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The Provincial Warlord Faction in Yunnan, 1927-1937

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INTRODUCTION

The purpose of this thesis is to describe the rise to power of a group of military officers in the province of Yünnan in 1927 and to give an account of some aspects of their rule up to the outbreak of the Sino-Japanese War in 1937. The period taken for consideration is sometimes known as the 'Nanking Era',¹ when a Central Government was established in that city under the leadership of Chiang Kai-shek, the military commander of the Northern Expedition, which exceeded in power and authority that of any previous government (such as the Peking Government) since the death of Yüan Shih-k'ai. It is now a commonplace to recognize that China was not unified under the rule of Chiang Kai-shek during these ten or so years, and that there existed numerous military leaders, commonly known as warlords (chün-fa), who nominally recognized the authority of the National Government but maintained a de facto independence.² The province of Yünnan was a region in which this kind of autonomy existed and through a study of a few of the elements in the history of this province it is hoped to say something about the nature of the autonomy which existed and the means by which such an autonomy was upheld.

Briefly there are two considerations which have determined the limits of this study: firstly, the military rule which came into existence during the Northern Expedition in Yünnan coincided with

X and was partially affected by the rise of Chiang Kai-shek and the Kuomintang (KMT); secondly, the removal of the Nanking Government to Szechwan, following the outbreak of the war with Japan, signified and symbolized a new period in the relations between national and local authority which derived from the existence of the war and the consequent alteration of the structure of control which had existed up to that point. Thus this study of provincial autonomy is linked with the relationship which Yunnan enjoyed with the Nanking Government while the latter was the sole claimant to legitimate, national authority.

In this introduction it is intended to delineate the major themes of the history of Yunnan during this period to make the ensuing narrative comprehensible in its entirety and discuss some of the terms employed to clarify their meaning. The most fundamental of the terms used is that of the provincial warlord faction.³ The most basic definition of a warlord has been provided and elaborated on by several historians of contemporary China, and the most concise formulation is probably that of Sheridan.

"A warlord exercised effective governmental control over a fairly well-defined region by means of a military organization that obeyed no higher authority than himself."⁴

It is not proposed to consider in any detail the nature of warlords and their rule in China prior to the Northern Expedition, but to concentrate firmly on describing the essential characteristics of warlord rule as exemplified by the control which Lung

Yün established from 1927 onwards. But this study is not an attempt at a political biography of Lung Yün in any sense of the word. There are several reasons for this. Firstly, the basic conception of this study is that while contemporaries emphasized the individual nature of warlord rule,⁵ the frequency with which warlords were defeated by coups organized by their subordinates points to the existence of a group of military officers under the command of a single 'warlord' who composed a faction. The nature of the faction will be considered further; here it will suffice to mention the existence of such politico-military groups. Secondly, the obscurity of Yunnan in terms of national politics during the period 1927-1937 is reflected by an absence of detailed information concerning the individual actions and thoughts of Lung himself. This is not to say that nothing can be said about the character of this man or that the faction was a unity such that Lung was solely its spokesman, its primus inter pares. While this may have been true during the period before 1931, when a group of officers within the faction attempted to overthrow Lung, from that date onwards, the rule of Lung seems to have become more personal, in the sense that it was he who decided policy and the role of the faction in determining political and economic goals was diminished.

The use of the term warlord in itself has been tacitly challenged by at least one writer,⁶ and it is certainly true that the emotive force of the term has led to many Chinese historians and

political theorists employing the term in a pejorative and not merely a descriptive or analytical manner. Scarcely any man in command of troops from the Ch'ing dynasty onwards, has escaped having the label "warlord" stuck firmly on him. The Ch'ing generals who fought in Korea in the Sino-Japanese War of 1894-95 have been so termed; Chiang Kai-shek was similarly abused; the list could be infinitely prolonged.⁷ But this pejorative element which has become attached to the term need not mean that others have to be substituted. The fact that the rule of Chiang Kai-shek and the existence of the Chinese Communist Soviets depended upon military force to a greater or lesser extent does not mean that their political power may be described as warlord in nature.⁸

The term warlord can be employed quite simply to denote a military leader who ruled a given territory by means of an army loyal to his person and who financed his army and the governmental system which he adopted through the extraction of revenue from the region, whether through taxes or income from commercial and industrial undertakings. This definition consequently suggests that there were numerous military leaders who cannot be included within the scope of this definition. Feng Yü-hsiang, particularly during the period after 1927, could be excluded on the grounds that he did not control a stable territory.⁹ On the same grounds many of the enormous numbers of military leaders who sought to establish semi-permanent territorial bases should not, perhaps, be called warlords. Their importance for an under-

standing of Chinese society during the Republic is undeniable,¹⁰ but it is not proposed to develop a very general theoretical scheme to develop further nomenclatures for both the 'major' and 'minor' military leaders who, in the sense in which warlord is understood here, were not in fact warlords. The scarcity of information about the many minor military leaders is but one reason why any attempt to provide such a theoretical scheme would be premature and, perhaps, confusing.

Broadly speaking the warlord was the leader of a group of military officers whose loyalty to their commander derived from a number of distinct elements. This group is termed the faction. The warlord faction is held to be distinct from the provincial warlord faction in the following way. If the four provinces of Szechwan, Kweichow, Kwangsi and Yunnan are considered, from the period of the Northern Expedition onwards, a sharp distinction may be drawn between the two former and the two latter provinces. In Szechwan and Kweichow a number of military leaders created warlord factions, but no single faction was strong enough to unite the province by expelling its rival factions or by completely eliminating them as military and political rivals. In Szechwan several warlord factions occupied distinct areas of the territory of that province and the same was true of Kweichow.¹¹ While one warlord might be recognized as the 'chairman' of the provincial government, in fact he had not the power to unify the whole province. The warlord factions in those two provinces

might be termed 'sub-provincial warlord factions'.

In the cases of Kwangsi and Yünnan, one single warlord faction succeeded in unifying the province in question and driving out other warlord factions. In Yünnan it was the faction of Lung Yün which succeeded in establishing itself as the provincial warlord faction while its rivals gradually sank into obscurity after their military defeat. The history of military rule in Kwangsi is more complex since the faction which unified the whole province had come into being before the Northern Expedition, and took an active role in its accomplishments. But the fundamental distinction drawn between the two sets of provinces remains clear. In Szechwan and Kweichow there existed sub-provincial warlord factions who were forever at war with each other, while in Kwangsi and in Yünnan (in the latter case particularly following the final defeat of those factions which had been driven out of Yünnan by Lung Yün in 1929) factions existed which controlled their respective provinces without any opposition from military force of a warlord nature. Bandits in Yünnan and communists in Kwangsi were, of course, present in certain periods and presented a military danger.¹² But in the case of Yünnan bandits did not present the same kind of threat; they sought either to continue in their "banditry" or to gain legitimacy through being commissioned into the army of the provincial faction.¹³

The distinction which has been drawn between military leaders active from 1927 onwards (leaving aside the KMT and Chinese

Communist Party (CCP), again another area for investigation) suggests that there were three broad categories: firstly, a large number of major and minor leaders who through their incapacity to hold down a fixed area of territory should not be called warlords; secondly, military leaders who created factions which succeeded in keeping hold of a territorial base, but who did not form factions capable of dominating a single province; thirdly, there were the warlords who united one province under their leadership and whose factions may be termed provincial.

This kind of distinction is a historical one in the sense that it attempts to outline a possible line of progress, ascending from the rank of 'nomadic' military groups to those of sub-provincial and provincial factions. When one contemporary authority suggests that the question to be put is not so much who was a warlord, but "...whose specific action or decision under a given circumstance should be described as that of a warlord", it seems that by adopting the general system of distinctions suggested above, the problem is more one of defining when a given individual was in fact a warlord and not whether a given individual displayed "warlord" characteristics.¹⁴

In Yunnan during 1927 three discernible warlord factions arose from the dissolution of that of T'ang Chi-yao. It would be wrong to generalize from the example afforded by one single province, but it seems feasible as well as necessary to try to elucidate the terms 'faction' and 'provincial' further, from the

events which took place in Yünnan during 1927. An emphasis has been placed on the idea of a provincial faction for two reasons. Firstly, the origins of the warlord factions were undisputably linked with the fact that the leading members of, for example, the faction of Lung Yün, were without exception natives of Yünnan. The concern of the faction, whether that of Lung Yün or of his rivals, was for the continuation of the rule of warlordism within the province whence they originated. Secondly, the faction of Lung Yün was provincial in the sense that it did not aspire to extend the system of administration whereby it governed and extracted revenues from the province to any other province neighbouring it. It is certainly true that in 1929 and in 1930 wars were fought by Yünnan against warlord factions in Kweichow and Kwangsi respectively, but there was never the intention of absorbing these provinces under the rule of Yünnan. It was also the case that the faction of Lung Yün tried to give support to one or another warlord in Kweichow during the 1930s, but essentially the faction in Yünnan was concerned to maintain itself in that province independent of the authority of the National Government. This was one point of difference between Yünnan and ✓ Kwangsi, in which latter province the faction did seek to openly challenge the national authority of Nanking and Chiang Kai-shek.

The concept of faction has been repeatedly employed in the basic sense of a group of military leaders under the command of one single warlord, united in their loyalty to him through

various considerations of a non-ideological kind and sharing common goals, which were related to personal advancement and the advancement of the cause of the faction in achieving dominance in the province.

This brief characterization needs elucidation before it can be given any meaning; it seems best to consider the nature of the loyalty which the warlord received from the faction and the nature of their common goals. The idea of a faction is strictly limited to that of the military nature of its constitution. While the faction did not exist in a vacuum, which will become apparent in the body of this study, and while its success or failure in establishing itself as the sole ruler of any given province depended on the support which it could muster from the civilians who staffed the provincial administration, the faction as such is defined as being restricted to those military officers who held commands over troops or those who were capable of influencing the political and military objectives of the leader of the faction. Common soldiers were not warlords, simply the basis of their power.¹⁵ The faction in this sense cannot be defined with great precision, partly because of the limited nature of the data, and partly because the concept of command over troops does contain an element of ambiguity. Roughly speaking, it appears that on an empirical basis the faction included the senior officers of the army, from the rank of brigadier upwards.¹⁶

It is proposed to discuss the themes of loyalty and common goals with reference to the faction of Lung Yün. It would be much better if it had been possible to discuss too those of Lung Yün's rivals; but history favours the winners. While Lung, as a representative of a form of political and economic power in China which has now disappeared, was also a 'loser', at the time when he ruled he appeared very much a successful man of his kind. It should be stressed that this is not a political biography of one man but an attempt to understand a few, limited aspects of warlordism during the Nanking Era; hence the need for the concept of the faction.

Broadly speaking the career of Lung Yün may be divided into three stages. The first was that of his youth and manhood when he served under the warlord of Yunnan, T'ang Chi-yao; the second was that of his rise to power from 1927 up to 1931 when his senior officers revolted unsuccessfully against him; the third period was one from that year up to 1937, the last year considered in this study, when he fashioned an army and faction which was even more under his domination than that which had preceded it in the second stage.

The loyalty of a subordinate officer to his commander derived from several considerations: firstly, common nativity in the same province; secondly, familial ties or similar association; thirdly, a calculated endeavour to advance the career of the subordinate by associating himself with the 'coming man'. Re-

lated to all these factors was the absence in Republican China of adequate institutions to which the army officer could give his allegiance, as Ch'en points out.¹⁷ The concept of loyalty to a military superior was not a characteristic unique to warlord armies or factions. What was unique in the loyalty of subordinates to the leader in warlord factions after 1927 was the crucial role that it played in maintaining any given warlord leader in power.

In the faction of Lung Yün all of his officers were, as far as such matters can be known, born in Yünnan. There was no exception; this tendency was reflected by a move made in 1928 to expel all non-Yünnanese troops from his army.¹⁸ But apart from the qualification of nativity in the same province familial ties were of great significance. This was partly because the lack of institutional systems of enforcing loyalty, such as political principles incorporated within a civilian dominated political party capable of exercising real authority over its military forces, compelled warlords to seek security by nepotism. Many of Lung Yün's military officers, the members of his faction, were related to him. These relationships will be elaborated further in the following pages. Nepotism, however, was a double-edged weapon; for not every member of a faction could be related to the leader, and any overt display of excessive trust in a relative could provoke those factional subordinates without familial ties with the leader to active revolt. The behaviour of T'ang Chi-

yao in this respect (discussed in Chapter One, pp.61-62) was but one example of the damning consequences of too great a reliance on this one method of ensuring loyalty. Lung was nepotistic to a degree which outdid T'ang Chi-yao, but he was able to act from a position of strength, whereas T'ang Chi-yao in 1926 was already being undermined from without by the pressures of the Northern Expedition and its affect on the political attitudes of Lung Yün and his fellow officers with regard to T'ang.

The question of the advancement of the personal career of any given individual and of the advancement of the interests of the faction, and not simply the interests of the leader of the faction is the third significant element in determining the nature of the loyalty of a subordinate. Within Lung Yün's faction during the period from 1926 to 1929 two distinct groups of military officers may be distinguished. On the one hand there were those officers who had served in Lung Yün's army before the coup d'état against T'ang Chi-yao in the spring of 1927 and who remained loyal to him throughout the wars which he conducted against his rivals, and on the other hand there were those who went over to Lung only after it had become apparent that Lung would probably win through. This latter group, which included some of T'ang Chi-yao's relatives and closest supporters, such as his cousin T'ang Chi-lin, were soon either removed from positions of power or deserted to opposing factions when they saw the possibility of improving themselves.

The insecurity of life as a warlord encouraged a tendency to accumulate wealth as quickly as possible. Before the firm establishment of a provincial warlord faction its members would be keen to make sure they were on the "right side" since the struggle for provincial dominance amongst factions was a harsh and bitter one, and in spite of some exceptional circumstances which are too complex to dwell upon here,¹⁹ any member of a faction who changed sides could not expect mercy if he were defeated by the faction he had left.

But the essential element in the factional view of warlords and their ability to hold together a faction lies in the pre-supposition that the motives which impelled military officers to serve in a particular faction, apart from the personal ties mentioned, were connected not simply with those of personal gain. It was not just a case of a subordinate giving loyalty in return for grace and favour, particularly of a pecuniary nature. A faction once established as the sole ruler of a province was united by an identity of interests. In the initial stages the interest was probably no more than keeping what the faction held. But once established as a provincial faction then apart from the desire to get rich quick there were other goals of a political nature. It seems clear from the evidence at hand on the behaviour of Lung's faction that the latter saw itself as the defender of the interests of the province which it controlled; in maintaining its independence and possibly in furthering the interests

of the neighbouring provinces in upholding their independence as an added means of reinforcing the autonomy of Yünnan. Before a warlord faction was in the saddle the interests of the faction, its common goals, lay in expanding its power and control; after establishing provincial power the emphasis was shifted to furthering what were conceived to be the interests of the province. This is not to say that the members of the faction gave up their desire for wealth. But it seems fair to suppose that the political goal of provincial autonomy which the faction pursued was distinct from the simple scramble for money.

To make concrete some of the ideas of loyalty and common goals outlined above it is now advisable to give some account of Lung himself and the other leading military leaders in the army of T'ang Chi-yao who finally destroyed his power in 1927. In so doing it is possible to see the provincial faction of Lung Yün in the perspective not only of the period under consideration, but also of the history of the province under T'ang Chi-yao himself. But it should be made clear that no attempt is being made to give a history of T'ang Chi-yao's faction.²⁰

Lung Yün was born in the county of Chao-t'ung in the north-east of Yünnan to a landlord family of the I minority, in or around 1885.²¹ His father seems to have been of the I minority whilst his mother was a Han Chinese.²² His relationship with this minority explains his predilection for employing non-Han Chinese officers in his army and the violent attacks made upon

him as a "Lolo (a derogatory term for the I) barbarian".²³

His father, Lung Ch'ing-ch'üan, died when Lung was very young and he was brought up by his mother together with two sisters.²⁴

Lung's mother was the sister of Lung Te-yüan who had four children namely, Lung Tse-ch'ing, Lung Yü-ts'ang, Lung Tse-hui and one other whose name is not recorded.²⁵

Lung Te-yüan, Lung Yün's uncle was a military graduate of the Ch'ing dynasty (wu-sheng), but nothing else in Lung's background especially marked him out for a military career.²⁶

Of Lung Te-yüan's children, Lung Tse-ch'ing, married Lu Han, a senior general of Lung Yün for many years.²⁷

The relationship between Lung Yün and Lu Han is not entirely clear. One source close to Lung states that Lu was related to Lung Yün on his mother's side, and it has been suggested that Lu was in fact Lung Yün's half-brother.²⁸ The evidence for this assertion is somewhat mixed. For example, both of Lung's sisters were younger than him. When Lung Chih-chen died in late 1935 she was aged forty-six, so she could not have been born earlier than 1889.²⁹

The Chao-t'ung hsien-chih carries a preface written by Lung in which he states that he celebrated his mother's funeral in the winter of jen-hsü, that is 1922.³⁰ According to the same source Lung's mother had "kept her virtue for thirty-six years", which would suggest that her husband had died in 1886 or 1887.³¹

On this basis her daughters, all born after Lung Yün, either were figments of the imagination or were the product of another, later marriage from which union Lu Han may

have sprung. The above argument is not designed to demonstrate a dubious academicism but to illustrate two points. Firstly, Lung Yün wished to honour his mother by conferring on her the dignity of having "kept her virtue"; secondly, it is noticeable in the later Chao-t'ung hsien-chih kao that Lu Han is not mentioned, which was presumably because he had taken part in the revolt against Lung Yün in 1931 and Lung did not wish to make the relationship between them clear.³²

Of the children of Lung Te-yüan, Lung Yün's uncle, Lung Yü-ts'ang, his youngest child, rose under Lung Yün until he reached the rank of brigadier, the highest possible rank in the Yünnanese Army at that time, and was prominent in the faction after 1931 until his death in 1935.³³ Lung Tse-hui, another son of Lung Te-yüan was sent to the Central Military Academy in 1934 and later married the sister of Ai Ssu-ch'i, the communist theoretician.³⁴

Lung himself married at least twice. His first wife was Li P'ei-lien, who died in 1932.³⁵ Through her Lung came into contact with her brothers, Li P'ei-t'ien and Li P'ei-yen who both served in civilian roles in his government, the former being a Yünnanese representative in Nanking, while the latter was the rather unsuccessful manager of the New Futien Bank.³⁶ Through Li P'ei-t'ien Lung was also connected with several other military and civilian personages who had interesting roles to play in the politics of Yünnan during 1927.³⁷

Later, after Li P'ei-lien's death, Lung remarried Ku P'in-jui, a niece of Ku P'in-chen, the man who had driven T'ang Chi-yao out of Yünnan in the early 1920s.³⁸ Whether this marriage had any political significance is impossible to say, but it is interesting that Lung should have made some link with a faction of Yünnanese military leaders who had opposed T'ang Chi-yao, who was, as we shall see, Lung's protector, and the man most responsible for Lung's early career in the Yünnanese army.

*No: Lung had
several sons.
Change this.*

Lung Yün had three sons; in order of birth, Sheng-wu, Sheng-tsu and Sheng-chi. All were trained as military officers in France and the elder two held commands in their father's personal bodyguard corps.³⁹ Summarizing this aspect of Lung's background it may be seen that he came of a landlord family which later provided several members of the army and faction and through his relations with his wife Li P'ei-lien formed links with political figures who served in his government. The admixture of a partially non-Han origin made Lung sensitive to criticisms that he was not really Chinese.⁴⁰ Also it may account for the preponderance of non-Han officers in his faction, which is discussed later in this chapter.

Lung seems to have received little formal training in traditional Chinese education, but the little he did get seems to have imbued in him a respect for 'education' which he endeavoured to publicize during his career.⁴¹ He apparently received some little military instruction with Lu Han when young,⁴² and with

the latter was admitted to the Yünnan Military Academy (chiang-wu t'ang) from which they graduated in 1912.⁴³ The latter institution was responsible for the production of numerous warlords and other military figures such as Yang Sen, the Szechwan warlord, Chu P'ei-te, a warlord who joined the KMT and commanded the Third Nationalist Army, and Chu Te, whose career should need no description.⁴⁴

It was while Lung was at the Academy that he came to the notice of T'ang Chi-yao, who was at that time the Director of the Academy.⁴⁵ Lung distinguished himself by defeating a Frenchman by using his skill in Chinese boxing, much to the delight of the onlookers, who were, so it is said, delighted to see such a tiny figure as Lung Yün overcome a strapping European.⁴⁶ T'ang was impressed with Lung and enlisted him in his personal bodyguard, the "Tz'u Fei chün", of which Lung rose to become the commander.⁴⁷ Lung was always closely associated with T'ang Chi-yao, who became the military governor of Yünnan in 1913, after the departure of the Hunanese military commander Ts'ai O, who had virtually created the Yünnan Army which T'ang inherited.⁴⁸

Later, under T'ang Chi-yao's protection, Lung rose steadily in the hierarchy, until by January 1924 he was the Defence Commissioner of Central-Eastern Yünnan, stationed in Kunming, and, incidentally, the holder of several medals, which may be seen on one of the rare photographs of him.⁴⁹ Briefly, he owed his position to T'ang, which he acknowledged, but he was ambitious.

See note
47 and glossary

It cannot be said, either, that Lung Yün's personal relationship with T'ang Chi-yao, within the context of his position within the faction, was based ⁿentirely on considerations of self-advancement. There is evidence which suggests that Lung was conscious of the debt that he owed T'ang; and while he 'usurped' his position, thereby acting in a manner inconsonant with the loyalty which he owed T'ang, he tried to rationalize his behaviour. For example, just after the coup d'état of February 6, Lung sent a message to T'ang in which he said: "I am grateful for your kindness and I have received your hospitality, and I certainly have no ambitions whatsoever; but I dare not countenance evil-doing in the master (pu-kan feng chün chih o)." But Hu Jo-yü sent a similar message.⁵⁰ In the context in which the message was sent it proves nothing by itself.

But there are two other items of information which lend themselves to the interpretation of Lung's relationship with T'ang as one of loyalty based on a genuine feeling of allegiance to his person. After T'ang's death Lung allowed T'ang Chi-yü to return to Yünnan for his funeral.⁵¹ This was no 'moral' obligation on him to do so if he wished to safeguard his position, since T'ang Chi-yü was certainly no friend of Lung or any of the other generals who had brought his cousin down. And T'ang seems to have used this occasion to remove himself to Ta-li where he organized a sub-provincial faction hostile to both Lung and Hu. If Lung had not had a feeling of personal loyalty of the kind described

why should he have taken such a risk?

But perhaps the most impressive evidence of Lung's conception of his relationship with T'ang Chi-yao was demonstrated long after the immediate period of the revolt against T'ang and the funeral of the latter. During the middle 1930s Lung undertook the improvement of a public garden in Kunming and one contemporary source has this to say.

"At one end of the garden stands the practically completed tomb of the former Governor of Yunnan, General T'ang Chi-yao, the self-styled 'Lord of the Eastern Continent'. The tomb itself is of huge and obviously expensive construction combining not too successfully Greek, Venetian Gothic, and Chinese styles of architecture, and bearing a somewhat incongruous Latin inscription."⁵²

Later on July 10, 1937 a statue of T'ang, which had been commissioned from Italy, was unveiled by Lung in front of a crowd of 3,000 officials and eulogies from Chiang Kai-shek, Wang Ching-wei and Lin Sen were read out.⁵³ Again, if Lung had not felt the need to make clear his relationship with T'ang, why should he have gone to such trouble?

T'ang Chi-yao's influence on Lung Yün was demonstrated in other ways. T'ang had lived in splendour and Lung Yün imitated him. He chose a style of life in which he treated his leading civil officials as underlings in the fullest sense of the word. When, for example, he was in the midst of a revolt against himself organized by the senior generals in his faction in 1931, Miao Chia-ming was obliged to remain waiting for Lung outside his residence and could not gain admittance.⁵⁴

One traveller through Kunming described Lung Yün's official residence as being like "...the Yamen of a Provincial Commander-in-Chief of the former Ch'ing [dynasty]." ⁵⁵ The same man who gave this description tried several times to gain admittance to see Lung but failed. He "...peeped through a crack in the window and saw the chairman, dignified and august, awe-inspiring and stern, riding in a sedan-chair swiftly entering the official residence; during this extraordinary period the aides-de-camp did not dare to make their reports immediately." ⁵⁶

Having shown how Lung Yün rose under T'ang Chi-yao's "kindness" and "hospitality" and given some account of his genealogy, it is now the moment to consider the faction of Lung Yün and the relationship of this faction with the civil officials in his government. During the period up to 1931, when the four senior generals in Lung Yün's factions rebelled, one group of military leaders predominated within the faction who had been associated with Lung for some time prior to the initial attack on T'ang. After 1931 these generals, with the exception, perhaps, of Lu Han, lost all power and influence, and a new elite of generals whose relations with Lung were based on family ties emerged.

we H The four major generals in the faction before 1931 were Lu Han, Chang Feng-ch'un, Chang Ch'un and Chu Hsi. Lu Han has been described as related to Lung in the section dealing with Lung Yün's genealogy. He was a fierce man, ⁵⁷ an associate and relative of Lung from his youngest days, and had entered the Yunnan

Military Academy at the same time as Lung. Li P'ei-t'ien, a not entirely reliable witness, suggests that Lung was always the dominant member of this duo which would certainly explain why Lung became the leading figure in Yünnanese politics.⁵⁸ Lu Han led the invasion of Kwangsi in 1930 and the rivalry hinted at in Lung Yün's declaration on the eve of the return of this defeated army in late 1930 points to the rivalry between these two: "The 10th. Route Army being appointed by the Central Government, it has become the National Army and does not belong to any private individual."⁵⁹ Lu Han, was like Lung, a member of the I minority, a native of Chao-t'ung. Thus of the five major factional leaders two were related.

Chang Ch'ung was born in Lu-hsi county, Yünnan, in 1898. His father was a military officer of the Ch'ing dynasty, although he was only of minor rank. On the death of his father at the close of the dynasty Chang turned to banditry, but was fortunate enough to become incorporated into Lung Yün's army during an amnesty for bandits. He too was a member of the I minority.⁶⁰

Of Chang Feng-ch'un and Chu Hsü little is known beyond the fact that they were Yünnanese military officers.⁶¹

At the beginning of 1927 Lung Yün controlled an army of some 5,000 strong, which he controlled with great discipline. There are varying accounts of its leadership. There seems to be a consensus that the two brigadiers (lü-chang) were Lu Han and Kao Hsiang-ch'un; the latter was in his post as a kind of spy to keep

Lung Sheng-wen says that Chang's father was a big bandit and that Lung took his son after demonstrating his courage

Chao Kao

Lung Yün under surveillance.⁶² Nothing more was heard of Fao and one may assume that Kao was disposed of in some manner or thought it prudent to remove himself while he had the chance. Summarizing the information about the faction, or more strictly speaking the hard core of the faction, the majority were of non-Han origins. Lung Yün was personally extremely sensitive about the fact that he was not a Han; no doubt the attack made on him in 1927 which stated that "In our opinion the nationalism (min-tsu chu-i) of our late Director-General springs from the unification of Hans, Manchus, Mongols, Mohammedans and Tibetans in one body. The Republic of the five races is of perpetual blessings and tranquillity. But this Lung Yün only recognizes Lolos" 'struck deep into Lung Yün, but this did not stop him from continuing to employ non-Han Chinese in his government.⁶³

Of the members of the faction which came into being after 1931 even less is known. An Te-hua and Lung Yü-ts'ang were both said to be relatives of Lung (and Yü-ts'ang certainly was) and Lung Yü-ts'ang was a member of the I as well. But the predominance of Lung Yün during the years from 1931 to 1937 was marked by the decreasing importance of the individual military commanders, who in any case controlled smaller military units, and information on these latter is wanting.⁶⁴

Within the ranks of the Provincial Government Committee, by which name his administration went from January 1928, a number of names stand out. Lu Ch'ung-jen, a native of Ch'iao-chia county,

and twice Provincial Minister of Finance under Lung Yün, was also said to be an I and a "cousin" of Lung.⁶⁵ Chang Pang-han, the Provincial Minister for Reconstruction was yet another man said to be related to Lung.⁶⁶ These names mentioned may simply be a reflection of a tendency to suppose that any member of the highest political groups in Yünnan was either an I or a relative of Lung. But men such as Li P'ei-t'ien, Li P'ei-yen, Lung's three sons, and others should serve to make clear that for Lung the safest means to ensure his personal security lay in familial ties, and in common membership of the I minority.

The military faction and its relations with the very highest levels of political servants and counsellors is clear. Their relationship centred around Lung Yün and derived in many cases from familial or ethnic ties. But what can be said about the relationship between any given faction and the dominant ruling class in the rural districts, the landlords? Regrettably there is little information of a straightforward nature. Within the city of Kunming, where Lung had been stationed for many years prior to the coup of February 6, he had had the opportunity to make contact with the leading officials of T'ang Chi-yao, and for several years after his elevation to provincial leadership he used just such men in his government. Ting Chao-kuan, whom even Ch'en Pu-lei, Chiang Kai-shek's secretary, felt obliged to describe as having "rather antiquated thought", was one of the few who survived the generals' revolt of 1931 and continued

But 3 sons
with great high
command power
than dissatisfied

to busy himself with all manner of indescribably tedious matters. His published work, of which happily only one example has survived, emphasized the necessity of rooting out heterodoxy of all kinds.⁶⁷ It is generally assumed that these leading officials were representative of the landlords, and in the Internal Reform Conference of 1928 complaints were voiced by some representatives about 'illegal' levying of taxes by army garrisons, which, may well have echoed the general feelings of the landlords of Yunnan.⁶⁸ Therefore any approach to this most important question, because of the general lack of the kind of evidence to show the feelings of either group towards each other, as opposed to general assertions, is of necessity limited to considering a few limited aspects of the relations between the faction in power and the landlords.

During the last half of 1927, the faction of Hu Jo-yü and Chang Ju-chi lost a lot of support through adopting a policy of using extra-provincial troops from Kweichow and Szechwan. This not only illuminates the 'provincialism' of the Yunnanese, but it also suggests that Lung Yün was able to play upon the provincialist feelings of the citizens of Kunming, at least, by presenting himself as a champion of Yunnanese interests, which the former faction could not do.⁶⁹

The contrast between Lung Yün's faction and that of Hu Jo-yü and Chang Ju-chi, of whom, incidentally, little is known except that Hu was a native of Lo-p'ing county and a graduate of the

Yunnan Military Academy⁷⁰ and Chang was at one time a bandit,⁷¹ was, for their contemporaries, in the discipline in which they kept their armies. One source for example, contrasted "...the generals Hu and Lung, the first known for his ambition and his advanced ideas, the second as the friend of order and well-viewed by the population, although he is an aborigine (lolo)."⁷²

The difference between a Lung Yün and a Hu Jo-yü might be put quite simply for the landlords as which one would control his troops best and allow them to continue to exercise their traditional leadership functions in local politics and economic activities with as little interference as possible. Hu seemed the least likely to be able to impose order, in the sense in which this term was used at the time—putting down bandits and controlling recalcitrant students—and so the landlords through their representatives, the big officials in the provincial capital, put their support behind Lung, or at least favoured him.⁷³ This question is, it must be repeated, difficult to resolve for the historian because of the lack of evidence.

One of the reasons for the lack of evidence is the fact that warlordism was very much concerned with the control of cities as major garrisons. To cite but one example, when the CCP Long March went through Yunnan in 1935 Lung Yün's reaction was to concentrate his armed forces for the defence of the provincial capital.⁷⁴ The city housed the administrative machinery which enabled a provincial warlord faction such as that of Lung Yün to

tax the province, maintain the show and splendour of government and organize the all-important opium trade which financed the faction to a large extent. It may perhaps make the foregoing comments more understandable if the analysis of Teng Yen-ta is given.

"We know that the so-called Rule of Nanking (Nan-ching t'ung-chih) is no more than one of the ruling powers in China; in reality it is divisively ruled in the south, east and west by quite a few bosses (chü-t'ou); as with all contemporary rule their social basis is only bureaucrats, gentry, landlords, bankers and compradors. The objects of their plundering are the peasants, workers, medium and small merchants and a section of the industrialists, but above all the peasants."⁷⁵

Thus the basis of military and political control in China during the 1930s, the source from which the warlord factions, the "bosses", drew their support was an agglomeration of rural (gentry and landlords) and urban (bureaucrats, bankers and compradors) social groups. A few years earlier, looking back on the defeat of the social revolution Yen had presented the following arguments which, perhaps, explain something about the nature of provincial warlord rule and its relationship with the social groups, rural and urban, which he mentioned.

"Although the sphere of influence of Nanking's Rule was limited only to the cities of the three provinces of Kiangsu, Anhui and Chekiang, nevertheless the provincial regions south of the Yangtze, representative of the consciousness and methods of the Rule of Nanking, were all more or less the same."⁷⁶

The two points which are significant in this short extract are the similarity which Yen sees between the Nanking Government and the nominally adhering provinces of southern China. But the

phrase which catches the eye is the reference to the control of Nanking of the cities of the three provinces. Continuing his theme of the nature of the Rule of Nanking he said:

"In every city there are thousand upon thousand of great and small officials and party hacks; what do these civil, military and party officials do? Everybody knows already; the life of these officials is at least 100 times better than that of the common people. But the pennies extorted by avarice do not come into the reckoning. The wealth of the south-east is almost entirely concentrated in a few important cities. Let the factories cease work, let the organs of transportation and exchange come to a halt but the sale of public bonds, the sale of land, the sale of opium and gambling still develops apace, and interest is always over thirty per cent."⁷⁷

This for Teng was the key to understanding the most general aspect of warlord rule: the need for the control of the city and the absence of any need to promote industry or commerce. In the case of Yünnan Teng's arguments do not fit entirely. For one thing the compradors he referred to as one element in the social basis of the Rule of Nanking, did not exist in many of the 'border' provinces, such as Kweichow, Szechwan, Kansu etc. In Yünnan where compradors did exist, on a small scale, purchasing tin of low-grade purity from Kotchiu, they were instrumental in depriving the faction of Lung Yün of a source of revenue, and the faction did take action to try to eliminate their power. In Yünnan compradors were antagonistic to the rule of Lung Yün and his faction for this reason.⁷⁸

Enough has been said about the nature of the provincial warlord faction which came into power in Yünnan from 1927 onwards to permit a more general description of the themes which this

study gives prominence to. Lǐ Tōng Yen-ta's ideas about the nature of provincial warlord rule, the concept of an urban military rule relying not so much on industrialization but on speculative, rapid forms of making money has already been tacitly hinted at. Furthermore the links between a warlord faction and the social basis from which it was able to operate have been pointed out in the foregoing sections. Fundamentally this study tries to analyse the history of the rule of the Lung Yün faction in these terms.

On the one hand there is the development of the rule by a sub-provincial faction which became a provincial warlord faction and its links with several distinct groups of civil officials and the mutations within the faction caused by internal stresses and external pressures from 1928 to 1931. The increase in the actual power of the individuals which comprised the faction and their increasing role in the open administration of the province, made explicit by their increasing assumption of positions within the Provincial Government Committee, was accompanied by a fiscal and economic crisis in the province. The crisis was basically caused by the excessive military expenditure of the faction and the difficulties which the government experienced in finding outlets for its most important agricultural product, opium. The relative increase in the power of the faction as a whole which culminated in the revolt of 1931 was engendered partly by personal antagonisms within the faction and the insecurity of Lung Yün

both as leader of a warlord faction and his role as leader of a legitimate government, and partly by the great dependence which Lung placed upon military power during the period up to the defeat of his armies in Kwangsi in 1930. From 1931 onwards the tendency was to reduce military activity, from a fundamental comprehension of the limitations of the strength of Yünnan in comparison with neighbouring provinces, except Kweichow in which Lung continually tried to interfere, and at the same time to give greater emphasis on the concrete problems of organizing an administration capable of financing the faction and of maintaining the autonomy of the province against the increasing penetration of the Nanking Government and its political and economic, not to mention military, power.

The trade in opium was the basis for warlord financial autonomy in Yünnan, and consequently a good part of this thesis is given over to an analysis of the role which opium played not only within the sphere of provincial finances but also on the provincial economy as a whole. Regrettably the sources dealing with opium and the trade and taxation of its production, consumption and transportation are largely unexplored for the Nanking Era, and as a result some effort has been made to place the role which the opium trade played in Yünnan within the wider context of its role in China as a whole and in the south-western provinces in particular. Opium is not, in itself, a matter of great interest as a social problem, when compared with the other aspects of

the social problems of Chinese society during the Republic—famine and continuous war—⁷⁹ but as a means of supporting provincial warlord factions it was of exceptional importance.

While it is true that in a sense the trade was never fully legitimate in many areas of China, opium trading companies were established on a regular basis like any other import-export businesses, and some documents from Chinese sources are quite frank and open about the conduct of the trade. Therefore it is quite possible to build up a picture of the trade in opium, which while by no means as detailed as that which could be constructed for any other aspect of Chinese agriculture during the 1930s, is consistent and coherent. Economists have ignored the role of opium on the grounds that while it was an important element in the Chinese economy during the 1930s, any attempt to estimate its contribution would involve making value judgements.⁸⁰ There seems to be no such constraint on a historian, nor is the question of making value judgements at all important. The cultivation, trade in and taxation of opium can be described quite adequately without resort to a 'moral' stance. Opium was an integral part of the finances of the provincial and sub-provincial warlord factions of south-west China and this is the justification for giving it the importance which it holds in this study.

One section of this thesis considers the role of Chiang Kai-shek in his actions related to the cultivation of and trade in opium. It can be shown that his motives for imposing an opium

monopoly based in Hankow were not purely and simply part of an attempt to provide for the "moral regeneration" (fu-hsing) of the Chinese people. His motives may well have been related to a moral distaste for opium and the trade in it. But the most interesting motives were those which saw in the monopoly both the possibility of gaining revenue with which to finance his military campaigns against the CCP Soviets and also the capacity to undermine the financial basis of provincial warlordism in south-west China (and in other provinces).⁸¹ But the fact that Chiang was not acting simply from a moral standpoint does not mean that any judgement should or could be made about Chiang Kai-shek's government. Let those who wish to do so condemn him. Let those who wish to understand the nature of the Nanking Government and Chiang Kai-shek's attempts to unify the whole country under his leadership and government simply consider how his use of the opium monopoly fitted into his general methods.

The ideas of Teng Yen-ta suggest that the warlords of the south-west were fundamentally uninterested in the development of industry and commerce because they could find other sources of revenue, from the sale of bonds, of land and of opium. Before 1931 this seems to have been the case in Yünnan. Expenditure on the army not only formed a substantial portion of the total income of the government, for many years it exceeded it.⁸² During the period 1927 up to 1931, under Lung Yün, the government printed vast quantities of paper currency, until by 1931 the Yünnanese dollar,

which had exchanged at something like par with the Shanghai and Hongkong dollars in the early 1920s, fell in value until by 1931 it exchanged at the rate of ten to one.⁸³ Government income was largely derived from the printing press, fiscal manipulation and other forms of financial chicanery. But after 1931 there was a perceptible stabilization of the government and some attempts were made to introduce a limited reform of the methods of smelting tin so that the tin produced by the government-owned Yünnan Tin Company could be sold directly onto the world market at a higher price than could be got through selling it to Cantonese compradors based in Hongkong who re-refined it and made a profit which the provincial faction bitterly resented.

On the basis of the limited reform and 'modernization' of the tin trade the provincial faction in Yünnan was able to turn to industrial and commercial enterprises after 1935 to replace the loss of income brought about by the decline in the opium trade. One man, Miao Chia-ming (Miao Yün-t'ai), was the architect of the industrial and commercial enterprises of the government and his career within the ranks of Lung Yün's government is an outstanding example of provincial industrial enterprise during the Nanking Era which has been completely ignored by historians of China's industrialization during this period.⁸⁴

The 'modernization' of the economy of Yünnan, the attempts to build an industrial base, were largely, though not wholly, the result of the need to find a substitute for the decline of the

opium trade, itself caused by economic and political factors connected with Chiang Kai-shek's growing control and suppression of opium in the years from 1933 onwards. Thus the industrialization of Yünnan should not be seen purely as a conscious effort to introduce western techniques of mining, should not be viewed as either "westernization" or "economic modernization" since these terms carry with them the concept of a directed effort and a concerted attempt to imitate the west and employ its technology. What the provincial faction was doing was purely seeking out other means of making money, and this is shown in several instances.⁸⁵ There was a contradiction between Miao Chia-ming's ideas about "westernization" and "modernization", to which he was patently genuinely committed, and the simple need of the faction in Yünnan to exploit industrial resources. The concern of the provincial faction for extracting revenue from industrial resources was not paralleled by the slightest concern for the conditions under which the miners lived.⁸⁶

There is not the space to dwell at great length on the general social conditions of life in Yünnan for the peasants and miners. Nor, strictly speaking is it the task of this thesis to catalogue the misery of the tin miners of Kotchiu. But it may serve as a reminder that the rule of warlordism in Yünnan was generally unconcerned with the life of the people, thus illustrating how little warlord "modernization" affected the miners of Kotchiu, to cite but one case, to cite some eye-witness accounts of the lives

of the miners in Kotchiu.

It was common practice to hire boys as a source of cheap labour. One observer sent by the League of Nations to enquire into health measures taken in China was profoundly shocked by the conditions under which the children lived.⁸⁷ Guards were employed to prevent the miners escaping. The first shot was fired over the head of the fleeing miner, the second was aimed lower.⁸⁸ In one instance a mine had collapsed leaving some "boy-miners" beneath the surface, but near enough to be dug out with ease. The mine-owner left them to die because their contract period was nearly over and it would have been more expensive to dig them out, from a few feet down, and continue to employ them than to let them die.⁸⁹

The most graphic description of the state of health of these miners was given by Nicol Smith, from whose book some of the above examples have been taken. He saw ~~some~~ children who worked in the mines travelling along a road.

"The oldest could not have been fifteen. The youngest was no more than thirteen. They were naked to the waist. Ragged cloths reached their knees.

The colour of their skin was green.

The first boy was a little fellow, and very thin. But his lips were curiously swollen. They were bloated enormously. The second boy and the third boy were grotesque. They were thin, and at the same time plump. They were swollen unevenly from throat to ankle...It was as though they had begun by having mumps; and that then a rain had washed their swellings downward so that their emaciated chests and legs had become swollen also. The red dust of the tin ore had covered them, the day before. Their strange childish faces were streaked with red.. And wherever their bodies showed through the red dust of the mines, the skin was green."⁹⁰

It was from the labour of boys such as these that tin-mine owners of Kotchiu grew prosperous. It was from their labour that the provincial warlord faction based its efforts to relieve themselves in their quest to perpetuate their autonomy when the opium trade had to be abandoned. There are no more horror stories of this kind in this study, but it would be well to remember their lives when considering the dashing exploits of Lung Yün and his faction.

This study is primarily concerned with a few aspects of the rule of a provincial warlord faction in Yünnan during a period of some ten or so years. It emphasizes the nature of a provincial warlord faction, the way in which the faction came into being and its political and military relationships with the National Government. It considers the relationship of the military faction to the civilian administration and tries to outline some of the economic measures and financial schemes of the faction and administration. Above all there is the ¹question of the opium trade and the place of the trade in the context of provincial warlord autonomy. In sum it treats Yünnan in its general relations with China. But there is another aspect to the history of Yünnan which cannot be overlooked, and that is the role of Indo-China under the French colonial rule.

Throughout this study information is given about the various aspects of the relationship between Yünnan and Indo-China which seem to be material to an understanding of the problems facing the

faction. But no single section of this study has been given over to an account of this relationship. The reason for this is that, on the French side, there is a lamentable absence of material which might otherwise illuminate many problems which, although of considerable interest, have had to be excluded from this study. The strategic importance of the Railway from Indo-China to Kunming is described in Chapter One (pp.94-95). Lung Yün imported arms purchased from French and Belgian Manufacturers for many years and imported them along this route.⁹¹ The presence of a French colonial power in Indo-China was a constant source of anti-French, "anti-imperialist" sentiment amongst the society of Yunnan.⁹² But the lack of evidence on which to elucidate at length the role of French colonialism in Indo-China and by extension into Yunnan is not available for contemporary historians. Therefore, regrettably, it has seemed best to make observations on the role of the Railway and the French control of this important economic life-line of Yunnan where the evidence permitted it, and not try to tease out of thin air an analysis of French interests in Yunnan in the broadest sense.

This thesis is not presented simply in the belief that, as a "contribution to knowledge" any piece of research on any topic, no matter how interesting for its writer, is of worth in itself. The problems of Chinese society under the rule of warlord factions in the Nanking Era are significant for the historian; previous studies of warlords have, for various reasons, been disinclined to

*Miss Chen-ming's
reported some about
lack of French influence*

dwell upon opium and its significance for warlord autonomy.

If this study has given prominence to the role of the opium trade it is in part, at least, because other historians have been able to make coherent some of the history of this period.

CHAPTER ONE

THE RISE OF LUNG YUN. 1926-1928

In the spring of 1927 a group of four generals revolted against their commander T'ang Chi-yao, the so-called "Lord of the Eastern Continent" (tung ta-lu chu-jen), and ended his rule in Yünnan which had lasted, with one brief interruption, for some fourteen years.¹ The overthrow of T'ang Chi-yao was occasioned not simply by purely internal disputes between T'ang and his senior generals, as was asserted by at least one contemporary observer,² but was also caused by the complex political and military attack launched on warlordism by the Northern Expedition which was launched from Kwangtung in the summer of 1926. Thus the political and military events in Yünnan from late 1926 up to the spring of 1928 were, to a considerable extent, a reflection of and a response to the new political situation being forged in central and eastern China of which the most potent symbol for the generals in Yünnan was the creation of a National Government in Nanking in 1927. Yünnan's political history, although geographically far removed from the main regions of the military struggle which arose out of Chiang Kai-shek's attempt to establish a new political structure in Nanking, is part of the history of China during the Nanking Era.

The four generals who organized and actively participated in the coup d'état of February 6, 1927 (erh-liu kai-pien) were

Lung Yün, Hu Jo-yü, Chang Ju-chi and Li Hsüan-t'ing who occupied in T'ang Chi-yao's army the posts of Defence Commissioners (chou-shou-shih) of Kunming, Mengtze, Chao-t'ung and Ta-li. Opposing this group of generals were those who continued to give their support to T'ang:- his cousins T'ang Chi-yü, who was Inspector-General of Army Training (lu-chün hsün-lien tsung-chien), and T'ang Chi-lin as well as Ch'en Wei-keng, the Defence Commissioner of T'eng-chung and other lesser men.

The initial impetus behind the revolt against T'ang had stemmed from an increasing antipathy amongst the four Defence Commissioners to the nepotism of T'ang Chi-yao and the provocative political stance he had adopted by the end of 1926 with regard to the KMT. This latter aspect of T'ang's actions was further conducive to bringing the four generals to revolt since a loose group of old T'ung-meng Hui members in Kotschiu and political leaders in Kanton decided to try and involve the four generals in an anti-T'ang *campaign* (t'ao-T'ang). The activity of this loose group was quite rapidly brought into conjunction with attempts by the military and political leaders of the KMT in Canton to bring these four generals into the general attack on warlordism which was being undertaken by the KMT-CCP alliance.

After the coup in February a complicated political situation developed in which a coalition government consisting of the generals who had delivered the coup de grace to the rule of T'ang Chi-yao together with some political advisers of T'ang was con-

stituted. From April to June the uneasy compromise reached by the generals continued while each individual sought to improve his position both in the province and in terms of their relations with the increasingly important Nanking Government under Chiang Kai-shek. Up to about the middle of May confusion amongst the civilian opponents of T'ang Chi-yao and the splits which developed amongst the more conservative anti-T'ang politicians and the tiny handful of communists who had become involved with the latter produced even greater confusion.

While there was a growing struggle for power between two provincial factions within the uneasy coalition, under the leadership of Lung Yün on the one hand and Hu Jo-yü and Chang Ju-chi on the other, another faction composed of the 'rump' generals who had been intimately bound up with the fortunes of T'ang Chi-yao had coalesced in the west of Yünnan, in Ta-li. Meanwhile one section of the civilian opponents of T'ang Chi-yao, who had decided that the struggle against T'ang Chi-yao had not been sufficiently "thorough", and who had failed to gain political control over the generals in the coalition government, in a state of near desperation, threw in their lot with Chiang Yang-shu, a general of the Yünnanese Army who attempted to gather together an army of bandits in the south of China.

During May 1927 the policies of the coalition government, which had been quite ambivalent while the struggle between Wuhan and Nanking was still undecided, swung decisively to giving

support to Chiang Kai-shek. The pitiful attempts of Chiang Yang-shu and his bandits and politicians also ended in defeat during this time. T'ang Chi-yao died, and within three weeks of his death open war commenced between the factions of Lung Yün, Hu Jo-yü and Chang Ju-chi and that of the T'angs in Ta-li.

For over half a year a three-cornered struggle between these three factions was prosecuted; alliances were made and broken; hostages given and taken; all proved themselves "subtle, false and treacherous." During this struggle which was fundamentally one for absolute power in the province all sides were declaring their support for the KMT and Chiang Kai-shek, using the new political vocabulary of the nationalist revolution in their attempts to justify their conduct. In the end it was the faction of Lung Yün which won. Strategically Lung was better placed than the other factions because he controlled Kunming, the provincial capital, which gave him access to the Indo-China-Yunnan Railway through which he was able to import arms supplies. His army was better disciplined and the reputation which he had built up of being efficient and a ready suppressor of any group which argued for any kind of social revolution gained him the support of the provincial officials in Kunming who represented the landed "gentry" and the commercial interests of the province.³ Furthermore the faction of Hu Jo-yü and Chang Ju-chi introduced auxilliary troops from the neighbouring provinces of Szechwan and Kweichow who further enabled Lung to present himself as the true

defender of Yünnan as opposed to the former faction which had introduced 'alien' elements into a purely private affair.

This chapter describes the formation of the three factions outlined above and their struggle for power which ended in the victory of Lung Yün. It tries to place the formation of the factions, and in particular that of Lung Yün, within the context of national politics, although, of course, the emphasis is on events in Yünnan itself. The narration is divided into six parts: firstly, the relations between the faction of T'ang Chi-yao and the KMT from 1924 to 1927; secondly, the attitude of Chiang Kai-shek to Yünnan during 1926; thirdly, the initiation of the movement to overthrow T'ang Chi-yao; fourthly, the coup d'état of February 6, 1927 and the consequent formation of the coalition government; fifthly, the activities of the KMT and CCP in Yünnan during this period; sixthly, the civil war in Yünnan and the consolidation of Lung Yün's military position.

T'ang Chi-yao and the KMT, 1924-26

During the years from 1924 to 1926 T'ang Chi-yao had exhibited in his actions many of the characteristics of an unscrupulous local warlord which alienated him from the KMT. T'ang had had a long association with the KMT,⁴ and could claim some national prestige as one of the leaders of the National Protection Army (hu-kuo-chün) of 1915-16 which had been partially responsible for the defeat of Yüan Shih-k'ai's attempt to create himself em-

peror of China.⁵ His defeat in 1921 by the return of the Yunnanese Army in Szechwan to Yunnan, and his subsequent return to the province the following year had shaken his belief that he could expand the power which he held in Yunnan into other provinces.⁶ But his appetite for national authority had not been assuaged.

During 1925 T'ang was involved with two army commanders in Kwangtung who nominally supported the KMT but in reality hoped to use the political power of the Party to further their own careers. T'ang Chi-yao showed that he was similarly inclined. In September 1924 Sun Yat-sen had conferred on T'ang Chi-yao the dignity of Vice-Marshal (fu-yüan-shuai), he himself being Grand Marshal (ta-yüan-shuai); at the same time he had created T'ang Commander-in-chief of the United Armies of Szechwan, Yunnan and Kweichow (ch'uan-tien-ch'ien lien-chün tsung-ssu-ling).⁷ While accepting the latter post he had refused the former, and in his telegram of reply had simply addressed Sun Yat-sen as "Mr." (hsien-sheng) thereby rejecting Sun's claims to legitimacy.⁸

When Sun died in Peking on March 12, 1925 T'ang characteristically seized what he evidently saw as his opportunity to gain a legitimizing position for his attempt to make himself a national leader. On March 19, just seven days later, he announced in a circular telegram that on the previous day (March 18) he had assumed the style of Vice-Marshal. The day following that he issued a further telegram in which he and Chao Heng-t'i, the

warlord who controlled Hunan under the overall leadership of Wu P'ei-fu, one of the arch-enemies of the KMT and CCP, propounded the political ideas of federalism as a solution for the disunity with which China was faced.⁹ The federalist movement (lien-sheng tzu-chih) and its political goals were completely at variance with the program of national unification espoused by the KMT.¹⁰ It was designed to preserve the power of the provincial warlords and their factions and T'ang's breathtaking opportunism stung the KMT to issue telegrams denouncing him as and his fellows on March 20 and 27.¹¹

It would merely elaborate the obvious to say that T'ang had given a new meaning to the term opportunism and ambition. But the self-importance which T'ang exhibited during this period was important in developing among his generals a suspicion that his ambitions would bring about their own destruction. The British consul in Kunming remarked that T'ang believed that he was "... marked out as a future President of China."¹² T'ang's unrealistic assessment of the potential of the faction which he led had important consequences for shaping his political ambitions and ultimately brought him down. But this was still to come. The KMT still controlled a small area of China and was striving to build up its regional base and at the same time rid itself of the generals who nominally supported it but who showed themselves to be no different from other warlords.

While T'ang was trying through his telegrams to assume the role

of heir-presumptive he was already in contact with two of the generals in Kwangtung who were engaged in overthrowing the KMT. Yang Hsi-min, a Yünnanese general, who had left Yünnan when T'ang had returned to power in Kunming and who was part of the faction which had originally opposed T'ang, was one of the generals.¹³ The other was Liu Chen-huan, a native of Kwangsi, who like Yang commanded an army comprising natives of his own province.¹⁴ All while T'ang was negotiating with these latter they, for their part, were issuing telegrams denouncing T'ang Chi-yao and threatening to invade Yünnan, but this was partly a cover to dispel any suspicions of the KMT.¹⁵ When their correspondence was discovered (not only with T'ang but with northern warlords) a war ensued in which Yang and Liu were defeated and forced to flee through Shameen to Shanghai.¹⁶

Meanwhile T'ang Chi-yao had sent an army into Kwangsi under the command of Lung Yün and Hu Jo-yü as part of a concerted effort to occupy Kwangtung. By the beginning of April a battle between the Yünnanese armies and those of Fan Shih-sheng and Huang Shao-hsiung had begun which ended in the rout of the Yünnanese.¹⁷ Fan Shih-sheng was yet another Yünnanese warlord who had fled from Yünnan after T'ang's return in 1922,¹⁸ while Huang Shao-hsiung was a Kwangsi general who was one of the founders of the Kwangsi faction which played such an important role in the success of the Northern Expedition.¹⁹ Thus in 1925 T'ang had suffered severe military and political defeats, but his senior generals were still support-

ing him.

However, by the summer of 1926 T'ang was once more contemplating an invasion of Kwangsi in order to harrass the rear of the Northern Expedition. Liu Chen-huan returned to Kunming, probably as early as July of that year in an attempt to persuade T'ang to undertake the campaign in Kwangsi.²⁰ T'ang was said to have sent a representative to Sun Ch'uan-fang, the warlord who controlled the important eastern coastal regions around Shanghai, and this lends support to the idea, suggested by one source that Liu had been sent by Wu P'ei-fu in order to involve T'ang in an attack on the KMT in Kwangtung.²¹ Whether Liu Chen-huan was working on his own initiative or whether he was acting for Wu P'ei-fu cannot be ascertained with certainty; but it seems plausible that the latter was the case. Whatever the truth of the matter one or two conferences were held in the summer of 1926 at some time between Liu's arrival in Kunming and the first newspaper rumours of such a conference to decide whether to invade Kwangsi or not which were published in September of that year.²² T'ang for his part had issued a denial that he intended to invade Kwangsi as early as July,²³ but this is not sufficient evidence to conclude that the conferences were held very soon after Liu's arrival.

In the conference or conferences it became clear that T'ang was opposed tacitly by his senior generals, who presumably comprised Lung Yŭn, Hu Jo-yŭ and the others, while his civil advisers and counsellors were equally opposed. The faction sugg-

ested that if an invasion were to be undertaken it should be better prepared than the campaign of 1925 where they had been disastrously defeated. The counsellors urged that Yünnan's financial resources, which T'ang had squeezed hard, could not stand another military campaign. They further argued that Wu P'ei-fu was a spent force and that if they did support him it would not look good in history to have been allied to a declining force.²⁴

In the face of such opposition T'ang appears to have given Liu Chen-huan the command of some regiments of his personal body-guard army, the force most closely associated with him, as opposed to the troops of, say Lung or Hu, who presumably were not anxious to allow Liu to make use of them to install himself in Kwangsi at their expense.²⁵ The opposition which T'ang encountered was a sign that he could not depend upon the absolute obedience of his generals and illustrated that T'ang himself was losing his grip. T'ang Chi-yao's freedom of action was circumscribed by the views of his military subordinates, another example of the fact that it was not just a single warlord who decided policy but the faction in general.

The Attitude of Chiang Kai-shek to Yünnan in 1926

The basic consideration of Chiang Kai-shek in his views of the strategic role of Yünnan was that he should try to keep Yünnan, weak though it was, from invading Kwangsi and thereby hampering

the Northern Expedition. Uncertainty was the keynote in his attitude and he swayed between believing that T'ang supported by the French would be a threat and being confident that T'ang would make terms with him and be drawn into his sphere of influence if not power. Chiang had outlined two somewhat contradictory policies towards warlords which expressed his feelings about them.

In a telegram designed for public consumption Chiang had said:

"Wherever the Army goes, making no distinction between north and south, no distinction between east and west, if the masses in any region are oppressed under the might of warlords and cannot liberate and struggle [themselves], I will only consider the use of force."²⁶

But earlier, on November 22 Chiang had put the position somewhat differently:

"If only we suffer no loss, if only the work of the Party can develop then there is a way and we shall not necessarily use military force but merely employ political strength. Thus the south-west can be unified, the south-east can be unified...."²⁷

This distinction between the stirring call to arms and the emphasis on what was essentially compromise was not simply an expression of Chiang Kai-shek's realistic appraisal of the limited value of getting rid of T'ang Chi-yao, but was connected with Chiang's varying moods and ideas about Yünnan.

In April he had ⁴drawn attention to the possibility of T'ang invading Kwangsi with the help of the French in Indo-China.²⁸ He had intended to use the Kweichow army to counter-balance Yünnan as he had intended to use Szechwan to constrain Hupei.²⁹

But obviously Yünnan was a minor obstacle whereas Hupei was one of the prime objectives of the Northern Expedition. Chiang had a simple means of keeping Yünnan under control which did not involve the expenditure of precious military finances or the use of troops loyal to his person and under the political control of the KMT. The means in this case was the army of Fan Shih-sheng.

Fan had remained in Kwangsi after he had helped to defeat the Yünnanese at Nan-ning in 1925. While he had fought against the enemy of the KMT he was, in a sense, a johnny-come-lately since he was only appointed to the command of the sixteenth army of the National Revolutionary Army on November 28, 1926.³⁰ He had high hopes of getting support from the KMT so that he could invade Yünnan and displace T'ang's faction with his own. But from Chiang's standpoint Fan was useful as long as he was not obliged to finance him. In a telegram from Chiang, which seems to be a reply to a complaint from Fan that he was not getting the support that he required Chiang, the latter demonstrated his position quite clearly while giving Fan just that limited amount of encouragement to soldier on.

"T'ang is unreliable. Can there still be any further doubt? But in considering fundamentals, you ought not to quit the border (i.e. of Kwangsi-Yünnan). As for timing, we emphasize expansion northwards at the moment, and your views differ somewhat. If you were to pursue your argument we should then differ. However Revolution and National Salvation are one; in the case of Yünnan you are not unconnected with the Northern Expedition. Now you should be circumspect and patient for the time being."³¹

Faced with this rebuff Fan tried to get money and material assistance from Li Chi-shen, the Nationalist commander in Canton, but again he failed.³² Apart from the reasons already adduced for the unwillingness of the KMT military to finance a military expedition into Yunnan in support of a somewhat doubtful supporter of Chiang and the KMT political ideology, Fan was hindered by negotiations which were taking place between Chiang Kai-shek on the one hand and T'ang Chi-yao on the other.

On October 27 there appears in "Chiang's Diary" (a valuable source for Chiang's attitude to Yunnan, its official title is Min-kuo shih-wu nien i-ch'ien chih Chiang Chieh-shih hsien-sheng) the cryptic note, "Ho Ying-ch'in ordered by telegram to send Wang Sheng-tsu to make contact with T'ang in Yunnan,"³³ Ho Ying-ch'in was one of Chiang's senior generals and like Wang Sheng-tsu was a native of Kweichow. Wang himself was a graduate of the Japanese Military Academy and held minor posts within the KMT administration.³⁴ In national terms Yunnan and Kweichow provinces had been jointly administered under the Ch'ing dynasty and natives of these two provinces, within the context of national affairs held themselves to be affiliated. Thus Wang was fitted by his background for conducting any negotiations with a Yunnanese.

On November 5 Chiang made a report by telegram to Canton, to Chang Jen-chieh, the acting Chairman of the Central Executive Committee, and T'an Yen-k'ai the Chairman of the National Gov-

ernment. In it he cites a report from Ho Ying-ch'in who had asked Chiang for further clarification of some points of the negotiations.

"As for the position of T'ang in Yunnan, the Political Council has decided to confer on him the position of Commissioner (wei-yüan). Wang also approves; however he hopes that it will be possible further to confer on him some vain-glorious title such as General-Controller (lei-ssu tsung-chih chih hsü-jung), in order to express our consideration."³⁵

Clearly T'ang was moving towards some kind of compromise with the KMT in order to retain his own position in Yunnan. Why Chiang should have wished to initiate the negotiations is hard to say. On October 18, in a telegram to Li Chi-shen, Chiang had said that:

"Since Wuchang has already been conquered it appears that the rumour that T'ang in Yunnan will invade Kwangsi may be discounted. If by some remote chance he invades we need have no worries with the present military strength in Kwangtung and Kwangsi."³⁶

The hypothesis which presents itself is that Chiang was acquainted with the actions of other groups in Yunnan who were seeking T'ang's overthrow, and consequently wanted to influence the progress of their efforts. But this cannot be substantiated. The efforts of the anti-T'ang groups are discussed in the following section. But returning to the course of the negotiations, there is some evidence that T'ang was very near to throwing in his hand. On November 22 Chiang announced that:

"As for Yunnan, a representative has already been sent to express obedience to our National Government. If he can

really accept the orders of the National Government then there is no longer any great problem in the south-west."³⁷

But by December 12 something had obviously gone wrong, for Chiang was asking Yuan Tsu-ming, the leading warlord in Kweichow, to send troops, if he could, to prevent T'ang Chi-yao from invading Kwangsi, against which possibility Chiang had "...long since made preparations."³⁸ This marked the end of Chiang Kai-shek's attempts to negotiate with T'ang. The most likely explanation of the breakdown of these negotiations was T'ang's renewed desire to retain his independence. This was demonstrated by a burst of political activity in Kunming in late December.

On December 26 T'ang celebrated the foundation of the "Democratic Party" (min-chih tang) with a rally of some 3,000 students under the leadership of his son T'ang Hsiao-ming.³⁹ At the same time he created a "Democratic Academy" (min-chih hsüeh-yüan) and a newspaper to expound his views. This was a concrete sign of T'ang's determination to stay in the saddle.⁴⁰ The "Democratic Party" issued a manifesto, which survives only in translation, partly in English and fully in French.⁴¹ The manifesto was nationalist, anti-imperialist and contained elements of traditional Chinese philanthropy and western liberalism. The first section of this manifesto traced the history of China since the first Opium War, accusing the foreigners of having "...destroyed our ports, stolen the countries under our protection (i.e. Burma and Indo-China on the borders of Yünnan), and encroached on

our sovereign rights."⁴² Then followed a passage which dealt with the position of China under warlord rule in which the "Governors" were condemned with an eloquence all the more ironic for giving a fair description of T'ang himself as viewed by his contemporaries.

"The cause of the troubles of the state is that the Governors are besotted with the sordid traditions of thousands of years of tyranny, that they are not in sympathy with democracy and handle the affairs of state neither in accordance with the wishes of the people nor in accordance with the administration of the constitution. They only do that which satisfies their egoism. They show themselves to be proud and reckon the life of the people worthless. They run the nation as if playing chess."⁴³

To understand why T'ang should attack his peers for behaving as he himself did, the psychology of such a man must be considered. Vanity and ambition were integral elements in the characters of warlords. T'ang viewed his life as a heroic one, and heroes judged others but did not judge themselves. They saw themselves as extraordinary men; T'ang had a hagiographical biography of himself composed which described him as amazing his nurse by mumbling words from the classics of Chinese philosophy whilst still a babe-in-arms.⁴⁴ He hired a film company to make a film about the National Protection Army giving T'ang the major role, which he certainly had not actually enjoyed.⁴⁵ In his jealousy of Ts'ai O, who was, incidentally, one of Chiang Kai-shek's heroes,⁴⁶ he tore down the triumphal arches erected to Ts'ai in Kunming.⁴⁷

T'ang Chi-yao's inconstant and vacillating behaviour during

the last few months of 1926 were additional reasons for giving his generals, who formed part of his faction, cause for alarm. He was trying to perpetuate his own position by means which endangered not only himself but also the careers of his faction.

The Anti-T'ang Movement

From September 1926 onwards a small group of political figures, in Kotchiu and Kunming, who generally speaking were not of any great significance in terms of Yünnanese politics, started a movement to overthrow the rule of T'ang Chi-yao. It should be stressed that the aim of these groups was purely to get rid of T'ang Chi-yao, and that there never seems to have been the idea that the real target of action should be against the whole corps of the military leaders who supported T'ang. This was demonstrated again and again up to the summer of 1927. The limited goal of this group, the overthrow of T'ang Chi-yao, was a cause of its success; but at the same time the narrowness of the goal wrought no permanent change in the system of warlord factional rule in Yünnan.

It is necessary to say a few words about the nature of the sources for this particular aspect of the preliminary build-up of the attack on T'ang Chi-yao. The most important source is 1926 nien "tao-T'ang" hui-i-lu written and published some thirty years after the events described by two of the participants in the movement.⁴⁸ Where possible the information presented has

checked against earlier sources and as far as it can be judged the article seems to be a fairly accurate and convincing account of part of the political history of some nine or so months. Only in one instance is there any major discrepancy between the account of Chang Jo-ku and Li Piao-tung and contemporary sources.⁴⁹

There were initially two groups of men, one in Kotchiu, the other in Kunming who were opposed to the rule of T'ang Chi-yao and who got together to try and find some means of defeating him. The division between those men who worked from Kotchiu and those who lived in Kunming was later to assume some importance as a rivalry developed between the two groups based on localism as well as political differences. In Kotchiu the two prime movers were Li Po-tung and Li Piao-tung who provided the finances for the ensuing activities of the group in Kotchiu and also that in Kunming.⁵⁰ After initial discussions in Kotchiu a representative was sent to visit Chang Jo-ku, then the leader of the Provincial Assembly (sheng i-hui) and Tung Chu-hsiang, a veteran member of the T'ung-meng Hui.⁵¹ As a result of these first, secret contacts, two decisions were taken; firstly, those members of the Provincial Assembly connected with the group, such as the two latter men together with Chao Tzu-ch'in and Tuan ~~ru~~-to'ang, would oppose a tax measure which T'ang Chi-yao was to present to the Assembly for approval.⁵² The more important result was the decision to send two representatives to Canton to make contact with the National Government in Canton.⁵³

In the same month these two representatives visited Canton where they made contact with T'an Yen-k'ai the Chairman of the National Government through the offices of Chu P'ei-te, a Yünnanese general in the KMT armies. It is worth pointing out that in so doing the Yünnan representatives relied upon a Yünnanese to help them showing once again the importance of provincial association in political dealings during this period. As a result of the contacts made in Canton two Whampoa graduates, Wang Chi-k'ung and Ch'u Ch'ang-nan, were sent to Yünnan to organize the Kotchiu and Kunming groups politically.⁵⁴

These graduates organized a Provisional Military Government Committee of Yünnan of the Chinese KMT (Chung-kuo kuo-min-tang Yün-nan lin-shih chün-cheng wei-yüan-hui) which comprised Li Po-tung, Tung Chu-hsiang (the Kotchiu group), Chang Jo-ku, P'eng Chia-yu and Chao Tzu-ch'in (the Kunming group). This organization was very much a secret one, for T'ang was not inclined to be lenient with anyone plotting against him.⁵⁵ The aims of this organization were said to be as follows:

- "1) To join forces with relatively enlightened military leaders in the province, dividing T'ang Chi-yao's military strength.
- 2) To join forces with progressive men in all places and the military leaders of the popular armies (min-chün i.e. bandits) in the south riding, increasing the strength of the "anti-T'ang" forces.
- 3) To continue to establish the central structure in Kotchiu.
- 4) All items of finance to be provided by those originally responsible (i.e. Li Po-tung and Li Piao-tung)."⁵⁶

Of these points the first reveals the fundamental weakness of the political aims of this group. Who were the "relatively enlightened military leaders" and how were they to be brought under the political control of the Provisional Military Government? In concrete terms the group looked to Lung Yün, Hu Jo-yü and the other members of the coterie of four Defence Commissioners who eventually organized the coup against T'ang. Their attempts to bring these men under the control of a political organization failed because they did not understand that while men such as Lung and Hu were very anxious to get support from Canton and its intermediaries in Yünnan their fundamental concern was for their own position. This aspect of their behaviour was not immediately apparent to the Provisional Military Government and its supporters, but they were soon to discover that political power was nothing without military backing.

The decision to seek alliances with bandit leaders which was echoed in the final disastrous attempts of the remnants of this group to overcome the power structure which, they considered, had been erected by T'ang Chi-yao pointed to the strength of banditry in the south of the province where several bandit leaders played a role in the civil war which broke out in the latter half of 1927. It also demonstrated that the framework of the attack on T'ang owed a lot to traditional warlord practices. When T'ang Chi-yao had returned to Yünnan in 1922 after Ku P'in-chen had expelled him in 1921 he had employed a bandit called Mo P'u in

the fighting.⁵⁷ Now the Provisional Military Government intended to employ similar tactics. The unifying characteristic of both the "relatively enlightened military leaders" and the bandits of southern Yünnan was that neither side was willing, in the final analysis to give their wholehearted support to any political system of control. A warlord faction might employ a bandit army, and a bandit army might try to get itself placed on a regular footing in the army of a warlord, but that was the limit of their unity.⁵⁸

The third significant point was that Canton was still unwilling to provide this group with any funds. Canton and the KMT were quite consistent in refusing to finance either Fan Shih-sheng or any of the opponents of T'ang Chi-yao within Yünnan. In short the small, secret political structure centred on Kotchiu could not but try and make use of the military force available to it, and hope that somehow the military force would submit itself to political control.

