

CHAPTER VIII

KWANGTUNG, WHERE CHINESE GOVERN

While much of northern and central China has been wasting its substance in meaningless civil war, and the banditry encouraged thereby, a definite and rational philosophy of government has been spreading its influence from Canton throughout southern China. There has been bloodshed, loot, and disorder in full and heaping measure among these southern provinces but, in contradistinction to the north, one faction has preserved real continuity and a truly patriotic aim. That faction is the Kuomintang, or People's National party. Its aim is the establishment of a really sovereign Republic of China, formed by a Federal grouping of semi-autonomous provinces.

Canton, with an estimated population of 1,400,000, is a larger and commercially much more important metropolis than Peking, just as Kwangtung Province,¹ in the heart of which the southern capital lies, is much richer and more fertile than Chihli. In Kwangtung one-tenth of China's 400,000,000 inhabitants are concentrated, and there the Kuomintang has nearly half of its 500,000 members and a large proportion of the peasant "sympathizers" which this well-organized radical movement is seeking to win over.

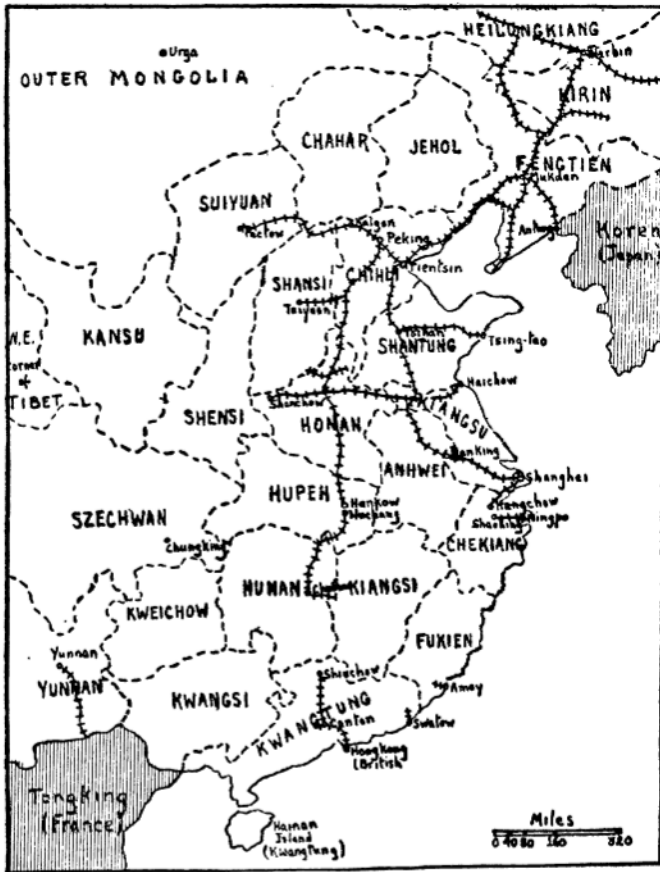
In the brief period since June, 1925, when the Kuomintang, heir to Sun Yat-sen's life work, secured

¹ Not to be confused with Kwangtung, the Japanese leased territory on the Laiotung Peninsula in South Manchuria.

unchallenged control of Canton, its gains have been remarkable. During that time, the entire province of Kwangtung has been brought under the strong rule of the provincial capital, and Kuomintang influence extended into the four adjacent provinces of Kwangsi, Hunan, Kiangsi, and Fukien, containing, with Kwangtung, a population as numerous as that of the United States. Truly, the fighting throughout China, which is practically all we hear about in the fragmentary news dispatches from that country, may give a very incomplete and misleading impression of what is significant to the Chinese as a people. We little realize that the last twelve-month in Canton has seen the evolution of a very capable civil government which at present controls the military arm in a way unknown elsewhere in China, and which runs its finances on an efficient budget system. Most of the information about Canton abroad has come through the neighboring British colony of Hongkong, against which for the same twelve-month period there has been maintained a ruinous boycott hardly conducive to a temperate opinion of its sponsors.

To sift out the truth about Canton between the absolutely conflicting statements which fill the air there and in Hongkong is no easy matter. But one comprehensive statement may be made with absolute certainty. The present Canton government is well grounded, growing in strength, in fact if not in name completely independent of Peking, assured of whole-hearted support by Soviet Russia, and completely contemptuous of foreign treaty rights. If it were not so powerful it would not be so well liked, nor so much hated.

