The eruption of full-scale war with Japan in the summer of 1937 ended any chance that Chiang Kai-shek might have had of creating a strong and centralized nation-state. Within a year, the Japanese overran east China, depriving the Guomindang of all the major Chinese industrial centers and the most fertile farmland, and virtually severing China's ties to the outside world. Chiang's new wartime base, a thousand miles up the Yangtze at Chungking, became a symbolic center for national resistance to the Japanese, but it was a poor place from which to launch any kind of counterattack. Similarly, the Communist forces were isolated in their base at Yan'an in Shaanxi province which, lacking even the agricultural resources of the Chungking region, was one of the poorest areas in China, with no industrial capacity. It was not clear if the Communists would be able to survive there, and certainly it seemed an unpromising location from which to spread the revolution.

For the first few years of the war, the dream of national unity was kept alive by the nominal alliance of the Nationalist and Communist forces in a united front. While the Japanese ran the east of the country through an interconnected structure of puppet regimes headed by Chinese collaborators, the governments in Chungking and Yan'an tried to find a meaningful common ground. The Communists muted their land-reform practices and tempered their rhetoric, while the Guomindang tried to undertake economic and administrative reforms that would strengthen China in the long term. But by early 1941 the two parties were once again at loggerheads, engaging in armed clashes with each other, and starting to position themselves and their forces in ways that looked more to the possibility of a future civil war than to the anti-Japanese exigencies of the present.

The entry of the United States into the war after the Japanese bombing of Pearl Harbor in December 1941 changed the equation.
China was now treated—on paper at least—as a "great power" by the Western Allies, and enjoyed military advice, massive loans, and such equipment and aviation fuel as could be flown over the mountains from India, which had become west China's last supply line. This assistance came to the Guomindang in Chongqing, as China's legally recognized government. The Communists in Yan'an had to survive with what crude weapons they could manufacture, or the materials they could seize in raids on the Japanese. Making a virtue of necessity, the Communists honed their skills in guerrilla warfare and developed a maze of bases behind Japanese lines, using techniques of mass mobilization developed in the Jiangxi Soviet. They turned back to a more radical pattern of land confiscation and redistribution to strengthen their popular support in the countryside.

War's end in 1945 found the Guomindang demoralized by the long years of fighting, and its government weakened by personal conflicts and the serious inflation that afflicted the areas under its control. The party moved swiftly but ineptly to re-establish its control over the former Japanese-held areas, lacking the trained personnel to fill vacant positions and without the money to rebuild a war-shattered society. The Communists, also without resources, moved swiftly to seize what areas they could from the defeated Japanese and to secure a firm base of support among the people of north China. The Communists looked particularly to Manchuria as a promising location to build up their military forces for a final assault on Chiang Kai-shek. Their strategy was proved correct. By 1948 Chiang's forces in Manchuria were routed, and his own power base in China proper completely eroded by a now catastrophic inflation and by the defection from his side of a majority of China's intellectuals, students, professional classes, and urban workers. During 1949 his remaining forces simply disintegrated, and late that year, as Chiang retreated with his surviving supporters to Taiwan, Mao Zedong in Peking declared the founding of the new People's Republic of China.

Re-establishing order in China was not just a military matter. It demanded the complete restructuring of the bureaucracy and the governmental system, the integration of the CCP into that system, the curbing of inflation, the imposition of basic land reform, and the rooting out of domestic opposition. These tasks were vastly complicated by the Korean War, to which China contributed massively between 1950 and 1953, and in which it suffered enormous casualties. But the Korean War had the advantageous effect of highlighting the need for military reorganization and modernization. It also was used in domestic politics as a justification for investigating, harassing, and expelling foreigners, and for conducting a mass campaign against the Chinese themselves to ferret out all who might be secretly sympathetic toward or previously affiliated with the Guomindang or foreign powers. Other mass campaigns, conducted on a huge scale with much violence and intimidation, were directed against inefficiencies and corruption within the bureaucracy, against religious sects and other secret-society or labor racketeering organizations, and against the urban bourgeoisie with its ingrained abuses and prejudices.

Once the war was over and the campaigns concluded, Chinese leaders worked to complete the first stage of their strategy for economic growth. They formulated a comprehensive five-year plan that was conscious based on the earlier experiences of the Soviet Union. The industrial growth projected by the plan was made possible in the main by extraction of a surplus from Chinese agriculture. To heighten that agricultural production and to prevent the re-emergence of old social patterns in the countryside, the government launched a second, more radical wave of land reform. The earlier program of partial land redistribution, which had left the idea of private ownership intact, was now replaced by a complete concentration of all agricultural land into large-scale cooperatives of around 200 to 300 households each. Almost all of China's peasants were enrolled in these cooperatives by the end of 1956, and Mao's vision of a truly Socialist China seemed to have been advanced a major step.

Overlapping with these great shifts on the land came changes in foreign policy and military organization. In both of these areas China in the mid-1950s took a highly pragmatic, professional stance, and seemed to be openly seeking to limit its revolutionary vision. China's students and intellectuals, too, were wooed by Mao Zedong and co-opted into
vening any lurking grievance they might have against the state and the party. For a few heady weeks in mid-1957 the words flew and the party was shaken. As might have been expected, rather than responding creatively to the charges, the party struck back, the critics were labeled rightists, and hundreds of thousands were punished.

Now Mao and his fellow senior CCP leaders were at a crossroads. The country was under control and the economy growing steadily, but there had not been the exciting spurt of growth in the countryside that had been hoped for. To Mao, it became clear that releasing the full forces of the human will, not the cautious pragmatism of his central planners, was the way to economic breakthrough. In a wild and stirring campaign, the new cooperatives were merged into immense communes, and the Great Leap Forward was launched with the goal of galvanizing human life and the economy alike by ending all the old distinctions of gender, age, skill, and occupation. It was a fantastic dream, and it led to catastrophe for millions of people as famine followed euphoria.

Shaken to its roots, in the early 1960s the party sought to reorganize itself, reassert central control, and return the economy to a more predictable track. This had to be done with China's own resources, since the polemics with the Soviet Union, violent in the late 1950s, had resulted in an absolute break in 1960 and the return to Russia of all the Soviet advisers and technical personnel working in China. Once again, as in the First Five-Year Plan period, the careful orchestrations of comprehensive state planning came to the fore, and China's heavy industry, especially, was returned to a path of rapid and conventional growth.

But the apparently routine and bureaucratic nature of these plans, coupled with party attacks on an older generation of revolutionary cadres—many of them rural—prompted Mao to attempt one more violent and radical reversal within China. Aided by the People's Liberation Army and by Defense Minister Lin Biao, who set himself up as the foremost promoter of Mao's political genius, Mao began to challenge his own entrenched party bureaucracy. Starting first in the cultural sphere, he expanded by 1966 into the political, the social, the educational, and the economic. Invoking the energy of youthful Red Guards against their elders, Mao and his close supporters launched the Great Proletarian Cultural Revolution, an immense and consorted movement that for years wrought terror and disorder on China. The party bureaucracy was challenged as it had never been before, and those who were not ousted were regrouped into "revolutionary committees" that allegedly instilled the new spirit of radicalism into every factory, commune, school, and work unit.

The turbulence brought new power to the PLA, which found itself playing a bewildering variety of new roles. Yet at the same time, Mao grew suspicious of the personal ambitions of Lin Biao, and Lin Biao grew fearful for his own future. In the most bizarre twist in a convoluted story, Lin Biao allegedly tried to assassinate Mao. The result was Lin's own death; but as the news of these machinations spread across China, it was Mao's credibility that suffered. What, now, were the Chinese to believe? What was left of their revolution? Where were they meant to be heading? Only perhaps by ending their long years of isolation and opening up to the skills and technologies of Japan and the West would they infuse new energy into their economy. Yet to do that would be to question many of the fundamental premises of Maoism itself. It was a harsh choice.
THE LOSS OF EAST CHINA

During the spring of 1937 there was a period of calm, a deceptive respite before the cataclysm. While the Guomindang and the CCP sparred for the propaganda initiative in embracing the united front, the Japanese waited warily. Arguments and tensions within the Japanese cabinet and army led to a change of government in early 1937; the new premier was General Hayashi Senjiro—previously an effective and forceful war minister—who nevertheless claimed in Tokyo during his maiden address, "I have no faith in a pacific foreign policy." Hayashi's newly appointed foreign minister stated publicly that "to avert a crisis at any time" with China, Japan had simply "to walk the open path straightforwardly." Ironicaly, during this lull, the Chinese army was growing more confident and more resolute. In May 1937 the American ambassador in Nanjing warned that anti-Japanese sentiments had now at last become "part of the Chinese racial consciousness," and his counselor in Peking commented that an explosion in Hebei might come from the Chinese armies' growing belief in their own prowess. 10

A number of large and small events then came together in what—cumulatively—turned out to be a fateful way. Premier Hayashi's government failed to get its economic policies through the Japanese parliament, and was replaced by a government headed by the influential but indecisive Prince Konoe. Japan's commanding general in north China suffered a heart attack, and had to be replaced by a less experienced subordinate. And Chinese troops in the vicinity of the "Marco Polo Bridge" (Lugouqiao) decided to strengthen some shore-line defenses on the banks of the Yongding River.
This bridge—about ten miles west of Peking—had once been famed for its beauty; Emperor Qianlong wrote a poem on the loveliness of the setting moon when viewed there in the first light of dawn. Now a strategically important railway bridge had been built next to it, linking the southern lines with the junction town of Wanping. An army holding Wanping could control rail access to Tianjin, Kalgan, and Taiyuan, and for this reason the Japanese troops in north China often conducted maneuvers in the area, as they were entitled to do by the Boxer Protocol of 1901.

On July 7, 1937, the Japanese chose to make the bridge the base of a night maneuver by a company from one of the Peking garrison battalions. The troops were also authorized to fire blank cartridges into the air to simulate combat conditions. At 10:30 P.M. the Chinese fired some shells into the Japanese assembly area without causing casualties. But when one Japanese soldier was missing at roll call, the Japanese commander, thinking the Chinese had captured the man, ordered an attack on Wanping. This attack, which the Chinese beat back, was the first battle of World War II.

