CHAPTER X

REFORM AND REVOLUTION IN CHINA

I. CONDITIONS UNDER WHICH REFORM WAS UNDERTAKEN

The internal history of China during the decade following the signature of the Boxer Protocol presents two patterns which are distinct and yet closely interwoven. The first is that of reform and the second that of revolution. And through both runs the thread of international relations. Since the narrative will be clearer if the two patterns are kept distinct, we shall attempt first to trace the development of the Manchu reform program up to the outbreak of the revolution in October of 1911, and after that has been done we shall try to picture the larger background of the revolution. It will then be possible to consider the revolution and the history of the eventful years following the abdication of the Manchu Emperor.

To preserve the sequence, a brief recapitulation may well be undertaken at this point. In the first chapter a summary description of the political organization of China was given. Two of its features, it will be remembered, were the decentralized territorial system resulting from the high development of provincial and local autonomy, and the inflexible revenue system which could not be readily adapted to meet the new burdens on the state resulting from unsuccessful war and from the attempted introduction of such Western inventions as the steam engine. Succeeding chapters indicated the reaction of China to the contact with the West, particularly her failure to strengthen her political system, her military organization, and her economic life so as to enable her to protect herself against those who, because of her weakness and economic backwardness, became her despoilers. Such limited reorganization as had been attempted had been only partially successful because of the innate conservatism and feeling of superiority of the officials and the gentry, and, so far as it related to military and naval reform, had been largely neutralized by the widespread system of “squeeze.” As a direct consequence of her weakness and the unwillingness of her officials to recognize the changed conditions, China lost most of her dependencies, suffered repeated defeats, both military and diplomatic, the most humiliating being that administered by Japan, and was finally threatened with partition along the lines marked out in 1897–1898. This could not help but engender dissatisfaction with the reigning dynasty. Furthermore, it has been pointed out that the foreign impact synchronized with bad internal conditions, partly the result of famine, piracy and brig-
andage, and widespread rebellion. For these internal conditions, as well as for external aggression, the dynasty was held responsible. Consequently by 1900 it was presented with the alternatives of reform or elimination, because of its inability to fulfill its obligations to the country. We have briefly described the attempt at reform, as it was made rather impulsively in 1898, and the overthrow of the reformers, as well as the successful attempt to divert the discontented elements into the channel of anti-foreignism. The failure of Boxerism made almost inevitable a renewal, in a more conservative way, of the attempt to preserve the dynasty by reform of the governmental system.

That this attempt was to be made was clearly indicated in an edict issued in 1901 by the Empress-Dowager from Sianfu, whence the Court had fled as the foreign expeditionary force approached Peking. Parts of the edict deserve quotation as predating the course of events of the next few years.¹

"Looking at the matter broadly, we may observe that any system which has lasted too long is in danger of becoming stereotyped, and things which are obsolete should be modified. The essential need which confronts us is at all costs to strengthen Our Empire, and to improve the condition of our subjects. . . . The Empress-Dowager has now decided that we should correct our short-comings by adopting the best methods and systems which obtain in foreign countries, basing our future conduct on a wise recognition of past errors." In order to placate those who had objected to the K'ang Yu-wei reforms, the edict then pointed out that the objects of the Empress-Dowager were fundamentally different from those of the 1898 reformers. "Their main object is not reform but a revolution against the Manchu Dynasty," while the Old Buddha's object was to preserve the dynasty. Furthermore she intimated that she was not interested in making radical changes, but in reality was merely aiming at removing evil growths from the age-old system. "The teachings handed down to us by our Sacred Ancestors are really the same as those upon which the wealth and power of European countries have been based, but China has hitherto failed to realize this, and has been content to acquire the rudiments of European languages or technicalities while changing nothing of her ancient habits of inefficiency and deep-rooted corruption." The whole edict was primarily devoted to the important work of convincing the conservative officials that it would be safe to inaugurate a program of change under the supervision of the Empress-Dowager, although a similar program proposed by the Emperor had been properly condemned as revolutionary.

Upon the return of the Court to Peking the reform era was inaugurated and an opportunity was afforded for judgment as to the sincerity of the Empress-Dowager. It is obvious that changes could be made only with

¹ The following excerpts are taken from the translation given by Bland and Backhouse, China under the Empress-Dowager, pp. 419-434.
the cooperation of the officials of the metropolitan area and the provinces, and two of these stood out as honest supporters of progress. Yuan Shih-k'ai, who had served as Chinese Resident at Seoul from 1885 until 1895, and who had thereafter been Judicial Commissioner of the Metropolitan province, Junior Vice-President of the Board of Works, and Governor of Shantung during the Boxer uprising, was appointed Viceroy of Chihli province at the end of 1901, when he was also made Junior Guardian of the Heir Apparent. It was under his direction that many of the changes in the central administration were carried out. He also showed his interest in army reorganization. Another leading advocate of reform was Chang Chih-tung, who as the Hukuang Viceroy dominated reform in the provinces up to the time of his death in 1909. While Yuan was primarily interested in political and military reorganization, Chang would seem to have been principally concerned with the strengthening of the economic foundations of the state.

2. THE FIRST PERIOD OF REFORM

The first concrete interest was manifested in military reform. Until after 1895 China had no real modern national army, her military forces consisting of the Banner troops, and of the Green Flag or provincial troops. The latter were in reality provincial constabulary and were organized and controlled by the provincial officials. After 1895 an attempt at reorganization was made but without permanent effect. In 1901 an Imperial edict again ordered reorganization, which was begun in Chihli province by reason of the interest of Yuan Shih-k'ai. Between 1903 and 1906 he created a model force of six divisions. Four of these were transferred in 1906 to the then established Ministry of War, and a plan was projected for the formation of a National Army of thirty-six divisions. In 1907 it was ordered that this program should be completed by 1912. The real advance in program came as a direct result of the interest created by the war between Russia and Japan. By 1911 progress had been made in this part of the reform program, and it will be interesting subsequently to note how the partial formation of a modern army affected the fortunes of the Manchus.

A second and more fundamental reform was inaugurated in theory in 1905, when by edict the age-old examination system was abolished. This struck a blow at the heart of the old order, for it forecast the end of the dominance of the classical tradition and the putting of a premium on knowledge of Western subjects. It meant immediately a paper rather than a real change, but it was no less significant for that reason. Previously permission had been given to Imperial Clansmen and Nobles to send their children abroad for education. These successive acts, coupled with the

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*Li Hung-chang was supposed to have a modern force under his direction, but it could not be considered as constituting a modern or national army.
action of the United States in returning a portion of the Boxer indemnity and the decision to use it for educational purposes, and with the successes of Japan in the war with Russia, gave a tremendous impetus to the interest in foreign study and led many to go abroad for that purpose. The consequences of this movement will be indicated when we attempt to picture the background of the revolution.

Among other changes predicated or actually undertaken were a removal of the ban on intermarriage of Manchus and Chinese; an attempt at the abolition of official sinecures; some reorganization in the central administrative system, mainly by changing the names of various offices, consolidating agencies and redistributing functions; and the active encouragement of railroad building, the undertaking of mining operations with Chinese capital, and the construction of arsenals.\(^3\)

After the outbreak of war between Russia and Japan, which was fought almost entirely on Chinese territory, the reform movement was accelerated and, moreover, took on the character of real institutional change. The victory of a reconstructed Oriental state over a powerful Occidental antagonist created active and widespread interest in reform as the earlier defeats of China had not done. A reference to the reform edicts of 1898\(^4\) will indicate how closely the changes proposed from 1901-1905 paralleled the earlier program, and will consequently serve to show how little growth there had been in appreciation of the necessity for fundamental reconstruction of the political system. After 1905 the movement began to look toward the ultimate introduction of constitutional government into China. And there began also a conscious effort to centralize authority—to break down the autonomy of the provinces by means of the establishment of a national system of rail communications, which would ultimately make possible a more effective supervision over them. It must be here pointed out, however, that the policy of railway centralization was adopted only after several years had been given over to an attempt to finance and construct railways by and in the provinces with local funds. This question of railway policy acquired major importance as the revolutionary movement developed, and will be discussed more fully later.\(^5\)

3. THE CONSTITUTIONAL MOVEMENT

The idea of constitutionalism as a panacea for the ills of the state was, in large part, an importation from Japan. Prior to 1890 that country had been considered weak, and the Japanese had been looked down upon as an inferior people. Then suddenly China had been forced to revise her impression of her neighbor. First Japan showed herself to be stronger than

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\(^3\) Social and general economic changes of this period are discussed in chapter XII.

\(^4\) Supra, pp. 158-160.

\(^5\) Infra, pp. 218-220.
China, and then she successfully challenged the great European Power, Russia. The chief secret of the newly acquired strength of Japan was felt to be her introduction of Western methods of government. And, since it was after the establishment of the Japanese constitution that the strength of the Island Empire was first revealed, the belief was natural enough. Furthermore, all the great European states except Russia, as the edict accepting the report of a commission sent abroad in 1905 to study Western forms of government pointed out, had constitutions. And Russia had just been defeated by the first Asiatic state to establish a constitutional system. The conclusion seemed to be perfectly obvious.

The report of the commission also indicated to the Empress-Dowager that the Japanese had found it possible to continue, through constitutional forms, the old absolutist system of government. There was no reason apparent to her why the same result might not be achieved in China. Thus she said: “As for ourselves, it is necessary at present to make a careful investigation into the matter, and prepare ourselves to imitate this government by constitution, in which the supreme control must be in the hands of the Throne, while the interests of the masses shall be given to the elect, advanced to such position by the suffrage of the masses.”

It is certainly questionable whether the autocratic Tzu Hsi would have even contemplated seriously the establishment of a constitutional system if she had thought that it would introduce any real limitation on her own power, or that it would affect the Manchu supremacy. But to recognize that fact is not to impugn the motives of the Court and the reform party among the officials. The constitution itself, it was their honest belief, was what would serve to strengthen China, just as it had Japan, even though the old system really functioned under and through the new forms. Their knowledge of Western systems of government was slight, and their understanding of the tendencies in political development after the principle of popular participation has been admitted was just as limited. So there may well have been honesty of intention in the attempt to establish a constitutional form of government in China while maintaining the autocracy. It was only in and after 1910, when the ultimate end of the movement began to be made apparent, that the Manchus laid themselves open to the charge of insincerity and double-dealing.

Had it not been for the revolutionary year 1911, the great year for modern China might have been 1908, for it was then that the government took the first steps toward the establishment of a constitutional régime. The Throne promulgated the “principles” of the constitution, announced a definite program of gradual progress, leading up to the calling of the National Parliament within nine years, and sanctioned regulations governing the provincial assemblies which were to be called into being within a year.

* China Year Book, 1912, p. 353.
It is only necessary here to note the point of view expressed through the "Principles of the Constitution." It was identical with that originally expressed by the Empress-Dowager. A quotation from the edict accepting the "Principles" will serve to illustrate it. The foreign nations which "have established their constitutions under influences from above have first determined the ultimate authority of the Court, and thereafter there has been granted to the people the advantage of inquiring about the affairs of government.... In most of the nations in which the constitution has been granted from above the origin of all powers is in the Court. The Parliament must grow out of the constitution, not the constitution out of Parliament. The government of China is to be constitutional by imperial decree." Consequently the primary emphasis was laid on securing the powers of the Throne in order to ensure that "the Ta Ts'ing Dynasty shall rule over the Ta Ts'ing Empire for ever and ever, and be honored through all ages." This was not a very good start, it must be recognized, toward convincing the country of the sincerity of Manchu professions, but it was, nevertheless, a distinct step in advance.

The setting-up of a program of gradual reform extending over a nine-year period was an indication of wisdom rather than of bad faith. It revealed a perception of the fact that China was not prepared for a representative system of government and that the foundations should be carefully laid before the superstructure was erected. Of course it could also be interpreted in another way—as providing a breathing space for the Manchus, during which they could revivify their rule. During the period each year was to witness certain changes such as the introduction of local self-government, law reform, census-taking, police reorganization, the extension of the educational system so as gradually to reduce illiteracy, the introduction of a budget and auditing system, and the issue of constitutional laws, imperial house laws, and parliamentary laws. The whole program was to culminate in the establishment of a parliament and the organization of a privy council and a cabinet in the ninth year. Certainly all of these reforms were necessary and, if carried out in good faith, would have served as foundations for the new régime. However, because of the confusion of the years after 1908, coupled perhaps with a lack of real interest in reform, many steps in the program were taken only on paper.

A third important advance, promised in 1907 and incorporated in the program of 1908, related to the establishment of provincial assemblies as a preliminary step to the convocation of a National Assembly. This promise was actually carried out when the former were convened in October of 1909. The members were selected by electoral colleges composed of representatives chosen by a carefully restricted electorate, and the powers and functions of the assembly were limited with equal care. The regulations

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1 "Amer. For. Rel.," 1908, incl. 1 in no. 1005, p. 192.
governing them stated that “it must not be forgotten that all deliberative bodies are restricted in their functions to debate. They have absolutely no executive powers.” And in the main they could only debate propositions submitted to them by the Viceroy or Governor. The intention obviously was to create agencies for the ascertainment of public opinion rather than governing bodies. As such they would have served to indicate the sincerity of the rulers while not unduly interfering with them. Unfortunately for the Manchus, however, the assemblies immediately began to give voice to provincial grievances, serving as focal points for the expression of unrest and dissatisfaction. They united in pressing for a shortening of the period of preparation before the establishment of a parliament; they expressed dissatisfaction with the Imperial government’s railway policy; and they asserted themselves in the actual development of provincial policy, many times in opposition to the Governor or Viceroy. Their activities outside the range of their legal functions were so noteworthy that it may be said that in some of the provinces they were in a fair way to establish themselves in a controlling position. After the outbreak of the revolution they served in some cases as an agency of direction. On the whole they facilitated the revolutionary development instead of helping to retard it.

In yet another direction the year 1908 was of outstanding importance, for within a short interval of time both the Emperor and the Empress-Dowager died. The death of Kuang Hsü was not especially significant, but the death of the Empress-Dowager at almost the same time removed from the helm the strong hand of the truly remarkable woman who had ruled China since 1860. When the Emperor died the Old Buddha, not anticipating her own early end, provided for the accession of another minor to the Throne, with Prince Ch’un named as the nominal Regent. Her death left him in a position of real rather than nominal authority. The Regent was a well-meaning man, but had not sufficient knowledge or strength to cope with an increasingly difficult and complex situation. Nor was there at Peking any man of sufficient wisdom and ability to deal with it. The one strong man of progressive tendencies who might have saved the Manchus was sent into retirement in 1908 in fulfillment of a last request of the Emperor. Yüan Shih-k’ai had incurred the undying enmity of Kuang Hsü as a result of his participation in the coup d’état of 1898. In consequence of this the Emperor demanded, on his death bed, Yüan Shih-k’ai’s life. Moreover, Yüan Shih-k’ai had the strong man’s usual quota of active enemies at court, and the death of Tzu Hsi removed his principal supporter. Prince Ch’un did not feel free to accomplish his death, but he did give him leave to go into retirement. “He has now, however, been seized with a disease in the

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8 From translation of regulations given ”Amer. For. Rel.,” 1908, incl. in no. 989.
9 Which, however, he had to share with the widow of Kuang Hsü, the new Empress-Dowager.
feet which makes it difficult for him to move about and thus renders him unfit for the performance of his duties. We therefore Decree that as a mark of compassion he shall forthwith vacate his posts and retire to his native place for the purpose of treating his complaint." 10 With him went out of public life many of the able officials with whom he had surrounded himself.

Thus simultaneously the two principal figures of strength at Peking were lost to the government, and with their passing a question was automatically raised as to the future of reform. This question was answered in an edict of November 25, 1909. "We will reverently obey the edict issued on the first day of the eighth moon last year." Reform was to be continued but without a strong central direction, and, in the result, in such a manner as to justify the belief that only constantly applied pressure would avail to secure the realization of the 1908 program.

The new régime continued the issuance of proclamations instituting, by edict and in most cases on paper only, changes in the system of local government and enlarging educational opportunities. There was, however, a tendency then, as also later under the Republic, to consider the reform accomplished with the publication of the edict. And so far as the central government assumed a merely hortatory rôle, it laid itself open to the charge of lack of sincerity. On the other hand, since many of the changes could be inaugurated only with the cooperation of provincial officials, the Peking government may deserve only part of the blame.

One major change which passed beyond the paper stage, the establishment of provincial assemblies, has already been noted. Another was the convocation of the National Assembly in October, 1910. This body was so constituted as entirely to warrant the belief that it would be essentially conservative, seeing "eye to eye" with the government. One-half of its membership was selected by Imperial appointment and the other half was elected by the provincial assemblies. Since the members of the latter were chosen indirectly on the basis of a carefully restricted electorate, the provincial representatives should have been little less conservative than the Imperial nominees. But actually the history of the National Assembly resembled that of the provincial bodies. It asserted itself from the beginning in opposition to the government. It took up and pressed the case for an earlier promulgation of the constitution than was contemplated in the nine-year program, securing a promise of the shortening of the period of preparation to five years, with the establishment of a parliament in 1913. It attacked the policy of the government in financial matters and on questions of administration, and was prevented from impeaching the Council of State only because of concessions on the point at issue. It demanded, in the spring of 1911, the creation of a responsible cabinet and forced an acceptance of the principle before its adjournment. All of its activities

10 Kent, Passing of the Manchus, p. 43.
indicated its intention of keeping the government in the path of reform, and even of modifying and enlarging the reform program. These intentions, it may be noted, were indicated before the outbreak of rebellion in the Yangtse provinces, and there is therefore reason to believe that the Chinese autocracy would have been transformed gradually into a constitutional monarchy had it not been for the revolution. Developments in the fall of 1911, however, were so entirely controlled by the condition of revolution that they must be treated in connection with it. Consequently it now becomes necessary to estimate the causes of the revolution as a preliminary step to the consideration of its events.

