Building and Funding a Warlord Regime

The Experience of Chen Jitang in Guangdong, 1929-1936

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Warlordism persisted, though appearing in a new form, after Jiang Jieshi completed the Northern Expedition. A contemporary political commentator ascribed this phenomenon to Jiang’s eagerness for military victory and his policy of appointing rival military leaders as commanders of the National Revolutionary Army. Warlords thus survived and continued to challenge the Nanjing government under the guise of armed comrades of the Guomindang (GMD), rendering “national reunification” nominal rather than real. The same commentator succinctly pinpointed three features of “separatist military rule” (junren geju): first, the elimination of all non-affiliated military units within the warlord’s sphere of influence; second, the appropriation of both national and local revenues by the warlord, as well as the expending of such revenues largely for military purposes; and third, the filling up of all government posts, at the provincial and sub-provincial levels, by the warlord’s henchmen (Hua Yan, 1932: 10).

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Chen Jitang’s regime in Guangdong in the 1930s displayed all the above characteristics. Although a recent biography of Chen asserts that he “did not have control of territories in mind” (meiyou dipan sixiang) (Lin Huaping, 1996: 10), it fails to convince. Chen, whom contemporaries referred to as “King of the Southern Skies” (Nantianwang), belonged to a new genre of separatist military leaders labeled by historians as “residual,” “reformist,” “Guomindang” or “new” warlords (Sheridan, 1966: 14-16; Lary, 1974:130-31; Hsu, 1995: 540). These warlords saw themselves as faithful disciples of Sun Yixian, and professed to carry out reforms based on Sun’s teachings. They also pledged allegiance to Jiang Jieshi, but challenged him for violation of Sun’s Three People’s Principles whenever conflict of interests arose.

Differences existed among these warlords. Chen Jitang, for instance, was different from his Guangxi ally, Li Zongren, in the sense that he was parochial in outlook. His agenda aimed essentially at “safeguarding Guangdong and providing reassurance to the Guangdong people” (baojing anmin). Unsurprisingly, Chen’s attitude towards Jiang vacillated, as it was contingent on the extent to which Jiang’s policy threatened his domain. In this respect, Chen also differed from Li who was persistently anti-Jiang (Shi Jiashun, 1992: 133-34). Notwithstanding differences among the warlords, no warlord could have failed to realize the fact that the very survival of his regime depended essentially on ready access to the sinews of war. Thus, a warlord’s primary concern was to maximize revenue in order to finance his war machine. Such an overriding concern was detrimental to the task of realizing whatever ideals a warlord might have for the betterment of society.

Scholarly studies of the “residual” warlords reveal genuine efforts to achieve provincial regeneration. These works suggest that the warlord period was not necessarily an era of fruitless strife, but one that permitted and even encouraged
development toward modernity in the autonomous regions.

Donald Gillin, in his study of Yan Xishan, the Shanxi warlord, highlights Yan’s ambitious program of rapid industrialization in the 1930s. To Gillin, Yan’s undertaking “raises the possibility that in at least some instances the division of China into competing warlord regimes created an environment favorable to economic growth, since in order to provide their armies with the latest weapons and other necessities warlords were compelled to build factories and otherwise develop the productive resources of their domains” (Gillin, 1967: 293-94). Diana Lary similarly points out that “[m]any of the most serious attempts to modernise and reconstruct took place in the independent regions—in provinces such as Kwangtung, Shansi, Shantung and Kwangsi” (Lary, 1974: 17). She presents the Guangxi Clique as “both regionalist and nationalist—at the same time” (Lary, 1974: 211), and drives home the point “that regionalism and nationalism were not necessarily antagonistic, that they could co-exist” (Lary, 1974: 3). In another study of the Guangxi Clique, Eugene William Levich reiterates the Clique’s assertion that Jiang Jieshi’s failure to regenerate China was “the key factor permitting Japanese aggression” (Levich, 1993: 28). He explains how the Clique’s concern for “the creation of an effective resistance to Japanese domination” had brought about “in most respects a good government” in Guangxi in the 1930s (Levich, 1993: 23, 255).

Admittedly, warlord rule displayed constructive features. Guangdong under Chen Jitang was a place of buzzing activities, and there were a number of accomplishments that he could be proud of. Apart from giving Guangzhou a modern facelift (Lee, 1936), Chen deserves credits for two other remarkable feats. The first was highway construction.¹ In 1929, Guangdong had only 3,661 kilometers of highways (Deng Yanhua, 1929a: 10). By 1935, it had built 17,587 kilometers and ranked first among
all provinces with respect to the length of highways completed (Woodhead, 1935: 241). The second was the suppression of banditry, which was facilitated by the vast extension of road mileage and which many old-timers recalled with joy. This article does not deny the fact that Chen Jitang had made important contributions to Guangdong. It purports to show, however, that even a “reformist” warlord like Chen was limited in what he could accomplish because of his primary orientation as a warlord.