The following day Chinese troops near the rail junction of Wanping launched an attack on the Japanese position, but were repulsed. Over the next few days, though the shooting had stopped, there was a flurry of often uncoordinated negotiations, statements, and counterstatements. These came from the local military commanders on both sides, the Chinese and Japanese authorities in Peking, the Chinese and Japanese regional commanders, and the governments in Nanjing and Tokyo. Feelings began to run high. The Japanese War Ministry called for the mobilization of five divisions within Japan to handle contingencies that might arise in north and central China, while Chiang Kai-shek ordered four divisions to move into the area around Baoding in southern Hebei. Prince Konoe, in a press conference, insisted that the incident was "entirely the result of an anti-Japanese military action on the part of China," and that "the Chinese authorities must apologize to us for the illegal anti-Japanese actions." Chiang Kai-shek, from his summer
home in Kuling, announced that the previous agreements with the Japanese must stand at the status quo. "If we allow one more inch of our territory to be lost," said Chiang, "we shall be guilty of an unpardonable crime against our race.""

On July 27, just as the local military commanders seemed to be working out withdrawal arrangements, more fighting, fierce this time, erupted around the Marco Polo Bridge. Japanese troops seized the bridge and dug in on the left bank of the Yenking River. By the end of the month they had consolidated their hold over the entire Tianjin-Peking region. Hearing of the Chinese defiance, Prince Kooone called for "a fundamental solution of Sino-Japanese relations." Chiang responded: "The only course open to us now is to lead the masses of the nation, under a single national plan, to struggle to the last."

In a major military and strategic gamble, Chiang Kai-shek decided to defend the Japanese from their campaign in north China by launching an attack on their forces in the Shanghai area. It was here that Chiang had the bulk of his best German-trained divisions, primed for action, since the Communists had been forced out of the Jiangxi Soviet onto the Long March. His forces outnumbered the Japanese in Shanghai by more than 10 to 1, and he had taken the precaution of constructing—a protective line of concrete blockhouses in the area of Wuxi on the railroad to Nanjing, should retreat become necessary.

On August 1, Chiang Kai-shek ordered his air force to bomb the Japanese warships at anchor off the docks of Shanghai. If he had hoped that this would be a triumphal revenge for the humiliating destruction by the Japanese navy of the Qing forces at Wei-haiwei in 1895, he was sadly disappointed. Not only had the Nationalist air force lost the element of surprise when the Japanese intercepted and decoded a secret telegram, but the Chinese planes bombed inaccurately and ineffectively, missing the Japanese fleet and instead hitting the city of Shanghai, killing hundreds of civilians. Despite this tragic fiasco, the commanding Japanese admiral announced that "the imperial navy, having borne the unbearable, is now compelled to take every possible and effective measure." Prince Kooone declared that Japan was now "forced to resort to resolute action to bring sense to the Nanjing government."

With the "war" still underdeclared, the Japanese government sent fifteen new divisions to north and central China. Chiang ordered his troops to overcome the Japanese in Shanghai at all costs, but they failed in their early attempts to break the Japanese defensive perimeter. In late August and all through September and October, the Chinese, now on the defensive, fought with extraordinary heroism, even though they were shelled continuously by the heavy guns of the Japanese navy, bombèd by Japanese carrier and land-based planes (including some from Japanese-occupied Taiwan), and attacked repeatedly by heavily armored Japanese marine and army corps. The casualties the Chinese absorbed, in answer to Chiang Kai-shek's call for an all-out stand, were staggering. As many as 250,000 Chinese troops were killed or wounded—almost 60 percent of Chiang's forces—while the Japanese took 40,000 or more casualties.

The Japanese finally broke the Chinese lines by making a bold amphibious landing at Hangzhou Bay, to the south of Shanghai, and threatening the Chinese from the rear. On November 11 the Chinese began to retreat westward, but in such bad order that they failed to hold the carefully prepared defensive emplacements at Wuxi. Instead they streamed back toward the capital of Nanjing.

Over the centuries, Nanjing had endured its share of armed attacks and the sustained propaganda campaigns that accompanied them: the Manchus in 1645, the Taiping rebels in 1853, the Qing regional armies in 1894, the republican forces in 1912. Now, in 1937, Chiang Kai-shek pledged that Nanjing would never fall, but he entrusted its defense to a Guomindang politician and former warlord, Tang Sheng-zhi, whose main claim to Chiang's faith was that he had led his troops in Hunan in the summer of 1926 to support Chiang's Northern Expedition plans. Tang's distinguishing feature was the abiding faith he held in his Buddhist spiritual advisers, whom he had used in the past to indoctrinate his troops in the ways of loyalty, and as a source of advice on career decisions. This Buddhist now advised Tang to accept the task of directing the city's defense, and Tang did so after the flight from Shanghai was in full swing. As the Japanese bombarded the city with leaflets promising decent treatment of all civilians remaining there, skeptical Chinese troops—fugitives from the Shanghai fighting—killed and robbed the people of Nanjing to obtain civilian clothing and make good their escape. On December 12 Tang himself abandoned the city; since he had vowed publicly to defend Nanjing to the last breath, he made no plans for the orderly evacuation of the garrison troops there, and his departure worsened the military confusion.

There followed in Nanjing a period of terror and destruction that must rank among the worst in the history of modern warfare. For almost seven weeks the Japanese troops, who first entered the city on December 13, unleashed on the defeated Chinese troops and on the helpless Chinese civilian population a storm of violence and cruelty that has few parallels. The female rape victims, many of whom died after repeated assaults, were estimated by foreign observers living in Nanjing at 20,000; the futile soldiers killed were estimated at 50,000; murdered civilians at 12,000. Other conten-
porary Chinese estimates were as much as ten times higher, and it is difficult
to establish exact figures. Certainly robbery, wanton destruction, and arson
left much of the city in ruins, and piles of dead bodies were observable in
countless locations. There is no obvious explanation for this grim event nor
perhaps can one be found. The Japanese soldiers, who had expected easy
victory, instead had been fighting hard for months and had taken infinitely
higher casualties than anticipated. They were bored, angry, frustrated, tired.
The Chinese women were undefended, their menfolk powerless or absent.
The war, still undeclared, had no clear-cut goal or purpose. Perhaps all
Chinese regardless of sex or age seemed marked out as victims.

While the violence raged in Nanjing, the surviving Nationalist armies
withdrew up the Yangzi to the west, with the goal of consolidating in
Wuhan, site of the opening salvo of the birth of the republic and later seat of
the Communists’ brightest hopes. Fighting continued in central China
throughout the first half of 1938. The string of Japanese victories was
checked only occasionally, as at the southern Shandong town of Taierzhuang near
the major railway junction of Xuzhou. Here in April, Li Zongren, one of Chiang’s best generals, fought a brilliant battle, luring the
Japanese army into a trap and killing as many as 50,000 of its combat troops,
proving to the world that with inspired leadership and good weapons the
Chinese could hold their own. But he could not sustain the victory and had
to retreat. Xuzhou fell to the Japanese in May.

As the Japanese advanced yet further west to the ancient capital of Kaifeng, which would win them control of the crucial railroad leading south
to Wuhan, Chiang Kai-shek ordered his engineers to blow up the dikes of the
Yellow River. The ensuing giant flood stalled the Japanese for three
months, destroyed more than 4,000 north China villages, and killed
unknown numbers of local peasants. The destruction of the dikes changed
the course of the Yellow River, which since the 1850s had flowed into the
Yellow Sea north of the Shandong peninsula. Now the waters again fol-
lowed the southerly course and flowed across the northern part of Jiangsu
before reaching the ocean.

By the late summer of 1938, however, the Japanese had assembled the
planes, tanks, and artillery needed for the final assault on the triesty area of
Wuhan. Fighting took place at scores of locations north and east of the city
for almost five months. The Japanese brought reinforcements by rail from
the north, and by convoys of armored boats along the Yangzi, which they
systematically cleared of Nationalist defense positions. Once they had
assembled the vessels needed to sweep Boyang Lake, which the Nationalists
had mined, they also were in a position to attack Wuhan from the south.

The truces might have fallen far sooner had it not been for the heroic
actions of the Russian pilots sent to China by Stalin, whose renewed concern
for Nationalist China’s survival could be traced to the anti-Comintern alli-
ance of Germany and Japan. The Russian flyers’ main base was at Lanzhou
in Gansu, where they received supplies brought by truck and camel over
the old Silk Road, in several pitched air battles—and on occasion through
cunning ruses—they inflicted severe damage on the Japanese air force.

But by late October 1938 much of Wuhan was in ruins. Chiang Kai-shek,
who had readied yet another wartime base, this time deep beyond the
Yangzi gorges in the Sichuan city of Chongqing (Chungking), was flown
out of the city to safety there, while those troops who could do so commenced
their retreat. The Japanese took over the ravaged area on October 25, 1938,
having (according to Chinese estimates) sustained 200,000 casualties and lost
more than 100 planes. Only four days before, Japanese marine and naval
units had landed and seized Canton. Chiang Kai-shek had now lost de facto
control over the whole swathe of eastern China stretching from the passes
at Shanhaiguan to the rich ports in the semitropical south, along with all
the wealthy commercial and industrial cities lying in between. The area
encompassed the most fertile of China’s farmland and the ancient cultural
heartland of the country.

CHINA DIVIDED

By 1938 the great expanse of territory that had once been a unified empire
under the Qings was fragmented into ten separate major units: Manchukuo,
the Inner Mongolian Federation, northeast China south of the Great Wall,
east-central China, and Taiwan—all controlled in varying degrees by Japan—as well as the Guomindang regime in Chongqing, and the Communist base in Shansi. In addition, much of Shansi province, especially around Taiyuan, remained in the hands of the warlord ruler Yan Xishan. The Japanese-occupied Canton constituted yet another separate zone of authority, as did the great far-western expanse of Xinjiang. Here the predominantly Muslim population was controlled by an autonomous military governor who nervously sought aid and sponsorship first from Soviet Russia and then from the Guomindang. Tibet, too, had reassessed its independence.

Although China since 1911 had grown used to political fragmentation and civil war, this partial reconsolidation into large units, many as big as or bigger than whole countries, seemed to renew the threat that the pressures of foreign imperialism had posed in the late nineteenth century—that China might end up permanently divided. The solidification of such a group of new states would return China to the situation that had prevailed before the Qin conquests of 221 B.C., during the so-called Warring States period, when ten major regimes controlled the country among them; or it might bring a recurrence of the shifting patterns of authority and alliances that typified China’s history from the third to sixth century A.D., and again from the tenth to the thirteenth.

