prospect of a Chinese popular front. Japanese fascists and their fellow travelers pointed to the rise in Communist influence this implied. Back in Tokyo, the February Coup attempt had already occurred at the beginning of 1936. Though the Japanese fascists who launched it were purged as a consequence, it was as though they had bitten and infected with their own morbid fears the fascist fellow travelers who purged them and remained in power.

So one rotten thing led to another between the shock of the Xi'an Incident in December 1936, and the Marco Polo Bridge Incident of July 7, 1937. On that day Chinese irregulars supposedly shot at a column of Japanese soldiers marching across the old tourist attraction south of Peking. What the Japanese persisted in calling the "China Incident"—really World War II's Pacific Theater of Operations—was now fully under way.

The Japanese took over the eastern third of China, though the Kuomintang won back some moral clout as an RNL by heroically (but hopelessly) resisting the Japanese advance all the way back to Hankow and the border zone between subzones B4 and B3 during the next couple of years. KMT propagandists did not have to exaggerate Japanese atrocities to rally the new meritocrats to their side.



A Japanese newspaper reports a beheading contest in Nanking. The final score was only 106-105. Both contestants had been aiming at 150.

Even the students of the elite eastern universities rallied to the KMT, carried boxes of books from the libraries of their schools and lab equipment on their heads all the way down from subzone

B2 into B4 and then west deep into B3. There, after they finished their degrees, many of them volunteered for the army.<sup>10</sup>

My own graduate adviser participated in this adventure. In later years he remembered this as the greatest experience of his life, and said it gave him and his friends a real rush of patriotism for a year or two. By 1942-43, however, the war had begun to grind down morale on all sides.

For a time the KMT could focus new elite resentment onto the head of a genuine collaborator with the Japanese, who could be honestly condemned as a traitor. This was Wang Jingwei. Wang was an early KMT member long considered to have been on the "left" side of the party. He collaborated with the Communists in Wu-Han during the first popular front of the '20s, and had resented Chiang ever since for bullying Wang's faction of the KMT out of that alliance, thereby throwing all power into Chiang's hands.

Still consumed with envy of Chiang after the Japanese invasion, Wang began to collaborate with the Japanese and in 1940 formed a puppet rump KMT government in Nanking, in occupied China. His last service to the KMT turned out to be this service as Chiang's scapegoat. For a few years, at least, thanks to the KMT's costly battles and Wang's perfidy, Chiang got his moral clout back as leader of the revolution of national liberation.

Chiang and his handsome plutocrat wife for a time bulked large as the great symbols of Chinese national patriotism.

## 3. The Great Defensive War merges with World War II

The KMT's strategic situation was ominous right from the beginning of hostilities in 1937. Thanks to the "Long March" of 1934-5 (see chapter 30), the Communists were safe in the northwest (B1). This region still had all of the

<sup>10</sup> It would be as though WWU students were to carry most of the books from the Wilson Library and some of the lab equipment from the science buildings all the way from Bellingham to Arizona, on foot, and then volunteer for a war against a Canada which had recently jumped ahead of America in material power.

strategic advantages it had enjoyed from the Zhou conquest at the end of the 2nd millennium BC through the Tang Dynasty near the end of the 1st millennium AD. Subzone B1 had never lost its defensive advantages. The Taihang and Qinling Mountains were still there.



President and Madame Chiang (January 1942).

The region's offensive advantages had been negated for nearly ten centuries because gradual dessication kept it too poor to remain the political center or even to participate in China's early industrial revolution. Like a sturdy but ugly virgin whose virtues attracted no suitors, no one wanted to take advantage of subzone B1's natural defenses.

Now, however, it had the temporary political-social advantage, at least to the Communists, of being poor enough for its inhabitants to find appealing the platform of an egalitarian maximal socialist party.

Neither the KMT nor the Japanese could make much progress against either the area's defenses or its people's loyalty to the Communists.

By contrast, the Kuomintang was in increasingly desperate shape. It had lost its natural base, the incipiently fully industrial region of eastern China. It was stuck in southwest China (B3), which was far more backward even than the Communists' new northwest base, and with which the KMT had no historical links.