Drawing on the fiscal records of Republican Guangdong, this study also highlights two points of general interest that are often neglected in studies of “residual warlordism” during the Nanjing era (1928-37). The first is that fiscal autonomy, which made possible the sustenance of provincial or regional armed forces, was the basis of military separatism. The second, related to the first, is that fiscal relations explain much of the tension between particular warlord regimes and the central government at Nanjing. This article sets out to show how. It starts with a discussion of Chen Jitang’s meteoric rise to power, followed by an analysis of the fiscal resources, strategies and problems of Chen’s military regime.

BUILDING A WARLORD REGIME: CHEN JITANG’S QUEST FOR SUPREMACY IN GUANGDONG

STRIVING TO BECOME “KING OF THE SOUTHERN SKIES”

Chen Jitang joined the army after graduating from the Guangdong Short-term Military School in 1913. He started his military career as a platoon commander in 1914, became company commander in 1918, battalion commander in 1919, regiment commander in 1922, brigade commander in 1923 and division commander in 1925. He was further promoted to commander of the Fourth Army of the National Revolutionary Army in 1928.
Fortuitous circumstances made Chen the top military man in Guangdong in the spring of 1929. This happened shortly after Jiang Jieshi detained Guangdong’s paramount leader, Li Jishen, for alleged conspiracy with the New Guangxi Clique. A meeting comprising Jiang Jieshi, Gu Yingfen and Ma Chaojun was subsequently held at Nanjing on 21 March. It was decided, upon Ma’s recommendation, that Chen Jitang be appointed Special Deputy for the Reorganization and Discharge of Troops in Guangdong, as well as Commander-in-Chief of the Eighth Route Army in replacement of Li Jishen. Chen thereby assumed command of all regular forces in Guangdong in April 1929. He demonstrated his brilliance as a military commander by routing Guangxi troops which invaded Guangdong in May, and expelling another attack by the joint forces of the New Guangxi Clique and Zhang Fakui in December (Lin Huaping, 1996: 144-51).

Chen Jitang’s grip on Guangdong was not yet firm; for, in accordance with the prevailing principle of “separating military and civil rule” (junmin fenzhi), he had to share power with Chen Mingshu, Chairman of the Guangdong Provincial Government. Moreover, Chen Jitang was ordered by Jiang Jieshi to clear up the situation in Guangxi and to wipe out Zhang Fakui’s forces in Hunan. Consequently, Chen was absent from Guangdong for seven months in 1930, commanding the newly established field headquarters at Wuzhou in Guangxi and directing campaigns on the Hunan front (Guangdongsheng dang’anguan, 1995-96: 12/380-413, 13/1-32). He thus had little time attending to affairs in Guangdong. These were largely taken care of by Chen Mingshu who found military expenses incurred by Chen Jitang’s campaigns outside Guangdong extremely burdensome for the Guangdong Provincial Government.

Chen Mingshu had relinquished military power after becoming Chairman of the
Guangdong Provincial Government, and the 60th and 61st Divisions of the Eighth Route Army previously under his command were regrouped into the 19th Route Army and sent out of Guangdong on combat missions. To strengthen his position, Chen Mingshu organized four “security corps” (baoantuan) which were assigned to pacify the localities. They were placed under the Guangdong Provincial Government, and this aroused the suspicions of Chen Jitang (Luo Yiqun, 1987: 83; Zhu Zongzhen, 1997: 65).

A dramatic turn of event drew Chen Jitang into the vortex of GMD factional struggles, and paved the way for his eventual domination of Guangdong. In late February 1931, Hu Hanmin, President of the Legislative Yuan, objected to Jiang Jieshi’s proposal for a provisional tutelage constitution and was detained by Jiang. An anti-Jiang movement was soon under way, and Chen Jitang was finally won over to the anti-Jiang cause through the persuasion his long-time patron, Gu Yingfen. Two circular telegrams were dispatched from Guangzhou in late April and early May, impeaching Jiang for his illegal arrest of Hu. Despite severe warnings from Jiang, Chen inaugurated a separatist National Government in Guangzhou on 28 May.