The fall of Wuhan in late 1938 marked the end of Japan’s first concerted assault on China, for the Japanese War Ministry’s earlier plan to hold a ceiling of 250,000 Japanese combat troops in China had not proved feasible, and there was now a danger of becoming seriously overextended. Japan’s goal in its China operations was to win an extensive base of natural resources that would fuel future industrial development—both for civil and military purposes—and to expand the “new order” in Asia under Japan’s cultural leadership, a dream of the Japanese for forty years. There was no intention of tying down the cream of the Japanese army in a protracted occupation of all China; rather the plan was to develop an interlocking network of puppet regimes, on the model of Manchukuo, that would give Japan preferential economic treatment, be staunchly anti-Communist, and provide the puppet troops that would garrison and patrol their own territories in Japan’s name. Japanese planners also hoped that by fragmenting China’s economy further, and especially by weakening the comparatively successful silver currency that the Nationalists had set up in reforms of 1935, Japan would undermine what little was left of China’s financial stability. Without a decent financial base, the Chongqing regime would surely capitulate.

Japan’s original puppet state, Manchukuo, which had been formed between 1932 and 1934, underwent rapid industrial and military expansion.

Formation of a second puppet state in Inner Mongolia, spearheaded by the Manchukuo army in conjunction with Mongol troops and the Japanese, had been initially stalled by tough Chinese resistance. But after the crisis at Xi’an in 1936 and the attack on Shanghai in 1937, the Japanese strategy was to appease the powers of a rising Mongolian nationalism. Chiang Kai-shek had always refused to do this, fearing the area’s complete secession from China. Rather, the Japanese formed a Federated Autonomous Government under the leadership of a Mongol prince, aided by a Japanese “supreme advisor.”

This new government was given control of the two provinces of Suiyuan and Chubar, as well as the northern section of Shansi province around Datong, formerly dominated by the warlord Yan Xishan. With its capital in Kalgan, the new regime was linked economically by the Kalgan-Datong-Baoji railway line, and was designed to exploit the iron and coal resources of the region as well as develop the production of electrical power. The Japanese encouraged certain aspects of Mongolian nationalism by such devices as dating documents back to the era of the warrior-ruler Genghis Khan. But the incorporation of the population of northern Shansi into the
Federated Autonomous Government meant that the already small Mongolian population was swamped by Han Chinese. Of the 5.25 million people who formed its constituency, over 5 million, or 95 percent, were Chinese; the Mongols accounted for 154,000, and the rest were Uighurs from the Xinjiang region, Koreans, or Japanese.

In mid-December 1937, while the rape of Nanjing was occurring, the Japanese army in north China moved to consolidate the various "councils" and "autonomous governments" south of the Wall into a third puppet regime, the Provisional Government of the Republic of China. To serve as chairman of the new government's executive committee, the Japanese installed a former Qing dynasty juren degree holder, diplomat, and banker, Wang Kemin, who had been the Young Marshal Zhang Xueliang's financial adviser. This puppet government, with its base in Peking, worked closely with the newly formed North China Development Company to develop systematically a wide range of industries that had previously been managed by such Japanese corporations as Mitsui, Mitsubishi, Taisho electric, and Asahi glass. With a capitalization of 370 million yen, the new company spun off subsidiaries such as the North China Transportation, Telephone, and Telegraph Companies, and took over responsibility for the area's iron and coal mines, steelworks, and harbor facilities.

Once Nanjing had fallen, the Japanese also moved to install a fourth puppet regime, this time for central China. It was hard to find any Chinese leaders of caliber willing to take the job, especially since it meant collaborating with those hated Japanese officers believed to have given full license to their troops during the Nanjing atrocities. But eventually another Qing juren-degree holder, Liang Hengzhi, who had lived in Nagasaki as a child and had served on the staff of the pro-Japanese premier Duan Qirui, accepted the post as president of the executive bureau of the new Nanjing-based "reformed government."

Like the Peking government, this regime comprised three main bureaus (yuan) and a cluster of subordinate ministries. Permanently short of money, it was forced to rely for much of its income on alliance with the still-powerful gangsters who ran the rackets of Shanghai. The Nanjing government made no serious effort to remove the Guomindang fahai currency from circulation, although with the help of the Japanese it did put steady pressure on the foreign customs service to yield up its share of the collected revenues. The British inspector general of the customs had left for a white, and never gave over the backlog of collected duties; but to the deep disappointment of the Nationalist government in Chongqing, customs officials deposited newly collected dues in Japanese banks.

Again following precedents in the north, the Japanese established a Central China Development Company that supervised subsidiary firms useful to Japanese industrial development. Capitalized at 100 million yen (less than one-third the worth of its northern counterpart), the Central China company had the primary task of restoring the railway lines destroyed in the heavy Shanghai and Yangzi Valley fighting. Much of the track and many bridges had been demolished, and only 7 percent of the rolling stock was still functioning. Other operations controlled by the company were electrical power, waterworks, motor buses, and inland navigation. As they did in Tianjin, the Japanese pressured the foreign community of Shanghai's International Settlement to allow their troops in the area, after there had been assassinations of Chinese collaborators and industrialists, and attacks on Japanese military personnel and factory operatives.

The integration of the economic and political life of Taiwan, the fifth of these new regimes, with mainland Japan occurred far in advance of the other four because Taiwan had been a Japanese colony since the Shimonoseki treaty of 1895. Now Taiwan was supplying Japan with great amounts of industrial products, from wood pulp and chemicals to copper and foodstuffs. Its already impressive network of airfields was being expanded, as were the docking facilities at Keelung and Kaohsiung, and the entire railroad network. Chinese children on Taiwan were being thoroughly indoctrinated in the customs and values of Japanese life, and encouraged to learn the Japanese language rather than their own. Although the Taiwanese were thwarted in their attempts to set up a political assembly with its own representation, and even prevented from running their own independent newspapers, the economy of Taiwan was prospering in the dependency alliance with Japan.

The Chinese now living under either the Peking or Nanjing regimes, if they knew anything about Taiwan, might have seen it as an emblem of their future fate. Those who wanted to preserve their freedoms faced the choice—however risky—of joining one of the two other regimes that had established new temporary bases: the Guomindang in Chongqing, Sichuan, and the Communists in Yan'an, Shaanxi. The calls for united national resistance issuing from those two centers were powerful and emotionally compelling. Hundreds of thousands of Chinese chose to make the long and dangerous journey to new homes either in Sichuan or Shaanxi. Workers carried the machinery and spare parts of key factories across China. Whole classes of university students from Peking and Tianjin trudged across the country, with their books and personal belongings, to settle in the new Consolidated University (Lianda) at Kunming in Yunnan, which seemed for the time being safely beyond the reach of Japanese arms. These great treks by workers and intellectuals through unknown territory in some ways...
constituted a new version of the Long March. Urban Chinese, liberal intellectuals, and the young were introduced to patterns of poverty-stricken rural life or to the non-Han communities of the mountains, of whose existence—they had hitherto known nothing.

But most people in north and east China did not flee; they had not the strength, the resources, nor the will. They saw no great merit in the policies and the political practices of the Guomindang or the Communists, and preferred to face an uncertain future with the Japanese. This was true of industrial workers in the factories, as well as of the peasants in both north and south China. If they left their jobs or their land and went to the road, they had no guarantees of finding any work, unless they were conscripted into the armed forces. For their part the intellectuals had seen too much of the vindictiveness of the Guomindang and the Communists, however obscure for the moment by the rhetorical veneer of the united front.

Lu Xun's brother* was a case in point. A distinguished literary critic, translator, and essayist, he had studied in Japan as a youth along with Lu Xun, married a Japanese woman, and deeply admired both traditional and modern Japanese literature. He probably owed his life to the fact that during the bitter attacks against radicals launched by the warlord Zhang Zuolin in 1927, he was sheltered by the Japanese military attaché in Peking. It must have seemed natural for him to stay on in Peking after 1927, and he became in turn dean of the literature faculty at Peking University and director of the Bureau of Education of the Provisional Government.

Many other writers and intellectuals also stayed on in Shanghai after 1937, and continued to found literary societies, publish, and teach. The large International Settlement of Shanghai provided a haven for many Chinese, some of whom wrote anticolonialist or anti-Japanese pieces, although such works were discouraged by the foreign Municipal Council, which was subject to continuing pressure by the Japanese to suppress all such criticisms. But in both Peking and Shanghai, the Japanese, despite their many inducements, were largely unsuccessful in persuading Chinese writers, sinologists, or dramatists to produce pro-Axis works. Those who did appear were stilted and insincere, and their authors were condemned even by others who had chosen to stay in the occupied areas. They were "a crossbreed of spiders and centipedes," as one Shanghai critic put it.* For Chinese of all political persuasions and economic backgrounds, the real question remained: Which of the regimes now getting established would have the strength to consolidate its forces and become a viable center for a true national reformation?

*Zhao Zuozhe. Lu Xun used a pseudonym; his own original family name was Zhao Shuren.
militarists, but also by a series of catastrophic droughts that hit the province in 1936, causing the loss of most of the winter food crops. Women and children dodged police patrols to eat the bark of Chongqing’s ornamental trees. In early 1937 the police, with their own hands, burned over 4,000 famine victims until special crematoria were built to speed the process. There were food riots in many Sichuan cities, and a predictable rise in banditry. When Chiang Kai-shek finally reached Chongqing on December 8, 1938, having flown from Wuhan via Guilin, it must have seemed a frail base of operations.

One of Chiang’s first priorities was to align the neighboring province of Yunnan firmly with his Sichuan base. Yunnan had been run since 1927 as a virtually independent state under the Lolo-tribesman warlord Long Yun. Despite his opium addiction, Long Yun had tried to build up the economic strength of Yunnan by developing mining and industries. Kunming, capital of a province two-thirds the size of France, had a population before the war of only 147,000; all the more dramatic therefore was the effect of the 60,000 refugees who streamed into the city in 1937 and 1938. Chiang Kai-shek confirmed Long Yun as governor of Yunnan, and the two worked together in uneasy alliance throughout the war. Long Yun refused to implement the tough censorship laws of the Guomindang, with the result that Kunming became a vital intellectual center and the wartime home of the new Consolidated University for refugee scholars and students from north China. As the projected terminus for a road being built over the mountains to Lashio in Burma, Kunming acquired further prominence once the Yangzi was closed to non-Japanese shipping and the French had been forced by Japanese pressure to stop carrying military supplies up the railway line that ran north from Hanoi.