It is worth mentioning that none of the activities of this group seem to have been aligned with the negotiations held between Chiang Kai-shek and T'ang Chi-yao. This may not have been the case in the later stages,⁵⁹ but it certainly does not seem possible that the Provisional Military Government was aware of the negotiations.

In pursuit of the policies adopted the first tentative steps to enlist the support of the generals and bandits of Yünnan were

taken; the prime object of the Provisional Military Government was Lung Yün. This was partly because he had, perhaps, the strongest army of all the commanders in Yünnan, and also partly because his troops were stationed near Kunming, and if a coup was to be attempted then it could not succeed without Lung.⁶⁰ At the same time contacts were made with various bandit leaders in southern Yünnan such as Li Shao-tsung, T'ang Sung-lin and P'u Wen-jung.⁶¹ It is not clear when these approaches were made or what transpired between Lung and the Kotchiu-Kunming group.

In December 1926 one of the original representatives of the latter group who had gone to Canton in September, Yang Ch'un-chou, sent a telegram to Yünnan in which he stated that Canton would not send troops.⁶² This was consistent with the previous refusal of Canton to provide funds for any insurrection. It also pointed to the fact that Fan Shih-sheng's career was effectively finished. Canton wanted action from within, and although it was announced on January 6, 1927 that Fan had been appointed to launch an attack on Yünnan, and while he claimed that he had carried out propaganda work in the border regions, it was obvious that his ambitions had been finally snuffed out.⁶³

The consequence of Yang's telegram was to provoke the conspirators, for that is all they were, into trying to win over the senior generals in T'ang Chi-yao's army. Ch'u Ch'ang-nan, one of the Whampoa graduates saw Lung Yün personally, while other members of the group tended to work on subordinates in the other

armies. Chao Tzu-ch'in set about Hu Liu-ch'i, the brother of Hu Jo-yü, while Tung Chu-hsiang tried to influence Ho Tzu-hou, a subordinate of Li Hsüan-t'ing, the Defence Commissioner of Ta-li.⁶⁴

The conversation between Ch'u Ch'ang-nan and Lung Yün revolved around three points. Firstly, would Lung support a coup against T'ang? Secondly, would he support the National Government? Thirdly, would he accept the legal status of the KMT? In reply Lung said yes to all three questions but specified that T'ang could not go completely but would have to remain as a figure-head.⁶⁵

How could such a man as Ch'u approach Lung on this basis? Did he not run a great risk in suggesting an attack on T'ang who, after all, had been Lung's teacher and protector for over fifteen years? The answer to these questions can easily be given in hindsight, since Lung did organize a coup, or at least take a most active hand in it if not actually direct the initiation of the coup. But it seems clear that Lung and his fellow Defence Commissioners were on the one hand reviewing their prospects in Yünnan if they continued to support T'ang, who, it will be remembered, was launching a political movement in Kunming which signalled the break-off of relations with Chiang Kai-shek. Also there was the question of nepotism.

The role of nepotism in maintaining loyalty and its negative aspects has been discussed in the Introduction, and so it needs little further elaboration at this juncture. But specific

events had taken place in November which had still further alienated the generals Lung, Hu and Chang. For in that month a batch of 5,000 rifles, part of a consignment of 7,000, arrived through Indo-China in Kunming. In distributing them T'ang gave the lion's share to his cousin, T'ang Chi-yü who was at that time nominally Inspector-General of Army Training but in fact held the command of T'ang Chi-yao's personal bodyguard army, the i-wei ta-tui.⁶⁶ T'ang Chi-yü received 2,800 rifles, whilst Lung Yün and Hu Jo-yü each received 900 and Chang Ju-chi a mere 400.⁶⁷

Precisely how effective this was in persuading the various Defence Commissioners that T'ang was too anxious to build up his cousin to the detriment of their position within the faction is difficult to say. But combined with the various other factors involved it must have given Ch'u Ch'ang-nan sufficient grounds for thinking that an approach to Lung would be acceptable.

As for Hu Jo-yü, who apparently was a little in the dark as to what exactly was going on, he sent an emissary to Canton to express his willingness to join forces with those against T'ang Chi-yao.⁶⁸ This took place, it seems, during January 1927 when Ch'u Ch'ang-nan, with the good news from Lung Yün, and Li Piao-tung visited Canton. These two held meetings with Li Chi-shen and a certain Wang Fu-sheng, who was not only a native of Yünnan but also a communist.⁶⁹ Wang was later to play a minor, but not insignificant role for a few months in Kunming. It was now

clear in Canton that the policy of not spending money and of waiting on events within Yünnan had been correct, if the goal was simply to overthrow T'ang. The emphasis which was given to defeating T'ang Chi-yao by those composing the Provisional Military Government, is reflected in almost all contemporary sources concerning the warlords who had come to power since the death of Yüan Shih-k'ai or who had arisen from the aftermath of the 1911 Revolution. It is conceivable that the great personal emphasis on individual warlords was founded on the belief, at that time, that the generals under the old warlords, or at least some of them, were genuinely committed to nationalism and the National Revolution. This is not a question which can be adequately answered here, but it illustrates the great uncertainty which existed within the KMT, and perhaps, the CCP as well, over the nature of the political aims of generals in remote areas who were very little known as national figures.

The Coup d'Etat and the Coalition Government

In Canton during the middle of February 1927 a decision was taken to appoint Lung Yün and Hu Jo-yü to the commands of the thirty-eighth and thirty-ninth armies of the National Revolutionary Army. At the same time a Provincial Government Committee (sheng cheng-fu wei-yüan-hui) was decided upon in which were to be the four Defence Commissioners, Lung Yün, Hu Jo-yü, Chang Ju-chi (who was also appointed to the command of an "independ-

division") and Li Hsüan-t'ing together with T'ao Hung-t'ao who like Lung was a native of Chao-t'ung county, his private secretary, and before 1924 a school-teacher in that county,⁷⁰ Li Po-tung, and the communist Wang Fu-sheng.⁷¹ Li Piao-tung was named Special Pacification Officer for the Popular Armies in Yünnan (Yün-nan min-chün hsüan-fu chuan-yüan).⁷² All seals of office and other documents were prepared in Canton, and a telegram was allegedly issued through Teng Yen-ta, in Wuhan, giving out the news; Wang Fu-sheng set out for Kunming with all this information and the requisite documentation.⁷³ But there are grave doubts that the telegram which Teng Yen-ta was supposed to have issued was so despatched. Neither Lung nor Hu were actually appointed to the respective army commands until June 14, and in the contemporary material this is quite clear. There are other points in this paragraph which indicate that what was decided in Canton was opposed by the generals in Kunming, showing the unwillingness of the latter to accept the political orders of the KMT.

While decisions were being taken in Canton the generals had acted in Kunming. On February 5 a telegram was issued by the four Defence Commissioners in consort; but in contemporary accounts of the actual coup in Kunming reference is always made to the coup starting on February 6. It is a matter of little significance; but if the telegram were prepared the day before the actual event it lends further weight to the belief that Lung Yün was the master-mind behind the plot and not, as his brother-

in-law, Li P'ei-t'ien, tries to argue, simply the loyal supporter of T'ang Chi-yao ensnared in a devilish plot of Hu Jo-yü and Chang Ju-chi.⁷⁴ By the beginning of February troops were making a fuss in Kunming over the fact that they had not received any pay for some considerable time.⁷⁵ It is tempting to see the hand of Lung Yün in prompting their behaviour, since if, as one source has it, they had not been paid for a year, it was singularly convenient for Lung that some disorder occurred at that point and not some other.⁷⁶

Strategically the forces of the four Defence Commissioners were fairly well placed to effect an attack on T'ang. Lung's troops were in the capital, whilst Hu Jo-yü was stationed in Mengtze and could send his army by rail to the capital fairly rapidly. Chang Ju-chi and Li Hsüan-t'ing were further away in Chao-t'ung, north-east of Kunming, and Ta-li, to the west, respectively, but T'ang's position was somewhat worse. The exact strength of the four generals is not certain. It is that Lung and Hu each commanded four regiments while Chang and Li each had two regiments.⁷⁷ T'ang Chi-yao, for his part, could count on his personal bodyguard under T'ang Chi-yü and some other generals such as Meng Yu-wen and Wang Chieh-hsiu, and the army of Ch'en Wei-keng which was stationed in the remote south-west of the province and thus virtually useless for his defence.⁷⁸ What the real distribution of strength in terms of men and rifles is, and was, a matter for guess-work; one source said there were 23,000

rifles in the province.⁷⁹ The only thing that is clear is that while T'ang could hole up in his Governor's Palace, and did so, he was trapped and could only wait and hope for internal dissention. At one point during the ensuing negotiations he was credited with saying:

"I might retire at any time, but because there is a balance of power between the four generals, Lung, Hu, Chang and Li, after I go a situation of 'a host of dragons without a head' might arise, and so there is no way of getting rid of me."⁸⁰

In this calculation T'ang was right. He retained nominal power right up to his death in May.

During the following days Lung Yün's troops took over the city, posting troops outside all public buildings, including the railway station. But T'ang was still tucked away inside his Palace and he had positioned artillery so that it bore down on Lung's troops.⁸¹ The text of the demands made by the four generals is described most fully in the Min-kuo Jih-pao of March 2, but it has some lacunae; nevertheless it is much more detailed than any other and it is this text which is given below.

"1) Finances to be made open and the accumulated annual budget [deficit] cleared up.

2) The salaries of the military officials for the last two years must be paid, and henceforth must be paid every month and must not get into arrears.

3) The Inspector-General of [Army] Training, T'ang Chi-yü, the Defence Commissioner of T'eng-chung, Ch'en Wei-keng, the Superintendent of Municipal Government, Chang Wei-han, the former Director-General of the Opium Prohibition Office (chin-yen kung-so tsung-pan), Li Hung-lun, the former

Secretary of the Provincial Government, the Director-General of Likin for the six cities, the Head of the Bureau of the Alcohol and Tobacco Monopoly, Pai Chih-han, the Manager of the Yünnan Tin Company, Wu K'un, the Provincial Minister for Education and Communications and Chancellor of the Tung-lu University, Tung Tse, and the Provincial Minister for Foreign Affairs and Finance, Hsü Chih-ch'en, ten men, are to be expelled.

4) Industry is to be developed and roads are to be speedily built.

5) Educational Expenditure is to be increased in order to train men of talent.

6) The resolutions of the Provincial Assembly and the will of the people should be obeyed.

7) Internal Government is to be reformed and the civil administration adjusted.

8) Corrupt officials are to be prosecuted.

9) Hangers-on are to be expelled from all quarters and may not be employed again.

10) Communications are to be broken off with the northern representatives and intercourse cease; the orders of the National Government must be obeyed.

11) Within the shortest period T'ang himself must go out on a tour of inspection of the counties.

12) Henceforth conscription must cease in order to provide a respite for the people, and bandits must be destroyed."⁸²

The most interesting point which these demands make is that the National Government of the KMT was to become the legitimate authority governing Yünnan. But more interesting was the fact that it was not given greater priority. The tenth point confirms the accounts given elsewhere that T'ang was in active contact with the northern warlords. As is evident the greatest weight was given to enumerating ad nauseam the grievances of the generals and their dislike of certain individuals. The whole stress is on the corruption of the administration and T'ang's misrule; but in conformity with evidence previously cited no demand is made for T'ang himself to completely give up his position as nominal ruler. The mention of the role of the Provincial Assembly may

well have been a reflection of the activities of the Kotchiu-Kunming group in encouraging the generals to revolt, and for a time it appeared that the Provincial Assembly would become an institution of some relevance and not simply a rubber-stamp for the decisions of a military dictatorship. The position of T'ang was still a matter of some importance. Apart from a feeling on the part of Lung and Hu that out of a sense of loyalty to him they should not completely humiliate him (both generals expressed to T'ang sentiments of this kind⁸³) any attempt to force him out could have produced a difficult situation for the generals, since any fierce fighting would not have made them any more popular with the leading officials and political leaders of Kunming society.

On February 11 T'ang Chi-yü and Ch'en Wei-keng were sent off to Indo-China with a small sum of money for expenses, and it appears that the other officials also thought it prudent to remove themselves.⁸⁴ It is noteworthy that at least three officials mentioned in point three of the demands later returned to Yünnan in 1928 and served Lung Yün in some capacity or other. Chang Wei-han later took over charge of foreign relations in his government and Wu K'un and Hsü Chih-ch'en figured again in public life. The likely explanation of this is that Lung was more inclined, at least before 1931, to use the old officials who had served T'ang Chi-yao, in contrast to Hu Jo-yü. This points to the importance of such officials; their knowledge of

the administration of the province gave them the chance to serve under any warlord administration.

The armies of the four generals meanwhile had advanced towards Kunming and taken up stations outside the provincial capital on the main routes into Kunming.⁸⁴ The political organizations set up by T'ang, the Democratic Party, Academy and Newspaper winked out of existence.⁸⁵ And on February 10 the Provincial Assembly passed a resolution which gave support to the demands of the generals. Firstly, it was proposed that T'ang be created General-Controller (tsung-ts'ai) a title similar to the tsung-chih proposed by Wang Sheng-tsu. Whether this indicates that the negotiations between T'ang Chi-yao and Chiang Kai-shek had been made known to the Provincial Military Government, whose members occupied seats in the Provincial Assembly, is not known. But perhaps the links between the Canton attempts to foment an attack on T'ang the original negotiations were linked in some way that is not clear now. The other proposals were concerned with a system of organizing the as yet unformed government to replace that of T'ang Chi-yao as well as others dealing with the abandonment of forced conscription mentioned in the generals' demands and tax reforms.⁸⁶ No mention was made of the role of the National Government and generally during the first few weeks the whole affair was kept at a provincial level, perhaps at the prompting of the generals.

On February 11 the generals sent a second telegram to T'ang

urging him to accept the proposals of the Provincial Assembly. In return T'ang suggested that the armies return to their original stations and that a joint conference be held to sort matters out.⁸⁷

It was hardly surprising that the generals were not impressed by T'ang's proposals. Their next move was to convene a conference at I-liang, just to the east of Kunming, a traditional meeting place for conferences in such situations.⁸⁸ The conference took place approximately between February 16-27.⁸⁹ Apart from the "quartern de généraux" and representatives of T'ang Chi-yao, the other participants were "...comrades who had taken part in the anti-T'ang movement and the work of the Communist Party in Yünnan."⁹⁰ This conference was one of the turning points in the relationships of Yünnan with the KMT and the Northern Expedition.

Before it commenced Wang Fu-sheng, the Yünnanese communist sent from Canton, arrived and showed the generals the arrangements already made for the composition of the new government. But the generals refused to accept the conditions offered them and Wang was not allowed to participate in the conference.⁹¹ However he did keep in touch with some of the members of the conference, such as Chang Jo-ku, Tuan Yü-ts'ang and Chao Tzu-ch'in who were original members of the anti-T'ang conspiracy.⁹² The generals had very clearly shown that they would not accept outside, political interference in their manoeuvres and that in

reality their talk of obeying the orders of the National Government was a blind.

On February 22 the conference produced a document, drafted by Chang Jo-ku, entitled The Organizational Outline of the Yunnan Provincial Government (Yün-nan sheng cheng-fu tsu-chih ta-kang) which was published on March 2.⁹³ The principle features of this document of sixteen clauses were the establishment of T'ang Chi-yao as tsung-ts'ai, elected to that position by the armies of the generals, with his powers completely hedged around by qualifications giving all power, in effect, to a Provincial Affairs Committee (sheng-wu wei-yüan-hui).⁹⁴ There were to be nine members of this Committee elected by representatives from the Provincial Assembly and other public bodies.⁹⁵ When the elections took place, on March 5, twenty-eight men formed this electoral body, with ten from the Provincial Assembly, five each from the Chamber of Commerce and the Educational Association and the Agricultural Association and three from the Bar.⁹⁶

There are two points which arise from the Organizational Outline: firstly, the committee of government was not called the Provincial Government Committee but the Provincial Affairs Committee; secondly, the composition of the governing committee, "the highest decision-making body in the province", was decided on by a provincial body. Both of these points show that the legitimacy of the Provincial Government was to be derived from a provincial source and not from a national one. This was a

further stage in the progressive rejection of the authority of the KMT.

After the new Organizational Outline had been composed it was transmitted to T'ang Chi-yao through one of his representatives at the I-liang conference, but still T'ang held out. A further telegram was sent to him demanding a reply within three days.

"If once more you hope to extend the time-limit on the pretext of deliberation, sowing dissention amongst us from without while secretly preparing to defend yourself by attack, then Hui-tse (one of T'ang's honorific appellations deriving from the name of his birth-place) will be judged by the masses, and we, Hu Jo-yü and others, will not take the responsibility for Hui-tse. And yours will be the responsibility for the destruction of our expectations of peace."⁹⁷

Having been king stork T'ang was understandably reluctant to become king log; but he finally gave in on February 24, 1927 and on March 1 the troops of Hu Jo-yü and Chang Ju-chi joined those of Lung Yün in Kunming.⁹⁸ Having driven the last nail in T'ang's coffin, the generals issued a circular telegram, 'urbi et orbi', in order to make their position clear. It is a most interesting document which makes clear the profoundly regional nature of their thinking, while giving an explanation of their conduct since 1925 and, incidentally, telling the KMT to mind its own business.

"Since the Shanghai Incident of 1925,⁹⁹ the atmosphere has been turbulent and patriotic men have given urgent voice to their feelings 7, all desirous that civil strife should cease and foreign aggression be resisted. When we...returned our armies from Kwangsi in order to assist Ming-shuai (literally Marshall Ming, derived from T'ang's courtesy name T'ang Ming-keng; cf. Yü-shuai for Wu P'ei-fu¹⁰⁰) to pacify the people and protect our territory, we have have been on the alert for the last two years.

Initially, as far as the south was concerned (i.e. Canton) there was no divergence of views, but there were one or two despicable people who fabricated rumours, deceiving Ming-shuai and perverting power to their own ends without regard for the general situation. We...give the fullest support to Szechwan, Kweichow, Kwangtung and Kwangsi. The territories are contiguous and mutually reliant.

Should it be desired to have peace at home and abroad, one should first draw aloof from the abandoned and become intimate with the virtuous (yüan-ning ch'in-hsien). So we gathered together our friends and petitioned their dismissal (presumably the abandoned). Fortunately Ming-shuai is intelligent and liberal and he removed political obstacles to plan innovations for the province of Yünnan....

We have made this separate statement in the sincere fear that rumours abroad might part company with reality...."¹⁰¹

The regionalism expressed here took precedence over the political reality of the national situation; what bound Yünnan to Canton were primarily the fact that the two provinces were in the south. Everything else flowed from there. Historically T'ang Chi-yao's career had been one of a continual attempt to expand his power into the provinces mentioned in the telegram. While the generals were not, of course, suggesting that they would follow T'ang's example, it seems clear that their experience in Yünnanese politics and military affairs had conditioned them to think in terms of relations between provinces on a purely self-interested basis as the dominant factor in forming policy. In the time of the Long March Lung Yün showed a similar view of the 'unity' of the south-west.¹⁰²

The flattering and obsequious references to T'ang Chi-yao were designed to tell China that what had happened was quite a small matter of adjusting certain aspects of his administration,

and not a complete reorganization of the political and military structure in the province. This was, of course, true to a limited extent, but not, perhaps, in the way in which the generals wished it to be understood. The telegram continued to demonstrate the fundamental contradiction between the assertion that what had happened was simply a matter of booting out a few villains while at the same time saying that wholesale changes had been introduced.

"After discussion the Organizational Outline of the Yunnan Provincial Government was settled on the basis of the common will of the whole people. There has been reform and politics have been made open. The rural areas are not alarmed and order continues as ever."¹⁰³

On March 5 elections were held for membership of the Provincial Affairs Committee. The four Defence Commissioners each received the maximum number of votes; the other commissioners elected were Ma Ts'ung, Wang Chiu-ling, Wang Jen-wen, Chou Chung-yüeh and Chang Yao-tseng.¹⁰⁴ Chang Yao-tseng and Wang Jen-wen were both absent in Peking and declined to join the Committee. The three remaining officials were all old-time political advisers to T'ang Chi-yao whose careers had not taken them outside the narrow confines of Yunnanese provincial politics. Ma Ts'ung and Wang Chiu-ling had been T'ang Chi-yao's main representatives at the I-liang conference in February and Chou Chung-yüeh had had a long career with T'ang Chi-yao, occupying, to name but one example, the post of Provincial Governor (sheng-chang), before T'ang himself adopted that title to bolster his Federalist ideas.¹⁰⁵

This Committee was nothing like what Canton had hoped to build up in Yunnan; all its members were closely linked with T'ang Chi-yao, and none of them could in any way be described as possessing sympathy for the KMT and its political principles. It took office on March 8 with T'ang Chi-yao nominally at its head, as a twenty gun salute was made. The slogan posted up was "Long Live the Chinese Republic" and the flag displayed was the old five-coloured one of the Republic. The political content of the occasion was rather mixed, and was even more confused by Lung Yün's refusal to attend the ceremony, alledgedly because he feared some plot by T'ang Chi-yao.¹⁰⁶

The students who had been marshalled into the Democratic Party were now parading round the streets of Kunming bearing a portrait of Sun Yat-sen and confronted T'ang Chi-yao being carried in a sedan chair. A more dramatic tableau of the old and the new could not be imagined.¹⁰⁷ In the evening of that day, which happened to be International Women's Day, a meeting was broken by a gang of toughs and the blame laid at T'ang's feet. The confusion in Yunnan was just beginning.¹⁰⁸

Fan Shih-sheng, who was still hanging around the Yunnan border, was approached by the generals who offered him the empty title of Superintendent of Yunnan-Kwangsi Border Defence and half of the money he required to finance his army, but Fan refused unless T'ang were driven out.¹⁰⁹ In short a coalition government had been established which had excluded the Katchiu-Kunming group;

the KMT had been rebuffed; Fan Shih-sheng had effectually been dealt with, although he still presented a minor nuisance. It was now the time for the taking up of positions for the inevitable clash between the generals.¹¹⁰

The KMT and CCP in Yünnan

During the period from February to June 1927 the political situation developed as follows. The Provincial Affairs Committee waited on events in central China, to see whether Nanking under Chiang Kai-shek or Wuhan under the CCP-'left' KMT group would come out on top. In Kunming the original Kotchiu-Kunming group which had constituted the Provisional Military Government (which had died still-born) split into two and formed two separate branches of the KMT. Yet another KMT branch, making three in all, was established at the instigation of the Provincial Affairs Committee who had sent representatives to Chiang Kai-shek. The three groups had differing views on the political situation and in the attitudes of the leading generals towards the various branches some kind of political distinction may be drawn between Lung Yün and Hu Jo-yü, though there is undoubtedly a good deal of difficulty in being certain how far the attitudes expressed thereby were genuinely felt or simply opportunism. One section of the original Kotchiu group threw in its lot with one Chiang Yang-shu who claimed to have support from bandit armies. From the south of Yünnan they tried to launch an attack on the ruling

junta and were betrayed by Chiang Yang-shu's outstanding incompetence and stupidity. But the real struggle was centred in Kunming between Lung Yün and Hu Jo-yü. The death of T'ang Chi-yao shattered the coalition and within three weeks a civil war had begun.

An undercover KMT branch was established by the Yünnanese communist Wang Fu-sheng within the College of Law and Politics, from where propaganda work amongst the student population was carried on.¹¹¹ This particular branch must have been the one that the British consul in Kunming referred to when he described the presence of "trained agitators" stirring up the population of the provincial capital.¹¹² The nature of the propaganda carried on by this group was directed against the sending of British troops to Shanghai, foot-binding, concubinage, official corruption and excessive taxes.¹¹³ But for both British and French witnesses of the demonstrations which were held all through March and April all such activity was nothing more than xenophobia and besides it "...left the mass of the people absolutely indifferent."¹¹⁴ But while it may be true that an anti-foreign sentiment as well as an anti-imperialist motive informed the demonstrations and influenced the student population, it should be remembered that an anti-Christian feeling was prevalent among other regions of Yünnan and other age-groups. In Ning-yüan, during this period, the Chamber of Commerce issued a broadsheet warning the people to beware of the English and French who came

to exploit them.¹¹⁵ This particular group was, it has been said, viewed with some favour by Hu Jo-yü which lends support to the accusation later made by Lung Yün that he favoured Wuhan against Nanking, not necessarily in the sense of sympathizing with their political views but simply believing that the Wuhan Government was stronger and would prevail.¹¹⁶ Lung Yün, on the other hand maintained a tenuous contact with this group through his brothers-in-law, Li P'ei-t'ien and Li P'ei-yen.¹¹⁷ At this stage neither general would openly commit himself to outright support of the College of Law and Politics KMT branch.

During March 1927 a split in this group developed when the members of the original anti-T'ang faction whose base was primarily in Kotchiu were virtually voted off an Executive Committee which was organized.¹¹⁸ As a result this latter group organized a further KMT branch, establishing themselves in the Provincial Assembly building.¹¹⁹ Thus there came into existence two KMT branches. This split was caused by a feeling that the Kotchiu group was being pushed into the cold; possibly it was a reflection of a political division. The College of Law and Politics Executive Committee was in the hands of CCP members who may very well have opposed the Kotchiu group which was composed largely of old T'ung-meng Hui members.

Lung Yün's attitude towards the students and their demonstrations during March was marked by his refusal to allow them to proceed through the quaters of the city where the foreigners

lived.¹²⁰ There is some confusion over who actually led the government; some sources regarded Hu Jo-yü as the Provincial Chairman whilst others saw Lung Yün as the leader. Li P'ei-t'ien maintains that there was a rotating chairmanship which might explain the discrepancy,¹²¹ but the overall impression which the various sources give is that Lung was in charge.

On April 6 the Provincial Affairs Committee launched a new initiative to bring about an arrangement with the KMT. Three representatives of the Committee were sent to Canton, of whom Chiang Yang-shu, who was related to Lung through the marriage of one of his children to one of Li P'ei-t'ien's (Lung Yün's brother-in-law), decided not to proceed to Canton but left the train at Mengtze where he started to gather about him some bandit armies in order to set himself up as a warlord. He was one example of those military leaders mentioned in the Introduction who never succeeded in gaining a secure base from which to extract revenue and expand his control over a part or the whole of a province.

The other two representatives, including Chang Pang-han, later to become Provincial Minister for Reconstruction under Lung Yün, proceeded to Canton and from there to Nanking where they met Chiang Kai-shek.¹²² Chang Pang-han had served Sun Yat-sen as an editor of a newspaper in Hongkong and thus his connection with the KMT made him a reasonable choice for such a mission.¹²³ He was also reputed to be a brother-in-law (the list grows) of Lung

Yün.¹²⁴ Apparently it was as a result of the discussions between Chang Pang-han's delegation and Chiang Kai-shek that it was decided to form a third branch of the KMT in Kunming, this one in the Yüan-t'ung-ssu chieh.¹²⁵ When this branch was opened is a matter of conjecture.

On April 24, however, the official opening ceremony of a KMT branch in Kunming took place in the Provincial Assembly building. A demonstration of students accompanied this great day.¹²⁶ A number of hypotheses to explain the exact sequence of events could be advanced, all equally valid. But the particular hypothesis chosen here is that the recognition of the KMT branch in the Provincial Assembly building was accorded to the third branch of the KMT, the last established, which presumably replaced the Kotchiu branch which had given up the attempt to influence the generals.¹²⁷

Whatever the actual sequence of events in establishing the three KMT branches this much can be said: the division between the communist-led College of Law and Politics branch and the Provincial Assembly branch was caused by localist rivalries and probably also by political differences. The split weakened further the tiny forces of social and national revolution in Kunming. The third branch seems to have been founded at a time when Lung Yün was moving further towards fuller support of Chiang Kai-shek. From this point on there was a perceptible swing against Wang Sheng-tsu and his Executive Committee which blossomed

fully during May.

On May 7 a proclamation was issued in Kunming giving support to the KMT, the Three Principles of the People, Chiang Kai-shek, the establishment of the capital at Nanking and opposition to communism.¹²⁸ Nearly a week later on May 15, this general line was further strengthened by a call that all communists should surrender themselves to the Provincial Government within ten days and arrests began to be made.¹²⁹ Demonstrations had continued to take place during May, on the fourth and ninth of the month, against the occupation of Tsingtao by the Japanese, and on the eleventh fighting broke out in Kunming itself between two regiments, though from what origin the quarrel started is not known, which heightened the tension in the city.¹³⁰ On May 12 some students and teachers were arrested and when on the following day a deputation of students went to see Lung Yün about this event, Lung was reported to have said that their comrades had been arrested "...on an order from Canton...and he added that if they had not dispersed within a quarter of an hour they would be so by machine-guns."¹³¹ Lung Yün, the champion of order was emerging.

The general confusion in Kunming which continued during May as the generals found no possibility of cooperation amongst themselves was manifested by a report of a mass meeting held on May 30 by the KMT.

"At the present the basis of the Party has not yet been established, and while men's sympathies are wavering, party-

purification is a truly urgent matter...."132

At this meeting six resolutions were passed, two concerning foreign affairs, while the others repeated the line of May 7; support for Chiang, anti-communism, support for Nanking and support for Sun Yat-sen's industrial and agricultural policies. By this time Wang Sheng-fu, after an unsuccessful attempt to escape had been arrested. A telegram from Kunming issued by the KMT described his behaviour as follows.

"As far as Yunnan is concerned, since the communist dregs Wang Fu-sheng, Wang Chih-hsiang and others returned from Canton after the coup d'état of February 6, they took the opportunity to inflame the young in the name of the KMT. They established a false Party (wei-tang) and induced the peasantry to resist the payment of rents and taxes, conduct which was rebellious. The more it went on the worse it became. As for those comrades who believed in the Three Principles of the People and in years gone by followed our late Director-General in working for the Revolution, they slandered them as corrupt, useless, reactionary rightists....

Although the Provincial Government recently came into possession of proof that Wang Fu-sheng and others were making communist propaganda and he was arrested and kept under surveillance, nevertheless the principle of leniency was upheld to make a thorough investigation. Unexpectedly some Part clique in their stupidity grew more violent. Very recently they have posted up slogans. In the end there were such perversities as supporting the Wuhan government, opposing the Nanking Conference, carrying out the three great policies etc. etc., distributed everywhere."133

It is almost certain that the views expressed in this telegram were those of Lung Yün, since Hu Jo-yü had already left Kunming to go south by this time.134 In general it seems that the reaction against Wang Fu-sheng was the work of Lung Yün. While Kunming was rapidly moving towards outright support for Nanking and Chiang Kai-shek, in the south of Yunnan a further effort was

being made to carry out an attack on T'ang Chi-yao by the Kotchiu group which had split away from the College of Law and Politics group under Wang Fu-sheng. While it was a lamentable failure and contributed nothing at all to the destruction of the armies of the generals in power in the Provincial Affairs Committee, it is noteworthy as a further example of the weakness of the non-military opposition to T'ang personally and the warlord faction in Yünnan in general. There are contradictory elements all through the difficult history of the events in southern Yünnan and it cannot be pretended that a full and satisfactory explanation can be given for the whole affair. But the main outline is clear.

It will be remembered that Chiang Yang-shu, an officer in the Yünnanese Army had been originally selected to go to Canton on behalf of the coalition government, but instead of so doing he had left the train at Mengtze and set about rallying support for himself amongst bandit armies, especially in Chien-shui county. News of his activities was made known to the Kotchiu group in Kunming (this must have been sometime during April).¹³⁵ Liu K'un-fu, a member of the Kotchiu group, who had originally brought the news of Chiang's activities to Kunming, was sent to make contact with the latter to try to work out an alliance.¹³⁶ In the conversations which took place Chiang declared that the anti-T'ang movement had not been "thorough" and that he intended to raise an uprising against T'ang. Liu and his colleagues in-

formed Chiang of the activities of the Kotchiu group.¹³⁷ From this it seems clear that Chiang, a man supposedly disappointed in his failure to win a position within the coalition government, had been unaware of all the back-stage preparations and secret talks held between the Kotchiu-Kunming group, supported from Canton, and the four Defence Commissioners.¹³⁸ It is equally clear that the Kotchiu group, who had exercised little real power were in a desperate position and turned to Chiang, who in provincial terms was a very minor figure, almost in the vain hope of achieving through Chiang what they had failed to achieve with Lung and Hu.

The further activities of this group were not linked with the College of Law and Politics group led by the small communist group from Canton. The latter, it is clear, had followed the Wuhan line during May,¹³⁹ but in spite of vague accusations made later in 1928 that the 'communists' in Yunnan were "...employing local thugs and vagrants, uniting with local bullies and bad gentry to organize all sorts of bodies, infiltrating all regions, ..." ¹⁴⁰ there is little to suggest that Wang Fu-sheng took his political propaganda to the peasants. The dismal uprising in the south under Chiang Yang-shu and the Kotchiu group was unconnected with anything resembling social revolution.

Chiang Yang-shu had assumed the style of commander of the thirty-third army of the National Revolutionary Army, but he had had no authorization to do so from any military authority.¹⁴¹

The aims of this alliance between Chiang and the Kotchiu group were never clear, at least in their execution. Chang Jo-ku and Li Piao-tung put their aims as follows:

"The aim was to continue the general line of the circular telegram of the previous year of the KMT Central Executive Committee "to suppress T'ang", to proclaim his crimes and punish him; to make the people of the whole province understand where justice lay, respond to the revolution and use it to urge the power-holders (shih-li p'ai) to make clear their attitude, and advance their reliance on the National Government."¹⁴²

The emphasis continued to be placed on T'ang Chi-yao as the central object of attack, but there was also exhibited the realization that any attack on T'ang Chi-yao would necessarily mean gaining political control over the generals in power in Kunming. And what lay behind this concept, in concrete terms? The total military strength of Chiang Yang-shu consisted of a vaunted 3,000 bandits, fourteen men who had been originally part of the Kotchiu-Kunming group and "...ten or more armed workers from Kotchiu and twenty or more armed peasants from Shih-p'ing...."¹⁴³ With this pitiful, pathetic, but somewhat touching group it was expected to overthrow a system of military rule by warlords, who whatever the exact strength of their forces were certainly more than a match for such a collection.

At a mass meeting of this "revolutionary group" a set of six decisions was produced. Chiang was given a position in the Provisional Military Government, and charged with issuing a manifesto to make public their intent to "suppress T'ang". A

"minimum program" for governing Yünnan was established; the Provisional Military Government was to move into Chien-shui city and establish a government and Chiang was confirmed as the commander of the bandit armies.¹⁴⁴ Thus the position on the basis of these four decisions was designed to legitimize Chiang Yang-shu's position and create a regional basis. This was the sub-provincial kind of warlord factionalism discussed in the Introduction. Further these four decisions had a coherence which, if unrealistic, would have given a clear-cut expression of opposition to the dominant coalition government.

But the other two principles ran completely counter to the other four. Chao Tzu-ch'in was to make an attempt to come to terms with Hu Jo-yü and enlist his support while Chiang Yang-shu himself, who was distantly related to Lung Yün, should try to enlist the latter.¹⁴⁵ The contradiction is obvious, or should have been. It reflected the character of the whole campaign which from Chiang's point of view was simply to get himself a position of power. Bandits, it should be remembered, were eager to gain legitimacy through acceptance into a warlord factional army. The Kotchiu group had evidently learned very little about the nature of power; once more they sought to gain political control over military power through a political organization which they expected to dominate "relatively enlightened military leaders". Here, history was being repeated the first time as farce and the second time as farce.

The actual course of the campaign reflected the contradiction between Chiang and his bandits and the political aims of the Kotchiu group. Chiang eventually proved not simply an opportunist but an incompetent and vacillating one at that, and the Kotchiu group were left high and dry. The first military action taken occurred on April 16 when, by previous arrangement Li Shao-tsung, a bandit leader, attacked a section of the Indo-China-Yünnan Railway but was repulsed by troops of Hu Jo-yü as well as by those of Lung Yün.¹⁴⁶ Shortly after this Chiang got 2,000 dollars from the Provisional Military Government, made an abortive attack on some of Hu Jo-yü's troops and decamped.¹⁴⁷ Chiang finally returned to Kunming and made his peace with Lung but was never again a person of any significance. His followers were not so lucky. When Chien-shui was entered on April 8 it was in secret, hardly the manner befitting a government; when the military campaign was defeated most of the Kotchiu group escaped via Indo-China but some of the Kotchiu workers were caught and executed while one of the Kotchiu group (who were, after all, men of some substance in the province) captured with them was spared through the intervention of the Tao-yin of Mengtze.¹⁴⁸

One general point that may be made about the history of warlord factionalism, national and social revolution in such a province as Yünnan is that fundamentally the power of warlord rule was never endangered precisely because those nationalist political groups who hoped to win power never really understood the nature

of the military forces they expected to control. When the dust had settled there remained in Kunming the uneasy coalition of Lung Yün, Hu Jo-yü and Chang Ju-chi.

The Civil War in Yunnan

On May 23 T'ang Chi-yao died. On the night of June 13-14 Hu Jo-yü and Chang Ju-chi attacked Lung Yün and took him prisoner. On July 24 Hu Jo-yü left Kunming and by some means Lung Yün escaped. In Ta-li a warlord faction under the leadership of T'ang Chi-yü had formed. The civil war which ensued was fought between these three warlord factions for the total mastery of the province. Lung Yün's faction which had existed as a coherent entity before June 14 was strengthened during the war and he finally emerged as the leader of the provincial warlord faction which dominated Yunnan during the remainder of the period under consideration.

During the night of June 13-14 Hu Jo-yü sent a regiment to surround Lung Yün's personal residence, disarming some 250 of his men. Although wounded in the eye Lung held out against Hu Jo-yü with fifteen of his troops until he finally surrendered after the French consul in Kunming had mediated between the two generals.¹⁴⁹ It was arranged that Lung would leave the province via Indo-China, but when Hu discovered that Lung had troops stationed further down the Railway who would be in a position to free him he went back on the agreement and kept Lung a prison-

er while Lung's family were installed in the French consulate until Lung returned to Kunming.¹⁵⁰

Can any political difference in the attitudes of Lung and Hu be discerned? From the account of Hu's relations with the College of Law and Politics group given by Chang Jo-ku and Li Piao-tung it seems that Hu favoured the Wuhan Government, but this, of course, was at a time when the political situation in central and eastern China was still unclear. In spite of the fact that Chiang Kai-shek, through his attack on the workers of Shanghai on April 12, had shown his general political position and his strength, it was only during May that Lung Yün began to show support for Chiang and Nanking.¹⁵¹ Lung too, it must not be forgotten, had not ignored the College of Law and Politics group, but had maintained relations with the group through intermediaries. But since it was Lung who seems to have directed the anti-communist attack during May and June, it might be fair to say that he had adopted a policy of support for Chiang Kai-shek quicker than Hu Jo-yü. At the same time Hu himself had shown considerable perspicacity in a letter to Chiang Kai-shek, which is not dated, but seems to have been written early in 1927, and was perhaps carried by his representative to Canton in January of that year.¹⁵²

"I [Hu] Jo-yü, have been loyal to [Sun] Chung-shan for more than just a day. At Kweilin I was influenced by him and was particularly favoured in his sight. Although I have not been able to follow and devote my life [to his cause], I

have truly not forgotten this resolve for a single day.¹⁵³

As regards the province of Yünnan, since the 1911 Revolution there was the National Protection [Army campaign] to punish Yuan [Shih-k'ai] and we have not been without attainment (pu-wu chien-shu). Only because of successive years of military activity our moral energy (yüan-ch'i) has been sapped and not yet restored. The spirit is willing but the flesh is weak (hsin-ch'ang li-tuan) and it shames me to speak of it.

Yet fortunately two or three comrades have made common cause and have striven earnestly and with determination to gain our goal of reform and at the same time of advancing the success of the Northern Expedition. But our Yünnan is situated on the remote borders and there are special relationships both with regard to geography and history.

Henceforth I hope that every arrangement will not obstruct the progress of the nation and will not hinder the tranquillity of the region. I entertain the hope that I may humbly serve in order to follow my master (wo-kung). I believe that you are the leader of the National Revolution, the inheritor of the Principles of [Sun / Chung-shan]." (emphasis added)¹⁵⁴

The most significant passage in this letter is the last. Hu clearly realized that Chiang based his claim to national authority on his position as successor to Sun Yat-sen and as the interpreter of the ideological principles of the KMT. But this alone did not make Hu Jo-yü a consistent supporter of Chiang Kai-shek or the National Government in Nanking. By 1930 he was castigating Chiang Kai-shek as "the emperor of the party who has usurped the throne" in an attempt to get on terms with Wu P'ei-fu, then a completely insignificant political and military force.¹⁵⁵ Hu was every inch an opportunist.

Before comparing Hu Jo-yü's political stance with that of Lung Yün it is necessary to detail the events following the coup of June 14. Lung had been captured. In a proclamation signed by

Hu and counter-signed by the members of the Provincial Affairs Committee, Hu announced that "...action had been taken under the secret instruction from the Nationalist Government to the effect that the armies of Yünnan were to suppress the counter-revolutionary Lung Yün."¹⁵⁶ But on the very day that Hu issued this declaration the political carpet was pulled from under his feet by an order from Nanking appointing Lung Yün and Hu Jo-yü to the commands of the thirty-eighth and thirty-ninth armies of the National Revolutionary Army respectively.¹⁵⁷ These commands had been decided upon in February but had not been promulgated officially because of the unwillingness of the generals to give their support in any concrete fashion to the KMT. Coming at this juncture, whether by design or pure coincidence, Lung Yün's political legitimacy was vastly enhanced. For he commanded the thirty-eighth army while Hu merely commanded the thirty-ninth. Such matters of precedence were important for such men who were preoccupied with questions of status, however insignificant they may appear now. Warlords in general were extremely concerned with the outward trappings of pretige and status as well as the reality of troops and guns.

While Hu retained command of Kunming he raised the Nationalist flag and gave a speech on its significance on July 1, the first time that a governmental leader of any kind had done so in the province.¹⁵⁸ The flag had been raised by a KMT branch before, but the KMT and the military junta at that time were not the same

thing. During June and July the troops of Chang Ju-chi attacked the regiments of Lung Yün which were stationed outside the provincial capital but they were beaten off.¹⁵⁹ Lung Yün's troops regrouped north-west of the city and under the command of Lu Han, one of Lung's senior commanders, and a close relative, inflicted defeat after defeat on the forces of Hu Jo-yü and Chang Ju-chi. On June 18 the armies of the latter were defeated in the vicinity of Fu-min and Lo-tz'u, to the north-west of the capital; following this they were again defeated east of Ta-li in a battle fought on the Hsiang-yün mountain and then the defeated armies retreated to An-ning just a little way west of Kunming.¹⁶⁰

Lung Yün seems to have been able to maintain contact with his troops through his wife who forwarded Lung's instructions to his army, and she was noted for her efforts in helping Lung.¹⁶¹ In Kunming Hu made preparations for a siege from the advancing armies of Lung Yün which brought a protest from the inhabitants in the form of a strike on July 20.¹⁶² Finally Hu left Kunming on July 24, taking Lung Yün with him, shut up in a cage.¹⁶³ His reasons for leaving Kunming are not clear and none of the explanations advanced seem convincing. Perhaps he was lured out by Wang Chieh-hsiu, a former bodyguard of T'ang Chi-yao who had gone over to Hu Jo-yü and been bribed by T'ang Chi-yü to trick Hu. But the more plausible idea behind his retreat was the difficult military position in which he found himself. Perhaps he had the

idea of regrouping his forces elsewhere in Yünnan and then trying to lay siege to Kunming himself.¹⁶⁴ Even more odd is the fact that Lung Yün did somehow escape. Again the various explanations advanced do not throw much light on the situation. But Li P'ei-t'ien's suggestion that Hu deliberately let Lung go in the expectation that Wang Chieh-hsiu would kill him when he returned, thus absolving himself from the responsibility has something to commend it if it is noted that one of Lung's first acts on returning to Kunming was to execute Wang.¹⁶⁵

After Lung had reestablished himself in Kunming, which was to remain his base during the next eight months of fighting he issued a telegram giving an account of the events in Yünnan. He naturally indulged himself in a violent attack on Hu Jo-yü, accusing him of having made contact with Wuhan and thereby placing himself firmly in the camp of Chiang Kai-shek. One of the interesting elements in this telegram is the extent to which it demonstrates that the Yünnanese warlords had already 'learned' the new political vocabulary required of them in explaining their otherwise purely self-interested behaviour.

"Since the coup d'état of February 6, our Yünnan has carried out the Three Principles of the People, participated in the National Revolution and advocated the mobilization of troops for the Northern Expedition...As far as this province is concerned we have striven for a complete reform in the expectation of realizing a pure and open politics. Thus we expect on the basis of these proposals to work together to make the region (hsiang-pang) prosperous and be loyal to the Party and Nation.

Unexpectedly the feudal dregs, Hu Jo-yü and others, of savage disposition, plotted perverse rebellion with scarcely

any consideration of morality or power (tu-te liang-li). Suddenly on June 14 he sent troops to surround and attack the residences of myself and other commanders of the thirty-eighth army...At that time I gave myself up as a hostage because I could not bear that an important location like the provincial capital should be destroyed by military action and in order to spare the lives of the people. Moreover I ordered my units to withdraw. I compromised to preserve life, with the utmost humanity and righteousness...

Because of the chaos produced in China over the years gone by, with armies being personal—which is truly calamitous—I advocate that all armies should be returned to the Government. But Hu desired to augment his strength, advocating divisiveness by dint of force...For years Hu was stationed on the southern defences and he allowed his troops to commit acts of lawdness and robbery, enriching themselves through gambling. I frequently mentioned it to him and he blushed deeply and became angry. He used it as a source of funds because he had the thought of a feudal, separatist and warlord dictator...

As for the circular telegram previously issued by Hu and others, slandering me as counter-revolutionary, saying that they were acting on secret orders from the National Government, if one considers the participation of the province of Yunnan in the Revolution, it was originally I who was the instigator.. Moreover he secretly sent representatives to make undercover contact with Wuhan, betraying the Party and Nation...."166

Lung was, of course, in a good position to make slashing attacks on Hu Jo-yü since he had gained the appointment to a Nationalist Army which gave him some national status. But while the above telegram illustrates many of the characteristics of the 'warlord mentality' and shows that Lung was vain, prone to self-righteousness rather than righteousness, it does not give any grounds for supposing that the ensuing struggle between Lung Yün's faction and that of Hu Jo-yü and Chang Ju-chi, not to mention the faction of T'ang Chi-yü, had its basis in anything other than personal ambition or self-interest.

The strategic situation after Lung Yün had re-entered Kunming

was as follows. Lung Yün and his faction controlled an army of about 5,000 under four regimental commanders, Lu Han, Chang Feng-ch'un, Chang Ch'ung and Chu Hsü (see Introduction for the origins of these men) who formed the core of the Lung Yün faction up to 1931 when they failed in a revolt against Lung.¹⁶⁷ This faction controlled Kunming itself and a few counties surrounding it and some extending down the Railway as far as K'ai-yüan (A-mi-chou); south of this region there were numerous bandit armies who had previously been allied with Chiang Yang-shu. Lung's final victory depended finally, to a considerable extent on his success in getting some of these armies to cooperate with him so that he could open the line with safety and get military supplies imported through Indo-China.¹⁶⁸

In Ta-li T'ang Chi-yü had established himself with the remnants of the faction which had been most closely linked with T'ang Chi-yao, such as T'ang Chi-lin, the cousin of T'ang Chi-yao. This faction went so far as to proclaim Ta-li the capital of Yünnan, but whether the faction went so far as to declare that a government had been formed is impossible to say.¹⁶⁹ At any rate T'ang declared himself Commander-in-Chief of the Rearguard of the Northern Expedition (pei-fa hou-yüan-chün tsung-ssu-ling) and made an alliance with Wu Hsüeh-hsien, a bandit leader who some five years earlier had helped T'ang Chi-yao retake Yünnan from the faction of Ku P'in-chen who had driven T'ang out in 1921.¹⁷⁰

Hu Jo-yü and Chang Ju-chi meanwhile had retreated north-east

to the region of Chao-t'ung which was Chang Ju-chi's original garrison area. Their immediate reaction was to call for aid from warlords in the neighbouring provinces of Szechwan and Kweichow. By so doing they made themselves very unpopular in Kunming since Yünnan, like most of the remoter provinces was dominated by a provincialism which was very exclusive. The British consul reported that:

"The feeling of the ordinary citizen is strongly against the invaders and their friends the 'traitor generals'!"¹⁷¹

Hu Jo-yü had allied himself with a Szechwan warlord, Liu Wenhui, who sent in some troops under T'ien Chung-i, but unfortunately neglected to provide them with arms or ammunition.¹⁷² Chang Ju-chi received some troops from Chou Hsi-ch'eng who had taken power in Kweichow after the death of Yüan Tsu-ming.¹⁷³ In August two regiments of Kweichow troops entered Yünnan through Lo-p'ing, Ch'ü-ching and Hsüan-wei in the north-east; as they came through they installed magistrates to replace those already ensconced there. Hu Jo-yü meanwhile was busy hiring bandits whom he installed in his army giving them regular commands and titles.¹⁷⁴ By September the Kweichow regiments had also entered P'ing-i and Shih-tsung.¹⁷⁵

T'ang Chi-yü's troops, in conjunction with Wu Hsüeh-hsien made attacks on Kunming on September 21 and 23, but they were repulsed on both occasions.¹⁷⁶ In the meanwhile Chang Ju-chi was besieged at Ch'ü-ching by troops of Lung Yün under the command

of Hu Ying, another member of Lung Yün's faction.¹⁷⁷ Chang and Hu suggested a truce, and Lung agreed to one on condition that the Kweichow and Szechwan troops should be sent back whence they had come. On October 9 an agreement had been reached on this basis and the next day the siege was lifted.¹⁷⁸ But the course of warlordism never runs smooth and the Kweichow troops were not sent back, in spite of the hostages given and taken.¹⁷⁹

For while Lung Yün had been negotiating with Hu Jo-yü and Chang Ju-chi, the latter had made an arrangement with T'ang Chi-yü in Ta-li to organize a pincer attack on Kunming.¹⁸⁰ On October 16 T'ang Chi-yü was once more driven off from the walls of Kunming, but by November 11 Chang Ju-chi was besieging the city instead.¹⁸¹

In the transient flicker of coalitions, betrayals and treaties, the dominant factor was self-interest. No side really intended any long-term cooperation with any other faction. But Lung held Kunming, and by December at the very latest he had gained control of the Railway, for during that month a large consignment of war matériel arrived in Kunming: two military aircraft, more than 25,000 detonators, 1,125 kilograms of dynamite, 1,500 kilograms of powder, 28,300 kilograms of copper, 29,000 metres of fuse-wire, 450,000 rounds of ammunition and 500 pistols.¹⁸²

This shipment, or the imminent expectation of it was probably sufficient to bring Lung to the point where, on December 9, 1927, he came out of Kunming and drove off Chang Ju-chi who once more

retreated to Ch'ü-ching.¹⁸³ As usual he was besieged there while Lung Yün pursued and drove out the Kweichow regiments who were commanded by Mao Kuang-hsiang and Yu Kuo-ts'ai, of whom the latter was later to become an ally of Lung.¹⁸⁴ The Kweichow troops retreated on a circuitous route in two columns; one was pursued into P'an county in Kweichow itself while the other sought refuge in Kwangsi from Yünnan and from Kwangsi returned to Kweichow.¹⁸⁵

Hu Jo-yü meanwhile had removed himself from Chan-i to Pai-shui-chen just north-east of Ch'ü-ching; this was in December. Finally on January 15, 1928 he and Chang Ju-chi were badly defeated in the north-east of Yünnan and both fled into Szechwan and Kweichow; Hu sought refuge with Liu Wen-hui while Chang went across to Chou Hsi-ch'eng.¹⁸⁶ This marked the end of their challenge to Lung, until in 1929 they attempted to invade Yünnan and were completely destroyed, Chang being captured and executed and Hu disappearing from view.

As for the faction in Ta-li, T'ang Chi-yü hung on until March 19, 1928 when he issued a telegram far too tedious to cite at length in which he renounced his commands and retired to Hongkong to recuperate.¹⁸⁷ T'ang Chi-lin threw in his lot with Lung Yün, retaining command of the Ta-li troops which were renamed the seventh division. He did not retain any substantive power for very long.¹⁸⁸ Thus the Lung Yün faction remained the only warlord faction left in Yünnan, the others having been destroyed,

or expelled. Bandits remained almost everywhere, especially in the south, but they did not present a comparable threat to Lung's authority since they simply hoped to be allowed to continue as before. They did not seek his overthrow although Lung found them difficult enough to rub out.

Lung Yün's victory was based on his control of Kunming, his disciplined army (in comparison with the other armies) and his access through the Railway to a source of military supplies. No significant political difference can be detected between Lung and Hu in their attitude towards national affairs. Both were thorough-going provincialists. The question of the nature of the support given to provincial warlord factions, which has been touched upon in this chapter will be considered in the succeeding chapters. But let it suffice here to say that the general attitude of the landed classes and their representatives in the provincial capital seems to have been favourable to Lung since he was considered a man capable of maintaining order; had been the man to stamp out the weak communist movement in Kunming; had not employed extra-provincial auxiliaries and had demonstrated that although not a full Han Chinese would defend Yünnanese interests against those of the outside world. He was, in a word, a provincial warlord.

CHAPTER II

PROVINCIAL GOVERNMENT, 1928-30

With the defeat of Hu Jo-yü and Chang Ju-chi, together with the withdrawal of T'ang Chi-yü from Ta-li, the faction of Lung Yün no longer was opposed by any hostile army within the borders of the province. There were, to be sure, several bandit armies who occupied large areas of the province, particularly in the south and west ridings; but partly because their strength was limited and unco-ordinated and partly because they were fundamentally not opposed to warlord rule, they presented no substantial challenge to Lung Yün.¹ War remained the principal occupation of the faction up to the end of 1930 whilst the faction invaded Kweichow and Kwangsi in 1929 and 1930 and suffered a last challenge from Hu and Chang in 1929. The principal leaders of the faction came increasingly into prominence as members of the government and of the various committees organized by the government. During this period their power and influence, a result of their military prowess, rose to the highest limits before being brought down in the débacle of the revolt of March 1931.

Although the military activities of the faction dominate all perspectives on this period, there were other processes at work which, while not so prominent, were at least of equal significance. These may be grouped under the rubrics of governmental organization and economic and financial policies. But running

through all these general strands was the central core of the relationship between the faction and what may be termed the "civil officials". This relationship was concerned with the nature of the power which Lung Yün exercised, the extent to which Lung turned to the civil arm of government to bolster his position against opposition from the faction and the question of legitimacy.

The Provincial Government Committee

The power of a warlord to exercise his rule over a province depended ultimately on his control of armed force. The de facto rule over any area of a warlord did not automatically produce a government. This was a well-understood principle of political life in the Republic. Even during the civil war in 1927, when Hu Jo-yü imported civil officials to act as magistrates in the counties subject to him, establishing a rudimentary system of government, he did not claim to organize a government as such.² Equally, once a warlord had attained the dignity of provincial governor or chairman, recognition of this fact was not denied to him, even by his enemies. Thus the Chao-t'ung hsien-chih kao, which was hostile to Hu for many reasons, still called him the "former chairman" of Yunnan.³ This shows not only the great importance of legitimate authority for warlords, but also the imperative need for such men to establish their authority within a framework of politics which was ultimately derived from

civil power.

The original Provincial Affairs Committee (sheng-wu wei-yüan-hui), of which Lung had been a member, had derived its legitimacy from a committee which was provincial and not national. The most significant step for Lung Yün in 1928 was his recognition as provincial chairman by the National Government. This occurred on January 7 when he was confirmed as chairman of the Provincial Government Committee (sheng cheng-fu wei-yüan-hui) which came into being from that point.⁴ Here the source of legitimacy was changed from a provincial to a national level. Lung's authority from a national level imposed upon him some obligation, even if he did not care to accept it at that point. The use of the legitimization principle was one of Chiang Kai-shek's favoured means of building up a system of obligation and its relevance here was that it was not until January 15 that Lung decisively defeated Hu and Chang at the battle of Ch'u-ching.⁵ Chiang had little else to offer Lung and even less at his disposal to effectively control his actions, and those of the numerous warlords of the south-west. While the immediate effects of this policy were not visible, and it may be gravely doubted that it ever had any concrete results, it seems that Lung was conscious of his relationship with Chiang in a way that, for example, T'ang Chi-yao never was with the old Peking Government.⁶

The new Provincial Government Committee was the medium through

which the National Government sought to control or influence the political and military policies of the provincial warlord. It was the supreme organ of government within the province according to the Organic Law of Provincial Government of June 27, 1927.⁷ This law prescribed a committee of seven to fifteen members (later revised to seven to nine in 1931) from among whom provincial ministers of civil affairs, finance, reconstruction, military affairs, justice and "in time of need" education, agriculture, industry and land were to be selected.

The selection of the members of the Committee was a delicate matter. Both sides wished to gain influence by introducing their supporters. However, Lung Yün proved far stronger than Chiang Kai-shek, and the Committee was decidedly provincial in its make-up. It seems that a certain Li Tsung-huang⁸ had been sent to Kunming to present the wishes of the National Government to the faction there, for on February 22 he made a report to the Central Political Council concerning the state of party government in Yunnan.⁹ Possibly it was as a result of this that the Committee was "reorganized" on April 1; but what this "reorganization" entailed is hard to say since there appeared to have been no change of personnel.¹⁰ In one sense reorganization was a means of impressing the notion of the supremacy of the National Government without actually doing anything to change the state of affairs.

The members of the Committee created on January 7 included

four military officers, namely Lung Yün, Hu Ying, Chin Han-ting and Fan Shih-sheng together with five civil officials, Chang Pang-han, Chang Wei-han, Ch'en Chün, Ma T'ung and Ting Chao-kuan.¹¹ All were natives of Yünnan and this was the abiding pattern of political life of Yünnan under Lung Yün, up to the outbreak of the Sino-Japanese War, that the sine qua non of employment in Yünnan was nativity in the province. T'ang Chi-yao had permitted himself the liberty of employing non-Yünnanese and in comparison with him Lung stands out as a thorough-going provincialist.¹²

This provincial aspect of politics in Yünnan is demonstrated in the matter of the Provincial Government Committee most clearly. Chin Han-ting and Fan Shih-sheng were both Yünnanese warlords who had left Yünnan and had served with the Northern Expedition. They were presumably appointed by Chiang Kai-shek; but they were by no means of Chiang's party, occupying a middle ground. However neither man ever exercised his functions or entered the province whilst a member of the Committee. Here another principle was at work. Besides the fact that both had allied themselves at an earlier date than Lung with the aims of the KMT, both had been forced to leave Yünnan when T'ang Chi-yao drove out Ku P'in-chen in 1922. They were formerly members of a faction which had fought against T'ang and since they were army commanders could not be permitted into Yünnan. Such feelings did not prevent Lung from later marrying the niece of Ku

P'in-chen, the warlord who had expelled T'ang in 1921.¹³

Apart from Lung Yün, the only other military officer in the Committee was Hu Ying, later described as "devoid of political opinions", who had played a role in the defeat of Hu Jo-yü and Chang Ju-chi in 1927, but at that point did not have command of troops.¹⁴ The crucial point was that none of the faction whose opinions counted, that is those who commanded troops, had gained seats on the Committee. It was predominantly a civil Committee.

The only survivor of the previous Provincial Affairs Committee was Ma Ts'ung, who had held a military command in T'ang Chi-yao's time but at that time was purely a civilian. The other four were career officials, representatives of a relatively homogeneous social class which had traditionally provided officials for both the previous Ch'ing dynasty and for warlord governments in the Republic. Ch'en Chün, for example, was a chin-shih graduate, had served T'ang Chi-yao, and had also been Managing Director (tsung-li) of the Ko (-chiu) Pi (-se-chai) Railway Company and also the Ko-ch'ang Tin Company.¹⁵ The tin merchants and mine owners of Kotschiu had become prominent with the construction of the Yunnan-Indo-China Railway in the last years of the Ch'ing dynasty, when it became possible to export tin on a large scale through French Indo-China.¹⁶ They were one strand of the complex junction of mine owners, landowners and merchants who formed what might be termed the 'ruling class.'

Ting Chao-kuan, who also held a traditional degree, that of

chü-jen, had served in the imperial bureaucracy besides serving in various capacities in Yünnan in the regimes of the Republic. But he differed from Ch'en in that he had studied in Japan, at Waseda University, part of that wave of students who had gone to Japan in the declining years of the dynasty.¹⁷ Ch'en Pu-lei, Chiang Kai-shek's secretary, who accompanied him on his visit to Kunming in 1935, met Ting and described him as possessing "rather antiquated thought."¹⁸

Chang Wei-han had also studied in Japan, being a graduate of Meiji University, and had held numerous posts in T'ang Chi-yao's administration, acting as mayor of Kunming from 1921 to 1927, when he revisited Japan to study methods of urban administration. He also seems to have acted as political representative for T'ang Chi-yao during the period of the Northern Expedition.¹⁹ He was one of those attacked by the generals' coup d'état of February 6, 1927 and his return to office was an indication that Lung would seek his political ideas from the more entrenched and conservative elements of the officials.²⁰

Chang Pang-han had studied in Indo-China and Belgium and had acted in some capacity for Sun Yat-sen, possibly as a newspaper editor in Hongkong. Although he had a degree from Belgium in engineering his function in Yünnan, from the time of his return in the 1920s, had been of a political nature.²¹ It was said that he was related to Lung, although the evidence is hardly adequate, which might explain Lung's predilection for him.²²

This committee was fundamentally provincial and conservative. It was provincial in as much as the collective experience of the majority of the committee, with the possible exception of Chang Pang-han, was deeply connected with service inside one province. Soldiers and civilians alike they had an emotional commitment to Yunnan. How often does one read, in the writings of Yunnanese in these years, that Yunnan was an isolated province on the far south-western borders of China. How often is the sense of an isolation and defensiveness among the ruling elite felt. It is no wonder that a young man might define himself not as Chinese but as a Yunnanese.²³ The neglect of Yunnan by the China of the great coastal cities and the westernized elite of the Nanking government furthered the provincialism of the Yunnanese, and slighting references to the backwardness of Yunnanese cultural life were accepted, even if with bitterness, by those in power in Yunnan themselves.²⁴ In certain respects one may draw a parallel between relations between Nanking and Kunming and those which existed between a great metropolitan culture and a colony.²⁵

The conservatism of the Committee is perhaps more easily perceived than demonstrated. Certain members had served the Ch'ing dynasty, others had actively worked to retain T'ang Chi-yao in power. All had served a corrupt government, although their personal attitudes are purely a matter for speculation.²⁶ Fundamentally the Committee did not wish to change the traditional basis of society, the system of landowning. Ting Chao-kuan

introduced regulations for the establishment of the pao-chia system of mutual control and surveillance in the countryside at the local level, but much remains to be explored in this aspect of social history. Tentatively one might suggest that the predominantly urban warlords and their political instruments were unconcerned with the countryside except as a potential threat in the shape of armed rebellion and a source of banditry.

Chiang Kai-shek made a further attempt to infiltrate the Provincial Government Committee later in April, appointing Chou Chung-yüeh, Sun Kuang-t'ing, Lü Chih-i and Lu Hsi-jung.²⁷ Little is known of Sun Kuang-t'ing except that he had been a member of the National Assembly (san-i-yüan).²⁸ Chou Chung-yüeh was one of the most prestigious members of the Yünnanese official class and during his career seems to have served every military ruler from Ts'ai O to Lung Yün as a veritable Vicar of Bray.²⁹ The case of Lü and Lu is more interesting. Lü was a graduate of Waseda University and had held minor office in the Provisional Nanking Government following the hsin-hai Revolution. Like Lu Hsi-jung, a graduate of Columbia University, he was an outsider; he had made his career beyond the narrow sphere of provincial politics, and for this reason both were unacceptable to the new faction. Lü did not take up his appointment, and when Lu Hsi-jung finally entered Yünnan he only held his seat on the Committee for a short while and after holding office as Provincial Minister for Education for a few months from the

autumn of 1928 he left Yunnan completely.³⁰

It is clear that even the most innocuous of men could not hope to stay in business very long in Yunnanese politics if he were an outsider.

Political Policies

During April and May two noteworthy events occurred. The first was the publication on April 24 of a telegram from the Committee outlining the areas of concern and future policies. The second, of greater interest, was the convening of the Conference on the Reorganization of the Internal Policies of the Yunnan Provincial Government (Yün-nan sheng cheng-fu cheng-li nei-cheng hui-i) which took place from April 23-28 and from May 21-31.

The telegram of April 24 naturally made reference to the importance of the Outline of Principles for the Establishment of the Nation (chien-kuo ta-kang) written by Sun Yat-sen. It emphasized that the government had "...been reorganized on the basis of the organic law promulgated by the Central [Government] and has been formally established."³¹ Here, once again, the legitimacy of government was acknowledged to be the gift of Nanking. Four principal "preconditions for reconstruction" were delineated: the unification of finances, the regulation of the currency, the elimination of bandits and the liquidation of the Communist Party.³² These four points were among the main issues discussed at the Reorganization Conference as well as a number

of other policies which the telegram emphasized. These were army reform and curtailment of military expenditure, including the exclusion of bandits from the army and the exclusion of them from the army in the future; controlling "the confused conduct of the young"; and the elimination of official malpractice.³³

The faction conceived its duties in terms of the maintenance of order. But it was extremely concerned to create not only an atmosphere of 'popular' support but the reality of it. It seems likely that the Preparatory Conference held from April 23-28 were originally meant to be a full conference, but its title was changed because of lack of support.³⁴ Certainly this explains the anxieties of the Committee.

"Considering China and abroad, ancient and modern times, good policies or plans of any kind whatsoever are no more than empty words if there is not a good government to implement them. If there is a good government to carry out policies and orders, but it cannot obtain the support and consideration of all sides, then it will still not be able to promote them to the fullest extent."³⁵

This call for support was made just at the opening of the Preparatory Conference and it was in those sessions and the formal sessions which were held in May that the problems outlined in the telegram were discussed. The records of this conference constitute a most valuable record since they bear witness to a considerable amount of criticism of the regime of Lung Yün and conflict of opinions. Besides this aspect, there is included in the report on the Conference a list of participants which

provides important information about the section of Yunnanese society which supported Lung and his government.

A total of ninety-five men attended or were requested to attend the Reorganization Conference, of whom information is provided on some ninety. On the basis of this information it is possible to categorize the participants as follows.

Table One

Affiliations of Conference Participants

<u>Status</u>	<u>Number</u>
Military	31
Civil Officials	26
Educationalists	11
Elder Statesmen	12
Commerce	3
Journalism	4
Other	4
No information	4
Total	<u>95</u> ³⁶

The three most important groups were the military, civil officials and the elder statesmen. Some elucidation of these categories is necessary. The category 'military' refers to all participants whose official position derived from their active role in society; therefore those such as Ma Ts'ung who had originally served in the army but were purely civilians at that time were not included. There was also a clear distinction within

the military between those who held commands over troops, divisional generals, deputy commanders and brigadiers, and those who held staff posts within the army administration and who did not command troops. Within the category 'civil officials' were included all those connected with the government from the highest to the lowest ranks. Military officials who also held posts within the government were not included here but in the category 'military'. The category 'elder statesmen' includes prominent officials, civilian and military, who had either retired or lost office.

It was this last group which is of great relevance to any study of the relationship between the military faction and the ruling class of landowners, merchants etc. Several of the most prominent of this group boycotted the entire proceedings. Chou Chung-yüeh, in spite of his appointment to the Provincial Government Committee during the sessions of the Preparatory Conference, Hsiung T'ing-ch'üan, Wang Chiu-ling, both former members of the Committee, Yin Ch'eng-huan, Chang K'ai-ju, famous for their participation in the National Protection campaign and Yu Yün-lung who was similarly renowned, all refused to participate.³⁷ They had no substantive power, unless they joined the government, but their reputations were high in the province and their refusal to lend their prestige to Lung was a blow to him. But it was not a fatal blow. It was because of this failure to attract the support of these influential individuals that Lung was at pains

to emphasize that the Conference had been 'democratic'. In his preface to the Report on the Conference on the Reorganization of the Internal Policies of the Yunnan Provincial Government he remarked:

"Formerly the government had convened a conference of this kind prior to the Nan-ning campaign (i.e. in 1925). In the main the discussions were no different from the proposals at this meeting. But the essential purport of the previous and the present /conferences/ was not completely identical. The former conference was like a dictatorship, but at the present one every problem received the fullest elucidation and many open ballots were taken."³⁸

A close examination of the record suggests that while dissenting opinions were expressed, notably in the field of opium prohibition, the Conference seems to have acted as a rubber-stamp, authorizing government action. In some cases action was deferred by the formula of committing a proposal to a committee for consideration.

Broadly speaking one may distinguish between three sets of problems which the faction faced: firstly, the financing of the government and the general economic difficulties of the government; secondly, the organization of the army; thirdly, general problems of control and repression. The first two problems were closely related, since the army constituted the largest drain on government resources. It is difficult to make clear distinctions between problems of finance and problems of the army for this reason.

Government Finance

During T'ang Chi-yao's administration military expenditure increased as T'ang indulged in war upon war. To finance his expeditions he borrowed large sums from the Fu-tien Bank, the official bank of the government, which issued large amounts of unbacked paper currency. As a result the value of the Yünnanese currency diminished both in terms of other currencies and in terms of grain. For example, in 1926 the price per picul of the lowest grade of rice ('red rice') was YN\$19.00 whereas in 1916 it had been YN\$3.90. As for wheat the story was the same. The prices of first and second quality wheat in 1916 had been YN\$4.65 and YN\$2.00 per picul respectively; in 1926 the prices had risen respectively to YN\$24.00 and YN\$20.00. The cost of living in Kunming was said to be higher than in Shanghai.³⁹

The depreciation in the value of the currency reduced the value of government taxes and consequently the government turned to loans and the printing press. T'ang Chi-yao was quite frank in his recognition of the part which the army had played in the economic crisis.