Sad to say, the Guangzhou National Government comprised a medley of rival politicians and militarists who would have warred against one another had it not been for their ambitions to do away with Jiang Jieshi. The situation in Guangzhou in the second half of 1931 actually turned out to be a farce. Chen Jitang played a crucial role in this separatist movement by providing military support. He faced a delicate situation, and needed to calculate every move to make sure that his own power base would not fall prey to GMD factional politics. There is little doubt, however, that Chen had benefited tremendously from getting involved. In the first place, he got rid of Chen Mingshu who, upon realizing the precariousness of the situation, fled to Hong
Henceforth, Chen Jitang could rest assured that the chairman of the Guangdong Provincial Government would be a candidate of his choice. Secondly, he disarmed and disbanded the four “security corps” loyal to Chen Mingshu after the latter’s departure from Guangzhou (Guangzhou minguo ribao, 26 May 1931). As a result, rival military units were finally eliminated. Thirdly, Chen used the establishment of the Guangzhou National Government as an excuse to reorganize and expand the Eighth Route Army into the First Group Army, and made himself commander-in-chief (Luo Yiqun, 1987: 87-88). This greatly enhanced his position and power. And finally, since Li Zongren joined the separatist movement, hostilities with Guangxi ceased and a long-term threat to Guangdong’s security was removed. Apparently, Chen Jitang had emerged as a victor in the separatist movement.

Tension between Guangzhou and Nanjing eased after the Mukden Incident (18 September) and the subsequent release of Hu Hanmin (13 October). Negotiations ensued, which fully exposed the conflicts among the separatists and made a mockery of unity against Jiang Jieshi. On 1 January 1932, Chen Jitang dissolved the Guangzhou National Government, which signified the termination of confrontation with Nanjing. However, two new organs with self-assigned authority over Guangdong and Guangxi were simultaneously inaugurated: the Southwest Executive Branch of the Central Executive Committee of the GMD and the Southwest Political Council of the National Government (Luo Yiqun, 1987: 88-90). Though professing allegiance to Nanjing, Chen had actually brought about the semi-independence of the southwest.

By March 1932, Chen Jitang, with the help of his crony Lin Yizhong, had grasped control of all provincial, municipal and county party organs in Guangdong (Liu Tingsheng, 1987: 135-38). As regards the provincial government, Chen’s principal concern was to hold the purse strings. An opportunity arrived when Feng
Zhuwan, who headed Guangdong’s Department of Finance and was close to Jiang Jieshi, resigned on 6 May. Chen immediately replaced Feng by his henchman, Qu Fangpu, to make sure that Guangdong’s revenue would henceforth be at his disposal (Guangdongsheng dang’anguan, 1995-96: 13/151).

A week before Feng Zhuwan tendered his resignation, Chen Jitang took active steps to remove a major obstacle to his quest for supremacy in Guangdong, namely, the independence of the Guangdong navy and air force from First Group Army command. Their independence occurred right after the establishment of the Guangzhou National Government in late May 1931. When Chen Jitang reorganized the Eighth Route Army into the First Group Army and made himself commander-in-chief, Sun Ke simultaneously created separate naval and air force general headquarters under the Guangzhou National Government, and installed his own men, Chen Ce and Zhang Huichang, as commanders-in-chief respectively. The dissolution of the Guangzhou National Government in early 1932 provided Chen Jitang with an excuse to take over control of the navy and air force. Stressing the need to reduce military expenditure and achieve unified command, Chen dissolved the air force general headquarters on 30 April. He further dissolved the naval general headquarters on 3 May. Chen Ce retaliated and set up a rival naval headquarters at Haikou on Hainan Island. His resistance was nevertheless crushed when Chen Jitang’s air force bombed Haikou and sank the mutinous naval vessel Feiying on 5 July (Luo Yiqun, 1987: 88, 92-94; Ding Jixu, 1987: 172-77; Li Jiezhi and Jiang Luo, 1987: 150-51). Chen Jitang now reigned supreme in Guangdong. He also gained the support of the New Guangxi Clique. Posing himself as a follower of the Sun Yat-senist tradition, Chen launched, on 1 January 1933, a comprehensive program of reconstruction called the “Three-Year Administrative Plan” (Sannian shizheng jihua)
which aimed at creating “a model, new Guangdong” (mofan zhi xin Guangdong). By then, Chen had become “King of the Southern Skies.”

CONSOLIDATING HIS POSITION AS “KING OF THE SOUTHERN SKIES”

Although Chen Jitang had no ambitions to seek territories outside Guangdong, he saw army building as a task of paramount importance; for he needed a strong army to ward off external threats and to wipe out bandits and communists within his domain. In reorganizing the Eighth Route Army into the First Group Army in June 1931, Chen expanded the 59th, 62nd and 63rd Divisions into the First, Second and Third Armies respectively. He also expanded the 1st and 2nd Independent Brigades into the 1st and 2nd Independent Divisions respectively, and formed a new Training Division, 5 new independent brigades and 8 new independent regiments (see Table 1). This tripled the size of the Guangdong army, which rose from 50,000 to 150,000 men. Apart from minor reorganization at the division and brigade levels after 1932, the military establishment of Guangdong remained more or less the same until the fall of Chen in July 1936 (Li Jiezhi and Jiang Luo, 1987: 145, 153-54).