4. UNDERLYING CAUSES OF REVOLUTION

Underlying every movement of the kind in China there has been the population problem, growing out of too great a pressure of peoples on the means of subsistence. "A nation which implicitly believes, and unanimously acts on the belief, that a man's first duty in life is to provide as many male heirs as possible for the comfort of himself and of his ancestors, inevitably condemns vast masses of its people to the lowest depths of poverty, and condemns the body politic to regularly recurring cataclysms." The cycle begins with an equipoise of population and food supply. Given normal conditions of production, the number of people rapidly increases. As the equilibrium is upset some are inevitably condemned to starvation or to outlawry. Since the number of brigands and pirates increases with population expansion, the public peace becomes increasingly disturbed as part of the survival struggle. If the government is strong and efficient, many of the brigands are caught and killed, and the ultimate trouble is postponed. However, normal conditions give way to abnormal because of flood or drought. A large number die of starvation or become outlaws. If outlawry is controlled by the strong hand of authority and there are many deaths, the equilibrium may be partially restored and rebellion averted. If authority is weak there may ensue more or less widespread rebellion, and out of the resulting conflict there may come a restoration of the equilibrium. In either case the solution is only a temporary one.

It has already been pointed out that the Manchu authority had been steadily growing weaker during the nineteenth century. The T'ai P'ing rebellion was in part put down with foreign aid. But its destructiveness to human life temporarily checked population expansion, as did the two Mohammedan rebellions and numerous smaller uprisings. It was only a check, however, even though supplemented by famines such as that of 1878, which it was estimated, took over nine million lives. All of these crises were tided over, partly because most of them were localized. The

increase in population went on in spite of them, and with it the usual increase in unrest and discontent. In 1910-1911 normal conditions of production were again disturbed by floods in the central provinces “the worst in forty years . . . millions of people were made homeless and the ruin of their crops in the two former Provinces (Anhui and Kiangsu) for the third time in five years, added the horrors of famine and pestilence. The Provinces of Shantung, Chekiang, Kiangsi and Hupeh also suffered, some from floods, and some from droughts, so that in the seven provinces affected a total of 600,000 families or 3,000,000 people, were actually starving and dying. . . . Discontent in such circumstances is easily swollen into a rage of rebellion.”\(^{12}\) It may be pointed out also that the foreign-introduced idea of the sanctity of human life led to more energetic famine-relief measures than would have been taken in pre-modern days. Consequently people avoided starvation, but their lives were not subsequently put on a normal basis. Thus many more were preserved to serve purposes of rebellion than would usually have been the case.

This pressure of population might have been relieved by other means than starvation or the violent deaths incident to rebellion. The surplus people of the eighteen provinces might, for example, have migrated to the less densely populated parts of the Empire or to foreign countries. One serious impediment to migration, however, lay in the necessity of keeping up the worship at the ancestral tombs,—for “it is the duty of every man to sacrifice at stated intervals at his ancestral tombs and to be buried, in due season, with his fathers. Thus the great bulk of the population has for centuries been rigidly localized.”\(^{13}\) Another thing which, until after 1900, localized the population was the difficulty of movement from place to place. In spite of these impediments, however, population had begun to move into Manchuria from Chihli and especially from Shantung provinces. Many who moved northwards in the spring returned home after the harvest, but increasingly large proportions remained to find homes and found families in Manchuria. Nothing probably accounts for this movement to a greater extent than the building of the Peking-Mukden and the other Manchurian railways. This improvement in communications had not extended very far into the northwest, another colonization area, at the time of the revolution, and as a result there had not been so extensive a movement into the other dependencies, although there had been a slight migration to them from neighboring provinces.

In the same way some of the overflow from the southern provinces, notably Kwangtung, had begun to seek an outlet overseas. The Cantonese

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\(^{12}\) Brown, *The Chinese Revolution*, pp. 3-4. It is interesting to note the coincidence of the famine and active revolutionary areas.

\(^{13}\) Bland, *op. cit.*, p. 15.
were more venturesome by disposition than their fellows north of the Yangtse and they had been longer in contact with the outside world, a contact which tended gradually to draw them outside of the homeland. Reference has already been made to the coming of the Chinese laborer to the Pacific coast of the United States, and to the coolie traffic at Macao. The latter was broken up and the United States closed its doors to the Chinese by the exclusion acts of the 1880's and 1890's. The total number of immigrants to the United States between 1830 and 1911 was slightly over 300,000, a few over a thousand having entered in 1911. Denied admission to the United States, the Chinese turned to Hawaii, the Philippines, the Malay archipelago—Singapore, the Federated Malay States, etc.—and Canada. Immigration to Hawaii was soon prohibited and the exclusion acts were extended to the Philippines in 1902. Canada enacted a $500 head tax on entering Chinese in 1903, which served to restrict immigration there. Singapore and the Federated Malay States by 1911 had received about 1,300,000 Chinese, but all in all the number of overseas Chinese at that time must have totaled well under two and a half million. This was a drop in the bucket so far as taking care of the surplus population in even Kwangtung was concerned. It did help out in another way, however. The Chinese abroad were able to send comparatively large remittances home and thus added to the resources of their families. The revolution was aided materially by the wealth of the overseas Chinese also, for they subscribed most liberally to the cause.

It is clear, however, that neither by colonization nor by emigration was the problem being solved, any more than it was by famine and rebellion, for the total population is estimated to have increased from over 377 million to over 430 millions between 1885 and 1911. Thus by the latter year the pressure on the food supply had become acute enough, coupled with the famine conditions of 1910–1911, to furnish the material for a widespread revolt.

Another economic factor was finance. Expenses had been steadily mounting after 1900 because of new expenditures made necessary by the reorganization program. These included the paying and equipping of the model army, the construction of railways, and the establishment of new educational institutions. The payments on the loans to meet the Japanese war indemnity had to be made, as did the much heavier payments on the Boxer indemnity. These absorbed virtually the entire revenue from the customs and from some other revenue services, thus withdrawing them from use in meeting the general expenses. Consequently the tax levies became increasingly heavy and new charges had to be made. This substantially increased the volume of discontent and dissatisfaction with the dynasty.
5. INFLUENCE OF THE REVOLUTIONARY GROUPS

This economic unrest created a receptive state of mind for the message of those who were true revolutionaries rather than discontented subjects. There had been a revolutionary party among the Chinese since before the expulsion of the reformers in 1898. The reform and revolutionary elements were largely concentrated in Tokyo and they maintained distinct programs. The reformers, headed by K'ang Yu-wei and his leading disciple Liang Ch'i-ch'ao, preached the doctrine of constitutional monarchy, which, as the constitutional movement developed under the Manchus after 1905, made them merely advanced advocates of the theoretical Manchu program. Their activities during the first decade of the century, however, undoubtedly helped to bring into existence the sentiment for constitutional reform which expressed itself through the provincial and national assemblies and acted as a strong propulsive force on the Manchus. The revolutionaries were led by Dr. Sun Yat-sen and had frankly anti-dynastic aims. They were definitely organized by 1905, when they took the name of the T'ung Meng Hui (Alliance Society), were responsible for sporadic outbreaks in 1906, 1907, and 1910, and took the initiative in transforming the outbreak of 1911 into a revolution.

For a time the revolutionary ranks were largely recruited from among the overseas Chinese, among whom Dr. Sun traveled extensively, preaching the doctrines of the society. But after 1905 the field in China was more intensively cultivated. Converts were made among those who had been or were affiliated with one or more of the several secret societies which had a perennial existence south of the Yangtse. Effort was concentrated on the new model army, whence recruits to the anti-Manchu, or at least the reform, cause were enlisted in comparatively large numbers, especially in the divisions which were centered at Hankow and Nanking. Not so much progress was made among the northern soldiery.

A third center of revolutionary propaganda was among the new student class. After 1900, and particularly after 1905, large numbers went abroad to study. Some went to America and Europe with the expectation of devoting several years to a mastery of Western learning. But many more went to Japan, where, in many instances, they fell into the clutches of those who promised to conduct them along the royal road to Western learning, preparing them in the new subjects in a few weeks. Since their sole object was to equip themselves for government position in the shortest possible time, many of the Chinese students preferred to work in these mushroom schools which were organized "for Chinese only," rather than to spend several years in the regular Japanese institutions, where there was not room for all of them in any case. And since they could secure diplomas by the payment of fees they had time to spare, in the use of which they were often brought
into contact with the exiled revolutionists. Upon their return to China they usually found that there were no governmental positions open to them, in spite of the possession of foreign diplomas. Thus they were furnished with a grievance against the government, and were very susceptible to the continued revolutionary propaganda. While their learning was, at the best, superficial, the fact of their foreign experience gave them a certain position which made them effective centers from which revolutionary doctrines might be spread. Thus, in addition to the exiled leaders in the revolutionary movement, a native local leadership was gradually built up. While some of the returned students undoubtedly had a thorough grounding in the new learning, many more of them had only a phrase book knowledge of republicanism and all of the things which were so soon to become of real importance. The significance of Young China thus lay not so much in its enlightenment as in its discontent with the political status quo.

The relation of the student to the revolution would not be completely revealed without mention of the influence of the mission schools, which were even more materially adding to the ranks of Young China by sending out their graduates year by year. It is not to reflect on their standards to say that many of their graduates were dissatisfied with their prospects and that they were ready converts to the cause of revolution without having more than a surface or book knowledge of the problems connected with the successful operation of a representative system of government. But the fact is significant that the student class, with its peculiar position in China, was sufficiently imbued with new ideas by 1911 to swing into the revolutionary movement with almost its full force. It is also significant that many of the radicals in the first assemblies set up during and after the revolution had been either graduated from or had spent time in study in the mission schools. Likewise noteworthy is the fact that, as the government attempted to put its new educational program into effect after 1905, it was forced to turn to the mission schools and the returned student group for its teachers. Thus their zone of influence was appreciably widened as a direct result of the Manchu reform activity.

6. IMMEDIATE CAUSES OF REBELLION

We may note, in passing, the importance of improved communications, through the extension of the postal, the telegraph, and the railroad systems, in facilitating the spread of revolutionary doctrines and the making of revolutionary plans. We may also call attention to the rapid growth of a vernacular press, which was concerned principally with discussion of reforms, and which openly, although cautiously, followed the lead of the revolutionary and reform papers published in Tokyo and brought clandestinely into China. The most radical papers were distributed from the for-
eign concessions in such places as Shanghai and were consequently not under the control of the Chinese government.

These were among the more fundamental factors which produced revolution rather than abortive rebellion on a restricted scale. A more direct and immediate cause, as well as the actual occasion, for rebellion was an outgrowth of the Peking government’s railroad policy during the years from 1909 to 1911. As a reaction to the concession-grabbing period there came, following a distinct lull, a pronounced movement looking toward railroad construction on a provincial rather than a national basis, with a financing of enterprises with Chinese rather than foreign funds. The fundamental question was that of centralization as against decentralization. But the advocates of a decentralized system did not have to defend it on its essential merits, for the problem was complicated by the fear of foreign control through the financing of a national system. The demand for provincial control was the central feature of a “Rights Recovery” movement which developed after 1905. One of the leading advocates of the enlargement of China’s railway system was the Hukuang Viceroy, Chang Chih-tung, but he perceived the dangers in the concessions policy and advised that control should be vested in the provinces. Thus it was largely because of his insistence that the Hankow-Canton trunk line was turned over to the provinces concerned for construction and that the same policy was followed with respect to the Hankow-Szechuan road. The Chekiang railroad bureau was also able to prevent the construction of the Shanghai-Hangchow-Ningpo railway as a national enterprise, although the Peking government was compelled to borrow the money for it from the British and Chinese Corporation in fulfillment of a promise made in 1898.

By 1909 not only the central government but Chang Chih-tung as well had come to perceive the unwisdom of the policy. In the first place, the large sums necessary could not be found in the provinces. In the second place, the money actually collected tended to disappear without an equivalent part of the railway program being realized, for there was much diversion of funds to other uses, and “squeeze” was prevalent. Consequently, if the vitally necessary trunk lines were to be built, the central government would have to take them in hand again. And in the third place, the relation of communications to the strengthening of the authority of Peking became clearer to those in power. The death of Chang Chih-tung in 1909, before the new policy could be put into effect, was unfortunate as he had the confidence of the provinces, whereas the man appointed as President of the Board of Communications did not. Before his death, however, preliminary negotiations for foreign financing and supervision of construction of the Hukuang railways had been concluded.

Sheng Hsuan-huai was appointed President of the Board of Communications early in 1911 and the policy of centralization was actively put into
effect. As the first step, negotiations with the Four Power Banking Group for a large loan for the construction of the Hankow-Canton and Hankow-Szechuan railways were carried to completion. At the same time a $10,000,000 loan for currency reform and for industrial development in Manchuria was negotiated. As a preliminary step to the realization of the purposes of the railway loan it was necessary to reach an agreement with the provincial interests affected. The conclusion of the loan agreement had been followed by protests from the provinces through which the roads would pass and by riots in some places, so that it was necessary for Peking to go as far as possible in placating the gentry in the provinces. The solution adopted for Kwangtung, Hunan, and Hupeh provinces was to exchange interest-bearing government bonds for the railway shares to their full value, except in Kwangtung, where the shares were at a discount of over fifty per cent. There interest-bearing bonds were to be issued to sixty per cent and non-interest-bearing bonds for the remaining forty per cent of the shares. "In view of the complicated nature of the situation, and of the fact that each one of the railway companies was virtually bankrupt, the government proposals appeared to be not only reasonable but generous." 14 For the Szechuanese, however, the government proposed redemption only of the sums actually expended for railway purposes rather than the amount subscribed or collected by special tax levies. Fourteen million taels had been subscribed. Of this sum, half was supposed to be available for subscription to government bonds, industrial needs in the province or return to the shareholders. Almost half of the remaining seven million taels had been lost in the Shanghai rubber boom through the speculations of one of the managers.15 The government consequently proposed to give bonds to the holders of securities in the Szechuan enterprise to the amount of about four million taels. Protest was immediately made against this settlement by means of memorials presented to the Throne through the Viceroy. The protest stage was succeeded by one of passive resistance. "Shops were closed, employees struck, students refused to attend the schools and colleges, payment of taxes was refused." 16 The arrest of some of the leaders in the movement of opposition led to an attack on the Viceroy's Yamen and to active resistance. This was in September, 1911. Instead of using all available force to put down the uprising the Imperial government resorted to a policy of "pacification," which, while it might ultimately have been successful, was too slow a process for the times. This policy may have resulted both from a feeling of weakness and from the recognition that the Szechuanese were not alone in their opposition to the policy of centralization. Furthermore, the government may have been influenced by the distrust of Sheng Hsüan

14 Kent, op. cit., p. 58.
15 Ibid., p. 59.
16 Ibid., p. 60.
huai, who, though a man of great ability, had a somewhat unsavory financial reputation as a result of his management of the China Merchants Steam Navigation Company and of some of his previous posts held under the adroit Li Hung-chang. It was felt that it was somewhat inconsistent for him to suggest penalizing the gentry of Szechuan because of peculation and misuse of funds by the managers of their enterprise.

7. THE REVOLUTION OF 1911

The revolt in Szechuan was not anti-dynastic in motive, and so the revolution is not dated from its outbreak but from the aftermath of an accidental bomb explosion which took place in Hankow on October 10, 1911, while the attempt at pacification was going on in the great western province. Upon investigating the place where the explosion occurred, the police found it to be the headquarters of a revolutionary group engaged at the time in the making of bombs, and they secured lists containing the names of local revolutionaries. This led to the arrest and execution of several members of the group. As a result of this and of the fear of further action, the troops at Wuchang, just across the Yangtse, broke out in revolt, forcing their commander, Colonel Li Yuan-hung, to assume the leadership. He himself had not previously been won over to the revolutionary cause, but after accepting the command he proved to be one of the most trustworthy of the republican leaders. After some fighting the Wuchang troops, augmented by recruits from the countryside, gained control of Hankow and Hanyang as well as Wuchang, thus establishing themselves in the largest center in central China.

The flame of revolt spread rapidly up and down the Yangtse and to the south. In the north, Shantung province declared its independence for a time, although soon returning to the Imperial fold, and there was dissatisfaction in parts of Chihli, principally among the troops. However, the northern Imperial forces on the whole remained loyal and the situation was kept well in hand north of the Yangtse River, except in Shensi province. The entire movement had the appearance of a series of spontaneous independent revolts rather than of a well-planned and coordinated revolution. This is partially accounted for by the revolutionary strategy which was, apparently, to try out the revolutionary sentiment at various centers, trusting that ultimately the flame would spread. Thus there had been an earlier outbreak at Canton which had been put down without spreading. It is also to be explained by the fact that the adherents of revolution had necessarily been brought together into local rather than national groups and had been forced to lay their plans on a local basis. And it is also claimed that plans had been made for a concerted effort at a later date so that, when the discovery came at Hankow, the action taken, although necessary, was
premature so far as the plans of the other groups were concerned. However this may be, the fact remains that there was no common direction of the revolution until at a comparatively late time. The original leadership was centered at Wuchang, although it had no effective control over activities elsewhere. Finally steps were taken to coordinate the movement by requesting the "independent" provinces to send delegates to Wuchang to serve as a revolutionary council, and a pact was subscribed to which served as the basis of the instrument later adopted at Nanking as the provisional constitution of the Republic.

Meanwhile the revolt had reached Shanghai, where a "Military Government" was set up. This government immediately asserted the right to speak for the entire revolution. Wu T'ing-fang, formerly minister to the United States, assumed the position of Minister for Foreign Affairs and issued a manifesto setting forth the aims of the revolution and appealing for foreign sympathy. This group also demanded that the Powers preserve neutrality, threatening not to recognize the validity of loans made to the Imperial government in the event of its overthrow. The pretensions of the Shanghai government soon brought it into conflict with that at Wuchang, especially over the control of peace negotiations with the Imperial government when the stage of negotiation was reached, and it was only the self-effacing character of Li Yuan-hung, who allowed the direction to pass to the Shanghai group, which prevented a break in the revolutionary ranks. One reason for their assertiveness undoubtedly was the fact that they were determined to ensure control of the new régime by Cantonese, for the leaders at Shanghai were from Canton while those at Wuchang were from the central provinces.