"Tracing the origins of the fiscal crisis, it is indeed because too much paper currency has been issued. The excessive issue of paper currency is actually because the government has borrowed excessively from the bank. The reason why the government could not but borrow from the government is again because of the impossibility of reducing military activity."⁴⁰

T'ang traced the rise in military expenditure from some YN\$3,360,000 per year in the early years of the Republic to over YN\$1 , 00,000 by 1922. The major part of this increase represented T'ang's military activities from 1916 onwards. Nor was this figure all that T'ang spent. He pointed out that the Yunnanese armies outside of Yunnan needed support until 1922. Nor was this T'ang's only expenditure. His reputation for personal corruption was widespread even in that era, and Li Tsung-jen declared that T'ang had once tried to bribe him with 4,000,000 taels of opium.⁴¹

Expenditure such as this was allowed to run unchecked. T'ang himself claimed that from March 1922 to May 1926 government income was more than YN\$28,000,000 while civil expenditure was YN\$10,000,000 and military expenditure was YN\$47,000,000, an excess of expenditure over income of YN\$29,000,000. This excess of military expenditure continued under Lung Yün's regime for several years. The Yunnanese dollar declined in terms of Shanghai currency from an average of YN\$1.39 during the last six months of 1923 to YN\$2.73 during the first six months of 1926 and then further to YN\$7.39 for the last six months of 1929.⁴²

According to government figures presented in the Report the income of the government during the first three months of 1928 was some YN\$1,200,000, excluding what were termed bank and currency loans. Of this sum half was made up of profits on the

minting of coinage and on the fluctuation of the rates of exchange of the nickel currency which circulated chiefly in western Yunnan. Military expenditure during this period was YN\$3,000,000 while civil expenditure was YN\$540,000.⁴³ It is quite clear that military expenditure was completely unchecked and was the key to the situation.

Ma Ts'ung noted that in 1926 government income was over YN\$10,900,000 whilst military expenditure was YN\$11,160,000 and civil expenditure was YN\$3,600,000. He proposed on the basis of these figures for 1926 that the monthly income of the government might be of the order of YN\$1,000,000 and that military expenditure should by no means exceed YN\$700,000 reducing to YN\$500,000 by stages.⁴⁴ The Provincial Ministry of Military Affairs, while proclaiming on general grounds that military expenditure should occupy twenty to thirty per cent of total expenditure, agreed that military expenditure should not exceed seventy per cent of an income of YN\$1,000,000.⁴⁵ Both sides were apparently in harmony on this point; but the decision of the Conference was to spend YN\$800,000 per month and increase the number of regiments from twelve to twenty.⁴⁶ There could be no clearer demonstration of the dominance of the military faction in the government. Against the most explicit warnings of civil officials and military advisers the faction plumped for an expansion of the army at a time when military expenditure was ruining the province.

In the face of such implacable demands the further attempts of the government to increase revenue by raising taxes were scarcely relevant. The fundamental proposals made by Ma Ts'ung for reshaping the structure of government control over the tax-collecting system were shelved in favour of simpler methods such as raising the level of fines on opium prohibition. It is these two aspects which illuminate most exactly the situation of the government and its reactions.

Among his financial proposals Ma Ts'ung had this to say about the taxation system.

"The fragmentation of power and the obstacles in our path are certainly grave defects in our finances today. What is the explanation of this? In the employment of personnel the Provincial Ministry of Finance has no responsibility for supervision and examination. Rewards and fines, promotion and demotion have lost their administrative efficacy so that there is no way of clearing away obstacles, so that finances have not yet been rectified.

'How shall we eliminate obstacles? In unifying finance, the administration of personnel employment and power. Henceforth no matter whether it be an organ collecting tax or likin under the control of the Provincial Ministry of Finance or whether it be an organ for salt levies and taxes, opium prohibition, coinage, alcohol and tobacco monopoly and currency not controlled by the Provincial Ministry of Finance all should revert collectively within the sphere of supervision of the Provincial Ministry of Finance before the unification and distribution of national and local tax revenue with a view to joint planning and the common pursuit of rectification.

Thereafter in one or two years, when every item has been regularized and does not require supervision it can still revert to the old system...."47

This proposal was, in the context of its time, a most radical proposal. Profits from minting currency, from the alcohol and tobacco monopoly and from opium prohibition fines, as the Provin-

cial Ministry of Military Affairs had pointed out, were the main sources of government income. But they were not under the control of the Provincial Ministry of Finance, being levied by the individual organ which was responsible to the provincial governor (T'ang Chi-yao) or chairman (Lung Yün) who then delivered up the revenues to the Provincial Ministry of Finance.⁴⁸ No profound thought is necessary to see why provincial finances were so low and unable to meet the demands of the army.

If the proposal had been adopted it would have meant a vast diminution in the income and power of the high and low officials in charge of these organs, and a substantial increase in the power of the Provincial Ministry. It was doubtless for these reasons, entrenched interest and power, that the Conference vetoed the proposal. But the veto was so made as to appear to give approval. The resolution of the Conference was as follows:

"Ma Ts'ung's financial proposals are 7 passed according to the resolution of the Preparatory Conference with the exception of the question how each organ should amalgamate how each should be organized and 7 their budgets 7 be compiled for which high officials of the army and government thoroughly acquainted with the conditions should be designated to hold discussions of a specialist nature in order to facilitate its implementation."⁴⁹

The answer of the Conference was death by committee, a fate suffered by any measure which showed the slightest chance of bringing about reform. The reforms which Ma proposed were later adopted, but under different circumstances. Ma Ts'ung, who had replaced Ch'en Chieh as Provincial Minister of Finance

during the Conference, was but one of six men who held this office from April 1928 to September 1930, which illustrates the the difficulty of the post.⁵⁰

The action suggested by the Conference to deal with the immediate financial problems of the government was largely concerned with increasing taxes. Ma Ts'ung proposed the formation of a Commission for the Regulation of Finance and Currency (cheng-li ts'ai-cheng chin-jung wei-yüan-hui) which was the first of a series of committees convened by the government as it grew more and more anxious over the financial crisis which it faced. But it did not commence its activities until well after the Conference had closed. Its activities are discussed further below.

The Conference did, however, take decisions of considerable importance in the field of opium prohibition. Opium was, in financial terms, the pillar of government through the numerous taxes levied on it. The only estimate of its importance to the government during the last years of T'ang Chi-yao is contained in Yün-nan ching-chi which suggests that in 1925 income from opium "fines" amounted to some YN\$3,000,000 out of a total income of YN\$9,600,000.⁵¹ But in an attempt to increase revenues from this source the regulations were altered so that the tax or fine on the cultivation of opium was abolished and in its place a stamp tax was introduced. The object of this exercise was said to have been to "aid the peasant economy" but it does not seem unduly cynical to suppose that the measure was designed to in-

crease the income of the government.⁵² The stamp tax involved the payment of ten cents per tael of opium on the part of the purchaser at the time of purchase. This measure was introduced in the autumn of 1926, but the serious dwindling in income from opium, to which several sources bear witness, caused great concern; in Yñn-nan ching-chi it was recorded that opium revenue had fallen to YN\$450,000 in 1926.⁵³

A former member of T'ang Chi-yao's government, Hsü Chih-ch'en, put the position forcibly and clearly.

"Because of the changes in the regulations last year and the influence of military events, receipts from opium prohibition fines suffered a sharp decline. It is now urgently imperative to come to a swift decision whether or not to continue to implement the stamp tax or regulate for a return to the previous method of prohibiting cultivation and transportation and implement it with all seriousness. We must reach the level of the amount of revenue received in 1925 and 1926."⁵⁴

This realistic assessment of the situation, unencumbered by moral scruples, was uncharacteristic of public utterances by warlords and their supporters during the Republic. However, one may note the use of the word "prohibiting" in the above passage where it patently stood for "taxing".

The decision of the government was to reintroduce the system of taxing the cultivation of the poppy which had been abolished in 1926. This decision was incorporated into the Provisional Elementary Regulations for Opium Prohibition in Yñnnan (Yñn-nan chin-yen chan-hsing chien-chang). Land on which poppy was grown was to be taxed at the rate of YN\$5.00 per mou a rise of

YN\$3.00 from 1926. All opium exported from Yünnan was to be taxed at the rate of YN\$16.00 per 100 taels if the tax was paid in Kunming or at the rate of YN\$20.00 if the tax was paid in any of the border provinces.⁵⁵

Proposals were also made by several individuals in the government to tax opium smokers, relying on the opium prohibition regulations of the National Government. But it appears that these proposals were not considered.⁵⁶ Conceivably the practical obstacles in the way of administering any such scheme deterred the government.

Apart from these changes in the methods of taxation, the government was making strenuous efforts to promote the sale of Yünnanese opium elsewhere in China. In October 1927 Lung Yün had tried to persuade the French authorities in Indo-China to allow the transit of opium through Indo-China to Canton.⁵⁷ In December the Kiangsu authorities, in particular Kuo T'ai-ch'i, attempted to persuade the French to allow them to transport 300 metric tons of opium through Hanoi from Yünnan for use as "anti-opium medicine".⁵⁸

During April 1928 the British authorities in Hongkong came into the possession of some documents concerning the export of opium from Yünnan. The documents survive only in translation, but their authenticity seems reasonably certain. The first, a plea for cooperation in the southwest for the disposal of Yünnanese opium indicates the urgency with which the provincial

government viewed the situation and the nature of the relationship between Yunnan and the southwest at that time.

"1. Kuangtung, Kuangsi and Yunnan are the places where the revolution was originated. Their connexions with one another are unusually important, but merely on account of the difficulty in communication they have lost their combination, and consequently the transportation of cargo is greatly hampered. In view of this the French railway is progressing day after day, and the finance of Yunnan is being greatly affected. If the three provinces can unite to work together in the matter of transportation and the receipts derived therefrom be devoted to the improvement of communication of each province, it will not only be a fortune to the three provinces but a good prospect to our party and country.

For the sake of raising funds for improving the communication of the three provinces, it is suggested that the special cargo should be conveyed from Yunnan to Kuangtung and Kuangsi, or to places along the Yang-tsze River for disposal. Thus the manufacture of native anti-opium medicine may be encouraged, and, during the period of suppression at home, no opportunity may be given for the introduction of opium from India, hence our object of keeping out foreign goods is upheld. The market price of Kuangtung is found to be about 2.00 dollars per tael, and, if it is to be subjected to heavy taxes of Kuangtung and Kuangsi, it would involve losses on the capital. To improve the communications are merely words, but it would be better to request the two provinces, the Kuangtung and Kuangsi, to reduce their taxes originally levied on merchants by two-thirds, in order to make the cost low. Although the rate of tax levied by Kuangtung and Kuangsi will be reduced by two-thirds, nevertheless, since the sum of public transactions will certainly be three times as large as that of (private) merchants, there is no reason to fear lest the original estimates will not be reached. Also invite them to appoint routes, and accept responsibility for their protection so as to push its sale.

Great difficulty is felt in transporting overland. It is proposed to use aeroplanes for conveyance so as to ensure speed. It is suggested to apply to the two provinces, Kuangtung and Kuangsi, for the loan of the aerodromes at Canton and Wuchow, or to have an aerodrome erected at Yim Chow for the rising and alighting of the aeroplanes. It is suggested also to start ordinary air services so as to enable more speedy circulation of news between the three provinces, and will serve as a first step towards (air) communications.

If Kuangtung and Kuangsi decline to reduce the tax, Yunnan

will undertake to execute orders for any quantity, to fix the prices per tael, to deliver to whatever places, and to collect remittances, but the taxes levied by the two provinces, Kuangtung and Kuangsi, must be settled by the purchasers themselves and have nothing to do with Yunnan."⁵⁹

This highly significant document, quoted in full, verbatim, illustrates several of the key issues which dominated relations between Yunnan and Kwangsi and Kwangtung. The level of taxation levied on the transit of opium through Kwangsi was of enormous importance for Yunnan since Kwangsi together with the Yangtze formed the two major trading routes for the opium exporters. At that point it was urgently necessary to stimulate exports which had been held back because of the civil war in Yunnan and the great increase in bandit activity. Closely related to this problem was that of communications, which in the case of Yunnan were difficult because of the poor quality of the roads and the omnipresent bandits. The suggested use of the air to export opium is echoed elsewhere in Chinese sources.⁶⁰

It is clear that the official policy of the government was to increase its revenue from opium taxation by reverting to well-tried methods and trying to expand exports. It was a policy of expediency dictated by the ever-pressing need for cash to finance the army. But there was also the consideration of morality. The Yunnan Branch of the Chinese National Anti-Narcotics Association (Chung-hua kuo-min chü-tu-hui Yün-nan fen-hui) attacked opium prohibition policies in Yunnan which "...all concentrated on increasing income. As for the meaning of the two words "opium

prohibition" (chin-yen), scarcely any thought has yet been given to them."⁶¹ The tenor of the Association's attack was nationalist and the fact of its inclusion in the Report on the Conference is itself worthy of note. For even while actively promoting the cultivation and export of opium the government felt obliged to associate itself with a strong, nationalist attack on opium. The Association drew a parallel between what, it claimed, had happened in colonial Burma and Indo-China and what was happening in China. It accused the British and French of using opium to keep their colonial subjects under their control. "How," it continued "can Yünnan province bear to drug the people of the nation with opium and make them follow the sad and miserable path of Burma and Indo-China?"⁶²

The Association reminded the Provincial Government Committee of its recent announcement that it would base itself on the Outline of Principles for the Establishment of the Nation and indicated that the government should also accept the admonitions of Sun Yat-sen on the subject of opium.⁶³ The provincial government was influenced by this line of argument since references to the opium prohibition regulations of the National Government were used to justify the government's opium policy.

The use of opium revenues by a Chinese government undermined the legitimacy of that government. Ma Yin-ch'u, for example, in a biting attack on National Government opium policy in the 1930s advocated complete prohibition, in opposition to pleas for

a government opium monopoly, and explicitly linked the moral stature and authority of the government to its opium policy.

"Therefore from today any opium-smoker only need pay the fee to the officials and then he may smoke opium freely. And although it says in high and exalted terms that this is a scientific method of prohibiting opium, in truth it is no different from a public opium monopoly. If the morals of the Party and Nation fall even to this how is it possible to speak of restoring [them]?"⁶⁴

"Those who advocate a public monopoly suppose that since revenues from opium will become public the government may add another source of revenue. This logic, in reality, cannot be sustained. How can a solemn and dignified government (t'ang-t'ang) vie for profit with gangsters? If opium revenues may be made public then prostitution revenues may also be made public."⁶⁵

Ma further delineated the question of authority and morality by pointing out that the government would place its position in jeopardy if it resorted to a monopoly.

"Implementing a public opium monopoly is no different from vying with gangsters for profit. But as far as Shanghai gangsters are concerned, I know that some of them who have not yet entirely lost their sense of right and wrong. The government prohibits opium and they sell it illicitly; if one day they are prosecuted and treated with the full force of the law they have hardly any grievance. If the government vies with them for profit then there is little difference between that and becoming a gangster. How will it be possible to tell the sheep from the goats? They will certainly be unwilling to obey the law."⁶⁶

There was always a strong current of public opinion which opposed governmental use of opium on moral grounds which was sufficient to force the Nanking government to gloss over its opium policies as purely prohibitory. Warlord governments also found it obligatory to present themselves as morally justified, and thus one has the concept of the 'opium prohibition bureau' as

a means of raising money. At the National Opium Prohibition Conference (Ch'üan-kuo chin-yen hui-i) held in Nanking in November 1928, the Yünnanese representative, Li Hsiu-chia, declared that "...opium prohibition is an extremely important and urgent item of internal government."⁶⁷ At the same time Li explained that opium prohibition was difficult in Yünnan because in border areas of Yünnan near Burma "...we prohibit while they cultivate, repeatedly luring our border people with [the thought of] profit so that they surreptitiously move the border markers, and so make contact...."⁶⁸ The blame for opium in Yünnan was thus placed on the non-Han minorities outside of the sphere of control of the provincial government. In fact, however, the responsibility for opium and the trade in it was very much that of Lung Yün's provincial government.

Army Organization

Following the civil war of 1927 Lung Yün's army had increased in size by absorbing large numbers of bandits into the regular army. The main preoccupation of the Conference was the expenditure of the army and ways of curbing it. The faction set its face against any reduction in the size of army finances and in fact decided to increase the strength of the army while getting rid of all those troops held to be undesirables. The weeding out of unwanted troops had a symbolic as well as a functional aspect. It represented a ritual self-cleansing which reaffirmed

the purity of the army and its fitness to lead. Any parvenu military faction felt obliged to distinguish itself from non-legitimate sources of power such as bandits.

The army consisted at that time of ten regiments all deficient in arms and men.⁶⁹ It was proposed to increase the number of regiments to sixteen together with other special units totalling 28,207 officers and men. This figure was arrived at by positing five divisions of twelve regiments with 'special troops' and bodyguard battalions as well as porters, altogether some 22,295 officers and men. In addition there would be four battalions for protecting merchants, an independent regiment at Katchiu, two regiments for salt convoying and one regiment for protecting opium shipments attached to the Opium Prohibition Office.⁷⁰

The decision of the Conference was to put aside YN\$800,000 per month as opposed to the YN\$700,000 proposed by the Provincial Ministry of Military Affairs, and to raise twenty regiments. In spite of all the fine words about "training quality and not numbers" and the breast-beating about the excessive expenditure on the army the army leaders showed that they were utterly opposed to any measure which reduced the number of troops under their command.⁷¹

While planning for this expansion, from ten to twenty regiments, the Conference also adopted plans to weed out unsuitable troops. The criteria suggested, six in all, give an interesting insight into the state of the army and its composition. The first

criterion provided for the exclusion of the old, the sick and those about to retire. The second excluded all those who were "too deeply addicted [to opium] and unsuitable for active service". This speaks volumes for the state of the army when it is considered that the army was apparently composed of the moderate opium addicts. The third excluded those non-Yünnanese troops who wished to return to their native provinces. This is evidence that Lung was firmly committed to provincialism far more thoroughgoing than that which preceded his rule. The fourth provided for the return to the county militia of those who had previously been transferred to the 'regular' army. The fifth provided for the exclusion of those who had joined the army from the enemy or who had joined after being made prisoner. The sixth simply excluded those who were undisciplined.⁷²

There are two interesting aspects to these criteria; firstly the poor state of morale which must have existed in an opium-sodden, ill-equipped and undermanned army and secondly the implicit emphasis on a renewal of the traditional methods of enforcing loyalty. Specifically the exclusion of all those not Yünnanese in origin or who had joined the army from the ranks of the enemy suggests that Lung Yün had decided to rely on the inherent provincialism of the Yünnanese and the loyalty to the commander which was the foundation of success for a warlord. One can only surmise that troops who joined from the enemy armies must have been suspected of opportunism.

Many individuals complained about the conduct of the army, especially the southern units. They were particularly accused of levying taxes themselves and not forwarding them to the provincial government. Other units were ordered to stop gambling, a well-known source of army revenue.⁷³

The attempts to weed out unwanted troops and officers, as well as the attacks on the conduct of the army were very much related to the question of bandits. For it was in the south that bandit armies flourished, along the railway. Many suggestions were made that an army, of perhaps 10,000 strong should be sent on the Northern Expedition, financed by the Kiangsi authorities.⁷⁴ But Chiang Kai-shek was no more willing to accept the bandits of Yunnan than the latter were to accept Chiang Kai-shek.⁷⁵ In the event the emptying into an impoverished and economically sick Yunnan of large numbers of destitute officers and men simply augmented the ranks of the bandits and accentuated the problem of rural control.⁷⁶

Two suggestions for improving the army were rejected. These were that the soldiers should be used to construct highways and other projects and that the army should be subjected to political education "...to bring about the unification of military might and the masses in order to attain the popularization on military might (wu-li min-chung-hua) and the revolutionization of the army (chün-tui ko-ming-hua)...."⁷⁷ It is not difficult to understand that army commanders should be unwilling to allow

their men to be used in labouring since it undermine the traditional function of the soldier. The rejection of political training was an expression of the unwillingness of warlords like Lung Yün to permit any set of political ideals such as nationalism or loyalty to the Party to undermine the personal loyalty on which Lung's success had been built.

Fundamentally the faction dominated the Conference and its decisions reflected the priority accorded to the goals of the faction. In the fundamental matter of provincial government finance it was the desire of the faction to increase the strength of the army which triumphed and not the wishes of the civil elements to cut down military expenditure.

Control and Repression

For the various social classes which supported Lung Yün the faction which he commanded the army represented order. The relationship may have been an uneasy one, not much to the liking of the landowner or merchant, but in a society where economic chaos and the gradual dissolution of traditional social relations predominated, it was a sine qua non. In the countryside bandits pillaged villages and attacked opium convoys. Banditry, within Yunnan, was not a phenomenon which had much to do with the romantic tradition of the rebel. It was a harsh and often cruel attempt to escape from the desperate economic conditions brought about by incessant warfare, inflation and misrule.⁷⁸

The fundamental cleavage between warlords and bandits was the legitimizing factor. Bandits might control territory, even if relatively temporarily, but they did not establish governments.⁷⁷ While some sought an independent existence, simply viewing their activities as a means to wealth, others tried to gain legitimacy from the dominant warlord of the region within which they were active.

One example of this type of relationship was that of Chang Chieh-pa ("the stutterer" perhaps "scarface") who dominated the area from Ta-li to Niu-chieh during 1928. He burnt villages in that area and held a Belgian missionary hostage, threatening to kill him if troops were sent against him. He also attacked travellers, and "...strung up his victims by the thumbs to branches of high trees, and tied rocks to their feet, lighting a fire beneath he left them to their fate."⁸⁰

What is significant here is that bandits such as Chang, who sought commissions in the army of Lung, were dependent for their legitimacy on warlords and not civil authority. Bandits had no pretensions; they saw in the army and in commissions a means of legitimizing their behaviour. Warlords, on the other hand sought to change the nature of their activity from simple military activity to social leadership in spheres of government traditionally the preserve of civilians.

The methods which the Conference endorsed for bandit control were predominantly designed to superimpose a system of military

regional control on the existing civilian bureaucracy. Yunnan was to be divided into four "prime defence districts" (ta-fang-ch'ü), each controlled by a divisional commander while the regimental commanders were to take charge of the sub-districts into which the former were to be divided.⁸¹ The problem with this type of regional military control was that the army garrison, if left too long in the same area, was able to exploit all the opportunities for levying illegal taxes which were the result of the dependence of the civilian authorities on the army for rural control.⁸² The mention made of illegal and arbitrary levies made at the Conference bears witness to this state of affairs.

During the years up to 1931 Lung Yün seems to have gradually eliminated the more important bandits, including one led by the widow of a bandit leader, until by the early 1930s there remained only one bandit leader of any significance.⁸³

The other preoccupations of the Conference were the behaviour of the student population and the presence of communists in the province. During 1927 it had been the student population which had been the most receptive to the ideas of the KMT and probably those of the CCP as well. Student activity continued during 1927 even while Lung was fighting a desperate battle for existence against Hu Jo-yü and Chang Ju-chi.⁸⁴ As for the question of communism the problem was somewhat different. A purge of communists had started in May 1927, and it continued into 1928 in which year 400 people were executed by Lung on charges of

being communists.⁸⁵ Whereas with the student population the historian is faced with a fairly distinct social group and a documentary record of proposals for regulating them, with 'communists' there are merely a few scattered items of a sometimes curious nature on which to form a coherent picture of the real situation as opposed to the somewhat brightly coloured scene produced for national consumption.⁸⁶

The Provincial Government Committee had committed itself to "...the satisfactory arrangement of regulations for the management of schools [with a view to] the rectification of the confused conduct of youth...."⁸⁷ One set of proposals envisaged the prohibition of student societies, student unions, student organization of parties, student participation in school administration, and, the sting in the tail, the prohibition of opium smoking, gambling and prostitution amongst students.⁸⁸ The linking of undesirable political conduct on the part of students with the suggestion that the former was inextricably bound up with sexual licence and depravity was matched by a demand for an end to co-educational schooling in middle schools.⁸⁹ From the evidence available the provincial government was much more successful in controlling students than bandits.

Anti-communism was de rigeur for any warlord in 1928 and in Yunnan the KMT pursued, apparently, a vigorous and bloody campaign against all opponents of the regime.⁹⁰ The attitude towards communism which it was thought fit to display was extremely

hostile, even, one might say, tinged with hysteria.

A report from a pacification officer (hsüan-wei) in Ch'e-li county transmitted to the Commissioner for Foreign Affairs in Kunming described a curious incident.

"The "Ta Fo Yeh (i.e. Great Buddha) of Kengtung (under British jurisdiction), accompanied by several Burmese priests, more than ten men in all, disguised in Chinese clothes, have arrived at the frontier and have been engaged in spreading abroad the advantages of communism. By the use of some hundreds of British dollars they have bribed the ignorant natives and have ordered them to disperse in different directions and spread the doctrines of communism. The Ta Lo Pa-mu⁹¹ arrested a "Ta Fo Yeh", aged about twenty years, and subjected him to a strict interrogation. The man confessed that his offence had been committed under orders received from certain Cantonese who had been defeated and driven out of the country and who had promised that if his propaganda were successful they would reward him with \$5,000. Later on the clansmen of the "Ta Fo Yeh" came with offers to guarantee him and to pay a fine of \$45 in expiation of his offence. The Pa-mu in question failed to realize the gravity of the case and took upon himself to release the "Ta Fo Yeh" and to permit him to return to his own country."⁹²

The Commissioner for Foreign Affairs concluded that he hoped from the British side that "...the matter may be investigated and the trouble nipped in the bud."⁹³ In conclusion he declared:

"It is well known that the communists, whose nature is as that of ravening beasts, have for their object the destruction of morality and civilization, to attain which they will employ every violent and murderous means. They are an enemy of the human race and are rejected by all nations."⁹⁴

The hyperbole of the Commissioner's remarks, as noteworthy as any other attack on communism by its opponents in China, reveal the deep anxiety felt by the Provincial Government Committee. The political stance of the provincial faction and its conservative officials had stabilized on the right.

Financial Policies 1928-1930

One of the key decisions of the Reorganization Conference had been to establish a Commission for the Regulation of Finance and Currency (cheng-li ts'ai-cheng chin-jung wei-yüan-hui).⁹⁵ The first in a long line of similar bodies whose function was to solve the primary economic problems of the province and ensure that, above all, the revenue of the government was adequate to its needs, this Commission first met in August 1928.⁹⁶ Its members were described as those "...of our province with a rich knowledge of finance and currency."⁹⁷

The proposals of the Commission were designed to restore public confidence in the paper currency issued primarily by the Futien Bank and increase government revenue. They were as follows:-

1) A loan of YN\$20,000,000 was to be raised in the province backed by the receipts from salt and tin taxation and opium prohibition fines. This loan was to be burnt, reducing the amount of unsecured paper currency in circulation.

2) From January 1, 1929 all government taxation was to be levied in silver dollars at the rate of one silver dollar to three paper dollars. The deplorable scarcity of silver currency in the province meant that taxes were to be payable in paper currency thus trebling the effective rate of taxation. It was proposed to allocate two-thirds of the revenue collected in this way for military and civil expenditure while burning the remaining

third in conjunction with the loan raised.⁹⁸

Thus, in sum, on the basis of the Commission's estimate, there would have been a yearly income of YN\$30,000,000 of which one-third would have been burnt with the YN\$20,000,000 loan, altogether YN\$30,000,000. But this represented less than a third of the total amount of unsecured currency issued by the Futien Bank, Kotchiu-Pi-se-chai Railway Bank, Border Colonial Bank and others of YN\$100,000,000.⁹⁹ The scheme failed.

The authorities were unable to halt the export of specie and the value of the paper dollar dropped further until it exchanged at the rate of five to one in terms of silver.¹⁰⁰ One of the most interesting points in the proposals of the Commission was the use of opium revenues to back a loan to the public. It was further proof, were it necessary, that opium was one of the pillars of the economy and state.

By the spring of 1929 it had become apparent that the Commission's methods had failed and consequently the government convened another conference in March, the All-Province Currency Conference (ch'üan-sheng chin-jung hui-i), which decided to create a Commission for the Regulation of the Currency (cheng-li chin-jung wei-yüan-hui).¹⁰¹ The multiplicity of conferences and commissions which was so marked a feature of politics in China during the Nanking era, and which yielded small returns, has a certain unreality about it not to say desperation.

This Commission, which conducted its business during a period

of civil war, while Lung Yün was invading Kweichow and Hu Jo-yü and Chang Ju-chi were invading Yünnan, does not seem to have applied itself very seriously to the task in hand. It may well have been sceptical of the possibility that Lung's government would continue.

The proposals it made were as follows:-

1) The previous Commission's methods were scrapped.

2) From June 1929 extra levies were to be made on salt, tin and opium; YN\$30.00 per 100 chin of salt, yielding YN\$42,000,000 over two years; YN\$250 per chang of tin¹⁰² to yield YN\$2,500,000 over two years; a public loan on property over the same period of YN\$10,000,000; an export tax of YN\$25.00 per 100 taels of opium to provide YN\$3,750,000 per year.¹⁰³

It would be hard to imagine anything more likely to increase the rate of currency depreciation. The decision to apply an export tax to tin seems quite remarkable if it is noted that the price of tin on the world market had tumbled from £291 per ton in 1926 to a mere £118 per ton in 1931.¹⁰⁴ The ill-advised nature of the measures proposed may be attributed to the financial needs of the army.

One effect of the disastrous failures of the various commissions was to weaken severely the prestige of the conservative officials who had formed the backbone of the government. This was, however, not immediately apparent, for in late 1929 the Provincial Government Committee was 'reorganized' to admit into

the corps of those holding positions of authority in the civil side of government a number of Lung's divisional commanders. On November 22 Fan Shih-sheng, Ch'en Chün, Ma Ts'ung, Ting Chao-kuan and Sun Kuang-t'ing were dismissed and on December 1 were replaced by Chang Feng-ch'un, Chu Hsü, Kung Tzu-chih, Miao Chia-ming, Sun Tu, Lu Han and T'ang Chi-lin.¹⁰⁵

Apart from T'ang Chi-lin, whose substantive power had been eroded and whose position was more nominal than real, Lung Yün had replaced conservative civilians with military officials. It was partly the result of their successful defeat of Hu Jo-yü and Chang Ju-chi, and partly a response to the ineffectiveness of the conservative attempts to deal with the financial difficulties of the province. Particularly noteworthy was the appointment of Lu Han as Provincial Minister of Finance in December.¹⁰⁶ At the same time the appointment of Miao Chia-ming, who more than any other individual was responsible for the economic policies of the provincial government during the 1930s, marked the shape of things to come. He represented a third force in Yünnanese politics, the second generation of foreign trained intellectuals who entered provincial politics, competing against the old conservative officials and the ruling faction.

In November 1929 a further Conference for the Reorganization of Finance and Currency was convened which was the last in the series and which finally laid the foundation of an economic recovery. The rate of exchange of paper currency on silver was

further reduced to five to one. From January 1, 1930 all revenue was to be collected in silver dollars, or in paper dollars at the above rate. The effect was to increase taxation still more. The previous levies on salt, tin and opium were abolished and a special import tax was levied on certain items of luxury.¹⁰⁷

By July 1930 these measures had been put into operation and at that point a fresh conference was held after which it was decided to form, yet again, a Commission for the Regulation of the Currency whose task was to gather together a silver reserve to form the foundation for a new official bank to replace the Futien Bank. The principal source of revenue to purchase the necessary silver was to be the profit from opium prohibition fines.¹⁰⁸ Doubtless the task of this committee was eased by the decision of the government not to borrow any further money from the Futien Bank.¹⁰⁹

Over the two and a half years from the formal inauguration of a provincial government under the auspices of the National Government in Nanking there was a steady increase in the power and influence of the military faction with their placing in positions of prominence within the formal ranks of government. At the same time the more conservative officials were dismissed and a few relatively more enlightened and younger men replaced them. The faction was finally forced to take the financial situation seriously only when faced with almost total collapse of the currency. It was only after the defeat of Hu and Chang in 1929

that anything other than straitforward attempts to extract as much revenue as possible were employed. And while some further attempts at reorganizing the provincial ministry of finance were initiated during 1930, which will be considered in detail elsewhere,¹¹⁰ it was only after the defeat of the attempted revolt in March 1931 that serious changes were initiated.

CHAPTER III

THE MILITARY ASCENDANCY

Following the consolidation of Lung Yün's power and the establishment of his faction as the dominant element in the government of Yunnan, there was no respite in the round of intra-provincial and civil wars. While on a national scale Chiang Kai-shek's Central Government fought the Kwangsi faction during 1929 and drove it back into Kwangsi from Wuhan, the Yunnanese army invaded Kweichow, ostensibly in support of Chiang. When the Central Government fought a coalition of warlords in 1930 which included Feng Yü-hsiang, Yen Hsi-shan and the Kwangsi faction again, Lung Yün sent his army into Kwangsi as a minor auxilliary of Chiang Kai-shek. During this period the faction in Yunnan was able to take advantage of the chaos and instability occasioned by the challenge to Chiang Kai-shek's national authority to pursue its own interests.

Within Yunnan the faction was attacked in 1929 for the last time by Hu Jo-yü and Chang Ju-chi who took advantage of the absence of a large part of the Yunnanese army to conquer the province. Finally in 1931 Lung Yün's principal generals revolted unsuccessfully against his rule and forced him to undertake a drastic revision of his situation, restructuring the army and its system of command and placing his confidence increasingly in the hands of several civil officials and the industrial and commercial activities they promoted.

This period was dominated by war and military considerations and by comparison the years which followed up to the outbreak of the war with Japan were ones of peace and stability. In part the growing power of Chiang Kai-shek in the Yangtze valley and the weakness of his opponents prevented the repetition of any serious threat to the Central Government and consequently there was less scope for Yünnanese expansion. Also the defeat inflicted on Hu Jo-yü and the death of Chang Ju-chi effectively ended the possibility of renewed civil war in the province. But the most important factor was the change in the relative strength of Lung Yün with regard to the faction which he led. The revolt in 1931 by Lu Han, Chang Feng-ch'un, Chang Ch'ung and Chu Hsü, the principal members of the faction, and its failure increased Lung Yün's supremacy and reduced the power of his generals to a point where they were relatively unimportant. It produced a fundamental change in the structure of the faction in its relation to government as a whole. The origins of this change lie in the preceding years of incessant war.

Intra-provincial War, 1928-1930

By the beginning of 1928 Lung Yün was the undisputed master of Yünnan. His military opponents had been compelled to flee from the province. Either they had given up their armed strength as had T'ang Chi-yü, who had removed himself from Ta-li to Hongkong, or they had taken the remnants of their armies and placed themselves under the protection of a warlord in a neighbouring pro-

vince like Hu Jo-yü and Chang Ju-chi, who had fled to Szechwan and Kweichow respectively. T'ang Chi-yü was a spent force by this time and apart from his association with T'ang Chi-yao which made his political position impossible in the context of Lung Yün's ascendancy, he no longer had troops under him which finished him as a warlord.¹ The only real threat came from Hu and Chang.

The problems involved in invading Yünnan were always formidable as Yang Sen acknowledged. On one occasion he had contemplated invading the province from Szechwan in order to recoup his fortunes.

"Looking at Yünnan, with its lofty mountains and deep rivers and manifold difficulties and dangers, I had to admit that if I were to fight this war my chances of victory would not be very good."²

Strategically Yünnan had only been successfully attacked by a Yünnanese army ousting an incumbent warlord, as when Ku P'in-chen drove out T'ang Chi-yao in 1920 and T'ang returned the compliment in the following year. This was partly due to the difficulties involved and partly because any outsider would have needed an intimate knowledge of Yünnan and its politics in order to maintain his rule. Besides this Yünnan was a comparatively poor province. The general tendency was for Yünnanese factions to expand in search of richer pastures rather than vice-versa. Thus in 1928 and 1929 it was only the defeated generals Hu and Chang who were threatening. Chang and Hu might expect support from their protectors in Kweichow and Szechwan, since they could be used to restrain any move by Lung. But the latter need not fear a full-

scale invasion without the participation of the exiled Yünnanese.

Since their flight Hu and Chang had remained near the borders of Yünnan. Hu Jo-yü had placed himself under the protection of Liu Wen-hui, a powerful Szechwan warlord, who had given Hu the title of 'Commander of Border Defence for Southern Szechwan' (Ch'uan-nan pien-fang ssu-ling) and allotted him the area around Hsü-chou as his bailiwick.³ Chang Ju-chi, meanwhile had turned to Chou Hsi-ch'eng, who had succeeded to the power of Yüan Tsu-ming in Kweichow, and was stationed at Pi-chieh.⁴

During 1928 Hu Jo-yü's relations with the Central Government were somewhat precarious. In March the Central Government issued an order dismissing him from office and ordering his arrest.⁵ But on November 2 he had attained official recognition as a member of the 'Szechwan-Sikang Disarmament Commission' (Ch'uan-K'ang ts'ai-pien chün-tui wei-yüan-hui) in company with the more powerful Szechwan warlords Liu Hsiang, Teng Hsi-hou, T'ien Sung-yao, Liu Ts'un-hou, Lai Hsin-hui, Kuo Ju-tung and Yang Sen.⁶ Hu's position was not materially changed by this gesture but it marked a rapprochement with Chiang Kai-shek which had a special significance with the situation that was beginning to develop in Kweichow.

The crisis in Kweichow was caused by the imminent possibility of a civil war between Chou Hsi-ch'eng, the ensconced warlord and a rival, Li Shen (Li Hsiao-yen). Both men had been appointed to the Provincial Government Committee of Kweichow by the Central Government.⁷ But Li Shen had left the province, apparently

on the understanding that Chou would contribute to the expenses of his army. Chou, inevitably, had defaulted and Li intended to solve his problems by returning to his home ground.⁸ The first mention of an impending conflict was contained in a report from Kunming by the British consul on November 5 who noted that Li was approaching Kweichow from Hupei and Szechwan. Lung Yün had also stationed troops on the Kweichow border with an eye to helping Li overcome Chou and thus eliminate Chang Ju-chi.⁹

On November 14 and 20 Chou and Li respectively issued telegrams from which it is clear that after some attempts at negotiation fighting broke out not in Kweichow but in the extreme south-east corner of Szechwan on the Szechwan-Hupei+Kweichow border.¹⁰ The attitude of the Central Government modified from one of limited support for Li to support of Chou. On November 20 a telegram was sent to both sides ordering a cease-fire holding that "...it would be more fitting to hold each other in esteem and resolve your differences amicably...." It further urged Chou to provide Li with rations and money since "...the army of Li has been without food and in difficulties for some time."¹¹ This indicated that Nanking was leaning toward Li, and Chou would have been most unwilling to do under pressure what he had not previously done. But by December 11 the Central Government had decided that Li was the villain of the piece "...acting on his own authority in undertaking military action contrary to military discipline...."¹² It was at about this point that Chou had defeated Li.¹³

In addition Lung Yün was warned not to interfere with the affairs of Kweichow. Once Chiang Kai-shek had realized that if Li received any more encouragement then Lung Yün would seize his opportunity to expand he immediately attacked Li Shen. The limited recognition given to Hu Jo-yü on November 2 provided Chiang with an extra lever to tip the situation in his favour. The central feature of the policy of the Central Government with regard to the south-west at this time, when relations between Nanking and the Kwangsi faction were delicate, was to divide and restrain if not divide and rule.

It mattered not one jot if Chou and Li abused one another as "counter-revolutionary" or "reactionary".¹⁴ For these political epithets were merely tokens of the chameleon-like qualities of minor warlords who had quickly adopted the new terms under which they continued their personal struggles. The outstanding feature of this episode was the skill with which Chiang Kai-shek had manipulated the situation to his advantage by scarcely lifting a finger. At the same time Lung Yün's unwillingness to move against the authority of the Central Government was fully revealed.

This prelude to war stimulated the supporters of Hu Jo-yü and Chang Ju-chi to despatch a telegram to them urging their return to displace Lung Yün.¹⁵ It could scarcely have been sent at a more awkward point for Lung just when he was in the process of preparing an invasion of Kweichow. It is a document redolent with Han chauvinism, denouncing Lung as a Lolo barbarian. It accuses him of supporting "...the increase in depraved Lolo customs..."

and suggested that "...Lolo barbarians hold all important offices but disguise their treachery by a professed reliance on the Three Principles of the People."¹⁶ The second avenue of attack was the unfitness for office of his officials. "Position and title are for sale and corruption is everywhere manifest." Furthermore individuals were singled out on the grounds that they were both Lolo barbarians and corrupt.¹⁷ Thirdly Lung Yün's economic policies were damned. "The silver reserves were exhausted and there is a surfeit of paper currency. The cost of living in Kunming is several times higher than in Tientsin...Now with a never-ending succession of irregular levies and taxes the people are drifting off to become bandits."¹⁸

The most interesting and distinct feature of this denunciation is the concentration on Lung Yün's racial origins. He was only half-Han, his father being an I, and from the scanty evidence he was acutely ashamed of his ancestry.¹⁹ But far from wishing to identify with the non-Han minorities he emphasized the history of Yünnan in terms of the Han conquest of the area. Thus he put himself within the framework of Chinese 'civilized' government of the province and not Lolo 'barbarian' defiance.²⁰ Lung governed with Chinese political methods and related himself to Han culture; his political behaviour was not noticeably affected by the circumstances of his birth.

Following his defeat at the hands of Chou Hsi-ch'eng, Li Shen made his way with his army into Yünnan where he was received by Lung Yün. The latter now had a counter to Chou Hsi-ch'eng's

Chang Ju-chi. But the situation was unstable and all that Lung needed was a pretext. His chance came in the spring and summer of 1929.

The Kwangsi faction which had fought with the Northern Expedition had established itself uneasily in Hupei and Hunan. A dispute arose between this faction and Nanking over the question of revenue collection in Wuhan. The Kwangsi faction wanted to keep such revenue for the purpose of financing its own regional power. The Central Government could only accept such an arrangement at the price of giving up its claim to national authority. On February 19 the friction was translated into action when the Wuhan Branch Political Council dismissed Lu Tip'ing from his chairmanship of the Hunan Provincial Government.²¹ War followed as the Central Government occupied Wuhan without a shot being fired, and the Kwangsi faction fell back into Kwangsi. Troops of the Central Government under the command of Ho Chien harried Kwangsi capturing Kweilin on May 15 and Wuchow on June 2.²²

Chou Hsi-ch'eng and Chang Ju-chi had joined in signing a telegram from the leaders of the Kwangsi faction, Li Tsung-jen, Pai Ch'ung-hsi and Huang Shao-hsiung together with several Szechwan warlords, which made a violent personal attack on Chiang Kai-shek's political domination of the KMT, accusing him of "... usurping supreme authority in the Party to forge an instrument for an individual...."²³ The dating of this telegram like much of the history of this period cannot be exact, but it seems

likely that it was issued on April 5.²⁴ Chou Hsi-ch'eng was scarcely in a position to be of much use to Kwangsi since he commanded a comparatively small number of troops which were inferior in quality to those of the Central Government and probably inferior to most other provincial troops.²⁵

Chiang Kai-shek then found it expedient to summon Lung Yün into the ranks of those fighting for the Central Government and he appointed Lung Commander-in-chief of the Tenth Route Army.²⁶ Rumours appeared in the Chinese press that Lung had sent troops into Kwangsi as early as April 10, but like so much of what was printed this was merely wishful thinking.²⁷ Lung gave a clear indication of his attitude in the telegram of acceptance which he issued on April 18. "I dare avail myself of this opportunity to support our rear and be the first to attack those who give support to the rebels...."²⁸ Quite clearly it was to be Kweichow and not Kwangsi which would suffer Yünnan's attentions. Li Shen was also given a role in the action when Chiang ordered him to attack Kweiyang, the provincial capital of Kweichow, on April 21.²⁹ But whether Li in fact commenced his attack as early as April is not certain. It was only on May 22 that Lung telegraphed Nanking with news of a victory over Chou who was mortally wounded in battle on May 24.³⁰ By the end of May and beginning of June, Yünnanese forces had occupied Kweiyang and Chou Hsi-ch'eng's troops were in flight.³¹ But the triumph was of little use for during May Hu Jo-yü and Chang Ju-chi entered Yünnan and obliged Lung Yün to return at full speed to drive them off from

the province which had been denuded of defenders.

This need to settle affairs in Kweichow prompted a telegram from Lung Yün and Li Ch'üan (i.e. Li Shen).

"Our several subordinate military officers are not well-versed in politics. We request the Central Government⁷ despatch officials to undertake Party affairs and politics in the province of Kweichow. The masses of the province of Kweichow all hope that either one of Wang Pai-ch'ün or³² Ho Ying-ch'in will be selected as Chairman of Kweichow."

What was the reason for this strange request? Why should Lung, or for that matter Li, wish to involve the Central Government in their affairs? The answer lay primarily in the military difficulties which both had encountered. Lung had to remove himself from Kweichow to deal with the invasion and so could not spare the time to wipe out the remains of Chou Hsi-ch'eng's army. Li Shen was too weak to hold Kweichow without substantial support from Lung Yün. In the circumstances any of Chou Hsi-ch'eng's former commanders might pick up where Chou had left off and seize the province himself. By involving an official of the Central Government Li Shen might hope to safeguard part, at least, of the new power he had won.

In return Chiang Kai-shek placed Lung in a most embarrassing position by his reply. On June 7 Lung was ordered to continue the attack on the "rebels" but to accept the submission of any of Chou's former commanders who would accept the authority of the Central Government.³³ No mention then or later was made of Lung and Li's request; Lung was obliged to return to Yünnan and Li was ousted by Mao Kuang-hsiang, a former subordinate of Chou

Hsi-cheng.³⁴ The main aim of Lung's invasion was not to expand the power of Yünnan by conquering Kweichow and the T'ang Chi-yao. It was to remove a threat to his own power, Chang Ju-chi, and the faction which gave him support. To this extent it was essentially a defensive war not one of simple aggression. It was this aspect of Lung's war with Kweichow which sharply distinguished his regime from that of his predecessor. Partly this may have been the realization that Yünnan's potential for expansion was very small because of the relative poverty of its economic resources, and partly because of the ever-present need to consider the reaction of Chiang Kai-shek and the Central Government.

In the last analysis Lung Yün failed in his attempt to get rid of the hostile Kweichow faction since Mao Kuang-hsiang ousted Li Shen. But he did manage to eliminate Chang as well as Hu as rivals.

The first attack by Hu and Chang on Yünnan in 1929 took place in May when from May 16 to 30 the town of Chao-t'ung, Lung Yün's native place, was besieged. Chang took the town with the aid of treachery from within and extorted the opium prohibition fines and likin therein as well as demanding YN\$90,000 from the community. But in face of an advance by Kao Yin-huai, a brigadier in the Lung Yün army, Chang withdrew on June 12.³⁵ On June 29 the combined forces of Chang, Hu and Meng Yu-wen, of whom the latter had revolted in April and gone over to Hu Jo-yü, once more attacked Chao-t'ung. On this occasion, however, they were

defeated, and on July 7 the triumvirate set out on the road for Kunming itself, and they reached the capital on July 14.³⁶

The situation in Kunming was critical. For on July 11, while large amounts of dynamite and weapons were being hastily brought back into the city from the arsenal outside the city there was an explosion which created great damage.³⁷ However on July 18 reinforcements arrived and the besieging army had to retreat.³⁸ Hu Jo-yü, in spite of his links with bandit leaders in southern Yünnan, barely escaped with his life while Chang Ju-chi was captured and executed some time later. The only further mention of Hu Jo-yü following his defeat is a telegram which he sent to Wu P'ei-fu from Szechwan in May 1930 attacking the KMT.³⁹

This marked the final stage in the military consolidation of Lung Yün's rule. The campaign against Kwangsi was fought for other reasons and not to improve Lung's military security. The published statements of the Yünnanese government are careful always to distinguish between the periods before and after August 1929. The former period, it was held, was one of war and confusion while the latter was one of peace and reconstruction.⁴⁰ This carries a degree of truth in it, but war did continue in 1930 and the fundamental dominance of the army was strengthened during this period. To cite just one example, in the reorganization of the Provincial Government Committee which took place in November 1929 of the twelve members of the Committee of thirteen actually in Yünnan seven were army officers.⁴¹ The military officers were looming larger in the structure of govern-

ment, and it cannot be doubted that this influx into the formal ranks of government was the result of the increased weight which Lung was obliged to give to the views of his military subordinates. The period of relative supremacy which Lung's subordinates enjoyed was brief and it ended with the military debacle in Kwangsi.

The Kwangsi Campaign

The campaign against Kwangsi arose from a further clash between the Kwangsi faction and Chiang Kai-shek. The former had decided to attack Hunan in order to support the revolt of Feng Yü-hsiang against Chiang Kai-shek.⁴² Once more Yünnan was enlisted in the cause of Chiang Kai-shek. The Yünnanese army, which was under the command of Lu Han, departed on June 17 from Kunming and advanced to Nan-ning along the Yu (Hsi-yang) River where the city was besieged on July 22.⁴³ The route which the army followed was one of the main trading routes for the transport of opium across Kwangsi into Kwangtung. Several sources assert that the purpose of this expedition was to transport a large quantity of opium which had accumulated in Yünnan.⁴⁴ It is difficult to see why Lung Yün should have committed his army to such an expedition unless it were to be a profitable venture. In terms of the long-term interests of the faction it would have been advantageous to let Kwangsi resume a position of strength in central China once more, thus reducing the influence of Nanking.

The exact chronology of the campaign in Kwangsi is not completely clear and sources differ on certain points, but the salient points are clear. After laying siege to Nan-ning the Yünnanese army was driven off by Huang Hsü-ch'u on or about August 11-13.⁴⁵ The arrival of the seventh Kwangsi army at Wu-t'ang made Lu Han retreat further until on September 20 he resumed the siege.⁴⁶ On October 13 the Yünnanese army was defeated at a battle fought between the Nan-ning-P'in-yang road and Erh-t'ang and Lu Han retreated further to P'ing-ma (T'ien-tung) on October 15.⁴⁷ On October 25 the Yünnanese were again defeated in battle in a three-day encounter in P'ing-ma and on November 7 the army, which Li Tsung-jen boasted had been reduced from fifteen to nine regiments crossed over into Yünnan.⁴⁸

While the campaign itself was of minor importance its consequences were considerable. The army of some 20,000 which had been pressed into service numbered but 12,000 on its return.⁴⁹ The aggressive war, in contrast to the "defensive" war in Kweichow had yielded little by way of tangible, positive results (if the unknown factor of opium sales is ignored). But it was clear that the Yünnanese army, as it was at that time, was fit for nothing but fighting bandits and any prospect of expansion, even as a poor relation of Chiang Kai-shek, had been completely dispelled. In terms of the internal politics of the faction the authority of Lu Han had been severely weakened by his disastrous rout and the decimation of the flower of the army. The stage

had been set for a decisive struggle between Lung and the faction.

The Revolt against Lung Yün

The first sign that there were differences between Lung and his generals was in a statement put out by the former on November 7.

"The Tenth Route Army being appointed by the Central Government, it has become the National Army and does not belong to any private person. The present expedition was made under orders from the Central Government and it was not made for the interest of Yunnan nor for any private persons."⁵⁰

While this statement was put out partly to allay suspicions about the part which opium had played in the campaign, it seems clear that it was also a warning to Lung's generals. It voices Lung's fear that their power was greater than he wished. Lung decided to hold a conference to decide on the reorganization of the army to which his generals were invited. Any decision about the army would need the consent or agreement of them and that such a conference was necessary is a further example of the power of the faction at that time. Chu Hsü had submitted his resignation, which had been refused, and it was clear that the erstwhile stability was being threatened.

The conference took place from March 5 to March 10. It broke up without result as the action which followed demonstrated. All four generals, Lu Han, Chang Feng-ch'un, Chang Ch'ung and Chu Hsü left for I-liang, where just some three years earlier Lung Yün, Hu Jo-yü, Chang Ju-chi and Li Hsüan-t'ing had plotted

T'ang Chi-yao's downfall. Slogans were posted up in Kunming and Chang Feng-ch'un issued a communiqué to the people.

"Officers and men of every division unite as one, give your absolute support to Chairman Lung and obey the orders of the Central Government!"

"Drive out the miscreants, eliminate the dregs of T'ang Chi-yao!"

"Let everyone go about his business peacefully, do not be alarmed!"

"Recently because of important military and political affairs in the province, I, together with divisional commanders Lu, Chu and Chang, have left the provincial capital to discuss ways and means. All public security has already been made the responsibility of deputy divisional commander Ho Shih-hsiung in control of the military police to maintain satisfactory order. All soldiers and civilians must go about their business peacefully and must not create a disturbance amongst themselves. If there are any who fabricate rumours and slander and disturb the public peace, they shall, if discovered, be summarily dealt with by military law and clemency will certainly not be shown...."⁵¹

Thus on the evening of March 10 the generals left for I-liang, taking with them Sun Tu, Lung's chief-of-staff, and Ma Wei-lin, who at that point was head of the Opium Suppression Bureau, both of whom were the especial objects of their wrath.⁵² The apparent contradictions in the behaviour of the generals throughout this peculiar episode were present from the first. Firstly the call for support for Lung Yün, whom the conspirators always swore was not the object of their hatred, was counter-balanced by the kidnapping of two of his prominent officials. Secondly the generals paid visits to Chou Chung-yüeh, Miao Yün-t'ai, Kung Tzu-chih and Yang Wen-ch'ing, all either prominent in government or 'elder statesmen'. The purpose of their visit, made before they departed, was to keep open lines of communication with Lung,

thus giving Lung the means to come to an accomodation with the rebels without conducting direct negotiations.⁵³

The generals sent a letter to Lung from I-liang accusing him of employing men for public office in an improper fashion and "...not employing those of merit," whose identities were plain.⁵⁴ Lung meanwhile was preparing to leave Kunming. It was said that he had previously planned to return to his native place, Chao-t'ung, for a holiday; by making his intentions plain Lung threw the city into a panic and prices rose.⁵⁵ The prospect of being left to the caprices of four generals as had happened in 1927 was not pleasant. A meeting of eighty or so public officials and prominent men selected representatives who went to the Governor's Palace where they found Miao Chia-ming and Yang Wen-ch'ing waiting outside the gates, unable to gain entry. A representative of Lung's confirmed his master's firm determination to leave.⁵⁶ Lung demonstrated some of the qualities which kept him in power for some eighteen years: his aloofness from his officials, keeping members of the Provincial Government Committee hanging around like suppliants, and his cool determination to carry out a decision once formed.

An eight man delegation from the Kunming KMT and those who had tried to see Lung in his Palace sent a telegram to I-liang as follows.

"...After you left, the Chairman prepared to leave this evening, returning to Chao-t'ung alone. His intentions are

firm. All sections of the community tried to detain him without success, and he refused to see anyone. Now everyone is panicking, and public order is in imminent danger. The situation must be considered serious. What are your views? We hope for a speedy reply."⁵⁷

The same evening, March 11, the delegation set off for I-liang, and the generals sent a telegram to Kunming requesting them to restrain Lung.⁵⁸ In I-liang the generals reiterated their support for Lung Yün. But Lung left Kunming with his family on March 12, issuing a brief statement that he had requested leave from the National Government and that everything in Kunming was to carry on as before.⁵⁹

So far the generals had made no formal, public statement of their grievances, but with Lung Yün's departure it became incumbent upon them either to take a stand or to give in completely. For leaders of factions to retire and wait for internal dissension to split their subordinates was a fairly common manoeuvre. It must have been in the minds of all who took part that the movement against T'ang Chi-yao had strong parallels with the situation as it had developed with one exception. Lung Yün's personal position, in terms of prestige in the eyes of the prominent citizens of Kunming was immeasurably greater than had been that of T'ang. Both sides knew it.

On March 13, deciding that it was better to be hung for a sheep than for a lamb, published their complaints in a circular telegram.

"Since T'ang Chi-yao held political power, Yunnan has employed worthless men who schemed for profit in their own interests. Moreover they dared ally with warlords, opposing the principles of our late Director (i.e. Sun Yat-sen) so bringing about an excess of militarism, the impoverishment of the people and the exhaustion of our finances. The army and people of the whole province cannot bear to speak of these sufferings.

Then there was the reform of February 6. Who would have thought that the evil had not been sufficiently exposed? Wang Chieh-hsiu and others took advantage of the situation to incite contention. Next there took place the coup of Hu [Jo-yü] and Chang [Ju-chi] of June 14. The year before last our army was on the point of serving in a punitive expedition but Meng K'un (i.e. Meng Yu-wen) and Hu Yen (i.e. Hu Jo-yü) started a rebellion and made alliance with the bandit Chang Ju-chi, hampering the rear. This is clear evidence that the remnants of T'ang are sufficient to ravage Yunnan.

Today, Hu, Chang and Meng have certainly been destroyed, but T'ang Chi-lin, Chang Wei-han, Sun Tu are still remnants of T'ang. On the basis of their ability in a single capacity, the government cannot bear to order their dismissal and intends to give them position. Thus they have been able to consolidate their position. Who would have thought that these remnants would not know the meaning of shame? They form cabals (tang) for private ends, taking advantage of the reactionary T'ang Chi-yü, who had got in league with the reorganization clique, and his brother T'ang Chi-lin, who is planning to train troops and seize military power to help the fifth columnists. Chang Wei-han is utilising T'ang, the renowned miscreant, as his agent...Sun Tu is stirring up the armed forces, sowing disharmony among the ranks. Ma Wei-lin controls opium prohibition and is engaged on personal corruption. The rest like Kuo Yü-luan, Yüan Ch'ang-jung, T'u K'ai-tsung and Chang Tsu-yin are all in positions of importance and are secretly plotting a restoration....

It is a matter of record that we have sent telegrams to the National Government and Provincial Chairman Lung Yün, requesting them to investigate thoroughly and prosecute [them]...Chairman Lung, in common with us, has risked life and death and has merit in the Party and in the Country. We swear with the utmost sincerity to support him with our lives. We sincerely fear that outsiders will not realise the true situation and mistakes may arise incessantly...As soon as all the evils have been wiped away...we will deliver ourselves up to justice...."

The general tenor of their charges concerns the supposed

corruption, treachery and superiority of the remnants of the T'ang Chi-yao faction. Frightened about the possible erosion of their privileged position in the government and aggrieved at the faith that Lung had placed in those who had been the objects of the rebellion of 1927 they were viewing themselves as the guardians of wholesome government. Was it, as they claimed, simply an attack on the individuals surrounding Lung, or did they aim to reduce Lung to a figurehead? There can be no certain answer. But the central question was the position of the faction in the government. Either, they argued, we who have put you in power must be given our due or you must accept the consequences. What was important to these men was the power of individuals. Apart from the reference to T'ang Chi-yü as a figure of reaction, there is scarcely any attention to political principles. Every item was reduced to one of the moral character of those attacked.

Before he left Kunming, Lung Yün sent telegrams to Nanking requesting leave. Chiang Kai-shek's reaction was to hold a meeting with Li P'ei-t'ien, Lung's representative in Nanking, and some Yünnanese advisers. He sent a telegram to Lung telling him to return to Kunming, and he also sent a telegram to Lu Han and the others ordering them to accept the regrouping of the Yünnan army, showing that in his view and in the view of Lung's representative it was the army distribution which was at the heart of the issue and the other charges simply a gloss..⁶¹

On the evening of March 13 the generals entered Kunming.

Sun Tu was expelled to Indo-China with YN\$21,000 and told to study abroad, while Ma Wei-lin was put in prison. Those others mentioned in their telegram of March 13 had disappeared the previous day. In fact their plans had completely misfired. Lung was absent from Kunming. Chiang Kai-shek had disowned them and they had had no support from the citizens of Kunming. Perhaps, too, they realized that the problems of trying to form a government would be too much in view of their public statements.⁶²

So on the following day the most comical event of the whole episode took place. Some of the generals took a plane and overtook Lung as he travelled by car to Chao-t'ung and requested him to return. He finally consented and returned to an enthusiastic welcome on March 17.⁶³

Lung Yün, while back in the saddle, had two problems. Firstly he had to take measures against the generals; otherwise his position would have become intolerable. Secondly he needed to minimize the nature of the conflict within the faction, thus allowing Chiang Kai-shek no room to exploit the situation and increase the influence of the Central Government in the province. The remarks of the generals in their telegram also confirm that they too wished to keep the affair as restricted as possible since it was in their interests as well to ward off the power of Nanking.

Lung tackled the problem of Nanking first by sending two

telegrams, one to Li P'ei-t'ien, which was made public, and the other to Chiang. In the former Lung dismissed it all as a matter of some generals "...not being very clear about politics and carelessly issuing statements of opinion.../[which necessitated_7 a slight correction, not giving rise to any problem."⁶⁴ In the latter Lung refuted the allegations which the generals had made to Chiang in their telegram of March 12, and promised an investigation into their conduct and the officials indicted by them.⁶⁵

In the following days Chang Feng-ch'un's troops were withdrawn from Kunming at Lung's request although Lung was said not to have resumed his official duties until March 30.⁶⁶ On April 1 a meeting was held at which Lung Yün presided, consisting of the four generals and Kao Yin-huai, Miao Chia-ming and Kung Tzu-chih. This meeting accepted the resignations of Chang Wei-han, T'u K'ai-tsung, T'ang Chi-lin, Chang Tsu-yin and Kuo Yü-luan. Sun Tu was to continue to "study abroad" and Ma Wei-lin was to be tried for corruption. But the resignations of Chang Pang-han and Lu Ch'ung-jen, who was not on the generals' list, were not accepted.⁶⁷ On the face of it the generals had gained their stated objectives.

But it must have been an uneasy period for them. A week later Lung struck. All four generals were arrested and Chang Feng-ch'un was denounced by Lung, on April 8, as ambitious, disobedient and a plotter against the government. Lu Han was

deprived of his military command but kept his position in the Provincial Government Committee; Chang Ch'ung was demoted from the rank of general to that of brigadier while Chu Hsü was deprived of his military command and also his seat on the Provincial Government Committee.⁶⁸

Thus two of the pillars of the faction, Chang Feng-ch'un and Chu Hsü were completely eliminated as powers in the land and the other two were publicly humiliated. Chang Ch'ung, in any case, had lost some two-thirds of the men under his command in the Kwangsi campaign and was the most junior of the faction.⁶⁹ The case of Lu Han is significant. Since he was Lung Yün's half-brother and an important figure in his own right Lung would not or could not get rid of him entirely. But he and Chang Feng-ch'un were most probably the instigators of the revolt and so Lung took away his command—the most potent source of his power. The French consul apparently intervened so that Chang Feng-ch'un did not lose his life in the usual fashion in Yünnan. It was held that this indicated a French involvement in the affair, but more probably it was simply one of the moral gestures which were de rigueur for the French consul.⁷⁰

From the point of view of the historian the mutiny had one beneficial effect which was that each of the rebels published abject apologies which have been preserved which afford a rare glimpse into the individual. Lu Han pointed to the heart of the issue in his apologia.

"Now on this day I have resigned my commission. Moreover I have made it known to each unit of the command that henceforth all military affairs will be handled by the Commander."

Here we see that the question was primarily one of control over military power, nothing else. No longer would Lung allow any other individual come between him and his men. Lung in fact took steps to reinforce his command as will be shown. Lu continued in a series of well-tried clichés to justify himself and it is worth reproducing in part as an example of a warlord's conception of his life.

"For twenty years I have been a soldier and my spiritual energy has long since failed. I have led my troops on distant paths and sickness and ill-health have increased their grip on me...Simple and upright my nature was formed, I endeavoured to make my faults few but I have as yet failed. I have only retained my many faults in my heart...."⁷¹

Chu Hsü's telegram was couched in the same vein, pointing out that he had tendered his resignation after the campaign in Kwangsi. Chang Ch'ung's defence, however, contains more interesting matter. He is alone in ascribing his action to the economic situation in the countryside. It is not necessary to accept his concern at its face value, but it may be a pointer to his later decision, during the third civil war, to join the communists.⁷² Chang had been a bandit unlike the others and it is conceivable that he was slightly more sensitive to the problems of the countryside than the others. But as it was he did nothing to put his feelings into action.

"Before this I returned to Yünnan from Kwangsi. My eyes

were met by the sight of the sufferings of the lives of the people in every county. I wished to strive to the utmost to be simply loyal by assisting the Commander in renewing internal government, wiping away foreign aggression, so that reconstruction in Yunnan might be speedily brought to a conclusion, that all the people of the whole province might attain peace and ease."⁷³

Was the destruction or near destruction of the faction and the system of command inherent in it an innovation or was it simply a repetition of a familiar pattern? The answer is both. On the one hand Lung Yün recruited training units to reinforce his control over a personal army as T'ang Chi-yao had done when his defeated armies returned from Kwangsi in 1925 and his generals too were unhappy about his rule. On the other hand he lessened the number of troops under the command of any single individual which, in the case of Yunnan, seems to have been a new departure. It was a demonstration of the strength of Lung Yün's position that the generals could not use their troops to maintain themselves. Lung's strength derived from his authority as head of the provincial government and the backing he had from the National government. Thus the faction, military power, stood helpless against the combination of legitimate authority in this instance.

The crisis in the faction, besides being one over the distribution of troops, one of relative power among Lung's followers, was also much concerned with the ambiguity of Lung's position as head not only of the faction, but also of a government. The position of Lung was initially that of warlord, tout court, and only later of leader of a government. The authority and the

dignity of government imposed on Lung a conception of his role as a leader of Yünnan which was inimical to the interests of the faction which had brought him to power. If Lung employed men in the government whom the faction disapproved of it demonstrated that Lung no longer identified his interests with those of the faction.

The frustration of being a subordinate of a successful leader must have played its part in stimulating opposition. Since there could be no restraint on ambition revolt was inevitable, and this was a constant feature of warlord behaviour. The institutions of the KMT proved as little able to provide a means of controlling and directing such men as those of the early Republic.

The Reorganization of the Army

The Army reorganization which Lung commenced in April 1931 and which continued for several years exemplified the concern which Lung felt for his position and illustrates the methods which he used to create a personal army. It was certainly believed by observers at the time that Lung was bent on making it personally loyal, that is to say, eliminating those commanders who to some extent had intervened between him and his men.⁷⁴

The first satisfactory⁷⁵ account of the composition of Lung's army dates from September 1929, after the invasion of Kweichow and the invasion of Hu Jo-yü, Chang Ju-chi and Meng Yu-wen.

The army at this juncture comprised four regular divisions commanded by Lu Han, Chu Hsü, Chang Feng-ch'un and Chang Ch'ung. The ninety-eighth and ninety-ninth under the command of the two former generals was estimated at 5,200 men each, while the 100th. and 101st. under the command of the two latter were said to comprise 4,000 each.⁷⁶ The disparity between the divisions was undoubtedly a reflection of the degree of closeness and loyalty to Lung as well as an indication of relative seniority. Chang Ch'ung, for example, was younger than Lu Han who was, of course a close relative of Lung.⁷⁷ In addition there were a number of units organized on a looser basis, not necessarily reflecting a lesser degree of trust on Lung's part, but a result of the complex nature of status considerations within the army. T'ang Chi-lin commanded a seventh independent division of some 2,400, and here independent referred not simply to the place of the division in the chain of command but also to its somewhat ambiguous position as a late-comer to Lung's army. Lung also had a corps of personal bodyguards, numbering 1,200, under Yen Chia-hsün, following the example of T'ang Chi-yao. An Te-hua commanded an independent reserve force of 1,000, and there were some 3,500 miscellaneous troops including the railway police.⁷⁸ The full strength of the army would have been some 26,500, not a very large army in comparison with those of the greater armies of, say, Feng Yü-hsiang or the Kwangsi faction. There seems to be little evidence to corroborate these figures, however, but

they do seem consistent with the other estimates from Chinese and consular sources.

In April 1931, following the failure of the revolt, Lung commenced a reorganization of the army which continued in stages until 1933. The principal aims of this reorganization may be summarized as follows. Firstly, Lung replaced all the previous high-ranking generals with his relatives and members of the Lolo minority from which he himself came, the categories not necessarily being exclusive. Secondly, he reduced the size of each individual unit by weeding out unfit and unreliable men, many of whom were supposed to have been bandits, thus strengthening his own position. Thirdly, he commenced a vigorous training scheme in which he added thousands of new recruits to the army in an endeavour to create a truly personal army.

In April the divisions were dissolved to form brigades. Chang Ch'ung was the sole survivor, retaining the command of the ninth brigade which was formed from the remnant of his old 101st. division. His deputy commander in that division, Shih Hua, was demoted to a command over an independent infantry battalion of a mere 300 men.⁷⁹ The other principle commands were given to Lung Yü-ts'ang (commanding two regiments previously under the command of Lu Han), Lu Tao-yüan, Kung Shun-pi and Tuan Ts'an-k'uei. Lung Yü-ts'ang was Lung Yün's nephew, the brother-in-law of Lu Han. His loyalty to Lung and relationship to Lu Han made him the ideal choice for the regiments which Lu had command-

ed.⁸⁰

By June 1932 the number of brigades had been increased to six with the creation of two extra ones which were given to An Te-hua, a relative of Lung, and Liu Cheng-fu, formerly a brigade commander under Lu Han.⁸¹ At this time the first, second and third brigades under the commands respectively of Liu Cheng-fu, An Te-hua and Lung Yü-ts'ang were the largest units each comprising 3,000 men. By contrast the fifth, seventh and ninth brigades under the commands respectively of Lu Tao-yüan, Kung Shun-pi and Chang Ch'ung each comprised a mere 1,500.⁸² Clearly Lung was concentrating the larger units in the hands of those in whom he could have great confidence, whilst reducing the size of every command. Chang Ch'ung's two regimental commanders were both surnamed Lung, but whether they were members of Lung Yün's family is unknown; if they were it may indicate the deep suspicion that Lung nursed with regard to Chang.

By September 1933 only five brigades remained, Chang Ch'ung having lost his command entirely. The first, second and third brigades were further reduced to 2,000 men each while the other two brigades comprised 1,000 each. At the same time there were eight training regiments, each 1,000 strong, through which Lung hoped to place his internal position beyond doubt.⁸³ It is a measure of his superiority that this whole reorganization, with the drastic reduction of the strength of individual commands, was carried out without any evidence of opposition from his gen-

erals. What Lung was doing was trying to eliminate his generals as threats to his position by inculcating a direct loyalty to his person in his troops. It is perhaps legitimate to question whether Lung had realized that the faction was inherently unstable and that his actions, whether conscious or not, were leading either to a drastic reduction of the influence of the faction or possibly its elimination. Whatever the truth in this speculation the army, the basic power of Lung to monopolize armed force, remained the foundation of power in the province.