Of course the KMT retained a few "friends"—the Americans—but as all students of modern diplomacy understand, if the Americans are your friends, you hardly need enemies. In any event, there was little the Americans could do. Between 1937 and 1941, American aid was inhibited by the Neutrality Act. The English lost Burma early in 1942, just as they and the Americans formally joined the war, cutting China off from its new-

found allies by the most efficient land route, the Burma Road, which had only been completed in August 1938.



A portion of the Burma Road.

The only way the Americans could get supplies into China after the beginning of 1942 was to fly them in on DC-3s and DC4s over what the pilots called "the Hump"—the Himalayan Mountains—from northeastern India into southwestern China. From 1942 to 1944 the Americans flew in the equivalent of only 73 liberty ships' worth of goods. This was trivial. They almost might not have bothered.

The Americans also sent in General "Vinegar Joe" Stilwell as President Franklin Roosevelt's personal military representative. His main job was to reorganize and train the Chinese infantry.

The nominally retired Army Air Force General Claire Chennault was already there as commander of the Chinese air force. President Roosevelt in 1940 pulled a trick which in a way anticipated the Iran-Contra operation that caused so much trouble for President Reagan nearly fifty years later. FDR got the first production run of American P-40 fighter airplanes transferred, apparently illegally, or at least without Congress's permission, to the Chinese air force in 1940 and '41. Chennault resigned from the U.S. Army Air Force to run the Chinese Air Force.<sup>11</sup>

<sup>11</sup> In 1940-41 even the isolationist but patriotic bipartisan Congressional opposition to FDR would not have dreamt of making a criminal case out of what was perceived as just another episode in the ongoing struggle for power over foreign policy built into the

Of course being American military meritocrats, Stilwell and Chennault battled each other more often and more viciously than they fought the enemy.

Stilwell did a very creditable job of organizing and reforming the Chinese army. Unfortunately he was also the sort of military meritocrat whose views paralleled the trendy lefty civilian meritocrat biases of the time. This type was more common in the interwar army than you might expect. Stilwell wanted to integrate the Communist units into the KMT army, and have them share in the trivial amount of American aid. Chiang, of course, was adamant against doing any such thing.

More reasonably, Stilwell also wanted to use the units of the KMT army which he was training to help reconquer Burma. This was logical from the Anglo-American point of view, and even from Gen. Chiang's perspective. The reconquest of Burma would reopen the land route from southwestern China to India. Chiang, however, wanted to use these units to keep the Communists bottled up in the northwest. Not unreasonably, he preferred to let the English and Americans handle their own sector of the war by themselves. If necessary, he could survive without this penny ante American aid, but he might not be able to survive an act that increased the Communists' respectability.

Stilwell fought bitterly with Chiang over this and virtually every other subject. Finally, Stilwell got his way over this one issue, and got to use the Chinese army in Burma. These units made a significant difference in the Allied campaign to reconquer Burma in 1944.

However, Chiang was so angry about the diversion, and about the rumors (which were true) that Stilwell was calling him the "Gizmo" as abbreviation for "Generalissimo" behind his back, that he hinted at an ultimatum to President Franklin Roosevelt. FDR dared not risk Chiang making a separate peace with Japan or even reaching a defacto truce which would allow the Japanese to divert forces against the Americans in

American constitutional structure. (The President is in charge of foreign policy, but Congress must pass appropriations to finance it.) As a consequence, America had at least some material assets in place in China by December 1941.

the Pacific island campaigns. And so FDR felt obliged to bring Stilwell home in the aftermath of his greatest triumph, replacing him with the more diplomatic Albert Wedemeyer.

Responsibility for America's China debacle was bipartisan. If Stilwell, the later darling of the left in America, had an ambiguous success in China, Chennault, the rightist champion of the pro-Chiang "China Lobby," nearly ruined Chiang and the Kuomintang.

Chennault successfully blunted Japanese air attacks. But he also believed in "victory through airpower," the title of a wartime popular strategy book. The way to achieve this infantry-less victory in China, Chennault argued, was to launch air raids well behind Japanese lines from forward air bases roughly along the B3-B4 border. Chennault diverted precious Hump cargo space from Stilwell to carry material for these forward bases. In the summer of 1944, he moved his planes into them, and began to bomb the Japanese forces and their rear support lines.