The Burma Road now was South China’s only link to the military supplies and gasoline needed to keep Chiang Kai-shek’s resistance viable. Running about 715 miles (1150 km) in China, 115 in Burma) the construction of this road, undertaken as the war flared in eastern China, caught the attention of the world. The popular Western stereotype of the patient, endlessly hard-working Chinese drew new force from the written accounts and photographs showing hundreds of thousands of Chinese laborers—men, women, and children—working by hand in the mountains and gorges, hauling rock and earth in baskets, blasting stubborn boulders with bamboo tubes full of gunpowder. Thousands died from accidents and malaria, and surely many others from malnutrition, for this was mainly a conscripted labor force, paid only with food. It was all. The Burma Road, officially opened on December 2, 1938, remained subject to a host of problems: landslides, stretches open only to one-way traffic, bridges that could bear only light loads, a mud surface dangerously slippery in wet weather, and an absence of telegraph communications centers or gasoline supply depots. But when the first supplies from Rangoon reached Kunming in December 1938, it marked a significant triumph.

With Sichuan as the central base and Yunnan as the conduit to the outside world, the Nationalists could keep a measure of control over the remaining provinces that marked the borderline between their mandate and that of the Japanese armies. These buffer territories included Guanzhong, except for the area between Nanning and the coast, which the Japanese took over; Guangdong, except for the Pearl River delta around Canton; most of Hunan; southern Jiangxi; large areas of western Hubei and Henan; and southern Shaanxi. Most of Zhejiang and Fujian provinces were also free of Japanese occupation, but were so distant that it was hard for the Guomindang to exercise much control there. The only major Japanese thrust into Guomindang territory in 1939 and 1940 occurred along the Yangzi River to the distribution center of Yichang in Hubei, Japanese capture of the city seriously disrupted grain shipments from Hunan and Hubei upstream to Chongqing, causing even greater difficulties in the city.

The government set up by the Nationalists in Chongqing was directed by a supreme National Defense Council, of which Chiang Kai-shek was chairman. Real power, however, was in the Military Affairs Commission, of which Chiang was also chairman, a role that made him commander in chief of the army and air force (as well as of the almost nonexistent navy), and gave him the statutory power to “direct the people of the entire nation.”
In 1938 Chiang had also been granted, by the Guomindang congress, the title of "director-general" of the party, formerly held by Sun Yat-sen. And in 1943, after the death of the self-efficacient politician who since 1922 had held the title of chairman of the Chinese republic, Chiang assumed that title as well.

But this vast apparent concentration of power, and the enormous size on paper of the Nationalist armies, could not hide the fact that Chiang actually served only as the presiding coordinator of a loose federation of forces. A parliament-like body of 200 members, the People's Political Council, was designed to help him formulate policy, to give some scope for popular participation in the running of the government, and to embody the principles of the united front. Guomindang members were limited to 80 of the 200 seats on the council; independents held 70 seats, leaving 50 seats to the Communists and other small political parties. But such an organization could do little to pull together central policy, and the fragmented bureaucracy could not adequately coordinate the administration of the local officials across China who were meant to gather rural taxes and link the civil authorities to the military garrison commanders. Income shrank disastrously, and skyrocketing military expenses began to push Chongqing into an inflationary spiral. At the same time, huge military casualties hurt the regime's morale. Paralizing the Guomindang's attempts at consolidation south and central China were those of the Communists in their Yan'an base area to the north. By agreements reached between Chongqing and Yan'an in late 1947, after the Japanese assault on Shanghai, the Red Army was now constituted as the Eighth Route Army under nominal Nationalist command. In September of that year the two sides pledged "cooperation" in four critical areas, each of which represented concessions by the CCP to work to realize Sun Yat-sen's Three Principles of the People—nationalism, socialism, and democracy; to give up armed rebellion, the forming of soviets, and the confiscation of landlords' holdings; to abolish the current autonomous government structure of the Shaanxi soviet; and to reiterate that the approximately 30,000 troops of the former Red Army would be under Guomindang command. Chiang correctly called this "a triumph of national sentiment over every other consideration," although the CCP was also here following the practice ordained by the Comintern for all Communist parties internationally.

The astonishing announcement in August 1939 that the Soviet Union had signed a nonaggression pact with Hitler's Germany did not alter this basic united-front policy. Mao Zedong greeted the Hitler-Stalin pact as a positive step that would frustrate the plans of the French and British "international reactionaries bourgeoisists," and would "deal a blow against the Chinese capitalists." Nor did this new web of international agreements, despite the earlier Guomindang-Soviet nonaggression pact, mean that the Germans would restore the great industrial-military deals that they had projected for China in the earlier 1930s. The Germans were now too committed to support the Japanese in their general east Asian policies.

Instead of organizing the areas they controlled into new soviet, the CCP, with Guomindang agreement, announced the formation of two border-region governments. One was named Shaan/Gansu/Ning, from the first syllables of the northern provincial grouping of Shaanxi, Gansu, and Ningxia, and the second Jin/Chahar, referring (less obviously, since these were archaic forms for the relevant provincial names) to the border region of Shanxi.

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TISSUE CHINESE BATTLE CASUALTIES, 1937-1944

<table>
<thead>
<tr>
<th>Year</th>
<th>Japanese estimate</th>
<th>Chinese estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1937</td>
<td>—</td>
<td>357,362 (July-Dec.)</td>
</tr>
<tr>
<td>1938</td>
<td>8,212,906 (July 1937 to Nov. 1938)</td>
<td>735,017</td>
</tr>
<tr>
<td>1939</td>
<td>395,000</td>
<td>304,043</td>
</tr>
<tr>
<td>1940</td>
<td>847,000</td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>766,000</td>
<td>299,483</td>
</tr>
</tbody>
</table>

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Chahar, and Hebei. Japanese power was far stronger in the second border region than in the first; but—neither the Japanese, nor the provisional north China government, nor the Inner Mongolian Federation had complete control over its terrain, there was ample room for Communist political maneuvers, sabotage, and even the recruitment of new troops into the Eighth Route Army. In addition, the survivors of the Communist forces who had escaped at the time of the Long March had been left behind in central China to conduct guerrilla actions were now reorganized as the New Fourth Army. Since 1935 these guerrilla forces had lived an isolated, desperate, and independent life, often sheltered in mountains and forests, operating by their own rules, and developing their own ties with the rural poor and those who resisted first the Guomindang and then the Japanese. Drawn together again, after a three-year hiatus, into an organized force of 12,000 combat troops, this army was nominally subject to overall Guomindang direction but was actually commanded by veteran Communist officers.

In these early years at Yan’an the CCP tightened its organizational form—as the Guomindang had attempted to do—in each of three main areas: the party itself, the government, and the army. CCP membership increased dramatically in the period—from around 40,000 in 1937 to an estimated 800,000 in 1940—partly because of a sustained recruiting effort and search for new talent, but also because of the popularity of CCP united-front policies. Temporarily forbidden to pursue expropriation of the land, the CCP implemented a program of systematic rent reduction, and a graded-taxation system that made it unfeasible for many formerly rich landlords to keep large holdings and allowed many poorer peasants to increase their holdings to a profitable size. Thus villages could be rallied in loyalty to the CCP and to the anti-Japanese cause without divisive struggles.

As for his own leadership position, Mao Zedong fought off two serious challenges—one by the Long March communist Zhang Guotao, and one by Wang Ming, the most influential former member of the Comintern-dominated group known since their 1930 return from the Soviet Union as the "returned Bolsheviks." Thereafter, Mao and his confidential assistants worked steadily and effectively to denigrate the achievements of those former rivals, so as to suggest that it was Mao alone among the Communist leaders who had correctly foreseen the course that the revolution in China would take. These conclusions were then enshrined as the new historical-graphical orthodoxy among the Communists. The party expanded its power through regional branches spread across Shansi-Gansu-Ning and the other border areas, as well as through groups divided according to tasks, such as propaganda, education, popular movements, women’s affairs, press, and youth corps. The Resist Japan University (Kangla) in Yan’an served as a potent focus for cadre training and the refining of party views. Despite the poverty of the region, morale was high, and Yan’an seemed to many Chinese to be a new beacon of hope.

The Yan’an government consisted of the central administration with its subordinate ministries, and a network of representative assemblies that ideally—and in some cases actually—reached down to the county level. The united-front agreements were honored by implementation of the "three-thirds system" as a general rule, not more than one-third of positions in government bodies would be held by CCP members; this would leave, in Mao’s words, one-third for "non-Party left progressives, and one-third for the intermediate sections who are neither left nor right." Mao’s writings show that he believed this system would guarantee CCP dominance, since if Communists of high caliber were chosen for their third of the positions, "this will be enough to ensure the Party’s leadership without a larger representation." The table below indicates the social composition and party make-up of several representative assemblies at the county level.

### Social Composition and Party Affiliation in Yan’an Representative Assemblies, 1942

<table>
<thead>
<tr>
<th>Category</th>
<th>Suide</th>
<th>Qingyang</th>
<th>Huheai</th>
<th>Qinghai</th>
<th>Xining</th>
<th>Xizang</th>
<th>Zhalong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landlord</td>
<td>23</td>
<td>12</td>
<td>7</td>
<td>47</td>
<td>1/4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Rich peasant</td>
<td>159</td>
<td>89</td>
<td>56</td>
<td>32</td>
<td>20</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Middle peasant</td>
<td>578</td>
<td>325</td>
<td>66</td>
<td>181</td>
<td>185</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>Poor peasant</td>
<td>1,301</td>
<td>660</td>
<td>1,339</td>
<td>719</td>
<td>165</td>
<td>303</td>
<td></td>
</tr>
<tr>
<td>Tenant</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>Hired peasant</td>
<td>22</td>
<td>36</td>
<td>4</td>
<td>22</td>
<td>2</td>
<td>89</td>
<td></td>
</tr>
<tr>
<td>Worker</td>
<td>236</td>
<td>23</td>
<td>63</td>
<td>—</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchant</td>
<td>127</td>
<td>27</td>
<td>6</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gentry</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2,446</td>
<td>971</td>
<td>1,068</td>
<td>1,001</td>
<td>386</td>
<td>594</td>
<td></td>
</tr>
<tr>
<td>CCP</td>
<td>450</td>
<td>156</td>
<td>219</td>
<td>297</td>
<td>128</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Guominsheng</td>
<td>161</td>
<td>41</td>
<td>98</td>
<td>—</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neoparty</td>
<td>2,075</td>
<td>732</td>
<td>341</td>
<td>744</td>
<td>188</td>
<td>487</td>
<td></td>
</tr>
<tr>
<td>Total*</td>
<td>1,656</td>
<td>969</td>
<td>638</td>
<td>1,001</td>
<td>314</td>
<td>640</td>
<td></td>
</tr>
</tbody>
</table>

*Party totals do not always correspond to category totals because of the number of unrecorded or nominated cases.
The Communist military consisted not only of the Eighth and Fourth Route armies—with the Long March veteran Zhu De serving as commander in chief and Peng Dehai as his deputy commander—but also of large numbers of local, full-time armed forces based permanently in their own home areas. These local regulars were supported by militia forces of men and women aged sixteen to forty-five who held down regular jobs in farms or the towns, and were poorly armed but invaluable in gathering intelligence and giving logistical support and shelter to the regular forces. The CCP devoted much attention to making sure that at all levels its military forces did not exploit the local farming communities, paid for the food and supplies they needed, and did not molest the local women. The CCP also worked carefully to gain the support of the local militarized secret societies that were strong in north China, such as the Elder Brothers’ Society and the Red Spears, and to win them over to an anti-Japanese position. The result was a steadily widening popular base for the CCP.