Efforts were also made to manufacture and purchase modern weaponry. The existing Shijing Arsenal, which produced cartridges, rifles, machine guns and smokeless powder, was expanded during 1933-35 to include a new grenade plant, a new mortar plant and a new power plant. It employed 2,000 workers and technicians, operated 12 hours a day, and had a capacity of producing 2,100,000 cartridges, 1,000 rifles, 6-18 German-style heavy machine guns, 6-18 mortars, 1,200 shells and 20,000 grenades a month. Its total monthly outlay was in the region of 200,000 yuan (Guangdong dollars) (Li Jiezhi and Jiang Luo, 1987: 147-48).
TABLE 1: Organization of the First Group Army, July 1932

<table>
<thead>
<tr>
<th>SECTION</th>
<th>Command Organization</th>
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<tbody>
<tr>
<td><strong>GENERAL HEADQUARTERS</strong></td>
<td>Commander-in-Chief: Chen Jitang</td>
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<tr>
<td></td>
<td>Chief-of-Staff: Mou Peinan; Chief Adjutant: He Luo; Secretary-General: Zhang Zhaoqin;</td>
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<td></td>
<td>Chief Councillor: Li Hanhun; Director of General Office: Zhang Guoyuan; Director</td>
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<td></td>
<td>of Political Department: Qu Fangpu</td>
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<tr>
<td><strong>ARMY</strong></td>
<td>The First Army (previously 59th Division)</td>
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<td></td>
<td>Commander: Yu Hannou</td>
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<td></td>
<td>Chief-of-Staff: Yang Gang</td>
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<td></td>
<td>Director of Political Department: Li Xunhuan</td>
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<td></td>
<td>1st Division Commander: Li Zhenqiu</td>
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<td></td>
<td>2nd Division Commander: Ye Zhao</td>
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<td></td>
<td>The Second Army (previously 62nd Division)</td>
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<td></td>
<td>Commander: Xiang Hanping</td>
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<td></td>
<td>Chief-of-Staff: Ye Minyu</td>
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<td></td>
<td>Director of Political Department: Li Heling</td>
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<td>4th Division Commander: Zhang Meixin</td>
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<td>5th Division Commander: Zhang Da</td>
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<td>The Third Army (previously 63rd Division)</td>
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<td></td>
<td>Commander: Li Yangjing</td>
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<td></td>
<td>Chief-of-Staff: Zhou Zhi</td>
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<td></td>
<td>Director of Political Department: Di Junqian</td>
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<td></td>
<td>7th Division Commander: Huang Tingzhen</td>
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<td></td>
<td>8th Division Commander: Huang Zhiwe</td>
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<td></td>
<td>The 1st Independent Division (previously 1st Independent Brigade)</td>
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<td></td>
<td>Division Commander: Huang Renhuan</td>
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<td></td>
<td>The 2nd Independent Division (previously 2nd Independent Brigade)</td>
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<td></td>
<td>Division Commander: Zhang Ruigui</td>
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<td></td>
<td>The Training Division (new)</td>
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<td></td>
<td>Division Commander: Mou Peinan</td>
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<td></td>
<td>The Independent Guards Brigade (new)</td>
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<td></td>
<td>Brigade Commander: Chen Hanguang</td>
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<td></td>
<td>The Independent 1st Brigade (new)</td>
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<td></td>
<td>Brigade Commander: Fan Dexing</td>
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<td></td>
<td>The Independent 2nd Brigade (new)</td>
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<td></td>
<td>Brigade Commander: Chen Zhang</td>
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<td></td>
<td>The Independent 3rd Brigade (new)</td>
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<td></td>
<td>Brigade Commander: Yan Yingyu</td>
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<td></td>
<td>The Independent 4th Brigade (new)</td>
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<td></td>
<td>Brigade Commander: Li Jiezhi</td>
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<tr>
<td></td>
<td>The Independent 1st, 2nd, 3rd, 4th, 5th, 6th, 7th and 8th Regiments (new)</td>
</tr>
<tr>
<td><strong>NAVY</strong></td>
<td>Commander: Zhang Zhiying</td>
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<tr>
<td><strong>AIR FORCE</strong></td>
<td>Commander: Huang Guangrui</td>
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*Source: Li Jiezhi and Jiang Luo, 1987: 145-6, 151.*
nevertheless found the Shijing Arsenal deficient in producing cannon. In July 1933, Chen and Li Zongren deputized their respective chiefs-of-staff, Mou Peinan and Zhang Renmin, to sign a contract with Hänschenklein Böcklin, a German arms dealer, to undertake the construction of a new arsenal at Pajiang for the sum of HK$5,490,800. In September, Chen again deputized Mou to sign another contract with Böcklin to undertake the building of a gas mask plant for the sum of HK$295,000. It was reckoned that Chen had spent a total of 11,000,000 dayuan (national dollars) on these two projects. That sum was practically wasted. Although the Pajiang Arsenal trial-produced a 10.5 cm. fieldpiece and two 7.5 cm. mortars in 1935, it did not go into operation, whereas the gas mask plant did not even start trial-producing when Chen fell from power (Li Jiezhi and Jiang Luo, 1987: 148-49; Deng Yancun, 1987: 161-67; Guangdongsheng guofang keji gongye bangongshi, 1989: 185-96). To upgrade the level of mechanization of his ground force, Chen purchased 12 tanks and 15 armored cars from Britain in 1935. These vehicles formed a special crack unit within his army (Liu Chi, 1984: 157).