The Canton government may legitimately be called Bolshevistic in the loose sense of the word. It has welcomed revolutionary Russian advisers and military instructors. It has sanctioned uncompensated seizures of private property and established government monop-



PROVINCES AND RAILROADS OF CHINA

lies by fiat. It rules by a frank and open dictatorship of a minority party which glorifies the manual worker in proper soapbox spirit. It arms striking coolies with modern rifles and takes good care to see that disgruntled merchants shall not be similarly protected. Without the slightest hesitation it interferes with private trade and commerce, Chinese or foreign, for political ends. And it is rather more than neutral in its attitude toward anti-foreign, anti-capitalist, and anti-Christian agitation.

Nevertheless, the Canton government is not Communistic. Nor can it be said to have severed all constitutional relationships with Peking, with which city there is as yet no rail connection. The five-bar flag of the Chinese Republic still flies above the Customs Building in Canton, in contrast to the sunburst banner of the Kuomintang which predominates everywhere else in Canton, and customs revenues, or a part of them, still accrue to the credit of the National government. That this is so is partly due to the care taken by Michael Borodin, chief of the Russian Advisory Commission, not to draw too much foreign attention to what is happening in Canton, and partly due to the tact, good judgment, and firmness exercised by Hayley Bell, an Englishman who is Commissioner of Customs there, in handling an extremely difficult, delicate, and (as an assault on him has shown) dangerous job. Customs revenues are also collected for Peking, against strong local opposition, at Swatow and other Kwangtung ports, though authority in this sphere is the only point on which Kwangtung acknowledges the theoretical Federal sovereignty.

As long as they do not attempt, for the duration of the boycott, to trade in British goods or with Hongkong, Chinese merchants in Canton are free to carry on their business without any serious restrictions. There are

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heavy taxes, levied, as T. V. Soong, the youthful Harvard graduate who is Minister of Finance, thinks necessary. But as there are no illegal military exactions, as in so many parts of China, and as the national characteristic of "squeeze," or petty official graft, has been greatly reduced, little grumbling has occurred on this score. Indeed, the Canton Chamber of Commerce and other business organizations have more than once financed adequately secured municipal loans.

The Canton government has declared an oil monopoly, seemingly designed to favor Russian oil, which is coming in from Vladivostok and even the Black Sea in increasing quantities. An undue proportion of revenue goes to the Russian-directed military academy at Whampoa and to the labor unions in one form or another. The avowed tendency of these last to dictate what wages shall be paid, what contracts shall be let, who shall be employed, and similar industrial matters is not to be ignored. But it is necessary to remember that these symptoms reflect tactics of the local Chinese Communist party, which is now more hostile to than allied with the Kuomintang. The students in Canton, it is interesting to notice, are coming out in active opposition to native Communism. Recently those at Canton Christian College voted, 484 to 32, to rid themselves of three Communist members of their body, practically forcing American members of the faculty to approve the expulsion, in which the Chinese teachers concurred. Canton, in other words, has lived so close to Communism that a natural reaction first to its methods and then to its doctrines has set in. This has been demonstrated by the withdrawal from the city of half of the twoscore Russian agents who were operating there during my visit, in February, 1926. They had made the mistake, customary with all foreign advisers in China, of regarding themselves as the direc-

tors rather than the employees of those who had taken them into service.

The outstanding question regarding Russian influence in Canton is the objective behind the painstaking effort which the Soviet Government has been making at this central point of southern China. Like every other policy to which Moscow has committed itself since 1917, it is probable that a dual motive enters. Comrade Borodin was invited to Canton by Sun Yat-sen in 1923, and he and his staff have as much right to be there as technical advisers as the Americans, British, Japanese, and representatives of other nationalities who fill similar posts in Peking. I do not think it would be hard to prove that the Russian staff in Canton has been just as interested in building a stable government as any of the foreigners in service under the administration at Peking. Judging from results alone, the Russians have been easily the more efficient of the two groups.

On the other hand, it is not to be doubted that the Russians in Canton are also there as Communists, interested in stirring the Chinese to active hostility against capitalistic imperialism. For this purpose Canton is an excellent base. The map on page 139 will indicate the strategic importance of Kwangtung Province in the admitted Russian scheme of spreading unrest among subject peoples.

From the great island of Hainan, brought under the control of the Canton government early in 1926, after a campaign planned by Admiral Semenov, its Bolshevik naval adviser, the long coast of French Indo-China is less than a day's sail distant. Extension of Kuomintang control to Hainan coincided with a tightening of police regulations in this French territory. Just beyond Indo-China lies Burmah, another former Chinese vassal state, annexed by Great Britain in 1886. Within easy reach of the Kwangtung coast to the southeast and to the east

lie respectively the Philippines and Formosa, important dependencies of the United States and of Japan. From Kwangtung, in other words, it should theoretically be possible to foment trouble for every one of the four imperialistic powers which in the past have demonstrated readiness to take arms against Soviet Russia. Far-fetched as this sketch of possibilities behind the Russian influence in Canton may seem, there is sufficient circumstantial evidence about it to justify serious consideration. But the impression must not be given that the vigor and enterprise which dominate Canton today are dependent upon Russian influence. There is no doubting either the patriotism, the sincerity, or the ability of the local Chinese leaders who are building good government in Kwangtung as an initial step towards the regeneration of their country and the complete abolition of one-sided foreign privilege.