At this point it is necessary to turn our attention back to Peking. The story of reform was left with the adjournment of the National Assembly in the spring of 1911. The Assembly reconvened on October 22, ten days after the Wuchang outbreak. Its first act was to secure the dismissal of Sheng Hsüan-huai, thus taking its stand with the provinces on the question of railway centralization. It then opened an attack on the government because of its failure to constitute a real Cabinet, as it had promised to do before the summer. The promise had been carried out merely by changing the name of the Grand Council to that of Cabinet. The Assembly formulated three fundamental demands for the acceptance of the government. These were that a capable and virtuous person be immediately appointed to organize a responsible Cabinet, from which members of the Imperial Family should be explicitly excluded; that an amnesty should be proclaimed for all political offenders, including the exiled reformers of 1898; and that a constitution should be framed only after consultation with the assembly. Added weight was given to these demands by reason of the spread of the rebellion and by a refusal of troops stationed at Lanchou, on the Peking
Mukden railroad, to entrain for the south until they had been accepted. They were all three accepted in a series of edicts issued on October 30. A new set of "Constitutional Principles" was drawn up by the Assembly and received the Imperial approval November 3. Briefly, they created a constitutional monarchy of a very limited sort, the Emperor being assigned much the same position as that enjoyed by the English king. Thus, by the beginning of November, the Manchus, under the double pressure of the assembly of their own creation and of the anti-dynastic revolution, had agreed to give up the substance of power in the endeavor to retain the Imperial title.

While making these concessions the Regent had also taken steps to put down the rebellion by other means. The first step in that direction was the recall of Yüan Shih-k'ai to office. This was done only after it had become apparent that no one else was strong enough to deal with the revolution. He was recalled on October 14, but on the plea of a continuation of his old trouble, which he had been sent home to cure, and of other ailments, he declined to return to official life until October 27. Negotiations during this interval resulted in acceptance of his terms, which amounted to conferring the powers of a dictator on him. In addition to being made the Hukuang Viceroy he was given supreme command of the army and navy and, on November 8, he was elected Premier by the National Assembly.

His primary object was apparently to secure a settlement which would retain the monarch while depriving him of all power. There has always been doubt as to his desire to preserve the Manchu dynasty, but the available evidence seems to indicate that he was loyal to the Emperor so far as the latter was willing, in good faith, to accept the status of a constitutional ruler. Certainly he did not believe then, or later, in the feasibility of a republic for China. To bring the rulers to an acceptance of the status he had in mind, it was necessary that the rebellion should continue to make some headway. On the other hand, it was necessary to bring the revolutionaries to an acceptance of the same status by a manifestation of the Imperial strength. Only by accepting some such hypothesis as this is it possible to explain the failure of the Imperial troops to follow up advantages which they won in the fighting around Hankow.

From the military standpoint it is only necessary to say that the Imperial troops on several occasions demonstrated their superiority of leadership, of training, and of equipment, over the revolutionary army led by Li Yuan-hung, joined shortly by Huang Hsing, one of the original revolutionaries. When Yüan made up his mind to fight, his troops gained one success after another, and yet they were never allowed to push forward to a decisive victory. The other place where active organized fighting took place was at Nanking. There an old-school commander named Chang Hsun assumed control and remained faithful to the Manchus after the revolutionists re-
fused to buy his support because his terms were too high. Nanking was
defended for some time, but finally was occupied by the republican forces
and was made the temporary southern capital.

8. NEGOTIATIONS FOR PEACE

While Yüan Shih-k'ai had been directing hostilities at Hankow he had
also been attempting to open negotiations with Li Yuan-hung. As a result
of Imperial successes the latter consented to discuss terms of settlement at
the end of November. The Shanghai government, however, insisted that
the conditions of peace must be negotiated with it. Yüan at first refused
to deal with it, but finally consented since General Li accepted it as entitled
to speak for the republican forces. T'ang Shao-yi, an American educated
Cantonese who had been Yüan Shih-k'ai's ablest lieutenant before 1908,
was appointed as the Imperial delegate to confer with Dr. Wu T'ing-fang,
another Cantonese, who was the Minister for Foreign Affairs of the Shang-
hai government.

Before the negotiations were brought to a conclusion delegates from the
rebellious provinces, mainly self-selected, although some were chosen by
the provincial assemblies and some were appointed by the military gov-
ernors of the provinces so controlled, had met at Nanking and assumed
the supreme direction of the revolution. Li Yuan-hung had taken the
initial steps to bring this council into being and it was completed as
to membership, and its meeting place changed to Nanking, at the in-
stigation of the Shanghai government. After meeting it elected Dr. Sun
Yat-sen, who had just returned to China, as the provisional President. It was
with this government that peace negotiations were finally concluded.

Space precludes a detailed consideration of the negotiations. It may be
said, however, that the republicans included as their primary demand an
end of the monarchy and the acceptance of the Republic. They did suggest
the submission of the question of the form of government to a National
Convention, but when the Imperial government agreed to this the two
sides failed to unite on a method of bringing such a convention into being
and the project failed. The republicans then returned to their original posi-
tion. The Imperial delegate seems to have accepted immediately the sug-
gestions of the southern representative as to the advisability of ending the
Manchu monarchy and to have thereby disqualified himself to represent
the northern interest. Later he became a leader of the southern party.

As negotiations continued, the necessity for a settlement became increas-
ingly apparent to both sides. Both the imperialists and the republicans were
weak financially. The Peking treasury was empty, and it had been necessary
for Yüan to force the Regent to contribute from the Household treasure
to pay the troops. And Nanking had no treasury and no treasure. Both were
prevented from financing themselves from foreign sources by reason of the financial neutrality agreed to by the Powers. If peace had not come, however, it is possible that the loan embargo might have been lifted in Yuan's favor, since the foreign representatives looked upon him as the strong man capable of preventing a possible eventual chaos. The republicans were financed at first through the generous subscriptions made to the cause by overseas Chinese, and out of such provincial revenues as were at their command. They also received some funds from non-official Japanese sources, and were able to negotiate a few loans on the security of some semi-public enterprises such as the Hanyehping iron and coal corporation. But all of these sources of income had been largely exhausted by the end of the year. Consequently acute financial embarrassment rather than the strength of either side ultimately forced a settlement.

Yuan Shih-k'ai began the last stage of the negotiations by attempting to secure good terms for the Manchus, who were gradually brought to an acceptance of the necessity for abdication, and to strengthen his personal position. About the middle of January Dr. Sun Yat-sen, seemingly on his own initiative, telegraphed Premier Yuan, offering him the presidency if he would accept the Republic and consequently the necessity for abdication. The Manchus countered by elevating him to the rank of Marquis. He did not openly accept the former offer, but he did decline, four times, the Manchu tender.

9. THE SETTLEMENT

The final terms of settlement were agreed to and the abdication edicts issued on February 12, 1912. The dynasty abdicated in consideration of: (1) a good financial settlement; (2) the promise of security for members of their race, and of the Imperial Household; and (3) provision for the upkeep of the Imperial tombs. By the terms of one of the edicts the Emperor transferred power to Yuan Shih-k'ai, rather than to the southern government, thus putting him in a strong position in the eyes of the common people.

The exact words of the edict, in translation, were: "Let Yuan Shih-k'ai organize with full powers a provisional republican government, and confer with the Republican Army as to methods of union, thus assuring peace to the people and tranquility to the Empire, and forming the one Great Republic of China by the union as heretofore of the five peoples, namely, Manchus, Chinese, Mongols, Mohammedans, and Tibetans, together with their territory in its integrity." Dr. Sun, for the Nanking Government, responded to this part of the edict that "the Republican Government cannot be organized by any authority conferred by the Ch'ing Emperor. The exercise of such pretentious power must surely lead to serious trouble." Yuan, however, assured Dr. Sun that he did not intend to take advantage

17 See China Year Book, 1913, pp. 481-484, for translation of the abdication edicts.
of the wording of the edicts, and the Republicans accepted his assu
The wording was not changed and the "serious trouble" which Dr. Sun
foresaw came in due course.

The negotiations with the "Republican Army" were completed by the
resignation of Dr. Sun Yat-sen from the provisional presidency, followed
by the election by the Nanking Assembly, upon his advice, of Yuan Shih-
K'ai as the first provisional President of the Republic of reunited China.
This action was a compromise pure and simple, since the southerners did
not trust the new President and had justifiable doubts as to the sincerity
of his action in accepting the Republic. Since they were not prepared to
fight to secure his elimination, however, it was a necessary compromise. A
consideration of its consequences will be a central feature of the next chapter.

A long chapter of Chinese history was thus closed with the abdication of
the Manchu rulers and the formal ending of the Ta Ch'ing dynasty. They
had wielded the vermilion pencil since 1644 and had contributed much
brilliance as well as several shadows to the history of China. While the
Republican picture of systematic Manchu misrule was far from accurate, it
must be recognized that the dynasty had clearly exhausted the "mandate
of Heaven" and had been preserved in power for over a half century by the
lack of an adequate and acceptable alternative to their rule. Whether the
Republic presented a satisfactory alternative time alone could show, and it
would be deeds and not manifestos which would count.

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CHAPTER XI

THE PHANTOM REPUBLIC: 1912–1926

I. INTERNAL CONDITIONS IN 1912 REVIEWED

A brief review of internal conditions at the time of the inauguration of the republican form of government will serve as the best introduction to what may properly be called the era of military dominance. In fact although not in theory, this period included the years (1912–1916) of the ascendancy of Yüan Shih-k’ai. In both theory and fact the decade from 1916 to 1926, frequently referred to as the period of the Tuchunate, would have to be included. During that decade all but a bare pretense at the maintenance of a central government had ceased, and authority had come to be exercised by the military leaders in the provinces. Since control of troops established the right to exercise authority, our review of internal conditions may best be started with the genesis and development of this military rule. Then we can consider the internal and external factors which initially operated to obscure its existence or to modify its operation. Finally, we can attempt to appraise its consequences.

It will be remembered that under Manchu rule the provincial establishment had consisted of a viceroy or governor, a treasurer, a judge, a salt-comptroller, and a grain intendant, together with their deputies and assistants. This officialdom, civil rather than military in nature, was kept under the control of the central government on account of (1) the method of selection and promotion of officials, (2) the rule of appointment which kept the higher officials away from their home provinces, and (3) the tenure of particular appointments. Division of authority also served to preserve loyalty to the central government. Subordinate officials were under the supervision of their superiors, and all officials were under the eye of the members of the censorate. An additional safeguard for the Manchu authority was erected in the form of the military governors who commanded the Banner and Green Standard troops. These troops, used to garrison the country in the interest of the Manchu conquerors, may be thought of as the pre-modern Chinese equivalent of a national army. Experience during the nineteenth century showed that they had become negligible as a fighting force, but they had, nevertheless, continued to serve the Manchu purpose of balancing the Chinese civil hierarchy against a corresponding military officialdom. Thus they not only supported the civil

1 See chapter I, sec. 5, for a review of the political system.
authority in the province but at the same time helped to keep it loyal to Peking.

In addition to this force, kept under the direction of a separate Manchu military officialdom, militia forces were created from time to time as there was need for additional troops to preserve order by keeping down brigandage or preventing rebellion. These militia forces, essentially a provincial constabulary, were organized by and were under the direction of the Viceroy or the civil Governor. As the new national army came to be organized, such parts of it as had not yet, by the time of the revolution, been transferred to the control of the Board of War acted under the authority of the provincial officialdom. All of these troops were paid out of the provincial treasury. As a consequence, the allegiance of the soldier was to the Governor, who paid and kept him, rather than to the state.

The new national army, referred to above, had been in process of creation for some years, first under the direction of Li Hung-chang and then of Yüan Shih-k’ai. It had not, however, become truly national by 1911, existing mainly in the northern and central provinces, as was indicated in the name which came to be attached to it—the Peiyang (northern-ocean region) army. Since this army was organized by Yüan Shih-k’ai, its officers were subsequently found to be loyal to him rather than to the state.

As a result of the constitutional movement under the Manchus, provincial assemblies were provided for as part of the governmental machinery. They were actually opened in most of the provinces in 1909. These assemblies were retained as part of the provincial system after the revolution, with the exception of the period of personal rule by Yüan Shih-k’ai. Then they were temporarily abolished, to be later restored for a time with the reestablishment of parliamentary government.

When the revolution broke out in 1911, in some cases the regular provincial officials proclaimed their allegiance to the republican cause and thus retained control of the province. In other cases the provincial assembly took control, ousted the Imperial officials, and selected the head for the province from among the gentry, or from among the natives of the province who had been in the Imperial service but who had declared for the revolution. This reconstitution of the government took place, during the course of the revolution, only in the provinces south of the Yangtse. In the main, the officials who successfully established themselves in control of the southern provinces were those whose authority was supported by troops who were responsive to their personal leadership. The limits within which they at first acted were, of course, either nominally or actually set by the purposes of the revolutionary leadership.

In the provinces loyal to the Dynasty the revolution merely affected the transfer to Yüan Shih-k’ai of the allegiance of the governors. This allegiance Yüan was given both personally and in his position as the legal
successor to the Manchus. But in these provinces, as well as in those to the south, military power came to be the sole basis of authority, after the revolution as well as during its course. Yüan ruled and the authority of the central government was maintained after the establishment of the Republic because he could lead and effectively coordinate the activities of the military-civil authorities in the provinces.

As has been pointed out, the Governor had control of the troops even before 1911. In the course of the uprising the number of men under arms increased very greatly in all parts of the country. The recruits for both the Imperial and the Revolutionary armies came mostly from those living on the economic margin of existence, and from those living as brigands—men who went into the military service because of the guarantee of pay and the certainty of food and clothing. The pay was not always forthcoming, but as long as the commander retained control of the territory, the subsistence was more certain. The more troops a man had the larger the district which he could control successfully, and thus the more important the political figure he could cut. Many armed bands sprang up within the province, their leaders rendering nominal allegiance to the legal or self-constituted provincial authorities but establishing themselves in control of prefectures or districts. They supported themselves by force, and maintained themselves by collecting taxes over the smaller area or by requisitioning the people for supplies. Part of the taxes might be turned over to the provincial leader, after the expenses of the local régime had been defrayed, but very little went beyond the province.

2. MEANING OF THE REVOLUTION

When Yüan Shih-k’ai became President, he undertook to restore peace and order in the country. But he did not have the means to disband these practically independent troops in the face of the opposition of their leaders. Neither did he have the financial resources with which to buy them off and make up the arrears of pay due their soldiers, without which it would have been impossible to persuade them to return to civil life. Furthermore, it would have been a dangerous undertaking to disband them without making some temporary provision for their support. To do so would have meant that they would become brigands and thus be even more of a menace to the country than they were as soldiers. The consequence was that the President legalized the position in the province of many of their commanders by giving them official rank as Governor, expecting to carry out a gradual demobilization of troops as conditions returned to the normal. Under the circumstances the only limitation on the power of the Tutuh, or Military Governor, lay in such public opinion as could make itself heard directly, or indirectly through the assembly where such a body was in
existence, and in the requirement of the central government that a measure of peace and order should be maintained in the province. In addition to the military governorship, certain other offices were created to make provision for the support of such men as Chang Hsun, the Imperial commander at Nanking when that city was captured by the revolutionists. General Chang retired up the Tientsin-Pukow railroad from Nanking and established his headquarters at Hsüehow in southern Shantung province. Since he was too powerful to be antagonized, and, further, gave assistance to Yüan by serving as a perpetual threat to the parliamentarians, he was given an office to retain his allegiance. The President's desire to control strategic locations within provinces whose military governors were not fully trusted provided another reason for complicating the system. Thus Shanghai was separated from Kiangsu province under a Defense Commissioner who was controlled directly from Peking.

In the spring of 1913, with a view to the ultimate restoration of civil government, Yüan Shih-k'uai undertook in a few of the provinces to replace the Tutch with a Civil Administrator. The paying off of troops was one of the declared purposes of the Reorganization Loan negotiated in 1913 with the Five Power Banking Group. Some of the funds were used for this purpose, commanders being paid at the rate of fifty dollars per head of their soldiery. However, Yüan soon found other uses both for the money and for the men. After the President had made himself the dictator, he retained the Military Governor as head of the province but changed the title from Tutch to Chiang-chün, the former Manchu Banner title for General. On the whole he restored the historic Manchu system of provincial administration, even abolishing the assemblies created just before the Republic was established. In order to strengthen his own position during this period he attempted to entice to Peking men of whose allegiance he was doubtful. By getting them away from their provinces and their troops, he was able effectively to deprive them of political influence. This was accomplished in the case of Li Yuan-hung, the Vice President, and others of prominence. This maneuver and its result reveal clearly the military basis of authority during the Yüan period.

Under these circumstances only one thing could have prevented the enthronement of military power within the Republic and thus the destruction of republicanism. If there had been a powerful middle class to support it, which there was not, or if the idea of republicanism had been widely and deeply implanted in the masses, the goal of the leaders of the 1911 revolution might have been attained without a new revolution. This was not the case, however, and the parliamentary leaders of the new régime had to contend against Yüan Shih-k'ai unsupported by either middle-class or mass loyalties either to themselves as individuals or to the idea of self-government through representative institutions.
So far as the masses were concerned, to the extent that they ideologically participated in the revolution and supported it, it was essentially an anti-Manchu and anti-dynastic revolt. The slogan coming from the southern secret societies was “down with the Manchus, up with the Mings.” The alien dynasty had been overthrown, but the alternative for a “Ming” (i.e., a Chinese) dynasty was the foreign-born conception of a Republic. Experience revealed that the idea and ideals of republicanism had not been driven into the thinking of the masses. Republicanism had yet to be naturalized. Thus the people, so far as they were directly touched by the fact of revolution, were left in a condition of uncertainty as to its meaning. To the extent that economic forces had made the revolution possible, it soon became clear that the mere change in the form of the state did not alter those economic conditions or the restlessness growing out of them. Good harvests alone could serve that purpose. Nor did the victory of republicanism solve the problem presented by an unduly expansive population. Nevertheless, the change to a republic did have certain effects on the people. The conventional grooves of allegiance and loyalty were disturbed, for the masses were asked to render obedience to a régime which was more or less of an abstraction, rather than to an individual concretely personifying the state, except as that personification was made in the person of the President, in whose favor the Manchu ruler had actually abdicated. It remained to be seen what effect this would have on their willingness to obey their new officers or, more abstractly, on their acceptance of presidential as against parliamentary authority.