Participation in the united front inevitably forced on many radicals a sharp break with their earlier ideological goals and aspirations. Rents reduction and limited land redistribution had to replace the expropriation of wealthy landlords’ holdings that had been practiced in Jiangxi and the other soviet. Gradualist approaches to education and indoctrination were substituted for confrontational strike action, and a cautious economic program of rural credits and development of local industries was designed to avoid alienating the wealthier farmers or townpeople in border regions. Such policies were not popular with many Communists, as can be seen in passages from a training manual written in question-and-answer form, and distributed by leaders of the CCP to their local cadres. A sample runs:

Q: I feel that the united front and Guomindang-CCP collaboration are too great an about-face. It would be better to strike down the village bosses and divide the land. If we moved quickly, the revolution could easily be accomplished, isn’t that so?

A: This is incorrect, because to act in such a way today would certainly bring about the outbreak of civil war. If we fight each other, we won’t be able to fight Japan. We would then be destroyed by Japan. The nation to perish and fall into Japanese hands, carrying out Communism would be very difficult. The realization of Communism requires national independence.

While dampening social revolutionary forces in their border areas, in 1940 the Communists launched a series of attacks against Japanese strong points, roads, and railways in northern China. Called the Hundred Regiments Offensive—in fact as many as 104 regiments of CCP-affiliated troops were involved at different times—the attacks were coordinated by General Peng Dehai. There is disagreement about how the attacks were planned (some argue that Mao Zedong was not informed in advance) and what their purpose was: whether to damage the regular Japanese forces, stiffen national resistance as a whole, or deflect Guomindang attention from the strong expansion being made by the Communist New Fourth Army in central China.

Despite the courage with which the attacks were carried out, none of these objectives was attained. Though the Japanese did suffer heavy losses, the regular Japanese forces, with puppet troops as reinforcements, launched shattering counterattacks, often of immense cruelty, in which whole villages were destroyed to the last human being, farm animal, and building. As a result of the devastation, the population in areas more or less under CCP control dropped from 44 million to 25 million, and the Eighth Route Army lost 100,000 men to death, wounds, or desertion. Nor could it be said that national resistance as a whole was stiffened. In March 1940 Wang Jingwei, Sun Yat-sen’s former lieutenant and one time second-in-command to Chiang Kai-shek, at last lent his prestige to the central China puppet regime—to the delight of the Japanese—by accepting the post as its ranking official. Wang’s regime was accorded formal diplomatic recognition by the Japanese, while at the same time they strengthened their hold over the economies of central China. Despite concentrated attempts by Guomindang secret agents under Dai Li to assassinate prominent Chinese collaborators, Wang’s regime survived, and was accepted as legitimate by millions of Chinese in the Shanghai-Nanjing region.

Nor did the events in north China stop Guomindang generals in central China from paying attention to the New Fours Army. They were fully aware that the New Fourth Army gave the CCP a vital strategic presence in the Yangzi delta, which was China’s richest food-producing area and the focus for much of China’s heavy industry. Now Japanese-controlled. The area was a maze of competing jurisdictions of Guomindang regular units, local militia, gangs of smugglers and deserters from regular units, and members of Green Gang and other criminal organizations. Some of these forces, coordinated by the Blue-shirt leader Dai Li, were particularly resentful when the Communists edged into their zones of operations along the Nanjing-Shanghai railroad. Regrettting the earlier united-front agreement that permitted some Communist units to regroup south of the Yangzi, the Guomindang generals in the area had been steadily trying to get them to comply with orders to move north. The Communists were reluctant, and in a series of skirmishes and pitched battles, Nationalist troops trying to enforce the order suffered a serious defeat. In early December 1940, Chiang Kai-shek issued an ultimatum: any Eighth Route Army troops south of the
guerrilla base to the south of the Yangzi, west of Lake Tai, in the very same area they had been before. The “New Fourth Army Incident,” as it was soon termed, did not end the united front, but it certainly highlighted the tensions within it. From early 1941 onward the Communists and the Guomindang, though continuing to maintain their alliance against the Japanese, did so with even greater distance than before.

CHONGQING AND YAN’AN IN THE WIDENING WAR

The eruption of World War II in Europe in the summer of 1939 strengthened Japan’s hand in China. As in the Great War of 1914–1918, France, Great Britain, and Germany were now all preoccupied on their own fronts and had little time or energy to spare for East Asia. In that first world war, Japan had gained territory and concessions at the expense of Germany, while wary respecting British and French interests in East Asia; in the second, it became clear that Japan might be able to outflank both Britain and France from their positions of power in the region. The force of “European imperialism,” which had once affected China’s history so crucially, suddenly began to shrink.

We have seen how the Japanese were able to pressure the foreign customs service and the once sacrosanct foreign-concession areas in Tianjin and Shanghai; how they closed the Yangzi to foreign ships, at great financial loss to British trading firms; and how they forced France to close its railway lines in Vietnam to shipments of military aid for the Chinese in Kunming and Chongqing. Now in July 1940, as Britain tried to recover from the crisis of the Dunkirk retreat and to rally its forces for the aerial Battle of Britain, Prime Minister Winston Churchill announced to the House of Commons that he had yielded to a Japanese demand that the Burma Road be closed to all military supplies, trucks, and gasoline for three months. At the end of this period, with the battle against Germany going better, Churchill ordered the road opened, but Chiang Kai-shek remained bitter, noting that the closing of the road at such a difficult time had “permanently destroyed British prestige” in China.

One American financial adviser now observed that “the situation in China is critical as to morale, since China seems almost alone for the moment, and American action of some sort must not be delayed beyond the point where China’s morale would crack.” But the United States, preoccupied with Japan’s expanding power—the Japanese army had entered French Indochina in 1940—did little between 1938 and 1941 but buy stocks of Chinese
silver and grant the Nationalists loans in the $25 million to $50 million range. The loans could be used for nonmilitary purchases or price stabilization, and were offered against tin and tungsten exports as security. Nevertheless, China's currency began to slide badly, as the table above shows.

One of the Chongqing regime's most serious problems was its almost total lack of air power. An ex-U.S. Army-Air Force flyer, Claire Lee Chennault, had been in China since 1937 as adviser to Chiang Kai-shek, and after the fall of Wuhan he tried to persuade the Chinese to place major orders with U.S. factories for modern planes. The Chinese could have paid for these in part with the credits being established through their bulk sale of silver to the U.S. treasury; in 1937-1938 the Chinese sold $12 million ounces for U.S. $1.88 million. But arguments within the Chinese government over contractors, prices, and delivery dates dragged on, and no purchases were made.

Preoccupied by events in Europe, the Russians slowed down their aid to Chiang's air force and withdrew their "volunteer" pilots. The last German advisers had returned home in 1938, and Chiang's Italian air advisers had also left. The first airplane-producing factories constructed with Italian aid and advice were quickly bombed or destroyed by the Japanese air force. As a result, Chongqing was almost defenseless, and from May 1939 on the Japanese subjected Chiang's wartime capital to systematic bombing. The initially high losses were checked only when the Chongqing authorities completed a network of underground shelters tunneled into the rock beneath the city, and established an early warning system by which partisans with radios, behind Japanese lines, warned of Japanese bomber flights taking off.

When Chiang finally sent Chennault to Washington, in 1940, to request help, the Chinese had only 17 fighter planes left and 31 old Russian bombers that were not equipped for night flying. The Japanese had 968 planes in China—many of them the fast and effective new "zeke"—and another 120 in Indochina. The United States had few spare planes to sell, because of the immense demand from Britain. But after additional pressure from T. V. Soong, who traveled to Washington as Chiang Kai-shek's personal envoy, and from the former leading May Fourth movement intellectual, Hu Shi, who was currently serving as China's ambassador to the United States, Franklin D. Roosevelt's administration agreed to ship 100 P-40 fighters to China. At the same time, by informal arrangement so as not to violate neutrality agreements with Japan, Chennault was allowed to recruit a large number of U.S. Army-Air Force pilots and take them to China as "volunteers," both to fly in combat and to train a new generation of Chinese pilots. Their combat feats made them famous as "the Flying Tigers," and they inflicted severe damage on the Japanese in late 1941 and early 1942, earning a bonus of $500 for every plane they shot down. In some ways their exploits echoed those of the Ever-Victorious Army over eighty years before. The Communists in Yan'an were denied even this small morale booster, since the Flying Tigers operated solely within the Chongqing orbit. The New Fourth Army Incident, which had hit the Communist forces south of the Yangtze so hard, was followed by an intensified series of Japanese attacks in the north after the Hundred Regiments Offensive. General Peng Dehuai attempted to combat the Japanese with the conventional techniques of modern warfare, but his forces could not overcome Japan's strength in manpower and supply. Chances of receiving help from the Soviet Union diminished following the signing of the Soviet-Japanese neutrality pact in early 1941 and Moscow's pledge to recognize the "territorial integrity" of Manchukuo. The CCP responded to this new blow with brave words: "We must return all the lost land of China. We must fight our way to the Yangtze River and drive the Japanese imperialists out of China."