All this did, however, was attract a ferocious Japanese land counterattack. Chiang's forces were so weak that the Japanese could have gone all the way to the KMT capital, Chungking, in the middle of B3. The only thing that stopped the Japanese was that they were themselves too exhausted by their victory to do so. In fact both sides were so weak by then that they spent the rest of 1944 and 1945 holding each other up like two club fighter heavyweights after the eighth round of a fight, when both pugs have become too arm-weary to do anything but clinch.

Thanks in part to its foreign friends, but mainly because of the logic of modern RNLs and the physical geography of China, there is no getting away from the fact that the KMT was in bad shape by the end of the war, both in terms of its ability to fight, and in its strategic position.

## E. The Civil War

### 1. *The Marshall Mission*

Even peace made life grow still worse for the KMT. The war ended be-

fore it could recover from the disastrous 1944 central China campaign and move its armies east to accept the Japanese surrender. After having been kidded along by FDR for over three years, the KMT ended the war jilted by its ally in all but name.

World War II ended suddenly after the two atom bombs hit Japan in early August 1945, with the KMT still stuck in the southwest. Even before then, the American island hopping campaign had already hopped past Taiwan and past the east coast of China. The B-29 bombing planes, for which central China runways had been laboriously constructed at China's expense, flew off to the newly conquered islands in the Western Pacific. They had only launched a few missions from China.

Stilwell's successor, Wedemeyer, was willing to use some of the airplanes freed by the end of the war to ferry Chinese troops back to Nanking and Shanghai, and even up to Shandong. But when the Americans tried to ferry troops, either by plane or ship, into southern Manchuria, the Russians would not allow them to land. The Soviets declared war against Japan in the last days of the war, and immediately moved into Manchuria to accept the Japanese surrender there.

The Russians were also giving the Japanese' weapons to the local Communists who used them to engage in busily expanding their base areas. Presumably they needed some privacy to complete these operations.

The Americans were timid about pushing the Russians into letting the KMT in.<sup>12</sup> The Pentagon must have told the Far Eastern Command to not push the Russians too hard. The generals did nothing and did it without leaving a clear trail of paper to get the politicians in trouble with the KMT's friends back in America.

Most Americans would surely have

approved of not challenging the Russians in Manchuria. The American soldiers still left in Europe early in 1946 were rioting because they were not being rotated home fast enough. (Keep this story in mind the next time some academic consensus revisionist historian tries to lay blame for the onset of the Cold War on the U.S.)

The Americans wanted to be helpful to the KMT, but as usual, this friendly impulse gravely increased the danger to their friends. In the fall of 1945 they sent General George Marshall as special emissary to China. President Truman charged Marshall with mediating the quarrel between the KMT and the Communists. Truman regarded Marshall as the greatest man that the war had produced. He had served as Chief of Staff, and was, as President Truman had called him, the architect of victory. But he had an impossible job in China.

Marshall could make no promises to the KMT of massive American involvement in China. Despite noisemaking by the pro-KMT China Lobby, the Kuomintang had lost the last of its public relations gloss for most Americans during the final years of the war. This was partly because of its own bad behavior—the corruption and cowardice of some of its leaders.

But it was also partly because spoiled American diplomats and journalists resident in wartime Chungking could not take the hardships of life in the interior now that they had finally lost their extra-territorial privileges. They rationalized their discomfort by complaining about the Chinese government.

Most of these Americans were upper class, guilt-ridden private and public meritocrats who had the same sort of tropism toward the Chinese Communist Party that Chinese meritocrats had. They and their students formed the core of the later anti-KMT academic consensus of modern Chinese historians. If Marshall had decided to take the side of the KMT, he would have been heavily criticized by the American press and bureaucracy.

To make things worse for Marshall's prospects as peacemaker, Chiang was eager by the end of 1945 to get on with the civil war. He figured that this war

<sup>12</sup> The archives simply do not contain any clear reason for this American reticence, or at least scholars have not yet found unambiguous answers there. The large, strategic answer has, however, always been obvious. The American people would not have put up with a new war against the Russians so soon after the ending of the big war against Germany and Japan. The U.S. military has always obeyed its civilian masters, and even anticipated what public opinion would soon force its masters to order.

was inevitable, and that his only chance to win it was to start it soon, before the Communists could consolidate their new base areas in the east and northeast. This analysis was probably right. Even so, the KMT's strategic position was so poor as of the latter half of 1945, that it probably could not have won anyway.