The rebuilding of the army coincided with a fresh approach to the problems of the economy and government finances. Nor was this wholly a coincidence. The ultimate failure of the army under the control of the old faction had imposed on the regime the necessity of restricting its activities to Yünnan. Increasingly Lung seems to have shifted his political weight behind certain civil officials and their financial and commercial expertise, paying scant attention to the problems of the faction which had previously occupied him. External factors, such as the increasing military build-up of Central Government forces in the Yangtze valley which created problems for the opium economy of Yünnan aided the growing ascendancy of economic 'experts' within the government, but the most important factor in the change in direction by Lung Yün was the fundamental attack on the faction and the factional system.

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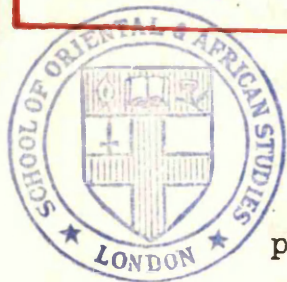
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CHAPTER IV

OPIUM IN YUNNAN, 1927-1935



One of the major sources of revenue at the disposal of the provincial government in Yünnan during the period from the formation of the military faction of Lung Yün up to the outbreak of the Sino-Japanese War in 1937 was the taxation which was levied on the cultivation and transportation of opium. The system of taxing both the cultivation and transportation of opium originated in Yünnan in 1919 under the regime of T'ang Chi-yao. Known generally as "opium prohibition fines" (chin-yen fa-chin) these two taxes were continued until 1935 when the provincial government instituted a three year plan to prohibit the cultivation, transportation, sale and consumption of opium. The period from 1919 to 1935 marked the zenith of opium production in Yünnan during the Republican era and it is the system of taxation used by the government during this period and especially after 1927 which constitutes the basis of this chapter.

The relationship between the trade in opium and the provincial government was a very important one and to understand something of the essence of warlord government it is necessary to describe it fully. For during the period from the defeat of the attempted revolt by the four generals against Lung Yün in the spring of 1931 up to 1937 certain changes were taking place in the economic policies of the government which were largely bound up with the

question of the government's dependence on opium revenues. Basically the changes involved a gradual diminution of the production of opium through a program of prohibition and a consequent reduction in revenue from taxation on opium land and the export of opium to other Chinese provinces as well as a growing investment in the tin industry and an attempt to increase its profitability.

Thus to a large extent the old pattern of reliance on opium, which was characteristic of nearly all warlords with perhaps one or two exceptions,¹ was giving way to a new attempt to exploit the tin trade by introducing western mining and refining methods and other economic "modernization". The new emphasis on comparatively long-term investment by the provincial authorities in commercial and industrial enterprises as opposed to its previous exclusive dependence on opium was brought about by a variety of factors which form the content of the later chapters of this thesis.

In part the attempted revolt in 1931 cleared away some conservative officials as well as drastically reducing the influence of the faction and new political forces were permitted to show themselves. In particular Miao Chia-ming was more than any other man responsible for directing Yunnan's attempts at commercial and industrial enterprise. He differed markedly from the majority of provincial officials in his political attitudes, his ability and understanding of industry and finance.²

The success of Miao in raising the purity of the tin produced

by the government owned Yünnan Tin Company (Yün-nan hsi-wu kung-ssu) had two important results. Firstly Miao quickly made himself the most influential official in Yünnan after Lung Yün, gaining control of the New Futien Bank (Fu-tien hsin yin-hang) and creating the Yünnan Economic Commission (Yün-nan ching-chi wei-yüan-hui) which was responsible for nearly all government entrepreneurial activities from its creation in 1934. Secondly it provided a financial basis by virtue of which it became possible to commence the prohibition of opium cultivation. Opium gave way to tin and the provincial government sought to base itself less on agriculture and more on commerce.

But the decrease in opium production was not simply the result of internal developments. It was caused by economic and political factors which were partly the result themselves of the action which Chiang Kai-shek took with regard to opium in the central Chinese provinces. Years of over-production in Yünnan as well as in the other major producing provinces such as Szechwan, Kweichow, Kansu and so on, had depressed the price of opium in the major marketing areas for opium in the Yangtze Valley and Kwangtung. Consequently the prohibition of 1935, as in Szechwan, was intended to raise prices again and it did in fact succeed in this object. But the prohibition was largely a response to the orders of Chiang Kai-shek to eliminate opium cultivation. Not that it was necessarily a case of provincial power yielding to the orders of the Central Government because of the question of morality; it

was, perhaps, more a manoeuvre to escape from the ever-increasing influence of the National Government.³

Thus in a variety of ways opium was the theme of the period. Economically and politically it was at the heart of many of the issues of local and national importance. For these reasons it is deemed necessary to map out the essential elements of the trade in and the taxation of opium. Because of the different system introduced in 1935 the discussion which follows is limited to the structure of the trade before that date, though some aspects of it are applicable to the period after 1935. The discussion falls into three sections. The first deals with the cultivation of the poppy and tries to come to some conclusion concerning the area of cultivated land on which poppy was planted and the volume of opium production. The second describes the commercial organization of the trade; the opium trading companies and the nature of the export system. The third concerns itself with the system by which the cultivation and transportation of opium was taxed and its role in government finances.

Opium Cultivation

Opium is the product of the poppy (Papaver Somniferum). A distinction is generally made between raw and prepared opium. Raw opium is defined as: "The spontaneously coagulated juice obtained from the capsules of the Papaver somniferum, which has only been submitted to the necessary manipulations for packing

transport."⁴ In talking of opium it is raw opium which is referred to as distinct from prepared opium which is the form in which it was smoked. Its production in Yünnan has a long history, and was famous for the quality of the opium which was produced there. The Chao-t'ung hsien-chih kao, in a section on opium prohibition proudly declared that: "The fame of Yünnanese opium resounds through China."⁵ Different factors affected the quality of the drug: flavour, aroma, texture, colour and consistency were all held to be important indices of its quality.⁶ Above all it was the morphia content of the opium which determined its value. Chinese or native opium generally had a lower morphia content than Persian or Indian opium during the nineteenth century and was held to be inferior. Doubtless the practice of adulterating raw opium with a host of imaginative substances was another factor in reducing its quality. In Yünnan, generally speaking, opium grown in the west was held to be of a higher quality and consumed in the province while that cultivated in the central and eastern regions was mainly grown for export.⁷

It seems plausible to suggest that opium cultivation spread from a relatively small area around the border area of Yünnan, Burma and Laos. In Laos opium was cultivated in the north on the Tran-ninh plateau where it was estimated that some 10-11,000 hectares at least were planted with poppy each year.⁸ Scott observed that in the case of Burma: "Opium is not grown for sale west of the Salween, except on the mountain mass of Loinaw and

Loiling in South Hsenwi, and a few other circles, but east of the river in Kokang, where there are many Chinamen, a good deal is grown, and enormous stretches of poppy can be seen in the sheltered slopes of the Wa states and among the northern Lahu."⁹ It was just to the east and north of this region in the counties and administrative regions (she-chih chü) of southwestern Yünnan that the most renowned opium areas of the province were to be found.¹⁰

In these regions, relatively free from Chinese governmental control, the indigenous minorities planted opium as a cash crop. But the spread of opium cultivation to the central and eastern regions of Yünnan seems not to have occurred until the reigns of T'ung-chih and Kuang-hsü (1862-1908). This eastward spread coincided with the massive increase in the cultivation of opium in China as a whole which brought about a decline in the import of Indian opium and at the same time an extension of the market for opium to the poorer elements of Chinese society.¹¹ In general it may be said that when the central and provincial authorities seriously attempted the prohibition of opium its cultivation dwindled into the isolated border regions such as that along the Yünnan-Burma-Laos borders beyond the reach of Chinese governmental control. The regions where opium was most widely cultivated were those border provinces of China, such as Kweichow, Yünnan, Szechwan, Kansu, Shensi and so on, including Manchuria where

opium was widely grown as a valuable cash crop. By contrast the "inner provinces" of China constituted the major marketing region for the surplus production of the outer provinces. In some cases, notably Manchuria, opium was an important element in opening up of large areas of previously uncultivated land by Chinese colonial settlers.¹²

In Yunnan during the period of imperial opium suppression from the late Ch'ing until 1917 opium cultivation was only carried on in secret in the remote western areas of the province. Similarly during the Sino-Japanese War from 1937 the more central areas of Szechwan which had been famous for their production of opium were strictly prohibited from growing it; and cultivation was started up in the more remote border areas of the province away from the reach of the Central Government which had removed itself to Szechwan.¹³ Even the peasants who had previously cultivated opium moved into these remoter areas to resume the production of opium.¹⁴

In considering Yunnan in particular, as an example of opium production in China in general, the major problem is that which is encountered by any enquirer after matters of agricultural production in China, that of statistics.¹⁵ Statistics do exist concerning the total area of land under cultivation for opium and total production, and it is possible to come to some conclusions about the relative volume of production if care is used. But it is not the statistical criterion which is of supreme importance

in the matter of opium; it is rather the degree to which opium was important in the economics and politics of Yünnan under Lung Yün. However in considering statistical matters it is fortunate that the estimates of the provincial government itself have been preserved. By comparing the estimates of the government with other sources, both Chinese and foreign, it is possible to get to grips with this somewhat intractable problem.

In the Regulations for the Application of the Prohibition of Opium Cultivation in Yünnan (Yün-nan ch'üan-sheng shih-hsing chin-chung ya-p'ien ch'ang-ch'eng) the government admitted that in the season 1934-35 some 900,000 mou (the mou being approximately one sixth of an acre) cultivated opium in the entire province.¹⁶ American consular reports confirm this figure, giving it as exactly 960,253 mou, but other reports suggest that this was not the full story.¹⁷ For example, it was calculated that in 1932 the area registered by the peasantry for opium cultivation was 1,400,000 mou but that unregistered land accounted for sixty per cent of this total, that is to say 840,000 mou giving a total of 2,240,000 mou.¹⁸ Leaving aside the difference between the figures given for 1932 of 1,400,000 mou and for 1935 of 960,000 mou, it is clear that the government estimate was based solely on the land from which it could draw taxes. Theoretically each county or administrative region was set a quota, which was stated to have been 15,000 mou on average, on which basis the total area cultivated would have been just over 1,800,000 mou, about dou-

blo that claimed by the government and supported by the American consular figures.¹⁹

If this general figure for the whole of Yunnan is compared with various figures given for the areas devoted to opium in various counties then it becomes apparent that the figure of 900,000 or 1,000,000 mou was probably simply the registered land and that in fact there was indeed a substantial cultivation untaxed by the provincial government.

Information of production at the county level is only available for a few districts, partly from gazeteers (hsien-chih) and partly from surveys of agricultural production by research organizations connected with the National Government or other non-provincial organs.²⁰ From gazeteers it may be seen that in Chao-t'ung the total area cultivating opium between 1929 and 1934 varied between 15,000 and just under 19,000 mou. In Hsüan-wei, another county in the northeast, "...the strips of land cultivating opium (chung-yen ti-tuan) were approximately 22,800 mou and more...." But in Hsin-p'ing county between 1922 and 1929 the total number of mou covered by the poppy never rose much above 4,500.²¹

From the Investigation into the Peasant Village in the Province of Yunnan (Yün-nan sheng nung-ts'un tiao-ch'a) conducted in 1933 there is information about opium cultivation in three counties, Kunming, Lu-feng and Yü-ch'i. In Kunming opium accounted for 29,750 mou, a figure echoed by another which stated that in

1924 the total was 30,000.²² In Lu-feng opium amounted to some 12,600 mou, and in YÜ-ch'i it was estimated at about 34,500 mou, although a traveller in the latter county in 1936 said that the county had formerly cultivated 13,000 mou.²³ The average of the totals for these six counties lies between 16-18,000 mou per county or approximately the same as the permitted average in 1934. These counties were, with the exception of Hsin-p'ing all heavy producers of opium located in central and eastern Yünnan from where much opium was exported. It is a difficult matter to evaluate the significance of such a small sample. But the least that can be said is that the area cultivating opium in these counties was such that the figure for the whole of Yünnan of between 900,000 and 1,000,000 mou seems to have been a minimum estimate.²⁴

Opium was not, of course, confined to these regions. Travellers report opium fields in many districts. In I-liang near Kunming there was "...an immensity of...finely cultivated land, most of which was opium poppy in bloom."²⁵ Similar reports were made of the district around the railway from K'ai-yüan to Kunming and of that from Ch'ü-ching to P'ing-i.²⁶ In earlier periods opium in Lu-liang county was said to be eaten by ducks who became easy targets for hunters.²⁷

The yield per mou in Yünnan varied considerably. The samples collected by Buck (here converted from quintals per hectare into

taels per mou at the rate of fifteen mou per hectare and thirty-two taels per kilogram) only included two counties in Yünnan. In I-liang the yield was given as over 113 taels per mou while in Ch'u-hsiung it was seventeen . per mou.²⁸ In both cases these figures represent the extremes of the twenty-three samples taken in the whole of his survey for which the average yield for irrigated land was about forty-three taels per mou and for non-irrigated land higher at fifty-five per mou.²⁹

Figures for the yield per mou collected by the Yün-nan sheng nung-ts'un tiao-ch'a for the counties of Kunming, Ma-lung and Yü-ch'i suggest that the average yield per mou for the three counties³⁰ was approximately forty-seven, twenty-eight and sixty-five taels respectively.³¹ These relatively high figures contrast with the yield estimated by the provincial government for the cultivation extension areas (chan-chung ch'ü) located primarily in the south and west of the province of twenty-five taels per mou.³² But in this case the estimates of the government were independently confirmed by the British consul in T'eng-yüeh.³³ If this were the case then it might be assumed that over large areas of the relatively un-penetrated west the yield was somewhat below the widely supported average quoted by many sources of sixty taels per mou.³⁴

On the balance of the evidence it seems reasonable to suppose that the yield may have been lower in these areas because of differences in the methods of cultivation,³⁵ but no so low as was

claimed by the provincial government which had an interest in presenting a yield that was low in order to demonstrate that the total amount of opium cultivated in Yunnan after prohibition had ended was negligible.³⁶ It seems reasonable to suppose that the average yield in the whole of the province was about fifty taels per mou.

On the basis of this yield then the production of opium on government controlled land would have been in the region of 50,000,000 taels per year. But as has been shown above the evidence suggests that the total area cultivating opium was considerably greater than the government claimed. If the consular estimates for 1932 are adopted as a measure then the total production would have been 112,000,000 taels.³⁷ Obviously there is considerable scope for error in such statistics, but the general trend suggests that at its peak Yunnanese production must have approached the levels of production some thirty years previously, just before the imperial suppression commenced.

From the point of view of the percentage of the total cultivated area in the province which opium cultivation represented it may be said that it was about six per cent. Estimates of the total cultivated area of the province in the early 1930s put it at about 36,000,000 mou while the 1932 estimate of opium land was 2,240,000. If this figure of six per cent is compared with the percentages for the counties of Chao-t'ung, Hsin-p'ing, Hsüan-wei, Kunming, Lu-feng and Yü-ch'i derived from the estimates of opium

production from the various sources previously cited and the estimates of the total cultivated area for these counties provided by the land survey of the province conducted by the government during the whole of the 1930s then it becomes clear that six per cent was about right. The percentage of the total cultivated area in these six counties which opium land represented ranged from over two to seventeen per cent (see Table One) with the higher percentages occurring in central Yünnan (Kunming, Yü-ch'i and Lu-feng).³⁸

Table One

Opium Land as a Percentage of the Total Cultivated Area in Six Counties in Yünnan

<u>County</u>	<u>Total Cultivated Area</u>	<u>Opium Land</u>	<u>Percentage</u>
Chao-t'ung	530,000*	19,000	3.6
Hsüan-wei	672,000	22,800	3.4
Hsin-p'ing	183,000	4,500	2.5
Kunming	385,000	29,750	7.8
Lu-feng	125,000	12,600	10.1
Yü-ch'i	<u>203,000</u>	<u>34,500</u>	<u>17.0</u>
Total	2,098,000	123,150	5.9

* These figures are given to the nearest 1,000 mou.

The national average for opium land as a percentage of the total crop area as given by Buck was one per cent, so it was clear that Yünnan was pre-eminent in the cultivation of the

poppy.³⁹ It may be concluded that opium production was a significant element in the rural economy of Yunnan and played a significant role in the reduction of grain production to low levels. It may be adduced as an element in the inflation of grain prices during the 1920s during which the price of wheat and rice rose some four to five times while the acreage devoted to opium increased rapidly.⁴⁰ Having come to some conclusions about the volume of cultivation it is now possible to say something about the organization of the trade in opium.

The Organization of the Opium Trade

The most outstanding feature of the opium trade in Yunnan, from the initial cultivation to the final sale of the prepared opium to the purchaser, was its speculative nature. This was true more especially when prohibition was enforced, but it still was a risky trade even when sanctioned by government regulations.

In southern China the poppy was harvested in the spring (in Manchuria it was a summer crop). Its cultivation demanded a quite intensive effort and the process of harvesting itself required painstaking labour. The most crucial part of the harvest was concerned with the presence of moisture or not in the atmosphere. The incision into the pod of the poppy had to be delicately made to avoid allowing the precious latex-like juice to flow into the inside of the pod; and it had to be made at the right time after the petals had been shed so that the morphia

content was at its peak.⁴¹ After the incision had been made the juice was left to dry on the outside of the pod overnight. It was at this point that the crop was in danger. For if rain fell or there were moisture in the air then the crop would be entirely ruined since an alkaloid similar to opium but much weaker would be produced.⁴²

Nor was this the only hazard. Poppy crops in Yünnan were subject to the usual natural disasters which affected all crops.

"After 1892 there were successive years of drought; at first the poppy was extremely good. But when it came to harvest time if they were not withered then it rained. But the peasants still planted it widely because the price was high and it was nice to smoke it themselves."⁴³

Opium was, for all these disadvantages, the cash crop of China. In neighbouring Kweichow opium yielded to the farmer from four to six times the profit that could be got from wheat.⁴⁴ Opium was a vital crop for the peasantry in Yünnan since it "...brought outside money into the closed economy of Ta-li enabled the farmer to buy the products of regions for cash."⁴⁵ And what was true of Ta-li was also true of other opium-growing districts of Yünnan. Broadly speaking opium was exchanged for cotton cloth, one of the major imports of the province. Miao Chia-ming was quite explicit about this:

"Annual imports are valued at over ten million dollars. Previously, apart from Kotschiu tin exports, what was relied upon to regulate the level of imports and exports has not been included in formal trade records. Opium exports constituted the vast bulk of this...Prior to opium prohibition the

peasants exchanged the opium which they might cultivate anywhere for the cloth needed by all since it was easy and not extraordinary, reckoning it advantageous."⁴⁶

The result of prohibition for the peasant and the market economy, when opium was finally prohibited in Ta-li, was drastic. "Land values fell by one third in 1936, and in that and subsequent years business at the great fairs in and near Ta-li, when the Min Chia⁴⁷ make their annual purchases of goods produced abroad or on the coast, fell to a fraction of that done in former years."⁴⁸

Thus the economic incentive for the peasant was ample. The high value of opium in relation to its weight ensured that opium could be exported to the distant markets of central and southern China. The principle mechanism by which this transportation was effected was the opium trader and the opium trading company.

Before the relaxation of opium prohibition by T'ang Chi-yao the smuggling of opium from the cultivation areas in the west of the provinces was the rule. The smuggler was likely to be a poor villager financed by a merchant. The latter thus avoided the risks attached to the process while the former got a chance of making a quick killing.⁴⁹ Some made large fortunes and settled to lives of ease and respectability whilst others lost everything.⁵⁰ But the trade seems to have revolved around individual enterprise, and there was scarcely any evidence of organized smuggling by combines. Opium was either carried by the individual or loaded on pack animals.⁵¹ Not only were the authorities and customs a danger but the smuggler also had to pit himself

against bandits from whom smugglers naturally had no recourse to law.⁵²

With the institution of regular taxation in 1919 by the provincial government under T'ang Chi-yao the legal status of the trade in opium changed. Numerous justifications were advanced by the provincial government. While pretending that opium had not been grown prior to 1919 one government statement claimed that:

"In the sixth year of the Republic (i.e. 1917) the Sino-British joint investigation [] showed that [] the poppy plant had already been eliminated but that the need to smoke it had not, at the same time, been abolished. Neighbouring provinces and states took advantage of the vacuum to import it so that traitorous merchants combined to smuggle it under arms. Money flowed out and the border peoples crossed the border, moving their households in order to cultivate it."⁵³

In fact the motive for taxing opium was economic in the sense that not only could the provincial authorities not permit the import of opium but they were determined not to allow such a lucrative source of income to go untapped. Secret cultivation had spread as far as Chao-t'ung in the north of the province by 1919, indicating how deeply opium had penetrated into the areas where opium was predominantly for export to extra-provincial markets.⁵⁴

The first record of an opium trading company occurs in the K'un-ming shih-chih of 1924. There is listed among the ranks of companies trading in Kunming the Kuang-Yün Ku-fen Yu-hsien Kung-ssu (the Kwang-Yün Company Limited) which was founded in November 1922 "solely for the consignment and sale of native

goods (t'u-huo—a frequent euphemism for opium)." It had over forty employees working under the manager, Tai Kuang-hsi. The capitalization of this enterprise was 1,200,000 dollars of which 700,000 dollars was subscribed by the government; the total number of shareholders was over 150.⁵⁵

The amount of capital involved was quite considerable if it is born in mind that few companies could boast such an amount in Kunming at that time.⁵⁶ The name itself indicates that the trade was principally related to Kwangtung; although whether this was a token of Cantonese capital in the venture or signified the market for the opium is unknown.

During the 1930s various other opium trading companies made their appearance. There is no direct evidence that they were financed by the government as the Kuang-Yün Company. There were operating in Kunming some twenty-five opium companies in Kunming of which three were large enough to conduct the export of opium to other provinces. The other firms were obliged to pay fees to the larger concerns for handling the drug and financing its export. The major firms during the 1930s were: the Nan-Sheng which was organized in 1932 by a combine of Yünnanese and Cantonese merchants with a capital of Mexican\$1,000,000; the Shen-I-Kung also formed in 1932 with a capital of YN\$2,000,000 in the hands of Yünnanese; the I-Chi, a Szechwan concern with a capital reported at Mexican\$1,000,000. In addition there were the T'ien-Pao-Li said to be organized by Lu Ch'ung-jen in March 1932 when he was Provincial Minister of Finance and the Chi-Sheng-

Hsiang which was organized by Chang Pang-han, the Provincial Minister for Reconstruction, in the same year. Lu Han was also supposed to have been a heavy investor in the Nan-Sheng Company. But it seems that their investment was not part of a governmental investment but rather a private one in the opium trade.⁵⁷

These firms nearly all failed in 1934 following a catastrophic fall in the market price of opium in Central China. The firms that went bankrupt had themselves been organized in 1932 following numerous failures of opium concerns in that year as a result of government policy which had monopolized sources of supply to local dealers and rendered the business unprofitable.⁵⁸ The element of speculation once more shows itself in these events.

The major firms in Kunming were the top of a pyramid composed of smaller concerns which were responsible for bringing the opium from the farmer to the major markets within Yunnan, predominantly Kunming, but so little is known about the organization of the trade at this level that it is impossible to elaborate further.

The actual process of exporting opium was conducted in two principal fashions. It was either loaded on to pack animals and sent in huge caravans across the borders of Szechwan up to the Yangtze whence it was shipped to Hankow and beyond or across into Kwangsi and thence Canton, or it was sent down the railway to a station near the border of Indo-China whence it could be smuggled through Indo-China by the Yüan River (Red River) or loaded onto pack animals and sent through Kwangsi.⁵⁹

The two primary marketing areas for Yunnanese opium were well

removed from Yünnan in the Yangtze Valley and in the province of Kwangtung. After the provincial government established a monopoly of the trade truly colossal shipments were made east. A single caravan could easily take 300,000 taels (over eleven tons) involving over 130 pack animals. Shipments of up to 900,000 taels are mentioned, and if the porters and guards are included in the number of men and beasts involved it becomes apparent that the opium trade and its transportation arrangements would need a considerable level of organization to accommodate these huge caravans.⁶⁰

The government almost certainly provided guards for the convoy of opium shipments from the regular units and from Lung Yün's personal bodyguards. In the military proposals of the government of 1928 was included one to allot a regiment of transport troops to the Opium Prohibition Office for just this purpose.⁶¹ These guards protected the opium shipments from bandits whose practice it was not just to seize the opium when the chance arose but to hold it to ransom. Thus they were relieved of the onerous burden of arranging a sale.⁶²

The routes to the various marketing areas were as follows. The Yangtze Valley route involved transporting the opium by mule caravan through Tung-ch'uan, Chao-t'ung to Su-chow; from that port the shipment was transported to Chungking along the Yangtze. From Chungking the opium would be sent to Hankow the major market for opium in the Yangtze Valley. Yünnan opium was also sent to Shanghai on this route.⁶³ The route to Kwang-

tung was either through Indo-China then by sea to the Kwangtung coast or by land from Kuang-nan or Fu-ning in the south-east of the province by various routes to Pai-se and thence to Nan-ning and Kwangtung.⁶⁴ Opium was sent down the railway to a small village before the border whence it might either be transported by caravan to Kuang-nan or Fu-ning or smuggled through Indo-China by one means or another.

The railway link was an important stage in the export of opium and woe betide any man who tried to interfere. An American in the Chinese Maritime Customs once discovered opium in a waggon in Kunming and ordered the waggon sealed. In spite of suggestions from a Frenchman connected with the railway that a blind eye was required the American persisted and only gave way after an order direct from Lung Yün was communicated to him.⁶⁵

The difficulties involved in using the caravan system often provoked the Yünnanese to try and persuade the French to allow shipments of Yünnanese opium through Indo-China on a regular basis to other provinces. In the autumn of 1927 Lung Yün had written to the Governor-General of Indo-China making such a request. He pointed out that the government had heavy costs imposed on it, which was doubtless the case as the treaty negotiated between himself and Hu Jo-yü and Chang Ju-chi had been broken and Kunming was under attack, and mentioned that a deal had been made with Canton for the sale of 500 tons of opium. It was, he continued, "...a deal jointly contracted by two governments equally subject to the orders of the Central Government of Nan-

king."⁶⁶ Furthermore he added, in unctuous tones which one cannot help but admire, that "...the revenue from the sale of opium is necessary in all urgency for the Treasury in order to allow the Provincial Government to resolve in a satisfactory manner all the difficult problems which confront us at the present time."⁶⁷

The French refusal to give Lung a helping hand was legally based on paragraph three of article six of the Geneva Convention of February 11, 1925, which forbade the transit or transportation of raw opium outside of the territory from which it originated to another unless the government of the importing territory furnished certificates guaranteeing that it would not be used for illicit purposes.⁶⁸ Since the opium would need to cross the Chinese border into Indo-China the French refused to lift a finger. In December of the same year the Kiangsu authorities also tried to import Yunnanese opium through Indo-China, calling it "anti-opium medicine", but had no more success than Lung.⁶⁹

The refusal of the French authorities in Indo-China to allow the Yunnanese to export their opium through the colony led to the smuggling of part of the consignment through Tonkin.⁷⁰ But as a long-term proposition, it was obvious that smuggling was insecure and so Lung Yün was obliged to seek alternative methods to export the opium. The medium he turned to was the air.

As early as the Reform Conference proposals had been made for the implementation of a commercial aviation service as well as for the use of aircraft for military purposes. One of the reas-

ons put forward was the advantages deriving from the export of Yünnanese goods.

"In my opinion the prime cause of the fiscal crisis lies in the excess of imports over exports. If an airline can link Yünnan with the outside then as far as the transportation of local goods (t'u-huo) produced by the various industrial and commercial enterprises in our province is concerned it should be possible to move 300,000 chin (one and one-third pounds). Generally the annual revenue would be...YN\$10,000,000."⁷¹

In the context of the times the local goods referred to can only have been opium. Planes were purchased from French sources which had arrived in mid-January, 1928 and in 1929 the Yünnanese purchased four aircraft from America.⁷² These planes flew to Yünnan from Hongkong in eleven hours carrying mail and commercial goods. In late 1928 Fan Shih-sheng was reported to be in the process of forming an aviation company at Swatow which was to transport opium from Yünnan to Wu-chow in Kwangsi and Pakhoi in Kwangtung.⁷³

However, in spite of the frequency with which attempts were made to get the enterprise, as it were, off the ground, nothing seems to have come of the idea. Partly, one may suppose, the technical problems were very great since aviation was not very well developed in China at that time. There was a lack of trained pilots, as well as a lack of facilities. But it seems plausible to suggest that the Kwangsi faction would have concerned about a possible loss of revenues derived from the transit-tax levied on opium which formed a substantial portion of the total Kwangsi budget.⁷⁴

One of the final attempts made by the provincial government to use aircraft was linked with the strenuous efforts made in 1934 to manufacture morphia. A certain Captain Schertzer (or Scherzer), who was in the employ of the government, was engaged to fly enormous quantities of morphia manufactured from locally grown opium out of the province. But the consular body managed to dissuade Schertzer from participating in this venture.⁷⁵

In the commercial life of the province opium occupied a prominent position and its importance may be gauged from a consideration of the role of the New Futien Bank in controlling opium exports and the foreign exchange derived from the trade. The general role of the bank in controlling imports and exports is discussed in detail in chapter five.⁷⁶ Here it will suffice to recall that opium exports paid for cotton imports and that the exchange was predominantly in the hands of the opium merchants who, if they were not Cantonese, generally originated from the west of the province where the richest poppy fields were found. The Yün-nan hsing-cheng chi-shih described the situation which prevailed prior to the prohibition movement of 1935 as follows.

"...Yünnan still had some locally produced goods (t'u-ch'an huo-wu) transported from the province and sold along internal lines of communication in various directions to Tung-hsing, Nan-ning, Hankou, Hsi-fu (Su-chow) and Chungking in exchange for Shanghai National Currency. Many of those who held this item of foreign exchange were merchants from the west riding (they were also merchants who used rather a lot of the silver dollars coined in Yünnan). Those who transported to Tung-hsing and Nan-ning were Cantonese also."⁷⁷

The importance of the opium trade in the economy of Yünnan led

to the adoption of the Regulations for the Mortgaging of Special Goods Remittances of the New Futien Bank (Fu-tien hsin yin-hang yü-mai t'e-huo hui-k'uan chang-ch'eng) on July 17, 1933; they were revised on August 6, 1934 and all citations from them come from these latter.⁷⁸

The principle which underlay these regulations was that opium merchants were to sell to the New Futien Bank in advance (yü-shou) the exchange gained from the sale of their opium outside of Yünnan. In other words they were obliged to accept loans from the Bank. The size of the loan was calculated as fifty per cent of the market price at the time of expedition. The repayment of the loan was to be made at rates favourable to the Bank; the time limit for repayment was up to three months "...determined by the special (i.e. opium) merchant according to the distance of the place [] to which the opium was [] transported and the slackness or briskness of the market."⁷⁹

This idea was designed to gain control of the foreign exchange market and concentrate economic power in the hands of the provincial government. It is a rare example of the extent to which the opium trade, while never a respectable profession, was perfectly tolerated and given official status within the economic life of Yünnan.

Having given an outline of some of the salient features of the place of opium within the economic structure of the province it is clear that as an earner of foreign exchange opium was of prime importance. One is struck by the nature of the intra-provincial

trade. Yunnan exported a raw product, opium to Central and Southern China and received in return a finished product, cotton cloth. Opium had previously ousted cotton in the rural economy because it yielded a greater profit.⁸⁰ To this extent the position of Yunnan with regard to the rest of China was similar to that of a colony and an empire. And this economic relationship was reflected to a certain extent in the cultural "backwardness" of the province.

When Chiang Kai-shek's penetration of the Yangtze Valley during the 1930s brought him into close proximity with the opium market of Hankow he gained control of the opium trade in Central China and became virtually the sole purchaser of Yunnanese opium. The economic power which he had thus gained yielded political power over the Yunnanese. The political significance of opium in the context of national affairs, which is discussed in detail in chapter six, was conditioned, in the case of Yunnan, by the great dependence of the provincial economy on its export and the need of the government for the revenues deriving from its taxation.⁸¹

The Taxation of Opium

Opium cultivation had never been entirely eradicated from the province during the period of prohibition, but had clung tenaciously to the western regions of Yunnan by the Burma border where Chinese political power was weak. It was probably true that secret cultivation had started to spread back into the eastern

and central districts of Yunnan quite rapidly from 1916 or 1917 onwards. Opium was illicitly cultivated in Chao-t'ung, for example, from 1919 which probably meant that its cultivation was widespread again all over the province.⁸² The decision to "prohibit through taxation" (yü-chin yü-cheng) was taken in 1920 when in the autumn of that year Provisional Regulations for the Punishment of Opium Prohibition (chin-yen ch'u-fa chan-hsing chang-ch'eng) were published.⁸³ An Opium Prohibition Bureau (chin-yen chü) was set up to control the collection of two sorts of taxation. The first was a fine imposed on land where opium was cultivated and known as the "acreage fine" (mou-fa) which levied two dollars per mou.⁸⁴ The second was a fine on the export of opium known as the "export levy" (ch'u-k'ou chüan) set at six dollars per 100 taels.⁸⁵

Yunnan had never been a rich province and the 1911 Revolution had led to the loss of about a quarter of the provincial budget amounting to 1,000,000 taels of silver sent as a supplement from Szechwan and Hupei.⁸⁶ Combined with the years of huge military expenditure the recourse to opium for revenue was always blanded by Lung Yün's regime on this financial embarrassment.⁸⁷ This was certainly the case, but the resumption of open taxation could not have reappeared if public opinion had not been prepared to tolerate it.⁸⁸

The precedent for the creation of organs such as the Opium Prohibition Bureau in Yunnan which were so notorious in the Republic had been created in 1918. In that year the authorities in

Kweichow concocted a General Army Estimates Bureau (ch'ou-hsiang tsung-chü) "...to initiate a military levy on special goods transported and sold by merchants."⁸⁹ It is not known whether the cultivation of opium was also taxed by the army in Kweichow at the same time, although it undoubtedly was later on. In any event this organ was the first of its kind and was rapidly imitated by other provincial warlords.

The amount of revenue raised by these methods of taxation was given by the Yün-nan Ching-chi (Yünnanese Economy) for the years 1924, when this item of income was first listed, and 1925 as YN\$901,433 and YN\$3,013,359; these sums allegedly represented approximately sixteen and thirty-one per cent respectively of the total annual budgeted income.⁹⁰ It would be incorrect to base any conclusions on figures of such antecedents, but it may be that the great absolute increase in opium revenue was the result of some changes made in the export regulations. It seems that opium export revenue was initially not more than "...a few hundred thousand dollars", but that "...when those leaving through Kwangsi and Indo-China routes without internal transportation certificates (nei-yün-p'iao) were obliged to make supplementary payments to make up the amount, then revenues increased, reaching over one million dollars a year."⁹¹

This system continued in operation until the autumn of 1926 when a new system of taxation was introduced which abolished the taxation of cultivation and substituted a stamp tax on the transport of opium. All purchasers of opium were required to buy

three sets of stamps: a counter-foil (ts'un ken) which was retained by the issuing authorities at the place of purchase, a tax label (cheng-hua) affixed to the opium giving the amount and a permit (chih-chao) which the merchant retained and which was to confirm the description given on the tax label.⁹² For every tael purchased over two taels a tax of ten cents was payable.⁹³ And the merchant still had to pay the regular export levy on top of this.

The result was massive evasion of the law by smugglers and a concomitant drop in the size of government revenue from opium. At the Reform Conference of 1928 a strong plea was made for a return to the old two-level system and regulations were drawn up to implement the reintroduction of the tax on opium cultivation.

These regulations, the Summary Provisional Regulations for Opium Prohibition in Yunnan (Yün-nan chin-yen chan-hsing chieh-chang), formed the basis of the control of opium taxation, with some alterations, until 1934. While ostensibly proclaiming its intention of eliminating opium within three years in accord with the regulations of the National Government in fact the government was clearly bent on making opium pay. Paragraph five envisaged a rate of taxation of five paper dollars per mou but also talked of possible increases in this figure.⁹⁴

The number of mou which any county was to give over to opium was to be based on the number previously reported by the county magistrate to the provincial government.⁹⁵ As for the export of opium, a tax of sixteen paper dollars per 100 taels was to be

ied if the opium was taxed at the central Opium Prohibition Office (chin-yen kung-so) and one of twenty dollars per 100 taels if taxed at any one of the border counties on the routes into Kweichow, Kwangsi or Indo-China.⁹⁶ The intention of the government was to encourage the development of Kunming as the main market for opium rendering it possible to achieve greater control over the trade. At the same time opportunities for corruption by officials far removed from Kunming would be reduced.

There are two points about this aspect of the regulations which must be discussed before proceeding. Firstly the absence of Szechwan from the list of provinces is strange. It is tempting to suppose that the flow of trade through Szechwan had to be stopped because of the presence of Hu Jo-yü at Su-chow or perhaps some accommodation had been reached with Liu Wen-hui about taxation. It must remain a matter for speculation. Secondly the inclusion of Indo-China either indicated that the Yünnanese were hoping to get the agreement of the French in the matter of opium transit or that the smuggling was being openly acknowledged.

The initial rate of taxation was soon changed. The inflation of the paper currency pushed the rate higher and higher. From January 1, 1929 all revenues were to be collected in silver or paper dollars at the rate of three paper dollars to one silver dollar. Thus from five dollars per mou the tax was raised to fifteen dollars per mou.⁹⁷ Similarly the export tax was affected by the changes. From June 1, 1929 a supplementary levy of twenty-five paper dollars per 100 taels was inaugurated as the

government tried every way to raise its income to meet rising costs.⁹⁸ From January 1, 1930 the rate of exchange between the paper and silver dollars was increased to five to one and the opium land tax consequently increased to twenty-five dollars per mou, probably one of the highest rates levied anywhere in China.⁹⁹ On June 1, 1932 this rate was reduced to one of fifteen dollars per mou at which it was stabilized.¹⁰⁰

As for the export tax it suffered further increase until by April 1, 1932 it was levied at 100 paper dollars per 100 taels.¹⁰¹ At the same time, opium exporters were always vulnerable to numerous surcharges which the government frequently had recourse to whenever it felt the need for more money. A "highway levy" of twenty-five dollars per 100 taels was applied as well as a supplementary levy of three dollars per 100 taels for the Provincial Ministry of Reconstruction.¹⁰²

Prior to 1931 a distinction was maintained between new and old opium. Opium that had been kept for some time was estimated to be of better quality and consequently there was undoubtedly a tendency for merchants to retain stocks of opium in the province which depressed the market price.¹⁰³ In the reform of regulations effected in 1926 the distinction was first drawn. The stamp tax coupons were valid from February to February, exactly one year. If the opium had not been exported within the currency of the coupons then it could be taxed once more.¹⁰⁴ The object of the exercise was evidently to ensure that the opium was kept on the road out of Yunnan or to ensure that poor market conditions

would not undermine this source of governmental revenue.

The contribution of opium to the provincial budget is a matter of keen interest. The provincial budget itself is a subject of intrinsic interest itself, but the difficulties involved in making the most elementary descriptions of it are formidable. The whole question is dealt with at length by Yen Jen-keng in Yün-nan chih ts'ai-cheng from which most of the following information is taken.¹⁰⁵ For the purposes of studying the place of opium revenues in the confines of the provincial budget attention will be focused on the years 1931 and 1932. A fuller description of the budget and allied matters is in chapter five.

For the years 1931 and 1932 there are figures of the actual receipts of the provincial government as compared with the budget figures which exist for the years 1932-1937. These latter are somewhat unsatisfactory since opium taxation revenues are omitted. The only other years for which figures for actual receipts exist are 1936 and 1937, and it was during these years that opium cultivation was slowly being prohibited.

The figures for 1931 and 1932 were compiled by Yen Jen-keng from "...a small number of reports of cash receipts and expenditure..." mainly taken from the "...Statistical Tables of the Income and Expenditure of the Provincial Government carried as a supplement to the Administrative Reports of the Yunnan Provincial Government...."¹⁰⁶

In Table Two are listed the major items of governmental income for these two years. It is clear that receipts from opium tax

Table Two

Governmental Revenues, 1931-32 (unit: NYN\$1,000)¹

<u>Item</u>	<u>1931</u>	<u>%age</u>	<u>1932</u>	<u>%age</u>
Opium Prohibition Fines	4,177	33.2	7,441	38.4
Special Consumption Tax	2,284	18.1	3,224	16.6
Special Tobacco Levy	1,010	8.0	1,187	6.1
Land Tax	968	7.7	1,036	5.3
Military Rations Levy	932	7.4	1,124	5.8
Salt Gabelle	677	5.4	731	3.8
Animal Slaughter Tax	586	4.7	741	3.8
Alcohol and Tobacco Tax	500	3.9	743	3.8
Tin Tax	419	3.3	1,036	5.3
Silver Bar Export Tax	--	--	600	3.1
Other ²	<u>1,045</u>	<u>8.3</u>	<u>1,567</u>	<u>8.0</u>
Total ³	12,598	100.0	19,430	100.0

Source: Yen Jen-keng, Yün-nan chih ts'ai-cheng, supplement-ary tables two and five pp.9a, 9b,22a, 22b and table on pp.28a, 28b.

1) The New Yunnan Dollar (NYN\$) exchanged with the old Yunnan Dollar (YN\$) at the rate of 1:5. The New Dollar was not introduced until July 1932, when the New Futien Bank opened, and its use here is simply an accounting device.

2) Only items to the value of NYN\$400,000 and above have been listed separately here.

3) This total does not include revenue from the Highway Bureau (kung-lu chü) since Yen only gives figures for the

period from December 12, 1928 to October 31, 1931. But it seems that revenue from this source was insignificant, and probably not more than NYN\$60,000 per annum. See Yen, op. cit., p.32a.

formed the bulk of government revenue, occupying between thirty-three and thirty-eight per cent of the total, nearly twice the size of the second largest item, the special consumption tax. Other sources tend to confirm this general view, but they also reflect the unreliability of statistics. But what is interesting is that any statistics from government sources concerning opium have survived. It can hardly be believed that the government sought to inflate the amount of revenue received from opium taxation, thereby revealing its dependence on this source of income which was opposed by significant sectors of Chinese public opinion,¹⁰⁷ and any error must be ascribed to inefficient accounting systems and staffing. In short, the figures permitted to be published from government sources appear to be minimum estimates of their value.

For example, the Yün-nan sheng nung-ts'un tiao-ch'a gives details of the income of the provincial government for the first six months of 1931. Of the total income of YN\$57,450,000 (the Yünnan Dollar exchanged with the New Yünnan Dollar at the rate of 5:1) opium prohibition fines accounted for YN\$20,300,000 or approximately thirty-five per cent.¹⁰⁸ There is a plain discrepancy between this figure and that given by Yen Jen-keng which is quite irreconcilable. However, it is worth noting that the

proportion which opium represented of the total income of the provincial government was virtually the same in both cases.

The same source also commented that "...if in the future opium were prohibited income would fall immediately by half. In a period when communications are unsatisfactory and industry and commerce are undeveloped, to increase the budget income by fifty per cent at a stroke would be absolutely impossible. If thorough opium prohibition were necessary then there would be no better method than the Central [Government] providing subsidies and at the same time improving agriculture and promoting industry in order to increase income."¹⁰⁹

In the Yun-nan hsing-cheng chi-shih a somewhat casual reference to opium revenue stated that by 1935 it had reached between five and six million dollars (that is New Yunnan Dollars).¹¹⁰ Yen Jen-keng gives his assent to this figure also.¹¹¹ An American consular report reported that the provincial government had admitted to receipts of YN\$20,000,000 from the tax on the opium land (that is NYN\$4,000,000).¹¹²

As for the sum derived from the export tax, the rate of taxation was stabilized at NYN\$20 per 100 taels exported from April 1, 1931. Generally estimates of the total exported and taxed by the government range from fifteen to thirty million taels per year and more.¹¹³ If the former figure is taken as a basis for calculation then this source of revenue could have amounted to NYN\$3,000,000.

As for the receipts from the tax on opium land, it was agreed

that the government taxed opium land, from June 1, 1931, at the rate of fifteen paper dollars (that is in old dollars) or NYN\$3 per mou and that officially it claimed to tax 900,000 mou. The land tax could have yielded therefore some NYN\$2,700,000 making a grand total from both sources of NYN\$5,700,000. To a considerable extent the various sources support a general minimum estimate of about NYN\$5-6,000,000 per annum. While acknowledging the general caveat concerning agricultural statistics in China during this period, which would apply, perhaps, with even greater force to opium production, the inevitable conclusion is that revenue from opium probably constituted the bulk of the revenue of the provincial government.

Having outlined the salient elements in Yünnanese opium production and its importance for the provincial government it is now possible to turn attention to the contrary forces in Yünnan in particular and the whole of China in general which led to the running-down of opium in the province and its concomitant diminution as a mainstay of government finance and a defining element in the system of warlord government.

CHAPTER V

ECONOMIC AND FINANCIAL POLICIES. 1930-1934

If the provincial government under Lung Yün's domination still depended on opium revenue for the bulk of its income, there was nevertheless, a certain measure of economic "reform" conducted during the years 1930-1934. It was initially promoted by one Miao Chia-ming, a young man who was barely thirty years old when his career as an official began, introducing western methods of mining and smelting into the tin mines under the control of a mining company owned by the government. By so doing the purity of the tin produced was raised to unprecedented levels and the income of the government from this source quickly increased. At the same time a program designed to take control of various key taxation organs, such as the Opium Prohibition Bureau, out of the hands of their individual controlling officials, concentrating the various units under the centralized control of the Provincial Ministry of Finance was developed.

The success of Miao Chia-ming in the field of tin production was the foundation of his rise to a position of unprecedented authority in the sphere of industrial development and entrepreneurial organization in Yünnan. Apart from holding the key posts of manager of the Yünnan Tin Company (Yün-nan hsi-wu kung-ssu) and of the Yünnan Tin Refinery (Yün-nan lien-hsi kung-ssu) he was created director of the New Futien Bank in March 1934

and in the same year devised the Yunnan Economic Commission (Yün-nan ching-chi wei-yüan-hui). It would be no exaggeration to say that Miao was one of the most interesting men of the period and that his position within the government was second only to that of Lung Yün.

The development and exploitation of Yunnan under Miao's direction had a vital part in enabling the provincial government to give up to some extent its dependence on the opium trade when it was harrassed by over-production in Yunnan itself and the growing control over the opium markets and trade in opium in Central China. To this extent Miao's economic policies and activities in the field of provincial enterprise were a counter-balance to the "traditional" reliance on opium. Similarly the rise to power of Miao himself was more broadly an example of the way in which the foreign-trained returned students found employment with warlord governments. His rise was at the expense of the faction, whose decline into relative impotence has already been described,¹ and the body of conservative officials who had been put to flight in the aftermath of the revolt in March 1931. But it must be clearly understood that while Miao himself seized his chance, there is hardly any evidence that he was followed by other men of his background or calibre. While it is tempting to think of Miao as the representative of a fairly homogeneous group of western-trained officials such a view cannot be substantiated. It seems, as far as the limited evidence enables one to make any pronouncement on the matter, that conservative officials

still filled many posts and were probably dominant in the lower echelons of the government, let alone in the rural areas.² Miao Chia-ming was not so much the tip of the iceberg, he was, rather, the iceberg himself.

Above and beyond the interest which stems from the role which Miao Chia-ming's economic and financial activities have in relation to warlord concepts of the relationship between politics and economics, there is another aspect to his career which must be considered. Miao was to Lung Yün and his government what T.V. Soong or H.H. Kung were to Chiang Kai-shek. His function was primarily to finance the government. While he was interested in industrial and economic development as a means for self-advancement and furthering the independence of the province from foreign economic domination, he represented for Lung Yün a useful man who could produce income. While the question is open to dispute, it seems that what was important to Lung was not so much the source of the revenue but the revenue itself. Thus in a sense it is misleading to talk of warlord economic modernization since while something of the kind certainly did take place, such a concept tends to give a misleading idea of the motives which underpinned any such activity.

It will be convenient to consider firstly the initial proposals for rationalizing the fiscal organs of the provincial government, secondly the monetary policies of the government and the formation of the New Futien Bank, and thirdly the activities of Miao Chia-

Chia-ming and the impact of his success on the policies of the government.

Financial Reform

From the beginning of January 1930 certain steps had been taken which were designed to bring the major tax-collecting organs of the provincial government under the control of the Provincial Ministry of Finance. It was during this year that the measures taken by the government to stabilize the provincial currency and halt the unending inflation of the paper issue of the Futien Bank began to take effect. It was the latter's success, in comparison with the abysmal failure of the previous attempts, which gave to the regime the chance to initiate financial reform.

In a statement made towards the end of 1929 the government acknowledged that if it did not "...speedily devise a way of radically solving [its financial problems], then not only will the government have no means of maintaining itself in existence, but it is to be feared that the masses might be on the brink of bankruptcy."³ There is a nice sense of priorities exhibited here.

It will be remembered that the principal recommendations of of the Conference on Finance and Currency (Ts'ai-cheng chin-jung hui-i) were that all revenues were to be collected in silver dollars or the equivalent in paper currency, thus effectively quintupling the revenue from taxation and that steps were to be

taken to provide an adequate silver reserve to back up the note issue of the bank. The decision to collect revenues in silver dollars was undoubtedly the corner-stone of all the subsequent economic measures of the government.⁴

In the ten points for the reform of finance and currency no mention was made of a reform of the system of revenue collection itself which was badly in need of reorganization. In 1928 Ma Ts'ung, who was then Provincial Minister of Finance, had made proposals designed to concentrate financial power under the Provincial Minister.⁵ In 1930 these plans were implemented and it should be noted that Lu Ch'ung-jen, who was a Lolo and said to be Lung Yün's cousin,⁶ became Provincial Minister of Finance in September of the previous year.⁷ It seems clear that the implementation of Ma's proposals was made because Lung had installed in the Ministry someone on whom he could rely for support.

Prior to 1930 the situation was described by the Yün-nan hsing-cheng chi-shih as follows:

"The important posts...the Mint, the Opium Prohibition Bureau, the Bureau of the Seals (kuan-yin chü), and the Alcohol and Tobacco Monopoly were formerly used as rewards. Also their income was independently collected and distributed to high military officials for special use. The Provincial Ministry of Finance had no right to interfere...Since the amalgamation and the dominance of the Provincial Ministry of Finance, private individuals might not control opium prohibition...."⁸

Revenue from these sources was apparently a matter between the various officials in charge of the tax organs and T'ang Chi-yao himself.⁹ It seems plausible to suggest that this system also

to operate under the first few years of Lung Yün's rule. Even within the Provincial Ministry of Finance there was a lack of unity and cohesion.

"As for the internal operation / of the Provincial Ministry of Finance / there was always much confusion. The collection of revenue originally constituted one sphere of activity (yüan shu i-shih). But the land tax and likin formed two other departments (k'o) and it was impossible to avoid disunity. As for disbursements a special department had already been established in sole charge of this function. But cash transfers relating to the land tax and likin made by the outer counties were controlled and used by the Department of Land Tax or the Department of Likin. As for the collection of revenue, on the one hand its function was almost superfluous and on the other there were unavoidable deficiencies."¹⁰

The fissiparous tendencies within the system of revenue collection by government agencies nurtured corruption which Lung Yün sought to extirpate. But the problem of eliminating corruption within the official ranks, which plagued every Chinese government, was accentuated by the relative lack of action prior to 1930. To secure control over all sources of revenue and at the same time eliminate or reduce the power of individual officials to convert government revenue to their own use the provincial government took two courses of action. Firstly it established a tripartite system of revenue collection, and secondly it instituted a system of accounting.

Apart from the revenues collected by the Provincial Ministry of Finance, which constituted one sector of the three-cornered system, there were separate systems under the control of the Provincial Ministry of Education and the Highway Bureau. The

formation of these two separate bodies was designed to ensure a regular flow of income which could be applied to various specific projects. In the Reform Conference of 1928 a resolution had been proposed to start an independent system for education which outlined the motives which underpinned the scheme.

"Henceforth, when our finances have been reformed, educational expenditure should be made independent and an item of revenue be marked off for educational expenditure to be managed by a commissioner deputed by educational circles and supervised by the government. Not only will the government not be able to misappropriate a single cash, but the Provincial Ministry of Education also will not be able to disburse as it pleases. (When finances are made public and funds are on deposit in a bank then it will not happen that a certain Minister (ssu-chang) diverts funds of a public nature to construct a private residence to the tune of more than 20,000 dollars.)"11

On December 18, 1928 Lung Yün advanced a similar proposal, showing himself anxious to be thought of as a man concerned with education.¹² It is known that he made donations to found a school in his native county in 1929, and in part the object of the exercise was to present Lung Yün as a philanthropist.¹³ His brother-in-law suggested that Lung, who received little formal education when young, was inspired by an encounter with a teacher when young, and this may well have been the case.¹⁴ Warlords were, for the most part, uneducated, and retained an awe of the traditional educated class which, in Lung's case, impelled him to demonstrate that he was more than a soldier who cared nothing for the virtues of the traditional species of Chinese government.

The actual system was implemented on March 1, 1929 with the

formation of the Educational Expenditure Control Office (chiao-yü ching-fei kuan-li ch'u) the Commission for Educational Expenditure (chiao-yü ching-fei wei-yüan-hui) and the Educational Expenditure Control Committee (chiao-yü ching-fei chi-ho wei-yüan-hui).¹⁵ This alarming hotchpotch of committees, whose duties are not described in any of the sources,¹⁶ demonstrates the essential weakness of the system of government which was in operation then and which may be seen continuing throughout the 1930s. The administration was staffed by officials who employed relatives and friends in order to bolster their own positions, and if the senior official fell then his "tail" fell too. At the very least there was a genuine lack of experience in administration, which the government recognized,¹⁷ which was fostered by the relative insecurity of the system. Officials were gripped by a lack of a sense of direction, and service in the administration was a means of personal advancement. An attempt to regulate the worst of official practices usually revolved around the establishment of supervisory organs, themselves staffed by officials who did not differ fundamentally in their diligent opportunism. The proliferation of committees which was manifested in the educational expenditure system was a good example of this.

Reforms were made, as early as January 1, 1930, when following the proposals of Kung Tzu-chih, the Provincial Minister of Education, the Educational Expenditure Control Office and the Education--

al Expenditure Control Committee were wound up and the Commission for Educational Expenditure reorganized and a new body, the Expenditure Control Bureau of the Provincial Ministry of Education (chiao-yü t'ing ching-fei kuan-li chü) established.¹⁸ These organs were largely responsible for financing educational expenditure and levying taxes for the same, but at least a part of the expenditure on education, such as expenditure on study abroad, the expenditure of the Yünnan (Ta-lu) University and educational subsidies, were provided by the Provincial Ministry of Finance.¹⁹ So that the system was not fully in charge of educational expenditure. This haphazard division of responsibilities was endemic in a financial system in which personal considerations of those individuals concerned counted for as much as other considerations such as "administrative efficiency", that phrase so well-beloved by the provincial government.²⁰

The other independent system of revenue collection and expenditure was that of the Highway Bureau. The somewhat obscure history of this system may be gauged by the remarks made by Yen Jen-keng on the subject of the system.

"Owing to the frequent reorganization of the controlling organs, there are no consistent reports which might serve as reference material for the figures of receipts and disbursements for highway expenditure. / For the period / prior to the creation of the present General Highway Bureau (kung-lu tsung-chü) dependence on the alternation of the high officials in charge is even greater. / There are / merely reports of income and expenditure for / their / respective periods of

office, but no tables of reports for income and expenditure divided by years. Although the archives for previous periods may be examined to correct available figures, nevertheless, under present circumstances and conditions I have not been able to do so to my satisfaction (wei-neng ju-i)."²¹

There were two organs established before 1935. The first was the General Highway Bureau, established in 1929, which was taken over by the Provincial Ministry of Reconstruction in 1930; the second was the Highway Expenditure Committee which succeeded the latter until 1935 when it too was appropriated by the aforesaid Ministry and replaced by yet another General Highway Bureau.²² One of the main sources of income of this system was a special levy on the export of opium.²³

The system of accounting established during the 1930s was designed to strengthen the control of the Provincial Ministry of Finance over the various revenue-collecting organs subservient to it, by providing a system to check the accounts of these bodies. But at the same time some aspects of this system resemble more a means of controlling the activity of certain officials by supervising their conduct. It represented, perhaps, Lung Yün's attempt to infiltrate the bureaucratic structure in general through the medium of the Provincial Ministry of Finance.

The initial steps to implement an accounting system (k'uai-chi chih-tu) were taken in July 1930 by the provincial government and the principle organ through which it was to be implemented was the Provincial Ministry of Finance.²⁴ All accountants (k'uai-chi jen-yüan) were responsible to the Ministry although

the majority of them were occupied in their duties in such organs as the Opium Prohibition Bureau and the Alcohol and Tobacco Monopoly. It is quite clear that their function was not merely restricted to accounting pure and simple.

"The initial steps in the implementation of this province's accounting system consisted of extirpating long-standing corrupt practices in the collection of revenues. Therefore the appointment of accountants was first initiated from [with] in the organs which collected revenues. In each organ they occupied a position transcendent to and totally dissimilar to financial administrative officials. As for their appointment and dismissal, demotion and promotion, examination and impeachment and rewards and fines were all undertaken by the Provincial Ministry of Finance and did not follow [in the wake of] the rise and fall of the respective senior officials in charge. Apart from every item of documentation, the entering of accounts and the compilation of reports, they had every investigatory responsibility for the indictment of senior officials functionaries at all levels for bribery and corruption and other illegal practices. Also, because the long-standing practices of the senior officials in each organ were too deep-rooted at the beginning of the reform, frequently appointing their own men (ssu-jen) in a conspiracy to defraud, in order to effect a thorough cleansing whenever the senior officials every organ appointed and dismissed officials below [the rank of] accountant they needed to obtain the agreement of the accountants. This increased still further the supervisory [powers] of the accountants in matters of personnel. Personnel administration had already gradually become open, and after it had been in operation for several years results gradually became apparent.

Afterwards, because the senior officials of each organ used it as a pretext to shirk and give up their responsibilities to the accountants on any occasion involving personnel matters, it was accordingly decided in 1935 to revise and abolish this regulation so that accountants might supervise in secret (an-chung chien-tu) and the senior officials in each organ not be able to evade their responsibilities; and the accountants could still fully exercise their supervisory capacity and their position could thus be completely protected."²⁵

This system, reminiscent of the function of the censorate in imperial China on the one hand, though in a much more limited

fashion, and evocative of the secret police system operated by Chiang Kai-shek on the other, was firmly linked with the growing determination of Lung to eliminate other sources of power than his own and to concentrate the collection of taxation in a central body linked through administrative and personal ties to his person.

Yet on top of this accounting system another investigatory system functioned. The Provincial Ministry of Finance also appointed "investigators" (chi-ho-yüan) whose function it was to "...impeach and prosecute [officials]; and included in their sphere of investigation (chien-ch'a) was whether or not accountants had neglected the entering of accounts and whether or not their abilities were commensurate with their responsibilities."²⁶

This was yet another example of the system of proliferation of bureaucratic devices to control official malpractice which derived from the absence of any "ideological" motivation for service in government other than self-interest, especially in the lower ranks of the administration. The investigators, who were created in February 1935, took over the functions of the accountants in the sphere of supervision of officials according to the regulations; but as the extended passage cited above shows, this was a device to draw the attention of those officials at whom the process of centralizing financial control had initially been directed away from their continuing secret activities.²⁷ On the basis of this evidence, it may legitimately be doubted whether

the government's claim to have secured direct control over the major tax-collecting organs was as well-founded as might otherwise be supposed. At the same time this episode in the administrative history of Lung Yün's regime illustrates the dangers of drawing conclusions from regulations and official orders, of which there was a plethora under Lung Yün, without considering the more discreet forms of political infighting which were the fundamental causes of much of the legislation passed in Yünnan.

While reservations may be held about the relative effectiveness of the legislation passed, there can be little doubt that the provincial government was straining to reduce the independence of several officials whose probity was suspect; the tendency towards centralization of financial control was also part of this process. The conflict of private interests led the government to rely increasingly on bureaucratic "paper tigers" whose effectiveness was limited by the fact that the officials who acted in the various control bodies were fundamentally imbued with the same outlook as those whom they controlled and supervised. Sed quis custodiet ipsos custodes?

Monetary Policy and the New Futien Bank

Among the many financial organs which the provincial government controlled which were of the utmost importance in maintaining the military faction in power was the Futien Bank and its successor, the New Futien Bank. The bankruptcy of the former and the form-

ation of the latter were significant steps in the attempts of the provincial government to halt the depreciation of the provincial currency. While the issue of the New Yunnan Dollar (the equivalent of five old dollars) in July 1932 reduced the rate of depreciation it did not stop it altogether. There is some confusion in the sources for exchange rates between the Yunnanese and Shanghai or National Currency,²⁸ and so any figures quoted cannot be employed as completely accurate guides, especially as the control of foreign exchange was largely the prerogative of the Banque de l'Indochine.²⁹ And although official commentators described 1929 as the year of the nadir of the currency situation the depreciation continued. In terms of old dollars, one dollar was the equivalent of 0.135 Shanghai dollars in 1929 but by 1935 its value was 0.102 Shanghai dollars.³⁰

Before proceeding to the foundation of the New Futien Bank it is necessary to say something about the types of currency in circulation. There were four major types of currency in circulation from 1932 onwards. These were, firstly the Old Yunnan Dollar, a paper note issue made by the Futien Bank. This issue was printed in America and imported while the provincial government burnt quantities of old notes, ostensibly to reduce the number of notes in circulation. The total issue was approximately 92,000,000 dollars.³¹ Secondly there was the New Yunnan Dollar, again a paper issue. Thirdly there were silver dollars which were comparatively scarce, either because they had been

smuggled out or legally exported, or because they tended to be used to purchase opium from the minorities of western Yunnan who would only accept silver as payment.³² The scarcity of silver in Kotchiu led to a substantial reduction in the labour force in the tin mines during the late 1920s. For large numbers of the seasonal labourers were members of the minorities who, again, would only accept silver.³³

The fourth kind of currency found in Yunnan was the nickel dollar. This kind of currency was restricted to the west of the province around Ta-li, and in fact there was no nickel dollar as such, simply ten cent coins. Roughly speaking one nickel dollar was one third of the value of one silver dollar.³⁴ During the late 1920s the profit from the difference in exchange rates on the nickel dollar formed a portion of the provincial government's revenues.³⁵ It seems that this is the only example of nickel being used as the basis for a currency in Yunnan and China as a whole.

Apart from these major currencies Indo-Chinese piastres were common in those districts around the Railway, and other commercial enterprises also issued their own banknotes.³⁶ In the years leading up to the Sino-Japanese War the Kuomintang national currency made an appearance in the province, brought in by the troops stationed there while Chiang was pursuing the Long March.³⁷ At the same time forged banknotes were in circulation, apparently printed in Kwangtung.³⁸ An element in the monetary policies of

the provincial government was the attempt to monopolize the right to issue currency and to rationalize the chaotic currency situation.

As a result of decisions reached in November 1929 a Financial Reorganization Committee (cheng-li ts'ai-cheng wei-yüan-hui) was brought into existence in 1930. A conference of the military leaders, held in that year, decided, not for the first time, to stop taking loans from the bank, that is printing money to meet military expenditure, as a token of its sincerity.³⁹ The function of the Financial Reorganization Committee was to prepare a silver reserve in order to found the New Futien Bank.

In February 1931, shortly before his arrest on charges of corruption, Ma Wei-lin gave a summary outline of financial and monetary conditions in Yünnan. The note issue of the Futien Bank, by January 1, 1931 was YN\$92,950,000; the government owed the bank YN\$53,950,000 and other debts amounted to a mere YN\$12,680,000. On the credit side the bank buildings and other odd items amounted to YN\$6,400,000.⁴⁰ By July 1932, when the New Futien Bank was officially opened, it had a silver reserve officially estimated at 16,000,000 silver dollars. This capital included the property of the bank and the actual amount in silver may have been about 12,000,000 silver dollars.⁴¹

The main offices of the bank were in Kunming with branches at Kotchiu, Hsia-kuan and Chao-t'ung in Yünnan as well as at Shanghai. It had offices in Kwangsi and Hongkong and agents in

Singapore, New York and London. The latter, of course, were connected with the tin trade.⁴²

The main objectives of the bank prior to the Sino-Japanese War were explained as follows.

"1) Inside the province: to unify the currency system (pi-chih); to establish a firm silver reserve so that the paper currency of the New Bank might obtain to the full the confidence of the masses; and from the stabilization of the currency system and the buoyancy of the money market (chin-jung huo-p'o) to gradually develop agriculture, industry, commerce and mining, and to produce a yearly surplus from the revenue from government taxation.

2) Outside the province and the nation: to supplement and develop international trade; to control foreign exchange and thereby bring about a stimulation and increase of export goods and obtain a large source of foreign exchange; as a result of the concentration of control over foreign exchange and appropriate supply to be able thereby to regulate the market so that the price of exchange should be stabilized and not be manipulated by foreign merchants (wai-shang, this term was used to cover not only foreigners but also non-Yünnanese); to hold a large surplus of foreign currency to provide for the establishment of newly founded industries and the purchase of arms and matériel for national defence."⁴³

It is the second category of aims which holds more interest and it is to these aims that attention will be paid. The currency did, in fact, obtain the confidence of merchants in Yünnan, for the rate of depreciation did diminish. And there can be no doubt that this stabilization was of great importance to Miao Chia-ming in his efforts to improve the tin exports from Kotchiu.

The main concern of the provincial government and of the New Futien Bank was to establish a means of controlling foreign exchange. This was effected by controlling the export of tin and opium through a system of enforced purchase of the foreign ex-

change through laws promulgated by the provincial government on July 17, 1933. It is unfortunate that the initial form of these regulations does not exist; but the revised regulations for tin and opium, published on July 19 and August 6, 1934 respectively, after Miao Chia-ming had assumed control of the Bank's activities, are to be found in Yün-nan ching-chi.⁴⁴

Both of these sets of regulations made it obligatory for exporters of tin or opium to receive enforced loans in Yünnanese currency to the value of fifty or seventy per cent of the market value of the goods. This loan was to be repaid at a later date in the foreign exchange derived from the sale of the goods. According to paragraph three of the Regulations for the Mortgaging of Tin of the Yünnan New Futien Bank (Yün-nan Fu-tien hsin yin-hang ta-hsi ya-hui chang-ch'eng), the rate of exchange was to be calculated at a discount of five per cent (wu-ko ta-tzu) of the selling price of foreign exchange quoted by the main branch of the Bank. Thus the Bank not only gained control of foreign exchange but it also made a profit on the exchange rate as well.⁴⁵ The chief difference between the regulations for tin and those for opium, the Regulations of the New Futien Bank for the Prepurchase of Special Goods Exchange (Fu-tien hsin yin-hang yü-mai t'e-huo hui-k'uan chang-ch'eng), was in the scope of those merchants included within the meaning of the regulations. In the case of tin "All tin produced annually in Kotschiu" was to be mortgaged at the rate of fifty per cent of the current market value, except

for "...prosperous, reliable and eminently trustworthy..." merchants who had to pay seventy per cent for the privilege.⁴⁶ As far as opium was concerned merchants who were not Yunnanese and who were not permanently resident in the province and who had not established their businesses there were exempt from the regulations.⁴⁷ The latter exemption was undoubtedly prompted by the fear of a dealer absconding with the enforced loan and failing to repay, leaving the Bank with no means of redress.

To a large extent the motivation behind the attempt to control foreign exchange was informed by a sense of indignation at the impotence of previous governments in the face of the domination of the foreign exchange market by the Banque de l'Indochine and the Cantonese and Hongkong tin merchants who virtually monopolized the market in this field. The anti-french, anti-imperialist streak in the provincial faction and in the Yunnanese at large was directly caused, in part at least, by the effectiveness of the French economic control of Yunnan.

Relations between the faction and the French in Indo-China would form a complete topic in themselves, but apart from this aspect of the relations it is difficult to penetrate very far in the absence of further evidence.⁴⁷ Consequently the question of financial control and foreign exchange merits attention as one example of the reactions of the faction and its government to the French and the "outside world".

The Yün-nan hsing-cheng chi-shih put the visceral reaction of

the Yünnanese as follows.

"...the Yünnanese foreign exchange market was monopolized by outside merchants (wai-shang); although goods exported were the produce of the province nevertheless the foreign exchange received in exchange fell into the hands of foreign banks and Hongkong tin merchants. All users of [foreign exchange], no matter whether merchants or the government, had to go cap in hand (yang ch'i pi-hsi); and all, public as well as private chafed at the restriction."⁴⁸

In the tin trade the control over foreign currency devolved into the hands of the French and Hongkong tin merchants because the tin produced at Kotchiu was not sufficiently pure to be sold directly on the world market. Furthermore the Cantonese who purchased the tin frequently advanced loans to the smelters and thus gained a further foothold in the murky economics of the tin trade.⁴⁹

One example cited of the difference in price between that paid for Kotchiu tin and that paid for world-standard tin is given in official sources at about £26 per ton or some thirteen per cent.⁵⁰ There were eight major concerns in Yünnan who purchased tin in Yünnan and exported it to Hongkong where it was re-refined and known as "foreign slabs" (yang-t'iao) or Chinese tin; this grade of tin, too could not command the same price as tin which met the requirements of the international market.⁵¹ Of the eight firms four were Cantonese concerns registered in Hongkong, two were French, both represented by Chinese agents, while the other two were registered in Shanghai and London.

The resentment at the inability to control the foreign exchange

which was focused not simply against the French but also against other Chinese was thereby not just a manifestation of anti-foreign sentiment but rather expressed a general antipathy for outside dominance over Yünnan whether by foreigners or Chinese. It was linked to the nationalism of the KMT but it was not identical to it. It played a role in bringing Miao Chia-ming to power when he raised the purity of the tin smelted in the government's tin company as well as directing the control of foreign exchange by the Bank from 1934. But it would be wrong to imagine that the antipathy of the Yünnanese in general and the provincial faction in particular to the economic domination of the French thereby prevented them from dealing with them. Lung Yün continued to purchase arms from the French, importing them up from Hanoi along the French-controlled railway, all during the 1930 all while Miao Chia-ming was systematically chipping away at the French economic position in Yünnan.⁵²

Prior to Miao Chia-ming's assumption of control over the Bank, it had been run by Li P'ei-yen, from July 1932 to March 1934 when he was dismissed.⁵³ Li was the brother of Li P'ei-lien, Lung Yün's wife who had died in 1932, and his management of the Bank undoubtedly derived from this relationship. However his errors in handling the exchange market led to his dismissal which shows that Lung was quite determined to sacrifice family ties if the relative in question was incompetent to a degree which threatened the government. Lung had obviously learnt his lesson about the

need for a stable currency.