But they were in no position to act accordingly. The German invasion of the Soviet Union in June 1941 effectively ended any chance of China's receiving spare resources from the Soviet Union until the war in Europe was over. Yan'an's isolation was strengthened by Chiang Kai-shek's decision, following the New Fourth Army Incident, to impose an economic blockade on the Shaanxi border-region government, to stop salt shipments to the region, and to end the subsidies that had been paid to the forces of the Eighth Route Army under the united-front agreements. The result was serious shortages in Yan'an accompanied by acute inflation. It is not surprising that the Communists, desperate for military supplies, instituted a
reward system that encouraged the local civilian population to comb each battlefield for weapons once the fighting was over. Local peasants received 50 yuan for each machine gun they turned in to the Communists, 10 to 20 yuan for each rifle, and 5 for a pistol. But as a cadre’s manual pointed out, it was not “absolutely necessary” to have modern weapons: “Old-fashioned firearms, spears, knives, poles, axes, hoes, and stones can all kill enemy soldiers.”

Communist attempts at organizing rural communities in opposition to the Japanese were met with ruthless counterforce under the program given the shorthand term “3-alls,” standing for the Japanese army’s orders, in certain areas, to “kill all, burn all, destroy all.” When peasants, desperate to avoid discovery, crisscrossed the ground beneath their villages with mazes of tunnels, the Japanese responded by surrounding the villages with troops and pumping poison gas into the underground networks. One documented case of such an action states that 800 Chinese died. Another details the execution of 1,280 villagers and the burning of every house in an eastern Hebei village. A third describes a “mopping-up campaign” in north China between August and October 1941 that left 4,500 villagers dead and 150,000 homes burned. Seventeen thousand other Chinese from the area were taken to Manchukuo to work as laborers. The purpose of such violence was to deter all Chinese from future collaboration with the Communist guerrilla forces. In many cases, it had that effect; but in countless others, it encouraged a deep and bitter resentment of the Japanese that the CCP was able skilfully to build upon.

The Japanese bombing of Pearl Harbor on December 7, 1941, was greeted with relief in Chongqing, because at last it heralded the full-scale involvement of the United States in the war with Japan. Even since the Mukden Incident of 1931, Japan had been edging toward such a confrontation, and after the full outbreak of the war with China in 1937, Japan viewed the United States Pacific Fleet as a serious threat to its war aims. For if the U.S. fleet remained able to sail at will, Japan could neither enforce a total blockade of the China coast, nor consolidate its hold over Vietnam and Burma. But Japan’s attack on Pearl Harbor guaranteed fresh support for the Chinese, whose war was now seen as part of the United States’ own struggle.

And to China came in the form of lend-lease supplies—many which from small beginnings rose to a total of a billion dollars by the end of the war, and large cash credits, which eventually reached a total of U.S. $500 million. This money came even though no one in the United States knew exactly

how it was to be used, and Chiang Kai-shek resolutely refused to give any guarantees or accept any strings.

President Roosevelt named a senior army officer, General Joseph Stilwell, to serve as his liaison with Chiang Kai-shek, as commander in chief of the American forces in the “China-Burma-India theater,” and to have general supervision of lend-lease materials. Chennault’s informal Flying Tiger squadrons were reorganized as a regular part of the Fourteenth Air Force, and Chennault himself promoted to general. Chinese morale was lifted further when a massive Japanese attack on Changsha in Hunan was halted by Nationalist troops, re-emphasizing in a timely way that China was a formidable ally. Despite British reluctance, China was accepted by President Roosevelt as one of the Big Four powers in the Allied war effort, the others being the Soviet Union and Britain itself.

The Chinese army was indeed playing a crucial role in the Allied effort, lying down about two-fifths of all the forces available to the Japanese. The potential importance of China’s resistance was made even more vivid by the sudden and almost total collapse of the British forces in east Asia. It was not surprising that Hong Kong fell swiftly, since it was virtually indefensible. But Singapore had been regarded as an impregnable bastion that the Japanese would never dare attack, and its fall on February 15, 1942, after only a day’s fighting, and the surrender of its 130,000 garrison troops, permanently damaged Britain’s already weakened reputation with the Chinese.

“Now that the British have been defeated by the Japanese,” as Zhou Enlai put it in an April 1942 conversation with American officers, the Chinese “despise the British position.”

From the Chinese point of view, even worse than Great Britain’s failure to secure Singapore was its inability to hold Burma and defend the supply road it had reopened in late 1940. Unwilling to coordinate their strategy with the movements of Chinese troops or with General Stilwell, the British

<table>
<thead>
<tr>
<th>Pacific and Southeast Asia</th>
<th>Manchuria</th>
<th>Japan</th>
<th>Taiwan and Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army division (30)</td>
<td>21</td>
<td>104</td>
<td>13</td>
</tr>
<tr>
<td>Mixed brigade or equivalent (50)</td>
<td>20</td>
<td>3</td>
<td>24</td>
</tr>
<tr>
<td>Army air squadrons (155)</td>
<td>16</td>
<td>70</td>
<td>56</td>
</tr>
</tbody>
</table>

*The one army group army and one army division at Shanghai under the direct command of the Imperial General Headquarters.

**The one special column. Of these ten divisions two were shipped from the China theater.
were outmaneuvered and outfought by Japanese forces. At the end of April 1942, after a five-hour battle with demoralized Chinese troops who were allegedly coordinating their campaign with the British, the Japanese seized the key Burmese town of Lashio, once again severing the Burma Road as a source of war materials for Chongqing (see the map on page 432). The Burma campaign cost Chiang Kai-shek many of the troops and most of the heavy equipment of the German-trained Fifth and Sixth armies, which had been a significant part of his power base, and constituted about one-third of his strategic reserves. From now on Chongqing would be almost as isolated as Yan'an, its only connection with the outside world being the dangerous air route over the Himalayas to India known as “the Hump.”

A debate over military policy now erupted in Chongqing, pitting Chennault against Stilwell on the relative merits of air power versus conventional military power in containing the Japanese and working toward their defeat. The arguments for air power were convincingly made by Chennault, who pointed out to Chiang Kai-shek the comparative cheapness of this strategy, and the feasibility of flying in planes from India and supplying them with parts, gasoline, and ammunition airlifted over the Hump. Stilwell countered with the arguments that air forces had to be defended on the ground, and that the Nationalist armies were overofficered, underequipped, and undertrained. It would be far better to develop a smaller, elite Chinese army, training some of the troops at camps in India and some in west China, and then to work patiently to reopen the land route through northern Burma to Ledo, so that large-scale supplies could again reach Chongqing.

Chennault’s arguments won out—he was both more tactful and more patient than “Vinegar Joe” Stilwell, and his flyers had notched up impressive victories. Stilwell, despite a good knowledge of the Chinese language and a deep affection for the Chinese common soldier he had encountered, bore little contempt for Chiang Kai-shek (whom he referred to in his dispatches by the code name of “Peanut”) and despised most of Chiang’s commanding officers for their reluctance to fight and their dishonesty. So while Stilwell made some progress in developing training programs for Chiang’s armies, most of China’s resources went into building up a line of airfields along the eastern edges of the territory controlled by the Chongqing regime, between Hangyang in southern Hunan province, and Lushou in Guangxi.

To pay for the enormous armies still under his nominal command and for the expenses of the enlarged air force, Chiang enforced a more rigorous tax system in the areas he controlled. With inflation eroding the value of Chinese currency (see the table on page 442), this tax was set at a grain equivalent of the prewar tax rate and was then collected in kind from the farmers, either in rice or wheat, or sometimes in beans, maize, millet, or even cotton. Over and above these taxes came a series of “compulsory borrowings” of food grains in the provinces to meet army and governmental needs. Those yielding up this extra food would allegedly be paid back at fair market price. Inevitably, however, there were delays and abuses, and when repayment was made it was often at low rates or in devalued currency.

On top of this, the farmers had to meet the costs of transporting all this grain to the Nationalist collection stations.

In their border-region governments around Yan’an, the Communists also faced serious problems of revenue raising, social control, and morale. Their response, during 1942 and 1943, was to deepen the intensity of their involvement in the countryside through the mass mobilization of the whole population. There is also strong evidence that they eased their major financial crisis by encouraging the peasants to resume opium production, which the Communists then shipped off to both Japanese- and Guomindang-controlled areas. (In their financial reports, however, the trade was disguised by such euphemisms as “special products” and “soap.”) Peasants were also allowed to use opium revenues to meet some of the new tax demands.

Although taxes had to be collected even from the poor peasants, and at high rates, enforced rent reductions helped all but the poorest farmers who could not afford to rent anything. The Communists now paid less attention to the formalities of the united front or the three-thirds system in local government. Cadres went directly to rural areas to encourage formation of producer cooperatives for the purchase of grain and the advancing of credit. They sought to spur production by persuading peasants to pool labor, tools, and draft animals in mutual-aid teams, and by launching mass campaigns urging emulation of “labor heroes.” Similar mass campaigns were begun, when feasible, in areas of east and central China where the Communists had fairly strong centers of support. Here, again, the Communists emphasized social struggle and targeted abusive landlords, harsh creditors, and corrupt local officials for public criticism, humiliation, and punishment.

Intellectuals, particularly those in Yan’an, were also introduced to the basic conditions of life in the countryside through specific campaigns that sent them “down to the villages” to learn from the peasants. From his earliest writings on, Mao Zedong had expressed disdain for the traditionalist elites of China, especially their ignorance of rural poverty and their impracticality. Like Chongqing, Yan’an had become home to thousands of refugees, and in an intensive campaign in 1942—the “Rectification Campaign”—people living in the Communist-controlled border regions were harshly reminded of the imperatives of socialist revolution. Those singled out for attack were criticized in mass forums for their views, forced to design their own self-criticisms, and transferred from positions of power to lower
or mental jobs. Some were physically maltreated or driven to suicide. Among the victims were followers of Mao's main rival for party leadership, Wang Ming, who, since his return to China from the Soviet Union had been trying to strengthen his own power base. The Rectification Campaign helped Mao preserve his dominance as party leader, and ensured the independence of CCP ideology from Soviet control.

Among the intellectuals denoted and sent to labor in the countryside was the writer Ding Ling, whose story "The Diary of Miss Sophie" had so well captured the anomic of China's youth in 1928, and who had joined the CCP after her husband's execution in 1931. Ding Ling had been held under house arrest in Nanjing by the Guomindang, but managed to escape and reach Yan'an in 1936. Yet once in Yan'an, Ding Ling began to write stories that criticized CCP cadres for inactivity to workers, and for enforcing an ideological outlook that destroyed individual initiative and opinion. She also argued that the party leadership was using the slogans of national resistance and party solidarity to undermine the recently hard-won rights of women.