Furthermore, the shibboleths of the revolution had been translated for the masses into the conception that republicanism meant an end to tax levies and to every repression of the individual. This interpretation had been strengthened by the action of the Shanghai government in declaring a remission of taxes, as well as by the relaxation of control incident to revolution. This point of view complicated the problems of restoring order and of financing the new régime. Again, in the active revolutionary area, the overthrow of the dynasty was construed as a decided victory for the principle of provincial autonomy, and yet, just as centralization had been forced on the Manchus, so it was a necessity for the Republic. This meant that the new rulers in the end would encounter the same hostility as had the Manchus.

When the decisive struggle for control of the Republic began, however, with Yüan and the parliamentarians as the antagonists, the balance of advantage rested with the former. He had the support of the military in the north; he found access to funds through the Consortium; and the principle of autonomy accepted in the south worked in his behalf rather than in that of its parliamentary advocates. The parliamentarians were rapidly divorced from their followers in the south and were supported
only by the power of words and an ill-understood idea. The understanding of the masses could not be sought as a basis of support because it was not considered that government was their business. Officials had always ruled, and the people had not been educated to the idea of change in that respect. Thus there came into rapid play the traditional view that government and the business of life were divorced. The people turned to their own affairs and left political controversy to those who made it their business. Deprived of real support from the mass constituency, the new politician faced the task of controlling a bureaucracy, personified by the President, which maintained its control over the country through military power.

3. THE NEW GOVERNMENT

The structural chart of the new plan of government was presented in the Nanking Provisional Constitution. This was the first in a series of republican attempts to define and limit the powers of government, or at least to state the competency of the several organs of government and fix their relationship to one another. Drawn up by the revolutionary party in council at Nanking in 1912, the first provisional constitution was clearly designed to establish parliamentary supremacy over the President. To accomplish this the French plan of government, with some minor modifications, was introduced. Thus provision was made for a cabinet, responsible to a bicameral legislature rather than to the President, which was to exercise the executive power, controlling the President through the requirement of countersignature of every presidential act. In addition it was provided that financial arrangements, treaties, and administrative regulations had to receive the assent of the legislature to be valid.

It is, of course, possible that the new instrument of government was drawn up without reference to the compromise by which Sun Yat-sen withdrew from the presidency in favor of Yüan Shih-k'ai. The fact remains, however, that the revolutionary leaders, and the south in general, distrusted Yüan and accepted him as President only because of (1) his control of the northern soldiery, (2) his recognized administrative ability, and (3) his standing with the Western governments. This distrust immediately found justification when the new President, after having agreed as part of the settlement to the transfer of the capital from Peking to Nanking, found an excuse in an opportune mutiny of troops in Peking to stay at that place, where he was duly inaugurated on March 10, 1912. This was also the date of promulgation of the provisional constitution. The necessity that Yüan found to remain in Peking compelled the Nanking Council to move north, from the center of its strength to the

2 The Nanking Council exercised the legislative function until the elections in 1913 which brought into being the Senate and the House of Representatives.
center of that of the President. Thus Yüan Shih-k'ài won the first contest of strength, and in the process indicated the difficulty which would be found in controlling him through paper agreements. Consequently it may be concluded that it was because of their distrust of the new President that the Nanking Council attempted constitutionally to put the presidential powers into commission. The only drawbacks to this plan proved to be very important ones: (1) the ability which Yüan showed to evade the limitations put upon him as head of the executive; (2) where evasion proved impossible, his failure to recognize their validity, in which refusal he was tacitly encouraged by the diplomatic corps; and (3) the inexperience and the resulting incompetence of the Council and, after it, of the Assembly.

4. PROBLEMS OF GOVERNMENT

The two major problems immediately confronting the newly established Republic were (1) the reconstruction of the old governmental and administrative machinery both at Peking and in the provinces so that civil might replace military control, and (2) the finding of ways and means of financing itself.

Yüan Shih-k'ài had declared his attitude toward the provincial administrations even before his election as provisional President. On February 13, 1912, he announced the continuation in office of those who actually held position, whether they had gained power as the agents of the Imperial government or of the revolution, and he ordered them to carry on as usual. The mandate then issued announced in no uncertain terms that the new régime accepted as its primary obligation the restoration of peace and the preservation of order. The continuance in official position of those who held power gave them more of a legal title to rule and brought them under the theoretical supervision of Peking. From another standpoint it meant, roughly speaking, that the President had men in high position in the northern provinces who were loyal to him rather than to the Republic, while in the southern provinces many of the officials were supporters of the republican principle and of the radical party which disputed Yüan's supremacy at Peking. It was at the capital rather than in the provinces that the immediate contest for control was carried on.

In the construction of the new central government the first step, after the inauguration of Yüan as the provisional President, was the constitution of a cabinet, since it was understood that the Nanking Council would serve as the legislature until election laws could be enacted and elections to the Senate and the House of Representatives held. A tug-of-war developed between Peking and Nanking over the personnel of the Cabinet. The Premier chosen, T'ang Shao-yi, was satisfactory to both sides since, although he had been one of Yüan's proteges in Imperial days, he had
decided to throw in his lot with the T'ung Meng Hui (Sun Yat-sen's revolutionary society). Compromise dictated the other choices made, with the balance of advantage resting with the President. His man, Tuan Chijui, was confirmed as the Minister of War, a key position, while the Finance Minister selected was not the first choice of the Council, and thus was more acceptable to the President. These, under the existing circumstances, were the important ministries. With the legalization of the position of the provincial officials, the adoption of a provisional constitution, the organization of a cabinet, and the transfer of the legislature from Nanking to Peking, the provisional republican government may be considered to have been fairly well established.

Turning now to the second major problem confronting the republican government, that of finance, we find one much more difficult of solution. As has already been pointed out, the national treasury was empty, and it would take time and the restoration of order in the provinces before tax collections could be expected to approach the normal. Consequently the President faced the necessity of borrowing to meet immediate administrative needs and to finance the disbandment of the swollen military forces as well as to effect a general administrative reorganization. The way was prepared for this when the Powers, after the Emperor had abdicated, intimated that the ban on loans had been lifted. Negotiations were immediately instituted with the members of the Six Powers Banking Group (the Consortium) for a large administrative loan. The group had been expanded to include Russia and Japan, although they were borrowing rather than lending nations, and England and France had to agree to help them float their respective shares of the loan. The reason for their inclusion was political, and was due to the fact that (1) the loan proceeds were to be used for general governmental purposes, and (2) the loan was to be secured by the pledging of parts of the revenue system of the Republic. They were also included as a means of reënforcing the financial monopoly of the group.

To meet the most pressing needs, the group bankers agreed to make monthly advances in February and March, in return for which the President gave them on March 7 a "firm option" on the comprehensive loan of $125,000,000 for reorganization purposes, provided their terms were as favorable as could be obtained elsewhere.

In spite of this undertaking, and only six days after it had been entered into, the government concluded an agreement for a loan of £10,000,000 with an Anglo-Belgian syndicate. The International Loan Group, charging bad faith, immediately suspended negotiations with the Premier, who, however, secured the ratification of the Belgian loan agreement by the Nanking Council at the same time that he was seeking to persuade it to

*Pp 223-224.*
accept the President's Cabinet nominations. Upon his return to Peking, however, the Premier found that he would have to resume negotiations with the Six Powers Group, as he could not find the sums needed elsewhere. Consequently he was compelled to accede to the demand that the Belgian agreement be canceled except with respect to the advances already made. A subsequent attempt to secure funds outside the group failed when the governments concerned brought pressure to bear on the London financier, C. Birch Crisp, who had ventured, despite the Consortium, to make a loan agreement with the Chinese government, and forced him to cancel his agreement. Thus by reason of its own financial necessity and its inability to secure funds elsewhere because of the virtual monopoly of support given by England, France, Germany, the United States, Japan, and Russia to the financial institutions included in the Group, the Chinese government was finally compelled to accept the terms offered by the international syndicate in spite of the internal opposition which developed.

This opposition, centering in the legislative body, was based upon the demand of the bankers for reorganization, under foreign direction, of the Salt Gabelle, which was to serve as the principal security for the loan, and that for supervision of expenditure of the loan funds. These conditions, unobjectionable in themselves in view of past experience with Chinese officialdom in financial matters, were opposed as driving in still further the wedge of foreign financial control. It was pointed out that they were as objectionable as any suggested during Imperial days and that the new, enlightened, and republican régime did not deserve the treatment justly meted out to the corrupt and backward Manchus. This position was also taken by President Wilson, who withdrew official and exclusive governmental support from the American bankers immediately after he came to office in 1913, partly on the ground of the monopoly character of the groups, and partly because the loan conditions unduly impaired the administrative integrity of China. Thus American participation in the international financing of China, insisted upon by President Taft as a method of making effective the American policy of the Open Door and that of the integrity of China, was terminated for the time by President Wilson for substantially the same reason. The loan contract consequently was entered into with a Five Powers Group.

The negotiations between China and the Group were completed by the end of 1912, and the agreement received the assent of the Council. Since much was made of this later, it may be well to point out here that at the time many of the T'ung Meng Hui members were away campaigning for election to the new Parliament, and that the measure was put through a rump legislature largely by bribery. Furthermore, after China had assented to the terms of the contract, the Powers fell into a dispute over the apportionment of adviserships among the participating states. Thus it was not
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until the spring of 1913, as the new Parliament was convening, that the agreement was put into its final form and duly signed.

5. Yüan Shih-k'ai vs. Parliament

The new elected Assembly was a much more difficult body for the President to deal with than the Council which sat in Peking during 1912. The members of the latter had been divided into many groups, three of which were of importance, but none of which had an absolute control of the legislature. One group was, on the whole, conservative, and consequently it generally supported the President. A second was representative of the more radical elements of the south. And the third, holding the balance of power, had no definite point of view in parliamentary matters. This situation was of advantage to the President since, by playing off one group against another, and by occasionally using money to convert the third element to his point of view, he was generally able to find enough votes to get his policies adopted. It was thus that he was able to secure assent to the loan agreement.

This must not be taken to imply, however, that Peking was placid during the life of the Council, for quite the contrary was the case. In addition to controversy between the President and the Council, for example, a conflict between the President and the Premier developed, the latter seeking to make the Cabinet rather than the President the real executive. In this, as in the controversy over the location of the capital and that over the loan agreement, the President emerged victorious, finally establishing a non-party cabinet with the T'ung Meng Hui excluded from participation.

The antagonism between the radical party and the President was further increased when, in July and August, 1912, two prominent revolutionaries were seized and shot, the charges against them being preferred by Vice-President Li Yuan-hung. The Council, refused proofs of their guilt, threatened to impeach the government but was unable to carry out the threat since the conservative members absented themselves, preventing action since there was no quorum. Subsequent attempts to impeach were similarly prevented, but the fact that they were made indicates the lack of harmony at Peking, and the outcome of each trial points to the strength of the President.

The Parliament which met in 1913 presented a much more difficult problem since it was controlled in both branches by the radical party. The T'ung Meng Hui had reorganized in August, 1912, amalgamating with several other factions to form the Kuomintang (nationalist-democratic party) in order to carry on the contest against the President more effectively. Consequently Yüan Shih-k'ai had to face a united and much more formidable
opposition than before. Of the method of election of members of the Assembly it is only necessary to say that it was fixed by election laws passed by the Council in August; that the members of the Senate were chosen indirectly, either by the provincial assembly or by electoral colleges, six being selected by an electoral college of overseas Chinese; and that the House of Representatives consisted of members chosen theoretically by direct vote of the people but actually indirectly, with every eight million people being entitled to one representative, but with every province, regardless of population, having at least ten.\footnote{For a detailed analysis see Vinacke, Modern Constitutional Development in China (1922) pp. 141–147.}

In spite of its reorganization and of its success in the elections the Kuomintang lost in its first opposition to presidential policy. It protested vehemently against the signature of the Reorganization Loan Agreement before it had been submitted to and had received the assent of Parliament. Yuan Shih-k’ai, however, maintained that the constitutional requirement had been observed since it had been accepted by the Council; and the diplomatic body, when directly appealed to, took the position that it was empowered to deal with China only through the President. Consequently the agreement was signed by the representatives of the financial groups.

This action strengthened the position of the President in two ways. In the first place, it gave him the moral support of the Powers. It indicated clearly that they preferred to deal with the “strong man” capable of affording security for an investment rather than to strengthen the cause of parliamentary government by insisting upon the observance of the constitutional provision by which all loan agreements had to receive the assent of the Assembly before becoming effective. In the second place, the President was strengthened by being furnished with the financial resources necessary to consolidate his power. The major portion of the loan, it is true, was devoted to paying off existing foreign obligations—returning the funds already advanced, and making up arrears in payment of interest and principal on the Boxer indemnity—but the remainder was available for use by Yuan Shih-k’ai.

Strengthened by the loan, the President proceeded to the task of consolidating his power. Parliament continually struggled against this, opposing all suggestions, whether good or bad, emanating from the President’s office. By doing this, instead of attempting to develop a constructive program of its own, the Assembly gained the name of a purely obstructive body, active only in interfering with the President, who was attempting to restore peace and order in the country. In spite of this opposition at Peking, Yuan Shih-k’ai gradually gained the upper hand in the provinces. He used every possible means to assert and consolidate his authority: gradually displacing troops and commanders in central and southern China with those faithful to himself; maintaining agents everywhere to keep him in-
formed of conditions and sentiment throughout the country; and even resorting, according to his opponents, to assassination for political purposes. The murder at Shanghai in March, 1913, of Sung Chiao-jen, one of the Kuomintang leaders, was the first in a series of acts of violence for which he was held responsible.

Unable to make any headway against the President in Peking, the opposition again became revolutionary and violent. However, the "Summer Revolution" of 1913, an uprising in the Yangtse valley, merely served to exhibit the weakness of the opposition and the strength of the President. Yüan's troops suppressed the rebels with remarkable ease. Pressing his advantage, the President sent additional troops to strategic centers, drove some of the opposition leaders out of the country, and finally ordered the dissolution of the Kuomintang itself on the ground that participation of some of its leaders in the revolt proved it to be a treasonable organization.

Before this was accomplished, and with it the virtual dissolution of the Parliament, the legislature completed part of the permanent constitution on which it had been at work since its convocation. This endeavor to frame a permanent instrument of government to replace the Nanking (provisional) constitution was one undertaking of a constructive character which must be set down to the credit of the Parliament. If it had concentrated its efforts so as to complete it within a few months, it might have justified itself in the eyes of the country. As it was, it paid only intermittent attention to the work of constitution-drafting until after the end of the rebellion. Then, seeing the hand-writing on the wall, the Assembly hurried to complete the document. It was being framed by a large committee of members selected by each House. This committee met, interestingly enough, at the Temple of Heaven to engage in the work of laying the permanent foundations for the republican structure. Even here the executive-legislative antagonism revealed itself in the refusal of the committee to allow the President to influence its work, not even consenting to hear his views as to the needed governmental machinery. *

Yüan, however, was interested in consolidating his position through election as permanent President. Consequently he urged, bribed, and cajoled the Assembly into passing the section of the constitutional draft dealing with the presidential office in advance of completion of the entire instrument. Then, under the double pretext of celebrating the anniversary of the revolution and of securing recognition from the Powers,6 he carried through his election as permanent President. He was duly inaugurated on October 10, 1913, thus further strengthening his position in the eyes of the people.

The constitution-drafting committee passed the entire draft of the per-

* The United States alone among the Great Powers had recognized the Republic. England had withheld recognition pending settlement of the Tibetan question.
manent constitution on October 26, 1913, but before it could be formally accepted by Parliament, that body had ceased to exist. Protests against the terms of the draft were made by officials, possibly at the suggestion of the President, and these, together with the implication of Kuomintang leaders in the "Summer Revolution," were used by Yüan Shih-k'ai to justify his next moves. On November 4, 1913, with the concurrence of his Cabinet, he ordered the dissolution of the Kuomintang as a seditious organization. This automatically brought about the dissolution of the Parliament for lack of a quorum, and, while never formally dissolved, it was indefinitely suspended by a presidential mandate issued on January 10, 1914. This step virtually ended the parliamentary régime in China, although the fiction of its existence was carefully preserved by the President for a year. The suspended Parliament, in fact, came back to Peking for a short time after the death of Yüan Shih-k'ai.

The people, it may be noted, showed their complete indifference to the change in government by raising no objection to the dissolution. The idea that the Republic, and with it representative government, was founded upon an active popular desire and interest was shown to be nothing more than a theory developed for revolutionary purposes. Of course some explanation in justification of the popular attitude may be made, but it is not entirely complimentary to the Assembly. Put in a strong position by a constitution of its own making, that body had shown itself to be obstructive rather than constructive, and it was more than suspected of corruption. It had developed no plan of reorganization of its own to substitute for that of the President to which it objected. Yüan, on the other hand, had been active in the development of a program looking toward the reestablishment of order. Further than this, many argued that he had a legal right to effect changes in the governmental system as long as he maintained China as a republic, for he had been commissioned by the Manchus to organize a republican form of government for the country.