The Nationalist government of Canton, which is in substance a board of commissioners with dictatorial powers subject only to the National Executive of the Kuomintang, was established on July 1, 1925. Its great aim, as announced at the time, was the unification of Kwangtung Province, then controlled by half a dozen virtually independent generals and overrun by a horde of bandits and river and coastal pirates. In the short space of seven months political unification was accomplished. Plenty of banditry and piracy remain, but there is no doubt that the military can gradually stamp this out. It is characteristic of the administration that action to this end is taken slowly, on the theory that the only way to solve the bandit problem permanently is to establish first a normal civil life into which men driven to robbery by social chaos can be reincorporated.

Very remarkable for China, and a great personal tribute to General Chiang Kai-shek, the youthful military genius of the provincial army, is the fact that the army

is held in complete control by the civil authorities at Canton. The troops are well officered and disciplined, partly due to the ceaseless efforts of the Russian drill masters at Whampoa Military Academy. The equipment is good, and the people of Canton no longer bother to look up as the cadet aviators from Whampoa fly bombing and scout airplanes over the congested city streets. From sources hostile to the government comes the admission that there was little or no plundering during the military unification of the province.

Side by side with the re-establishment of order, financial reform has gone steadily and constructively forward. Before the Kuomintang asserted authority, a great part of the revenues of Kwangtung Province were being seized for selfish purposes by any military commander or official who could get hold of them. Now, taxes are collected by responsible officials and turned into the provincial treasury under comparatively strict accounting methods. There is no more issuance of the debased currency which was helping to make economic conditions in Kwangtung chaotic and the Treasury has built up a large cash reserve to insure stability for domestic note issues. A budget system is installed, and without increasing taxes the government was able, through official honesty and efficient collections, to quadruple its revenue within eight months of taking control.

It is not so easy to state specifically what is being accomplished in the important field of judicial reform. C. C. Wu, son of the famous Wu Ting-fang, now Mayor of Canton and an influential member of the government's inner circle, has directed a commission working on this task, having his experience as a qualified member of the London Bar to serve him in good stead. The system of penology in Canton has been brought more in accord with western ideas than is the case in most large provincial Chinese cities. Clearly the

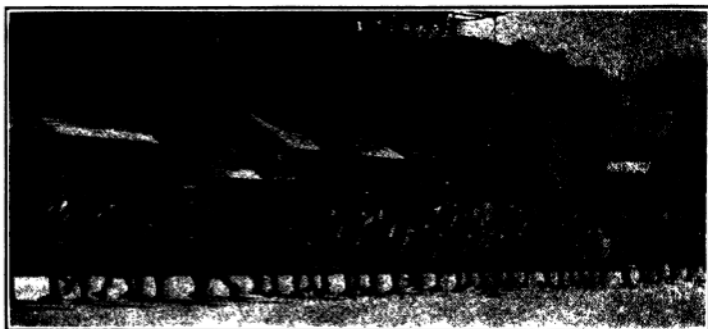
Kuomintang government is quite as anxious as that of Peking to do its part in removing all valid excuse for continuation of extraterritorial jurisdiction. It has also pledged its word to abolish *likin*, the inland transit tax, which is supposed to be terminated throughout China coincident with the promulgation of complete tariff autonomy, tentatively scheduled for January 1, 1929.

Vessels of more than twelve-foot draft cannot safely berth in Canton harbor, so the government is endeavoring to develop the port of Whampoa, seven miles down the river towards Hongkong, which can now be reached by ships drawing up to twenty feet. Under the boycott no British ships, nor those of any nationality which have touched Hongkong en route, are allowed at Whampoa. Nevertheless, a steady stream of ocean-going cargo steamers now plies to and from the port of Canton. During the early months of 1926, an average of more than ten steamers a week came up to Canton from Shanghai without stopping at Hongkong, an omission almost unknown in the old days. In addition, Canton's direct trade with foreign countries, in foreign bottoms, is increasing. Japanese shipping greatly predominates, with Russian, Norwegian, and German tonnage competing for second place. The American merchant marine is also represented, the Dollar Line conducting a regular freight service between Whampoa and Pacific Coast ports. During 1925, the boycott reacted to cause a 20 per cent decline in the foreign trade of Canton, but it is claimed that the present year will show recovery in the export and import statistics.