In making an example of such people through the Rectification Campaign, Mao strongly reaffirmed the role of the CCP in defining the limits of intellectual expression and inquiry. To reinforce this role a number of essays—by Mao, Stalin, and others—were assigned to party members and intellectuals for general reading and discussion. In his own most detailed speeches of May 1942, Mao spoke of the social purpose of art and literature. Those in Yan'an must understand their duty to the masses; they must seek out the "rich deposits of literature and art [that] actually exist in popular life itself." These "deposits" had to be "the sole and inexhaustible source of processes of literature and art." Earlier Chinese artistic traditions, said Mao, and the foreign traditions that May Fourth intellectuals—and even Lu Xun—had espoused, must be kept firmly subordinate; they need not be completely rejected, but should be used "in a discriminating way... as models from which we may learn what to accept or what to reject." The intellectuals' task had to be to plunge into the war that was raging and to absorb it in all its terrifying complexity.

Revolutionary Chinese writers and artists, the kind from whom we expect great things, must go among the masses; they must go among the masses of workers, peasants, and soldiers, and into the heat of battle for a long time to come.59

Hunger and oppression were everywhere, said Mao, and "no one gets upset about it." The true artist was the one who could change that attitude, who could "awaken and arouse the popular masses, urging them on to unity and struggle and to take part in transforming their own environment." Even in the midst of the day-to-day turmoil of the anti-Japanese war, Mao was saying, the intellectuals of China must keep in focus the necessities of long-term change for the Chinese people.

War's End

In 1943 and 1944 the main pressures on the Japanese military, whose incredible successes had taken them far across the Pacific to the Gilbert Islands and through Southeast Asia almost to the Indian border, came from America rather than Chinese forces. China's greatest contribution continued to lie in holding down a large number of regular Japanese troops, for Japan never achieved its stated goal of using puppet troops to patrol and guard its areas of influence. Having won a spectacular naval victory in the Battle of Midway (June 1942), American forces were now involved in the slow and bloody ordeal of fighting their way back across the South Pacific, island by island. But as plans for the strategic bombing of Japan began to be developed by the U.S. Joint Chiefs of Staff, the possibility of deploying the powerful new B-29 bombers on Chennault's forward airfields became feasible, and at least kept China in the minds of the main American, Russian, and British planners.

A number of developments in 1943 showed how decisively Japan's military triumphs—and China's refusal to surrender—had altered the century-old patterns of Western exploitation of China. One important indicator of change was that, following protracted discussions among the Allies, in January 1943 the hated system of extraterritoriality was abolished by common agreement. After a full century of this humiliation, the Chinese would now be free to try all foreigners (except those with diplomatic immunity) under China's own laws.* In August 1943, in a more orchestrated by the Japanese, the collaborationist Nanjing regime of Wang Jingwei was allowed to take over both the former International Settlement and the French concession in Shanghai, and to administer them directly as Chinese territory. And in December 1943, Chiang Kai-shek joined Roosevelt and Churchill at the Cairo Conference, where the leaders stipulated the return of Manchukuo and Taiwan to Chinese nationalism control after the war.

Another indicator of the West's diminished status lay in deliberate Jap-

*From June 1943 until the end of the war, however, U.S. servicemen in China were again put under American law.
anese wartime policies. After Pearl Harbor, the Japanese had allowed Westerners to continue to study and do business—albeit with restrictions—in Peking and to a lesser extent in Shanghai. But in late March 1943, the foreign community of Peking (excluding the Germans and a few other wartime allies) were rounded up and marched—laden down with their baggage, golf clubs, and fur coats—in straggling lines to the railway station. A Chinese crowd, assembled for the occasion by the Japanese, watched silently.

"We provided precisely the ridiculous spectacle that the Japanese hoped for," recalled one American. From Peking, the foreigners were transferred to the designated internment camp at Weihsien, in north-central Shandong. Here, in a ruined former mission compound, away from all their former privileges and servants, over 1,000 Western adults and 500 children had to forge a community of survival with meager allowances of food, almost no medical supplies, and only such social amenities, education, or recreation as they could construct for themselves.

Americans and Europeans in Shanghai were interned under similar conditions at other camps in central China, but different treatment was meted out to those from Jewish backgrounds. In mid-May, the great majority of Shanghai’s 16,000 Jews—refugees from persecution in Europe—were moved to the Japanese to a designated ghetto in the poor “Hongkew” section of the city. Forced to sell their hard-won homes and businesses at short notice for pitifully low prices, the Jews were organized into mutual-security groups for their own policing and protection. Inside the ghetto, they were completely dependent on the whims of a Japanese guards officer who gave himself the sadistic title “King of the Jews” and had the power to issue passes for all Jews wishing to leave the ghetto, whether on business or for funerals or other emergencies.

Many Jews were reduced to performing “cookie” labor for local Chinese or eating in the soup kitchens that local charities kept going, and nearly all suffered from malnutrition. Some took to begging and others to prostitution in a grim codex to their earlier lives of hardship. But the Japanese never did bow to Nazi proposals that the Shanghai Jews suffer the same terrible program of extermination that had been the fate of their fellows in Europe.

These humiliations of the Westerners in China occurred during a lull in the heaviest fighting in the China theater, but the military stalemate ended abruptly in 1944. While Stilwell and the British—with their restrained Chinese troops—had been fighting the Japanese in north Burma, and had begun to construct a new road from Ledo that would eventually reconnect to the old Burma Road, Chennault’s vision of the crucial importance of the air war had been dramatically implemented, and tens of thousands of Chinese laborers had been gradually expanding and improving China’s net of airfields east of Chongqing. In early June 1944, B-29 bombers based on these new Chinese airfields launched their first significant raid—in part a training operation—against railway yards in Bangkok, Thailand. On June 15 they reached the southern Japanese island of Kyushu, dropping 221 tons of bombs on the Yawata steel plant there. More raids on Kyushu industrial targets followed, along with raids on the Anshan steelworks in Manchukuo, an oil refinery in Sumatra, and airfields in Taiwan.

As Stilwell had warned, the Japanese struck back, and with massive force. In the summer of 1944, in an operation code-named Ichigo (meaning “Number One”), Japanese troops moved into Hsinan province to consolidate their hold over the Peking-Wuhan railway, then moved southward down the Xiang River to Changsha. This city, which had resisted so bravely in 1941, now fell swiftly to Japanese forces. The only effective Chinese resistance was offered around the city and airfield of Hengyang, but they too fell in August. The Japanese army pushed on into Guanzhi, seizing the air bases at Guilin and Liuzhou in November. Two columns then swung westward,
threatening Guiyang and even Chongqing itself. At this point the Japanese halted the campaign, apparently content to have smashed the Chinese airfields that had served as bases for the bombing of their homeland. At the very moment of this success, however, came fresh proof that the war was turning against Japan. In late November 1944, an intensive B-29 bomber attack was launched against Tokyo—not from east China, as Chennault had so long hoped, but from American bases in the newly recaptured Marianas Islands.

Japan's victories in the Ichi-go campaigns seriously damaged Chiang Kai-shek's surviving military forces, and severed additional large areas of China from his control. At least as important, however, the Japanese victories contributed to a further deterioration of Chinese morale, and of American confidence in China's leadership. Wartime Chongqing had long been a center of gossip and malicious rumor, of stark contrasts of wealth and poverty, of financial speculation and price manipulation, of black-market goods and rumors of treason. A Chinese poet, in a variant of Western-style free verse, powerfully captured these contradictions in a 1944 poem that he concocted from movie advertisements, newspaper headlines, and official Guomindang press releases in Chongqing. He called his poem "Headline Music":

Tenre, Tenre, Tenre Tenre, Tenre, Tenre, Tenre Tenre, Tenre, Tenre, Tenre, Tenre

Four thousand million dollars tumble in the gold market
Change, No change, Don't discuss national affairs
Every tune grand, elegant, and elevating
Every scene full of exquisite music and dance
Sing in honor of schoolmates joining the army
Dance for benefit of the refugees
A quiche, tea, a sausage, a slice, spending the night in the cold wind
Perfumed air, an artificial ice, spray color in the palace of the moon
Every word is blood and grief, moving the audience to tears
They carried and supported their old and young, we were deeply touched
Domestically produced great film, a tragedy with costumes in the latest fashion
The plot touchingly sad, tender, tense
Ladies, old and young, are respectfully advised to bring more handkerchiefs...

At this same time came the news that Chinese peasants in the former Guomindang-held areas had been killing, robbing, and disarming the Chinese troops retreating from the Ichi-go attacks in pent-up rage at the callousness of those same troops a year earlier, when the troops had enforced tax collections in kind even in the midst of terrible famine. American reporters who traveled out of Chongqing to inspect the famine-stricken areas of

Human were shattered by what they saw. "The tear-stained faces, smudgy and forlorn in the cold, shamed us," wrote Theodore White,

Chinese children are beautiful in health; their hair glows then with the glow of fine natural oil, and their almond eyes sparkle. But these shrunken scarecrows had pin-filled spots where eyes should be; malnutrition had made their hair dry and brittle; hunger had blanched their bellies; weather had chapped their skins. Their voices had withered into a thin whistle that called only for food.

These journalists, angry and sickened when reports of such miseries were cut from their dispatches by Guomindang censors, ended up blaming the Chongqing regime for both the human and the military dimensions of the catastrophe.

Other Americans, including General Stilwell himself, were equally horrified at the campaigns of enforced conscription carried out by the Guomindang armies, and at the sight of ragged, barefooted men being led to the front roped together, already weakened almost to death by beriberi or malnutrition. Random executions of recruiting officers, occasionally ordered by Chiang Kai-shek, did nothing to end the abuses. It was estimated that of 1.67 million Chinese men drafted for active service in 1943, 44 percent deserted or died on the way to join their units. Those drafted who died before seeing combat between 1937 and 1945 numbered 1.4 million, approximately 1 in 10 of all men drafted.