The crisis had arisen because the Bank was largely a reincarnation of the old bank and partly because of the excessive greed of the bank to make money quickly and its lack of understanding of finance. The new activities of the bank such as "...the control of foreign exchange, the control of silver and foreign exchange were not matters in which the officials of the old bank were formerly adept."⁵⁴ And when the "...new bank succeeded the old Futien Bank there was a deep fear that the organization was desultory and that the long-standing practices of the past were being adhered to."⁵⁵ The nature of these "long-standing practices" becomes clear in following the nature of the financial crisis of 1933.

"But because the new bank held that the stabilization of the money market in the initial stages required the restraining of the price of exchange when it was first founded it accordingly sold a large quantity of the foreign exchange which had been purchased. This kind of unnatural fall was extremely advantageous to import merchants and the /number of those/ clamouring for exchange grew larger daily. But as regards export merchants who settled up, their losses were extremely great and many could not deliver the foreign exchange which they had sold to the bank according to their contracts. Since the foreign exchange of the new bank had been completely sold there was, furthermore, no other source with which to make up the deficit and accordingly it could not meet its demands on the day. Whereupon the price of exchange leapt up and the market was again thrown into confusion."⁵⁶

The underlying attitude of Li P'ei-yen was fundamentally speculative. In a situation where a seemingly quick profit could be made he pushed that course of action to its logical conclusion without giving any thought for the morrow. This attitude was

very much of a piece with that which informed the opium trade. A quite indecent haste to make money as quickly as possible. The speculative approach was of the essence of warlordism and the whole of China was filled with warlords and politicians, both warlord and KMT, waiting for something to turn up. As Lattimore points out: "...in Kuomintang China, the local and even the national authorities [were] so conscious of their own impermanence that they [wanted] to accumulate their money quickly, and make their getaway."⁵⁷

To understand the nature of warlordism it is important to take note of this speculative approach which derived from this sense of impermanence and which dominated the political and economic activities of Lung Yün. The flood of regulations, laws and methods of implementing the said regulations and laws were not only manifestations of a traditional bureaucratic work-style but also an attempt to provide by other means the institutional framework which was so evidently lacking in Republican China. This theme may be seen in action even in the commercial and industrial efforts of Miao Chia-ming.

The Policies of Miao Chia-ming

Miao Chia-ming was born in Kunming in 1900 and was a graduate of Columbia University.⁵⁸ Little else is known about his background, but it is plausible to suppose that his family was well-connected with the tin trade. During the 1920s while still a

very young man, he was appointed manager of the government-owned Yunnan Tin Company.⁵⁹ To have achieved such a position while still in his twenties argues that his family were by no means obscurely placed in Yunnanese society. Even so it further signifies that his abilities were recognized when young and that he made much the impression that he did, for example, on Ch'en Pu-lei who met him in Kunming in 1935 and described him as "...in his words and concepts far exceeding those of men...."⁶⁰

Perhaps the crucial distinction between Miao and his colleagues in the provincial bureaucracy was the fact that his formative education had taken place after the 1911 Revolution. While Ting Chao-kuan had gained degrees in the imperial examination system and studied in Japan before the Revolution and Chang Wei-han had similarly studied in Japan, to mention but a few, Miao had gained his adult education in America; and it cannot be denied that he later showed that he had imbibed very deeply of the waters of modernization and efficiency.

While manager of the Yunnan Tin Company he had initiated a few changes in the operation of the mine, including putting to work a cable-way which had been installed after the Revolution but badly sited and which had lain idle for years. But his first elevation to the provincial government came on May 8, 1929 when he was appointed Provincial Minister for Agriculture and Mining.⁶¹ In the context of the period Miao's position was weakened by a lack of revenue which affected not just Miao but the government

as a whole. It was undoubtedly with this in mind that he established in December 1930 the Industrial Bank (ch'uan-yeh yin-hang) which he controlled through the medium of his position as Provincial Minister.⁶² There are conflicting accounts of this bank. The Yün-nan hsing-cheng chi-shih declares that the government put up a capital of YN\$1,000,000 after some Kotchiu tin merchants had suggested the idea, whereas elsewhere it is suggested that the capital involved was "200,000 dollars".⁶³ But if this latter figure represents New Yünnan Dollars then the discrepancy disappears. The second point concerns the nature of its activities. The bank had a branch in Kotchiu as well as main offices in Kunming which undoubtedly supports the statement that it was devoted to acting as an exchange remittance for Hongkong currency. But it is also suggested that the bank also had dealings with Shanghai in one source.⁶⁴ In the circumstances there lies little room for speculation, but the chief item of trade from Yünnan to Shanghai was opium; whether the bank carried out exchange transactions for imports and exports generally before the formation of the New Futien Bank cannot be known, although it was so stated.⁶⁵ In any event Miao's experience with the bank prepared him for his later work with the New Futien Bank.

One account of the Industrial Bank suggests that Miao had already displayed his talent for banking in 1933, when a financial and monetary crisis intervened.

"In 1931 Yünnanese merchants were enticed by opportunist merchants coming from outside by [the inducement of] huge profits to trade speculatively and when it came to realizing into cash they became insolvent in great confusion. The said bank generally adopted a policy of moderation, [conceiving] its duty as the supplementation of agriculture and commerce and the development of mining, and not only was it not in the least affected but it was of no small assistance to fellow-bankers."⁶⁶

Like much of the initial stages of the financial and monetary reform instituted under Lung Yün the early activity of Miao Chia-ming took place before April 1931, when the influence of the faction was still strong and the principal group of officials in Lung's government was that of the conservatives who had made their careers under T'ang Chi-yao. But although much of the reform was initiated during this period, in many cases such as in the attempts to centralize revenue-collection, results only came after the overthrow of the faction.

Miao's main efforts were directed towards the improvement of the tin produced in Kotchiu and the profits gained from the sale of the tin on the world market. Before describing his renovation of the Yünnan Tin Company, it is necessary to recount in greater detail the economic value of tin to the Yünnanese economy in general.

During the years 1929-1937 tin exports from Kotchiu accounted for approximately eighty-six per cent of all goods exported through the Mengtze Customs, by far the largest of the three customs posts in the province.⁶⁷ Production of tin had risen sharply during the last years of the Ch'ing dynasty when the

Indo-China-Yünnan Railway reached Mengtze.⁶⁸ Statistics for the amount of tin produced at Kotchiu are not complete and the various sources are contradictory. Hence any attempt to compute production figures for the years 1900-1936 are of necessity somewhat tentative, and this is more especially true of the later years.

Table One

Tin Production in Kotchiu, 1900-1936, (in long tons)

<u>Year</u>	<u>Total</u>	<u>Year</u>	<u>Total</u>	<u>Year</u>	<u>Total</u>	<u>Year</u>	<u>Total</u>
1900	2,900	1910	6,000	1920	10,900	1930	7,198
1901	3,020	1911	6,347	1921	5,880	1931	6,728
1902	3,320	1912	5,802	1922	8,196	1932	7,807
1903	2,317	1913	6,580	1923	8,328	1933	8,599
1904	3,413	1914	6,660	1924	7,878	1934	8,100
1905	3,627	1915	7,360	1925	7,659	1935	8,887
1906	3,790	1916	6,850	1926	5,985	1936	9,996
1907	3,450	1917	11,070	1927	5,869		
1908	3,675	1918	7,900	1928	6,466		
1909	4,743	1919	8,330	1929	6,214		

Sources:- These figures have been taken from Ch'en Chen, Chung-kuo chin-tai kung-yeh-shih tzu-liao, 3rd. collection, pt.1, p.618, citing Yün-hsi chi-shih and Yün-nan hsi-yeh kung-ssu wu-chou-nien chi-nien k'an. For the years 1900-1922 this is the only source, apart from a few figures from Yün-nan hsing-cheng chi-shih, ts'e 13, ching-chi, hsi-yeh, p.1b, which, however, suggest that

the figures cited above were in metric tons. If this were so then the totals given should be revised downward slightly. For the years 1922-1936 Yün-nan chih tzu-jan fu-yüan, pp.119-20, provides figures (and a total for 1937 which is unfortunately illegible) which differ somewhat, especially from 1928, when they are significantly lower than those cited above. There are also five other sources which give totals for a few years in the period 1929-36 but which do not substantially alter the general picture of production increasing during the 1930s. Partly the confusion seems to have derived from the uncertainty as to the exact weight of the chang or slab, the basic unit of production. Various estimates put it between 2,600 to 3,000 chin (1.547-1.785 long tons). The argument advanced by Ch'en Chen, op. cit. p.617, that the chang was theoretically 2,500 chin and in fact 2,670 chin (1.589 long tons) seems a better guess than others suggested. In view of the uncertainty surrounding this issue, the chang has been calculated at 1 chang equals 1.5 long tons, and it is this value which is used in the estimates of the production of the Yunnan Tin Company.

The production of tin in Kotchiu increased rapidly after the opening of the Railway which displaced the traditional forms of transportation, primarily pack-animal. Yunnanese tin gained

when production increased during 1914-1920 in response to an increased world demand for tin as a result of the First World War. Tin production reached a peak of 11,070 tons in 1917, a total unsurpassed during the period under consideration. During the decades 1900-1909, 1910-1919, 1920-1929 and the seven year period from 1930-1936 tin production increased. In 1900-1909 the average production was 3,426 tons; in 1910-1919 it was 7,290 tons; in 1920-1929 it was 7,380 tons and in 1930-1936 the average was 8,189 tons.⁶⁹ However, the marked increase which occurred in tin production from 1930 onwards following the sharp fall in the years of civil war and other related causes in the years 1926-1929 was accompanied by a sharp fall in world prices. From a high of £291 per ton on the London Metal Exchange in 1926 prices dropped to one of the lowest ever recorded for the period under consideration of £119 per ton in 1931.⁷⁰ In spite of a modest recovery tin prices only reached £230 per ton in 1934.

In spite of the erratic nature of the world market tin, as a percentage of goods exported through Mengtze, was a fairly constant proportion, ranging from eighty per cent in 1924 to ninety-three per cent in 1936. The volume of trade expressed in national dollars increased considerably; from just under NC\$14,000,000 in 1927 it rose to NC\$29,000,000 approximately in 1937.⁷¹

In short, tin production, which was a relatively stable proportion of Yunnanese exports all during this period, increased rapidly after the completion of the Railway and then increased

steadily, especially during the First World War, in response to an increased world demand. However when the world price fell the Kotchiu mines, like others elsewhere, found it difficult to reduce their production accordingly and the resultant overproduction stimulated a further decline in prices. During the period of Lung Yün's regime world prices were falling at a point when internal circumstances were reducing Yünnanese production.

The preliminary steps towards introducing western methods of mining and smelting were taken in 1930 when Miao Chia-ming was given the task of raising the purity of the tin produced in Kotchiu with a view to selling it directly onto the British and American markets.⁷² There were three grades of tin slabs refined in Kotchiu at this time, the first grade of 98.4% purity, the second at 94.8% and a third at 93.7%.⁷³ World standards, by contrast were 99.75%, 99.5% and 99.3% respectively, and consequently not even the best grade of tin produced in Kotchiu could be sold direct and was therefore exported to Hongkong for re-refinement.⁷⁴

Miao succeeded in hiring the chief engineer of the Singapore Tin Refining Company, a man named Archdeacon, to make a report on mining and refining in Kotchiu. Almost at once the financial difficulties of the government threatened to kill the project before it started, for the fee and expenses which Archdeacon required were comparatively large. The sum involved amounted to some NC\$70,000 or approximately NYN\$126,000. The Provincial

Ministry of Finance found itself unable to find this sum. In February 1931 the government decided to divert NC\$30,000 from a previously planned investigation of the mining areas, and to add to this sum NC\$20,000 from the Yunnan Tin Company. The remaining NC\$20,000 was to be provided by Miao's Industrial Bank.⁷⁵ Thus Miao was obliged to stake part of his small industrial and commercial capital in the report. This was to be a recurring theme in Miao's enterprises—a reluctance on the part of the government to put capital into projects which could not yield instant and sizeable profits. Miao displayed a good deal of determination and tenacity in pushing westernization, in the sense of adopting western methods of production and organization, and frequently it was only because he could draw upon financial resources which he had created himself within the government apparatus that he was able to do so. In short the basis of westernization was more of an individual rather than a concerted, collective effort.

By December 1931 Archdeacon's report was completed and on the basis of the report Miao made proposals to establish the Yunnan Tin Refinery (Yün-nan lien-hsi kung-ssu) as follows:

"The annual average tin production from Kotchiu in this province is calculated at over 4,000 chang...and its value is more than HK\$12,000,000. Not only is it the main provincial export but it also occupies the first rank in the value of metal mining exports in the whole country. A rise in production increases the prosperity of the province; a fall in production is sufficient to disturb the provincial economy. Its relations with the national economy and the people's livelihood are extremely great. But because the Kotchiu mine-owners blindly follow established practices, in mining, in the west-

of the ore, and in the smelting following local methods, they do not consider technological improvement. Although the Tin Company has had mechanical installations they have not been effective, with the result that the annual tin production over the last twenty-five years has all been in the region of 7,000 tons. Although there was not such an increase in production at a time when the price of tin was at its height, the price of tin has fallen somewhat during the last two years and production has diminished greatly. It is to be feared that the production of tin this year will be below 4,000 chang. If this is prolonged and no improvement is made it will, indeed, be sufficient to hinder provincial prosperity. I have considered matters for some time and it is my opinion that with tin production in Kotchiu covering an area whose dimensions are several hundred square li (a li being approximately one-third of a mile), having such extraordinarily rich deposits, and situated in an area of China where labour costs are low, that if it is possible to make strenuous efforts for technological advance so that mining, ore-washing and refining all use new methods, and that if in the sales aspect we exert ourselves to break through into the European and American markets getting rid of intermediary monopoly (chü-chien ts'ao-tsung), then production is bound to increase year by year and costs are bound to diminish gradually.

...At the time of the inspection and experimentation / conducted by Archdeacon / I did not shrink from the onerous task of accompanying him in the belief that it was a matter of great consequence in order to reach a careful and accurate conclusion...It was discovered that the methods used in Kotchiu over the years to wash the ore are only capable of extracting half of the tin-bearing ore from the raw ore. There exists no way of dealing with the other half so that extremely valuable tin-bearing ore is abandoned everywhere, and moreover, the ore suitable for refining, which has a comparatively low tin-content, is, in all places insufficiently exploited. If machinery were used the half formerly abandoned could provide two-thirds pure tin and an extra 1,500 chang or more of pure tin could be produced each year, to the value of approximately HK\$4,000,000 and more. And if the ore of comparatively low tin-content could be exploited then mining operations could take place everywhere and the mine-owners need not fear a loss. If many apply themselves then there will be no end to the amount of tin. As for the tin already refined the refining expenses are too high. The dregs contain too much tin and the touch (ch'eng-se) of the tin that is refined is variable and not uniform, and must only be sold in Hongkong. It must pass through Cantonese merchants who re-refine it when it can pass muster in foreign markets, and it is unavoidably monopolized by them. If it were possible to apply the existing techniques

of the said engineer, we might extract the miscellaneous ore and refine an upper-grade tin of a uniform touch of ninety-nine [per cent] and above. The tin left in the dregs was formerly over ten per cent and we might reduce this to two per cent, perhaps producing approximately more than 400 chang of tin each year, to the approximate value of HK\$1,000,000. Further, with regard to refining expenses, at the present refining one ton of tin requires an expenditure on refining of £19 sterling; in the future this too could be reduced to £10 sterling. If production in future is just 4,000 chang or more, adding the ore-dregs and the ore extracted from the dregs it is possible to produce over 6,000 chang of tin, approximately 9,000 tons; with a reduction of £9 sterling in the cost of refining each ton then the total saving in costs might reach £81,000 sterling, equivalent to HK\$1,500,000. Adding the direct sales to foreign merchants because of the uniformity of the touch, each year a loss of approximately HK\$500,000 to Cantonese merchants may be avoided. Not only will there be an annual increase of over HK\$2,000,000 for the province...but it seems that it cannot be otherwise in order to advance the prosperity of the province and increase national exports...."76

This lengthy extract has a number of interesting facets which indicate the basic purpose of the proposal. Firstly, in spite of passing reference to national considerations, the purpose of the enterprise was to increase provincial revenue. It was held to be important that the Cantonese be excluded from the tin trade; but it must be observed that the saving from this aspect was by no means the most significant element of the plan. Three basic areas where savings could be made were suggested; in the recovery of fifty per cent of the ore mined which was not refined due to inefficient washing processes a saving of HK\$4,000,000 could have been effected; in reducing the tin content of the dregs remaining after refining a saving of HK\$1,500,000 could have been made; and in by-passing the Cantonese merchants through raising the purity of the tin a mere HK\$500,000 could have been saved.

Secondly Miao was making an indirect attack on his colleagues when he emphasized that he had taken an active role in aiding Archdeacon, presumably in contrast to the traditional attitude of Chinese officials engaged in industrialization that it was not correct to concern themselves with matters so coarse as machinery and technology. Miao was never averse to discreetly publicizing his efforts and of making himself indispensable.

Miao continued to outline his specific plans and demonstrated that he understood his master's mind completely.

"Although I feel that the profit would be enormous, supposing that it could not be undertaken without an expenditure of several million dollars in local currency, it seems suitable to plan for a comparatively large profit and comparatively quick results by making a start with tin refining. This plan of reform, that is to say a refinery of an annual capacity of 2,000 tons, if built from new equipment, would require an outlay of approximately NC\$200,000. If it is reconstructed from the refinery of the Tin Company it would require at the most NC\$150,000 in addition to a floating capital of NC\$300,000 which would be ample."77

Again there is the insistence on the short-term substantial profit as opposed to a long-term investment to yield lesser profits initially. Partly this was the result of the chronic shortage of capital which plagued the government, but it was also one aspect of the general tenor of warlord enterprise, previously discussed, the tendency to make money as quickly as possible. In the circumstances, industrialization such as Miao proposed was not so much a coherent attempt at westernization but more an ad hoc response to a urgent need to fill the treasury.

The provincial government gave its approval for Miao's project

in December 1931 and in March of the following year it was formally established with Miao as managing director and Lu Han, Chang Pang-han and Wu K'un⁷⁸ as directors. The stated capital of the Yünnan Tin Refinery was NC\$500,000 composed of NC\$150,000 from the provincial government, NC\$100,000 from the Yünnan Tin Company, NC\$100,000 from the New Futien Bank, NC\$130,000 from merchants, NC\$10,000 from the Expenditure Control Bureau of the Provincial Ministry of Education, and NC\$10,000 from Miao's Industrial Bank.⁷⁹

The provision of capital was a difficult task, and the number of different government organs which contributed to the total capital investment illustrates this point. Miao was in control of the Yünnan Tin Company at this juncture and so his investment in the Refinery was quite substantial. It was a characteristic of what has been termed 'bureaucratic capitalism' (kuan-liao tzu-pen) during this period that officials tended to invest the profits from their bureaucratic enterprises not, as was previously the case, into land, but into further enterprises within the framework of governmental enterprises.⁸⁰ Within a relatively few years Miao had accumulated a number of important directorships from a relatively narrow base, the Provincial Ministry for Agriculture and Mining.

The Tin Refinery devoted itself predominantly to the refining of the tin mined by the Yünnan Tin Company. The amounts refined are set out in Table Two below.

Table Two

The Production of the Yünnan Tin Refinery, 1933-1937, (in long tons)

<u>Period</u>	<u>Amount</u>	<u>Percentage of Total Production</u>
April 1933-June 1934	936	(9)
July-December 1934	423	(10)
1935	1,154	13
1936	1,794	18
1937	1,774	(17)

Sources:- Yün-nan hsing-cheng chi-shih, ts'e 13, ching-chi, hsi-yeh, pp.10a-b. The percentages have been calculated on the basis of the figures given in Table One. For the period April 1933-June 1934 and that for July-December 1934 the percentages have been calculated for the periods cited, fourteen and six months respectively. The percentage for 1937 is based on a figure of 10,600 tons which is given in Yün-nan hsing-cheng chi-shih, ts'e 13, ching-chi, hsi-yeh, p.1b for the years following 1936.

It will be noted that the amount of tin refined never exceeded twenty per cent of the total tin production for Katchiu. The initial capacity of the plant was 2,000 tons, and consequently it was not simply the conservatism of the mine-owners which prevented a more widespread use of the new smelting techniques. It is

true that the mine-owners were very suspicious of government controlled activities in Kotchiu, and that there was considerable resistance on their part to government attempts to extend its influence into mining there.⁸¹ But it may also be surmised that there was an insufficiency of capital to form another smelting company on the same lines as the Yünnan Tin Refinery. The mine-owners owned mines of varying sizes, there being great variations in the number of miners employed, ranging from those employing "several hundreds" down to those employing "three to five men".⁸² According to figures for 1938, which were not held to be very reliable, there were some five to six thousand mine-owners, over 1,000 ore-washers and over forty refiners.⁸³ In such conditions of extremely competitive operations, where mine-owners could be wiped out by sudden falls in the tin-price, there was little chance of combined operations.

The Yünnan Tin Company was probably the largest single enterprise in Kotchiu, and its production generally accounted for some ten per cent of the total annual output. Table Three gives the annual production figures of the Tin Company from 1927 to 1936.

Table Three

Production of the Yünnan Tin Company, 1927-1936 (in long tons)

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
1927	490	1930	519	1933	855	1936	653
1928	524	1931	640	1934	632		
1929	512	1932	809	1935	748		

Sources:- Yün-nan hsing-cheng chi-shih, ts'e 13, ching-chi, hsi-yeh, pp.13a-b. Yün-nan chih tzu-jan fu-yüan p.139, gives figures for this period and the figure for 1936 has been used for the purposes of this table. Except for 1931 the totals given in this latter source are uniformly lower than those found in the former.

The production of the Tin Company constituted a fairly constant proportion of the total tin production of Kotchiu, ranging from seven per cent in 1930 and 1936 to ten per cent in 1931, 1932 and 1933.⁸⁴ It is clear from the various figures presented that the tin smelted in the Yunnan Tin Refinery also derived from sources other than the Tin Company, showing that the attractions of the higher-grade smelting of the Refinery were apparent to at least a small proportion of the mine-owners, and that the conservatism complained of was not so general as to isolate the Tin Company.

It is difficult to give any clear estimate of the impact of Miao's activities in the field of tin mining and refining in terms of income. But the overwhelming importance of his entrepreneurial action lies, perhaps, not so much in the contribution which it made to the provincial budget and economy but more in the political significance. It had been demonstrated that Chinese could successfully introduce western techniques and make reforms in the sphere of industry. Furthermore, although the French colonial authorities in Indo-China still managed to keep

their fingers on the economic pulse of the province through the Railway, along which most imports and exports had to flow, and although the bulk of the tin exported was still sold to Cantonese and foreign firms who then re-sold it on the world market, Miao bring a small but significant portion of Yünnanese industrial production under Yünnanese control. Combined with the successful introduction of regulations to draw foreign exchange into the hands of the New Futien Bank, the measures which he took were vital for the continuance of the regime. Without the additional cash flow generated by the financial and economic reforms which were initiated under his direction, the provincial government could scarcely have avoided leaning more heavily on the opium trade or seeking subsidies from Chiang Kai-shek at the expense of provincial independence.

Miao Chia-ming's progress towards control over the entrepreneurial program, if such it can be called, did not stop at the tin trade. In March 1934, following the mishandling of the foreign exchange system operated by the New Futien Bank, he replaced Li P'ei-yen as director and implemented the system of control over the foreign exchange which came into being in the summer of 1934. Although the previous management had controlled tin and opium export exchange, it had, apparently, although the sources are not entirely clear on this point, attempted to control all the exchange. Miao termed his method 'selective control' (hsüan-tse kuan-li) which was to precede 'general control' (p'u-pien).

This involved applying the exchange controls purely to the export of tin as a starting point.⁸⁵ It is noteworthy that the account of Yün-nan hsing-cheng chi-shih devoted to the control of foreign exchange makes no mention of the opium trade, which is to be explained partly by the general reluctance of the provincial government to admit how much a regular part of the economy it had become.

The New Futien Bank's currency was affected by the silver crisis of the 1930s, and as a result pegged its currency against the pound sterling, at the rate of NYN\$1.00 to eight pence sterling. Later the Bank was obliged by the pressure of Nanking to give up this practice, but such action demonstrates the remarkable liberty enjoyed by the province to pursue an independent financial and fiscal policy.⁸⁶

The ultimate stage in Miao's assumption of financial control was the formation of the Yünnan Economic Commission under his control in December 1934. The nature of this entrepreneurial organization is discussed in Chapter Six (pp. 316-326). It marked the end of an era in one aspect of warlord rule. The Economic Commission seems to have been modelled on the large-scale "state-capitalism" of Nanking and its creation was symbolic of the movement towards industrialization in Yünnan. In the light of the later claims that it was designed to replace opium as a major means of financing the faction and government it might appear that there was a systematic plan to drop opium in favour of

tin. But the choice confronting the Provincial Government was not just one of opium versus tin. There is not the slightest basis for supposing that the development of the tin trade through new techniques of refining was part of a systematic decision to abandon opium—an essentially rural product linked with traditional concepts of commercial enterprise—and link the independence of Yünnan to industrial advance. Only in the narrowest sense of the word was Lung Yün a reformer. The use of new refining techniques was largely, for Lung Yün's regime, although for Miao it may have been more of a genuine attempt at industrialization in the conventional sense, an ad hoc resource of revenue. The fundamental attitude towards tin was little different from that which governed the links political and economic of the provincial government to the opium trade and the mercantile forces which operated it.

Yet in retrospect it cannot be denied that the movement to prohibit opium cultivation from 1935 to 1937 could only have led to a general abandonment of provincial autonomy had there not been the possibility of turning to the increased revenue from the tin trade and the further economic activity of Miao Chia-ming and the Yünnan Economic Commission which was in turn founded on his previous success in the tin trade. The decline of opium in Yünnan which was paralleled in other provinces of China, especially in the southwest, is the pivot in understanding the nature of the relations between Yünnan and Nanking during the years

immediately prior to the outbreak of the Sino-Japanese War. Yet it must be added that opium was by no means the sole factor which makes the struggle between local and central power intelligible. The incursion of Chiang Kai-shek's armies into Yünnan while he was harrying the Long March during 1935 was a factor of great significance since never before the rise of a warlord faction in Yünnan had central military power infiltrated. But in the incursion of central government through military power into Yünnan the effect was less than one might otherwise have supposed. Lung retained his power in the province in spite of Chiang Kai-shek.

Internal and external pressures on the opium trade in Yünnan combined with pressure from Chiang Kai-shek to alter the most enduring characteristic of warlordism in southwest China, the reliance on opium. It is this dialogue between local and national power on the theme of opium which constitutes the basis for appreciating the behaviour of the Yünnanese regime from 1934 onwards.

CHAPTER VI

THE DEFENCE OF AUTONOMY. 1934-1937

The independence of the provincial warlord faction in Yünnan under the leadership of Lung Yü, which had been consolidated from 1929 onwards with the defeat of the faction of Hu Jo-yü and Chang Ju-chi, had rested upon two fundamental considerations. The Central Government in Nanking was unable to extend into the south-western provinces the concrete enforcement of the national authority which it claimed to possess. Geographically the provinces of Szechwan, Kweichow and Yünnan were far removed from the political and economic base of Chiang Kai-shek's government which was in Kiangsu and Chekiang.¹ Furthermore the subjugation of the multiplicity of warlord factions in these provinces was not a matter of great priority. In the aftermath of the Northern Expedition Chiang Kai-shek had been obliged to defend his personal position as a national leader from military attacks from individual warlord factions and coalitions of warlords.² The threat to China's territorial integrity from Japanese imperialism in Manchuria was obviously a far greater embarrassment than the de facto independence of minor factions in an area which was not only geographically remote but also psychologically remote to the KMT Government based on the urban capitalism of the east coast of China.³ The independence of the warlord factions in south-west China, whose territorial ambitions were firmly rooted within the

confines of their respective provinces, was independence by default. The Yünnanese warlord faction, like those in the other two neighbouring provinces, had explicitly accepted the national authority of the Nanking Government by establishing provincial governments whose legitimacy derived not from provincial but from national origins.⁴ The other basic element in the independence of the provincial factions was that of finance. The control of a given region by a faction permitted the latter to exploit to the full all the economic resources available. Overwhelmingly the resources of the south-western regions were agricultural. And of the agricultural resources of Yünnan, which resembled Szechwan and Kweichow in this respect, the most important element was the cultivation of opium. It would hardly be an exaggeration to say that opium was the pillar of the state. Through taxing its cultivation and export the provincial faction in Yünnan derived between thirty-three and thirty-eight per cent of its total income in the years 1931 to 1932.⁵ No other single source of revenue before 1934 provided any such comparable sum; the nearest competitor was the Special Consumption Tax (t'e-chung hsiao-fei shui) which provided between sixteen and eighteen per cent of the total in the same years.⁶ The political and military situation in China before 1934 permitted the political and economic independence of warlord factions in south-west China to continue,

with the difference that the intra-provincial warfare that had characterized the era before the Northern Expedition had swiftly disappeared.⁷ The armies continued to support themselves on opium taxation.

The year 1934 witnessed the initiation of military and economic pressures on the stability of south-western warlordism as the National Government pressed its armies further into the interior of China and swiftly augmented its hold on the opium trade of central China. For all the south-western factions the pressures were similar; but there were crucial differences between the factions which produced reactions to the advance of national and central power which varied from province to province. The prime difference between Yunnan on the one hand and Szechwan and Kweichow on the other was that one single warlord had unified the whole of Yunnan and thus secured for his faction a security while in neighbouring provinces, 'some numbers of what might be termed sub-provincial warlord factions fought against themselves. Thus while provincial independence and factional independence were congruent in Yunnan, permitting the establishment of a unified, if corrupt and comparatively inefficient, system of financial administration, in the other two provinces the sub-provincial factions never enjoyed the same security. It seems probable that this explains why, according to contemporary reports,⁸ the taxing of the Szechwan peasantry was outstandingly outrageous, even by the standards of the times.

When the National Government armies passed through Kweichow in 1935 the warlord factions, lacking the unity which existed in Yünnan, were brushed aside; Chiang could reclaim Kweichow for his nation. The unity of the faction in Yünnan militated against the take-over by Chiang which had engulfed Kweichow. Szechwan presents a more complex situation to analyze; military advisers were sent to Liu Hsiang's army, and various political manoeuvres insinuated national power.⁹ But the description of Szechwan's political history and relations with Nanking is outside the compass of this thesis and therefore it seems best not to stray too far from the central point of Yünnan.

The unity of the faction was linked with the ability of the latter to extract revenue from the province. Largely the wealth of these provinces was derived from the rural economy which in turn relied upon opium cultivation as a means of stimulating the cash economy as well as financing the faction and its army. Of all the provinces of the south-west Yünnan alone seems to have been capable of turning from opium to other sources of income when the economic and political pressures applied by Chiang Kai-shek began to bite. The continuing independence of the Yünnanese military faction rested, from 1934 onwards, on the unified factional control of the province; the comparative efficacy of the administration to raise revenue, above all opium revenues, from the province; the ability of the high civil officials to exploit sufficiently rapidly other sources of income,

chiefly the tin trade and industrial and commercial enterprises founded on the westernization and increased profitability of the tin trade.

The various topics to be considered in the final years of the period under consideration which relate to the defence of the independence of the provincial faction in Yunnan therefore are as follows:- firstly, the decision to prohibit opium cultivation and the replacement of opium by other sources of revenue; the changes in the system of the opium trade in central and south-west China both in economic and political terms which brought about the prohibition; secondly, the military advance of the National Government armies into south-west China and the associated political infiltration of the Central Government and the KMT.

Opium Production in China

To describe the process through which the provincial government decided to implement opium prohibition requires a brief description of the system of opium exports from the provinces of Szechwan and Kweichow, as well as Yunnan, to the major opium marketing areas centering on Hankow and Canton. The opium production of these three provinces was probably at least as great as it had been in the early 1900s, immediately prior to the imperial suppression campaign of 1906.¹⁰ Two independent estimates of Chinese production for 1907 and 1908 show that the

general total was between 22,000 and 35,000 tons per year.¹¹ Of this sum the three south-western provinces cultivated approximately sixty-two to seventy-eight per cent.¹² These provincial estimates of production are set out in Table One. It is beyond the scope of this argument to present a detailed case for accepting the most general implications of these estimates¹³ but it may suffice to repeat the words of Morse, from whom the estimate of 22,000 tons per annum derives on the subject of native production.

"It cannot be asserted that this figure is measurably exact; but it may be safely asserted that the production of opium in China today is, at the lowest, six-fold, and is more probably eight-fold, the quantity of the present import of foreign opium."¹⁴

In concrete terms Morse was suggesting a figure for Chinese¹⁵ opium production before the imperial suppression of between 18,000 and 24,000 tons per annum (in 1907 the import of foreign opium amounted to 54,584 piculs¹⁶). Accepting that the production of opium per mou was probably fifty taels, then the acreage devoted to the poppy in China may have been from twelve to over eighteen million mou.¹⁷ This area would have constituted a very small fraction of the total cultivated area of China—perhaps one per cent.¹⁸ It is worth remarking that Buck similarly concluded that during the 1930s opium land constituted one per cent of the Chinese crop area.¹⁹

Szechwan, Yünnan and Kweichow were pre-eminent in the production of opium; the proportion of the cultivated area of these provinces to which opium was devoted was markedly higher, as might

Table One

Opium Production by Province; 1907, 1908 (piculs)

<u>Province</u>	<u>Production 1907</u> ¹	<u>Percent</u>	<u>Production 1908</u> ²	<u>Percent</u>
Kansu	5,000	1.3	34,000	5.8
Shensi	10,000	2.7	50,000	8.6
Shansi	5,000	1.3	30,000	5.1
Hopei	5,000	1.3	12,000	2.1
Shantung	10,000	2.7	18,000	3.1
Honan	5,000	1.3	15,000	2.5
Kiangsu	5,000	1.3	16,000	2.7
Anhui	3,000	0.8	6,000	1.0
Chekiang	5,000	1.3	14,000	2.4
Hupei	4,000	1.1	3,000	0.5
Hunan	3,000	0.8	1,000	0.2
Kiangsi	500	0.1	300	0.1
Fukien	2,000	0.6	5,000	0.9
Kwangtung	500	0.1	500	0.1
Kwangsi	3,000	0.8	500	0.1
Kweichow	15,000	4.0	48,000	8.1
Yunnan	30,000	8.0	78,000	13.5
Szechwan	250,000	66.5	238,000	40.7
Manchuria	15,000	4.0	15,000	2.6
<u>Total</u>	376,000	100.0	584,300	100.0

- Sources:- 1) Morse, The Trade and Administration of the Chinese Empire, pp.345-50; no exact year is given by Morse for which these estimates apply, and 1907 is a tentative suggestion.
- 2) Report of the International Opium Commission, vol. 1, p.57; this list gives an estimate of 500 piculs for Sinkiang.

Table Two

Opium Land as a Percentage of the Cultivated Area of
Szechwan, Kweichow and Yünnan

<u>Province</u>	<u>Cultivated</u> <u>Area 1913</u> ¹ (1000 mou)	<u>Opium</u> <u>Land 1907</u> ² (1000 mou)	<u>Percent</u>	<u>Opium</u> <u>Land 1908</u> ³ (1000 mou)	<u>Percent</u>
Szechwan	110,000	8,000	7.3	7,616	6.9
Kweichow	21,000	480	2.3	1,536	7.3
Yünnan	15,000	960	6.4	2,496	16.6

Sources:- 1) Perkins, Agricultural Production in China,
1368-1968, Table B.14, p.236.

2) These figures are computed from Morse's
estimates of provincial opium production,
assuming an output of fifty taels per mou
(one picul equalling 1,600 taels).

3) These figures are computed on the estimates
given in the Report of the International
Commission on the same basis described in note
2. For detailed references to the sources
used see Table One.

be expected. From the data on opium production (i.e. Morse's
estimates and those provided in the Report of the International
Opium Commission cited in note thirteen to this chapter) for
1907 and 1908 and from estimates of the cultivated areas of the
three provinces of Szechwan, Kweichow and Yünnan for the year
1913, which is the nearest date for which such figures are

available,²⁰ it is possible to make some tentative statement about the amount of land devoted to poppy cultivation in those three provinces. The data are set out in Table Two; it must be most strictly emphasized however, that these estimates are not intended to be in any sense definitive. They are simply rough guides provided to erect a foundation, howsoever unstable, on which to compare what statistics are to be found for the 1930s. Furthermore it is not in any way suggested that the differences in the production of opium by province for 1907 and 1908 represented a real change in levels of production; simple error seems a more likely explanation for the discrepancies.

There seems to have been a greater degree of consensus on Szechwan's production (238,000-250,000 piculs—14,000 to 14,750 tons) than that of Kweichow (15,000-48,000 piculs—885 to 2,832 tons) or Yunnan (30,000-78,000 piculs—1,770 to 4,602 tons).²¹ But the essential point is clear: these three provinces produced by far and away the major portion of all Chinese opium, and land devoted to the cultivation of opium occupied a substantially greater proportion of the cultivated area in other provinces. The second producing region of any significance was in the northwest, in the provinces of Kansu, Shensi and Shansi. But this group of provinces, producing just under twenty per cent of the total production even at the highest estimate,²² devoted considerably less of the cultivated acreage to opium; for Kansu, Shensi and Shansi respectively the percentages were 2.2, 2.9 and 1.7.²³

It is evident, nevertheless that there was a 'belt' of opium producing provinces running from Yunnan in the south to Shansi and perhaps also Shantung and Manchuria in the north.²⁴ These provinces exported their surplus production to the inner provinces and to the east and south-east. The production of opium in the border opium 'belt' had been stimulated by the possibility of competing with foreign opium imports during the nineteenth century, opening up fresh markets in central China where foreign opium had never or hardly ever reached.²⁵ Opium exports tended to supplant, as in Szechwan in the 1890s, traditional export products which for a variety of reasons connected with economic competition from foreign imports,²⁶ and possibly also from other regions of China were in decline.²⁷

It is not proposed to give a detailed account of the imperial suppression campaign which combined with the agreements made between the Chinese and British governments which put an end to the import of Indian opium.²⁸ Briefly speaking, the suppression campaign, which was remarkably successful, was "One of the most emotion-laden areas in which the Chinese were determined to recover their sovereign rights...[and] may have been the largest and most vigorous effort in world history to stamp out an established social evil."²⁹ All the evidence points to a drastic reduction in the opium crop from 1909 onwards, although opium cultivation was almost certainly continued furtively in remote areas.³⁰ One example of the effect of the suppression

in Szechwan merits attention.

"Three or four years after the Revolution the growth in Szechuan [of poppy] had been so restricted that even old pottery bowls which had been used to hold the drug brought a high price in the market...these old bowls were ground into powder and swallowed in order that the narcotic which had permeated them might relieve the unendurable craving. A small package of the powder, weighing about one-tenth of an ounce, sold for ten cents, or what was at that time almost a half-day's wage."³¹

In Yunnan as well some addicts moved across the border into Burma to get the opium which had vanished in that province.³²

The recrudescence of opium cultivation on an ever larger scale may be traced to the years 1916 or 1917.³³ While the precise reason for the rapid spread of opium cultivation in the south-west, as well as in other provinces where opium had formerly been grown, is not properly germane to the argument at this point it may be broadly stated that it was a combination of the need of the warlord factions to raise money from the rural areas which they controlled (It may be mentioned that when hard-pressed by attacking warlords for control of a specific region warlords tried to hang on until the opium harvest when they could take the opium land tax and then retire gracefully.³⁴) and the need of the peasantry to raise a crop which provided a good cash return.

Accusations that warlords forced the peasantry to grow opium are undoubtedly correct for the most part.³⁵ The notorious "lazy tax" (lan-chuan) levied in Szechwan by warlords on land where the peasants did not cultivate it was a simple device to

force opium cultivation; either the peasant grew opium and paid the tax or he did not and was ruined.³⁶ But at the same time opium cultivation was not purely a matter of warlord compulsion; the economic necessity for growing opium was a sufficient cause. Certainly in Yunnan there is no evidence that the provincial faction obliged the peasantry to cultivate it.³⁷

The production of opium in China in about 1930 seems almost certainly to have reached the levels of production which had prevailed before the imperial suppression. No comprehensive estimates are available as for the earlier period, but with the aid of a few sample statistics from various counties it is possible to derive a general outline. Fundamentally an attempt will be made to investigate the major opium producing provinces and so the discussion which follows makes little reference to provinces outside of the south-western region.

i Yunnan

It will suffice to recapitulate the conclusions reached in chapter four of this thesis in which it was suggested that the production in 1932, which was an "average" year, was approximately 70,000 piculs (or 4,130 tons).³⁸ This figure is considerably higher than Morse's estimate for 1907 of 30,000 piculs, which he had in fact described as "low",³⁹ and nearly reaches the level of 78,000 piculs cited in the Report of the International Opium Commission. The main difference in the situation comes from the vastly increased estimate of the cultivated area of Yunnan

which in 1913 was said to be 15,000,000 mou whereas in 1933 it was estimated at 36,000,000 mou.⁴⁰ If this were in fact the case then the land cultivating opium would have constituted just over six per cent of the cultivated area.⁴¹

ii Kweichow

There are an excessive number of general statements concerning the prevalence of opium in Kweichow. To give but one example one may cite Yü En-te.

"From the eighth year of the Republic [1919] in Kweichow opium was grown in nearly the whole of the province. In 1922 there was a famine and the price of grain quadrupled, but the warlords still compelled opium cultivation for the tax revenue."⁴²

Similarly it was reported that in 1936 more than 100 counties grew opium.⁴³ Mei Kung-jen suggested that Kweichow produced 1,875 piculs in about 1919, but overall figures for the 1930s are hard to come by.⁴⁴ However there is one report from a county in Kweichow which gives a more substantial account of the situation. An anonymous contributor cited in the China Yearbook caustically described the efforts of outsiders to measure the scale of production of opium in China in 1926.

"When we read in the estimates of supposed authorities on opium production in China that the annual amount is 7,000 tons we wonder what they are dreaming about. In this Hsien, Kiensi [i.e. Ch'ien-hsi], alone there are a number of families who normally gather 100 or more loads of 1,000 ounces each. This is nearly four tons for one family. One consignment from this province to Hunan filled 100 boats, with 3,000 lbs. each."⁴⁵

Even allowing for missionary zeal in denouncing evil, on this

basis it would not take many counties capable of equalling the productive capacity of Ch'ien-hsi to bring Kweichow's output up to the level of 48,000 piculs estimated for 1908.⁴⁶

... iii Szechwan ...

"Szechwan is a special opium-producing region; spread throughout the province, there is no place without it. The agricultural land is claimed by it, and the government uses opium funds as its prime tax-revenue. The majority of the people are all opium addicts from which it may be seen how important opium is in the agricultural economy of Szechwan.

The total of opium production in Szechwan per annum is approximately 238,000 piculs (1906⁴⁷), but over the years circumstances [have led to] an increase...."⁴⁸

Such was the opinion of one commentator in the 1930s. Fortunately there are sources for various counties in Szechwan which although they do not cover all of the province give a good indication that the above statement was almost certainly justified. The main opium-producing region of Szechwan was in the south and east of the province;⁴⁹ as in many cases opium was grown near lines of transportation, which in this instance meant the Yangtze. Figures of yearly production are available for five counties in southern and eastern Szechwan given by Clubb,⁵⁰ a most valuable source for all aspects of opium in that province for the early 1930s. These production figures are set out in Table Three. The total production of the five counties, Fowchow (Fouchow), Changshou, Fengtu, Chungchow and Lanchuan (Lan-chiang⁵¹) was said to be 96,000 piculs or about 5,664 tons.⁵²

Table Three

Opium Production in Five Counties in Szechwan, c.1930

<u>County</u>	<u>Production</u> (piculs)	<u>Production</u> (tons)
Fowchow	36,000	2,124
Changshou	24,000	1,416
Fengtu	12,000	708
Lanchuan	12,000	708
Chungchow	12,000	708
<u>Total</u>	96,000	5,664

Source:- Clubb, The Opium Traffic in China, p.38.

If five counties in Szechwan were capable of producing this amount of opium it does not seem unreasonable to suppose that the total annual production of opium in Szechwan c.1930 was at least on the same level as it had been before the imperial suppression.

iv Manchuria, Inner Mongolia, Shensi and Kansu

In the case of Manchuria the statistics which present themselves tend to be those of the opium acreage. Using the basic assumption that one mou produced fifty taels of opium it is possible to show that Manchuria was a region where opium production had increased substantially. For Liaoning alone one estimate for 1929 put the acreage at 2,000,000 mou which would

give a figure of nearly 3,690 tons per year.⁵³ For 1934 an estimate for Liaoning, Kirin and Heilungkiang put the acreages at 2,000,000, 1,800,000 and 2,000,000 mou respectively— a quite staggering total of 5,800,000 mou which might have produced about 10,240 tons per year.⁵⁴ In 1908 it was estimated that Manchurian production was a 'mere' 15,000 piculs—885 tons alone.

In Suiyüan in 1932 a "record crop" produced 20,000,000 tael (nearly 740 tons).⁵⁵ In Kansu in the 1930s production was put at 84,000,000 tael (3,100 tons),⁵⁶ again an increase on the figure of about 2,000 tons recorded for 1908. No reliable figures exist for Shensi, but much evidence could be cited to show its great importance as an opium producing region.⁵⁷

Having enumerated ad nauseam the estimates of opium production in the major regions of cultivation a summary of the information may be given. Opium was almost certainly grown in the same quantity as it had been in 1908, and probably more, due to the huge expansion in Manchuria. The south-west still led the way in the percentage of the total cultivated area which opium land represented (in Manchuria the figure was under three per cent⁵⁸). The significant development was the expansion of opium in Manchuria which provided the Japanese with the morphia and heroin which they exported into China.⁵⁹ The growth in morphia production was partly the result of the need to dispose of ever-increasing opium stocks, both in Manchuria and China. But it was also caused by the commencement of the manufacture of opium derivatives

in China from Chinese opium in the late 1920s.⁶⁰ Although it was frequently, and with some justification, claimed by the KMT that the opium problem was greatly aggravated, if not wholly caused by the activities of Japanese,⁶¹ morphia factories were set up in Szechwan and Yünnan as well as in Honan and Anhui where in the latter province the export of red pills (hung-wan— morphia tablets) exceeded in value that of green tea.⁶² This section has said nothing to say about the more general aspects of the opium trade in China and its importance as a source of revenue for warlord factions since it falls outside the scope of this thesis; but having tried to establish with reasonable certainty that opium was more important than contemporary western observers imagined during the 1920s and 1930s,⁶³ it is now feasible to examine some aspects of the transportation of opium from south-west China and the relationship which existed between this trade and the provincial faction's economic basis in Yünnan.

The Opium Export Trade in South-west China

In Chapter four some discussion was made of the quantity of opium produced in Yünnan and the taxation system which was employed to extract badly needed money from it; also mention was made of the existence of opium trading companies whose exports of opium brought in valuable Shanghai exchange for which cotton cloth and cotton yarn were purchased. Here it is proposed to

examine further the export of opium from Yünnan in the general context of the opium trade in south-west China.

The exact amount of opium exported from Yünnan cannot be ascertained with any certainty. The provincial government did indeed publish exact figures for the amounts of opium exported after the official prohibition of private export on June 1, 1935.⁶⁴ There is no reason to believe them to be, even with the most jaundiced eye, understatements; so they may be cited. Legal exports in 1936 amounted to 12,200,000 taels or nearly 430 tons.⁶⁵ Before May 31, 1935 the only evidence concerning opium exports comes from estimates made by local consular authorities. These calculate that the quantity exported in 1932, 1933 and 1934 was, respectively 50,000,000 taels (nearly 1,850 tons), 25,000,000 taels (925 tons) and 15,000,000 taels (555 tons).⁶⁶ (An estimate for 1934 put it higher at 28,800,000 taels (1,062 tons).⁶⁷ The general trend, however, seems to have been markedly downward and the decline in the export of opium was undoubtedly one of the factors which stimulated the provincial government to abandon opium as a major source of revenue.

The main markets for Yünnanese opium lay along the route through Kwangsi into Kwangtung and through the northern route to the Yangtze whence it was shipped to Hankow. It was not, of course, only the opium of Yünnan which was exported to these markets. Opium from Szechwan, Kweichow and also Hunan was

also shipped along these routes. It is convenient to consider the export of Yünnanese opium and that from the other south-western provinces together, and to consider the two main markets and trading routes separately.

i The Kwangsi Route

Of all the provinces of the south-west which relied to a greater or lesser extent on revenue from opium Kwangsi was the only one which did not tax the cultivation of opium; this was partly because the soil was unsuitable and partly, one suspects, because the abundance of opium being produced in adjacent regions made it unnecessary for the provincial faction to encourage it.⁶⁸ Huang Shao-hsiung, one of the triumvirate of Kwangsi leaders in the 1920s and early 1930s,⁶⁹ described the situation in the 1920s as follows.

"At that time the largest source of Kwangsi's revenues must be considered receipts from opium prohibition. What was called opium prohibition was still the way of warlords of "prohibition through taxation". The source of opium was not in the territory of Kwangsi because the soil and climate of Kwangsi was not suitable for the cultivation of opium. In the south-west the opium-producing lands were all in the three provinces of Szechwan, Yünnan and Kweichow. As far as its outlets...one route went through Kwangsi and was exported to the area of the Pearl River, even as far as Hongkong, Macao and the South Seas. Therefore Paichai, Lungchow and Liao-ch'ing were all important routes for Yünnanese opium. Every year that [opium] passing through every line was always about twenty million taels. . Over the years control was increased and receipts reached more than ten million dollars."⁷⁰

Opium was every bit as important in the commercial life of that province as it was in the other south-western provinces; for

example, the war with Yünnan in 1930 was probably largely connected with a dispute over the rate of tax levied on the transit of opium. "The rise and fall of the special goods business was sufficient to determine the prosperity or depression of the commercial markets of the whole province."⁷¹ Only a small fraction of the opium entering Kwangsi was actually sold there for local consumption,⁷² the majority passing through from Kweichow and Yünnan to Kwangtung and Hankow; even Szechwan opium sometimes went through Kwangsi to Kwangtung.⁷³ Two banks in Kwangsi dominated the economic life of the province since their capital was based on the opium trade.⁷⁴ As for the figures, the Kuang-hsi sheng nung-ts'un tiao-ch'a suggested that out of a provincial revenue of 32,950,944 dollars opium taxation accounted for 18,031,000 dollars.⁷⁵ Of greater significance from the point of view of getting a more accurate picture of the division of exports from Yünnan to both Hankow and through Kwangsi is the estimate that in 1931, which was said to have seen the acme of the transit trade, 37,000,000 taels (over 1,360 tons) passed through of which seventy per cent came from Kweichow.⁷⁶ This seems to indicate that the majority of the opium exported from Yünnan took the route to Hankow and beyond down the Yangtze.

Summarizing this brief description it may be said that a significant portion of Yünnanese opium passed through Kwangsi, but that it was not a major portion. Political relations

between the two provinces were affected, if only in part by the need of the Kwangsi faction to tax the transit of opium from Yünnan and the need of the latter to retain an outlet for its opium into Kwangtung. Regrettably there is not enough material to pursue the fascinating topic of the economic basis of the relations between the two provinces at a political level. All that can be said is that judging by the frequency with which one reads of the arrival of representatives from Kwangsi to Yünnan⁷⁷ that the question of the transit tax must have been considered by both sides; but this speculation cannot be substantiated. The relevance of the trade in opium through Kwangsi becomes more comprehensible in the light of the measures which Chiang Kai-shek took with regard to the other major opium market, Hankow, and his subsequent efforts to divert Yünnanese and Kweichow opium away from Kwangsi in order to undermine the financial security of that faction. And so it is the Hankow trade which is now considered.

ii The Hankow Market

The Yangtze in the 1920s and 1930s might well have been called the river of opium. Clubb, to whom any investigator of opium in central China must be indebted, gives the following figures of the amount of opium being taxed in Hankow from 1929 to 1933 which is set out in Table Four. In the five years the respective amounts of taxed opium in Hankow were respectively, in tons, 5,900 tons, 6,903 tons, 4,131 tons, 3,532 tons, and 4,234 tons,

so giving a yearly average of 4,940 tons.⁷⁸ Allowance must be made, naturally, for the infinite variety of corruption which may have affected these figures; no allowance can be made for smuggling. But it is possible to make certain checks on the figures presented.

Table Four

The Amount of Opium Taxed at Hankow, 1929-1933

<u>Year</u>	<u>Amount (chin)</u>	<u>Amount (tons)</u>
1929	100,000,000	, 5,900
1930	117,000,000	, 6,903
1931	70,020,000	, 4,131
1932	57,860,000	, 3,532
1933	71,769,500	, 4,234
<u>Average</u>	79,727,900	, 4,940

Source:- Clubb, The Opium Traffic in China, p.75

The problem which confronts the investigation of the Hankow market at this point is in deducing where the opium passing into Hankow came from. In about 1925 it was suggested by an American banker in Chungking that the monthly export of opium from there down the Yangtze, carried on "...Chinese ships, running under Swedish, French or Italian flags..." was 500 tons, that is six thousand tons per annum.⁷⁹ This figure is considerably below the highest figure recorded by Clubb, but still higher than the average tonnage. And in general the figures from this source suggest that even in the mid-1920s the quantities of

opium produced in Szechwan were rapidly approaching pre-suppression totals. Peasants in Szechwan reckoned their wealth in terms of their opium stores;⁸⁰ in Chungking county 100,000 mou were devoted to the poppy (a production of over 180 tons).⁸¹ One other interesting source, though perhaps not of the same standard of the other sources, but seemingly fairly well-informed, put the amount of opium entering Hankow during the 1930s at between 110 and 295 tons per month (averaging these two high and low estimates one might suggest an annual average of over 2,400 tons).⁸² On the basis of these figures it does not seem unreasonable to suppose that something of the order of 2-3,000 tons of opium entered Hankow every year during the late 1920s and early 1930s.

The majority of this opium would have come from Szechwan with the rest passing down the Yangtze from Yunnan and smaller amounts emanating from Kweichow and Hunan. Yunnanese opium exports to Hankow, though probably not constituting the majority of all exports down the Yangtze, were quite considerable and probably greater than the amounts transported through Kwangsi or smuggled into Indo-China.⁸³

Before concluding this section it should be pointed out that opium produced in the north-western provinces did not, as far as such matters can be ascertained, get transported to Hankow, or only in small quantities. Most of it seems to have been reserved for the northern provinces of China.⁸⁴

The Control of Opium in Hankow before 1934

The previous pages have tried to give an outline of the volume of production of opium in south-west China and the routes along which it was exported. There seems to have been a decline in exports from 1931 onwards, reflecting over-production in those provinces caused by incessant attempts by warlord factions to increase their revenues. In Yünnan from 1931 onwards, when the price for opium was at its zenith, the market became increasingly difficult and in these years several opium trading companies, some of which were apparently invested in by Yünnanese warlords and government officials, went bankrupt. So on the one hand the prohibition movement in Yünnan in 1935 may be ascribed to a nervousness on the part of the faction and government as the market for opium in central China declined, thus making its export no longer a profitable exercise.

However the economic factors which underlay this decline were matched and partly utilized by Chiang Kai-shek in an effort to prohibit opium and, more importantly, destroy the financial basis of independent provincial and sub-provincial warlord factions. One may distinguish three elements in Chiang Kai-shek's attitude towards the problem of opium the moral; the economic; the political. While the moral "problem" of opium in the context of KMT China is very important (and indeed could deserve a chapter to itself) it is on the political and economic aspects of opium control in China that attention will be concen-

trated on. This is to say that it is the mechanics of opium control rather than the welter of moral concern allied with nationalist consciousness which precipitated and crystallized the attitudes of the KMT and Chiang Kai-shek which are given pride of place.

In November 1928, in the National Opium Prohibition Conference (Ch'uan-kuo chin-yen hui-i) Chiang said:

"Henceforth the National Government will definitely not get one cash from opium. If there is this kind of suspicion voiced by this Conference, we shall then recognize that this government is bankrupt...."⁸⁵

Chiang took his moral stance from the condemnation of opium originally proclaimed by Sun Yat-sen in 1912 when he said:

"Opium is the great destroyer of China, its slaughter of our people is greater than the sufferings of war, pestilence and famine...I realize that the most important task of the moment is the prohibition of poppy cultivation in China."⁸⁶

Chiang had been obliged to permit the continuation of Kwangsi dependence on opium revenues during the early stages of the Northern Expedition, but this should not be seen purely as a totally unscrupulous manoeuvre on his part, but more the slender control which Chiang could effect on any warlord faction, even in 1926, to which he looked for support.⁸⁷ The attitudes of certain sections of Chinese public opinion towards opium, above all of the urban bourgeoisie and intellectuals had been predominant in formulating a moral position against opium which the Nanking Government could not but take note of.⁸⁸ Various organs

were formed to represent the fundamentally urban, "middle-class" and Christianized opposition to opium. The earliest⁸⁹ seems to have been the International Anti-Opium Association (Wan-kuo chü-t'u hui), formed in 1918 by a small group of Chinese and foreigners in Peking.⁹⁰ In 1923 the Anti-Narcotics Committee (Chü-tu wei-yüan-hui) was formed by the Chinese Christian Council (Chung-hua chi-tu-chiao hsieh-chin-hui).⁹¹ Both of these organs carried on propaganda against opium, and it was claimed that they had some success in promoting the anti-opium cause. But it does not appear that their actual capacity to act against native production was more than superficial. In 1924 the Chinese National Anti-Narcotic Association (Chung-hua kuo-min chü-tu hui) was organized by the Anti-Narcotic Association and the Shanghai General Chamber of Commerce (Shang-hai tsung shang-hui) which superseded the previous organizations and was responsible for anti-opium propaganda.⁹² This organization was, as far as can be judged, much more influenced by the general patriotic and anti-imperialist political ideas of the KMT than its predecessors.

In September 1927 the Nanking Ministry of Finance published Provisional Regulations for the Prohibition of Opium (Chin-yen chan-hsing chang-ch'eng) whose salient provisions were: firstly, complete opium prohibition within three years during 1928-1930; secondly, any addict over twenty-five years of age could get opium if he had "opium abstinence permits and guarantees"

(chieh-yen chih-chao pao-cheng); thirdly, the Opium Prohibition Board (chin-yen ch'u) was to have a monopoly over the transportation of opium and employ a stamp tax for revenue purposes; fourthly, there was to be a tax of seventy per cent in 1928 and 1929 and of 100 per cent during 1930 on "opium abstinence medicine" (chieh-yen yao-p'in) and a registration procedure for opium merchants.⁹³ As a result of this the Chinese National Anti-Narcotic Association issued a protest which illustrated the new anti-imperialist and patriotic spirit which was to inform the moral objection to opium of the intellectuals and nationalist middle-class members of the Association.

"Opium is a tool of imperialist aggression; the life-line of existence of warlords and bureaucrats. It is indeed the unyielding enemy of the Three Principles of the People, an abomination which destroys the nation and ruins the race. But considering the present plans for prohibiting opium, not only do they run counter to the policy of opium prohibition within three years, but further it is impossible that it should co-exist with the bequeathed teaching of the Director-General."⁹⁴

Under this kind of attack the National Government issued revised regulations in November which in fact were scarcely different from those which had evoked the protest.⁹⁵ Space does not permit a detailed account of the debate which continued between the National Government and the anti-opium lobby lead by the Association. Suffice it to say that from 1927 to 1930 the National Government issued twenty-four different laws and regulations governing opium prohibition and the Association got very little change out of the government.⁹⁶

The revised regulations issued by the Nanking Government in November 1927,⁹⁷ elicited another protest from the Association which sent a delegation to see Cheng Hung-yen, a vice-minister in the Ministry of Finance, who gave a candid description of government policy.

"The present opium prohibition plans are simply calculated to raise funds. If opium prohibition were mooted then not only would opium not be prohibited but in reality it would give reign to the poison. This kind of petty policy is really not popular and further, is not a phenomenon which ought to exist under the National Government. This Ministry has frequently considered making revisions, but military expenditure is in a crisis and there has not yet been time to make adequate plans."⁹⁸

The various bodies and laws formulated in Nanking, such as the Opium Prohibition Committee (chin-yen wei-yüan-hui), the National Opium Prohibition Conference and the Opium Prohibition Law of July 1929,⁹⁹ failed to impose prohibition, as was later admitted.¹⁰⁰ The failure of a fundamentally superficial policy paved the way for the new approach of Chiang Kai-shek in 1932 which was rooted in his military power in central China, which was placed firmly in the heartland of the opium marketing areas and not in the remoter abstraction of the westernized, coastal cities.

The fundamental beginnings of Chiang Kai-shek's attempts to uproot opium in China were, therefore hinged upon the moral aspects of opium as a social evil,¹⁰¹ but the more significant element in his campaign against opium derived from the political and economic power over provincial warlordism which it later gave.

An organization for collecting opium taxes existed in Hankow before 1932 which was the year in which Chiang started to re-organize opium prohibition in China. Known by various names—the Special Tax Office (t'e-shui kung-shu) then the Special Tax Purification Board (t'e-shui ch'ing-li ch'u)—it seems to have finally settled for the title of the Special Tax Board (t'e-shui ch'u) by the end of 1932 (at least in official documents of the period).¹⁰² All opium entering Hankow, shipped in by the numerous trading companies was taxed there; opium warehouses (kung-chan) were used to hold the drug.¹⁰³ There is no space here, unfortunately, to go into the interesting marketing system of Hankow in systematic detail. Suffice it to say that the Hankow market, with its fluctuating number of trading companies (ninety companies in Wuhan in 1931), its 15,000 (sic) reported smoking shops, was very large.¹⁰⁴

In the first days of December 1932 Chiang Kai-shek instituted his new plan for opium prohibition. A Method for Despatching Inspectors to Prohibit Opium Cultivation in the Ten Provinces (P'ai-yüan ch'a-chin shih-sheng chung-yen pan-fa) was announced by him in a report in the Chung-Yang Jih-Pao.¹⁰⁵ There had been rumours of an impending monopoly in the Chinese press and a debate amongst opponents of opium, centring around the advisability of a monopoly, was carried on.¹⁰⁶ Consequently Chiang's first public move cannot have been entirely unexpected. In a speech which he made at the time of this announcement Chiang

pointed to the core of his move against opium cultivation in the inner ten provinces (Kiangsu, Chekiang, Anhui, Fukien, Hupei, Hunan, Kiangsi, Honan, Shensi, Kansu, Hopei, Shantung and Shansi) when he declared that "...in provinces which did not previously cultivate opium, such as Kiangsu, Chekiang, Anhui and Honan, there too, there is much in repeated areas...."¹⁰⁷ Here was the problem: there was too much opium being grown in central China which, although there had been some cultivation, it had not been on the same scale as in, for example, the south-west.

Apart from the problem of grain supplies, which would diminish as opium replaced foodstuffs, the taxation of opium cultivation involved organizational difficulties greater than that involved in taxing its transit and sale.¹⁰⁸ The interesting point here is that it suggests that the establishment of the monopoly in Hankow under the supervision of Chiang Kai-shek's military machine was not, at first, conceived of as a means of destroying south-western warlordism. It was rather a method of simplifying opium control.

The connection between the Honan-Hupei-Anhui Three Province Bandit Extermination Headquarters (Yü-O-Wan san-sheng chiao-fei tsung-ssu-ling pu) was implicitly referred to in the speech referred to above.

"This year when I came up the [Yangtze] River, to super-intend bandit extermination, I was profoundly awoken and pained by the extent of what I saw and heard."¹⁰⁹

Chiang had officially taken command of the Bandit Extermination Headquarters on May 21, 1932, at the orders of the Military

Commission (of which Chiang was Chairman).¹¹⁰ There seems little doubt that the influx of Chiang's personal military machine into Hankow and the subsequent operations in the prohibition of opium were intimately connected.

The most important documents which give some understanding of the monopoly which was established for China as a whole and revolving around the Hupei Special Tax Board are contained in the laws published by Chiang in his capacity as commander-in-chief of the Headquarters in the last two months of 1932 and in April 1933. The first, referred to above, was issued in November and prohibited cultivation in the ten provinces mentioned. How successful the reduction of cultivation in provinces like Kansu and Shensi was is a matter of conjecture, but it does not seem likely that these provinces were at the heart of the matter. A contemporary observer declared that:

"In the course of that year (1933) there was evidently effected a considerable reduction of the acreage devoted to poppy cultivation in Central China, but the record of the last half of the year as regards the effecting of the restriction of consumption by means of control exercised by an honest and socially-minded organization was no more impressive than in the first six months."¹¹¹

The law published in November, the Method for Prohibiting Opium Cultivation in the Ten Provinces (Ch'a-chin shih-sheng chung-yen pan-fa), which involved sending out inspectors, was complemented by three others in the following month.¹¹² Amongst other proposals a system of registration under which Party officials, civilian officials, soldiers and students were to give

up any addiction to opium or its substitutes under medical supervision within a period of thirty to forty-five days.¹¹³ This was not the first time that such methods had been tried; it was indicative of both the concern which Chiang felt for the state of what constituted the elite body of KMT China and also the more general ignorance of how to treat individuals addicted to drugs.

It was in April that laws were issued by the Headquarters which set the framework for the Hankow system. The most important of these was the Regulations for the Strict Prohibition of Opium Cultivation in the Inner Provinces and for the Supervision of the Purchase of Opium Produced in the Border provinces (Yen-chin fu-ti sheng-fen chung-yen ch'ü-ti ts'ai-pan pien-sheng ch'an-t'u chang-ch'eng) which explicitly describes a monopoly system whereby cultivation was forbidden in the central marketing region of China and opium was imported from the south-western provinces. Given the importance of this document, the critical articles of it will be given in full.

"Article One: Whereas in order to plan for the extirpation of the opium menace the regions producing opium must be reduced and the quantity of opium sold restricted forthwith, implementing a gradual diminution by district and by year, in the expectation of attaining the goal of total prohibition, the Regulations for the Strict Prohibition of Opium Cultivation in the Inner Provinces and for the Strict Supervision of the Purchase of Opium Produced in the Border Provinces are specially promulgated.

Article Two: The prohibition of opium cultivation takes effect initially in the inner provinces; apart from the pro-

vinces of Kiangsu, Chekiang, Anhui, Fukien, Hupei, Hunan, Kiangsi, Honan, Shensi, Kansu, Hopei, Shantung and Shansi, where legal regulations have already set a fixed limit within which to prohibit cultivation, regions in the remaining provinces which have not hitherto cultivated opium are definitely not permitted new cultivation; those who have long since been accustomed to cultivation are to reduce / their cultivation / by districts, year by year, and are definitely not permitted to increase / their cultivation /.

Article Three: As for the provincial regions where legal regulations for the prohibition of opium have been laid down, officials shall be sent variously to each said province at the seasons of planting and harvesting by the Bandit Extermination Headquarters or the informed Central / Government / directing agency to inspect and co-ordinate the local military governmental organs in the uprooting of the opium shoots and the burning of the raw opium; as for the various circumstances of the cultivators and officials and gentry who harbour and connive / at cultivation / they are generally to be punished according to the provisions of the Opium Prohibition Law and the Law for the Implementation of Opium Prohibition; army units who harbour and connive are to be severely punished according to martial law; land cultivating opium shall be confiscated without exception, but owners of property who of their own accord make a declaration / of their opium acreage / shall be exempt....

Article Four: All those within the provincial regions where legal regulations for the prohibition of opium have not yet been laid down who have not at once turned over to the cultivation of grains or other produce or who desire to continue the temporary cultivation of opium must report the acreage and the approximate sum of the amounts produced by requesting registers and receiving certificates granting special permission.

Article Five: The opium required by those in the various provincial regions who on account of age or illness have been specially permitted to receive limited period opium prohibition permits in accordance with the Regulations for the Rigorous Abstention from Opium and the Supervision of Addicts within this limited period is to be provided by the Hupei Special Tax Board which shall deliberate on the prices / of opium / in the regions of production and investigate the amount of supply and demand and shall purchase and transport / the opium / as a monopoly from the border provinces which have not yet prohibited cultivation. No private individual or organ whatsoever may undertake trading of their own accord; but when the occas-

ion arises those merchants who have special permission from the Special Tax Board to receive Purchasing Licences (ts'ai-pan cheng) to purchase on its behalf are exempt from this restriction.

Article Six: All those desirous of acting as purchasing merchants for the purchase of opium produced in the border provinces must make a written request to the Hupei Special Tax Board, stating clearly their name, age, native place and permanent residence, and pay over a sum as security, requesting registers and receiving Specially Permitted Purchasing Permits.

Article Seven: All those who have not yet received Specially Permitted Purchasing Permits may not be issued with Purchasing Licences; all those who have not yet received Purchasing Licences may not purchase opium produced in the border provinces and import it to the inner provinces.

Article Eight: Purchasing Licences must state the following items clearly as solely defined and issued by the Hupei Special Tax Board:-

- 1) The name of the person who has received the Licence and the number of Specially Permitted Purchasing Permit which was originally received;
- 2) The purchasing district and quantity and the period of travel there and back;
- 3) The route through which it is proposed to import;

Article Nine: Specially Permitted Permits and Purchasing Licences may not be resold, transferred, leased or lent; in case of loss it should be immediately reported to the Hupei Special Tax Board for cancellation of the number and variously replaced according to the regulations.

Article Ten: Without exception Purchasing Merchants must comply with the following items:-

- 1) Follow the import routes prescribed by the Hupei Special Tax Board;
- 2) If the Special Tax Board has already specially established in the said location the organization and machinery (chi-kuan chi kung-chü) for transportation on the compulsory import routes the opium must be transferred to the said organization of transportation which shall be responsible for transportation on behalf of the Purchasing Merchants.
- 3) All imported goods on arrival at the opium warehouses (kung-chan) established by the Special Tax Board at the nearest point of entry to the border must

immediately be unloaded for storage to allow officials sent by the Special Tax Board, in concert with the officials of the opium warehouses, to verify the quantity and affix to each item a stamp tax; moreover, following the calculation of the tax according to the rate, by consignment and by brand, the opium warehouses are responsible for the security, brokerage and marketing / of the consignments /; but if and when the opium warehouses are unable to effect a sale fully in the vicinity of the point of entry nearest the border, it may be permitted to entrust the said warehouses distribution / of the consignments / to other warehouses in other areas on behalf of / the Purchasing Merchants /.