In defense of the Parliament the fact may be noted that it was controlled by inexperienced young men, intolerant of the old régime and its officers by reason of their training. They needed time in which to temper their ideas and to evolve satisfactory methods of parliamentary action. Yüan Shih-k'ai made no greater allowance for their impulsiveness and inexperience than they made for his effort to keep the administrative machinery running. The intolerance of inexperienced reformers was met by the intolerance of the tried administrator for the projects of the untried. Furthermore, the attitude of the so-called democratic states from the very beginning constituted a hindrance to the establishment of a satisfactory parliamentary régime. It is strangely true that the democratic governments of the West have been suspicious of democratic experiments in regions where their nationals have built up property interests, and that they have
invariably sought a strong man with whom to deal. The “slap in the face” administered to the parliamentarians early in 1913 had much to do with the failure of the Parliament to maintain itself.

6. PRESIDENTIAL DICTATORSHIP

After the dissolution of the Assembly, Yüan Shih-k’ai proceeded to work out his own conception of a republican régime, one adapted to a country accustomed to personal rule and with a population of a low degree of literacy.

The first step toward establishing the new régime was taken in January, immediately after the suspension of the Parliament, when a hand-picked Political Council was constituted. Under its advice the President then brought into being a Constitutional Council, which met for the first time March 18, 1914. Its chief function was to revise the Nanking constitution so as to give a constitutional status to the new order. This it did by framing what came to be known as the Constitutional Compact, China’s second republican provisional constitution. Under the Compact all power was concentrated in the hands of the President, who was to be elected for a ten-year period, with the right to extend his own term of office if he saw fit, or virtually to name his own successor. The Cabinet was replaced by a Secretary of State, appointed by and responsible to the President, as were all heads of departments or boards. The legislature was given merely advisory powers, and a Council of State was to serve as the only advisory body until the creation of the Li Fa Yuan (legislative assembly). It was thereafter to have the sole right to recommend constitutional changes. A reference to the “constitutional principles” of the Empress Dowager will serve to show the similarity of the President’s ideas to those accepted in the earlier period of constitutional development. On the whole his system embodied also the ideas of Dr. Frank Goodnow, an American who was one of his foreign advisers. The latter suggested that China was ready only for a dictatorship, tempered by the existence of an advisory body which should be constituted largely by appointment and which should represent group interests rather than individuals. These views coincided with the President’s conceptions as well as his interest. Thus during the early part of 1914 it became clear that China had reverted to the status of about 1909 as far as her political life was concerned, and that the attempt would be made to develop from that point, if any evolution occurred. The chief difference was that she had a dictatorial President rather than a weak Emperor, and consequently it was probable that her evolution would be even slower than might have been expected under the Manchus.

* This was provided for in the interesting Presidential Election Law.

*+ This was the only part of the proposed organization which was never brought into existence.
THE PHANTOM REPUBLIC: 1912–1926

Under the Constitutional Compact the President proceeded to govern as the dictatorial "strong man" whom China was assumed to need. He ruthless removed his political opponents where he was able to reach them. Those who, while outwardly friendly, were strong enough conceivably to oppose him, in case matters were pushed to the extreme, were concentrated in Peking, where he could closely supervise their actions. In spite of the paper developments toward a modified constitutionalism, China was governed during all of 1914 by terrorist methods. Spies were everywhere, and no man dared to express his thoughts freely; the press was muzzled, and political assassinations became even more common. And yet it must be recognized that the people, on the whole, were not greatly dissatisfied. Order was being gradually restored and with it a more normal life, even though by essentially military means and at the expense of failure to restore the old standards of civil administration through a caste of scholars. The sort of personal rule thus instituted was something to which the people were accustomed. The reëmphasis which Yüan laid on the Confucian morality, and the resumption of worship at the Altar of Heaven, furnished a link between past experience and the new order. And the Republic, with a fiction of representative government, was preserved. It was only the political "outs" and those who were revolutionaries from principle who were dissatisfied. The masses had no concern with forms of government and methods of political action so long as they could sow and reap, and thus provide for the needs of their ancestors and for their own needs as prospective ancestors. The revolution had disturbed some of them temporarily with its ideas of liberty, freedom from taxation, queue cutting, the end of footbinding, and, in general, modernization of the country. But, even so, the villagers had been very little disturbed. The new ideas had gained a real foothold only in the vicinity of the treaty ports. China, as represented by the villages, acquiesced readily enough in the régime set up by Yüan Shih-k'ai, the holder of the Imperial mandate to institute a republic, and the properly elected President. Thus by the end of 1914 the President seemed to be securely entrenched in control and, if he had been content with the substance of power, he might well have continued to rule for some time as the dictator within constitutional forms.

7. FOREIGN RELATIONS

But there were foreign foes as well as domestic opponents to reckon with. Shortly after the founding of the Republic, trouble had developed in Mongolia and an independent Mongol government had been proclaimed. There had been growing dissatisfaction with Chinese rule for some time. This was a result of (1) the encroachments of Chinese settlers and (2) the attempt to extend the governmental system of China proper to parts of Mon-
golia, an attempt which threatened the rule of the Mongol nobility. There seems also to have developed a nationalist movement which helped to strengthen the other separatist tendencies. Added to all of this was an active Russian intrigue against the Chinese rulers, Russia's interest being in checking the norward movement of the Chinese. It is not possible here to do more than note the consequences of this state of affairs. On December 7, 1911, the Chinese authorities were forced to withdraw from Mongolia, and an independent government was instituted at Urga. During 1912 China attempted, with partial success in Inner Mongolia, to reëstablish her authority. But in November Russia recognized the Urga government and concluded an agreement with it. Negotiations subsequently ensued between Russia and China and between Mongolia and China to secure a definition of the position of the area. China and Russia, without the participation of the Government of Outer Mongolia, concluded a convention on November 15, 1913, by which the autonomy but not the independence of Outer Mongolia was recognized, China continuing as the suzerain. On June 7, 1915, a tripartite agreement was reached by which Outer Mongolia accepted the terms of the Sino-Russian Convention. Under the circumstances this agreement was a diplomatic victory for Yüan Shih-k' ai, but it was only a partial one since it signalized, in conjunction with the 1913 agreement, the formal recognition of a Russian interest in Mongolian affairs.

At the same time Tibet revolted against the authority of China. The Chinese garrison at Lhasa revolted at the time of the revolution, the outbreak being marked by such excesses that the Tibetans rose and drove the Chinese out of the country. They later celebrated their triumph, on January 11, 1913, by concluding, as an independent people, an agreement with the Mongolian government. After the establishment of the republican régime at Peking, steps were taken to restore Chinese authority in Tibet, but the British protested against any effort, by military means, to reëstablish China's control. This led to fruitless negotiations during 1913 and to a tripartite conference in 1914 out of which came an agreement providing for (1) the complete autonomy of Tibet proper, (2) the right of China to maintain a Resident at Lhasa with a suitable guard, and (3) a semi-autonomous zone in eastern Tibet in which China would occupy a stronger position. This agreement, however, was never ratified, and the end of the Yüan régime came before any solution had been found. Thus British action with respect to Tibet had the same embarrassing consequences for the Republic as Russian intrigue had in Mongolia.

But the most serious situation developed out of Japan's participation in World War I. In the first place, the Japanese advance on Tsingtao

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* China Year Book, 1916, p 606.
10 See chapter XVI. sec. 4.
put China as a neutral power in an anomalous position. A partially satisfactory way out was found in the proclamation of a war zone and the attempt to restrict Japanese military movements to this zone. At the beginning of 1915, since all reason for hostilities had ended, the zone was declared abolished. Following this action on the part of China, and using it as a pretext, Japan served the much discussed Twenty-one Demands on the President. These need not be discussed at this point, but the internal consequences of Japan’s action must be pointed out in order to make the tale of the Yüan Shih-k’ai period complete. The demands, when they became known, aroused a widespread hostility to Japan, and developed a united support of the President in his resistance to Japanese pressure. This support was manifested through the organization of national societies, the collection of funds for the defense of the country by widespread popular subscription, and the expression of loyalty on the part of leaders who had been in opposition to Yüan Shih-k’ai. All of this was assumed by the President to indicate his personal strength in the country, although it was, fundamentally, an expression of an incipient nationalism, awakened by the most dangerous single attack yet launched on the independence and the integrity of China.

8. THE MONARCHY MOVEMENT

During the course of the negotiations it seems to have been intimated to Yüan that Japan would be sympathetic to the reestablishment of the monarchy, provided the aspirant to the Imperial position was favorably inclined toward her. To indicate this he should give concrete evidence of his favor by granting the Japanese request, embodied in the demands, for a dominant position in the country. It is well known that the leading Japanese statesmen had never looked with favor on the Republic and had hopes of its early demise. It is true that the 1911 and 1913 revolutionists had received aid and support from unofficial Japanese sources, but this was not indicative of an interest in the radical cause so much as of an interest in the creation of disorder in China. However, while not hostile to the monarchical principle, Japan not only distrusted Yüan Shih-k’ai but also feared him, because he seemed capable of restoring China to her natural position of strength, and because he had been in opposition to Japan’s continental program since his Korean days. Consequently it was not considered to Japan’s interest to see Yüan Shih-k’ai become the permanent ruler unless and until he became more sympathetic to her. When the monarchical suggestion was made, it was thus a bid for Yüan’s support. This he refused to give, even in exchange for such a quid pro quo. But he apparently considered that the expressions of opinion in his favor in

11 They are discussed in chapter XVI, sec. 5-6.
China as the defender of the country were such as to make it an opportune time for him to attempt to establish himself as the founder of a new dynasty.

Thus during the spring and summer of 1915 an active propaganda in favor of restoration of monarchy was undertaken by men close to the President. Much of the propaganda was based upon a memorandum prepared by a former legal adviser to the President, Dr. Frank J. Goodnow, who was visiting Peking. This memorandum represented an expression of an opinion, of an academic sort, as to the proper form of government for China. Dr. Goodnow expressed the view that “the monarchical system is better suited to China than the Republican system. For if China’s independence is to be maintained, the government should be constitutional, and in consideration of China’s conditions as well as her relations with other powers, it will be easier to form a constitutional government by adopting a monarchy than a Republic.”¹² Three conditions must be met, however, the writer went on to point out, before such a change should be made. First, adequate provision for the succession should be made; second, it must be certain that the people would acquiesce in the change and that the Powers would not oppose it; and, third, definite provision must be made for the progressive development of constitutionalism in China.

When opposition began to develop, it established its theoretical position on a counter-argument prepared by the noted Chinese scholar, Liang Ch’i-ch’ao.¹³ He had been one of the 1898 reformers, had stood for constitutional monarchy up to the organization of the Republic, and had supported the President in the overthrow of Parliament and the establishment of the dictatorship. Consequently he could not be accused of undue radicalism. His argument ran that the time for unsettling the country by a change in the form of the state had passed; that the Republic should be accepted as a fact; and that every effort should be bent toward a reorganization of the government so as to restore peace and order and give an effective administration. Furthermore, as he pointed out, Yüan Shih-k’ai had been given a term of office long enough to enable him to accomplish this task, and if ten years were not sufficient, his term could be extended for another ten-year period.

However, the President had already taken the decision to re-establish the monarchy, although his determination was disguised, for form’s sake, so that it might appear that he was being compelled by the pressure of opinion. Thus, not only did the Council of State have to memorialize three times on the subject to overcome his apparent reluctance to overturn the Republic before he would consent, but even then his consent was made conditional

¹² National Review (China), August 28, 1915.
¹³ For translation of this pamphlet see B. L. Putnam Whale, The Fight for the Republic in China, ch. X.
on approval of the change being registered through a "Convention of Citizen's Representatives." Such approval was actually given almost unanimously by bodies constituted for the purpose and made fully aware of the need for a favorable decision.

This consultation of the opinion of the nation was necessary, as a matter of fact, for more than form's sake. On October 28, 1915, Great Britain and Russia united with Japan, at the latter's suggestion, in tendering advice against making the change. The United States refused to add its voice on the ground that only China was concerned with the form of her government. The foreign opposition was put upon the ground that it was unwise to disturb the existing equilibrium and to stir up trouble when the international situation was so unsettled. A further protest was voiced in November, this time Italy and France joining with the other three in making it.

By the time of the second protest Yuan was able to point to the affirmative vote of the Convention as indicative of popular approval of the change. Furthermore, he was sufficiently convinced of his ability to control any opposition which might develop to give assurances to the Powers that there would be no serious trouble. No further action was taken by the Powers, although Japan indicated that information at her disposal led to the belief that the southern provinces would not passively acquiesce in the reestablishment of monarchy. The next few months revealed that Japan was better informed as to the possibility of opposition than was the Emperor-elect.

While plans for the coronation were being perfected, revolt did break out in the extreme southwest. On December 23 a memorial against the change and a demand for the cancellation of the monarchy was sent to Peking from Yunnan province. When this demand was not complied with, the standard of revolt was openly raised. In spite of every effort put forth by the government—and it may be noted that it was almost uniformly successful from the military standpoint—the revolt spread until province after province had declared its independence of Peking. The revolutionists at first demanded the cancellation of the monarchy, the restoration of the Nanking Constitution as the basic law, and the reconstitution of the 1913 Assembly.

In the face of this opposition and of defection in the ranks of his own followers in the northern provinces, Yuan Shih-k'ai weakened to the extent of declaring that he would give up the idea of restoring the monarchy. He sought to save his "face" by declaring that he had been misled in his belief that it was the wish of the country that he should ascend the Dragon Throne. This indication of weakness emboldened the republicans to extend their demands to include the complete elimination of Yuan from Chinese politics. This, for a time, he refused to consider, although he further temporized by reviving the Cabinet and ostensibly transferring the executive
power to it and by handing over control of the military establishment to the Minister of War. Ultimately, however, he was forced to give in and consent to retire from office. Just when agreement was imminent, the controversy was settled unexpectedly by the death, on June 6, 1916, of the President. Thus the period of the first reaction against true republicanism came to an end with the elimination of the "strong man" who had been looked to by so many as the only person capable of bringing stability to China. Nevertheless, while the Republic remained, republicanism as a form of government had yet to establish itself in China.

9. THE REVIVAL OF THE REPUBLIC

The status, as of the beginning of 1913, which was restored after Yuan Shih-k'ai's death, was maintained precariously for less than a year. The military leaders in the provinces had been held under the control of the central government only because of the personal authority exercised over them by Yuan. Soon after his death they began to indicate a determination to accept the direction of Peking only to the extent that Peking acted in accordance with their views and only if the central government did not attempt to interfere with their separate prerogatives in the provinces. For a time they accepted the Premier, Tuan Chi-ju, as the successor, within their ranks, to Yuan Shih-k'ai. But they made it clear that their loyalty to him depended on his respecting and protecting their interests. He, in turn, derived his position in the central government from Yuan and was accepted by the Parliament, when it was restored to Peking, for the same reason that Yuan had been accepted initially by the revolutionary leaders of 1911, i.e., because of the support that he had among the military. The new President, by succession from the vice-presidency, Li Yuan-hung, although a military man, had come into prominence through participation in the 1911 revolution. He accepted the point of view embodied in the revived Nanking constitution with respect to parliamentary supremacy. But, it will be recalled, that constitution vested the executive power in the Cabinet and not the President. Consequently the new turn of the wheel presented a Premier, as head of the executive, who was in the tradition of Yuan Shih-k'ai and who soon came into conflict with the Parliament.

The causes of conflict were much the same as when Yuan had been President. There were differences of opinion over the proper steps to be taken to solve the financial problem. This involved the making of loans and the reorganization of the revenue system. Tuan, as had Yuan Shih k'ai, made his arrangements without consultation with the Assembly and then asked it to approve what had already been undertaken. Controversy developed over appointments to office. The Assembly resorted to heckling of Cabinet representatives, frequently merely in the hope of embarrassing the
政府。在这种和其他方面，阻挠主义的倾向于1912-1913年重新出现，并且部分原因在于同样的理由，即参议院议员不能有效地控制政府的活动。最后，正如可以预料的，在这些条件下，成员们在工作中的参与程度下降到使会议因缺乏出席者而变得很常见的地步。此外，许多立法机构的会议被极端混乱所标记，几次以殴打收场。

正如在袁时代一样，国会的主要建设性努力是其试图完成永久宪法。采取较早的版本作为讨论的基础，会议在孔庙召开，由两院组成的会议在天上的组织机构，再次缓慢地工作，制定一个可能使政府的权力确立的机构，以及进一步向这个方向发展好于袁所发现的版本。再次，任务尚未完成时，国会已被驱逐出北京。这结束了民主体制的事实，尽管看起来拥有宪政政府的时间是该国政府已经存在的时间，并且在一定程度上在没有完成和公布“永久”的宪法1923年则没有发生，也不是实际设计用于这种目的，重新建立的议会体制。

立使问题带来了关于立宪政府的废除，然而，它并不是意见分歧的结果。问题在于，在1917年2月9日，袁通知德国抗议，并声明其政策是在无限制的潜艇战争中。一个月后，外交关系被断绝，因为没有满意的答复，抗议没有被承认。在这段时间里，袁政府曾与各盟国代表在北京就中国参战的条件进行谈判，希望中国能通过参战而在德国得到利益。在德国，决策者们同意了他的条件，他把参战看作是解决在中国利益问题上，反对他反对他的战争政策，因此他不能在国内“丢脸”如果他没有得到正式的让步的话，他认为在战争的最后，中国政府宣布参战，而他则坚持
lose "face" with the Powers if war was not declared in advance of their formal commitment. In order to divert attention from his negotiations with the diplomats and to manufacture sentiment in favor of his war policy, he finally resorted to the expedient of calling some of the military governors into conference. "From the time this Conference met the question of war became more a matter of internal politics than of foreign policy. The Military Governors assembled in Peking late in April and the attention of the country was immediately centered upon their activities." 15 From this time also dates the ascendancy of the northern military party in Peking politics and with it the ascendancy of the provincial warlords.