The KMT had not just lost the support of its American allies. It could have survived that. It had also definitively lost the support of the Chinese civilian new meritocracy, both its east coast upper and provincial lower branches. The Communist proprietors of the third generation RNL had won their hearts.

The KMT had lost the public relations war for these people at least as far back as the Sian Incident of 1936. It was to win them back that Chiang so grudgingly acquiesced in proclamation of the second popular front with the Communists. This tripped off the war with Japan that he so desperately wanted to postpone.

All that Chiang and the Kuomintang had was an outside chance of victory, and then only if the civil war began immediately. The Communists were perfectly willing to go along with Marshall for a year or so because that would give them a chance to consolidate their new base areas in the east and northeast and make their ultimate victory even surer.

They sent their best diplomat, Zhou Enlai, to conduct the negotiations with Marshall. Zhou was already popular with the American press and diplomatic contingent, and he lived up to his reputation as a kindly, but clever diplomat.

So the Communists both seemed and actually were reasonable, and Chiang seemed and truly was unreasonable in the course of the negotiations during the first six months of the Marshall Mission. The Communists' reasonableness and the KMT's obduracy were fully reported, and that further ruined the Kuomintang's image in the American press.

During the second six months, beginning in the spring of 1946, there was a reversal of roles. Chiang realized it was too late to fight and was now willing to make a deal. So he turned reasonable. The Communists, having consolidated their position more rapidly than they anticipated, and beginning to realize how weak the KMT actually was,

turned uncooperative and openly moved toward war.

Chiang did not receive credit in the American press for his change of heart, and the Communists received little criticism for their turn toward obduracy. Some right wingers use this as evidence for an anti-KMT conspiracy within the American press, but it is more likely that the press simply was too dull and uninformed to notice these changes.

This switching of roles doomed the American attempt at mediation. Early in the autumn of 1946, poor General Marshall pronounced a plague on both houses and went home to Washington.<sup>13</sup>

Once back in Washington, Marshall told Truman to cut his losses as best he could. There was, he warned, going to be a civil war, and Chiang was probably going to lose it. This disaster was no one's fault, and no one could do anything about it. Marshall's analysis was mostly true, but it came a year too late, and after a year of unwisely trying to do something to avoid this melancholy result, an attempt that only made things worse.

The right wing in American politics could, therefore, say with some justification, that the disaster that followed was Marshall's and Truman's fault, or at least that they were not sad enough about how badly it was turning out. Even if Marshall had stayed home in fall 1945, Truman would have been in trouble. The right wing would have blamed the government for not acting. There is no winning when your friends or putative friends lose.

Viewed from the perspective of Chinese history, the "loss of China" probably was not the fault of anyone in America.

## 2. The Manchurian campaigns

By the end of 1946 and the beginning of 1947 the civil war was openly under way. It had really been under way in bits and pieces all during the year of

nominal truce. This real life version of the Chinese game of surround-chess game (more commonly known by its Japanese name, *goh*) had seen pieces being placed on the chess-board of China with increasing frequency. The battles merely got bigger and were better reported from 1947 on, and it became clear that CCP black stones were surrounding the KMT white stones at or near the Manchurian corner of the Chinese surround chess board. (The best *goh* strategy to maximize the area surrounded—the object of the game—is to cut off the corners as far out as is prudent.)<sup>14</sup>

The early battles in the northern half of Zone B seemed indecisive. The Communists merely expanded their base areas on and just below the Shandong Peninsula, and launched repeated raids on the main railroad lines linking north and south. The KMT dissipated its forces patrolling its own lines of communication.

Then, more to ease its frustration than for any large strategic purpose, the KMT launched a campaign of its own into the central base area of the Communists in Yan'an in the northwest corner of the chessboard. The Communists promptly abandoned Yan'an and shifted their forces east into subzone B2's Taihang Mountain subregion.

Doubly frustrated by conquering this "empty lair," the KMT forces pulled back to the east only to discover that the rural areas of B2 had now largely fallen to the Communists. The CCP could now also return to the Yan'an area. Though the local people there had suffered greatly, they rightly blamed the badly behaved KMT army (as their ancestors had blamed Xiang Yu) for their troubles rather than the Communist forces (playing the role of Liu Bang) for abandoning them.