The might of air power first dawned upon Chen Jitang when the Guangdong air force helped to defeat Zhang Fakui’s invading troops in late 1929 (Li Debiao, 1985: 124-25). Chen thereby expanded the aircraft repair plant at Dongshan in Guangzhou with a view to manufacturing light bombers. He simultaneously purchased 6 pursuit planes and 4 light bombers of British manufacture, as well as 6 fighter planes and 7 light bombers of American manufacture. The success of the air force in crushing Chen Ce’s mutiny in mid-1932 further convinced Chen Jitang that his power would tremendously increase by upgrading his air units. He thus purchased more aircraft since 1933: 29 pursuit planes, 10 reconnaissance planes, 6 monoplanes and 1 transport plane from the United States; and 6 medium bombers and 3 advanced trainer aircraft
from Germany. Besides, he spent 300,000 yuan in building a new aircraft plant at Shaoguan, which was completed in 1935. By 1936, Chen commanded 6 squadrons of aircraft comprising 130 planes of different types. However, their defection en masse in July of the same year dealt him a fatal blow (Li Jiezhi and Jiang Luo, 1987: 152-53; Ding Jixu, 1987: 177-81).

As regards the navy, Chen Jitang’s prime concern was to rid it of Chen Ce’s influence. Following his suppression of Chen Ce’s mutiny, Chen Jitang placed the Huangpu Naval Academy under close surveillance, and dismissed over 50 cadets who were suspected of having close ties with Chen Ce. An interesting point to note is that during 1933-36, the captains of the more important naval vessels of Guangdong were army officers rather than graduates of the naval academy. This was Chen Jitang’s method of controlling the navy. With respect to strengthening naval power, Chen concentrated on expanding his fleet of light craft. In 1934, he spent HK$2,000,000 for the purchase of 4 torpedo coastal motor boats, 2 from Britain and 2 from Italy. They formed a special unit, and the captains of these 4 boats were all graduates of the Guangdong Military Political Academy at Yantang. In the spring of 1935, Chen spent another HK$30,000 in buying a minesweeper from France. This boat and a new gunboat built by the Guangnan Shipyard in Guangzhou were placed under the command of his brother, Chen Weizhou, who was the Salt Transport Commissioner of Guangdong and Guangxi. And shortly before his fall, Chen Jitang bought an old British passenger-cargo vessel for HK$10,000. It was re-equipped and turned into a transport ship (Xu Yaozhen, 1987: 188-91).

So far, we have seen how Chen Jitang became the lord of Guangdong’s military establishment. In order to understand Chen’s paramount position in Guangdong since the summer of 1932, we also need to take into account his pervasive influence in the
non-military sector of Guangdong’s power structure. Presumably, Chen’s lavish military spending would have met strong opposition from the civilian sector had he not succeeded in bringing the provincial government under his sway. Its top organ, the Committee of the Guangdong Provincial Government, met twice a week to deliberate and resolve matters of importance. Interestingly, the minutes of the 509 meetings of the Sixth Committee of the Guangdong Provincial Government (June 1931—July 1936) reveal no trace of Chen’s influence. As a matter of fact, he attended only one of those meetings as a non-voting observer. This seems odd, but is not difficult to explain; for Chen, as Commander-in-Chief of the First Group Army, was excluded from membership of that Committee by virtue of the principle of “separating military and civil rule.”