4) The removal of goods stored in opium warehouses can be initiated or they may be distributed on behalf of / the Purchasing Merchants / on condition that the tax be paid in full according to the regulations or it is permissible for the tax which has not yet been paid in full to be rendered as a bill of exchange. The methods for responsibility in transportation on behalf / of the Purchasing Merchants / and in security will be defined in detail elsewhere; according to the regulations the transportation organizations and the opium warehouses bear the responsibility for the recompensing of losses.

Article Eleven: All prepared opium firms (t'u-kao hang) which purchase opium from the opium warehouses for transportation back to the said areas for sale shall receive Transportation Licences (chuan-yün cheng) prescribed by the opium warehouses; if and when / opium / is transported from province A to province B, even if the transportation is within the borders of province A of necessity to an area bordering on a region of province B, the opium warehouses must be entrusted to transfer it to the transportation organizations set up by the Special Tax Board to take responsibility for transportation on behalf of / the prepared opium firms /, otherwise it will still be considered as smuggling...."114

From these regulations the system which Chiang intended to operate is quite clear. The inner provinces, for the most part those which he controlled through civil and military organizations loyal to the National Government and his authority, were to be supplied with opium purchased by opium trading companies from the border provinces, which excluded all the major provinces except the south-western ones of Szechwan and Kweichow and

Yunnan. Why Kansu and Shensi were placed within the category of "inner provinces" is beyond the limits of my investigations.

The so-called monopoly mentioned in Article Five was a system for taxing the trading companies which were already in existence.

The so-called "transportation organizations", if they were actually formed by the Special Tax Board, were only to function within the limits laid down—that is within the area of prohibition of cultivation.

An important question to consider is the extent to which the Regulations just cited at great length reflected not only the system which it was intended to implement, but also the extent to which a marketing system akin to that implied in the Regulations existed before their effective implementation. It seems fair to argue that on the basis of at least some of the sources previously cited, Clubb for one,¹¹⁵ the trading system of merchants buying opium from the south-west and shipping it into the central marketing areas where it was subject to various transit taxes and levies on storage in warehouses (which almost certainly gave sure opportunities for corruption amongst officials), organized by a combined military and civilian bureaucracy, did exist. The question of the actual implementation leads the way to a further account of the development of Chiang Kai-shek's Hankow opium monopoly before 1935.

But before pursuing this line of approach it should be made clear that the initial motivation for the establishment was not

either purely an effort to extinguish opium as a social evil, or to destroy the financial independence of the south-western warlord factions, provincial or sub-provincial. It seems more likely that the Hankow monopoly provided a means whereby to stabilize the opium exports of the south-west and get rid of cultivation in the regions controlled by Chiang. The aim of undermining the financial basis of provincial warlords developed out of the initial organization. Such an argument is difficult to prove, since there is little material evidence in the way of documents which indicates that Chiang and his staff came to realize that not only could they control opium production and consumption but also engulf the south-west by such a monopoly. The destruction of south-western financial independence was a feature of the years from early 1935 onwards, as the later sections of this chapter intend to show.

But in support of the proposition that the initial premise behind the establishment of a monopoly, under the command of Chiang as Commander-in-chief of the Bandit Extermination Headquarters, was primarily related to considerations of the control of the import of south-western opium it may be advantageous to cite certain documents concerning the opium export trade in Szechwan.

On December 30, 1936 a conference was held in Chungking in which Liu Hsiang and high officials, including the head of the Opium Prohibition Bureau and the Provincial Minister of Finance,

discussed "opium prohibition". Among the decisions taken was one that "...the agreement reached between the Szechwan Opium Prohibition Bureau and the Hupei Special Tax Board to transport 800 piculs of opium each month to Hupei should still continue to remain in force."¹¹⁶ The date at which this agreement was concluded is not stated either in the document from which the citation was drawn or in any others.¹¹⁷ But the essential point, which the Regulations issued by the Bandit Extermination Headquarters do not reveal, is that the prohibition and control operation was not simply one involving governmental and military control over merchants, but that it was as much, if not more, a system for controlling trade in opium between national and local power.

From the last months of 1932 onwards there was a movement towards the strengthening of the monopoly in Hankow, which was vigorously attacked by the merchant trading companies.¹¹⁸ At the same time the financing arrangements for opium firms in Hankow were under the domination of the Farmers' Bank of the Four Provinces of Honan, Hupei, Anhui and Kiangsi (YU-O-Wan-Kan ssu-sheng nung-min yin-hang), which was founded on January 27, 1933.¹¹⁹ This Bank, which was renamed the Farmers' Bank of China on June 4, 1935, was originally directed by Kuo Wai-feng, who had been Head of the Rural Fiscal Relief Board of the General Headquarters (Tsung-pu nung-ts'un chin-jung chiu-chi-ch'u ch'u-chang), in Hankow, where the head office was.¹²⁰ Many sources

have declared quite openly that the major function of this bank was the financing of the opium trade in central China, partly to provide funds for the campaigns against the communists.¹²¹ Even Mei Kung-jen, whose eulogies of Chiang Kai-shek need to be seen to be believed,¹²² went so far as to say that:

"As for the so-called Four Province Farmers' Bank for the relief of the peasantry, it, too, has forgotten its work of relieving the farmers and providing capital for the relief of the farmers; and it makes opium-mortgages (ya-p'ien ya-k'uan) injur us to the farmer."¹²³

Interestingly enough one of the officials connected with this Bank was Li Hung-chi whom Chiang had appointed to the head of the Special Tax Board in March 1934.¹²⁴ The connection between the Farmers' Bank and the Hankow Headquarters may be gauged by the fact that at the end of 1934 out of a paid-up capital of 3,000,000 yüan 1,250,000 yüan was provided by the Bandit Extermination Headquarters.¹²⁵ The general conclusion of observers in Hankow was that the opium monopoly was a means of making money for the Headquarters, and this was probably true in part.¹²⁶ But as this chapter has emphasized, this was not the whole story.

Before returning to the reaction of Yünnan to the crisis in the opium trade, one further point should be made concerning the organization of the monopoly. On January 11, 1933 the Hankow Headquarters announced that "...for the purpose of unifying the national opium prohibition cause a National Opium Inspectorate (chin-yen tu-ch'a-ch'u) has already been established to control and devise methods of opium prohibition."¹²⁷ Also

from April 1, 1934 this Inspectorate, which was the principal organ for supervising the Hankow opium monopoly, was placed under the control of the Nanchang Headquarters, where Chiang was directing his fifth campaign against the Central Soviet Area.¹²⁸ Thus the link between the opium monopoly and the incursion of central troops into the south-west had been prepared. This is not to say that the undermining of provincial warlord finances through the control of opium imports into the central provinces and the invasion of south-west China by National Government armies was a planned, concerted effort to destroy warlordism in the south-west. It was a development which took shape gradually; the economic and military elements were separate. But the fact that opium control had been taken under the wing of Chiang Kai-shek, appointed General Opium Prohibition Inspector (Chin-ri-ven tsung-chien) on May 29, 1935,¹²⁹ made possible the conjunction of the two elements of opium control and military force.

Opium Prohibition in Yunnan

Having reviewed the distribution of the opium trade (its cultivation; the regions in which it predominated; the trade routes; the initial system organized in Hankow to control imports from the southwest) it is now possible to consider the sequence of events in Yunnan which led to the decision to prohibit opium cultivation by stages and to organize a monopoly to control the export of opium and the sale of prepared opium within the prov-

ince.

In spite of the basic decision to tax the opium trade, in the aspects of cultivation and transportation, reached at the Reform Conference of 1928, an order was issued on July 21, 1928 suppressing the opium trade in Yunnan.¹³⁰ But this was most probably a reaction to the various laws issuing from Nanking on the subject.¹³¹ As the Yün-nan hsing-cheng chi-shih, delicately put it:

"In 1929 the Provincial Government was established and many discussions [were held] to effect a change; but because of the circumstances of that time, with internal disorder only recently overcome, the distresses of the masses not yet relieved and cultivation continuing in neighbouring states and provinces, it was not possible and things continued as they were. In 1933 the competent authorities for opium prohibition forcefully submitted that prohibition through taxation was harmful and that principles for the implementation of prohibition should be proposed...."¹³²

The mooting of opium prohibition in 1933 was undoubtedly influenced by the activities of Chiang Kai-shek in Hankow and the severe crisis in the opium trade which had led to bankruptcy for firms in 1932 and after.¹³³ The Yunnan Opium Prohibition Bureau had argued that, "...financially and economically speaking it cannot be said that over a short period [opium taxation] has not been advantageous. But taking a long-term view of the future the complete devastation of the poison is without limit. Consider the most outstanding effects: the destruction of the moral fibre of the young; the obliteration of civilization; the rise in bankruptcy...."¹³⁴

It was on November 22, 1934 that Lung Yün officially proposed opium prohibition within the province.¹³⁵ It was said that over ten meetings had been held in the half year prior to Lung's proposal,¹³⁶ which indicate, perhaps, the difficulty with which the provincial government was faced. Morally the faction was always obliged to retain prohibition, in name at least, but the grim economic necessity of opium had thitherto prevented any serious opium prohibition.

In 1931 the price of opium had stood at twelve dollars per tael but had fallen dramatically since then, as the bankruptcies of opium firms in 1932 and 1934 showed.¹³⁷ New taxes were instituted on the trading route to Hankow on January 1, 1934, higher than the old ones, whereby opium from Szechwan, Kweichow and Yunnan paid 120 dollars per picul at Chungking, 360 dollars at Wan-hsien, 400 dollars at Ichang, and 320 dollars at Hankow, altogether 1,200 dollars per picul.¹³⁸ The sting in the tail, as far as Yunnanese opium was concerned, was that the Yunnanese opium paid the full rate, being more expensive, whereas the other provinces were permitted a reduction of thirty per cent of the full rate.¹³⁹

It may be surmised that the bankruptcy of the opium firms, caused by the fall in the opium price, the increased tax burden, and the new impetus given to opium prohibition by Chiang Kai-shek's endeavours were the principal factors in producing Lung's decision. But the provincial government did not throw in the

towel immediately. For during the period when the government was supposed to be earnestly discussing ways of prohibiting opium a strenuous attempt was being made to set up a factory to manufacture morphia in Yünnan from Yünnanese opium and transport it by plane, presumably to Canton.¹⁴⁰ This plan was only abandoned late in December through the action of the members of the consular body in Kunming.¹⁴¹ Regrettably the diverting story of this project cannot be described here in any detail, for want of space, but it seems to have involved many high military and civil officials, including Chang Pang-han and Lu Ch'ung-jen.¹⁴²

Having exhausted every means of avoiding the issue preparations to implement opium prohibition were put in motion. The system adopted was one by which, from the autumn of 1935 the cultivation of opium in one group of counties, surrounding Kunming and the more fertile part of the province, was to be prohibited; from 1936 a second group of counties was to be similarly prohibited from cultivation; and from the autumn of 1937 the final group of counties were to be prohibited with the exception of a number of counties and districts known as "extended cultivation districts" (chan-chung-ch'ü).¹⁴³ At the same time a system of monopoly purchase of all opium grown in Yünnan was to be instituted, in which trading merchants could subscribe share capital.¹⁴⁴ Also arrangements were to be made to abolish the private sale of prepared opium, substituting another monopoly.¹⁴⁵

The prohibition of opium would inevitably lead to the loss of

those revenues which the provincial derived from the taxation on its cultivation and export. Therefore the prohibition period coincided with one in which attempts were made to find other sources of revenue to supplement the deficiencies.

In 1935 Miao Chia-ming explained the general argument to Lung Yün in a document presented in 1935.

"Since the opening of the Indo-China-Yünnan Railway the import of foreign goods has increased day by day; especially great has been that of cotton yarn and cotton piece-goods. Annual imports are valued at over ten million dollars. Previously, apart from Kōtchiu tin exports; what was relied upon to regulate the level of imports has not been included in formal trade records. Opium exports constituted the vast bulk of this. Since the eighteenth year of the Republic (i.e. 1929), when Your Excellency (chün-tso) assumed the government the strict prohibition of opium cultivation has been severely enforced which is of the greatest benefit to the future of the country and the health of the people. Moreover it has not been without a certain effect on the rural economy of Yünnan. [I, Miao Chia-ming, have previously received your personal instruction [mien-yü] to devise with all speed a means of supplementation (i.e. for opium cultivation) in order that the impoverishment of the villages should not affect society in its entirety. Apart from permission granted to establish the Tin Refinery for the thorough refining of standardized pure tin for direct sale to Europe and America to increase the income of foreign exchange as a means of making good the deficiency, on renewed investigation [it appears that] the profits from the tin trade are limited to a few counties in the south riding, but cotton yarn and cotton piece-goods penetrate deeply into the villages of the whole province.

Prior to opium prohibition the peasants exchanged the opium which they might cultivate anywhere for the cloth needed by all since it was easy and not extraordinary, reckoning it advantageous. It is certainly not possible, with this kind of poison which harms the people and debilitates the nation, to "drink poison to quench one's thirst", in permitting its existence. But it is clearly not easy to make plans to make good the loss following opium prohibition, through another rural product. Although one may cultivate a lot of black beans, maize and miscellaneous grains, it will still not be possible to obtain in exchange the cotton cloth to provide clothing. This, in truth, is the key to the prosperity or

decline of villages which cannot but be given the greatest attention."¹⁴⁶

Clearly, although one need not necessarily believe that the tin refining project was part of a far-seeing scheme to get rid of the dependence on opium, both in the financial and economic sense, the need to supplement funds accruing from opium prohibition had been well understood. Therefore in considering the detailed organization and planning of the prohibition of the opium trade, which was not fully ended by the end of 1937 at least, attention must also be given to the new sources of income which Miao Chia-ming was expected to summon up.

The opium prohibition scheme announced at the end of November came into force in 1935. The three aspects of prohibition will be dealt with separately under the rubrics of cultivation, export and local consumption.

i The Prohibition of Cultivation

The official bodies in charge of opium prohibition in Yunnan were the Opium Prohibition Bureau, the original organ for tax-collection, the Opium Abstention Committee (chieh-yen wei-yüan-hui) which was founded on July 1, 1935, and the Opium Prohibition Committee (chin-yen wei-yüan-hui) which was compounded of the two former bodies, which were abolished, on July 1, 1936.¹⁴⁷ The Opium Prohibition Bureau submitted its "Regulations for the Implementation of the Prohibition of Opium Cultivation in Yunnan" (Yün-nan shih-hsing chin-chung ya-p'ien chang-ch'eng), in

conjunction with its other regulations for the prohibition of export and smoking (discussed in the following sections, ii and iii), to Chiang Kai-shek on April 2, 1935, who had them revised in certain passages.¹⁴⁸ Fundamentally these regulations provided for the complete prohibition of opium cultivation by district and by year, in accordance with the principles laid down in the regulations issued by Chiang in April 1933.¹⁴⁹ Three areas were defined, the first covering thirty-eight counties in central Yunnan, which from 1935 onwards were no longer to cultivate opium. This did not, of course, affect the crop of the spring of that year. The second area, which was said to grow the most opium, was to cease cultivation from the autumn of 1936, and the third which formed the last of three concentric areas (See Map Two) was to stop cultivation from 1937.¹⁵⁰ Certain special "extended cultivation districts" were initially proposed which would continue to grow poppy from 1937. Amongst other conditions proposed by the provincial opium prohibition bureau for these regions (initially termed "specially permitted opium cultivation districts") was that the "quality of the opium produced [should be] good", but in the revisions effected by Chiang Kai-shek this phrase was deleted.¹⁵¹ (For the location of these districts see Map Two.) To the surprise of nearly all foreign observers the regulations were actually put into effect; but there were a few cases of resistance, especially in regions where non-Han minorities predominated, and troops were used. In

at least one case it seems that the reaction against the enforcement of the regulations was led by gentry which suggests that the cultivation of opium was encouraged onto the tenants by the local land-owners.¹⁵² There is a fundamental lack of information concerning this point (and the exact system of financing opium cultivation at a local level in Yünnan) and unfortunately the topic cannot be pursued further.

Fitzgerald, in a survey of the western districts, confirmed the effectiveness of the extirpation of the poppy, and also pointed out the disastrous effects that this had on the local cash economy.¹⁵³ Not only did the farmers no longer have the cash to purchase the goods they required from the fairs where extra-provincial goods were sold, but land prices fell sharply as the return on land declined.¹⁵⁴

ii The Prohibition of Transportation

The organ created by the provincial authorities for the control of opium exports was known as the "Special Goods Monopoly Transportation Board" (t'e-huo t'ung-yün ch'u), set up on May 1, 1935.¹⁵⁵ This Board was established by virtue of the "Regulations for the Implementation of the Prohibition of Opium Transportation in Yünnan" (Yün-nan ch'üan-sheng shih-hsing chin-yün ya-p'ien chang-ch'eng).¹⁵⁶ It was to absorb the capital of the opium export merchants active in Yünnan, who, it was said "... had some doubts..." about the advisability of placing their capital into such a venture.¹⁵⁷ The proposed capitalization of

of this organization, which was to be of the "...nature of a limited share company", was to be NYN\$10,000,000, of which the government would provide seventy per cent while the rest was to be subscribed by "people from all professions" (ko-chieh jen-min), that is opium trading companies.¹⁵⁸ It was to have the monopoly of the collection, transport and sale of all opium during a three year period, establishing branches, not only in Kunming, but also at other places in and outside the province.¹⁵⁹

The chief officials directing this Board were Lu Ch'ung-jen, the Provincial Minister of Finance, who was the Comptroller (chien-tu), and the Manager of the New Futien Bank, Miao Chia-ming, together with the head of the Opium Prohibition Bureau, Yu En-te.¹⁶⁰ All these men were intimately linked to Lung Yün personally, and were important financial officials in the government. It is interesting to note that Miao Chia-ming did not hold official positions in any of the other opium control organs; this is significant because in the Yün-nan hsing-cheng chi-shih the officials who functioned in all the other three organizations are mentioned by name, but as for the Board the personnel are only referred to by their official titles within the government. In view of Miao's stated views concerning opium one may conclude that he was concerned to play down his role in the opium trade as it conflicted with his general role of stimulator of commercial and industrial enterprises which were intended to eliminate opium as a source of revenue.

According to official reports, the receipts of this organization during its three years of operation were respectively NYN\$10, 250,000, 7,660,000 and 5,558,000.¹⁶¹ If these figures are compared with those provided in Yün-nan chih ts'ai-cheng for "actual receipts" for the years 1936 and 1937, which would correspond to the second and third years receipts declared by the Board, some interesting differences appear. The figures for actual receipts for 1936 and 1937 would have included some revenue from the opium cultivation tax, which considerably complicates the matter (and it is not clear whether the receipts admitted to by the board cover the calendar or financial years), but in spite of these difficulties the comparisons are listed below in Table Five.

Table Five

Revenue from Opium, 1935-1937 (in New Yunnan Dollars)

<u>Year</u>	<u>Column One</u> ¹	<u>Column Two</u> ²
1935	10,250,000	(no figure available)
1936	7,660,000	5,200,000
1937	5,558,000	3,137,000

Sources:- 1) Yün-nan hsing-cheng chi-shih, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan-ying-yeh, p.34b.

2) Yen Jen-keng, Yün-nan chih ts'ai-cheng, pp. 10a-b, supplementary table three. The figures given had been converted from National Currency into New Yunnan Dollars at the rate of NC\$1.00 to NYN\$2.00

In spite of the severe limitations which the differences between the dating and content of these two sets of figures impose it is still possible to see that the revenue accruing to the government from opium was declining. Whereas in 1931 and 1932 revenue from opium taxation had amounted to NYN\$4,177,000 and 7,441,000 respectively, representing approximately thirty-three and thirty-eight per cent of the total income of the government, in 1936 and 1937 the income from opium had fallen to NYN\$5,200,000 and 3,137,000 respectively.¹⁶² These sums represented, respectively, . 18.5 and 8.2 per cent of the total annual income (see Table Six).

Table Six

Governmental Income, 1936-1937 (unit: NYN\$1,000)

<u>Item</u>	<u>1936</u>	<u>Percent</u>	<u>1937</u>	<u>Percent</u>
Special Consumption Tax	5,062	18.0	4,059	10.6
Opium Prohibition Fines	5,200	18.5	3,137	8.2
Tin Consumption Tax	2,501	8.9	2,962	7.7
Land Survey Tax	3,128	11.1	2,482	5.7
Salt Tax	2,200	7.8	2,101	5.5
Animal Slaughter Tax	1,756	6.3	1,830	4.8
Military Rations Levy	1,726	6.1	1,524	4.0
Alcohol and Tobacco Tax	1,152	4.1	1,141	3.0
Land Tax	1,010	3.6	993	2.3
Wartime Income Tax	--	-	1,131	2.9
Local Business Income	773	2.8	13,631	35.5
Other	3,572	12.8	3,710	9.8
Total	28,080	100.0	38,401	100.0

Source:- Yen Jen-keng, Yün-nan chih ts'ai-cheng. pp.10a-b,

23a, supplementary tables three and six. It should be noted that in both of these tables are included the items "other income" which comprises but a part of the item "other" in this table.

On the basis of these estimates it is clear that the revenue derived from opium had declined by 1937 to the point where it was no longer the most important source of income. To this extent the opium trade could be said, at that point, to have been eliminated as the financial basis of the provincial faction in Yunnan. Other forms of tax on land, such as the Land Survey Tax (ch'ing-chang chao-fei), had partly replaced it, and the Tin Consumption Tax (hsi hsiao-fei shui) had come to occupy a substantial role in the gross income of the provincial government. The phenomenal amount of money deriving from the item, Local Business Income, which amounted to some thirty-five per cent, will be dealt with later. But it suffices to say, at this juncture, that this item was intimately connected with the efforts of Miao Chia-ming to supplement the deficiency brought about by the abandonment of opium as a primary source of revenue.

The Monopoly Board seems to have adopted the practice which had been established by Chiang Kai-shek in Hankow, that is coming to an arrangement with one trading firm for the monopoly export of opium from Yunnan. In the case of the Hankow monopoly it was, of course, the practice to permit trading companies to import opium from the producing regions.¹⁶³ In a report by the

United States consulate of September 1935, interesting details of the type of agreement arranged are presented. The Monopoly Board had accumulated 16,000,000 taels during June and July of that year and was considering the export of opium to Hankow, where, it was reported in the Yün-nan Jih-pao, market conditions had improved sufficiently to permit profitable export through Szechwan.¹⁶⁴ A certain Yung Mao-kung had submitted an application to act as an agent for the monopoly to sell Yunnanese opium in Hankow. At the time the market price for 100 taels of the drug in Hankow was said to have been NC\$220 or approximately NYN\$440.¹⁶⁵ The agent, Yung Mao-kung had submitted the contract as follows, according to the report.

- "1. The agent shall guarantee to sell from 1,500,000 to 2,000,000 ounces of raw opium yearly.
2. The term of the agency shall be temporarily fixed at one year.
3. The agent shall pay a deposit of Yunnan Paper \$200,000...as security (that is in old dollars, equalling NYN\$40,000).
4. Each shipment shall contain at least 200,000 ounces.
5. The agent shall pay into the office at Yunnanfu the total amount of the value of the opium plus the stipulated export and other taxes.
6. The Monopoly Office shall then concern itself with the shipment of the opium to the Szechwan border where it will be handed over to representatives of the agent....
7. The agent shall be given complete authority to deal with the opium within Szechwan territory."¹⁶⁶

The same source, citing another local newspaper, the New Merchant (Hsin Shang-pao), described the exact nature of the tender. For 100 taels the sum of YN\$615 (i.e. NYN\$123) would be paid comprising YN\$400 (NYN\$80) as the cost of purchasing

the opium by the Monopoly Office (that is the Special Goods Monopoly Transportation Board), YN\$100 (NYN\$20) as twenty-five per cent profit for the Board, and export and other opium taxation to the value of YN\$115 (NYN\$23). Therefore the difference between the market price in Hankow for 100 taels (NYN\$440) and that paid to the Monopoly Board (NYN\$123) was NYN\$317. The tax to be paid on the route from Chungking to Hankow amounted to NYN\$2,400 per 1,000 taels, on January 1, 1934, and assuming that this rate still applied the profit after the deduction of these taxes on 100 taels would have been NYN\$77, out of which the merchant would have to bear the expense of transportation, which, alas, is an unknown quantity.

In summarizing the information available, it seems that the chief effect of the reduction of cultivation and the introduction of a monopoly was to raise the market price for opium,¹⁶⁷ and ensure a steady, rather than an uncertain, income from opium and its export. But the central fact remains that opium revenues were gradually diminished until they reached such a level that they were no longer significant, thus paralleling the situation in British India at the end of the nineteenth century, when the revenue from the export of opium to China formed an increasingly declining proportion of the total budget and contributed in part to the subsequent agreements between Britain and China to end the export of Indian opium to China.¹⁶⁸

iii The Prohibition of Consumption

A tax on opium smokers had been introduced initially in January 1930; four classes of smokers were taxed at varying rates per month.¹⁶⁹ Retail shops also paid taxes; in 1933 there were said to be at least 100 of these establishments, again divided into classes and paying tax according to the class in which each was placed. There is no information concerning the income from this source, but it seems reasonable to suppose that the difficulties involved in collecting the taxes would not have made this item of revenue very large or important within the general context of opium taxation.¹⁷⁰ The taxation was collected by the Bureau of Public Safety (kung-an chü).¹⁷¹

This thesis has not made any attempt to estimate the number of opium smokers in Yünnan as yet. But assuming that the annual production of opium was approximately 112,000,000 taels per year, of which between (before prohibition commenced in 1935) fifteen and perhaps as much as fifty million taels were exported, then something like sixty to 100 million taels were consumed in the province.¹⁷² A general distinction was made between the occasional smoker and the man who was really addicted, but it was widely held that the average daily consumption of prepared opium per person per day was one-fifth of an ounce.¹⁷³ Further it should be noted that while 60-100,000,000 taels of raw opium were smoked in Yünnan, it was consumed only after a complicated process leading to the production of prepared opium had been carried out. The amount of raw opium should be reduced by about

forty per cent, to between thirty-six and sixty million taels of prepared opium.¹⁷⁴ On the basis of these somewhat tentative figures it may be suggested that the average yearly consumption per capita was about seventy taels and the number of smokers was between 500,000 and 850,000, rather smaller than the numbers generally cited by Chinese sources.¹⁷⁵ Roughly speaking, the population of Yunnan during the 1930s was 11,000,000;¹⁷⁶ and so smokers would have constituted between five and eight per cent of the total population. If these tentative estimates of the "addicted" population are correct (they do seem somewhat small), then they only point to the general concept expressed in this chapter that the importance of opium in China during this period was not so much that it was a social menace, bringing families to the brink of bankruptcy, although such things certainly did occur, but that it provided the rural population in south-west China with a means of making money to buy cotton and other imported goods and financed the armies of the warlords.

Regulations for the Implementation of the Prohibition of Opium Smoking in the Whole Province of Yunnan (Yün-nan ch'üan-sheng shih-hsing chin-hsi ya-p'ien chang-cheng) were issued along with the other regulations previously cited governing the prohibition of cultivation and transportation.¹⁷⁷ They provided for a system whereby smokers were prohibited from smoking opium in the first cultivation prohibition district, where cultivation was prohibited from the autumn of 1935, from

January 1, 1936; similarly in the second and third districts smoking was to be prohibited from January 1, 1937 and 1938 respectively.¹⁷⁸ Systems of registration were envisaged, and a distinction was arbitrarily made between those over forty years of age who could obtain "public opium" (kung-kao), described by another source as "...a kind of opium...mixed with morphia."¹⁷⁹ Those below forty were permitted to smoke only "anti-opium medicine" (chieh-yen yao); both of these forms of opium were to be manufactured as a monopoly.¹⁸⁰ It is hard to believe that this system had any chance of succeeding, given the prevailing conditions, and there is some evidence to substantiate this belief.¹⁸¹

On July 5, 1935 an Office for the Manufacture of Medicine and Opium (Yao-kao chih-tsao so) was formally established on the basis of the Regulations previously cited, which commenced operations in December 1935.¹⁸² Public opium was manufactured and sold in three and then two grades; the price of the best grade, which was YN\$9 per tael in January 1936 was raised to YN\$24 per tael (i.e. from NYN\$1.80 to NYN\$4.80) by February 1, 1937.¹⁸³ It also produced the said anti-opium medicine, manufactured "...from the original anti-opium pill prescription of Lin Wen-chung-kung (i.e. Lin Tse-hsü) which had been given to medical specialists for adjustment according to the seasons and climate of this province and the state of sickness of the addicted...."¹⁸⁴

One of the perennial problems associated with any opium monopoly was the control of smuggling, illicit cultivation, official corruption in the supply of the monopoly opium, all of which reduced the profit from the sale of monopoly produce. Addicts did not register in large numbers; for example, in the first district in the first period, that is from 1935-1936, only 54,585 addicts were supposed to have registered for whom an annual total of nearly 2,000,000 taels of "public opium" was supplied.¹⁸⁵ But the general tendency, in spite of the evasion of the legal requirements, was towards a diminution of the habit. But the main point was that cultivation and production during the three years from 1935 to 1937 was definitely diminished.

Summarizing the prohibition movement one may say that it had its origins in the decline in the market price for opium caused by over-production, and probably increasing competition from Manchurian opium and derivatives. It was reinforced by a new policy initiated by Chiang Kai-shek in 1932-1933 whereby a system of control and taxation of opium imports was instituted. The efforts of the provincial faction to manufacture morphia and export it by air failed and so prohibition was instituted to reduce cultivation and thus raise the market price and concentrate revenue from the export of opium further in the hands of the government. But after 1935 the Monopoly in Hankow was used by Chiang Kai-shek for political ends to undermine the financial basis of provincial warlordism. This new direction was strongly

reinforced by the military penetration of Chiang Kai-shek into south-west China. In the case of Kweichow, for example, a system of taxation was introduced to make it cheaper to sell Kweichow opium to Hankow rather than to Kwangtung through Kwangsi, and similar efforts were made to induce Yunnan to conform to this pattern.

The years from 1935 onwards saw the increasing infiltration of various officials from the Nanking Government and signs of an increased willingness of Lung Yün to accomodate himself to the wishes of Chiang Kai-shek. At the same time the Provincial Government busied itself with finding new sources of income to replace those formerly accruing from the opium trade. The man chiefly responsible for these new measures was Miao Chia-ming, and in examining his activities it is possible to see in action one of the provincial entrepreneurs or "bureaucratic capitalist" and study the political and social principles of a previously unexplored area of industrialization and westernization.¹⁸⁶

The second section of this chapter concerns itself with the interpretation of the previous summary in detail. This second section falls into two parts; firstly, the military and political penetration of national power into Yunnan and the efforts of Chiang Kai-shek to use the opium monopoly to weaken that province and its neighbours, especially Kwangsi, and secondly, the new economic policies of the Provincial Government under the general direction of Miao Chia-ming and the social and political ideas

which underlay them.

The Military and Political Penetration of Yunnan

By the autumn of 1934 the Central Soviet Area had been annihilated and the Red Army was escaping from the débacle pursued by Chiang Kai-shek's armies. The route which the Long March took led the Red Army through Kweichow. For several years Lung Yün had taken an active interest in the affairs of Kweichow, generally giving a helping hand to Yu Kuo-ts'ai, one of the Kweichow warlords who had invaded Yunnan in 1927 under the command of Chou Hsi-ch'eng.¹⁸⁷ Yu had made contact with Lung Yün, visiting him in Kunming in March 1933, in an attempt to get material support in his struggle with Wang Chia-lieh, then the Chairman of the Provincial Government, but by no means the leader of a single, unified faction.¹⁸⁸ The ups and downs of the struggle between Wang Chia-lieh, who was supported by the Kwangsi faction, and Yu Kuo-ts'ai, who was dependent on Lung Yün, are not relevant here except that it may be said that by the summer of 1934 Yu had not ousted Wang but gained control of a portion of Kweichow around the P'an River in the west of the province through negotiations in which Lung had had a hand with a view to buffering Yunnan from pressure from Kweichow under the domination of Kwangsi.¹⁸⁹

In this situation Lung Yün sent a telegram to both Wang and Yu in which he outlined the invasion of Kweichow by Ho Lung and Hsiao K'o and the potential threat from the communist armies

retreating from Kiangsi.¹⁹⁰ He urged both sides to cooperate in attacking the communists:

"If this rumour is true (i.e. of the retreat of the communists from Kiangsi) the scourge of communism will fall upon the whole of the Southwest and not on one or two provinces only...It is trusted that you will take the occasion to co-operate honestly so that I may assist you in every way possible in communism suppression."¹⁹¹

Once more the theme of provincialism and regionalism was being restated, as it had been first enunciated in 1927 by the four generals who had overthrown T'ang Chi-yao.¹⁹² The foremost consideration of Lung Yün, apart from hoping that the Kweichow warlords would keep the communists out of Yünnan, was the maintenance of the status quo in the south-west so that the power of Nanking could not penetrate.

But Kweichow warlords were unable to stop the progress of the Long March, being deficient in troops capable of fighting, unwilling to risk those they had in serious attacks on the communists lest they lose the little military strength they possessed, and averse to cooperating with rivals within their province. The result was that Chiang Kai-shek moved into that province,¹⁹³ removing Wang Chia-lieh from office in April 1935,¹⁹⁴ as well as getting rid of other warlords such as Hou Chih-tan who was taken off to Chungking in January 1935.¹⁹⁵ This was the first of the south-western provinces to fall, and this event must have had a considerable impact on the provincial faction and government in Yünnan, since it occurred just before Chiang Kai-shek's visit to

Kunming.

In the autumn of 1934 Chiang Kai-shek had started a series of trips around the more remote provinces of China, visiting T'ai-yüan in Shensi on November 8, where he made "...a slashing attack on the opium and other drug evils, which he condemned as the greatest curse of China...."¹⁹⁶ In Kweichow in early 1935 he "...flayed the curse of opium and told them they would have to wipe it out and do something to develop the province...."¹⁹⁷ These statements combined with the demolition of provincial warlordism may well have given Lung Yün some uneasy moments.

In consequence the preparations for Chiang Kai-shek's visit were meticulously made. Soong Mei-ling, Chiang Kai-shek's wife, described the scene after their arrival on May 10, 1935.

"...Chairman and Mme. Lung accompanied by boy and girl students and fellow-countrymen from all walks came to greet us. We entered the city by car, and on both sides of the road there were masses of students wearing white uniforms in rows, and among them were some wearing blue. We entered the city where we saw a sea of faces blocking up the road entirely. From the doors of every household the National Flag flew, in the neighbourhood coloured lanterns were festooned. This warm demonstration made an unusual impression on us. The roads in the city of Kunming were very clean and orderly; all the buildings were of one colour and in comparison with the higgledy-piggledy disorderly buildings we had seen elsewhere much more pleasant. The travellers on the street divided into left and right and their advance and retreat was most orderly."¹⁹⁸

Lung had, indeed, been careful to build up Kunming as an impressive showpiece, as other witnesses testified, inhabiting a gorgeous palace,¹⁹⁹ and widening the streets and putting concrete facings on the shops.²⁰⁰ Just before Chiang's arrival the

new regulations concerning the prohibition of opium had been prepared and presented to him, quite possibly during his visit.²⁰¹

The significance of Chiang Kai-shek's visit extended beyond the fact that it was unprecedented, or as Lung Yün put it: "This visit of the Chairman to Yünnan has broken [the precedent] of the previous years of a national leader (kuo-chia yüan-shou) condescending to enquire about written records."²⁰² On the one hand Lung was anxious to demonstrate the adherence of the province to the nation and to the rule of Chiang Kai-shek, and on the other he was anxious to keep control of his army and restrain Chiang from taking action in Yünnan as he had in Kweichow.

At a reception and banquet given for Chiang on May 11, Lung declared:

"I earnestly request that the Chairman (wei-tso) give the fullest instructions and undertake the regulation of all previous programmes.

Yünnan strives strenuously and consistently for the Nation and Right Principles (cheng-i); [we] hold firm to the purpose of the Chairman and [will] obey every order."²⁰³

But just before Chiang's arrival Lung Yün had sent out a telegram announcing that there were no longer any "bandits" in eastern Yünnan.²⁰⁴ The timing of this telegram, which was issued on May 9, was calculated to show that there was no need for government troops to enter Yünnan. When Chiang Kai-shek had estimated that it was possible to wipe out the various communist armies one by one, since he supposed it was their intention to concentrate all their strength, he had sent a telegram to various provincial

leaders, such as Wang Chia-lieh and Pai Ch'ung-hsi, as well as Lung Yün, probably in November or December 1934, ordering them to make preparations.²⁰⁵ On February 2, 1935 he had appointed Lung Yün Commander-in-chief of the Second Route Bandit Extermination Army (chiao-fei ti-erh-lu chün tsung-ssu-ling) with Hsüeh Yüeh as his nominal deputy.²⁰⁶ Hsüeh, who was a Nanking general, did the work of attacking the communists in Kweichow, but Lung Yün's appointment was an indication that Chiang intended to bring Yunnan into a 'united front'. The details of the campaign in Yunnan will be described later; here the point which is being made is that Chiang was starting a process of building up Lung as an ally of the National Government.

In Kunming Chiang continued this process by flattering Lung. He affirmed that Yunnan was "...an important revolutionary base and had a most glorious revolutionary history...It may be said that I and Chairman Lung jointly undertook the revolutionary responsibilities of the teachings bequeathed by the Director-General at the same time."²⁰⁷ Chung-yang Jih-pao, from which the above is taken, concluded in its report of that night's reception that: "The Chairman and Chairman Lung were exceptionally pleased that night."²⁰⁸

What were Chiang Kai-shek's motives? In Yunnan Chiang was faced by a regime, not weak and divided as in Kweichow, but united; as Ch'en Pu-lei, who accompanied Chiang put it:

"But the purpose of all the men in the Provincial Government

was united, and not comparable to Szechwan."²⁰⁹

Kweichow had been quite a simple matter, being chronically divided and led by a host of incompetents. But Yünnan was ruled by a single faction. At the same time there was little point in destroying a potential ally against Kwangsi, where a faction existed much more hostile to Nanking. Strategically it would have been stupid to undermine a regime, which, whatever its autonomous leanings, could be counted on not to go against Nanking if a clash between the latter and Kwangsi should arise.

Yet another point in Chiang's thinking was displayed in the speeches which he made in Kunming on May 13, when he emphasized the industrial potential of Yünnan.

"Our compatriots in Yünnan hold a special responsibility towards our nation and people. In occupying an exceptionally important position, you should unite in common to establish a new Yünnan to create a basis for the revival of the people. As for the advantages of the region, I am especially hopeful that all will strive to establish an industrialized Yünnan to create a basis for the establishment of a new, industrialized China. Because we wish to discuss peace and strive for equality, the most important thing is that we should enable our China to advance from being an agricultural to an industrial nation. The mineral deposits are very rich; the climate of the whole province is beautiful, unmatched by any other province. If we want to establish industry we must start from Yünnan."²¹⁰

While we may discount the deliberate flattery in this address, it must be said that Chiang's staff seem to have been impressed by the mining activities of the Provincial Government in Kotchiu. Fundamentally Yünnan was safe from a take-over because of its military and political unity, its strategic role vis-à-vis Kwang-

si, and its seeming potential for industrial exploitation. In short Chiang seems to have believed that Lung would cause no trouble and could be left to succumb to the pressures which Chiang was exerting through his opium monopoly in Hankow.

For his part Lung seems to have been impressed by the power of the National Government, which Chiang had shown. For example, Chiang took Lung for a flight in his aircraft, the first flight Lung had ever made, and showed him the military actions of the National Government in the north-east of the province.²¹¹ Lung apparently then grasped exactly what the strength of Nanking was; a small enough incident, but sufficient to affect a provincial warlord.²¹² Perhaps Chiang too was confident that his actions against opium were having an effect on the thinking of the provincial faction, for he appears only to have made one reference to the necessity of suppressing it.²¹³

It is not proposed to consider in every detail the passage of the communist Long March as it traversed Yünnan, but to examine the infiltration of National Government and other troops into Yünnan. Lung had sent three brigades, the second, fifth and seventh to the border with Kweichow near Wei-hsin and Chen-hsiung, where on February 1, the seventh brigade clashed with some of the Long Marchers who retired.²¹⁴ It was not until about April 24 that the Red Army entered the territory of Yünnan from Kweichow in two columns. The first was the main group of the First Front Army which crossed the border near P'ing-i; the second was

under the command of Lo Ping-hui who led the smaller group across towards Hsüan-wei, in the region north of the latter region.²¹⁵

The Long March through Yünnan was rapid and virtually unopposed; the Red Army entered Yünnan on April 24 and had crossed the Chin-sha River by May 9.²¹⁶ The National Government armies which entered Yünnan were the first and second columns of the Second Route Army; these comprised eight divisions together with the fifty-third division of the seventh column of the First Route Army, nine divisions all told.²¹⁷ The fourth column had been composed of Wang Chia-lieh's troops who had been placed under the command of the fifty-third division and ordered to remain in north-western Kweichow.²¹⁸ The third column was composed entirely of Yünnanese brigades, and it was evident that little contact was made between these provincial troops, who hurried back to Kunming under the command of Sun Tu, leaving Hsüeh Yüeh's divisions to chase the Long March. While the passage of the communists was swift (and not without its comical moments, as, for example, when fighting broke out between troops of the second and seventh brigades of the Yünnanese army, on hearing the news that a huge reward was offered for the capture of Mao Tse-tung and Chu Te, as to which brigade should lead the attack²¹⁹), the occupation of areas of Yünnan by National Government troops never became that of a garrison force. Thus the military incursion was never, as it had been in Kweichow, an occasion for removing Lung Yün from Kunming, apart from the other considerations outlined above.

In March 1936 the armies of Ho Lung and Hsiao K'e entered Yünnan on their way to Shensi, passing very near Kunming, and throwing the city into a panic. Many more Central Government and other troops were stationed in Yünnan in their pursuit of these two armies, but had just as much success as in the previous year. During May 1936 a total of thirty-two regiments of Hunan and Szechwan were stationed in Yünnan, compared with sixteen Yünnanese regiments. Mostly they were stationed in the north and west of the province; Yang Sen, the Szechwan warlord, had 20,000 reported troops in Chao-t'ung, while Liu Chien-hsü had regiments stationed in the Yung-jen—Hua-p'ing districts around the Chin-sha River, in Ta-li, the major city of western Yünnan, and in Yen-feng which was roughly mid-way between the two.²²⁰ No Central Government or allied warlord troops were stationed near Kunming.²²¹

Reviewing the influx of Chiang Kai-shek's armies during 1935 and 1936, it may be said that they were never used to try and unseat Lung Yün. Lung, indeed, was permitted to send some of his troops into neighbouring Kweichow, allowing him to "expand" and consequently building up his confidence in Chiang Kai-shek's willingness to allow him to continue to rule Yünnan.²²² Although officers were sent to receive military and political instruction from Chiang, Lung Yün remained firmly in control of his army and no real attempt was made by Chiang Kai-shek to use force to overcome the provincialism of Yünnan; in June 1936, for example

45,000 out of the 55,000 non-Yünnanese troops in the province were withdrawn at Chiang's orders.²²³ The provincial faction under Lung Yün had survived because of Lung's increased realization that his autonomy, even if restricted and more dependent on Nanking, could be maintained if he did not antagonize Chiang Kai-shek.

The New Economic Policies

From 1935 onwards opium production diminished and receipts from the taxation of its cultivation fell as did the return from its export now under the control of a fully-fledged provincial monopoly. The province was being "inspected" by a variety of National Government officials, inquiring into many aspects of the administration of the province, but not really undermining the power or authority of Lung Yün.²²⁴ But it was imperative to find other sources of revenue to maintain the army and finance the civilian administration. In the years 1931, 1932, 1936 and 1937 expenditure on the army, as given by Yün-nan chih ts'ai-cheng, as a percentage of total provincial expenditure, was fifty-two, thirty-nine, sixty-one and fifty-one per cent respectively.²²⁵ Furthermore, there is evidence which suggests that expenditure was in fact higher than this, leaving aside the difficulties involved in evaluating any statistics of provincial finance during this period.²²⁶

The Hankow Opium Prohibition Inspectorate, with its control

over the trade in Kweichow, and to a lesser extent over that in Szechwan, made more substantial by the military penetration of the National Government, instituted measures to channel the opium produced in the south-west into Hankow and away from Kwangsi. The purpose of this was to reduce the income of the faction there and thus undermine the army which was commanded by a provincial faction antagonistic to Nanking.

The majority of the opium transported through Kwangsi came from Kweichow. In the Regulations for the Levying of the Provincial Tax on Special Goods of the General Opium Prohibition Bureau of Kweichow Province (Kuei-chou sheng chin-yen tsung-ch'ü cheng-shou t'e-huo sheng-shui chang-ch'eng), which organization was established on June 30, 1936, on which date the above regulations were published, there is the following passage.

"Article 3. The rate of taxation of the Provincial Tax on Special Goods shall be fixed at a levy of NC\$160 per 1,000 taels of goods net; this may be adjusted up or down when necessary.

Article 10. Apart from levying the Provincial Tax on Special Goods on special goods transported to Kwangsi, an export fee of 100 dollars per 1,000 taels at a discount of fifteen per cent should be levied; moreover a progressive tax (lei-chin shui) should be levied according to the Regulations (i.e. the General Outline of the Method of Regular Levying of the Provincial Tax on Special Goods on which these articles were based, issued by Chiang Kai-shek), and transferred each month to the Opium Prohibition Inspectorate."227

This document shows that in Kweichow a determined effort was made by Chiang to cut out the Kwangsi route by offering more favourable rates of taxation to Hankow. Chiang also tried to

make Yunnan confine its exports to the Hankow route, but unfortunately there remain only the confident assertions of consular officers in Yunnan, and not documentary evidence.²²⁸ However Yunnan did continue to export opium to Kwangtung through Kwangsi, against the wishes of the National Government.²²⁹

There can be little doubt that the reduction of opium exports through Kwangsi from neighbouring provinces, bringing about a drastic reduction in the Kwangsi revenues, was one of the factors which induced the revolt of the faction in June 1936.²³⁰ This revolt gave Lung yet another opportunity to demonstrate his support for Chiang Kai-shek. Yunnanese troops were requested to take action against Kwangsi, but it appears that they took no active part in defeating the faction.²³¹ Instead Lung was used by the Kwangsi faction as a mediator; Li Tsung-jen and Pai Ch'ung-hsi asked Lung to request Chiang to allow them to retain control of Kwangsi, which he did. His role, however, was minimal; and he contented himself with speeches and telegrams in support of Chiang Kai-shek.²³² The end result of the defeat of the revolt was to close yet another avenue for the export of opium and thus the economic policies of Miao Chia-ming assumed an increased importance. Therefore, with the diminution of opium revenues brought about by economic and political means fostered by Chiang Kai-shek in view, it is now possible to consider the ultimate evolution of the provincial faction during the last years of the period under consideration.

In December 1934 Miao Chia-ming crystallized his formidable economic power in an institution known as the Yunnan Economic Commission.²³³ The stated aims of this organization were "...to further the economic reconstruction of the whole province and improve the livelihood of the people."²³⁴ The initial capital provided by the Provincial Government amounted to NC\$670,000 or approximately NYN\$1,340,000. Apart from this income from the salt tax was to be provided "in the succeeding years" to the tune of NC\$2,890,000 or NYN\$5,780,000 together with funds from the New Futien Bank, of which Miao was the director, of an unspecified amount.²³⁵ Miao himself explained that before 1937 "...much of the development of all types of enterprise in Yunnan was the result of cooperation between the New Futien Bank and the Economic Commission."²³⁶ One may surmise that the former bank, through Miao, was a large source of income for the activities of the Commission.

The officials in charge of the Commission, apart from Miao, included leading members of the Provincial Government such as Ting Chao-kuan, who was not noted for his economic expertise, Chang Pang-han, who seems to have distinguished himself only in failing to manufacture morphia, and Li P'ei-t'ien, Kung Tzu-chih and Lu Ch'ung-jen, the latter being Provincial Minister of Finance.²³⁷ Against this collection of incompetents Miao Chia-ming stood out. Before describing the specific contributions of the Commission, it is necessary, and interesting, to give an

account of Miao's ideas concerning economic planning and its relation to the state. The following extract from Yün-nan hsing-cheng chi-shih may almost certainly be attributed to Miao or to represent his fundamental thinking.

"In modern, industrial, advanced nations enterprise is generally privately owned and government organs merely occupy a position of control and supervision with respect to government administration. But because of the evolution of [their] societies and economies since the First Great War public enterprise has been made to progress gradually day by day. Within the last ten or more years important and special industries concerned with national defence have gradually gravitated towards public ownership in all countries. This is in line with the trend of events and the reality of the necessity of economic reform. Therefore in every country, especially in Germany and the Soviet Union, entrepreneurial structures under public ownership have been gradually established.

China is a large country with a large population but in its productivity it lags far behind the countries of Europe and America. Because of the development of businesses managed by foreigners the people in the various coastal provinces have **yet** been somewhat influenced by their observations and the conditions with respect to capital, technology and communications are all exceptional. Consequently there is no lack of privately owned enterprises being newly created, but it may be objected that it is too little; furthermore it is on a small scale. This is still the situation in the various coastal provinces. In those provinces such as this one far away on the border the creation of new industry is even more difficult. If the government does not take the responsibility of this kind so as to act as a guide for the people then the rise of **private** enterprise will be even more retarded.

In the border provinces production is backward, capital is insufficient and technology absent; added to which is the particular inconvenience felt in communications in this province. Should it be desired to reform society and the economy in conditions of limited strength and prevailing difficulties, any divisions will lead to further debilitation while unification may lead to action yet. Therefore the purpose of the special establishment of an entrepreneurial structure by this province such as the Economic Commission lies in the concentration of these limited human and financial resources and technology to plan for results in economic reconstruction.

In recent times all countries have striven to establish

planned economies. Although from the point of view of governmental administration in Yunnan each controlling Provincial Ministry has separately managed measures with respect to productive enterprises, nevertheless, in the implementation of enterprises, if human and financial resources are not concentrated in the establishment of a single controlling organ to undertake the responsibility for planning and implementation, not only is it to be feared that there would be areas of carelessness in planning, but even if the planning were comprehensive it would be hard to avoid an accumulation of contradictions in its execution and operation, considering some things and losing sight of others...."238

Fundamentally Miao intended to construct a large-scale organization to finance and operate a "planned economy" on the corporate state model as far as he understood it. It is highly significant that he cited Germany and the Soviet Union as models which were tacitly to be emulated. What is perhaps the most interesting idea is the tacit assumption that industrial development was to be undertaken provincially. This notion is not explicitly stated, but runs all through the extract cited above. In a sense it was his rationalization for acting for a provincial regime independent, at the time of writing, of the National Government. It was assumed that provincial industrialization was the goal, and not national industrialization. This concept contrasts with that expressed by Chiang Kai-shek (cited previously in this chapter) that the industrialization of Yunnan should serve as a basis for national industrialization.

It should be reiterated that the Economic Commission was not simply conceived by Miao as a means of industrialization; it was a necessity for the Provincial Government to find other sources

of income to replace the loss from opium prohibition.²³⁹

The nature of the industrialization that Miao envisaged was very much in accord with prevailing ideas of 'modernity', current in the more industrialized regions of China, such as Shanghai (to which Miao was a frequent visitor²⁴⁰). The machinery which Miao purchased for the cotton mill erected in Yünnan was "...at that time the most modern in the whole country...."²⁴¹ What was important for Miao and his associates was that the purchase of such machinery was symbolic of the new path of industrialization. In short, 'industrialization' and 'modernity' were concepts very closely linked. Whilst in contemporary China the emphasis has been placed on accomodating industrial development requirements to the machinery and techniques best suited, and not on the "best" or "most modern" equipment available, in pre-1949 China the need to demonstrate a Chinese capacity to industrialize was firmly linked to the belief that industrialization could not proceed without the most up-to-date methods and equipment whether suited to the concrete situation or not. This point is not new, but worth recalling for an understanding of Miao.

The foundation of the Economic Commission was the utilization of improved smelting techniques to cut out the "middle-men" and sell Kotchiu tin directly onto the world market. This has already been discussed in chapter five. The activities of the Commission were many and varied; apart from the tin trade, they included cotton production and the establishment of spinning and

weaving mills; the development of hydro-electric power; land reclamation and irrigation; the machine industry; chemicals; iron and steel production; paper manufacturing; silk and tea production; communications and transport; the establishment of cooperatives etc.²⁴²

In many cases the industrialization program of the Economic Council was unsuccessful or of very limited value. Moreover many of the projects mooted were only initiated after the outbreak of the war and so fall outside the limits of the period under consideration. To give some examples, there was a project to reclaim land in the south of Yünnan in the counties of Mengtze and K'ai-yüan; it was proposed to reclaim 85,000 mou and inspectors were sent to the districts involved in August 1935. But work did not begin until 1937, and the area involved represented just over 0.23 per cent of the total cultivated area of the province.²⁴³ Yet much was made of this project. The same could be said for many of the other reclamation projects.²⁴⁴

Perhaps the most important element in the whole of the Commission's plans was that which concerned the production, spinning and weaving of cotton as a substitute for poppy. Reiterating the point previously made in this thesis, the Yün-nan hsing-cheng chi-shih said.

"Although Yünnan is a society of a rural economy, its agricultural produce is not abundant and still hardly self-sufficient in grain. In the time of the former Ch'ing / dynasty_7 the very best income of peasantry derived from the

production of opium in Yünnan. After opium prohibition the villages rapidly became impoverished. At the same time the cotton yarn and cotton cloth to the value of over NC\$15,000,000 needed by the 12,000,000 people in Yünnan also had to be obtained from outside sources. Since opium was not cultivated there was nothing else which could serve to make good the deficiency."²⁴⁵

Miao Chia-ming presented his case for replacing opium cultivation by the combined cultivation of cotton in Yünnan and the spinning and weaving of native Yünnan cotton and imported cotton to Lung Yün as follows in 1935.

"The cotton industry...is a combined product of agriculture and industry, but opium is a purely agricultural product. In Yünnan the rural economic society had scarcely any industrial basis and circumstances compelled the abandonment of the cotton industry and the cultivation of opium. Now since [the peasants] cannot grow opium for foreign cotton: it is only through cultivating cotton themselves that they may plan to be self-sufficient. But at this critical moment in time the Government must swiftly establish cotton spinning and weaving factories, so that industry can help agriculture and so that the cotton grown and produced by the peasants may be changed into an industrial product to make the province self-supporting."²⁴⁶

Miao continued to argue that there were two ways open to the government. Either an immediate start could be made in local cotton production following which factories could be built, or the factories could be built first which would spin and weave imported cotton and then locally produced cotton. Miao favoured the latter course since, he argued, "...the peasants lack capital and are anxious for a quick profit. If there are no weaving factories for the cotton to be sold to and if the government further lacks the financial capacity to purchase and store it,

because of the absence of any market, it would cause a fall in price which would influence the livelihood of the peasants and destroy their confidence in cotton cultivation."²⁴⁷ Miao, therefore favoured the second course. The above extract from Miao's report demonstrates not so much that he was an economic expert but that there must have been officials advancing such a proposal without considering the likely results which Miao advanced. Such was the quality of the economic debate in Yünnan. However, in the end, the machinery which Miao purchased in Shanghai, of British manufacture, was not operational until August 1937.²⁴⁸

Before the outbreak of the war with Japan in the summer of 1937, a start had been made on replacing the traditional opium economy by one based partly on a small industrial development stemming from the tin trade, and partly on the substitution of other cash crops for opium. The influx of capital from Nanking and Shanghai after the outbreak of war and the removal of the National Government to Szechwan was responsible for an inflow of capital from outside of Yünnan, and was undoubtedly influential in industrializing Yünnan.²⁴⁹ But until the outbreak of the war Yünnan had still retained a degree of financial independence. Another important factor was the absence in Yünnan of any of the big four national banks before the war. The Central Bank opened a branch in Kunming in December 1937 and was followed by the Farmers Bank in the summer of 1938, the Bank of China in October of the same year and the Bank of Communications in the spring of

1939. 250

Summarizing this chapter it may be said that the provincial faction in Yünnan had retained its independence up to the outbreak of the war. Indeed, Lung Yün retained control of the province right through until he was ousted by a coup organized by Chiang Kai-shek in 1945.²⁵¹ But both because the removal of the National Government to Szechwan brought one era to a close, and because of the paucity of detailed material concerning the government of Yünnan during this period, and the vast complexities introduced into the history of China by the war with Japan, it is deemed wise to bring the study of Yünnan under Lung Yün and his faction to a close at this point.

In 1934 the major items of export from Yünnan were tin and opium. Of these two products opium was the more important because of the huge amount of income which the warlord government could extract from it. But with the introduction of a monopoly system of opium purchase centred in Hankow by Chiang Kai-shek and a decline in the market for opium, the provincial faction began to look elsewhere for revenues. The penetration of the south-west by National Government troops smashed warlordism in Kweichow and indirectly brought about the fall of the Kwangsi faction. This made it even more imperative to find a substitute for opium revenues since both of the major markets for Yünnanese opium were in decline. The decision to industrialize in Yünnan was a reflection of the necessity to supplement the

deficiencies in government revenues produced by the collapse of the opium trade and also a reflection of the rise to power of Miao Chia-ming, whose aim was to raise up an industrialized, self-sufficient province controlled by his master, Lung Yün.

Opium had been a means of maintaining the independence of a provincial warlord faction; with the establishment of the Opium Prohibition Inspectorate and the increased capacity of Chiang Kai-shek to control the export of opium from Yünnan, as well as the other south-western provinces, it became a hindrance. Dependence on opium after 1935 would have made the province more and not less dependent on national power and so it was abandoned. While it would be wrong to say that Chiang Kai-shek was purely cynical in his motives for suppressing opium, for there was a good deal of genuine moral feeling against the trade in it, especially when it was conducted by the Japanese,²⁵³ it cannot be denied that the suppression campaigns in the 1930s were predominantly designed to reduce to submission the warlords of south-west China.

The incursion of the armies of Chiang into Yünnan did not bring an end to the autonomy of Yünnan. Partly this was because Chiang was unwilling to spend his energies on removing someone who showed no sign of resisting his authority openly and who was content to rule a single province, and partly it was because Lung could be useful in putting down any resistance from Kwangsi. In the event Lung retained a kind of neutrality when the Kwangsi

revolt did take place in 1936 and so Chiang's calculation proved exact.

In spite of all the pressures put upon the warlord rule in Yunnan, Lung Yün remained. The basic control of provincial revenues for the maintenance of a personal army, exacted from a rural economy and to an increasing extent from an industrial economy held fast. Yunnan was brought closer to Nanking, but its independence continued.

CONCLUSION

This thesis has examined the nature of the provincial warlord faction in the province of Yünnan from the time of its crystallization during the period of the Northern Expedition up to the outbreak of war with Japan. During the brief period of the modern history of China which has been considered, in the remote and geographically isolated province studied, one single faction, united and loyal to a single military leader, took power and maintained itself independent of the National Government of Nanking. Warlordism was a complex and varied phenomenon,¹ and the case of Yünnan was but a single example of the kind of political and military system which existed in China during the Nanking area. While the evidence suggests that this province had features peculiar and restricted to that region alone, any general analysis of the history of warlordism cannot ignore Yünnanese warlordism on these grounds.

There are a number of related elements which form the core of this study. The main ideas, which have been considered of significance for the analysis of warlordism, particularly in comparison with the provinces of Szechwan and Kweichow are these. Firstly, the formation of a warlord faction at the time of the Northern Expedition arose from a combination of internal dissention amongst the military leaders of T'ang Chi-yao's faction and

an attempt on the part of these military leaders to preserve their rule in Yunnan against a potential threat from a newly established Central Government explicitly committed to the destruction of warlordism. The faction of Lung Yün, which may be described as both personal, in the sense that he commanded the loyalty of his subordinate officers through considerations of individual adherence to a leader based not on ideological or organizational principles, and provincial, in the technical sense that the faction controlled a single province unchallenged by any other faction, as was not the case in Szechwan and Kweichow. The Lung Yün faction controlled the province and extracted revenues from the region through the taxation which it imposed on the rural economy and later, to an increasing extent, on a small industrial economy. To do so it established a government, which gave it legitimacy, and provided the faction with an administrative system of collecting revenue. In this way it was distinct from those other factions, which existed for brief periods in Yunnan in 1927 and 1928, as well as in other provinces, who could not claim the legitimate status of government.² During the Nanking era the government and administration are held to have been significant factors in enabling what was fundamentally a military dictatorship to consolidate its hold on the province and ensure a stability of control which was lacking in provinces such as Kweichow.

Secondly, the faction maintained its army through its capacity

to extract revenues from the territory it controlled. In the case of Yunnan, and the south-western provinces in general, the major item of income derived from taxes levied on the cultivation and export of opium. This aspect of warlord rule, which became increasingly important from 1919 onwards, has been generally ignored by other studies. The most basic information on the production of opium in China in the twentieth century has yet to be systematically investigated and analysed and consequently this study has been obliged to supplement this deficiency by describing the main features of the trade in opium during the 1930s. The point about the opium trade, is not simply that it was opium, a drug whose harmful social and economic effect was recognized by many Chinese of all political persuasions,³ but that it was a rural crop capable of producing a high return on the capital invested in its cultivation for the peasant, greater than any other cash crop. Its cultivation dominated the rural economy of south-west China and other regions and enabled warlord factions to finance their armies and at the same time neglect other projects such as road-building to enable the export of other less lucrative cash crops, and industrial development generally.

Thirdly, the relations between the provincial and sub-provincial warlord factions of south-west China and the Nanking Government were altered by Chiang Kai-shek's establishment of an opium monopoly in Hankow, which was initially designed to extirpate cultivation within the provinces under his control, and which

after 1935 became an important economic weapon of the Central Government. By creating a system whereby opium produced in the south-west was channeled solely through the trading routes which led to Hankow Chiang Kai-shek's Opium Prohibition Inspectorate attempted, with success, to present the south-western provinces with a dilemma. Either they could sell their opium to Hankow and thus finance Chiang Kai-shek through the taxes levied on its transportation and on its sale within the regions under his control, or they could reduce their dependence on opium to the point where it was no longer the major item of revenue. In either case the financial basis of local and provincial warlordism was to be undermined.

Fourthly, in the case of Yunnan, which opted for a drastic reduction of opium cultivation, reacting not only to the effects of the Hankow monopoly but also the decline in the opium market in central China through economic factors, the prohibition of opium was complemented by strenuous efforts to make use of the existing trade in tin mined and exported from Kweichow as the basis for an industrialization program. It is argued that the prohibition of opium was founded on the realization that while formerly opium and the trade in it had been the lifeblood of warlordism in Yunnan, from late 1934 it became understood by the faction that it no longer fulfilled that function. It had become, in effect, a sure way of reducing the province to a state of bankruptcy through the inability of the opium trading companies and the

Provincial Government through the monopoly which it created in 1935 to find outlets for the export of opium. The prohibition measures introduced in that year were further encouraged by the growing power of the National Government in southern and south-western China as its military might pursued the Long March into the previously remote, opium provinces. But the military incursion into Yünnan was a secondary factor in restricting the freedom of action of the provincial faction. It enabled the Hankow Monopoly to function efficiently through, for example, crushing the sub-provincial factions in Kweichow and allowing Chiang Kai-shek to bring that province under his control. Thus the Kwangsi faction, which depended for about half its income on the tax on the transit of south-western, (especially Kweichow and Yünnan) opium to Kwangtung, was financially undermined because the tax on opium from Kweichow to Kwangsi was considerably higher than that on opium shipped to Hankow.

Fifthly, the provincial faction, through its administration, commenced a limited industrialization, or rather modernization of existing industry, notably in the smelting of tin. This industrialization was promoted by Miao Chia-ming, who was the outstanding financial and economic entrepreneur in Yünnan. But this industrialization, brought about by a need to find other sources of revenue to supplement the opium trade, should not be thought of as simply "modernization" or "westernization", although for Miao this was what it largely was. For the warlords

lived themselves in a society in which economic enterprise was not organized on a long-term basis to provide a steady income of a comparatively modest level from an initially large capital investment. The initial decision to raise the level of the purity of the tin slabs produced in Kotchiu so as to export the tin directly onto the world market was designed to bring a quick return on a comparatively small investment. Thus the industrial and commercial enterprises undertaken by Miao were imbued, for the warlords, with the same spirit of extracting as much money as possible as quickly as possible from any resource. The pressures within warlord factions often forced factional leaders from power and realizing this instability in their rule, the warlords sought to make their financial future secure. For these reasons terms such as modernization and westernization should be seen not as fundamental attempts to alter the economic basis of the society they ruled but as ad hoc, perhaps, speculative ventures to bring in money.

With this qualification it is still true that attempts were made just before the outbreak of the Sino-Japanese War to increase industrial development. But it was the outgrowth of the forced abandonment of opium cultivation and not some intentioned and deliberate policy on the part of the faction which produced it.

No study of the warlord era, whether before 1928 or after it, can ever claim to provide the whole truth. This is so of any historical study; but the difficulties of investigating provincial warlordism in the Nanking era are considerably increased by the paucity of information of a documentary nature capable of being verified within satisfactory limits. The lives of the individual warlords can generally be followed only through their telegrams, collected speeches and statements. In the case of Yunnan the deficiency is perhaps even more marked because the national newspapers of the day were never very concerned about Yunnan until its strategic significance in the context of the war with Japan was recognized.⁴ Lung Yun remains, as he would have desired, a remote figure and the generals whom he commanded are but pale reflections of their personalities. Only rarely, as in the case of the generals' revolt of 1931, do the individuals speak for themselves, and then it is only through a stilted and antiquated style which was the prerogative of those sending telegrams.

But to counter-balance this deficiency, there exists a considerable amount of material culled from newspapers, consular records and especially the Yün-nan hsing-cheng chi-shih as well as other Chinese works. The emphasis placed on opium and the relationship between the warlord faction and its civil administration derives not only from its intrinsic importance and interest but also from the fact that more information is available on these topics than any other. There remain many questions to

ask.

To mention but a few areas, it is interesting to note the presence of representatives in Kunming from other warlords, some coming for brief visits to discuss specific issues, others apparently in semi-permanent residence. Lung Yün was the sworn brother of Li Tsung-jen, or tried to arrange such an alliance.⁵ Why did he wish to do this? Hypotheses may be supplied endlessly, and one suspects that the most important problems involved in the relations between Yunnan and Kwangsi were related either to the opium trade or to maintaining a balance of power so that while Kwangsi was forever trying to bring Yunnan into an alliance against Nanking,⁶ (and failing) the Yunnanese faction was at times wavering between supporting one side or the other. But all one can obtain are casual references to the attitudes of certain individuals such as Lu Han from which only more tentative hypotheses can be constructed.

The use of the Special Consumption Tax (the heir of the likin) was undoubtedly significant in maintaining the provincialism of the south-west, preventing the development of inter-provincial trade. Similarly the absence of communications of any degree of usefulness helped maintain the opium trade in favour of other exports. While these matters have been touched on the limitations which have been imposed on this thesis have made a detailed study of them impossible.

Finally, one might ask what the significance of any study of

warlord rule in Yunnan is. The answer that this thesis has attempted to provide is that warlord rule continued as strongly as ever in Yunnan, very little influenced by Nanking and that the gradual attempts of the National Government to ensnare Yunnan failed, partly because even up to 1937 it had not the strength or the basic will. At the same time it has been shown that the economic basis of warlordism was a matter of considerable significance, and that the opium trade in the 1930s merits more attention. Warlords and their factions were not just military rulers who extracted revenues from their territories. They were partly military but also civil leaders who relied heavily on opium to maintain their power. The expansion of central power into south-west China cannot be understood without taking note of the exact nature of the economic basis of warlord rule. Opium and warlords are by no means the only important problems of the recent history of China, but they cannot be ignored.