In many respects, these 1947 and early 1948 campaigns in Zone B represented a reprise two millennia later of the way Qin and then Han had forged a west-east axis across Zone B from the same base in subzone B1.

Some things had changed since then.

<sup>13</sup> And to glory as the Secretary of State who proposed the Marshall Plan to "save" Europe, then anticlimactically as Secretary of Defense, target of Senator McCarthy, and ultimately to a ripe old age and a hero's funeral. His ante-bellum mansion, bought in his old age, is now an historical site.

<sup>14</sup> The *goh* metaphor was originated by Scott Boorman's *The Protracted Game* (New York: Oxford University Press, 1969).

Unlike Qin, which, after taking the fulcrum zone, next turned south to take out its main opponent, Chu, the Communist armies now reached out to the north, into subzone A3 (Manchuria). Manchuria was not yet a part of China during Qin times, but since the late 19th century had filled with Chinese migrants and Japanese investment capital. It now constituted a prime target, and one that was strategically interesting since it lay near one corner of the surround chess board.

Chiang had already committed himself to a Manchurian campaign. He had reasoned, contrary to Wedemeyer's advice not to overextend his lines of communication, that he could not even pretend to be running an RNL unless he contested the whole territory of the country, especially Manchuria, specifically over which the quarrel with Japan had arisen. He was probably right. But so was Wedemeyer. Manchuria was a trap for the KMT.

As soon as the Russians would let them in, early in 1946, Chiang took most of the fine troops whom Stilwell had trained and poured them into Manchuria. There the Communists, still playing surround-chess, cut them off in the course of 1947 and 1948. With virtually no opportunity to fight, except ever more feebly to restore their repeatedly cut communications with the coast, the best of the KMT armies had no choice but to surrender wholesale by the end of 1948.

### **3. The endgame**

As in a good game of *goh*, the endgame of the civil war developed with breathtaking speed. Up until the end of 1948, Western newspapers covered the war as though victory was still up for grabs. They did not realize that it was essentially all over until, with brutal suddenness whole KMT armies began surrendering in Manchuria in December 1948, luckily for President Truman, just after the American presidential elections.

Beijing fell in January 1949 without a shot being fired. The Communists soon thereafter crossed the Yellow River. A decisive battle was fought on

the Huai River, just at the top of subzone B4 at the beginning of spring 1949. The Communists won again. Now it was just a question of time: time for the Communist armies to walk to the Yangzi, time for them to finish organizing the transition from guerrilla to division and corps strength units, and to integrate the literally millions of surrendered KMT troops into the Communist army.

By April the Communists reached the line of the Yangzi. There was no resistance when they crossed this last physical barrier to their entrance into the southern half of Zone B. They took Nanking and Shanghai without a shot being fired. Then it was just a question of a few more months for them to walk and ride captured trucks all the way south to Canton.

The KMT, after temporarily trying to hoke up a Southern Kuomintang state in Canton, retreated to Taiwan by the summer of 1949. A Southern KMT would no more have worked than did the several abortive Southern Mings of the 17th century. Such a regime could not have even begun to rally the new elite against the attractions of a third generation RNL.

Nor would the Communist People's Liberation Army give them the leisure to organize such resistance. The Communists could move some of their men by truck or train, and unlike the 12th century Jurches or the 17th century Manchus, many of the Communist troops were southerners, perfectly capable of handling the hot and moist southern climate.

By the end of 1949 and the beginning of 1950, it was all over except for the conquest of Taiwan. In June 1950 the Communists were organizing a rag-tag flotilla on the coast of Fukien opposite Taiwan to invade the island.

Then came the June 25, 1950 North Korean invasion of South Korea. The Americans, ostensibly to protect their southern flank, put their Seventh Fleet into the Taiwan Straits and interrupted the last act in the civil war. I.F. Stone several years later argued that this was really the first move in a conspiracy to return the KMT to the mainland on American bayonets, but you may recall that in discussing modern Korean his-

tory in chapter 24, I noted that there is no archival evidence for Stone's thesis, and that it is implausible on other grounds.

Linked to these military campaigns of the late 1940s in which the second generation RNL, the KMT republic, was defeated was the evolution of China's third generation RNL, that of the CCP, and it is to that we must now turn.