In the face of this grim situation, it was not surprising that American officers began to look toward the Communist border area of Yan'an for help. Both President Roosevelt and the Joint Chiefs of Staff discussed the possibility of arming the Communists to increase their effectiveness in combat against the Japanese. The War Department contemplated making some lend-lease equipment available to forces that included Communists, if not to individual Communist units. And despite Chiang Kai-shek's irritation, a small U.S. "observer group," under Colonel David Barrett, was sent to Yan'an in July 1944. Their mission was formally restricted to obtaining intelligence information on Japanese movements, gathering meteorological data, and aiding downed pilots to get back through Japanese lines to their units. Although under orders not to engage in "political discussion," the Americans inevitably got to know the Communist forces well, and to gain a high regard for their combat capabilities.

The presence of this American group in Yan'an was mainly the result of the urgings of Vice-President Henry Wallace, who visited Chongqing in June 1944. Further attempts at a rapprochement with the Communists were
pushed by President Roosevelt's special envoy, Patrick Hurley, who went to Yan'an in November. In between these two missions Roosevelt himself, drawing on the contrast between the succeed Burma campaign—in which Stilwell and the retimed Chinese troops were fighting with distinction—and the disasters of Ichigo, was becoming insistent that Stilwell be made commander in chief of all Chinese troops, including those within China. This was intolerable to Chiang and his senior Chinese advisers, and after some bitter lobbying and recriminations on both sides, Stilwell was recalled to the United States in October 1944 and replaced by General Albert Wedemeyer. Over the next three months, Chiang was also able to deflect all further plans for heightened American support to the Yan'an Regime.

The CCP were disappointed by this change of heart, but not surprised. They had been fighting on their own for a long time. So while as a propaganda ploy they continued to call for a coalition government that would unite all Chinese, and presented in their Yan'an base a smiling face to a growing stream of Western visitors and news reporters, they also worked systematically and determinedly to deepen their support in the Chinese countryside. Their policies became once again overtly radical, even if they showed a certain flexibility in defining class relations in the areas they controlled. Landlords were now strongly attacked, and once again peasants were precisely ranked according to the extent of their holdings.

By Yan'an definitions, "rich peasants" were those who earned more than half their income from the use of hired labor, but it was acknowledged that they might also be exploited as tenants at the same time. Therefore a key element in Communist social analysis and policy again became general living standards and the amount of livestock and tools owned. "Middle peasants" and "poor peasants" were defined in terms of subsistence as well as landownership: technically a "poor peasant" was one who could not reach subsistence level regardless of whether he owned or rented land, and so had to

<table>
<thead>
<tr>
<th>Area</th>
<th>Landlord</th>
<th>Rich peasant</th>
<th>Middle peasant</th>
<th>Poor peasant</th>
<th>Hired labor</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xinxi</td>
<td>7.6</td>
<td>4.8</td>
<td>13.0</td>
<td>40.0</td>
<td>16.6</td>
<td>-</td>
</tr>
<tr>
<td>Ezian</td>
<td>7.1</td>
<td>3.5</td>
<td>7.1</td>
<td>34.0</td>
<td>2.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Zhangxi</td>
<td>2.3</td>
<td>7.0</td>
<td>14.5</td>
<td>40.5</td>
<td>16.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Xinxi</td>
<td>9.0</td>
<td>10.0</td>
<td>10.0</td>
<td>51.0</td>
<td>6.0</td>
<td>-</td>
</tr>
<tr>
<td>Baoshan</td>
<td>5.1</td>
<td>9.0</td>
<td>13.2</td>
<td>72.2</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

sell some of his labor; a "middle peasant" could sustain himself and his family by hiring other people's labor or occasionally hiring out his own. But who had the greater chance, in local eyes, of living a reasonably happy life? If, according to the community, it was the poor peasant, despite his poverty, and not the middle peasant, then the categories might be reversed. One example of this new flexibility was the case of a peasant widow with a five-year-old child. The widow, who owned 3.5 acres of land, 3 thatched houses, and 1 pig, was on the surface nothing but a landlord. She ended up, however, being classified as a "middle peasant" out of sympathy for her plight as a mother.

All over north China, in areas interspersed throughout nominally Japanese-controlled territory or puppet bases of power, and sometimes in areas where Guomindang pockets of resistance still lingered, the Communists continued this complex process of classifying and reclassifying, of analyzing rural social conditions and encouraging the breakdown of age-old patterns of deference through mass mobilization and public criticism. Foreign journalists, American military observers, and even Guomindang agents apparently knew virtually nothing about it. In many communities, it was now the Communist cadres who instituted
a version of the traditional tangia mutual-security system. This was composed of five-person "mutual guarantee" groups, each group having been formed voluntarily by those willing to pledge that no other member of the group had indulged in wrongdoing. Not precisely linked to class analysis, this system effectively left outside the community structure those who were now identified by the CCP as "socially unreliable," and gave a great sense of solidarity to the majority. Among the "socially unreliable" were those who stole crops, worked as prostitutes, had ties to bandits or opium smugglers, frequented Japanese-occupied areas, were prominent members of secret societies, or had once served in puppet forces. But vagrants, beggars, or those who were considered "socially unreliable" by the CCP were questioned and sometimes beaten. The new Communists were disciplined people who could rise above prejudice in the search for a new political order.

Satisfied with the growth of CCP power in north China—CCP membership now stood at 1.2 million, and over 900,000 troops were under arms in the Eighth Route and New Fourth armies—Mao Zedong convened the seventh national congress of the CCP at Yan'an in April 1945. (There had been no such party gathering since the sixth congress had met in Moscow in 1928.) No one challenged Mao's leadership now, and several of his former rivals gave public self-criticisms. Both before and after the congress, Mao blamed himself in public for allowing excessive use of violence and terror against loyal Communists, in the forced labor camps for spies and traitors that had been a part of the Yan'an experience for many. He even bowed in contrition before his colleagues. But Mao's "thought" was acknowledged as the leading guide for the CCP in the text of the new party constitution, and the old party leaders were formally declared to be the "elders" of Mao Zedong. In a report "On Coalition Government," Mao made some gestures toward the Guomindang, but claimed that the government developed by the CCP in the border areas was the correct form, and that the Chinese people had the right to self-determination. He even bowed in contrition before his colleagues. The constitution strongly centralized party power, and Mao assumed the newly formed post of chairman of the Central Committee. Certain other details stood out strongly: representation was given to rural areas, and references to the Soviet Union and the world Communist revolution were dropped from the constitution.

The seventh CCP congress had been deliberately staged to coincide with

the sixth Guomindang congress held at the same time in Chongqing. Those sessions conspicuously failed to boost Chiang Kai-shek's position. Instead, strong criticism of the Guomindang came from the ranks of its own youth-corps members and from rival cliques within the party organization. Talk of corruption and demoralization was widespread. It was not clear if Chiang could keep the loyalty of even his most prominent supporters.

Guomindang influence indeed seemed to be slipping not just in China, but overseas as well. Winston Churchill, who had never had much faith in China, wrote that to consider it still as one of the Big Four was "an absurd error," and he noted China's "grotesque," military failures in the fateful battles. Meeting at Yalta in February 1945, Roosevelt, Stalin, and Churchill made no attempt to tell Chiang in on the momentous decisions they made: that the Soviet Union would enter the war in Asia within three months of Germany's surrender, that Russia would regain all territory lost to the Japanese, including Sakhalin and the Kuril Islands, and that Russia would be able again to "lease" the great naval base at Lushun and share in the benefits of an "internationalized" city of Dalian (Lüda), and that it would once more be given a preponderant interest in the formerly Sino-Russian railways in Manchuria. The last three clauses were all major blows to China's postwar aspirations.

With the war dragging on, the only hope to China came through the availability of large amounts of lend-lease supplies, and the careful way in which General Wedemeyer and his staff labored to improve the combat efficiency of thirty-nine specially selected divisions of Chiang's own armies, with no more unsettling talk of arming or training the Communists. Despite the U.S. Air Force's heavy bombing of Japan, and the land victories by Allied troops in Burma that led to the reopening of the Burma Road, the steady series of U.S. victories in the Pacific Islands were being won only at terrible cost in American casualties. Knowing nothing of the Yalta agreements or the atomic-bomb program—which was shrouded in secrecy—Wedemeyer thought, as did the Chinese, that the war would still take years to win. With Chiang's approval he drew up long-range contingency plans for a slow advance to the east coast of China and seizure of Canton in late 1945 or early 1946. A march northward toward Shanghai would follow, a plan that must have reminded Chiang of his Northern Expedition strategy of nineteen years ago. In early August 1945, as an encouraging preliminary, Chinese forces recaptured Guilin and began to move south toward Hainan Island.

Germany's surrender in May 1945 cheered the Chinese but did not change their timetable. But on August 8, in response to the Yalta agreements, massive Russian forces moved into Manchukuo to attack the Japanese. Only
two days before, the United States had dropped an atomic bomb on Hiroshina. The Americans dropped a second atomic bomb on Nagasaki on the ninth. Five days later the Japanese sued for surrender. With an extraordinary suddenness, and in ways no one in China was adequately prepared for, the whole structure of Asian power politics had changed.

CHAPTER 18

The Fall of the Guomindang State

THE JAPANESE SURRENDER AND THE MARSHALL MISSION

In a lengthy cable to the Joint Chiefs of Staff on the situation in the Chongqing war zone, written on August 1, 1945, General Wedemeyer noted that "if peace comes suddenly, it is reasonable to expect widespread confusion and disorder. The Chinese have no plans for rehabilitation, prevention of epidemics, restoration of utilities, establishment of balanced economy and redistribution of millions of refugees." In answer to his further questions over what his exact role should be in the event of Japanese surrender, Wedemeyer was given the confusing and overlapping instructions from Washington that he should help the Nationalists as much as possible without intervening on their behalf in a civil war, and should "assist the Central Government in rapidly moving its forces to key areas in China."

Wedemeyer and Chiang Kai-shek had agreed that as American forces became available after the Japanese surrender they should move swiftly to occupy five key ports in this order: Shanghai, Pusan (in Korea), Dagu, Canton, and Tienjin. In the few weeks after Japan's surrender, the United States did occupy these and other ports, and U.S. Marines were sent in large numbers to Peking and Tienjin. But U.S. forces, following the orders of the Joint Chiefs, concentrated on airlifting as many of Chiang's troops as possible from the Chongqing region to north and east China, so that Nationalist forces could accept the Japanese surrender in person. In the two months following Emperor Hirohito's surrender declaration, Dakota transport planes of the U.S. Tenth Air Force airlifted over 110,000 of Chiang's best