The immediate result of this and other pressures 16 applied to Parliament by Tuan Chi-jui to secure passage of his war bill was his dismissal as Premier by the President upon the demand of Parliament. He refused to acquiesce, and in his refusal he was supported by the military governors, who, in turn, demanded the dissolution of Parliament. In order to enforce their demand on a reluctant President, they launched a "punitive expedition" against Peking, ostensibly to enforce respect for the constitution. For a time a stalemate was produced because President Li stood firm in his refusal to accede to the demand of the military governors that Tuan be reinstated and Parliament be dismissed. The deadlock was broken when the former invited the most notorious of the members of the provincial military junta, Chang Hsun, to come to Peking as mediator. His mediation took the form of reiteration of the demands of his colleagues and then of an attempt on July 1, 1916, to restore the Manchus to the throne. He found, however, that the other military governors were opposed to monarchy as well as to parliamentary republicanism. Thus the restoration lasted only three weeks, and it was those who were marching on Peking to overthrow Parliament who brought the monarchy to this abrupt end.

10. MILITARY ASCENDENCY

From this time until, almost a decade later, the revolution was recommenced in its nationalist phase, the political life of China was marked by incessant confusion. It could only represent confusion since there was an unending struggle for power between individuals, each seeking to serve his own purposes. The pattern was laid in the provinces in the form described at the beginning of this chapter. The more powerful of the provincial militarists, however, constantly struggled not merely to enlarge their territorial domains within the country but also to establish themselves in a position of dominance over the fiction of a central government, which, throughout, continued to exist at Peking. To accomplish either or both

10 H. M. Vinacke, Modern Constitutional Development in China, p. 238.
16 Including bribery, entertainment of parliamentarians, and a mob demonstration staged before the Parliament building.
purposes, alliances were made. These led to counter-alliances and to intrigue for the purpose of detaching elements of strength from the opposition forces.

There were two principal reasons for the interest shown in controlling Peking even though the central government, as such, had little or no actual authority in the country. The first was that those who controlled the capital had control of such national administrative machinery as continued to exist and had a basis for claiming the allegiance of the country. The second, and possibly more important, reason was that internationally the Peking government continued to be dealt with by the foreign governments as if it were the government of China. Thus it could assert a claim to any surpluses from the customs collections, after loan and indemnity charges defrayed from the customs had been met. The same was true of the internationally supervised Salt Gabelle. And foreign loans could be contracted, if at all, most advantageously through the medium of the “government” of China.

On the whole it is a warranted conclusion that the primary interest of the Tuchuns and Super-tuchuns, as these military rulers were called, was in gaining power as a means to the end of personal enrichment. Thus, with only occasional exceptions, they ruthlessly exploited the territories under their control, frequently collecting the taxes for years in advance. Sometimes they compelled the peasants to cultivate the poppy rather than food crops so that they might confiscate the proceeds from the illegal production of opium. And in every fashion they sought to profit as largely as possible from what usually was a short tenure of office. What was true in the provinces was also true at Peking, although there certain forms had to be observed in order to impress the outside world, a safeguard unnecessary in relation to the Chinese community.

At the outset there were two main factions in the group of northern military leaders. This division dated back to Imperial days and was partly the result of application of the old principle of division in order to rule. After the death of Yüan Shih-k’ai, who had been the unifying agency, one faction revolved around Fêng Kuo-chang, the Huakung Viceroy in 1916, who became the Vice-President when Li Yüan-hung succeeded Yüan as President. The other was under the leadership of Tuan Chi-jui. The year from the time when the Manchu restoration was unsuccessfully attempted until the autumn of 1918 was taken up with a struggle for supremacy between Fêng, who had become President in succession to Li, and Tuan Chi-jui, who resumed the premiership. In this contest the Tuan faction was victorious, signalizing its victory with the election of Hsü Shih-chang, an old-time official, to the presidential office when Fêng Kuo-chang’s term expired in October, 1918.

In order to ensure its success in the election, the Tuan faction organized
itself into a society or club, the Anfu Club, which had as its ostensible purpose the carrying on of propaganda among the members of a newly elected Parliament in favor of Hsiu Shih-chang for the presidency. After it had attained its object, the Anfu Club continued in existence for the purpose of promoting collectively the individual interests of its members. These interests related to the monopolizing of public office, largely for the purpose of lining the pockets of the Anfuites. To line their pockets they had to have access to some source of supply outside of the country. This source they found in Japan, whose financiers made loan after loan to the Peking government, either secured on various public services, in return for valuable concessions of various sorts, or without security. These loans were called the Nishihara loans and subsequently provided a fruitful source of controversy between China and Japan. Because of them the people of China came to consider the Anfu government as pro-Japanese and as engaged in selling the country out to Japan.

This Anfu control in the north continued until 1920, when the clique was driven out of Peking by a combination of the forces of the Manchurian warlord, Chang Tso-lin, and those of Tsao Kun, the leader, in succession to Feng Kuo-chang, of the other faction in the Peiyang military element. Although the Anfuites were actually driven out of Peking by the forces of General Wu Pei-fu, a division commander under Tsao Kun, he was not able to control the new régime since he had been acting in the name of his superior. It soon became clear that such preponderance of power as existed at Peking rested with Chang Tso-lin rather than with Tsao Kun. Consequently the years 1920-1922 were devoted to preparation for a struggle to eliminate Chang from control. The issue was joined in 1922 with the result that Wu Pei-fu, whose power was based upon the central Yangtse provinces, in concert with his subordinate ally, General Feng Yu-hsiang, succeeded in driving Chang Tso-lin back into Manchuria. They were not able to do more than that, however, because of Chang's strength and his special position in relation to Japan in Manchuria. Chang Tso-lin thereupon declared the "independence" of Manchuria. This did not mean, in the conception of the politics of the time in China, that his intention was to erect a new state but merely that he denied the authority of the Peking government until such time as he could exert some measure of control over it.

Between 1922 and 1924, when the Wu Pei-fu supporters were in control of Peking, the actual authority of the Peking government extended little beyond the walls of the city. Chang was ruling Manchuria, and each warlord, either standing by himself or organized within a hierarchy, ruled his own districts or province, engaging from time to time in wars with his neighbors with a view to displacing them and adding their domains to his own. And all of the time, under the surface, the lines were reforming for
another and “final” struggle for mastery in the country. China, it seemed, was still waiting for the “strong man” to emerge, capable of bringing all of the other militarists under the effective authority of a central government. The effect of the various maneuvers which had been going on was revealed in 1924 when Wu Pei-fu was driven out of Peking because of the defection of his first lieutenant, Feng Yu-hsiang, then known as the Christian General. The latter seized Peking, which had been left in his charge while Wu was attempting to meet an attack launched from Manchuria by Chang Tso-lin and from the southeast by remnants of the Anfu Club, supported to the best of his ability by Dr. Sun Yat-sen. Wu thereupon retired to his own provinces in the central Yangtse region, and the Peking government was reconstituted by the Chang-Feng-Tuan coalition before Sun Yat-sen was able to reach Tientsin to attempt, through conference, to shape it along lines satisfactory to himself. Sun died in Peking soon after. Chang Tso-lin was thereafter able to maintain his hold in North China, although precariously, until driven out by the nationalist armies in 1928. His position was precarious because he had to face attacks from Feng Yu-hsiang, who turned against him just as he had previously turned against Wu Pei-fu, and also from the latter. Thus he was constantly threatened with the possibility of attack from the northwest and from the central Yangtse area. Feng actually drove him back into Manchuria in 1925, having weakened his position by securing the support of one of Chang’s Manchurian generals. Chang was able, however, to put down this Manchurian rebellion against his authority and to maintain himself in Manchuria with the aid of Japan. And he was able to reenter North China through alliance with Wu Pei-fu. Just as Wu, however, was entering upon what it was hoped would be a final and decisive struggle against Feng Yu-hsiang, he had to turn south, in 1926, to meet the attack of the nationalist armies as they reached the Yangtse in the first stage of the northern expedition, with their avowed purpose of eliminating the warlords.

Attention thus far has been centered on the struggle among the northern militarists. At this point it need only be said that a similar situation existed in the southern provinces. After 1917 the Kuomintang-dominated Parliament attempted to establish itself, first at Shanghai and then at Canton, and sought to maintain a parliamentary regime in the south while attempting to reconquer the north. The southern republican government, however, was in the same situation from the outset as the Peking government. It had only the authority which its military supporters were willing to concede to it, thus existing largely on their sufferance. After the overthrow of the Anfu Club, Sun Yat-sen entered into an alliance with its members, but he was never able independently to affect the situation either in the north or in the south. He was intermittently in a position of nominal authority at Canton, but only so long as his presence served the purpose.
of either the Kwangtung or the Kwangsi militarists, whichever group happened to be in control. Thus the period of the Tuchunate saw the same disintegration of both the civil and a central authority in the southern provinces as in the northern. China as a unified political entity disappeared during the years from 1917 to 1926, provincialism or, at the widest, regionalism seeming to represent the possibility of the future until the revivified Kuomintang, with its own revolutionary military force, recaptured the idea of national unity when it resumed the revolution in 1926, the year after the death of Sun Yat-sen.

REFERENCES FOR FURTHER STUDY

CHAPTER XII

THE PROGRESS OF CHINA: ECONOMIC AND SOCIAL: 1900–1931

1. POLITICAL STABILITY NOT AN ABSOLUTE PREREQUISITE TO PROGRESS

For the Westerner, political stability is the absolute prerequisite of material progress, so intimately is government related to the economic life of the state. Consequently he finds it difficult to understand why the condition of political turmoil in China attending the revolution did not produce a corresponding economic chaos. The explanation, which is extremely simple, has already been indicated. It lies in the fact that the economic life of the country had been lived apart from governmental interference or direction, together with the localized character of the Chinese economy. The change in these particulars has been of recent development, and it had been carried such a short distance by 1931 that political instability did not prevent economic progress from being made. The relaxation of the hand of authority, with the resulting increase in brigandage and piracy, and the incessant turmoil due to civil war, undoubtedly retarded the normal economic development of the country. This was so particularly because civil war made difficult the undertaking of vitally necessary developmental functions by government after the necessity had been perceived. But changes in the economic life of the country occurred in spite of political disorganization to an extent impossible in an economic entity such as the Western state had become. During this period it was in the non-political fields that the significant changes took place which must be appreciated if contemporary China is to be understood. As far as possible their consideration has been postponed so that they might be given unified treatment at this point in the survey of the evolution of modern China. These changes came about so gradually that it was only after the World War that they began to become vitally important. But in estimating their significance we must bear constantly in mind the fact that in many cases, even by 1931, they really constituted beginnings or tendencies rather than completed movements. This both increases their interest and makes more difficult their adequate treatment.

2. FOREIGN TRADE

An important indication of the economic progress of China since 1900 is to be found in the expansion of the import and export trade and in the change in the character of both imports and exports.
Although treaties of trade and commerce were consummated between China and Western nations during the years 1842 and 1843 and as a result certain designated ports were formally opened to foreign trade, yet it was not until the last decade of the nineteenth century that the Chinese themselves exhibited an interest in intercourse with the outside world. China's geographical isolation, its huge continental proportions, its tendency to wall itself off from the outside world, the self-sufficient nature of its society, its racial homogeneity, the uniqueness of its civilization and its lack of adequate internal communications, all militated against an expeditious development of contact with the outside world.\textsuperscript{1}

Thus it took half a century for China to manifest a real trade interest, although there was gradual expansion of trade during the nineteenth century. This growth was almost inevitable as the points of contact were increased. In 1842 five ports were opened to trade. With each successive application of pressure by the Powers new ports, known as Treaty Ports, were opened to foreigners and foreign trade. After a time the Chinese government opened a few ports of its own free will. The number of treaty ports opened by 1931 numbered sixty-nine, and there were eleven places voluntarily opened to trade and foreign residence. The trade naturally increased with this enlargement of the points of contact under the stimulus of foreign interest.

After 1900, as China committed herself more fully and freely to foreign intercourse, the foreign trade grew more rapidly. The value of imports increased between 1900 and 1910 from over 211,000,000 to almost 463,000,000 Haikwan taels. During the same period exports increased from almost 159,000,000 to just under 381,000,000 taels. The effect of the revolution, but more particularly of the European War, was to check the import trade and, after 1914, to expand the export trade. But in both cases the post-war years, which were also those of greatest political unsettlement in China, were marked by rapid expansion. The year 1930 saw a net importation valued at 1,309,755,742 Haikwan taels and an exportation valued at 894,843,594 taels.\textsuperscript{2} Thus in a period of thirty years the foreign trade values increased over three hundred fifty per cent. While these values must be discounted because of a change in price levels and on account of fluctuations in exchange, still they represent an advance which becomes little short of remarkable when the abnormal internal and world conditions are taken into account.

Of much more significance than their increase in value, however, was the change in the character of the imports and exports. Considering the former first, an analysis of the trade warrants acceptance of the statement that "the old order—China importing opium, cottons, and a few sundries

\textsuperscript{1} Arnold, China's Post-War Trade, in Annals of American Academy, November, 1925, p. 82

\textsuperscript{2} This is a decrease from the high export levels of the three previous years, but an increase over 1926.
—has been completely swept away, and, although the country is looked to as a large supplier of foodstuffs to the Western world, it is no less an importer on a large scale.”

It was opium which first turned the trade balance against China, although its importation was not legalized until 1858. In 1882 it accounted for over thirty-four per cent of the imports. In 1902 importation of other goods had so much increased that only eleven per cent of the total imports was opium. Then in 1906, as part of the reform program, China reverted to her earlier attitude toward the drug, and an Imperial edict ordered that opium smoking should be brought to an end by 1917. At the same time an attempt was made to reach an agreement with England lessening importation from India. This resulted in an understanding with the Indian government by which the export from India to China was to be reduced ten per cent per annum for a period of three years (1908–1911). A new agreement reached on May 8, 1911, “provided for the complete extinction by the end of 1917 of the export of opium from India to China, and of the Chinese production of opium. It also provided that Indian opium, meanwhile, should be barred ‘from any province in China which can establish by clear evidence that it has effectively suppressed the cultivation and import of native opium.’”

With this agreement as a stimulus, progress was made toward curtailment of domestic production, although the revolution caused a temporary set-back—by reason of disturbed conditions, however, and not because of any change in policy. In spite of China’s failure to live up to the 1911 agreement, the Indian government announced that after 1913 no further sales for the Chinese market would be permitted. It was also excluded officially by 1915, on the ground of the ending of cultivation, from fifteen provinces of China. All of this must be distinctly set down on the side of progress, particularly the progress made toward the lessening, province by province, of internal production.

Unfortunately, after 1915 a different story must be told. As military government established itself in one province after another, and as the authority of Peking declined, cultivation was resumed. By 1923 the only provinces free from the poppy were those so located that it was more profitable to rely on imports from neighboring provinces than to furnish their own supplies. The military must be held responsible for this because in some cases the Tuchun forced cultivation, and in others encouraged it in order to augment his resources. A notable exception was Shansi, where, under Governor Yen Hsi-shan, an active campaign to suppress both cultivation and smoking was carried on successfully, except as conditions in neighbor-

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8 *China Year Book* (1924), p. 671.
9 On condition that native production should be reduced in the same ratio.
8 *China Year Book* (1924), p. 552.
ing provinces prevented the attainment of complete suppression. Elsewhere smoking went on openly, with the officials reaping a profit from it as well as from the cultivation. There was some decline in cultivation in 1924-1925, due rather to previous over-production than to any change of attitude on the part of officials. Thus China became by far the largest producer of opium in the world. As against the two million pounds produced in India in 1924 China produced over twenty-five millions. This meant that it was on China herself, rather than on England, that pressure had to be put to reduce production as a means of restricting consumption.

In this same connection must be noted the increased use by Chinese of other narcotics, such as morphia, during this period. Here the supply came from abroad, and, since it was smuggled, it is difficult to estimate its quantity and source. Such seizures as were made by the customs authorities, however, indicated that the smuggling was done mostly by Japanese and Germans. It was brought in mainly through the ports in leased territory and through Shanghai. Because of its cheapness and the ease of using it, the morphine pills bade fair to displace the opium pipe among the poorer classes.

Returning to the general question of foreign trade, we find that in 1902 cotton goods and sundries accounted for seventy-two per cent of the imports, and food products, kerosene, and metals for seventeen per cent. In 1910 cotton yarn and cotton goods represented twenty-six per cent of the total imports; rice seven per cent; metals and machinery eight per cent; kerosene five per cent; sugar four and a half per cent; railway materials three per cent; marine products two per cent; cigarettes and tobacco two per cent; coal two per cent; dyes one and a half per cent; matches one per cent; woolen goods one per cent; and other goods of various sorts thirty-seven per cent. By 1930 importation of raw cotton had increased from less than one per cent of the total in 1910 to ten per cent, which meant an increase in value from 4,500,000 to 132,266,000 Haikwan taels. The cotton goods imported in 1930 had increased in value, but represented only 10.7 per cent of the total import trade as against thirteen per cent in 1910. And cotton yarn had substantially fallen both in value and in proportion.6

Without making a more extensive analysis of the import trade, we may fairly say that it revealed a continual broadening of the demand for foreign goods, and that it showed a most interesting change in the character of the demand. The value of machinery imported had increased from nine to seventy-eight million taels—from two to six per cent of the import totals. This indicated a change in internal production from hand to machine work. To put it another way, it meant that the industrial revolution had reached China. The increased importation of raw cotton and the decrease

6 These figures are drawn from a table presented by Julian Arnold, op. cit., p. 84, and from Grover Clark, Economic Rivalries in China (1932), p. 111.
in importation, both in value and in proportion, of cotton yarn revealed the same change. China had begun to manufacture to supply her own needs in cotton goods. This conclusion is not invalidated by the increased value of cotton goods brought into the country because the Chinese were not yet able to supply their own expanding needs, nor had weaving by modern means been undertaken as extensively as spinning. Since we shall have to return to this question in another connection, we may temporarily postpone the drawing of final conclusions.