How then did Chen Jitang control the provincial government? His strategy, in short, was to place his henchmen in leading government posts. They included: Qu Fangpu (Director of the Department of Finance), Lin Yizhong (Director of the Department of Civil Administration), Huang Linshu (Director of the Department of Education), Chen Weizhou (Salt Transport Commissioner of Guangdong and Guangxi), He Luo (Chief of the Public Security Bureau of Guangzhou Municipality) and Chen Dacai (Chief of the District Courts of Justice of Guangzhou Municipality). Other top posts were staffed by close relatives or associates of the so-called “seniors faction” (yuanlao pai) that backed him up. For instance, the Mayor of Guangzhou, Liu Jiwen, was the son-in-law of Chen’s patron, Gu Yingfen. In order to please Hu Hanmin, head of the “seniors faction” and nominal leader of the semi-independent southwest, Chen appointed Hu’s protégé, Lin Yungai, as Chairman of the Guangdong Provincial Government. He also appointed Lin’s close friend, He Qili, as Director of the Department of Reconstruction while installing his own men as bureau chiefs.
inside that department. In this way, Chen Jitang made sure that his views prevailed (Li Jiezhi, 1987: 14; Qiu Ping 1987: 123-28).

Moreover, Chen exerted control over county administration through the help of Lin Yizhong who, in September 1933, started and supervised an “advanced political study course” (zhengzhi shenzaoban) in the Guangdong Military Political Academy to train basic-level functionaries. By early 1936, 49 graduates of this course had been appointed county magistrates after passing interviews conducted by a “county magistrate examination committee” set up by Lin in April 1933. Many more graduates had taken up appointments as bureau chiefs, section heads and secretaries in county governments.  

Control of the basic level was further facilitated by the launching of “local self-government” (difang zizhi). In February 1932, the Department of Civil Administration established an institute to train local self-government personnel, and a total of 3,419 persons had graduated from this institute by March 1936 (Guangdongsheng minzhengting, 1936: 118-19, 122).  

These people, together with graduates of the “advanced political study course,” constituted the backbone of Chen Jitang’s local government functionaries. Even the “cooperative movement” (hezuo yundong), as John Fitzgerald points out, “was only incidentally a movement for alleviating rural poverty in the province,” for it was actually “a tactical arm of a grand bureaucratic strategy for pacifying the province, extending provincial government authority, and routinizing local administration” (Fitzgerald, 1997: 451). Moreover, in order to eradicate the armed basis of gentry power in the localities, Chen wrested control of the “local security guard teams” (difang jingweidui) from the hands of the gentry. In 1934, he set up a special office within the General Headquarters of the First Group Army to take charge of the reorganization of all “local security guard teams.”
He also started a training course in the Guangdong Military Political Academy with a view to nurturing loyal “security guards” (Guangdongsheng minzhengting, 1936: 37). Clearly, Chen Jitang strove to achieve monopoly of power in all sectors of state and society, and at all levels; for this would eliminate threats to his rule and allow him to tap resources as he wished.

Admittedly, Chen recognized the importance of gaining mass support. He nevertheless feared letting the masses go their own way, as he once remarked: “The power of the masses is great. Yet, the masses are easily deceived, and they easily abuse power….Our party must therefore open-heartedly guide them and arouse them…to stand by and fight with us” (Chen Jitang, 1928: 19). Chen was probably driven by a real concern for the well being of the toiling masses, and saw himself playing the role of a benevolent patriarch. When some reporters solicited his views on good governance, he promptly replied: “First, make sure that the folks have food to eat; second, make sure that they have enough to eat; and third, make sure that they eat well” (Chen Jitang xiansheng, 1974: 80).

In launching the “Three-Year Administrative Plan,” Chen obviously wanted to impress upon the people of Guangdong that his government had much to offer. He promised, among other things, to wipe out banditry, abolish exorbitant taxes and miscellaneous levies, reduce rent, provide relief to the poor, popularize education, promote agriculture and industry, and improve transport and communication. It is not the purpose of this article to assess the effectiveness of the “Three-Year Administrative Plan.” The following discussion will nevertheless show that Chen had difficulties fulfilling his promises because he was primarily concerned with tapping resources to finance his war machine.
FUNDING A WARLORD REGIME: METHODS AND REPURCUSSIONS

MILITARY EXPENSES IN GUANGDONG’S BUDGET

Finances constitute the mainstay of any government. Tables 2 and 3 present a profile of the fiscal situation in Guangdong from the beginning of the Republic to the mid-1930s. The data reveal an excess of expenditure over income for all fiscal years (except 1912-13), and this was due to the fact that Guangdong incurred huge military expenses in this period.