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Glossary of Chinese Characters



Ai Ssu-ch'i 艾思奇

A-mi-chou 阿迷州

An-chung chien-tu 暗中監育

An-ning 安寧

An Te-hua 安德化

Chan-i 靈益

chang 張

Chang Chieh-pa 張結疤

Chang Ch'ung 張冲

Chang Feng-ch'un 張鳳春

Chang Jen-chieh 張人傑

Chang Jo-ku 張若谷

Chang Ju-chi 張汝驥

Chang K'ai-ju 張開儒

Chang Pang-han 張邦翰

Ch'ang-shou 長壽

Chang Tsu-yin 張祖蔭

Chang Wei-han 張維翰

Chang Yao-tseng 張耀曾

Chao Heng-t'i 趙恒惕

Chao-t'ung 昭通

Chao Tzu-ch'in 趙子欽

Ch'e-li 車里

Ch'en Chün 陳鈞

Ch'en Pu-lei 陳布雷

chen-shou-shih 鎮守使

Ch'en Wei-keng 陳維庚

cheng-hua 正花

Cheng Hung-nien 鄭洪年

cheng-i 正義

ch'eng-se 成色

chi-ho yüan 稽核員

Chi-Sheng-Hsiang 集盛祥

Chiang Yang-shu 江映樞

1) This glossary includes names, place-names and phrases employed in the text, with the exception of familiar names and phrases readily identifiable from the context. The romanization employed is the Wade-Giles system, with the exception of place-names for which familiar alternatives exist. e.g., Kunming, Kotchiu, Mengtze.

chiang-wu t'ang 講武堂

Ch'iao-chia 巧家

chieh-yen chih-chao pao-cheng

戒煙執照保證

Ch'ien-hsi 黔西

Chien-shui 連水

chih-chao 執照

chin 仟

Chin Han-ting 金漢鼎

chin-jung huo-p'o 金融活潑

ch'ing-chang chao-fei 清丈照費

Chou Chung-yüeh 周鍾嶽

Chou Hsi-ch'eng 周西成

ch'ou-hsiang tsung-chü 籌餉總局

Ch'u Ch'ang-nan 楚昌南

chü-chien ts'ao-tsung 據間集縱

Ch'ü-ching 曲靖

Ch'u-hsiung 楚雄

Chu Hsü 朱旭

ch'u-k'ou chüan 出口捐

Chu P'ei-te 朱培德

chü-t'ou 巨頭

ch'üan-yeh yin-hang 勸業銀行

chuan-yün cheng 輯

chün-fa 軍閥

chün-tso 鈞座

chün-tui ko-ming-hua 軍隊革命化

Chung-chou 忠州

chung-yen ti-tuan 種煙地段

Erh-t'ang 二塘

Fan Shih-sheng 范石生

Feng-tu 鄧都

Feng Yü-hsiang 馮玉祥

Fou-ling 涪陵

fu-hsing 復興

Fu-min 富民

Fu-ning 富寧

Fu-tien hsin yin-hang 富滇新銀行

fu-yüan-shuai 副元帥

Ho Lung 賀龍

Ho Shih-hsiung

Ho Tzu-hou 何子侯

Ho Ying-ch'in 何應欽

Hou Chih-tan 侯又担

Hsi-yang 西洋

Hsiao K'o 蕭克

Hsia-kuan 下關

hsiang-pang 鄉邦

Hsiang-yün 祥雲

hsin-ch'ang li-tuan 心裏力短

Hsin-p'ing 新平

Hsiung T'ing-ch'uan 熊廷權

Hsü Chih-ch'en 徐之琛

hsüan-tse kuan-li 選擇管理

Hsüan-wei 宣威

hsüan-wei 宣威

Hsüeh Yüeh 薛岳

Hu Jo-yü 胡若愚

hu-kuo-chün 護國軍

Hu Liu-chi 胡柳溪

Hu Ying 胡瑛

Hua-p'ing 華坪

Huang Hsü-ch'u 黃旭初

Huang Shao-hsiung 黃紹雄

Hui-tse 會澤

hung-wan 紅丸

I 彝

I-Chi 義記

I-liang 宜良

i-wei ta-tui 翅衛大隊

jen-hsü 仝戌

K'ai-yüan 開遠

Kao Hsiang-ch'un 高

Kao Yin-huai 高蔭槐

k'o 科

Ko-ch'ang 箇廠

Ko-chiu Pi-se-chai 箇舊碧色寨

Kotchiu 箇舊

Ku P'in-chen 顧品

Ku P'in-jui 顧品端

K'uai-chi chih-tu 會計制度

kuan-liao tzu-pen 官僚資本

kuan-yin chü 管印局

Kuang-nan 廣南

Kunming 昆明

kung-chan 公棧

kung-kao 公膏

kung-lu tsung-chü 公路總局

Kung Shun-pi 龔順璧

Kung Tzu-chih 龔自治

Kuo Ju-tung 郭汝

Kuo T'ai-ch'i

Kuo Yü-luan 郭玉鑾

Lai Hsin-hui 賴心輝

Lan-chiang 欄江

lan-chüan 懶捐

lei-chin shui 累進稅

lei-ssu tsung-chih chih hsü-jung 類似總制之虛榮

Li Chi-shen 李濟深

Li Hsiu-chia 李修家

Li Hsüan-t'ing 李選

Li Hung-lun 李洪倫

Li P'ei-lien 李培蓮

Li P'ei-t'ien 李培天

Li P'ei-yen 李培炎

Li Piao-tung 李表東

Li Po-tung 李白東

Li Shao-tsung 李紹宗

Li Shen (Hsiao-yen) 李深

Li Tsung-huang 李宗黃

Li Tsung-jen 李宗仁

lien-sheng tzu-chih 聯省自治

Lin Sen 林森

Liu Chen-huan 劉鎮寰

Liu Cheng-fu 劉正富

Liu Chien-hsi 劉健

Liu Hsiang 劉湘

Liu K'un-fu 劉琨府

Liu Ts'un-hou 劉存

Liu Wen-hui 劉文輝

Lolo 羅羅

Lo-p'ing 羅平

Lo Ping-hui 羅炳輝

Lo-tz'u 羅次

Lü Chih-i 呂志

Lu Ch'ung-jen 陸崇仁

Lu-feng 祿豐

Lu Han 盧漢

Lu-hsi 瀘西

Lu Hsi-jung 盧錫榮

Lu-liang 陸良

Lu Tao-yüan 魯道源

Lu Ti-p'ing 魯滌平

Lung Chih-chen 龍志貞

Lung Ch'ing-ch'üan 龍清

Lung Sheng-chi 龍繩箕

Lung Sheng-tsu 龍繩祖

Lung Sheng-wu 龍繩武

Lung Te-yüan 龍德源

Lung Tse-ch'ing 龍澤清

Lung Tse-hui 龍澤淮

Lung Yü-ts'ang 龍雨蒼

Lung Yün 龍雲

Ma Ts'ung 馬興

Ma Wei-lin 馬為麟

Ma Yin-ch'u 馬寅初

Mao Kuang-hsiang 毛光翔

Mengtze 蒙自

Meng Yu-wen 孟友聞

Miao Chia-ming (Yün-t'ai) 繆嘉銘 雲台

mien-yü 面諭

min-chih hsüeh-yüan 民治學院

min-chih tang 民治黨

Ming-shuai 莫帥

Mo P'u 莫璞

mou-fa 啟罰

Nan-ning 南寧

Nan-Sheng 南生

nei-yün p'iao 內運票

Ning-yüan 寧遠

Pai Chih-han 白之

Pai Ch'ung-hsi 白崇禧

Pai-se 白色

Pai-shui-chen 白水鎮

P'an 盤

P'eng Chia-yu 彭嘉猷

Pi-chieh 畢節

P'in-yang 賓陽

P'ing-i 平彝

P'ing-ma 平馬

pu-kan feng chün chih o 不敢逢君

P'u Wen-jung 之惡

pu-wu chien-shu 不無建樹

San-i-yüan 參議院

she-chih chü 設治局

Shen-I-Kung 慎義公

shih-li p'ai 實力派

Shih-tsung

Su-chow

Sun Ch'uan-fang 孫傳

Sun Kuang-t'ing 孫廣

Sun Tu 孫渡

Ta-li 大理

ta-yüan-shuai 大元帥

Tai Kuang-hsi 戴

T'an Yen-k'ai 譚

tang 黨

T'ang Chi-lin 唐繼麟

T'ang Chi-yao (Ming-keng) 唐繼堯

T'ang Chi-yü 唐繼虞 賞廣

T'ang Sung-lin 唐崧

t'ang-t'ang 堂堂

T'ao Hung-t'ao 陶鴻憲	Tung-ch'uan 東川
t'ao-T'ang 討唐	Tung-hsing 東興
t'e-huo t'ung-yün ch'u 特貨統運處	Tung-lu 東陸
t'e-shui ch'ing-li ch'u 特稅清理處	tung ta-lu chu-jen 東大陸主人
t'e-shui ch'u 特稅處	Tung Tse 董
t'e-shui kung-shu 特稅公署	Tz'u Fei chün
T'eng-chung 騰仲	Wan-kuo chü-tu hui 萬國拒毒會
Teng Hsi-hou 鄧錫侯	Wang Chi-k'ung 王繼孔
Teng Yen-ta 鄧演達	Wang Chia-lieh 王家烈
T'ien Chung-i 田毅	Wang Chieh-hsiu 王
T'ien-Pao-Li 天寶利	Wang Chih-hsiang
T'ien Sung-yao 田頌堯	Wang Ching-wei 汪精衛
T'ien-tung 田東	Wang Chiu-ling 王九齡
Ting Chao-kuan 丁兆冠	Wang Fu-sheng 王復生
Ts'ai O 蔡鏐	Wang Jen-wen 王人文
ts'ai-pan cheng 裁	Wang Pai-ch'ün 王白群
tsung-ts'ai 總裁	Wang Sheng-tsu 王勝
t'u-ch'an huo-wu 土產貨物	wei-tso 季座
t'u-huo 土貨	wo-kung 我公
T'u K'ai-tsung 屠開宗	Wu-chou
t'u-kao hang 土膏行	Wu Hsüeh-hsien 吳學顯
Tuan Ts'an-k'uei	wu-ko ta-tzu 五個大子
Tuan Yü-ts'ang 段雨蒼	Wu K'un 吳昆
Tung Chu-hsiang 董竹亭	wu-li min-chung-hua 武力民衆化

Wu P'ei-fu 吳佩孚

wu-sheng 武生

ya-p'ien ya-k'uan 鴉片押款

yang ch'i pi-hsi 仰其

Yang Ch'un-chou 楊春洲

Yang Hsi-min 楊希閔

Yang Sen 楊森

yang-t'iao 洋條

Yang Wen-ch'ing

Yao-kao chih-tsao so 藥膏製造所

Yen Chia-hsün 嚴家訓

Yen-feng 鹽池

Yen Hsi-shan 閔錫山

Yin Ch'eng-huan

Yu 右

Yü-ch'i 玉溪

yü-chin yü-cheng 干禁於征

Yu Kuo-ts'ai 猶國材

yü-shou 預售

Yü-shuai 玉帥

Yu Yün-lung 由雲龍

Yüan 元

Yüan Ch'ang-jung

yüan-ch'i 元氣

yüan-ning ch'in-hsien 袁

Yüan Shih-k'ai 袁世凱

Yüan Tsu-ming 袁祖銘

Yüan-t'ung-ssu chieh 袁通司街

Yün-nan lien-hsi kung-ssu 雲南

Yung-jen 永仁

Yung Mao-kung 永茂公

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- 1) For a brief and penetrating analysis of this period see Wright, The Last Stand of Chinese Conservatism: The T'ung-Chih Restoration, 1862-1874, pp.300-312. There exists no detailed historical analysis of this important period, but Sheridan, Chinese Warlord: The Career of Feng YU-hsiang, pp.203-29, provides some excellent work which disentangles the history of a few aspects of the relations between Chiang Kai-shek and his opponents. Thomson, While China Faced West: American Reformers in Nationalist China, 1928-1937, chapter one, and Clubb, Twentieth Century China, may also be consulted.
- 2) The nominal recognition of Nanking was primarily expressed by the establishment of Provincial Government Committees by Nanking as in Yunnan on January 7, 1928. See T'ao Chü-yin, Pei-yang chün-fa t'ung-chih shih-ch'i shih-hua (henceforth cited as PYCF), vol.8, p.202. Similar Committees were organized in Kweichow and Szechwan. See Wang Yin-fu, Kuo-min cheng-fu hsien-hsing kung-wen ch'eng-shih hsiang-chieh, kung-han, p.15. Szechwan was a much more complicated case from this point of view. See the brief reports in Tung-fang tsa-chih, vol.26, 1929,

Notes for Introduction:-pp.1-3

no.1, p.205; no.11, p.162

- 3) Ch'en, Defining Chinese Warlords and their Factions, (especially pp.580-585) brings into prominence the importance of the factional approach for an understanding of warlord rule. But his description of factions is drawn mainly from the period 1916-1928 and in this study it becomes clear that the provincial warlord faction in Yunnan was considerably different from those which Ch'en analyzes. To give just one example, the faction in Yunnan from 1928 onwards was considerably more provincial. that is, its leaders were natives of Yunnan exclusively and were extremely involved in promoting the interests of Yunnan province.
- 4) Sheridan, op. cit., p.1
- 5) This emphasis on individual warlords which may be seen in Chapter One of this thesis, is reflected in Mao Ssu-ch'eng, Min-kuo shih-wu nien i-ch'ien chih Chiang Chieh-shih hsien-sheng (henceforth cited as MKSW), passim where reference is constantly made to "T'ang in Yunnan" (Tien-T'ang).
- 6) Wilbur, Military Separatism and the Process of Reunific-

Notes to Introduction:-pp.3-4

ation under the Nationalist Regime, 1922-1937. Wilbur uses the term "regional military separatism"; Wang Gungwu in his Comments on the above notes that such a term "... blurs the important differences between the KMT and CCP forces and the Militarists of the 1916-28 period...."

(Comments by Wang Gungwu, note 1, p.264)

- 7) The term "new warlord" or "neo-militarist" was commonly used to describe KMT military leaders after April 1927. e.g. Sung Ch'ing-ling, Sung Ch'ing-ling hsuan-chi, p.32; Wang Ching-wei, The Chinese National Revolution: Essays and Documents, p.26. Later the CCP simply used the term "warlord" to describe the KMT military leaders. See Takeuchi Minoru, Mō Takutō shu, vol.3, pp.13-16. Ch'en Po-ta, On the Ten-Year Civil War, 1927-1937, pp.4-5, said that the new warlords "...participated in the revolution and at one time fought under the revolutionary banner against the old warlords, and consequently, they had some influence among the masses...[and they] have a central organization in the form of a political party as well as various subsidiary organizations to use as tools of counter-revolution."

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- 8) One of the central distinguishing features between the various kinds of military leaders was the subordination of the latter to a political party and ideological principles propounded by the party. One writer illustrated this idea by comparing "...the military leaders of England and America [who] are the tools of the capitalists, the military leaders of Italy [who] are the tools of the Fascist Party and...ought not to be termed warlords..." and Chinese military leaders not under the control of a "certain social force" who were warlords. See Chou Ku-ch'eng, Chung-kuo she-hui chih hsien-chuang, p.244.
- 9) Kapp, Provincial Independence vs. National Rule: A Case Study of Szechwan in the 1920's and 1930's, p.548, makes a point that in comparison with the Szechwanese militarists Feng had an army but no fixed base and thus was more easily disposed of.
- 10) Sheridan, op. cit., p.18
- 11) For the divisions between warlord factions in Kweichow see Hatano Kenichi, Gendai Shina no Kiroku (henceforth cited as GSNK), August 13, 1931, p.164 and Chung-yang Jih-pao (henceforth cited as CYJP), December 5, 1932.

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On Szechwan see Yang, Zhao-jung, Hsin-hai Ghou'chih, Ssu-ch'uan chan-chi and Garavente, The Long March, pp.109-110

- 12) Two Soviets were established in Kwangsi which collapsed from internal faults and military pressure from the Kwangsi faction in 1930. See Lary, Communism and Ethnic Revolt: Some Notes on the Chuang Peasant Movement in Kwangsi 1921-31.
- 13) In 1928, for example, a bandit named Chang Chieh-pa, who operated in the region around Ta-li attempted to gain a commission for himself in the Yunnanese Army, having kidnapped a missionary as ransom for this purpose in 1928. See Rock, The Ancient Na-Khi Kingdom of Southwest China, p.36.
- 14) Ch'en, op. cit., p.579
- 15) "Troops are only peasants and workers who have lost their livelihood, who have by chance been formed into any ranks and thereby have become the tools of private persons. As for the appellation warlord, in the end, it is restricted to military leaders." See Chou Ku-ch'eng, op. cit., p. 244.

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- 16) Within the faction of Lung Yün the various military leaders enjoyed different ranks; before the revolt of 1931 there were divisional commanders and after the revolt Lung only permitted his officers to hold the rank of brigadier and below. But as a rough guide officers of the second rank, whether brigadiers under generals or colonels (after 1931) under brigadiers, were significant members of the faction.
- 17) Ch'en, op. cit., pp.564-565
- 18) Yün-nan sheng cheng-fu cheng-li nei-cheng hui-i pao-kao shu (henceforth cited as YNSCF), p.226
- 19) During the initial attack on Lung Yün by his rival Hu Jo-yü the French consul intervened to save Lung's life. See Li P'ei-t'ien, Lung Yün Lu Han en-ch'ou chi, pt.19, p.20. Similarly, following the revolt of 1931, the life of Chang Feng-ch'un was said to have been spared at the request of the French consul. See Burton, The French Stranglehold on Yunnan—a first-hand survey, p.4.
- 20) There are a large number of books and articles on the faction of military officers under T'ang Chi-yao, including a biography of the latter showing him in a favourable

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light, Tung-nan pien-i she, T'ang Chi-yao, in which some information on the officer corps of the Yünnan Army is given. Both Wen Kung-chih, Tsui-chin san-shih nien Chung-kuo chün-shih shih, p.391 and Lo Chia-lun (comp.), Ko-ming wen-hsien (henceforth cited as KMWH), vol.12, pp.1794-1795, give lists of officers of the rank of regimental commander for the year 1922, which are contradictory and seem incomplete (neither mention Lung Yün).

- 21) The generally accepted date of his birth is 1887. See Yang Chia-lo, Min-kuo ming-jen t'u-chien, (henceforth cited as MKMJTC), vol.1, chüan 2, p.2, and Boorman, Biographical Dictionary of Republican China, vol.2, p.457. But Li P'ei-t'ien, op. cit., pt.1, p.12, states that he was born in "...the eleventh year of Kuang-hsü (some say the tenth year)..." and he was, after all, much closer to Lung than any of the other sources. Furthermore Lung's mother died in 1922, "having kept her virtue for thirty-six years" (see note 31) so that Lung's father must have died at least by 1886. Since his father died while Lung was young (Li P'ei-t'ien, loc. cit.) the only conclusion must be that Lung could not have been born

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later than 1886.

- 22) The fact that he was of the I minority is recorded in several sources (e.g. Biographies of Kuomintang Leaders, vol.2, p.142), but for the fact that his mother was a Han I am indebted to Professor Owen Lattimore.
- 23) GSNK, November 24, 1928, p.329
- 24) Li P'ei-t'ien, loc. cit. also mentions a brother who died young.
- 25) Chao-t'ung hsien-chih, p.645; Chao-t'ung hsien-chih kao, p.479; Li P'ei-t'ien, op. cit., pt.1, p.12, pt.9, p.22
- 26) Chao-t'ung hsien-chih, p.27
- 27) Li P'ei-t'ien, op. cit., pt.1, p.12. She seems to have been a Catholic and a fierce matriarch who hen-pecked Lu Han. (ibid. pt.9, p.22)
- 28) Again I am indebted to Professor Owen Lattimore for this point, but the documentary evidence is extremely confusing and difficult to judge.
- 29) One sister, Lung Teng-feng, died before 1924. See Chao-t'ung hsien-chih, p.630. On Lung Chih-chen see Chao-t'ung hsien-chih kao, p.546; The Reports of the United

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States Consulate in Kunming (henceforth cited as USCKM), report 103, October 3, 1935. She was described as "...a woman of determined character, who has many admirers and is reported to be able to raise 3-4,000 men by raising her hand." See Public Records Office, The Reports of the British Consulate in Kunming (henceforth cited as PRO), FO 371/12407 F6482/2/10, June 15, 1927

- 30) Chao-t'ung hsien-chih, p.5
- 31) ibid., p.645
- 32) Lu Han's role in the revolt against Lung Yün did not deprive him of all position but he was obliged to give up his military command.
- 33) Chao-t'ung hsien-chih kao, p.479
- 34) Li P'ei-t'ien, op. cit., pt.9, p.22
- 35) Chao-t'ung hsien-chih kao, p.545. Some mention of Li P'ei-lien is made in a most inaccurate article by Nan-jen (pseud.), Lung Yün tsao-nien yü O ch'üan-shih lei-t'ai pi-wu chi.
- 36) Li P'ei-t'ien and Li P'ei-yen, like their sister, were natives of Pin-ch'uan county. P'ei-t'ien was a graduate

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of a Japanese University and both men came into prominence as political agents of Lung after the coup of February 6, 1927. See Li P'ei-t'ien, op. cit., pt.8, p.13; Ta-kung Pao (henceforth cited as TKP), March 23, 1931; Yü Tsung-tse (ed.), Yün-nan hsing-cheng chi-shih (henceforth cited as YNHCCS), ts'e 17, chin-jung: Fu-tien yin-hang chih shou-shu chi Fu-tien hsin yin-hang chih ch'eng-li, p.3b.

- 37) e.g. Chiang Yang-shu, an incompetent and ambitious warlord who was related to Lung through the marriage of one of his children to one of the children of Li P'ei-t'ien and Yang Shu-jen, the brother-in-law of the latter. See Chang Jo-ku, Li Piao-tung, I-chiu-erh-liu nien "tao-T'ang" hui-i-lu (henceforth cited as TTHIL), pp.98 n.2, 100 n.1.
- 38) USCKM, report 39, May 2, 1933.
- 39) Ch'en Hsiao-wei, Jo-ting-lu sui-pi, vol.3, p.19; Chang Wen-shih, Yün-nan nei-mu, p.43; Chao-t'ung hsien-chih kao, p.273
- 40) ~~One visitor to~~ Kunming in the late 1930s found the subject of Lung's origins taboo. See Smith, Burma Road, p.210

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- 41) Li P'ei-t'ien, op. cit., pt.2, p13. Chao-t'ung hsien-chih kao, p.246, records that Lung donated YN\$15,000 for the establishment of a "Union Girls' Middle-School for Ten Counties including Chao-t'ung" (Chao-t'ung teng shih-hsien lien-ho nü-tzu chung-hsüeh-hsiao).
- 42) Li P'ei-t'ien, op. cit., pt.2, pp.13-14
- 43) Boorman, op. cit., p.457.
- 44) Yang Sen was a warlord who operated within the confines of Szechwan politics, whilst Chu P'ei-te joined the KMT and served as the commander of the third army of the National Revolutionary Army. Chu Te, in common with Lo Ping-hui, another product of the Yunnan Army, though not of the Academy (see Shih Fen, Lo Ping-hui Chiang-chün sheng-p'ing) later joined the CCP, as is well known, after leading the life of a warlord (see Smedley, The Great Road). But these latter men were exceptions; the vast majority of the graduates of the Academy remained warlords of one kind or another.
- 45) T'ang was "Superintendent" (chien-tu) of the Academy in 1911. See Yün-nan Kuei-chou Hsin-hai ko-ming tzu-liao, p.44

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- 46) There are many sources for this story, e.g. PYCF, vol.6, p.23 n.1. Some sources describe the encounter between Lung and a Russian, apparently under the mistaken belief that there was a Russian consulate in Kunming. See Nan-jen, op. cit.
- 47) PYCF, vol.6, loc. cit. Tz'u Fei was a hero of ancient times who was said to possess a "magic sword" (pao-chien). The use of such a term for T'ang's personal bodyguard army indicates the love of archaicism which was a hall-mark of warlord psychology and rule. For an account of the impression which the Tz'u Fei chün made on the inhabitants "...wearing red army caps on their heads, and yellow uniforms on their bodies..." see Liu Chien-ch'ün, Wo yü Lung Yün, pt.1, p.16. There are a number of ways in which "Tz'u Fei" may be written, but Liu chooses one way which is not. See Glossary of Chinese Names.
- 48) Ts'ai O had organized the Yünnan Military Academy in the last years of the Ch'ing dynasty and assumed the leadership of Yünnan during the 1911 Revolution, but in 1913 went to Peking at Yüan Shih-k'ai's request, and only escaped from Peking late in 1915 when he returned to

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lead the National Protection Army against Yüan Shih-k'ai.

- 49) See the photograph of Lung in YNSCF. He was the holder of the "Order of Merit, Third Class" (hsün san-wei), the "Wen-hu (lit. "cultivated tiger"), second grade" and of the "Order of the Bountiful Crop, third grade". See Chao-t'ung hsien-chih, p.4
- 50) PYCF, vol.8, p.50
- 51) Lécorché, *Vingt-Cinq Ans D'Indochine et du Yunnan: Souvenirs* (1919-1943), p.205
- 52) USCKM, Annual Report On The Development Of Commerce And Industries In The Yunnanfu Consular District, 1935, p.8
- 53) China Weekly Review, vol.81, no.7, July 17, 1937
- 54) GSNK, March 30, 1931, p.389
- 55) Hsiang Shang, Hsi-nan lü-hsing tsa-hsieh, p.202
- 56) *ibid.*, p.200
- 57) In 1929 when in pursuit of Chang Ju-chi, Lu Han executed four county magistrates for cooperating with Chang or not performing adequately. USCKM, report 103, October 5, 1929.

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- 58) Li P'ei-t'ien, op. cit., passim. The issue is not why Lung became the leader of the faction, but the faction itself. The relationship between Lung and Lu is but one aspect of the whole.
- 59) USCKM, report 12, December 5, 1930
- 60) Chou-mo-pao she (ed.), Hsin Chung-kuo jen-wu chih, vol. 2, pp.160-161
- 61) KMWH, vol.12, pp.1794-1795
- 62) There is a considerable discrepancy between the various sources. TTHUIL, p.93 n.1, states that Lung had two brigadiers, Lu Han and Chou Jen-wen. Li P'ei-t'ien, op. cit., pt.15, p.20 says that Lung had two "divisional commanders", Chou Jen-wen and Kao Hsiang-ch'un, and further describes Lu Han as simply a "regimental commander". But PYCF, vol.8, p.49 insists on the importance of Kao Hsiang-ch'un, as a spy of T'ang Chi-yao and explains that Kao was one of T'ang's men and that T'ang was planning to assassinate Lung.
- 63) GSNK, November 24, 1928, pp.329-330
- 64) See Chapter Three, pp.166-170

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- 65) Biographies of Kuomintang Leaders, vol.2, p.135; YNHCCS, ts'e 6, ts'ai-cheng, ch'u-hsiao ho-tsa, p.1b; GSNK, November 24, 1928, p.329
- 66) Biographies of Kuomintang Leaders, vol. 1, p.49
- 67) Ting Chao-kuan, Yün-nan min-cheng kai-k'uang, esp. chapter ten
- 68) YNSCF, p.71
- 69) PRO, FO 371/13164 F34/7/10, November 19, 1927. The British consul in Kunming, who saw Hu Jo-yü as a "Bolshevik" as opposed to Lung whom he considered a "Nationalist", said that Lung Yün had established himself in Kunming"... with support of all moderate elements." See PRO, FO 371/12422 F8917/28/10, October 14, 1927 and FO 371/12408 F6941/2/10, August 17, 1927.
- 70) Lo-p'ing hsien-chih, p.572
- 71) Ch'en, op. cit., p.596, Table Three F. Chao-t'ung hsien-chih kao, p.151, also describes Chang as a graduate of the Military Academy, but this is not necessarily a contradiction of Ch'en's statement.
- 72) Société des Missions-Etrangères, Compte Rendu des Travaux,

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- 73) Li P'ei-t'ien, op. cit., pt.18, p.17, describes Hu as "...an extremely intelligent and subtle man. Although he himself knew that the morale and discipline of his army was not satisfactory, nevertheless he could not revive it."
- 74) Kuo-fang pu shih-cheng chü (comp.), Chiao-fei chan-shih (henceforth cited as CFCS), ts'e 5, pp.894-896
- 75) Teng Yen-ta, Teng Yen-ta hsien-sheng i-chu, p.11
- 76) *ibid.*, p.9
- 77) *ibid.*, p.2
- 78) See Chapter Five, p.239
- 79) The famines in Kansu during the 1930s and the hundreds of wars fought during this period seem to be more important factors, amongst others, which made life grim in China. But the social effect of opium-smoking was considered by Fei Hsiao-t'ung, for one, to have been of enourmous consequence. "In the middle class, opium and education appear to have an almost equally stultifying effect." "We must list the introduction of opium into the Chinese

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village as one of the strongest factors in accelerating the process of concentration of landownership into a few hands." See Fei Hsiao-t'ung, Chang Tse-i, *Earthbound China*, pp.225, 295.

- 80) Fundamentally opium derived its importance as a means of making money for warlord factions, but its role in the economic life of China, constituting as it did, the "best" cash crop available to the peasantry, should not be ignored.
- 81) See Chapter Six, pp.272-289
- 82) See Chapter Two, pp.115-116
- 83) YNHCCS, ts'e 17, chin-jung, min-kuo shih-pa nien i-ch'ien chih chin-jung chuang-k'uang, p.3a states that by the autumn of 1929 the exchange rate between the Old Yunnan Paper Dollar and Shanghai exchange was nearly nine to one. Chang Hsiao-mei, Yün-nan ching-chi, T, pp.12-14, carries a table which suggests that in 1931 the exchange rate was about seven to one; but this seems to have been the ~~Futien~~ Bank's rate. Yen Jen-keng, Yün-nan chih ts'ai-cheng, p. 5a, employs a rate of exchange between the New Yunnan Paper Dollar and National Currency of 1.8:1 from 1932-34

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and of 2:1 from 1935-37, which in terms of the Old Dollar would have corresponded to 9:1 and 10:1 respectively. It seems safe to assume that the actual rate outside Yünnan would have fluctuated around ten to one from 1929 onwards.

- 84) Ch'en Chen, Chung-kuo chin-tai kung-yeh shih tzu-liao, vol.3, pt.2, pp.1237-1245, gives some account of the industrialization of Yünnan, but western historians have neglected to consider it.
- 85) See Chapter Five, p.240
- 86) YNHCCS, ts'e 11, chien-she, k'uang-yeh, p.10b, in its only reference to conditions in the mines at Kotchiu, remarked that the "...treatment of the mine workers by the mine owners was previously very harsh. Those who visited the area and inspected working conditions were somewhat disturbed....."
- 87) See League of Nations, Health Organization, Report by Dr. A. Stampar on his Missions to China, and The Tin Mines of Yünnan: Appalling Conditions, Oriental Affairs, vol.8, no.1, July, 1937, pp.15-16, which summarizes Stampar's findings and enlarges on them.

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- 88) Smith, Burma Road, p.164
- 89) ibid., p.166-167
- 90) ibid., p.160-161
- 91) Many of the arms imported through Indo-China were purchased by Lu Han who undertook the business (and very rewarding such transactions were) with two firms, Descours et Cabaud and Rondon et Cie, who acted for the Groupe de Chine. On one order worth 2,900,000 francs, the total commission was thirty-five per cent divided into ten per cent each for Lung Yün, Lu Han and the representative of the Groupe de Chine in Kunming and five per cent for other intermediaries. See USCKM, confidential report 178, May 26, 1936.
- 92) To cite but one example of the anti-imperialist feeling in Yunnan it may suffice to reproduce an extract (translated) from the Hsi-nan Jih-pao, Enclosure no.1 in PRO, FC 371/14743 F3685/3685/10, May 19, 1930. This article shows clearly the feelings of a literate, urban elite which was powerless to act, because the warlord faction in power needed French support to get supplies of arms.

"Yunnan and Indo-China are adjacent to one another, and

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on account of the Yunnan-Indo-China Railway many Annamites are found residing in the region along the Railway Line.

Since the sudden outbreak of the revolution in Indo-China, most of the Annamite residents in Yunnan province have been regarded as rebels by the French Consul, who secretly instructed gendarmes of the French Consulate to arrest them and hand them over to the Government of Indo-China for punishment.

It is reported that recently several such cases have actually been witnessed. The indignation of the Chinese masses has been deeply stirred by the improper action of the French Consul in taking upon himself to make arrests without informing the Government of Yunnan, thus showing his contempt for international law. Some days ago seven Annamites were arrested at Amichow (i.e. K'ai-yüan) and sent to Hanoi...Thereupon, a protest was lodged by the Provincial Government; and the French Consul in his reply stated that the Annamites arrested were not rebels, but thieves who had repeatedly stolen articles from trains at the stations. Whether the seven Annamites were rebels or thieves, as stated by the French Consul, the writer does not know for certain. In any case, he should not infringe China's sovereignty within Chinese territory and arrest Annamites without informing the Government of Yunnan."

The British consul in the same report gave it as his view that the "...arrests were nominally made on the grounds of thefts committed on the railway, no doubt with the object of avoiding possible complications to which an arrest for a "political offence" might give rise."

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- 1) T'ang had taken power in Yünnan in 1913 after the departure of Ts'ai O, was expelled briefly by Ku P'in-chen during 1921-1922, but apart from this short excursion out of the province he was the most important warlord leader of Yünnan from 1913-1927.
- 2) The British consul asserted that the attack on T'ang had been "...provoked by flagrant nepotism." PRO, FO 371/12401 F1356/2/10, February 10, 1927
- 3) One eulogistic account of Lung Yün described his rule as one in which "...Yünnan may be said to have passed through a most tranquil political era, and the people of Yünnan, after years of military upheaval, may also be reckoned as having enjoyed a long period of peaceful livelihood." Chang Wen-shih, op. cit., p.45. This was hardly true of Yünnan, except in the most relative way, but it does indicate something about the relationship of Lung's faction with the various influential social classes in the province, the landlords and merchants, especially those dealing in tin and opium. Lung's capacity was for maintaining "public order".
- 4) T'ang was a member of the T'ung-meng Hui and a participant

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in the 1911 Revolution. He had continually formed associations with Sun Yat-sen. In 1917 he had been appointed under Sun Yat-sen in the Canton Military Government who had broken with T'ang and other provincial warlords in 1918. See Li Chien-nung, The Political History of China, 1840-1928, pp.376-377, 386-387.

- 5) For an account of the National Protection Army see Yu Yün-lung, Hu-kuo shih-kao
- 6) Tung-nan pien-i-she, op. cit., p.118
- 7) Sun Yat-sen, Kuo-fu ch'üan-chi, vol.4, pp.441-442; PYCF, vol.7, pp.149-150
- 8) PYCF, vol.7, p.150
- 9) Sun Yüeh, Chung-hua min-kuo shih-liao, p.631
- 10) On the federalist movement see Li Chien-nung, op. cit., pp. 401-405.
- 11) Li Yün-han, Ts'ung jung-kung tao ch'ing-tang, p.368
- 12) PRO, FO 371/12402 F1933/2/10, January 19, 1927
- 13) Li Yün-han, op. cit., p.368, suggests that T'ang had allied himself with Ch'en Ch'iuang-ming and Lu Jung-t'ing and appointed Liu Chen-huan "Superintendent of Military

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Affairs and Governor of Kwangsi Province" (Kuang-hsi ch'uan-sheng chün-wu tu-pan chien sheng-chang). Yang Hsi-min had become the commander of the Yünnanese armies which fled from Yünnan after T'ang Chi-yao had returned from exile to that province in 1922. Yang was a subordinate of Ku P'in-chen who had first led the Yünnan army back from Szechwan, and his flight from Yünnan (having been an opponent of T'ang) did not prevent him from making a tactical alliance with him. See Ting Wen-chiang, Kuang-tung chün-shih chi, p.55

- 14) Ting Wen-chiang, op. cit., p.55
- 15) Sun Yüeh, op. cit., pp.613-614, 627
- 16) KMWH, vol.11, pp.1704, 1706, 1712-1713
- 17) Li Yün-han, op. cit., p.368
- 18) Fan Shih-sheng was a subordinate of Yang Hsi-min when the latter left Yünnan in 1922. Ting Wen-chiang, op. cit., p.55
- 19) See Huang Shao-hsiung's autobiography, Wu-shih hui-i, pp.94-104.
- 20) Min-kuo Jih-pao (henceforth cited as MKJP), July 7, 1926

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- 21) PYCF, vol.8, p.48; TTHIL, p.96
- 22) GSNK, September 29, 1926, pp.364-365; PYCF, vol.8, p.48
- 23) GSNK, August 19, 1926, pp.265-266
- 24) GSNK, September 29, 1926, pp.364-365; PYCF, vol.8, p.48
- 25) ibid.
- 26) MKSW, p.975
- 27) ibid., p.920
- 28) ibid., pp.636-637
- 29) ibid., p.637
- 30) ibid., p.933
- 31) ibid., p.963
- 32) GSNK, March 3, 1927, pp.49-50
- 33) MKSW, p.866
- 34) Ho Ying-ch'in was the commander of the First Nationalist Army (KMWH, vol.12, p.1802). For his biography see MKMJTC, vol.2, chüan 7, pp.40-41. On Wang Sheng-tsu see MKMJTC, vol.1, chüan 3, pp.52-53.
- 35) MKSW, p.887

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- 36) *ibid.*, p.845
- 37) *ibid.*, p.920
- 38) *ibid.*, p.955
- 39) PRO, FO 371/12402 F1933/2/10, January 19, 1927
- 40) TTHIL, p.93
- 41) The full text is given in Lécorché, *op. cit.*, pp.195-197;
PRO, FO 371/12402 F1933/2/10, January 19, 1927 contains
a partial translation.
- 42) Lécorché, *op. cit.*, p.194
- 43) *ibid.* The main points of the policies of the min-chih
tang, taken from the translation into English which
appears in the British consular report cited in note
41 are as follows.

"The object of the party is to carry out a policy of
democratic nationalism along the following lines

- 1) Unification of the country based on a system of feder-
ated autonomous provinces.
- 2) Direct general elections to office, so that the whole
of the people may have a voice in the Government
- 3) To complete the codification of law and ensure strict
jurisdiction
- 4) Universal education and inculcation of patriotism
- 5) Encouragement of the native Chinese culture as well as
modern scientific studies
- 6) Military conscription, in order to obtain an efficient
national army

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- 7) Strengthening of naval bases and important military points with a view to safeguarding national defences
 - 8) Development of the national resources of the country and promotion of agriculture, industry and commerce
 - 9) Tariff autonomy, in order to protect foreign trade
 - 10) A standard national currency, in order that the circulation of money may be facilitated
 - 11) A comprehensive scheme for the construction of national roads so as to improve means of communication
 - 12) To institute a code of labour regulations in order to reconcile differences between employers and employees
 - 13) To develop social welfare institutions, so as to relieve the struggle for subsistence among people
 - 14) Restriction of industrial monopolies and adoption of a system of nationalisation
 - 15) A graduated income tax, with a heavy levy on unearned incomes
 - 16) Abolition of unequal treaties and promotion of the international standing of the country."
- 44) See Ch'en, op. cit., p.572, for some illuminating comments on the psychology of warlords. Tung-nan pien-i-she, T'ang Chi-yao, p.11
- 45) Tsao Lien-en, Yünnan, A Land of Opium and Bad Money, p.65
- 46) "Summing up his life, in his plans he was most energetic, in his devotion to his country he was most loyal, in exposing himself to danger he was most courageous; in every instance he is the sufficient model for our officers." See Chiang's preface to Ts'ai O (Liu Ta-wu ed.), Ts'ai Sung-po hsien-sheng i-chi, p.1, dated May, 1933.

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- 47) Tsao Lien-en, op. cit., p.65
- 48) To a large degree this work (i.e. TTHIL) gives a remarkably interesting account of politics in Yunnan and it is obvious that the recollections of these two men, Chang Jo-ku and Li Piao-tung, have been published without any attempt to "reinterpret" the movement. It appears that there are no later glosses from published material, and that the account is simply what it purports to be, the recollections of two honest but naive men.
- 49) See note 104
- 50) TTHIL, p.95
- 51) *ibid.*, p.94
- 52) *ibid.*
- 53) *ibid.*
- 54) *ibid.*
- 55) Agents discovered in Yunnan by T'ang Chi-yao were executed. TTHIL, p.94
- 56) *ibid.*, pp.94-95
- 57) Tung-nan pien-i-she. T'ang Chi-yao, p.111

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- 58) One of the crucial differences between warlord and bandit armies was the fact that whereas warlords sought to justify their actions and to gain legitimacy from civilian sources through the formation of governments, bandits seem to have been content to seek legitimacy through enrollment in the army of a warlord. No bandit, for example, ever sent out a telegram.
- 59) The question of links between Chiang's negotiations with T'ang and his knowledge of the "anti-T'ang" movement is still open. It does seem reasonable to suppose that he was kept informed of the negotiations between the movement and the Canton Government, and the similarity of Wang Sheng-tsu's suggestion that T'ang be made tsung-chih and T'ang's later official title as tsung-ts'ai is evidence of Chiang's knowledge of the attitudes of T'ang's generals but further than this it is impossible to go.
- 60) TTHIL, pp.94, 95
- 61) ibid., p.95
- 62) ibid.

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- 63) Fan had the support of Yünnanese residing in Canton and had proclaimed himself ready to invade Yünnan and overthrow T'ang. See MKJP, December 30 and 31, 1926, January 6, 1927.
- 64) TTHIL, p.95
- 65) ibid.
- 66) PYCF, vol.8, p.50;
- 67) PRO, FO 371/12403 F2580/2/10, February 8, 1927
- 68) TTHIL, p.96, and this chapter, pp.89-90.
- 69) Tang-kuo ming-jen chung-yao shu-tu, p.89
- 70) For information on T'ao Hung-t'ao see Chao-t'ung hsien-chih, p.27. By 1937 T'ao had been appointed manager of the Yünnan Tin Company, see Chao-t'ung hsien-chih kao, p.12. Lung's fondness for men of his native county was shrewdly exploited by the KMT who sent P'ei Ts'un-fan, a native of Chao-t'ung and a graduate of the Whampoa Military Academy to organize a KMT branch in Kunming. See Chao-t'ung hsien-chih kao, p.270 and MKMJTC, vol.1, chüan 6, p.2

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- 71) TTHIL, p.96
- 72) *ibid.*
- 73) *ibid.*
- 74) Li P'ei-t'ien, *op. cit.*, pt.18, pp.17-18
- 75) PYCF, vol.8, p.51
- 76) It should be remembered that Lung in particular was known for his strict control over his troops. While the Chinese new year, which it happened to be at that point, was the traditional time for paying troops, and the disturbances may have been unconnected with the impending coup and not gently prodded on by Lung, it does not seem a very plausible hypothesis that all was coincidence.
- 77) TTHIL, p.93
- 78) Both T'ang Chi-yü and Meng Yu-wen were generals in T'ang Chi-yao's bodyguard as was Wang Chieh-hsiu. See Li P'ei-t'ien, *op. cit.*, pt.21, pp.22-24. On Ch'en Wei-keng see T'ang Chi-yü's telegram of March 19, 1928 in which he announces his retirement and turns over his troops to Chen in GSNK, March 21, 1928.
- 79) PRO, FO 371/12403 F2580/2/10, February 8, 1927; the same

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source stated that at that time the joint strength of Lung, Hu and Chang was 7,000 men.

- 80) PYCF, vol.8, p.51
- 81) TTHIL, p.97
- 82) MKJP, March 2, 1927; PYCF, vol.8, p.50 carries an abridged version of these demands. The Tung-lu University derived its name from T'ang Chi-yao's title of "Lord of the Eastern Continent" (tung ta-lu chu-jen).
- 83) PYCF, vol.8, p.50
- 84) ibid., p.51; GSNK, March 11, 1927, pp.157-158
- 85) By February 9 the armies, or at least parts of them, of generals Lung, Hu, Chang and Li had reached An-ning, I-liang, Yang-lin and Lu-feng respectively. See PYCF, vol. 8, p.51.
- 86) ibid.
- 87) ibid., pp.51-52; GSNK, March 11, 1927, pp.157-158
- 88) PYCF, vol.8, p.52; TTHIL, p.97; cf. Chapter Three, pp.156 et seq.
- 89) The dating of the conference is tentative. PYCF, vol.8,

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p.52, states that Hu Jo-yü arrived at I-liang on February 16 and in PRO, FO 371/12402 F1878/2/10, February 24, it is said that the British consul was informed of T'ang's acceptance of the demands of the generals.

- 90) TTHIL, p.97
- 91) ibid.
- 92) ibid.
- 93) PYCF, vol.8, p.52
- 94) The full text of the Outline is given in GSNK, March 29, 1927, pp.373-375.
- 95) ibid.
- 96) PRO, FO 371/12404 F3868/2/10, March 12, 1927
- 97) PYCF, vol.8, p.51; Li P'ei-t'ien, op. cit., pt.18, p.18 gives a slightly different version of this telegram.
- 98) GSNK, March 29, 1927, pp.373-375
- 99) i.e. the occasion on May 30, 1925 when Chinese demonstrating in that city over the killing of a Chinese by a Japanese foreman were fired on by British police, ten dying as a result. See Schram, Mao Tse-tung, pp.81-82.

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- 100) c.f. Ch'en, op. cit., p.573
- 101) GSNK, March 24, 1927, pp.313-314
- 102) See Chapter Six, pp.307-308
- 103) GSNK, March 24, 1927, pp.313-314
- 104) PRO, FO 371/12404 F3868/2/10, March 12, 1927
- 105) GSNK, March 12, pp.176-177. Chang Yao-tseng was a native of Yünnan, a graduate of a Japanese university and the editor of the Yün-nan tsa-chih (Yünnan Magazine) published in Japan by Yünnanese students, devoted to the nationalist cause. See Chung-kuo-shih hsüeh hui, Hsin-hai ko-ming, vol.6, p.251. Wang Jen-wen was also from Yünnan, a chin-shih of the Ch'ing dynasty, and had had a long career which culminated in Szechwan where he was involved with the Szechwan railway crisis in the closing year of the dynasty. After that he served in the san-i-yüan. MKMJTC, vol.1, chüan 3, p.150. On Ma Ts'ung, Wang Chiu-ling and Chou Chung-yüeh see Li P'ei-t'ien, op. cit., pt.18, p.18; PYCF, vol.6, p.6. It should be noted that TTHIL, p.97, states that those elected, in addition to the four generals, Ma Ts'ung and Wang Chiu-ling,

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Hsiung T'ing-ch'üan, Ting Chao-kuan, Yu Yün-lung, Ch'en Ho-t'ing and Hu Yün-shan. Of these Ting, Yu and Ch'en did in fact later become members of the Provincial Government Committee (Ho-t'ing-was the tzu of Ch'en Chün—see Tahara Teitarō, Shinmatsu minsho chugoku kanshin jinmei-roku, p.406), but Hsiung and Hu did not. See Chapter Two, pp.105 et seq.

- 106) Société des Missions-Etrangères, Bulletin de la Mission (henceforth cited as BM), no.65, May 1927, p.316;
TTHIL, p.98
- 107) BM, no.65, pp.316-317
- 108) TTHIL, p.98
- 109) GSNK, March 11, 1927, pp.157-158; MKJP, March 5, 1927 carried an announcement by Lung that he had sent out three representatives, one to the National Government, one to the KMT and one to Fan.
- 110) Fan Shih-sheng was still hopeful that he would somehow get into Yünnan; he claimed to have sent representatives to Canton to intercede for Lung and Hu in February and that the command of the sixteenth army (his own) be given to Hu Jo-yü. See MKJP, February 28, 1927.

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- 111) TTHIL, p.98
- 112) PRO, FO 371/12407 F5818/2/10, May 19, 1927
- 113) PRO, FO 371/12404 F3868/2/10, March 12, 1927
- 114) Léc¹corche, op. cit., p.199
- 115) BM, no.57, September 1926, p.569
- 116) TTHIL, p.98; Wang Yin-fu, op. cit., kung-han, p.18
- 117) TTHIL, p.98
- 118) *ibid.*
- 119) *ibid.*
- 120) BM, no.65, May 1927, pp.316-317
- 121) Li P'ei-t'ien, op. cit., pt. 19, p.20. From the sources it appears that Lung was the man who gave orders, or at least, was seen to be in charge.
- 122) TTHIL, p.98
- 123) Hsiao Hsiao, Hu Tzu-li, Tang-tai Chung-kuo ming-jen chih, p.330
- 124) Biographies of Kuomintang Leaders, vol.1, p.49
- 125) TTHIL, p.98

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- 126) PRO, FO 371/12407 F5818/2/10, May 19, 1927
- 127) It appears that it was this KMT branch which was responsible for the purge of the College of Law and Politics branch during May and June of that year.
- 128) PRO, FO 371/12407 F5818/2/10, May 19, 1927
- 129) PRO, FO 371/12406 F4746/2/10, May 17, 1927
- 130) BM, no.67, July 1927, p.441
- 131) ibid.
- 132) Tang-kuo ming-jen chung-yao shu-tu, p.89
- 133) ibid.; PRO, FO 371/12407 F5818/2/10, May 19, 1927
- 134) ibid.
- 135) PRO, FO 371/12407 F5818/2/10, May 19, 1927
- 136) TTHIL, p.99
- 137) ibid.
- 138) PRO, FO 371/12407 F5818/2/10, May 19, 1927
- 139) See this chapter, p.82.
- 140) CYJP, February 25, 1928
- 141) PRO, FO 371/12407 F5818/2/10, May 19, 1927; in TTHIL, p. 99, it is said that his army command was of the thirty-

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fourth Nationalist Army.

- 142) TTHIL, p.99
- 143) *ibid.*
- 144) *ibid.*, pp.99-100
- 145) *ibid.*, p.100
- 146) BM, no.66, June 1927, p.377; Léc¹orché, *op. cit.*, p.200
- 147) On April 8, the Provisional Military Government had entered Chien-shui city in secret, and on April 12 had distributed leaflets announcing their campaign against T'ang. The following day everyone left Chien-shui and entered nearby villages. See TTHIL, p.100
- 148) *ibid.*, p.102
- 149) BM, no.68, August 1927, pp.509-510
- 150) Li P'ei-t'ien, *op. cit.*, pt.19, p.20
- 151) The attitude of the individual warlords in Yünnan during April and May was fundamentally one of wait and see. But it seems possible that Lung was by temperament inclined against any ideas of social revolution, and in the sources he is constantly mentioned as the man who kept control.

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- 152) The letter to Chiang was taken by T'u Tzu-chin, according to the source cited in note 154. TTHIL, p.96 mentions that a certain "T'u Tzu-chün" carried a letter and photograph to Li Chi-shen. The Lo-p'ing hsien-chih is replete with mentions of local worthies surnamed 'T'u'. Li P'ei-t'ien also mentions another T'u Hsien-min (op. cit., pt. 21, p.24), and says that he was related to Hu Jo-yü. The inferences to be drawn from this information is that since TTHIL is purely based on reminiscences an error may have turned T'u Tzu-chin into Tzu-chün. Conceivably, therefore, the letter cited was one addressed to Chiang Kai-shek and sent by Hu through Canton before the coup of February 6. Also one may infer that Hu used relatives and natives of his county in the way in which Lung did in respect of Chao-t'ung.
- 153) Hu is referring to the occasion in early 1922 when T'ang Chi-yao and part of his army was in Kweilin with Sun Yat-sen just prior to his return to Yünnan. In January 1922 Sun gave a speech to these Yünnanese officers in which he stressed the dangers of the British and French in their colonies on the borders of Yünnan. See Sun Yat-sen, Kuo-

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fu ch'üan-chi, vol.6, p.115. In Tung-nan pien-i-she, T'ang Chi-yao, p.113, it is said that Hu was insistent on returning to Yünnan; but this may simply have been Hu acting a necessary role in a hagiography. At the same time, Hu showed himself to be an opportunist all through his career and it seems most unlikely that he should have had any desire to join Sun Yat-sen at that time, or any other.

- 154) Tai Wei-ch'ing, Kuo-min cheng-fu hsin kung-wen hsin fa-ling hui-pien, kung-han, p.24
- 155) Shih-pao, May 30, 1930
- 156) PRO, FO 371/12407 F6482/2/10, June 15, 1927
- 157) PYCF, vol.8, p.200
- 158) Tung-fang tsa-chih, vol.24, 1927, no.17, p.115; BM, no.68, August 1927, p.510
- 159) ibid., pp.509-510
- 160) PYCF, vol.8, p.200
- 161) Chao-t'ung hsien-chih kao, p.545; Li P'ei-t'ien, op. cit.,

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- 162) PYCF, vol.8, p.200
- 163) ibid.
- 164) ibid.; Li P'ei-t'ien, op. cit., pt.21, p.22
- 165) Li P'ei-t'ien, op. cit., pt.22, p.17; PYCF, vol.8, p201
- 166) Wang Yin-fu, op. cit., tien-wen, pp.17-18. The telegram is dated simply "the fourth". Lung returned and assumed command of the thirty-eighth army on August 5, and according to BM, no.69, September 1927, p.567, "...the populace applauded the discomfiture [of Hu Jo-yü] and were delighted with the return of Lung Yün."
- 167) PRO, FO 371/12407 F6482/2/10, June 15, 1927. According to this source the regiments were stationed at Lu-feng, west of Kunming on the road to Ta-li, K'ai-yüan, north of Mengtze, on the railway line (these two regiments demanded Lung's release on July 21, see PRO, FO 371/12447 F8549/144/10, September 25, 1927) and two were stationed outside Kunming itself. At the same time Meng Yu-wen had thrown in his lot with Lung, and together with the regiments near Kunming had moved north-west, presumably to join the regiment at Lu-feng.

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- 168) Lung evidently did succeed in gaining the support of bandit armies for in 1928 he was trying to palm them off to Chiang Kai-shek as part of the forces of the Northern Expedition, but Chiang was not very anxious to support Yünnanese bandits. See YNSCF, pp.51, 194. One proposal made (p.194) was that: "The armies of the whole of Yünnan should exterminate bandits region by region, and when they have been eliminated, apart from deliberating on an army for defence to remain in Yünnan, the rest may be selectively banded to participate in the Northern Expedition, which would not be particularly useful to the Party or Nation but would be beneficial to our Yünnan."(!)
- 169) BM, no.71, November 1927, p.693
- 170) PYCF, vol.8, p.200; Tung-nan pien-i-she, T'ang Chi-yao, p.111
- 171) PRO, FO371/13164 F34/7/10, November 19, 1927. It seems that Hu sent for help from Szechwan during July and got it for "1,000 chests of opium". The Kweichow army had installed officials in Hsüan-wei by August 18. See Chao-t'ung hsien-chih kao, p.56; BM, no.70, October 1927, pp. 631-632; Hsüan-wei hsien-chih, p.106.

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- 172) Li P'ei-t'ien, op. cit., pt.23, p.18
- 173) PRO, FO371/12409 F7872/2/10, August 25, 1927
- 174) ibid.; Hsüan-wei hsien-chih, loc. cit.
- 175) PYCF, vol.8, p.201
- 176) BM, no.71, November 1927, p.693. GSNK, September 28, 1927, p.370, gives the dates of the attacks as September 18 and 21.
- 177) PYCF, vol.8, p.201
- 178) ibid.
- 179) ibid.; PRO, FO 371/13164 F34/7/10, November 19, 1927 states that an agreement between the two sides was "signed", but gives the date as October 5.
- 180) PYCF, vol.8, p.201
- 181) ibid., p.202
- 182) USCKM, report 2, March 30, 1928
- 183) USCKM, report 71, January 6, 1928
- 184) PYCF, vol.8, p.202
- 185) ibid.

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- 186) ibid.
- 187) GSNK, March 21, 1928, p.283
- 188) USCKM, report 7, May 10, 1928. In 1929 T'ang no longer
 commanded a division and was created head of the Kunming
 "gendarmerie", a position of little significance. See
 USCKM, report 63, March 6, 1929.

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- 1) Lung Yün continued to wage war against bandit armies in Yünnan for several years. Among the bandits still active during the years up to 1930 were Li Shao-tsung, whom Lung had enlisted in his army in late 1927 and whom he had tried to persuade to join the Yünnanese expedition into Kwangsi in 1930; Wu Hsüeh-hsien, whose favourite wife, "la petite pomme rouge", Lung executed by firing squad in 1928, and whose own head was publicly displayed in 1931 in Kunming; Chang Chieh-pa, who "...strung up his victims by the thumbs to branches of high trees, and tied rocks to their feet; lighting a fire beneath he left them to their fate.. ." and who tried to gain a commission in Lung's army by holding a missionary hostage. PRO, FO 371/13164 F34/7/10, November 19, 1927; BM, no.105, September 1930, p.573; BM, no.84, December 1928, p.751; Lécorché, op. cit., p.227 and photograph, p.233; Rock, op. cit., pp.36-37.
- 2) Hsüan-wei hsien-chih, p.106
- 3) Chao-t'ung hsien-chih kao, p.56. It will be remembered that this work was published in 1937 when Hu had long since ceased to be of any importance and consequently the fact that a gazeteer of Lung Yün's own native place should

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dignify Hu with the title which he formerly enjoyed is significant evidence of this concept of position and prestige.

- 4) YNHCCS, ts'e 1, Tsung-shu, sheng cheng-fu chih tsu-chih hsi-t'ung chi yen-ko, pp.1b-2a; PYCF, vol.8, p.202
- 5) PYCF, vol.8, p.202
- 6) Li P'ei-t'ien, op. cit., pt.25, p.19, states that:"...each time the Yünnan Provincial Government...had a request on a large or small matter, it was always easy to find a solution. And Lung, too, was able to comply with and act upon in order the various orders of the Central [Government]." Li was Lung's representative in Nanking for several years, and while it is evident that Li is not giving a believable description of relations between Kunming and Nanking, reading between the lines one may see the willingness of Lung Yün to give a semblance of loyalty to the National Government.
- 7) For the text of this law see KMWH, vol.22, pp.4221-4222
- 8) Li Tsung-huang was a native of Hao-ch'ing county, Yünnan, a graduate of the Pao-ting Military Academy and an official in the Nanking Government. See Fan Yin-nan, Tang-tai

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Chung-kuo ming-jen lu, p.95

- 9) CYJP, February 23, 1928
- 10) PRO, FO 371/13165 F1306/7/10, February 7, 1928 gives a list of the "new" members of the Provincial Government Committee which corresponds exactly with the composition of the "reformed" Committee of April 1.
- 11) ibid.
- 12) For example, Pai Chih-han, who was one of the ten men whose dismissal was demanded by the generals in the coup of February 6 (see Chapter One, p.67), was a native of Shensi. See MKMJTC, vol.2, ch'uan 8, p.62. There is no conclusive evidence that Lung never employed a non-Yünnanese in the lower levels of the administration before 1937, but certainly all the members of the Provincial Government Committee were Yünnanese.
- 13) On Chin Han-ting and Fan Shih-sheng see Ting Wen-chiang, op. cit., p.55
- 14) Biographies of Kuomintang Leaders, vol.2, p.27
- 15) Fan Yin-nan, op. cit., p.287; Yün-nan kung-shang-yeh kai-k'uang.(n.c.p.)
- 16) The construction of the Railway brought about a great

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increase in the volume of tin exported from Kotchiu, since previously the tin was exported by pack-animal.

- 17) MMJTC, vol.1, chüan 4, p.11
- 18) Ch'en Pu-lei, Ch'en Pu-lei hui-i-lu, p.81
- 19) Hsiao Hsiao, Hu Tzu-li, op. cit., p.284
- 20) One of the points made in the telegram issued by Lu Han and his fellow generals on March 13, 1931 which gave their reasons for revolting against Lung was that Lung had continued to employ men associated with T'ang Chi-yao, including Chang Wei-han. See Chapter Three, pp.159 et seq.
- 21) Hsiao Hsiao, Hu Tzu-li, op. cit., p.330
- 22) Biographies of Kuomintang Leaders, vol.1, p.49
- 23) PRO, FO 371/16192 F3674/27/10,
- 24) The feelings of the Yünnanese leaders were never made explicit but Chang Wei-han, who was a member of the Provincial Government up to 1931 put the matter very directly. "Contemporary men, because Han and Barbarians (I) dwell together in Yünnan which has been civilized comparatively recently, have consequently considered it as a region of wild savages (man-mai chih hsiang), and of

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no importance." See Chang Wei-han's preface to Chang Feng-ch'i, Yün-nan wai-chiao wen-t'i.

- 25) In many districts of Yünnan there existed t'u-ssu (tribal chiefs) and in a sense Han Chinese civilization was still penetrating into the border regions. But the parallel which is being drawn here is rather in the economic sense in that Yünnan exported unprocessed agricultural produce, notably opium, and low-grade tin and imported cotton cloth and yarn. On the distribution of the various non-Han minorities in Yünnan during the period 1900-1935 see T'ao Yün-k'uei, Chi-ko Yün-nan t'u-tsu ti hsien-tai ti-li fen-pu chi ch'i jen-k'ou chih ku-chi; She I-tse, Chung-kuo t'u-ssu chih-tu, pp.140-147.
- 26) T'ang Chi-yao's corruption was notorious. See PYCF, vol. 8, pp.199-200; Shih Fen, op. cit., p.189
- 27) USCKM, report 7, May 10, 1928.
- 28) IKMJTC, vol.1, chüan 6, p.65
- 29) Ch'en Hsiao-wei, op. cit., vol.2, pp.173-174; PYCF, vol.6, p.6
- 30) For biographical details of both men see Fan Yin-nan, op. cit., pp.85-86, 417-418. Lu Hsi-jung entered Yünnan in

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- October 1928 and left in May 1929. See USCKM, report 36, November 12, 1928; report 83, June 18, 1929.
- 31) The text of the telegram is in GSNK, April 23, 1928, p.314 and the Conference record is contained in YNSCF.
- 32) GSNK, April 23, 1928, p.314
- 33) ibid.
- 34) CYJP, May 19, 1928
- 35) GSNK, April 23, 1928, p.314
- 36) The information used to compile this table has been taken from YNSCF, pp.3-10 and various biographical dictionaries cited elsewhere in the thesis. The classifications of the various groups is based on the positions ascribed to each individual according to the list of participants.
- 37) The names of those participating in each session of the Conference are listed in YNSCF, pp.47-48, 52-53, 55-56, 59-60, 65-66, 69, 72-73, 77, 80-81. On close examination it is possible to discern who actually participated in the Conference as opposed to those invited and listed on pp.3-10 and who did not.
- 38) YNSCF, p.1

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- 39) Cordier, Le Province du Yunnan, pp.169-170; Hsieh Pin, Yün-nan yu-chi, p.95
- 40) Chang Hsiao-mei, Yün-nan ohing-chi, T, p.5
- 41) *ibid.*; Li Tsung-jen, Li tsung-ssu-ling tsui-chin yen-chiang chi, p.14b
- 42) Chang Hsiao-mei, *op. cit.*, T, pp.5, 11-14
- 43) YNSCF, p.242. On the nickel currency of western Yunnan see Fitzgerald, The Tower of the Five Glories: A Study of the Min Chia of Ta Li, Yunnan, p.32. Nickel currency (nieh-pi) existed only in the form of ten cent pieces.
- 44) YNSCF, pp.222-223, 241-242, 244
- 45) *ibid.*, pp.221, 223
- 46) *ibid.*, p.51
- 47) *ibid.*, p.245
- 48) YNHCCS, ts'e 5, ts'ai-cheng, t'i-yao, p.3a, t'iao-cheng chi-kou, p.1a
- 49) YNSCF, p.54
- 50) YNHCCS, ts'e 6, ts'ai-cheng, ch'ü-hsiao ho-tsa, p.1b.

It appears from the list of participants in the Conference that a certain Ch'en Chieh (see Tahara, *op. cit.*, p.387

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for biographical details) was Provincial Minister of Finance; but in YNSCF, p.30, Ma Ts'ung is described as the "new Provincial Minister of Finance". He apparently held office until Lu Ch'ung-jen assumed office in July of that year.

- 51) Chang Hsiao-mei, Yün-nan ching-chi, U, pp.28-29
- 52) YNHCCS, ts'e 19, chin-yen, chin-chung, p.1a
- 53) Chang Hsiao-mei, Yün-nan ching-chi, U, pp.28-29
- 54) YNSCF, p.258
- 55) YNSCF, pp.452-458
- 56) Regulations concerned with the prohibition of opium smoking were drawn up, but it appears that they were not enforced. See Chapter Six, p.302 and note 169; YNSCF, pp. 446-451.
- 57) League of Nations, Commission of Enquiry into the Control of Opium-Smoking in the Far East, Report to the Council, vol.4, pp.291-292
- 58) ibid., pp.295-297
- 59) PRO, FO 371/13256 F3363/244/87, June 26, 1928
- 60) YNSCF, pp.93-97

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- 61) YNSCF, p.282
- 62) ibid.
- 63) ibid., p.283. For Sun Yat-sen's denunciations of opium, which were referred to by the Association, see Sun Yat-sen, Kuo-fu ch'üan-chi, vol.5, pp.162-163. Sun reaffirmed his opposition to opium in 1924: "If there are those who advocate giving legal permission to opium, or express surrender to the evil power of the opium trade...they are all public enemies of the will of the people...the declaration of war on opium even more so cannot be compromised, cannot be abandoned." op. cit., vol.6, pp.314-315
- 64) Ma Yin-ch'u, Ma Yin-ch'u ching-chi lun-wen chi, p.709
- 65) op. cit., p.712
- 66) op. cit., p.713
- 67) Chin-yen wei-yüan-hui hsüan-ch'uan-k'o, Ch'üan-kuo chin-yen hui-i hui-pien, t'i-an hui-ts'un, p.33
- 68) ibid., pp.67-68
- 69) YNSCF, p.225
- 70) ibid., p.223
- 71) ibid., p.51

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- 72) *ibid.*, p.226
- 73) *ibid.*, p.71
- 74) *ibid.*, p.100
- 75) In 1930 Lung tried to persuade a bandit named Li Shao-tsung to join the Yunnanese expedition to Kwangsi, but Li refused. See BM, no.105, September 1930, p.573
- 76) Bradley, *The Old Burma Road*, p.9
- 77) YNSCF, pp.88-90
- 78) Bradley, *loc. cit.* See also this chapter note 1.
- 79) There is, however, one interesting report by the British consul in Kunming which stated that Li Shao-tsung was levying taxes; but it is not clear whether Li was doing this because he had been officially enlisted in Lung Yün's army or whether this was a departure from simple pillaging and an indication that Li was endeavouring to legitimize his position of his own accord. See PRO, FO 371/13164 F34/7/10, November 19, 1927.
- 80) See note 1.
- 81) YNSCF, p.227
- 82) *ibid.*

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- 83) BM, no.84, December 1928, p.751; Bradley, op. cit., p.9
- 84) BM, no.73, January 1928, p.48. This kind of student activity was a far cry from the conduct of the students in 1926 when, according to BM, no.62, February 1927, p. 115, on the anniversary of the National Protection Army in December, "...even young girls danced the tango to the sounds of the harmonium and mandolines."
- 85) Inspectorate General of Customs, Decennial Report, 1922-31, p.355
- 86) cf. Burton, op. cit., p.29, who describes the frequency of free choice in marriage as due to the influence of the "Red elements". CYJP, February 25, 1928, carries an announcement from the KMT branch in Yünnan which described the activities of the "Communist Party" in terms commonly employed by their KMT opponents at the time. The CCP was accused, for example, of "...drugging some of the young, employing local thugs and vagrants, uniting with local bullies and bad gentry...constantly and incessantly stirring up society."
- 87) GSNK, April 23, 1928, p.314
- 88) YNSCF, pp.161-162

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- 89) ibid., p.41
- 90) Another observer remarked that: "Thanks to the wise and strong policies of Governor Lung Yün...peace and order continued to be efficiently maintained throughout the province [during 1934]...." See Mengtsz Customs, Memorandum on Trade for 1934.
- 91) A tribal chief.
- 92) PRO, FO 371/13222 F5328/589/10, August 24, 1928
- 93) ibid.
- 94) ibid.
- 95) YNSCF, p.247
- 96) YNHCCS, ts'e 17, chin-jung, min-kuo shih-pa nien ch'ien chih chin-jung chuang-k'uang, pp.1b-2a
- 97) ibid.
- 98) ibid.
- 99) This is a rough estimate. A government statement in GSNK, March 21, 1931, p.278, said that up to January 1931 the Futien Bank had issued YN\$92,950,000; the other two banks had jointly issued notes to the value of YN\$10,800,000. See YNHCCS, ts'e 17, chin-jung, Fu-tien

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yin-hang chih shou-shu chi Fu-tien hsin yin-hang chih
ch'eng-li, p.4a

- 100) The paper dollar was formally declared to be exchangeable at the rate of five paper dollars to one silver dollar from January 1, 1930, but it seems that this was merely the recognition of an already existing state of affairs.
- 101) YNHCCS, ts'e 17, chin-jung, min-kuo shih-pa nien i-ch'ien chih chin-jung chuang-k'uang, p.2b
- 102) On the chang see note to Table One, Chapter Five, pp.233-234.
- 103) YNHCCS, ts'e 5, ts'ai-cheng, t'i-yao, p.1b; ts'e 17, chin-jung, loc. cit.
- 104) Metal Bulletin Handbook, 1969, p.32. The fall in world prices for tin was the result of the slump and over-production. See Hedges, Tin in Social and Economic History, p.28
- 105) YNHCCS, ts'e 1, tsung-shu, t'i-yao, p.1a. This Committee was itself reorganized in late November or early December. See USCKM, report 115, December 2, 1929; Shih-pao, November 22, 1929.
- 106) Kung Tzu-chih was Yünnanese, and had been manager of the

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Yün-nan Jih-pao (Yünnan Daily) under T'ang Chi-yao, and had been beaten for criticizing T'ang in the newspaper. See Biographies of Kuomintang Leaders, vol.2, p.61. Sun Tu is one of the members of the provincial army of whom little is known; see his biography in MKMJTC, vol.1, chüan 6, p.37. Chang Feng-ch'un, Chu Hsü and Lu Han were, of course, three of the four principal leaders of the faction in Yünnan. On Miao Chia-ming see Chapter Five, passim.

- 106) YNHCCS, ts'e 6, ts'ai-cheng, ch'ü-hsiao ho-tsa, p.1b
- 107) GSNK, January 6, 1930, p.24
- 108) YNHCCS, ts'e 17, chin-jung, t'i-yao, p.2b; op. cit., ts'ai-cheng, t'i-yao, p.2a
- 109) op. cit., ts'e 17, chin-jung, Fu-tien yin-hang chih shou-shu chi Fu-tien hsin yin-hang chih ch'eng-li, p.1a
- 110) See Chapter Five, pp.210-212.

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- 1) T'ang Chi-yü's troops had been turned over his army to his subordinates in March 1928 and retired to Hongkong. Rumours appeared in the Chinese press that he and Hu Jo-yü had attempted to enlist the aid of Chang Fa-k'uei to invade Yunnan around the time of the revolt of March 1931, but these rumours merely pointed to T'ang's complete impotence. See GSNK, March 21, 1928 and TKP, March 20, 1931.
- 2) Yang Sen, Yeh t'an Chou Hsi-ch'eng, p.37
- 3) GSNK, November 24, 1928, p.328
- 4) GSNK, November 24, 1928, p.329
- 5) CYJP, March 12, 1928
- 6) Tung-fang tsa-chih, vol.26, 1929, no.1, p.205
- 7) Wang Yin-fu, Kuo-min cheng-fu hsien-hsing kung-wen ch'eng-shih hsiang-chieh, kung-han, p.15
- 8) GSNK, November 26, 1928
- 9) PRO, FO 371/13173 F6174/7/10, November 5, 1928
- 10) GSNK, November 26, 1928, p.327
- 11) GSNK, November 24, 1928, p.326

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- 12) Tung-fang tsa-chih, vol.26, 1929, no.3, p.136
- 13) In a telegram of December 21, 1928, Chou announced that he had defeated Li in battle on December 13. See Tung-fang tsa-chih, vol.26, 1929, no.4, p.134.
- 14) GSNK, November 26, 1928, pp.341-342
- 15) GSNK, November 24, 1928, pp.329-330
- 16) *ibid.*
- 17) *ibid.*
- 18) *ibid.*
- 19) See Introduction, p.17. Professor Owen Lattimore has informed me that Lung was startled to hear from the former during an interview that Stalin was not a Russian but a Georgian by origin, and evidently made a comparison between his own position within the context of national politics and that of Stalin's within the Soviet Union; not that Lung aspired to be a Stalin but that he wished to be accepted as a Chinese and not a mere half-caste.
- 20) In his preface to YNHCCS, Lung emphasizes the role of Yünnan within a Han Chinese historical context, and on no occasion did he ever indicate that he had any sympathy for

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the various minorities in Yunnan except his own whom he employed in the army and administration.