Referring to another import commodity, kerosene, it may be pointed out that it represented an important change affecting the lives of the people by affording them better lighting at night in places where electric lighting had not been introduced. The development, during World War I, of new markets for China’s vegetable oils was partly responsible for the increased demand for kerosene, as was also the increased wealth due to war trade, which made possible a wider replacement of vegetable oils by kerosene for illuminating purposes. But whatever the reason for the change, the improvement in lighting in the homes had significance in the development of the new China. A similar modernization of life is revealed in the importation of matches. The value of match importation had decreased by 1923, but this was due to the fact that China was supplying her own needs in the face of an enlarged demand, rather than to a lessening of the demand. Other changes in the life of the people were shown in the fourfold increase in importation of paper, largely due to the establishment and increase in the number of newspapers; in the introduction of motor cars; and in the importation of photographic, printing, and lithographing materials, telephone and telegraph supplies, and scientific instruments. These and other importations meant that the Chinese, from the material standpoint, were beginning gradually to change their manner of living.

In the same way, an analysis of the trade reveals a much wider range of commodities exported. The most notable change, perhaps, was the relative decline in exportation of tea, which represented almost forty-eight per cent of the export trade in 1882, ten per cent in 1902, and less than three per cent in 1930. This was to be explained by the inroads made on the Chinese overseas market by Japanese and Indian teas, by the failure of the Chinese to improve their output, and, for a time after 1917, by the temporary decline in the Russian demand due to conditions in Russia. Silk, the other great staple of export, had also shown a relative decline in terms of the total trade, although one not at all comparable to the decline in tea exportation. Another interesting development was the export of soya beans, bean-cake, and bean-oil, which was negligible in 1900, was eight per cent of the total in 1910, and had increased to 20.7 per cent of the 1930 total, becoming the outstanding export. In value this meant one hundred and eighty-five million taels. The rise of the soya bean to its present
position in the trade paralleled the settlement and the development of
Manchuria under the stimulation of the Japanese South Manchurian
railway.

Exports were almost entirely raw materials and foodstuffs, except for
certain manufactures peculiar to China such as silk piece-goods, carpets,
embroideries and laces, hair nets, and a few other items. And yet we find
listed among the exports egg products, a new and growing industrial com-
modity, nankeens, and even cotton yarn. These were indications, small
to be sure, that China might soon be found competing with the Western
states and Japan in their own markets. The increased variety of China's
exports was indicated in the fact that in 1910 only thirty-three products
were sufficiently important to be listed among the exports, while in 1930
there were over fifty separate types of export, each valued at more than a
million taels.

It must of course be admitted that foreign trade, as such, played a rela-
tively small part in the Chinese economy. But it deserves consideration
both for itself and because of the indications it gives of changes going on
within China during the first decades of the present century.

3. Changes in Agricultural Life

These changes may be even better gauged by examining the internal
productive processes and internal trade. As to the latter, it is impossible
to present reliable and comprehensive figures showing its extent at the time
under consideration. But where goods had to be moved on waterways by
junk and flat-bottomed boats pushed and pulled by man power, and on
land had to be carried on the camel and the donkey-cart or by the wheel-
barrow, it is clear that trade on more than a local basis would be greatly
restricted. The use of steam vessels along the coast and on the great naviga-
gable rivers, together with the building of roads and the construction of
railways, assuredly greatly expanded internal trade, an expansion limited,
of course, by the extent to which these innovations had been made. But even
the small beginnings which had been made tended to break down economic
provincialism and localism, and to create national markets. Thus it is fair
to infer that internal trade had grown even more largely than foreign
trade since 1900.

The agricultural population constituted in 1931, just as it did in 1842,
the largest occupational group in China. Outwardly the village peoples en-
gaged in farming had been the least affected in their lives and economic
activities by the contact with the West. This would naturally be the case,
since they lived in places where there was very little contact with the
foreigner, and where they were largely shut off from the new currents. In
the interior villages the ground was prepared in the same way that it had
been generations earlier. The primitive plow, drawn perhaps by a donkey and bullock jointly, was used, and primitive methods of harvesting and threshing were employed. The farming implements and machinery of the West either had been rejected or had never been heard of. There had been little introduction of mechanical devices for labor-saving purposes.

While this was and for some time will be the case, there are certain explanations of it other than ignorance or unwillingness to change. In the first place, the farm machinery which has been so highly developed in the United States is not adapted to the needs of Chinese agriculture. It is all designed for extensive cultivation with the minimum use of human labor. Where individual land holdings are small and scattered, as they are in China, the farm machines such as a tractor or a gang plow cannot be readily used, and are uneconomical for the individual farmer. They could be introduced successfully only by an agreement to disregard boundary-lines in plowing. The Chinese farmer, who was an individualist, could be led only gradually to agree to this as he might be shown a positive advantage which he would secure from it. In the second place, Western tools and machines were so expensive that the Chinese could not afford to buy them even though he could see that they would ultimately pay for themselves. The chief advantage urged for them was that they replace labor, enabling one man to do the work of several. But this was not an advantage in China, where labor was too abundant. As long as the man-power available for agriculture was not decreased, labor-saving agricultural devices would make little appeal. On the contrary, they aroused opposition because they meant starvation for the people displaced. If industry should draw off enough men from the farms, or if an extensive emigration overseas or to Manchuria and Mongolia should take place, or if both in combination should happen, so that there would exist an acute labor shortage in agricultural regions, then Western farm implements might make an appeal, if it could be shown how they could be used effectively under Chinese conditions and if the farmers could finance their purchase.

But while there has been little change in the use of implements, there had been significant changes in the agricultural economy. In the first place, the improvement of communications had had its effect on the peasant population. For the first time it was beginning to be possible to produce primarily for sale rather than for use or for purely local exchange. This change could be fully realized, and its consequences manifested, only with the completion of a modern transportation system. But even as far as it had been carried by 1931 it resulted in the beginnings of agricultural specialization. Instead of the farmer directly attempting to supply his major wants and those of his family, which is bound to be uneconomical, he could grow the products best adapted to the soil and climate of the locality, and sell in an ever-widening market, supplying his needs by purchase with the pro-
ceeds derived from the sale of his crops. Thus one could see, in the light of recent developments and also on the basis of experience in other countries, the end of the uneconomical, relatively self-sufficient family or village in China. This was further indicated in the fact that the factory could supply clothing and shoes, for example, more cheaply than could home labor.

This should not, however, be taken to mean that there was no exchange of goods in nineteenth-century China, or that the family or village was completely self-sufficient. The farmer did not make all of his own tools, for example, nor did he produce everything necessary to his well-being. The existence of market towns, and the development of a town artisan class and of a measure of specialized production in the handicrafts, indicated that there was inter-change of goods. Much of this was local, but some exchange took place over a comparatively wide area. The change indicated in the preceding paragraph was in the direction of enlarging this exchange and of increasing specialization to the point of making the farmer ultimately dependent on the town for the satisfaction of his wants. This would have the consequence of forcing him to produce primarily, rather than secondarily, for the market, whereas formerly production was primarily for use.

The increasing cultivation of crops which must be sold in a comparatively wide market afforded another indication of this change in agricultural China. The staple crop of Manchuria, for example, had come to be the soya bean. In Chihli and Kiangsu provinces, the two largest areas, and in Shansi and elsewhere on a smaller scale, cotton was being grown in such quantities that China had become the third largest producer in the world. Again, tobacco was being grown in marketable quantities in almost every province. Some of it was undoubtedly produced for home and local consumption, but more and more was being grown for the general domestic market, since the making of cigars and cigarettes had become an important home industry. The increased cultivation of the poppy during the period of military rule has already been referred to, and it must be recognized that opium was produced for the market rather than for the use of the cultivator. Other examples might be given, but enough has been said to indicate the tendency. It is clear that the farmer who devotes himself to the production of a staple such as tobacco or cotton comes to depend on others for his own foodstuffs, and that others consequently find a larger market for their products. Thus the movement toward specialization is carried a step further. The general movement may also lead to importation of agricultural products if the staple is widely enough cultivated to restrict food-producing areas. Thus cotton, either raw or manufactured, began to enter the list of exports, and rice and grains the list of increased
imports. As will be pointed out later, the development of domestic industry was a substantial factor in producing this change in cultivation.

These three decades also witnessed a conscious movement to improve the raw products. The government was partly responsible for attempts at improvement, both directly, and indirectly through the government schools. Furthermore, private efforts, both individual and collective, were made in the same direction.

It has been demonstrated that China can grow American cotton of good quality and long staple. It has also been demonstrated that the native cotton, which is of short fibre, can also by the process of selection be greatly improved. Chinese interested in the cotton industry are taking steps to improve the quality and quantity of the raw material, and arrangements have been made for the retention by these interests of an American cotton expert to work in conjunction with the Department of Agriculture of the University of Nanking.

Steps were also taken to weed out diseased silk worms, to bring about more scientific care of the cocoon, and to prepare the raw silk in a way better suited to the requirements of foreign high-speed looms. These efforts must continue if China is to regain her former dominant position in the silk trade. The same thing is true of tea-growing. The Chinese were beginning to study the needs of the foreign market, and as a result were attempting to improve cultivation and to undertake more careful selection and grading.

It was in those fields of production which were related to industry or to foreign trade that the Chinese were making the most conscious efforts toward improvement. But in other fields there were indications of change which will be more marked as time goes on. The agricultural departments of some of the schools and colleges experimented with a view to finding products which might profitably be introduced. It was also discovered that the Chinese farmer often saved the poorest part of his crop for seed purposes, and he was introduced to the idea that instead he should reserve the best part of the crop for future sowing. From this it will be a short step to specialization in the production of seeds. This will undoubtedly increase the yield wherever it is done, and thus ultimately improve the condition of the farmer. Scientific rotation of crops was also being urged, which would help to reduce the cost and the labor of fertilization. It is not without significance that in 1910 the amount of artificial fertilizer imported was entirely negligible, while in 1923 it was valued at four million Haikwan taels, ranking twenty-fifth on the list of imports.

It cannot be seriously argued that the standard of living of the Chinese

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* Sec. 4 of this chapter.
* Arnold, Commercial Handbook of China (1919), vol. II, p. 322.
farmer had been notably elevated by 1931. In certain sections, due to
drought and flood, and the consequent famine conditions, which reached
their high-water mark in the great famine of 1921, living conditions be-
came distinctly worse than usual. But with normal conditions restored,
there were indications that the standard had been slightly elevated. This
was indicated in the great growth in tobacco consumption and in increased
importation of other luxuries, in the use of artificial fertilizers, in the
amount of third-class travel on the railways and in numerous other ways.
It was so slight, however, as far as the masses were concerned, as to deserve
no more than mention. In many sections, particularly those affected by
flood or draught—Chihli province, for example—the majority of the farm-
ers continued not only to be poor but even to live below the poverty-line.9

Another aspect of rural life which deserves consideration is rural industry.
Spinning and weaving, particularly, had long been part of the rural econ-
omy. In order to live it was necessary for all members of the household to
contribute something to its maintenance. And because of the inadequate
communications the villagers had to produce everything possible for them-
selves. Since almost all of the men in the village were farmers, each house-
hold was also an industrial establishment, just as it was in the American
frontier community. The materials for clothing either were produced on
the land as part of the farming operations or were procured by exchange.
But in either case they were usually transformed by home labor, particularly
that of the women and children. Furthermore, where possible the attempt
was made to eke out the family income by production for exchange or sale.
Thus industry, outside the trading centers, and except for a limited special-
ized production, was diffused throughout the numberless villages of the
country.

This continued to be true in spite of the move toward the establishment
of the machine economy with its factory system. But even here a change
might be perceived. In the cotton growing areas of Chihli and Kiangsu
provinces, for example, the home industry continued, but the jobber or
small capitalist was making himself more and more a dominant factor.
Sometimes he furnished the tools such as the spindle and the loom, besides
supplying the raw cotton or the yarn to the farmer. He then collected the
yarn or cloth and sent it to the market. The rural household received a re-
turn only for the work done. In other cases the spindle or the loom, almost
invariably of the primitive and familiar kind, belonged to the family, the
dealer supplying materials and marketing the product. New type machines,
more complicated than the old and with a much greater output per labor
unit, were being introduced in some cases, but only gradually where they
were used in the home. The improved machines were more usually oper-

9 See Chinese Rural Economy, by J. B. Taylor, in Chinese Social and Political Science Re-
view, vol VIII, nos. 1 and 2. He fixes the poverty-line at an annual income of $150 or under.
ated under the supervision of the dealer in a semi-factory system. Here in
the textile industry was shown the transitional stage from the old to the
new order. The same change was going on in silk spinning and weaving, in
paper-making, and in other household industries.

As illustrating what is happening to rural industry outside textiles, we may
mention the paper industry of Ch'ien-an. Owing to the suitability of the water
of a stream near the city and the existence of a supply of white earth, paper has
long been made in the villages nearby. The paper shops of the old kind con-
sisted of seven workers. Five of these prepare the raw materials (the paper is
made from the mulberry) and dry the paper; one makes the paper and the
head man finishes or smooths it. The owner of the plant usually has more than
one such shop. He keeps the books and sees to the marketing beside supplying
the capital. . . .

One of these small capitalists proved to be an enterprising man. In 1914 he
went to Korea and Japan to study paper making in these countries and in 1916
started a "Korean paper mill." This was so successful that the next year he
added another and in 1919 purchased some quite elaborate machinery. By this
time others had become interested and a number of mills were started. These
are of two types, a smaller with thirty workers each and a larger with over
fifty workers. The latter use water power and have an output ten times greater
than the former. In 1920 there were four of these Korean mills. They are
usually owned by a group of partners. 1920 was very successful and 200% pro-
fit was made by some. This led to over-expansion, thirty-one mills operating
in 1921. The large output however seriously reduced prices (from $32.00 to
$9.50) and the following year only twenty mills continued to operate.\(^{10}\)

Here we have an example of the first steps in putting on a factory basis
an industry which had been attached to the rural household. In the case
of the household industry of whatever kind, it occupied the time of the
farmer and his household particularly during the winter and early spring,
and served as a side-line to farming operations. As machinery is introduced,
and with it the factory system, industry cannot be treated as incidental to
farming, but has to recruit its own independent labor supply. In China, as
elsewhere, the worker tends to leave the farm, thus lightening the pressure
on the soil, or women and children are used, and the new industry, in a
different way to be sure, continues to afford a supplementary income to
the rural household, just as did the old. In either case such changes as that
described were almost imperceptibly working a revolution in the rural
economy.

4. INDUSTRIAL DEVELOPMENT

Even in the towns and cities of the nineteenth-century China, industry
was in the handicrafts or cottage stage. With few exceptions production
was for a strictly local market. The shop and the factory were the same.

\(^{10}\) Op. cit., pp. 244-245.
The instruments of production were simple tools rather than elaborate and costly machines. All, or most, of the processes of an industry were carried on under one roof and by the same people, there being little subdivision of labor and industrial specialization. There was no problem of capital and labor, for instead of the employer and the wage worker we find the artisan, become the proprietor, assisted by the journeyman and the apprentice. All engaged in the same trade were united in the craft guild, which controlled prices, quality, wages, and the terms of apprenticeship, and fixed the number of apprentices in proportion to journeymen.

The old conditions persisted to such an extent that by 1931 most of China's industrial output continued to be produced in the home or small shop and with the same organization. But at the same time it must be recognized that the general movement was in the direction of placing industry on a modern basis. Thus while the hand loom persisted in both the cotton and silk industries, the modern machine loom had been introduced, together with the power spindle. In 1930 there were over four hundred fifty modern silk filatures and weaving mills, one hundred twenty-seven cotton mills, and sixteen woolen mills. The active cotton spindles numbered over three million. In addition to this, there were over forty albumen factories, more than forty canneries, thirty-four iron and steel works, fifty-three dockyard, ship-building, and engineering works, one hundred twenty-nine flour mills, upward of a hundred oil mills and bean-cake factories, two hundred seventy-four electric light and power works, twenty paper mills, and other modern undertakings too numerous to list. It must be re-emphasized that these establishments used modern machinery, and that in addition there was the transitional movement going on through the medium of the small capitalist, which has been mentioned. This will undoubtedly result eventually in large additions to the factory and machine economy.11

In comparison with the United States or even Japan, it must be admitted, the new economy was, even by 1931, merely in embryo in China, or at the most at a decidedly infantile stage. Nevertheless, when it is remembered that there had come virtually no change in methods of production before 1900, and when one recalls the difficulties of transportation and communications, together with the size of the country and the rigidity of its organized life, these beginnings assume a greater relative importance. Among the obstacles to industrialization which had to be overcome, in addition to those just mentioned, were such attitudes of the Chinese people as tended to make them hostile to innovation; the self-sufficiency of the Chinese economic system; the relative lack of standing of the commercial and industrial classes; the chaotic currency system, and its instability due to fluctuations

11 The number of establishments doubled in some classes and quadrupled in others between 1922 and 1931.
in the price of silver; the foreign control of the tariff, which made it impossible for protection to be afforded to an infant industry; and the lack of free capital for investment, or, on account of governmental and political conditions, fear of the loss of any such large investment as the installation of machinery required.\textsuperscript{12} Two elements contributed to the development of the new industry. The first that naturally comes to mind is the influence of the West after China had come to accept more freely the new order of things. The second is to be found in the building of railroads and the establishment of steamship lines. It is unnecessary to dwell further on the improvement of communications except to point out that the large-scale production of the machine and factory system is based upon a national rather than a local market, and that the enlarged market is created as transportation facilities are improved. Thus industry was stimulated even more than agriculture by the building of railroads. For the sake of both branches of the national economy China, of course, needed much more mileage of railroads and highways than had been built by 1931.