With reference to the period 1912-29, Table 2 shows that of the 18 fiscal years recorded, there were 13 in which tax receipts were insufficient to cover military expenses. On the average, military expenses accounted for 93% of all taxes received by the provincial government during those years. Taking both tax and non-tax receipts into calculation, the proportion of military expenses to total revenue ranged from 50% in some years to 100% in some other years, averaging 68% for the period. In absolute terms, military expenses soared to an all-time high of 83,266,000 yuan in 1926-27. The reason is that Guangdong bore the costs of the Northern Expedition that started out from this province. As observed by the American journalist Hallett Abend, “Canton, by the end of June [1926], was like a squeezed lemon. All the juice and flavor was gone. It was a city of apathy” (Abend, 1943: 33). Military expenses remained high in the region of 49-61 million yuan per annum for the remaining years of the 1920s.

An interesting point to note is the small proportion of the land tax to total revenue, averaging only 10% during 1912-29 and as little as 5% during 1925-29. This contrasted with provinces such as Hunan, Jiangxi, Zhejiang and Jiangsu, where the land tax usually made up 50% or more of their annual provincial revenues (Guangdongsheng caizhengting, 1934: 1/67). The peculiar situation in Guangdong
<table>
<thead>
<tr>
<th>Fiscal Yr.</th>
<th>Revenue (Yuan)</th>
<th>Expenditure (Yuan)</th>
<th>Balance of Revenue and Expenditure (Yuan)</th>
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<tbody>
<tr>
<td></td>
<td>Land Tax</td>
<td>Gambling Tax</td>
<td>All Tax Receipts</td>
</tr>
<tr>
<td>1912-13</td>
<td>3,837,000</td>
<td>15,361,000</td>
<td>19,198,000</td>
</tr>
<tr>
<td>1913-14</td>
<td>3,963,000</td>
<td>11,139,000</td>
<td>15,102,000</td>
</tr>
<tr>
<td>1914-15</td>
<td>2,662,000</td>
<td>1,850,000</td>
<td>10,070,000</td>
</tr>
<tr>
<td>1915-16</td>
<td>2,912,000</td>
<td>2,064,000</td>
<td>9,230,000</td>
</tr>
<tr>
<td>1916-17</td>
<td>2,034,000</td>
<td>1,911,000</td>
<td>8,608,000</td>
</tr>
<tr>
<td>1917-18</td>
<td>1,971,000</td>
<td>1,506,000</td>
<td>9,535,000</td>
</tr>
<tr>
<td>1918-19</td>
<td>2,164,000</td>
<td>2,907,000</td>
<td>9,958,000</td>
</tr>
<tr>
<td>1919-20</td>
<td>4,655,000</td>
<td>2,335,000</td>
<td>11,077,000</td>
</tr>
<tr>
<td>1920-21</td>
<td>2,167,000</td>
<td>737,000</td>
<td>10,248,000</td>
</tr>
<tr>
<td>1921-22</td>
<td>4,061,000</td>
<td>6,000</td>
<td>17,254,000</td>
</tr>
<tr>
<td>1922-23</td>
<td>2,475,000</td>
<td>13,981,000</td>
<td>16,456,000</td>
</tr>
<tr>
<td>1923-24</td>
<td>2,017,000</td>
<td>34,000</td>
<td>7,173,000</td>
</tr>
<tr>
<td>1924-25</td>
<td>1,770,000</td>
<td>5,000</td>
<td>4,790,000</td>
</tr>
<tr>
<td>1925-26</td>
<td>2,144,000</td>
<td>7,527,000</td>
<td>21,000,000</td>
</tr>
<tr>
<td>1926-27</td>
<td>5,507,000</td>
<td>16,886,000</td>
<td>59,470,000</td>
</tr>
<tr>
<td>1927-28</td>
<td>2,455,000</td>
<td>12,861,000</td>
<td>51,604,000</td>
</tr>
<tr>
<td>1928-29</td>
<td>3,200,936</td>
<td>14,575,500</td>
<td>57,244,365</td>
</tr>
<tr>
<td>1929-30</td>
<td>5,674,337</td>
<td>14,006,055</td>
<td>73,108,919</td>
</tr>
</tbody>
</table>