- 21) CYB, 1929-1930, pp.732 et seq.; Sheridan, op. cit., pp. 253-254; GSNK, May 15, 1929, pp.203-206
- 22) CYB, 1929-1930, p.735
- 23) Wang Ching-wei, Hu-tang chiu-kuo chi, pp.309-310
- 24) The telegram is dated simply "the fifth" (Wang Ching-wei, op. cit., p.310) and by May 5 it was already obvious that Nanking would win and so on balance April seems a more likely time, but it is a somewhat open question.
- 25) Whether Chang still commanded troops of Yunnanese origins or whether his troops were predominantly from Kweichow is not known. But the Kweichow warlords were notorious for the weakness of their fighting machines.
- 26) The exact date of Lung Yün's appointment to this command is not given in any of the sources, but it seems that it probably occurred during April.
- 27) Shih-pao, April 11, 1929
- 28) GSNK, May 15, 1929, p.205

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- 29) Shih-pao, May 1, 1929
- 30) Tung-fang tsa-chih, vol.26, 1929, no.14, p.138. Fischer, *Travels in China, 1894-1940*, pp.246-249, describes a monument erected on the spot where Chou Hsi-ch'eng was apparently wounded by a crack shot in Li Shen's army. On it was written: "The Whole People of the Province of Kweichow to the Late Governor of Kweichow who fortunately only left his uniform here." The latter was an allusion to the fact that Chou did not die on the field of battle.
- 31) CYB, 1929-30, p.735
- 32) Shih-pao, June 5, 1929
- 33) GSNK, June 8, 1929, pp.103-104; Shih-pao, June 8, 1929
- 34) Shih-pao, August 7, 1929
- 35) Chao-t'ung hsien-chih kao, pp.59-60
- 36) Lécorché, op. cit., p.217; USCKM, report 83, June 10, 1929; Chao-t'ung hsien-chih kao, pp.58, 61; USCKM, report 93, August 7, 1929
- 37) USCKM, report 93, August 7, 1929; GSNK, July 19, 1929, p.301
- 38) USCKM, report 93, August 7, 1929

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- 39) GSNK, July 19, 1929, p.301; Shih-pao, May 30, 1930.
Wang Hsiang-ch'eng, Yün-nan tui-wai mao-i kai-kuan, p.124,
which appears to be the only source which gives a coherent
account of the civil war in Yünnan, although very super-
ficial, states that Meng K'un was drowned in his flight
and that Hu Jo-yü escaped with his life and nothing more.
For a general account of the invasion of Kweichow by the
Yünnanese forces see MacNair, China in Revolution: An
Analysis of Politics and Militarism under the Republic,
p.167.
- 40) YNHCCS, ts'e 1, tsung-shu, t'i-yao, p.1a; Chang Wen-shih,
Yün-nan nei-mu, pp.10-11
- 41) See Chapter Two, pp.137-138. The military leaders were
Lung Yün, Lu Han, Hu Ying, Sun Tu, Chang Feng-ch'un, Chu
Hsü and T'ang Chi-lin.
- 42) Yin-shih, Li Chiang kuan-hsi yü Chung-kuo, p.49
- 43) Lécorché, op. cit., p.223. The British consul reported
that Chiang had sent "...fifty tons of silver bars...six
field guns, twenty thousand shells and three hundred
rifle cartridges..." to finance the invasion. But all
this was held in Indo-China by the French because they

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- were in dispute with the Yunnanese over the arrest of some Vietnamese revolutionaries by the French consul on the pretext that they were thieves (see Introduction note 92), and was not available for the invasion. PRO, FO 371/14743 F3685/3685/10, May 19, 1930; FO 371/14743 F4002/3685/10, June 16, 1930. On the Nan-ning siege see USCKM, report 6, September 8, 1930; Li Tsung-jen, op. cit., p.48
- 44) Shih-pao, July 31, 1930; PRO, FO 371/14692 F3680/93/10, May 22, 1930; CYB, 1930, p.600; Snow, Journey to the Beginning, p.49
- 45) USCKM, report 6, September 8, 1930
- 46) Wang Ching-wei, Hu-tang chiu-kuo chi, p.109
- 47) Li Tsung-jen, op. cit., p.49; USCKM, report 12, December 5, 1930
- 48) Li Tsung-jen, op. cit., p.49
- 49) PRO, FO 371/14692 F3680/93/10, May 22, 1930; USCKM, report 12, December 5, 1930
- 50) USCKM, report 12, December 5, 1930

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- 51) The conference according to USCKM, report 29, April 1, 1931, was held between March 5 and March 10; TKP, March 30, 1931, states that the conference began on March 6. On Chu Hsü's resignation see USCKM, report 21, February 10, 1931. The text of the slogans and the communiqué are to be found in GSNK, March 30, 1931, p.390-392
- 52) USCKM, report 29, April 1, 1931. The dates given by the United States consular reports are generally employed in dating events precisely, but other contemporary sources prefer March 11. The contradiction is not of great significance.
- 53) GSNK, March 30, 1931, pp.390-392
- 54) Li P'ei-t'ien, op. cit., pt.27, p.19
- 55) GSNK, March 30, 1931, pp.390-392
- 56) *ibid.*
- 57) *ibid.*
- 58) *ibid.*
- 59) *ibid.*
- 60) *ibid.*

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- 61) Li P'ei-t'ien, op. cit., pt.27, p.19; TKP, March 23, 1931
- 62) GSNK, March 30, 1931, p.393; USCKM, report 29, April 1, 1931
- 63) GSNK, March 30, 1931, p.393; USCKM, report 29, April 1, 1931
- 64) Shen-pao, March 21, 1931
- 65) TKP, March 27, 1931
- 66) USCKM, report 29, April 1, 1931; report 31, May 7, 1931
- 67) PRO, FO 371/15473 F2625/69/10, April 9, 1931
- 68) ibid.; USCKM, report 31, May 7, 1931
- 69) GSNK, March 12, 1931, pp.151-152
- 70) Burton, op. cit., p.4
- 71) GSNK, May 12, 1931, pp.150-151
- 72) For the text of the telegrams issued by both men see GSNK, May 12, 1931, pp.151-152. On Chang Ch'ung's later career in the Chinese People's Republic see Chou-mo-pao she, op. cit., vol.2, pp.160-161; Kasumigaseki, Gendai Chūgoku jinmei jiten, p.634
- 73) GSNK, May 12, 1931, p.152

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- 74) PRO, FO 371/16193 F4894/2/10, May 13, 1932
- 75) General and rather bald statements of the number of armies under T'ang Chi-yao's command do exist for the period 1922 to 1926 (see Introduction note 20), but they are confused and confusing.
- 76) USCKM, report 97, enclosure 1, September 9, 1929
- 77) Chang Ch'ung was born in 1898 and Lu Han in 1890.
- 78) USCKM, report 97, enclosure 1, September 9, 1929
- 79) PRC, FO 371/15473 F2730/2/10, April 15, 1931
- 80) On Lung Yü-ts'ang see Introduction, p.16.
- 81) USCKM, report 1, August 4, 1932; report 59, March 9, 1932
- 82) ibid.
- 83) PRO, FO 371/17064 F6807/2/10, September 11, 1933

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- 1) Yen Hsi-shan was supposed not to have relied upon income from opium cultivation, but was faced with a large problem in the shape of morphia and heroin manufacture and sale within the province. Mei Kung-jen, Wang-kuo mieh-chung ti ya-p'ien-yen huo, pp.263-265
- 2) See Chapter Five, pp.229-232 et passim.
- 3) See Chapter Six, pp.289 et seq.
- 4) This is the definition in Article One, Chapter One, of the International Opium Convention of January 23, 1912, which was signed by China along with Britain, the United States, Japan, France etc., following the International Opium Conference which opened at The Hague on December 1, 1911. See CYB, 1919-20, pp.678-683.
- 5) Chao-t'ung hsien-chih kao, p.187
- 6) USCKM, confidential report 60, May 22, 1935; King, The Poppy Blooms Again, p.800
- 7) USCKM, report 3, April 7, 1928. While morphia was an important alkaloid in opium, others such as caffeine were important for their constipative effects which rendered opium a simple cure for diarrhoea. Some of the sub-

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stances employed included "...glue, beancurd, eggs, sesamum-seed cake, boiled apples, burnt sugar...." See Report of the International Opium Commission (henceforth cited as IOC), vol.1, p.55.

- 8) Thompson, French Indo-China, p.110; Teston, Percheron, L'Indochine Moderne: Encyclopédie administrative, touristique, artistique et économique, p.909
- 9) Scott, Burma and Beyond, p.221
- 10) Most of the "extended cultivation districts" were on the south-western border of Yunnan where opium of good quality was known to be grown: to See Yün-nan ch'üan-sheng shih-hsing chin-chung ya-p'ien chang-ch'eng, article 36, where one of the conditions for forming a "specially permitted opium cultivation district" (as they were initially termed), is given that "the quality of the opium produced [should be] good." It should be noted that the usual reasons advanced for the good quality of Yunnanese opium in general and that of the south-west border regions of the province in particular, that is the climate and elevation of the region, may not necessarily be correct. Addens, The Distribution of Opium Cultivation and the

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Trade in Opium, p.6, notes that according to experiments conducted in the Himalayas the growth of poppy at high altitudes does not produce a significant increase in the morphia content of the opium produced. Further (p.11),
"...opium of a high morphine content is produced in tropical, subtropical and temperate climates all over the world."

- 11) cf. Chao-t'ung hsien-chih kao, p.187; Owen, The British Opium Policy in China and India, p.236; Adshead, The Opium Trade in Szechwan 1881 to 1911, passim
- 12) Lattimore, Manchuria; Cradle of Conflict, pp.187-188
- 13) Mi Ch'ing-yün, Chiang-fei huo-ch'uan chi, p.108
- 14) ibid.
- 15) As a crop which was either illegal or morally condemned, opium statistics need to be treated with considerable care. For example, The Annual Report, 1928-29 of the National Opium Suppression Commission, suggested (p.21) that ten per cent of the cultivated mou of Shantung was given over to opium. If this were true then Shantung's production of opium could have been nearly 22,000 tons per annum on the basis of the estimated total cultivated

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acreage of that province for 1933 of 120 million mou (Perkins, Agricultural Development in China 1368-1968, Table B.14, p.236) and a production per mou of fifty taels. This figure would have accounted for nearly the whole of Chinese opium production in 1906.

- 16) Yün-nan ch'üan-sheng shih-hsing chin-chung ya-p'ien chang-ch'eng, chapter two, article 15
- 17) USCKM, report 274, April 13, 1937
- 18) USCKM, confidential report 60, May 22, 1933
- 19) USCKM, confidential report 149, March 13, 1934. However it should be noted that in another, slightly earlier source, it is said that: "Recently an upper limit on the number of mou cultivating opium has been set for each county following investigation into conditions by the Opium Prohibition Bureau...if the appointed number of mou is exceeded, it must be reported in advance and tax paid according to the regulations. If not and it is discovered by the district head (ch'u-kung) thereafter a fine of thirty per cent is payable; if it is discovered by the county magistrate the fine is fifty per cent; if it is discovered by the Opium Prohibition Bureau, the fine is

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doubled. Therefore of the 107 counties and fifteen administrative regions of Yünnan, each county has an average of 8,000 mou...." See Hsing-cheng yüan, nung-ts'un fu-hsing wei-yüan-hui, Yün-nan sheng nung-ts'un tiao-ch'a (henceforth cited as YNSN), p.30. Thus it appears that when the prohibition regulations were introduced in 1935, the number of mou was based on these calculations, and not the 15,000 mou described as the average for 1934.

- 20) Generally speaking there seems to be no reason to suppose that the gazeteers give figures below the actual total of opium land taxed by the county magistrates, or to suppose that extra-provincial reports exceeded in their estimates the lower limits of production. The latter reports may well represent the maximum and the former (gazeteers etc.) the minimum levels of production.
- 21) Chao-t'ung hsien-chih kao, pp.189-191; Hsüan-wei hsien-chih, p.427; Hsin-p'ing hsien-chih, pp.59-60
- 22) YNSN, p.75; Yü En-te, Chung-kuo chin-yen fa-ling pien-ch'ien shih (henceforth cited as CKCY), p.178, citing Chü-t'u hui-k'an, vol.2, no.3, p.10 and Chung-kuo ya-p'ien

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chung-chih yü mao-i (1924-1925), pp.11,6

- 23) The figure for Lu-feng are based on an estimated twenty per cent of the **spring crop** (the cultivated area of Lu-feng being nearly 63,000 mou). See YNSN, p.126. On Yü-ch'i see YNSN, p.180, where opium land was said to constitute seventeen per cent of the cultivated acreage. The figures for the total cultivated acreages of these two counties are given in YNSN, p.8. See Ch'en Pi-sheng, Tien-pien ching-ying lun, p.74, on Yü-ch'i.
- 24) It is, of course, difficult to believe that the Provincial Government would have adopted a figure of some 900,000 mou had it not thought that this was the lowest estimate it could decently afford to present to public view.
- 25) Fischer, op. cit., p.203
- 26) *ibid.*, p.209. Other reports confirm the belief that opium was a major crop. "On the plains between Yunnanfu and Tali about half the acreage was planted for opium." Snow, op. cit., p.58. See also Bradley, op. cit., pp.30, 93; PRO, FO 371/14760 F2758/184/87, April 15, 1930.
- 27) Davies, Yünnan: The Link between India and the Yangtze, p.162

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- 28) Buck, Land Utilization in China: Statistics, Table 14, pp.225-226. The yield in taels per mou has been derived from Buck's figures, which are given in quintals per hectare, on the rough basis of sixteen taels equals half a kilogram and fifteen mou equals one hectare.
- 29) *ibid.*
- 30) The yields per mou for these counties are given, in the cases of Kunming and Ma-lung, for three grades of land, and in the case of Yü-ch'i, for two grades of land. The figures cited are averages of these various grades and yields.
- 31) YNSN, pp.75, 217, 180
- 32) YNHCCS, ts'e 19, chin-yen, chin-chung, Tables following p.20b (The yield has been derived from the figures given for the number of mou cultivated and the total yield.)
- 33) PRO, FO 371/14724 F2758/184/87, April 15, 1930
- 34) e.g. USCKM, confidential report 60, May 22, 1933. The question of the yield per mou is always complicated by the fact that most sources which actually state the yield per mou do not distinguish whether they are talking about the

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initial yield of juice (chiang) which is produced after the incisions into the poppy capsule are made or the raw opium which is the result of simply drying the juice. The difference between the two yields was considerable. "[In Hsü-chou_] from each mou of land at least seventy to eighty taels of juice may be got, which dried in the sun may at least produce fifty taels." Li Wen-chih, Chung-kuo chin-tai nung-yeh shih tzu-liao, vol.1, p.459, citing Chu Chih-chen, Ch'ang ch'ien-ch'ien wen-chi, hsia, p.11. Another source for the nineteenth century suggests that the yield varied between thirty-two and eighty taels, and was on average forty-eight taels. Li Wen-chih, op. cit., pp.460-461.

- 35) In south-western Yünnan slash-burn cultivation methods were common among the indigenous non-Han minorities. However, it should be noted that slash-burn was not practised by all minorities in Yünnan. Lin Yüeh-hua, The Lolo of Liang Shan, pp.93-94, describes the "Lolo" there as using "fertile fields" to cultivate opium either through hiring Han Chinese as labourers or by kidnapping them. The opium was exchanged for guns and silver, and evidently fulfilled the same function of providing an

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economic basis for territorial independence as it did for certain warlord factions.

- 36) In the Tables referred to in note 32 of this chapter, it is obvious that the books had been cooked since with rare exceptions the yield per mou is exactly twenty-five taels per mou.
- 37) i.e. 2,240,000 mou at fifty taels per mou.
- 38) Perkins, op. cit., Table B.14, p.236, gives the cultivated acreage of Yünnan for 1933 as 36,000,000 mou, which is the figure adopted here. A land survey of Yünnan carried out by the Provincial Government during the period 1929 and 1941 concluded that the cultivated area of the 110 counties surveyed was just over 28,500,000 mou. About nineteen counties were not surveyed, and it can be seen that the results of this survey corresponded approximately with the figure suggested by Perkins. See YNHCCS, ts'e 6, ts'ai-cheng, ch'ing-chang keng-ti, Table following p.10b.
- 39) Buck, Land Utilization in China, p.213
- 40) Cordier, Le Province du Yunnan, pp.169-170
- 41) Addens, op. cit., p.17

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- 42) ibid., pp.12-13
- 43) Chao-t'ung hsien-chih kao, p.187
- 44) Chang Hsiao-mei, Kuei-chou ching-chi, G, p.44
- 45) Fitzgerald, op. cit., p.26. Ta-li was one of the regions of Yünnan renowned for its opium in the nineteenth century. See Chambre de Commerce de Lyon, La Mission Lyonnaise d'Exploration Commerciale en Chine: 1895-1897, part two, p.132.
- 46) YNHCCS, ts'e 13, ching-chi, fang-chih, pp.1a-1b
- 47) The Min-chia were an indigenous minority inhabiting the west of Yünnan roughly between Kunming and Ta-li who had been considerably "Hanicised". See T'ao Yün-k'uei, Chi-ko Yün-nan t'u-tsu ti hsien-tai ti-li fen-pu chi ch'i jen-k'ou chih ku-chi, pp.426-427.
- 48) Fitzgerald, op. cit., p.28
- 49) Fei, Chang, op. cit., p.288
- 50) ibid., p.
- 51) It should be made clear that the smuggling referred to here is distinct from the later organized export of opium

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along the Indo-China-Yünnan Railway under the protection of Lung Yün. See USCKM, confidential report 81, June 29, 1935.

- 52) League of Nations, Commission of Enquiry into the Control of Opium-Smoking in the Far East, op. cit., p.269
- 53) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.3a
- 54) Chao-t'ung hsien-chih kao, p.188
- 55) K'un-ming shih-chih, pp.118-119
- 56) cf. ibid., pp.100-123
- 57) USCKM, confidential report 60, May 22, 1933; confidential report 219, September 8, 1934
- 58) USCKM, report 60, January 18, 1932; report 43, June 3, 1933; confidential report 219, September 8, 1934
- 59) Chiang Shang-ch'ing, Cheng-hai mi-wen, pp.10-11; USCKM, confidential report 60, May 22, 1933; Yü En-te, op. cit., p.180; Shih-i, Tu Yüeh-sheng wai-chuan, p.49, states that "...the majority of all nationally produced Yünnanese opium, Szechwanese opium, Northern Ports opium and foreign Persian and Indian opium was concentrated and distributed from Shanghai." But from the evidence available it seems

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that Hankow was at least as important as Shanghai in the distribution of native opium, if not more so.

- 60) USCKM, report 90, December 2, 1933; confidential report 220, October 5, 1936
- 61) *ibid.*; YNSC, p.223
- 62) *cf.* Smith, Burma Road, pp.22-29
- 63) National Opium Suppression Commission, *op. cit.*, p.3;
Chiang Shang-ch'ing, *op. cit.*, pp.10-11;
- 64) *ibid.*; Huang Shao-hsiung, *op. cit.*, p.154; Ch'ien Chia-chü, Han Te-chang, Wu Pan-nung, Kuang-hsi sheng ching-chi kai-k'uang, pp.19-20
- 65) USCKM, confidential report 182, March 30, 1936
- 66) League of Nations, Commission of Enquiry into the Control of Opium-Smoking in the Far East, *op. cit.*, pp.291-292
- 67) *ibid.*, p.292
- 68) *ibid.*, pp.292 et seq. The text of the Geneva Convention is to be found in Mei Kung-jen, Wang-kuo mieh-chung ti ya-p'ien-yen huo, supplement, pp.73-74
- 69) League of Nations, Commission of Enquiry into the Control of Opium-Smoking in the Far East, *op. cit.*, pp.295-297

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- 70) ibid., p.293
- 71) YNSC, p.94
- 72) PRO, FO 371/13165 F1306/7/10, February 7, 1928; GSNK, May 1, 1929, pp.75-76
- 73) GSNK, loc. cit.; PRO, FO 371/13231 F7075/2449/10, November 15, 1928; USCKM, report 39, December 5, 1928
- 74) See Chapter Six, pp.267-268
- 75) Among the members of the government said to have been involved in this attempt were Lung Yün, Lu Han, Chang Pang-han and Lu Ch'ung-jen. See USCKM, confidential reports 190, June 26, 1934; 200, July 30, 1934; 207, August 13, 1934; 211, August 23, 1934; 253, November 21, 1934; 3, December 17, 1934.
- 76) See Chapter Five, pp.223-229
- 77) YNHCCS, ts'e 17, chin-jung, Fu-tien hsin yin-hang chih yeh-wu, pp.7b-8a
- 78) Chang Hsiao-mei, Yün-nan ching-chi, V, p.86
- 79) ibid.
- 80) YNHCCS, ts'e 13, ching-chi, fang-chih, p.2a

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- 81) In 1928 one adviser to the government suggested quite openly that one way of combating inflation would be for the government to "...issue a part of the paper currency and mark it off as capital for transporting special goods...buying foreign exchange or even buying silver bars with it to bring it back for minting coins as a preparatory step." See Wang Ch'eng-hsiang, Yün-nan tui-wai mao-i kai-kuan, p.181, citing Li Ch'ien-yüan in Fu-tien yin-hang ts'an-shih shih, Yün-nan chin-jung wen-t'i.
- 82) Chao-t'ung hsien-chih kao, p.188
- 83) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.3a; Yen Jen-keng, Yün-nan chih ts'ai-cheng, p.47a
- 84) Yen Jen-keng, op. cit., p.47a
- 85) YNHCCS, ts'e 19, chin-yen, chin-yün, p.1a
- 86) Yen Jen-keng, op. cit., pp.2a-2b
- 87) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.3a
- 88) Public opinion in the case of Yünnan at that time should be understood as the more prominent officials, merchants and landlords residing in Kunming or other important

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cities in the province. One example which might serve to illustrate "provincial" views on opium is told by Liu Chien-ch'ün in Kuei-chou kuai ch'ün-jen Chou Hsi-ch'eng, pt.2, p.35, where Liu describes the latter, the warlord who gave help to Hu Jo-yü and Chang Ju-chi in their struggle against Lung Yün, as believing that a brand of tobacco current in Kweichow was "foreign goods" (wai-kuo huo) and taking draconian measures to stamp it out. But "...opium was a provincial product and everybody might smoke it since it was not within the sphere of things proscribed."

- 89) Chang Hsiao-mei, Kuei-chou ching-chi, N, p.63
- 90) Chang Hsiao-mei, Yün-nan ching-chi, U, pp.28-29
- 91) YNHCCS, ts'e 19, chin-yen, chin-yün, p.1a
- 92) ibid.
- 93) ibid.
- 94) YNSC, pp.452-458
- 95) ibid., p.455
- 96) ibid., p.456

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- 97) See Chapter Two, pp.135-136.
- 98) YNHCCS, ts'e 5, ts'ai-cheng, t'i-yao, pp.1b-2a
- 99) YNHCCS, ts'e 19, chin-yen, chin-chung, p.1b
- 100) USCKM, confidential report 60, May 22, 1933
- 101) ibid.
- 102) YNSN, p.35
- 103) USCKM, confidential report 60, May 22, 1933
- 104) YNHCCS, ts'e 19, chin-yen, chin-yün, pp.1a-1b
- 105) While it cannot be expected that Yen Jen-keng can provide a full account of provincial finances, nevertheless his investigations and thoroughness were of a higher quality than those exhibited in other authors' efforts to present the salient facts about provincial income and expenditure. cf. Kuo Yüan, Yün-nan sheng ching-chi wen-t'i, pp.203-247
- 106) Yen Jen-keng, op. cit., p.6b
- 107) cf. Tung Chen-ts'ao, Ya-p'ien yü wei-sheng, which contains an address by the former in which opium was vigourously condemned in Kunming.
- 108) YNSN, p.26

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- 109) YNSN, p.27
- 110) YNHCCS, ts'e 19, chin-yen, chin-yün, p.2a
- 111) Yen Jen-keng, op. cit., p.49a
- 112) USCKM, report 66, April 5, 1932
- 113) See Chapter Six, p.266

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- 1) See Chapter Three, pp.161-169.
- 2) There is scarcely anything that can be said about the county magistrates since there is hardly any information about them. Chow Yung-teh, Social Mobility among the Gentry in a Chinese Community, gives a very vivid picture of local life and power in a Chinese county in Yünnan in the period immediately following the one under consideration. While as a work of sociology it leaves something to be desired, it is unsurpassed as a series of descriptions of village life and power relationships in Yünnan at this time.
- 3) GSNK, January 6, 1930, p.23
- 4) It is probable that revenues were not actually collected in silver but were collected in paper currency.
- 5) YNSC, p.245
- 6) Biographies of Kuomintang Leaders, vol.2, p.135
- 7) YNHCCS, ts'e 6, ts'ai-cheng, ch'ü-hsiao.ho-tsa, p.1b
- 8) YNHCCS, ts'e 5, ts'ai-cheng, t'i-yao, p.3a
- 9) YNHCCS, ts'e 6, ts'ai-cheng, t'iao-cheng chi-kou, p.1a
- 10) ibid.

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- 11) YNSC, p.345
- 12) YNHCCS, ts'e 7, chiao-yü, chiao-yü ching-fei, p.2a
- 13) Chao-t'ung hsien-chih kao, p.246. According to Chang Wen-shih, op. cit., p.11, Lung was fond of "study" and his favourite book was the Tzu-chih t'ung-chien.
- 14) "Afterwards Lung's support and encouragement of education may be said 'to be gratefulness for the kindness of the venerable Mr. Hsiao [Jui-lin—his teacher]'...."
Li P'ei-t'ien, op. cit., pt.2, p.13
- 15) YNHCCS, ts'e 7, chiao-yü, chiao-yü ching-fei, p.2a
- 16) From the nomenclature adopted it seems probable that the latter two bodies were control organs, part of a tortuous system of checks and balances which revealed rather than diminished the chaos of the financial system.
- 17) YNHCCS, ts'e 5, ts'ai-cheng, li-hsing k'uai-chi chih-tu, p.2a. The Provincial Government instituted an "accounting system" to counteract the corruption and inefficiency of the various officials. See this chapter, pp.216 et seq.
- 18) YNHCCS, ts'e 7, chiao-yü, chiao-yü ching-fei, p.2b

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- 19) Yen Jen-keng, op. cit., pp.11a-11b
- 20) YNHCCS, ts'e 1, tsung-shu, t'i-yao, p.1a
- 21) Yen Jen-keng, op. cit., pp.31b-32a
- 22) YNHCCS, ts'e 18, kung-lu, t'i-yao, p.2a
- 23) Revenue was derived according to kung-lu, ching-fei, p.1a, from levies on salt tin and opium and some other, minor sources, to the value of approximately NYN\$1,500,000 per annum. Of this sum opium contributed about twenty per cent.
- 24) YNHCCS, ts'e 5, ts'ai-cheng, li-hsing k'uai-chi chih-tu, p.1b-2a
- 25) *ibid.*
- 26) *ibid.*
- 27) See this chapter, p.217; YNHCCS, ts'e 5, ts'ai-cheng, li-hsing k'uai-chi chih-tu, pp.3a-3b
- 28) Chang Hsiao-mei, Yün-nan ching-chi, T, pp.12-14 gives the rate of exchange for the years 1929-1935 (in YN\$ per \$100 National Currency) as follows:- 1929, 740; 1930, 718; 1931, 691; 1932, 758; 1933, 891; 1934, 949; 1935, 976. Correspondingly the exchange rate for the New Yün-

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nan Dollar per NC\$1.00 is also given which is the same as the rate for the Old Dollar except for minor differences (apart from 1934 when the exchange rate for the Old Dollar was the equivalent of NYN\$1.90 while the rate for the New Dollar itself was NYN\$1.82). Most of the differences may be ascribed to arithmetical error. But it is hard to reconcile the figure for 1929 of YN\$740 with the statement that by "...the autumn of 1929 the exchange rate on the Shanghai dollar had risen to nine to one." See YNHCCS, ts'e 17, chin-jung, min-kuo shih-pa nien i-ch'ien chih chin-jung chuang-k'uang, p.3a. Generally it seems safer to adopt the practice of Yen Jen-keng (op. cit., p. 5a) and assume that the exchange rate of the New Yünnan Dollar was NYN\$1.80:NC\$1.00 from 1932 to 1934 and NYN\$2.00:NC\$1.00 from 1935 to 1937.

- 29) See YNHCCS, ts'e 17, chin-jung, Fu-tien hsin yin-hang chih yeh-wu, p.6a
- 30) Calculated on the basis of the figures contained in note 28.
- 31) The Provincial Government claimed to have burnt a total of YN\$85,200,000 from July 1933 onwards. See YNHCCS, ts'e

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- 17, chin-jung, Fu-tien hsin yin-hang chih yeh-wu, pp.3b-4a. On the use of bank-notes printed in America see Fu-tien hsin yin-hang chih yeh-wu, p.3b. During 1928 and 1929 further issues of paper currency were made (ibid., p.3a). In addition to the Old Yunnan Dollar, other banks had also issued bank-notes, although not on the same scale as the Futien Bank. See ibid., pp.3a-3b.
- 32) YNHCCS, ts'e 17, chin-jung, Fu-tien hsin yin-hang chih yeh-wu, pp.14a-15a; USCKM, report 48, January 11, 1928; Annual Report upon Commerce and Industries, 1927, December 31, 1928.
- 33) USCKM, Review of Commerce and Industries, for the half year ended December 31, 1928, January 21, 1929
- 34) This was the opinion of Fitzgerald who conducted field work around Ta-li in the late 1930s. Fitzgerald, op. cit., p.32. But two other sources give a slightly different account. Wan Hsiang-ch'eng, op. cit., p.152 states that ten and five cent nickel coins were first issued in 1924 and that minting ceased in 1925. The area of distribution was said to be "...initially only in Chao-t'ung and a few counties in the east riding and Ta-li

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and a few counties in the west riding." YNHCCS, ts'e 17, chin-jung, Fu-tien hsin yin-hang chih yeh-wu, p.3a, confirms this statement.

- 35) YNSC, p.242
- 36) USCKM, Annual Report upon Commerce and Industries, 1928, March 31, 1929
- 37) USCKM, report 180, June 6, 1936
- 38) USCKM, report 63, October 25, 1927; GSNK, December 1, 1929, p.67
- 39) YNHCCS, ts'e 17, chin-jung, Fu-tien yin-hang chih shou-shu chi Fu-tien hsin yin-hang chih ch'eng-li, p.1a
- 40) GSNK, March 21, 1931, p.278
- 41) ibid.
- 42) YNHCCS, ts'e 17, chin-jung, Fu-tien yin-hang chih shou-shu chi Fu-tien hsin yin-hang chih ch'eng-li, pp.2a-2b
- 43) YNHCCS, ts'e 17, chin-jung, t'i-yao, pp.1a-1b
- 44) Chang Hsiao-mei, Yün-nan ching-chi, V, pp.84-85, 86
- 45) Chang Hsiao-mei, op. cit., V, p.84
- 46) ibid.

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- 47) It is possible that the reaction of the Provincial Government to the French economic domination of Yünnan was deliberately designed to put the blame for the multitude of economic failures on the shoulders of the French, utilizing the anti-French feeling of the Yünnanese as a means of absolving the Provincial Government for its ineptitude and corruption. But in the absence of evidence from the French side it is impossible to pursue this argument.
- 48) YNHCCS, ts'e 17, chin-jung, t'i-yao, p.3b
- 49) Kuo Yüan, Yün-nan sheng chih tzu-jan fu-yüan, p.126
- 50) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.2a
- 51) Kuo Yüan, Yün-nan sheng chih tzu-jan fu-yüan, pp.126-127;
YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.2a
- 52) It would be tedious to describe every purchase of arms or aircraft made by the faction in Yünnan. But see, for example, USCKM, reports 2, March 30, 1928; 51, November 10, 1931; 59, August 8, 1933; confidential reports, 178, May 26, 1936; 67, June 17, 1933.
- 53) YNHCCS, ts'e 17, chin-jung, Fu-tien yin-hang chih shou-

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shu chi Fu-tien hsin yin-hang chih ch'eng-li, p.3b

- 54) ibid., p.3a
- 55) ibid.
- 56) YNHCCS, ts'e 17, chin-jung, t'i-yao, pp.3a-3b , .
- 57) Lattimore, Britain's Opportunity in Asian Studies, p.4
- 58) MKMJTC, vol.2, chüan 9, p.58
- 59) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.12a, states that Miao was appointed in November 1920. The surname Miao is represented in Tahara Teitaro (op. cit., p.755) by two men, Miao An-ch'en and Miao Chia-shou. Both are listed as natives of Kunming county, and both served in the Provincial Government after the 1911 Revolution. The latter was Provincial Minister of Finance. While this is by no means conclusive evidence that Miao Chia-ming was a member of an important family in Yünnan, the evidence points to such a conclusion if it does not confirm it.
- 60) Ch'en Pu-lei, op. cit., p.81
- 61) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.12a. On the installation of the cable-way in the first years of the Republic, see Ting Wen-chiang, Yün-nan Ko-chiu fu-chin

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ti-chih k'uang-wu pao-kao, p.25 and Ting Wen-chiang, Man-yu san-chi, Tu-li p'ing-lun, no.23, October 1932 cited in Ch'en Chen, Chung-kuo chin-tai kung-yeh shih tzu-liao, vol.3, pt.1, p.620. Miao's appointment to the Provincial Government was announced in CYJP, May 9, 1929.

- 62) YNHCCS, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan-ying-yeh, p.31a; Kuo Yüan, Yün-nan sheng ching-chi wen-t'i, p.177
- 63) ibid.
- 64) ibid.
- 65) Kuo Yüan, op. cit., p.177. It seems more likely, on balance that this bank was more concerned with the tin trade; but since Miao was always careful to play down any of his activities which involved opium the question remains open.
- 66) YNHCCS, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan-ying-yeh, p.31b
- 67) Kuo Yüan, Yün-nan sheng chih tzu-jan fu-yüan, pp.136-137
- 68) The work on the section of the Railway which ran from Indo-China to Mengtze was finished in March 1908 and as may be seen from Table One, production increased dramatic-

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from 1909/10. See Chang Feng-ch'i, Yün-nan wai-chiao wen-t'i, p.161

- 69) The figures have been calculated on the basis of those given in Table One. On the boom in tin see The Institute of Social and Economic Research of Yunnan University, op. cit. and Hedges, Tin in Economic and Social History, p.27.
- 70) Hedges, op. cit., p.28 and Metal Bulletin Handbook, 1969
- 71) Kuo Yüan, Yün-nan sheng chih tzu-jan fu-yüan, pp.136-137
- 72) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.2b
- 73) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.2a.
- 74) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.2b; Kuo Yüan, Yün-nan sheng chih tzu-jan fu-yüan, p.126
- 75) YNHCCS, ts'e 13, ching-chi, hsi-yeh, pp.3b-4a
- 76) YNHCCS, ts'e 13, ching-chi, hsi-yeh, pp.4b-5b
- 77) YNHCCS, ts'e 13, ching-chi, hsi-yeh, p.6a
- 78) YNHCCS, ts'e 13, ching-chi, hsi-yeh, pp.6b, 11b
- 79) YNHCCS, ts'e 13, ching-chi, hsi-yeh, pp.8b-9a
- 80)

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- 81) YNHCCS, ts'e 11, chien-she, k'uang-yeh, pp.11a-11b
- 82) Kuo Yüan, Yün-nan sheng chih tzu-jan fu-yüan, p.125
- 83) ibid.
- 84) Calculated from the figures given in Tables One and Three.
- 85) YNHCCS, ts'e 17, chin-jung, t'i-yao, p.3b; Chang Hsiao-meï, Yün-nan ching-chi, V, pp.84-85
- 86) YNHCCS, ts'e 17, chin-jung, t'i-yao, p.4b

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- 1) Although it is undeniable that Chiang Kai-shek's military success in establishing himself owed something to his control of an economic base, one of the richest in China, it is by no means the case that Chiang was simply another warlord, a variation on a theme. See Ch'en, Defining Chinese Warlords and their Factions, pp.579-580.
- 2) The risings against Chiang were conducted by factions who had joined the Northern Expedition and the Kuomintang at a fairly late stage. The principal instigators of the uprisings were the Kwangsi faction (Li Tsung-jen, Pai Ch'ung-hsi, Huang Shao-hsiung), Feng Yü-hsiang, T'ang Sheng-chih and Yen Hsi-shan. (See Hsu Dau-lin, Comments by Hsu Dau-lin, pp.274-275)
- 3) The general absence of any interest in Yünnan is reflected in contemporary newspapers which only published reports on the province when an event of considerable importance occurred, such as the attempted revolt in 1931.
- 4) See Chapter Two, p.102.
- 5) See Chapter Four, Table Two, pp.203-204
- 6) *ibid.*

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- 7) While Szechwan and Kweichow warlords continued to fight civil wars in their respective provinces, the Yünnanese faction contented itself from 1930 with taking an interest in the civil war which proceeded desultorily in Kweichow, giving support to Yu Kuo-ts'ai against Wang Chia-lieh. But the faction did not send in troops, or as far as it is possible to say, arms and money. See USCKM, reports 32, April 13, 1933; 39, May 2, 1933; 58, August 8, 1933; 79, October 3, 1933; 185, August 16, 1934.
- 8) cf. Ch'en, Historical Background, pp.31-32
- 9) Garavente, The Long March, p.115; Kapp, op. cit., pp.540-544
- 10) The suppression of opium cultivation in China and of the import of foreign opium into China, predominantly from India, was initiated in 1906 when an edict was issued providing for the complete prohibition of opium cultivation within ten years. It was followed by the Agreement between the Ch'ing and British Governments which provided for an annual reduction in the export of Indian opium of 5,100 chests (i.e. about one-tenth of the annual export to China) commencing from 1908 and ending in 1917.

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In May 1911 a codicil to the Agreement was added which made the reduction of Indian opium imports conditional on the reduction, *pari passu*, of Chinese opium production. See Yü En-te, Chung-kuo chin-yen fa-ling pien-ch'ien shih, pp.120-121, 259-263.

- 11) Morse, *The Trade and Administration of the Chinese Empire*, pp.345-350; Report of the International Opium Commission, vol.1, p.57
- 12) The Tung-hua hsi-lu, cited in Li Wen-chih, Chung-kuo chin-tai nung-yeh shih tzu-liao, vol.1, p.456, suggests that opium cultivation commenced in Yünnan and then spread in succession to Szechwan, Kansu, Kweichow, Shensi and Shansi. The predominance of the south-west in producing opium might be explained therefore, on the proximity of the south-west to Burma and northern Laos which still remain the heartland of opium cultivation in south-east Asia. The techniques of opium cultivation could have easily penetrated Yünnan at an early date and the comparatively long experience of the peasantry and indigenous tribes might explain why Yünnanese opium was "...the most highly thought of opium in China.../[which]7 could, in the

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opinion of the mass of consumers, if not connoisseurs, almost vie with Indian opium." Chambre de Commerce de Lyons, La Mission Lyonnaise d'Exploration Commerciale en Chine, 1895-1897, pt.2, p.131

- 13) Many other estimates of opium production in China during this and preceding years are available, but none gained the general acceptance of those given by Morse and the International Opium Commission. For example, the Ch'ing Board of Revenue and Finance estimated production in 1905, 1906 and 1907 as 8,419, 8,530 and 7,079 tons respectively but these estimates were held to be too low. See Yü En-te, op. cit., pp.115-116
- 14) Morse, op. cit., p.350
- 15) 'China' in this context did not include Inner Mongolia.
- 16) One of the many sources for opium imports is the China Year Book, 1919-1920, p.686. The figure cited does not include a suggested 5,000 piculs of smuggled opium per year.
- 17) The figure of fifty taels per mou seems to have been generally accepted. Li Wen-chih, op. cit., vol.1, pp. 459-460, cites a source which states that: "From each mou

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of land at least seventy to eighty tael of juice (chiang i.e. the latex which issues from the pod after incision) may be got, which when dried in the sun may produce at least fifty tael."

- 18) This percentage is based upon a figure of 1,292 million mou derived from the figure for the total cultivated area of China (omitting Sinkiang, Suiyüan, Chahar, Tsinghai and Ninghsia) as given by Perkins, Agricultural Development in China, 1368-1968, p.236, Table B.14, and the possible area of land devoted to poppy according to Morse's figures of just over twelve million mou.
- 19) Buck, Land Utilisation in China, p.213
- 20) Perkins' figures are based on an index provided by Chang Yu-i, Chung-kuo chin-tai nung-yeh shih tzu-liao, pp.907-908.
- 21) See Table One, p.255
- 22) *ibid.*
- 23) These percentages have been derived in the same way as for the provinces of Szechwan, Kweichow and Yünnan.
- 24) cf. Buck, Land Utilisation in China, p.206

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- 25) Owen, British Opium Policy in India and China, pp.
- 26) Adshead, The Opium Trade in Szechwan, 1881-1911, p.96 and
Li Wen-chih, op. cit., vol.1, p.458
- 27) Poppy cultivation in Chekiang replaced the traditional
local product which was paper. Li Wen-chih, op. cit.,
p.460
- 28) Some interesting accounts of the suppression campaign are
to be found in Matsumoto Collection, Chugoku kankei shim-
bun kirinuki shu, reel 1.
- 29) Wright,(ed.). China in Revolution: The First Phase,
1900-1913, p.14
- 30) See Mei Kung-jen, Wang-kuo mieh-chung ti ya-p'ien-yen huo,
pp.95-98
- 31) King, The Poppy Blooms Again, p.902
- 32) League of Nations, Commission of Enquiry into the Control
of Opium Smoking in the Far East, op. cit., p.45
- 33) cf. Chang Yu-i, Chung-kuo chin-tai nung-yeh shih tzu-liao,
vol.2, p.211
- 34) China Year Book

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- 35) Mei Kung-jen, op. cit., p.95; Yü En-te, op. cit., p.178;
Lü P'ing-teng, Ssu-ch'uan nung-ts'un ching-chi, p.330
- 36) Mei Kung-jen, op. cit., p.137
- 37) That is to say there is no evidence that a "lazy tax" was imposed or that military force was applied to ensure that the peasants cultivated opium.
- 38) See Chapter Four, p.182
- 39) Morse, op. cit., p.250
- 40) Perkins, op. cit., p.236, Table B.14
- 41) See Chapter Four, pp.182-183
- 42) Yü En-te, op. cit., p.178
- 43) Chiang Shang-ch'ing, Cheng-hai mi-wen, p.13. This statement, however, is somewhat suspect since it appears that there were never 100 counties in Kweichow during the 1930s. See Chang Hsiao-mei, Kuei-chou ching-chi, B, pp.4-6.
- 44) Mei Kung-jen, op. cit., p.97
- 45) China Year Book 1926, pp.581-582
- 46) See this chapter, Table One, p.255

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- 47) This figure is evidently derived from Morse.
- 48) Lü P'ing-teng, op. cit., p.330
- 49) Tentatively it might be suggested that from 1919 there was a change in the distribution of cultivation in Szechwan with the major producing regions gravitating from the western border regions into central, eastern and southern Szechwan in counties near the Yangtze. Yü En-te (op. cit., p.177) states that investigations in Szechwan in 1919-1920 showed that opium was most heavily cultivated in the north and west of the province, but that by 1922 cultivation was spreading under military protection. Two sources for the period 1924-1926 differ somewhat in their descriptions of the distribution of cultivation. The China Year Book, 1926, pp.641-642, stated that opium was prevalent in western Szechwan, noted that there had been a decrease in cultivation in southern Szechwan and central Szechwan, and named K'ai-hsien, Feng-tu and Shih-tzu in eastern Szechwan as regions of heavy cultivation. But King (op. cit., p.859) noted that Wan-hsien, in the east, was also growing "a mass of poppy", whereas the China Year Book denied the fact. Clubb (op. cit.,

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p.38) gives figures which show the enormous production of opium in the east along the Yangtze. Mei Kung-jen (op. cit., p.237) confirms this view and also mentions various counties in the south, west and north as major producing regions. Mi Ch'ing-yün, Chiang-fei huo-ch'uan chi, p.108, notes that the central producing regions of Szechwan collapsed during the war with Japan as the result of Chiang's activities and states that the western border regions of Sung-p'an, Mou-hsien, Li-fan, Wen-shan and Ching-hua on the one hand and Lei-p'o, Ma-pien, P'ing-shan and O-pien on the other came into prominence. This summary of the distribution of opium cultivation in Szechwan suggests that the province conformed to the general pattern of cultivation. Opium was grown initially in remote border regions, well removed from the centres of military and political power, and with the encouragement of warlord factions spread inwards until it was cultivated in the central regions close to the major communications routes. With the advent of closer control of opium, in this case that of the Central Government as it entered Szechwan, opium cultivation once more established itself in the border regions. (It should be noted that Mi

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Ch'ing-yün is wrong in stating that the western border region "...originally did not cultivate opium before 1937...." (loc. cit.), since the presence of opium cultivation in several of the counties mentioned is described in several of the sources cited.)

- 50) Clubb, op. cit., p.38
- 51) This is a tentative identification.
- 52) Clubb suggest (loc. cit.) that "...production and consumption of opium were apparently greater than in 1907."
- 53) Chang Yu-i, Chung-kuo chin-tai nung-yeh shih tzu-liao, vol.2, p.625, citing Lo Yün-yen, Chung-kuo ya-p'ien wen-t'i, p.205
- 54) C.Y.W. Meng, How Japan's Opium Policy Demoralizes the Chinese in Manchuria and North China, p.224
- 55) Lo Yün-yen, The Opium Problem in the Far East, p.39
- 56) Mei Kung-jen, op. cit., p.270
- 57) It was suggested that the acreage devoted to poppy in Shensi was 1,750,000 mou, even more than Szechwan. See Chang Yu-i, Chung-kuo chin-tai nung-yeh shih tzu-liao, vol.3, p.49, citing Hsü Ti-hsin, Chüan-shui fan-ch'ung yü

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nung-ts'un ching-chi chih lo-hou, in Chung-kuo nung-ts'un wen-t'i, 1935, p.60. See also Hsing-cheng yüan, nung-ts'un fu-hsing wei-yüan-hui, Shan-si sheng nung-ts'un tiao-ch'a, pp.152-153, 160; Yü En-te, op. cit., pp.178, 180.

- 58) Using Perkins' figures for the cultivated acreage of Heilungchiang, Kirin and Liaoning (op. cit., p.236, Table B.14) for 1933—206 million mou—and the estimate of opium land given by Meng—5,800,000 mou.
- 59) The charge that the Japanese, Koreans and Taiwanese were responsible for addiction to morphia and heroin is widespread throughout the literature. cf. Lo Yün-yen, The Opium Problem in the Far East, pp.43, 48; Clubb, op. cit., p.19; China Year Book, 1921-1922, pp.794-796. This accusation was undoubtedly correct, but it was used as a way of throwing the blame entirely onto foreign sources thus minimizing the extent to which the Chinese themselves produced opium and its derivatives. Clubb (op. cit., p.83) asserts, for example, that Liu Hsiang controlled ten morphine factories in Szechwan which were generally known as "gun repair arsenals" (hsiu-ch'iang ch'ang).

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- 60) Burton, China's New Old Road to Ruin, pp.679-680
- 61) e.g. Chiang Kai-shek, China's Destiny, pp.91-92. See also Merrill, Japan and the Opium Menace, passim, pp.40-41
- 62) China Year Book, 1926, p.629
- 63) The low estimates of Chinese opium production given by foreign observers were in part due to the secrecy which prevailed during the 1920s when warlord factions were anxious not to disclose the wealth which they possessed in the shape of opium land lest other factions should seek to take over the area in which the poppy was cultivated. See China Year Book, 1926, p.621.
- 64) e.g. USCKM, report 274, April 13, 1937
- 65) *ibid.*
- 66) USCKM, confidential report 60, May 22, 1933; report 149 . March 13, 1934; confidential report 38, March 22, 1935
- 67) This was the estimate of the French consul, according to USCKM, confidential report 81, June 29, 1935.
- 68) Ch'ien Chia-chü, Han Te-chang, Wu Pan-nung, op. cit., p.19
- 69) For his biography see Boorman, Biographical Dictionary of Republican China, vol.2, pp.205-208

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- 70) Huang Shao-hsiung, Wu-shih hui-i, p.154
- 71) Ch'ien Chia-chü, Han Te-chang, Wu Pan-nung, op. cit., p.18
- 72) *ibid.*, p.19
- 73) Clubb, op. cit., pp.80-81
- 74) Ch'ien Chia-chü, Han Te-chang, Wu Pan-nung, op. cit., p.19
- 75) Hsing-cheng yüan, nung-ts'un fu-hsing wei-yüan-hui, Kuang-hsi nung-ts'un tiao-ch'a, pp.259-260
- 76) Ch'ien Chia-chü, Han Te-chang, Wu Pan-nung, op. cit., p.19
- 77) Liu Chen-huan, who had tried to gain T'ang Chi-yao's support for an invasion of Kwangsi in 1926, was one of the most frequent emissaries of the Kwangsi faction. See USCKM, report 207, October 1, 1934.
- 78) Clubb, op. cit., p.78
- 79) King, op. cit., pp.860,862
- 80)
- 81) Yü En-te, op. cit., p.178
- 82) Chiang Shang-ch'ing, op. cit., p.17
- 83) Of the average total of twenty million ounces passing

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through Kwangsi some seventy per cent was said to originate from Kweichow while the rest came from Yünnan. Thus most of the exports of Yünnanese opium must have gone through the Szechwan route. Smuggling into Indo-China accounted for, perhaps, two million ounces. See Ch'ien Chia-chü, Han Te-chang, Wu Pan-nung, op. cit., p.19; USCKM, confidential report 38, March 22, 1935.

- 84) China Year Book, 1925, p.573 and Clubb, op. cit., p.64
- 85) Chin-yen wei-yüan-hui hsüan-ch'uan-k'o, Ch'üan-kuo chin-yen hui-i hui-pien, yen-chiang, p.40
- 86) Sun Yat-sen, Kuo-fu ch'üan-chi, vol.5, pp.162-163
- 87) In November 1926 Chiang had informed Kwangsi that "...with regard to opium monopoly, the Government has already made an order. If it is not yet convenient [to enforce it] because of the special situation of Kwangsi province, it may be altered immediately." See MKSW, p.922
- 88) "(I)n all public discussions of opium, conventional attitudes have become obligatory. It is hardly considered respectable even to discuss the opium problems of China as if they were, in the main...problems of national legislation and social morality; convention demands that

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they be discussed as if they were governed by standards of universal validity. This attitude is essentially unreal and certainly not Chinese in origin, but is subscribed to by Chinese who enter the debate because the association of opium with political events of international significance has artificially attached to all opium questions a quasi-political value of international importance." Lattimore, Manchuria: Cradle of Conflict, p.188

- 89) Beattie, Protestant Missions and Opium in China, 1858-1895, p.113, mentions the formation of anti-opium societies in Canton in 1876; but it seems that the societies remained localized and under the control of gentry, officials and missionaries.
- 90) Yü En-te, op. cit., p.183
- 91) ibid., p.185
- 92) ibid., pp.184-187
- 93) ibid., pp.284-285
- 94) ibid., pp.191-192
- 95) ibid., p.192
- 96) Amongst these various laws was one which consecrated June

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3 (The date on which Lin Tse-hsü started burning the opium surrendered in Canton in 1839) as an opium prohibition day. See Yü En-te, op. cit., pp.321-322.

97) ibid., pp.285-286

98) ibid., p.193

99) Chung-kuo kuo-min-tang chung-yang chih-hsing wei-yüan-hui
hsüan-ch'uan wei-yüan-hui, Chin-yen chih li-lun yü shih-
shih, pp.57-61

100) A typical apology for the failure of the KMT's anti-opium campaign was made by Liu Jui-heng in a speech made on the radio on December 12, 1934 (in Chin-yen chih li-lun yü shih-shih pp.52-56). "Since its foundation the National Government has firmly maintained the principle of extirpating the evil with all thoroughness in adopting a policy of complete prohibition. With regard to penalties for the cultivation, transportation, sale and consumption of opium, the Opium Prohibition Law, which is now in force, lays down regulations in each case with special emphasis which shows that the Government really has the determination to extirminate [opium] with regard to opium prohib-

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ition. But in every region, because of all kinds of concerns—bandits and natural disasters—it has been impossible to implement the opium prohibition laws in uniformity. And, moreover, in Shansi and other places where opium prohibition has been quite vigorous, nevertheless the exceptional volume of sales of gold pills (chin-tan) and white pills (pai-wan), in reality the harm of this kind of gold and white pills, is even greater than that of opium."

- 101) Any attempt to get to grips with the morality of opium and the trade in it should start from the point that it was more akin to the position of tobacco sales in contemporary Europe and America than the contemporary drug traffic. The parallel cannot be drawn with great precision. But in the literature which is available, it is quite noticeable how infrequently any opponent of opium tried to spell out his objection to opium. All Chinese formally assented to the proposition that smoking opium was harmful in much the same way that European governments formally declare tobacco to be harmful to the health. In both cases, however, warlord governments and European governments were unwilling to pass up the revenues from opium.

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- 102) Clubb, op. cit., p.48 and cf. Chung-hua min-kuo fa-kuei hui-pien, ts'e 3, p.980
- 103) Clubb, op. cit., p.50
- 104) ibid., pp.43,77
- 105) CYJP, December 4, 1932
- 106) Rumours in the press of a proposed monopoly first appeared in February. cf. GSNK, February 7, 1931, pp.86-88; February 7, 1931, pp.88-92. One of the main proponents of a monopoly was Wu Lien-te. See GSNK, February 9, 1931, pp.120-125.
- 107) CYJP, December 4, 1932
- 108) One of the necessary conditions for taxing opium cultivation was the capacity of a given faction to maintain its control in any region long enough to ensure cultivation and harvesting. At the same time the faction needed to ensure that the merchants involved in exporting the opium could do so without being harrassed by rival factions.
- 109) CYJP, December 4, 1932
- 110) CFCS, ts'e 4, p.518
- 111) Clubb, op. cit., p.68

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- 112) Chung-hua min-kuo fa-kuei hui-pien, ts'e 3, pp.968-969.

The other laws were the Method for the Strict Enforcement of the Prohibition of Opium (Li-hsing ch'a-chin chung-yen pan-fa), the Method for Opium Abstention within a Time-Limit for Serving Officials in the Party, Government and Army and for Students (Tang cheng chün fu-wu jen-yüan chi hsüeh-sheng hsien-ch'i chieh-yen pan-fa) and the Regulations for the Examination of Abstention from Opium of the Honan-Hupei-Anhui Three Province Bandit Extermination Headquarters (Yü-O-Wan san-sheng chiao-fei tsung-ssu-ling pu chieh-yen tiao-yen kuei-tse). Ibid., pp.966-967,969-971, 985.

- 113) ibid., p.985

- 114) ibid., pp.979-982

- 115) Clubb, op. cit., pp.42-43, 58-59

- 116) Chang Hsiao-mei, Ssu-ch'uan ching-chi ts'an-k'ao tzu-liao, C, p.137

- 117) It is worth noting that according to the same source it was hoped to sell some 2,700 piculs of opium locally, altogether 3,500 piculs per month or nearly 2,500 tons per

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year. This was a huge amount, considering that Chiang had claimed in February 1936 that in Szechwan "...the regions now permitted to cultivate opium have been reduced from forty-eight to ten counties." See Chiang Kai-shek, Hsin Chung-kuo ti cheng-chih, p.106.

- 118) Clubb, op. cit., p.59
- 119) T'an Yü-tso, Chung-kuo chung-yao yin-hang fa-chan shih, p.281
- 120) *ibid.*, pp.281-282
- 121) Chiang Shang-ch'ing, op. cit., p.16; Clubb, op. cit., p.67
- 122) cf. Mei Kung-jen, op. cit., pp.302-303
- 123) *ibid.*, p.257
- 124) T'an Yü-tso, op. cit., p.282; Clubb, op. cit., p.79
- 125) T'an Yü-tso, op. cit., p.283
- 126) Clubb, op. cit., p.89.
- 127) CYJP, January 12, 1933
- 128) Clubb, op. cit., p.79
- 129) KMWH, vol.29, p.6360; Tong, Chiang Kai-shek: Soldier and Statesman, vol.2, p.558

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- 130) USCKM, report 20, August 6, 1928
- 131) A call had been made in the Reform Conference that the Provincial Government model its opium prohibition laws in part on those used in Chekiang, which was, of course, firmly under Chiang Kai-shek's control. See YNSC, p.126.
- 132) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.3a
- 133) USCKM, report 60, January 18, 1932
- 134) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.4a
- 135) YNHCCS, ts'e 19, chin-yen, t'i-yao, pp.3a-3b
- 136) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.1b
- 137)
- 138) Clubb, op. cit., p.76
- 139) *ibid.*
- 140) USCKM, confidential reports 190, June 26, 1934; 200, July 30, 1934; 207, August 13, 1934
- 141) USCKM, confidential report 3, December 17, 1934
- 142) USCKM, confidential report 207, August 13, 1934
- 143) YNHCCS, ts'e 19, chin-yen, chin-chung, pp.15b-16a

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- 144) YNHCCS, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan ying-yeh,
pp.33b-34a
- 145) ibid., p.34b; USCKM, confidential report 266, February 25,
1937
- 146) YNHCCS, ts'e 13, ching-chi, fang-chih, pp.1a-1b
- 147) YNHCCS, ts'e 19, chin-yen, t'i-yao, p.2a
- 148) ibid., p.3b. As a result of the changes made revised
versions of all three sets of regulations were issued in
1936 and came into effect from October 1. See USCKM,
report 268, March 9, 1937.
- 149) Yün-nan ch'üan-sheng shih-hsing chin-chung ya-p'ien, chang-
ch'eng, chapter 1, p.1a
- 150) ibid., chapter 2, pp.3a-4b
- 151) ibid., chapter 4, pp.7b-9a. This section is deleted in
the version to hand, and in the Revised Regulations For
the Implementation of the Prohibition of Opium Cultivation
in the Whole Province of Yünnan (Hsiu-cheng Yün-nan
ch'üan-sheng shih-hsing chin-chung ya-p'ien chang-cheng)
there is only one brief, unexplained reference to "special
permission districts".

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- 152) YNHCCS, ts'e 19, chin-yen, chin-chung, pp.10a-12a
- 153) Fitzgerald, op. cit., p.26
- 154) *ibid.*
- 155) YNHCCS, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan ying-yeh, p.33b
- 156) Yün-nan ch'üan-sheng shih-hsing chin-yün ya-p'ien chang-ch'eng, chapter 2, p.1b
- 157) YNHCCS, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan ying-yeh, p.34a
- 158) Yün-nan t'e-huo t'ung-yün chang-cheng in Yün-nan Jih-pao, May 8, 1935, supplement to USCKM, confidential report 66, May 28, 1935
- 159) YNHCCS, ts'e 19, chin-yen, chin-yün, p.4b; USCKM,
- 160) YNHCCS, ts'e 6, ts'ai-cheng, k'uo-ch'ung kuan ying-yeh, p.34a
- 161) *ibid.*, p.34b
- 162) See Chapter Four, Table Two, pp.203-204
- 163) YNHCCS, ts'e 19, chin-yen, chin-yün, p.2b

Notes for Chapter Six:-pp.300-303

- 164) cited in USCKM, confidential report 115, September 27, 1935
- 165) *ibid.*
- 166) *ibid.*
- 167) In the spring of 1935, the announcement of the institution of the opium monopoly sent the price of opium up from NYN\$3.10 to NYN\$3.60. After its establishment the monopoly raised the market price in Yunnan even higher. See USCKM, report 27, March 1, 1935; confidential report 66, May 28, 1935
- 168) Owen, British Opium Policy in India and China, p.
- 169) USCKM, confidential report 60, May 22, 1933
- 170) *ibid.*
- 171) *ibid.*
- 172) This calculation is based on the figures cited in Chapter Four, p.182 and this chapter, p.266
- 173) Report of the International Opium Commission, vol.1, p.65
- 174) Addens, *op. cit.*, pp.34-35
- 175) YNSC, p.127 suggested that "at least twenty per cent" of

Notes for Chapter Six:-pp.303-304

- the population were addicted. USCKM, report 149, March 13, 1934, suggested that the addicted population was two million, equally divided by "addicts" and those "who smoke occasionally".
- 176) Population statistics for Yünnan are a matter of guess-work for this period. On the basis of a survey carried out in 1931-32, the Provincial Government declared that population was 11,795,486. See Ting Chao-kuan, Yün-nan min-cheng kai-k'uang, jen-k'ou, p.1, supplementary table four, pp.6-10. Other surveys taken from 1926 to 1938 ranged from 11,020,591 to 13,821,000. See Shina shoketsu zenshi kankokai. Shin shu Shina shoketsu zenshi: Unnansei, p.31.
- 177) These regulations, too, were submitted to Chiang Kai-shek for emendation.
- 178) YNHCCS, ts'e 19, chin-yen, chin-hsi, pp.1b-2a
- 179) ibid. and Chow Yung-teh, Social Mobility in China: Status Careers among the Gentry in a Chinese Community, p.200
- 180) Yün-nan ch'üan-sheng shih-hsing chin-hsi ya-p'ien chang-ch'eng, chih-ch'ü, p.2b

Notes for Chapter Six:-pp.304-307

- 181) Opportunities for corruption were abundant. Chow Yung-teh (op. cit., pp.200-201) cites one case where a man blackmailed his father-in-law. It appears that 'bootleg' opium was always able to undercut official opium. See USCKM, confidential report 266, February 25, 1937
- 182) Yün-nan ch'üan-sheng shih-hsing chin-hsi ya-p'ien chang-cheng, chapter 6, p.9a; Yao-kao chih-tsao-so tsu-chih chang-ch'eng in Hsin Tien Pao, July 5, 1935, supplement to USCKM, report 96, August 7, 1935; USCKM, confidential report 266, February 25, 1937
- 183) USCKM, confidential report 266, February 25, 1937
- 184) YNHCCS, ts'e 19, chin-yen, chin-hsi, p.4a
- 185) ibid., p.7a
- 186) The activities of Miao Chia-ming seem to have been ignored in studies of 'industrialization' in Republican China. The size of the investments made before the outbreak of war, and the inaccessibility of some of the material is partly responsible for this neglect.
- 187) cf. USCKM, report 39, May 2, 1933; 185, August 16, 1934
- 188) The Yünnanese troops had withdrawn from Kweichow by Octob-

Notes for Chapter Six:-pp.307-309

- er 1933. See USCKM, report 79, October 3, 1933.
- 189) USCKM, report 148, May 17, 1934
- 190) USCKM, report 209, October 3, 1934
- 191) ibid.
- 192) "We...give the fullest support to Szechwan, Kweichow, Kwangtung and Kwangsi. The territories are contiguous and mutually reliant." See Chapter One, p.73.
- 193) On April 25, 1935 Chiang dismissed the Kweichow Provincial Government and replaced it with a Committee under the chairmanship of Wu Chung-hsin, a native of Anhui, who had relations with the Kwangsi faction. Of the other eight members of the Government four were from Kweichow while the rest came from Szechwan, Anhui, Chekiang and Kiangsu. See CYJP, April 24, 25, 1935.
- 194) On April 7, Wang requested permission to resign as the chairman of the Provincial Government and on May 3 he was flown out of Kweichow to Hankow in Chang Hsüeh-liang's private airplane. See CYJP, April 10, May 5, 1935.
- 195) CFCS, ts'e 5, p.877
- 196) Tong, Chiang Kai-shek: Soldier and Statesman, vol.1, p.357

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- 197) *ibid.*, pp.359-360
- 198) Sung Mei-ling, Chiang fu-jen yen-lun hui-pien, vol.4,
pp.24-25
- 199) Ch'en Pu-lei, *op. cit.*, p.80
- 200) Lécorché, *op. cit.*, pp.244-245; Fischer, *Travels in China*,
1894-1940, p.205
- 201) See this chapter, p.294. Lung Yün had made quite sure
that the regulations concerning opium prohibition were
conspicuous in Kunming when Chiang arrived and that the
sign outside the Opium Prohibition Bureau was removed.
See Lécorché, *op. cit.*, p.244.
- 202) CYJP, May 14, 1935
- 203) *ibid.*
- 204) CYJP, May 11, 1935
- 205) CFCS, ts'e 5, pp.867-868
- 206) *ibid.*, p.879
- 207) CYJP, May 14, 1935
- 208) *ibid.*
- 209) Ch'en Pu-lei, *op. cit.*, p.81

Notes for Chapter Six:-pp.312-315

- 210) CYJP, May 15, 1935
- 211) CYJP, May 22, 1935
- 212) Ch'en Pu-lei (op. cit., p.81) emphasized the pains that Chiang took to cultivate Lung while in Kunming.
- 213) CYJP, May 21, 1935, carries a brief mention of opium in its report of a speech made by Chiang. But Mei Kung-jen, op. cit., p.304, gives a more extended version of this speech in which Chiang emphasized the effect of opium on the international status of China. Evidently Chiang was doing his utmost not to antagonize Lung by making his attitude towards opium public while visiting Kunming.
- 214) CFCS, ts'e 5, p.879
- 215) ibid., p.891
- 216) ibid., p.898
- 217) ibid., pp.879 et seq.
- 218) ibid., p.895
- 219) USCKM, report 26, February 27, 1935
- 220) USCKM, reports 164, April 21, 1936; 170, May 4, 1936; 173, May 9, 1936; 192, July 7, 1936

Notes for Chapter Six:-pp.315-316

- 221) Chiang further attempted to gain Lung's confidence by visiting Kunming in April, in a much less publicized journey. See CYJP, April 23, 24, 25, 26, 1936
- 222) USCKM, report 161, April 8, 1936
- 223) USCKM, report 192, July 7, 1936
- 224) e.g. USCKM, reports 238, February 1, 1937; 248, May 3, 1937. The most symbolic expression of the expansion of National Government influence was the arrival of a party of eighteen motor-buses in Kunming after a journey of twenty-five days on April 29, 1937. This was the first time such a journey had been accomplished. See USCKM, report 248, May 3, 1937.
- 225) Yen Jen-keng, op. cit., pp.9a-10b
- 226) From January 1932 to July 1936, military expenditure was stated, by an official source, to have been NYN\$800,000 per month (or NYN\$9,600,000 per year). This was certainly greater than military expenditure for 1932 according to Yen Jen-keng, although lower than his estimates for 1936 and 1937. But the official figures did not include figures for expenditure on armaments. See YNHCCS, ts'e 5, ts'ai-cheng, ho-ting k'ai-chih, pp.3b-4a.

Notes for Chapter Six:-pp.317-322

- 227) Chang Hsiao-mei, Kuei-chou ching-chi, Q, p.30
- 228) USCKM, report 161, April 8, 1936
- 229) USCKM, report 71, July 1, 1935
- 230) cf. Vaidya, Reflections on the Recent Canton Revolt,
Introduction, pp.5-6
- 231) ibid., Introduction, pp.12-13
- 232) USCKM, reports 185, June 22, 1936; 204, August 3, 1936
- 233) YNHCCS, ts'e 13, ching-chi, Yün-nan ch'üan-sheng ching-chi
wei-yüan-hui, p.2b
- 234) ibid., p.1b
- 235) ibid., p.9a
- 236) YNHCCS, ts'e 13, ching-chi, t'i-yao, p.3b
- 237) YNHCCS, ts'e 13, ching-chi, Yün-nan ch'üan-sheng ching-chi
wei-yüan-hui, p.10a
- 238) YNHCCS, ts'e 13, ching-chi, t'i-yao, pp.2b-3a
- 239) See Miao's statement in YNHCCS, ts'e 13, ching-chi, Yün-
nan ch'üan-sheng ching-chi wei-yüan-hui, p.1b
- 240) YNHCCS, ts'e 13, ching-chi, fang-chih, pp.5b-6a

Notes for Chapter Six:-pp.322-328

- 241) ibid., p.5b
- 242) YNHCCS, ts'e 13, ching-chi, t'i-yao, pp.8a-15b
- 243) YNHCCS, ts'e 14, ching-chi, k'en-chih yü shui-li, pp.2b-3b
- 244) ibid., pp.14b et seq.
- 245) YNHCCS, ts'e 13, ching-chi, fang-chih, p.1a
- 246) ibid., p.2a
- 247) ibid., p.2a
- 248) ibid., p.6a
- 249) cf. Ch'en Chen, Chung-kuo chin-tai kung-yeh shih-tzu-liao,
vol.3, pt.2, pp.1245-1260
- 250) Kuo Yüan, Yün-nan sheng ching-chi wen-t'i, pp.168-170
- 251) Chang Wen-shih, Yün-nan nei-mu, pp.1-8

Notes for Conclusion:-pp.329-331

- 1) "The differences in the provincial roles of Yen Hsi-shan and the military rulers of Szechwan, the differences in their attitudes towards external involvements and relations with the central government, and the differences in the way Nanking dealt with Yen and the Szechwanese all point to the fact that "Chinese Warlordism" meant very different things in different places." Kapp, op. cit., p.549
- 2) The many peripatetic warlords who were obliged to move about because they could not maintain control over a fixed territory suggest that the distinction between "warlords" and "bandits" was never very great at the lower ends of the spectrum. The distinction between the two categories is very much an ex post facto description, and the question of who was a warlord and who was a bandit can be resolved much more satisfactorily by taking into consideration factors of status and legitimacy. For a description of Chou Hsi-ch'eng when he was at the peripatetic stage see Yang Sen, Yeh t'an Chou Hsi-ch'eng,
- 3) The Chinese Communists had their own problems with opium cultivation within the soviets they ruled during the

Notes for Conclusion:-pp.331-337

1930s. cf. Huang Tzu-ching, Kuan-yü Pa-chung hsien su-wei-ai cheng-fu chin-yen pu-kao; Mao Tse-tung et al., Wei to-chung tsa-liang chin-chung tu-p'in shih.

- 4) For an analysis of Yünnan's strategic role see Lattimore, Yünnan, Pivot of Southeast Asia.
- 5) "[Lung Yün] and Mr. Li were extremely close friends and like Feng Yü-hsiang and Chiang Kai-shek became sworn brothers." See Liang Sheng-chün, Chiang Li tou-cheng nei-mu, p.185. T.K. Tong (letter to me, April 28, 1970) writes: "Li and Lung were sworn brothers...I am positively sure that this happened between 1933 and 1935. I remember Li told me that Lung, without previous arrangement, suddenly sent a messenger to Kwangsi with a copy of 盟帖. Li said he did not like the "feudalistic idea" of making sworn brotherhood with Lung. Obviously Li did not reject Lung's gesture of friendship either, so they became sworn brothers by proxy."
- 6) The first recorded overture to Yünnan from Kwangsi came in 1932 when Lung was asked to join an anti-Chiang coalition. But Lung refused and telegraphed his support for Chiang. See USCKM, report 59, March 9, 1932.

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