Most of the Chinese enterprises of the modern sort which had been successful were individually financed, were family affairs, or were organized as partnerships, with two or several members. The joint-stock form of organization was only occasionally used with complete success. This was partly because legal regulation and control had not been effectively established. But even more it was due to the lack of a highly developed sense of corporate honesty, the same defect which had long manifested itself in government. Funds collected by stock subscription were often used for individual purposes, such as speculation unrelated to the business of the corporation, and thus were frequently dissipated. The distrust consequently engendered among possible investors retarded the development of larger enterprises than those coming within the means of, at the most, three or four individuals of wealth. It will undoubtedly take time for the proverbial honesty of the Chinese to be completely extended to the joint-stock undertaking. In the long run this may prove to be a good thing, however, if it leads to a multiplication of smaller industrial enterprises of a modern sort. These can be better controlled and will permit a better adaptation of the old organization to new needs than would otherwise be possible.

While the joint-stock enterprise was only gradually making its way by 1931, what is perhaps its necessary forerunner, or at least is related to it and to factory production—a modern banking system—was coming rapidly into existence. Here also the old and new were found side by side. The Shansi bankers still did a limited business in central China, and the old-

\textsuperscript{12} For a discussion of these and other obstacles to industrialization see Orchard, \textit{Contrasts in the Progress of Industrialization in China and Japan}, Political Science Quarterly, vol. 52, pp. 18-56
style exchange shops remained. But after the revolution a large number of modern banks of the Western kind came into being. Many of these became organized in a National Banker's Association, which included: the Bank of China, which was the fiscal agency of the central government, and which had branches throughout the country; the Bank of Communications, which was similarly related to the Ministry of Communications; numerous provincial banks; and such institutions as the Chekiang Industrial Bank, the Bank of the Salt Industry, the Ningpo Commercial Bank, and many others. The modern bank played and must continue to play an important rôle in promoting industrial development in China. Further than this, the government had shown a dependency on the modern banks in floating its internal loans and in tiding itself over financial crises at Peking and then at Nanking. The government banks not infrequently showed unsound tendencies in financing, particularly in their currency issues; but this was largely due to their governmental connection and to the exigencies of domestic politics, rather than to a failure of the bank managers to appreciate the principles of sound finance. The power of organized Chinese finance was illustrated on at least one occasion when the National Banker's Association was able to dictate the conditions of a loan to the government.

5. EFFECT OF INDUSTRIAL DEVELOPMENT ON GUILD SYSTEM

It is unnecessary here to recapitulate the description of nineteenth-century industrial organization, in and through the guild, which was given in the first chapter. It is, however, necessary to examine briefly the effects of the introduction of machine methods and factory production on the guild system.

In the first place, it must be recognized that much of the strength of the craft guild as a price-fixing and quality-establishing agency was due to the fact that production was local and found an outlet in local or provincial markets which the guild members monopolized. The local organization, which comprehended all who were engaged in a particular type of production in a restricted area, could control its members in these two matters. This control was further strengthened because all the processes of the industry were carried on in the one establishment, specialization being the exception rather than the rule. In other words, the organism was simple and it was integrated in the shop. The proprietors, controlling all of the steps in the manufacture of a particular commodity, were able to meet and establish standards and prices by agreement. Inter-guild agreements were necessary only in exceptional cases.

But with the broadening of the market as rail and steam communications developed, the craft guild lost the ability to control it. Where Shanghai and Tientsin goods competed in central China, for example, neither the
Shanghai nor the Tientsin guild could control the competition. Furthermore, the division of industrial production into more and more separate processes, each carried on in an independent establishment, weakened the authority of the guild, which was able to exercise control over merely a part of the enterprise of production. The industrial organism becomes so complex under modern conditions of specialized production that the essentially simple guild organization loses its usefulness. Therefore the conclusion is inevitable that modern industry, as it established itself in China, weakened the guild organization and would ultimately bring it to an end unless it found a basis of adaptation to the new order.

In still another particular the new industry has weakened the position of the guild. Under the old conditions of production it was possible to regulate the number of workers in a given industry, since a long apprenticeship was required to produce the trained artisan. By fixing the number of apprentices in a shop, the guild could limit the number of journeymen, and it could also control the number of establishments and prevent undue expansion of production. Furthermore, as the labor supply was restricted, the individual who underpaid his workmen, according to the minimum standard set up by the guild, could not readily replace them.

In the new industry the necessity for a long apprenticeship disappeared, since the mastery of one process and of the operation of a machine could be readily gained. Thus the labor supply was immeasurably increased and dependence on the guild correspondingly lessened.

Again, under the old order, the master had been a workman himself before he became the proprietor, and he lived as master in intimate contact with his workmen, who were usually few in number. Consequently there was an intimacy of relationship which made it difficult to differentiate clearly the employer from the workman. This also made it possible for master and man to be united in the one organization, as they were in the guild. Since the affairs of the shop were known to the workers almost as well as to the proprietor, the problem of fixing wages was simplified. The whole relationship was normally not that of employer and employee, in the modern Occidental sense, but that of fellow-workers.

Here again the new order produced, or at least inaugurated, a change which became increasingly important as the industrial plant became larger. In China, just as elsewhere, the factory system impersonalized industry. It produced an industrial wage-worker who was no longer in intimate contact with the artisan proprietor, and who was not himself an artisan. The result was that the proprietor, who was an industrial capitalist rather than a former workman, did not find himself at home in an organization which included the wage-worker, nor did the latter find that the old organization served his purpose.

By 1931, in the places where modern industry had developed, the guild
took on the character of an employers' association, and the workers were
developing their organization in the labor union. The latter remained in an
embryonic stage, except in such places as Shanghai, Canton, and Hongkong.
The 1925 strikes in all three places demonstrated the power and effectiveness
of action of organized Chinese labor. The organization for other than
nationalist purposes, however, had to be built on national rather than local
lines for it to be effective in purely industrial disputes.

The guild as an employers' or trade association may serve a useful pur-
pose or it may give way to some other organization. By 1931 there had
come into being Chinese chambers of commerce, which were modeled on
the foreign chambers of such cities as Shanghai and Tientsin, which, in
turn found their prototypes in those of English and American cities. The
Chinese chamber of commerce was essentially an inter-guild organization,
although it numbered individual enterprises as well as guilds in its mem-
bership. It served a distinctly useful purpose in integrating the increasingly
complex business community. Here it served modern industry much as the
guild itself served the craft in pre-modern times. It was by perpetuation of
the guild as an employers' association, and by the establishment of chambers
of commerce on the basis of the guild, that adaptation was by 1931 taking
place.

An original development, rather than a purely imitative one, was to be
found in one of the functions of the chambers of commerce as set forth
in the law providing for their organization. They might legally serve as a
court, acting through one of their committees, to settle industrial disputes
where the parties in controversy were not members of the same guild, and
to bring to an end conflicts between employers and employees over wages.
This latter form of activity, however, leads to trouble unless the workers are
given active representation. If local unions had been given representation as
workers' guilds, this defect would have been remedied and the field of use-
fulness of the chamber of commerce court have been enlarged.

It should be noted in this connection that the chamber of commerce court
did not supplant, but rather supplemented, the guild as an arbitral agency.
Disputes between members of the guild were still subject to its adjudication,
while disputes between those who were members of different guilds were
arbitrated through the more inclusive organization. The craft guild might
ultimately adjust itself to the new conditions by broadening into an organi-
zation of the related crafts. The beginnings of this development could be
perceived in the attempt to establish such an organization as the Lu-Pan
Industrial Union in Peking, with the intention of drawing together into
one unit all of those (masters) connected with the building trades. This
would not interfere at all with the extension of the chamber of commerce
idea, as the chamber could continue to find a reason for existence as an
integrating agency for the business community.
The keynote of Chinese life had been adjustment, and the utility of cooperation, rather than competition, had been fully accepted. Through the adaptation of the guild system to the new conditions there might have been successfully devised a new mechanism of adjustment which would have enabled modern China to escape some of the evils inherent in the industrial system which was being imported from the Western world. The greatest obstacle to be overcome did not lie in the realm of competition for markets, but in the field of labor relations, since the problem of keeping employer and employee on good terms had not yet been solved. The process of adaptation, however, was interrupted after 1931 under the impact of both domestic and foreign relations developments.

6. LABOR ORGANIZATION AND PROBLEMS

Organization of labor had not been unknown in the past, but it was temporary in character and was usually designed to effect some immediate end through collective action. Even so it proved on numerous occasions to be tremendously effective if the end aimed at could be quickly reached. Permanent organization was unnecessary under normal conditions, because the workers were entitled to, and did, participate in the guild meetings. Consequently it was only after 1918 that permanent labor organizations of the Western variety were formed. Such an organization was formed at Shanghai in 1919 and was called "The Union for the Improvement of Chinese Labor." The main purpose, however, was announced to be mutual benefit and protection, rather than defense against employers. This union was designed on a national basis, with the intention of establishing branches in other places. Many similar organizations were launched in Shanghai, Canton, Tientsin, and other industrial cities. It is difficult to distinguish those which had a political origin and objectives from those which had objectives such as are professed by labor unions in Western countries, but it is beyond question that the latter began to find a firm footing in the country. And although they were initially established primarily for mutual benefit and improvement purposes, they were directed more and more toward the objective of increasing wages and lessening the hours of work. Strikes for such purposes were numerous in the decade 1921–1931, although again it was difficult clearly to distinguish the political from the non-political strike. A Peking vernacular paper listed strikes from September to December, 1922, to the total of forty-one. Seventy and nine-tenths per cent, it says, were for increased wages; twelve and two-tenths per cent were in opposition to the foreman; twelve and two-tenths per cent were sympathetic strikes; and four and seven-tenths per cent were for the right to organize a union.\(^\text{18}\) It may be noted that the formation of unions was

neither prohibited nor authorized by national law in China until after the establishment of the nationalist government. A trade union Act was passed in October, 1929, which established the right of organization subject to a number of definite restrictions.

The remarkable thing was not the number of strikes after 1920 but rather the fact that there were not more of them. The constantly increasing cost of living had created a serious situation both for the factory workers and for the much larger number engaged in the handicrafts and trades. A careful study of prices, wages, and standards of living in Peking 14 showed that prices in that city had been steadily mounting since 1900 in the various dietary staples and in clothing such as was worn by the workers. There had been variations and fluctuations, but the constant trend had been upwards. This rise had been especially marked after 1920. The problem of living had also been complicated by the copper exchange, which in its turn had been increasing. This was due to a continual enlargement of the supply of coins and to their debasement. Again, the worst conditions had developed after 1920, with the result that wages had begun to be paid in silver instead of copper. During the years after 1900 guild action had brought about several wage increases, but the real wage of the workman was lower in 1924 than it was in either 1900 or 1913, the years taken as the bases of comparison. "The gilds have a minimum standard of living which they attempt to maintain. If conditions give the workers a temporary increase in their standard of living the gild does not attempt to help them maintain the increase. It will not try to raise wages until prices are such that real wages have reached the customary minimum." 15

The rise of prices at Peking was probably fairly typical of the entire country. Prices at Canton, as a matter of fact, were reported to have reached an even higher level than at Peking. In the absence of similar detailed studies of other cities, it may be assumed that, so far as they were operative, the factors which produced price changes in one place had similar results elsewhere. These factors had not been political so much as economic. "The various political events, revolution, civil war, attempted restoration of the Emperor, have had but little effect on prices unless they have been accompanied by disturbances sufficiently severe to affect the harvest by destroying crops in the field, or to make transportation difficult by commandeering rolling stock and cutting communications." 16 Among the economic factors may be mentioned drought and flood over wide areas which affected production adversely, and population increases.

To better labor conditions, three methods appeared to be available.

15 Ibid., p. 110.
16 Ibid., p. 117.
First, industrial strife might develop, as it had in many Western countries, concessions in the form of ameliorative laws or betterment of conditions being extorted through pressure from below either on the government or on the employer. This seemed to be forecast from the organization of unions and a corresponding multiplication of strikes after 1920. Second, organizations such as the chamber of commerce court, with adequate labor representation, could prove a medium for the adjustment of difficulties. This would have better harmonized with the traditions and procedure of the past. Third, voluntary amelioration from the top, perhaps as a means of forestalling the application of pressure from below, might prove successful. This would accord with the more enlightened practice in Western countries.

Some employers were already developing the third procedure. Chang Ch’ien created a “model city” around his factories. The Commercial Press of Shanghai, until the destruction of its plant during the 1932 Sino-Japanese hostilities at Shanghai, provided school privileges for children, maintained a small hospital for its employees, gave its women employees a month off before and after confinement, and furnished an attractive resting place for its employees. Withal it was able to declare a fifty per cent dividend in 1922, and its shares appreciated almost one hundred per cent. The Han-yehp’ing Corporation similarly provided for its employees, as did Mr. Y. H. Moh, known familiarly as the “Cotton King” of China. This was all good as far as it went, but it was weakened by reason of the fact that it was done from the top down. Furthermore, the “model employer” left wages low, expecting that compensation in the form of gardens and rest rooms would take the place of higher pay. In general the movement suffered from the fact that it was done “on the best foreign lines,” which had not served to prevent industrial strife in the West. And finally, these individual achievements served to obscure the fact that good working conditions were not the rule.

It must be recognized that most employers in China, as elsewhere at a similar or even more advanced stage of development, felt no interest in voluntarily improving the condition of workers by raising wages, lessening the hours of work, protecting women in industry, and refusing to make use of child labor. Wages were very low, and yet strikes were necessary to raise wages in such places as Shanghai in order partially to keep pace with the increase in the cost of living. Even among the more enlightened employers there was no sentiment against the employment of women and children, and certainly there was little among the masses even of the industrialized workers, for the income from the labor of women and children appeared to be necessary to eke out the family income. Higher wages needed to be paid before there could come any pronounced demand from below for the safeguarding of women and children in industry. In this
respect the enlightened employers were far in advance of the demands of labor. Government regulation was attempted (the Ministry of Agriculture and Commerce promulgated regulations governing such labor), but political stability was a prerequisite of effective governmental action.

Just how far legal regulation and control of industry would develop after 1931 was problematical. The old tradition was to allow the economic life of the country to control itself, subject to the interposition of the magistrate when the public peace was threatened. This tradition was continued, as has been pointed out, in the development of the chamber of commerce court. But the new point of view toward governmental functions, it could be expected, would continue to express itself, when political stability had been attained, through the development of some measure of legal regulation of industrial conditions.

7. EFFECT OF FOREIGN PARTICIPATION IN CHINESE INDUSTRY

In 1931, even if there had been political stability, the problem of regulation and control of the new industry would have been more difficult of solution than in most countries because of the extent of foreign participation in it. For example, thirty-four per cent of the modern cotton spinning plants were Japanese-owned or -controlled, and an additional three per cent were British-owned or -controlled, leaving sixty-four per cent to Chinese control. While the same proportions did not hold true for other industries, foreign participation in some industries being considerably less, and in others even greater, there was generally a substantial foreign interest in Chinese factory production. Inflation in Japan following the war, together with the efforts of the Japanese government to encourage investment in industrial undertakings in China, help to account for the striking movement of Japanese capital to China, and the cheapness of Chinese labor interested foreign capital in general in the establishment of factories in China. The problem of control arose from the fact that the foreigner was protected by the treaty system. It was further complicated by the establishment of many enterprises, some of them Chinese-financed, in the foreign residential areas, where they were largely removed from Chinese control.

It is readily apparent that the old idea of industrial self-control and regulation could not be maintained unless the entire industry was brought within the controlling organization, whether it was the craft guild or an industrial guild. Even government regulation could not be fairly introduced unless it could be extended over all engaged in the same type of production. For example, the native cotton industry could not establish regulation as to price, quality, wage and labor conditions, and make them effective, so long as the foreign mills in Shanghai were unregulated. Of course the reverse was also true. One difficulty encountered by the Shanghai Child
Labor Commission of 1924 in framing recommendations for the consideration of the Municipal Council lay in the existence of competitive industry in the same industrial area which would not be affected by any regulation so enacted. "It is obvious," reported the commission, "that any action which might have the effect of raising the cost of production within the settlement would not only be unfair to industries competing with those outside, but would also be unwise from the more general point of view, since it would tend to the subsidization outside the settlement of the very evils which were being attacked within." 

So long as the settlements remained under foreign jurisdiction, this anomalous condition would continue. Chinese regulation, whether in law or through the organization of the native industry, could not extend over the foreign-controlled industry located in the concessions, and regulation in the concessions would be qualified in extent and operation, except as co-operative working arrangements were made between the two sets of authorities.

From this it may be argued, as the Chinese maintained for this and other reasons, that the foreign concessions should have been restored to the control of China. This was part of the demand of the new nationalism. So far as social legislation was concerned, however, this would probably not result in the immediate curtailment of the hours of labor for women and children or in other safeguards for them in industry, for non-communist and non-radical Chinese opinion on this point was not yet highly developed.

Another problem presented through the foreign-managed enterprise, no matter where it was located, came from the fact that in all labor disputes there was the possibility of race or national trouble developing. A strike in a Japanese, British, or American mill, growing out of treatment of the laborers by the foreman, or due to a controversy over wages, readily took on the character of an anti-Japanese, anti-British, or anti-American movement, and led to an international difficulty. The 1924 strike of the Hongkong seamen, and that in the Japanese mills in Shanghai in 1925, served to illustrate this ever-present possibility. The growth of nationalist sentiment made the danger particularly acute. Any such diversion or enlargement of issues was of course political and partly artificial in character. But it was a factor which from 1920 to 1931 had to be seriously reckoned with.

These, then, were the significant economic changes which had been taking place in the years from 1900 to 1931: (1) an expansion and change in the character of the import and export trade; (2) some progress in agriculture, and, through improvement of communications, an enlargement of the market for agricultural products; (3) the introduction of modern machine production, and the factory system in industry; and, as a result of this, (4) changes in economic organization which were of great significance.

17 From the report of the Shanghai Child Labor Commission, published in full in China Year Book (1924-1925), pp. 545-561.
for the future. Since 1931, when Japan renewed her continental expansion, marked changes have occurred in China’s economic and social life.

REFERENCES FOR FURTHER STUDY


For current materials consult Readers Guide and indexes of Far Eastern journals and periodicals.