The scheme for the improvement of Whampoa harbor to make it a permanent rival of Hongkong calls for an expenditure of some \$15,000,000. Only a trivial part of the proposed construction work has so far been attempted, lack of funds preventing. This instance has applicability to many local schemes. There is much

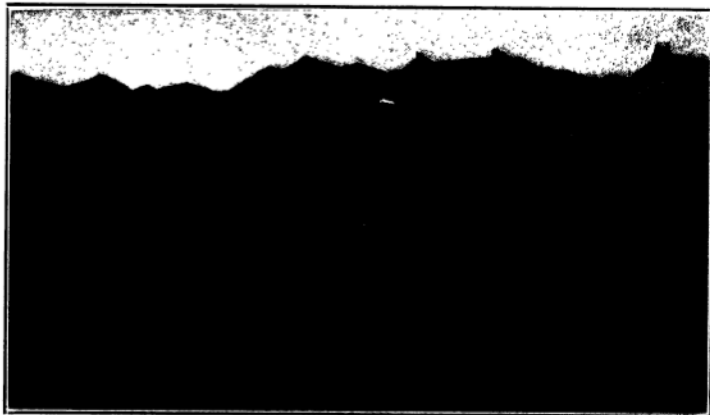
frothy talk in Canton about what the government is going to do in the way of port improvement, industrial development, and general betterment of commercial and agricultural organization. Numberless committees have been appointed, grandiloquent plans drafted, and all sorts of resolutions passed and given as much publicity as possible. In fact, it will take many months before economic ambitions can evolve from the blueprint stage, for one good reason because the authorities have been spending so large a proportion of their revenues on improving the army and enforcing the boycott against Hongkong. There is much promise of, and little money for, social and economic improvements. Months of delay were allowed to pass before the completion of so basic a project as a good road from Canton to Whampoa. And, except for the military and foreign-supported schools, less is being done for education than in other provinces which do not advertise so freely about their good intentions.

Yet, in spite of all shortcomings, it remains apparent that the provincial government of Kwangtung is the most capable that any part of South China has seen since the 1911 Revolution; that it is following a line of development in general suited to Chinese temperament, conditions, and traditions; and that its actual accomplishments give promise of further successes as the foundations settle into place. For a time the continuation of the experiment was threatened by the success of the Wu Pei-fu and Chang Tso-lin alliance in the north, but geographical considerations, aside from other factors, will probably preserve the Canton government from military overthrow now that it has won its firm establishment. Troops adhering to Marshal Wu, indeed, have shown utter inferiority when faced by Kwangtung forces. If Canton can solve three problems, each calling for a high degree of statecraft, its notable con-



CANTON'S ARMY

A machine-gun detachment departing for action against the war-lords of North China.



OLDER THAN CHRISTIANITY

The Great Wall of China climbing the mountains beyond Nankou Pass. A camel caravan laden with munitions for the Kuominchun is passing through the gate in the lower right-hand corner.



tribution to the regeneration of China as a whole will probably be permanent.

The first of these is the gradual elimination of a Russian influence which has been so pronounced as to make Chinese protests against other "imperialisms" sound rather silly. Most of the real leaders in Canton recognize this, and papers of dismissal are being gradually prepared for the Soviet advisers who still remain. But the existence of a general foreign hostility as well as the real services rendered by Borodin to constructive development makes it difficult to dispense altogether with Soviet support.

The second problem is government control of the Strike Committee, in charge of the Hongkong boycott. This committee operates independently of the government. It maintains a picket organization of some 30,000 men who are supported by the taxpayers, terrorize respectable Chinese merchants, and line their pockets with surreptitious "squeeze." As recently as June 27, 1926, five Chinese seeking to travel from Canton to Hongkong were shot dead by these organized ruffians. There is little doubt, however, that the government has the upper hand in the matter and that the negotiations for boycott termination will be carried through successfully. Certainly the great majority of Cantonese are anxious to see normal trade relations with Hongkong resumed.

The third problem is the decision as to whether Kwangtung shall be an efficient provincial government under loose federal control; whether it shall take the lead in forming the separate Republic of South China which has so often been discussed; or whether through the agency of the Kuomintang it shall take the grave risk of trying to gain control of Peking by military operations. The first of these possibilities was the one indorsed until Wu Pei-fu went on his recent rampage. It

should be clear from what has been written that the best hope of extending the constructive nationalism of Kwangtung throughout China lies in providing an inspiration for other provinces rather than in subjecting them to a conquering southern army.