TABLE 3: Revenue and Expenditure of the Guangdong Provincial Government, 1930-35

<table>
<thead>
<tr>
<th>Fiscal Yr.</th>
<th>National</th>
<th></th>
<th>Provincial</th>
<th></th>
<th>Treasury</th>
<th></th>
<th></th>
<th></th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opium Suppression Tax</td>
<td>Military Expenses</td>
<td>Total Expenditure</td>
<td>Gambling Tax</td>
<td>Land Tax</td>
<td>Other Taxes</td>
<td>All Tax Receipts</td>
<td>Non-Tax Receipts</td>
<td>Total Expenditure</td>
<td>Revenue</td>
</tr>
<tr>
<td>1930-31</td>
<td>5,994,699</td>
<td>23,940,660</td>
<td>29,935,359</td>
<td>1,672,362</td>
<td>31,607,721</td>
<td>14,528,603</td>
<td>4,150,277</td>
<td>10,179,937</td>
<td>28,858,817</td>
</tr>
<tr>
<td>1932-33</td>
<td>8,699,971</td>
<td>23,824,449</td>
<td>32,524,420</td>
<td>3,959,155</td>
<td>36,483,575</td>
<td>17,370,969</td>
<td>4,304,725</td>
<td>10,055,499</td>
<td>31,731,193</td>
</tr>
<tr>
<td>1933-34</td>
<td>12,165,181</td>
<td>27,245,311</td>
<td>39,410,491</td>
<td>4,175,441</td>
<td>43,585,933</td>
<td>15,186,696</td>
<td>28,487,312</td>
<td>12,988,911</td>
<td>36,674,008</td>
</tr>
</tbody>
</table>

Revenue (Yuan)

<table>
<thead>
<tr>
<th>Fiscal Yr.</th>
<th>National</th>
<th></th>
<th>Provincial</th>
<th></th>
<th>Treasury</th>
<th></th>
<th></th>
<th></th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opium Suppression Tax</td>
<td>Military Expenses</td>
<td>Total Expenditure</td>
<td>Gambling Tax</td>
<td>Land Tax</td>
<td>Other Taxes</td>
<td>All Tax Receipts</td>
<td>Non-Tax Receipts</td>
<td>Total Expenditure</td>
<td>Revenue</td>
</tr>
<tr>
<td>1930-31</td>
<td>40,256,960</td>
<td>56,648,422</td>
<td>16,988,095</td>
<td>65,666,101</td>
<td>122,314,534</td>
<td>25,040,701</td>
<td>−16,270,274</td>
<td>−41,310,986</td>
<td></td>
</tr>
<tr>
<td>1931-32</td>
<td>50,263,877</td>
<td>65,470,983</td>
<td>13,358,145</td>
<td>57,260,340</td>
<td>122,760,323</td>
<td>29,154,216</td>
<td>−13,979,053</td>
<td>−43,133,269</td>
<td></td>
</tr>
<tr>
<td>1932-33</td>
<td>45,412,780</td>
<td>55,947,639</td>
<td>15,401,788</td>
<td>63,969,102</td>
<td>119,916,741</td>
<td>17,464,064</td>
<td>−14,993,228</td>
<td>−34,475,292</td>
<td></td>
</tr>
<tr>
<td>1933-34</td>
<td>55,288,486</td>
<td>62,660,756</td>
<td>26,269,370</td>
<td>52,918,078</td>
<td>115,578,834</td>
<td>19,074,823</td>
<td>−15,329,982</td>
<td>−30,404,908</td>
<td></td>
</tr>
<tr>
<td>1934-35</td>
<td>59,956,742</td>
<td>70,490,936</td>
<td>30,143,869</td>
<td>72,432,654</td>
<td>143,423,590</td>
<td>26,577,910</td>
<td>−1,794,584</td>
<td>−25,283,334</td>
<td></td>
</tr>
</tbody>
</table>

Expenditure (Yuan)

Balance of Revenue & Expenditure (Yuan)

Source: Guangdongsheng caizhengting, 1934: 1/112-15, 3/466-528 (For the fiscal years 1930-31, 1931-32 and 1932-33); Xiong Li, 1935: 7-17; Xiong Li, 1936: 2/533-35 (For the fiscal years 1933-34 and 1934-35).
was due to the proliferation of a large number of “miscellaneous taxes and levies” (shuijuan) which the provincial government found attractive, as they were easier to collect and yielded quicker returns than the land tax. Of particular importance was the gambling tax, euphemistically called the “defense fund” (chouxiang). Except for two brief periods when Chen Jiongming ruled Guangdong and decided to wipe out gambling (Huang Linsheng, 1936: 31-33; Wei Gong, 1964: 106, 109-10), the gambling tax provided a lucrative source of income for financing military campaigns across the province. Indeed, the gambling tax had become the most important source of tax income in Guangdong ever since the GMD prepared for the Northern Expedition, amounting to 3-5 times the land tax collected and accounting for 14-20% of the total provincial revenue during 1925-29.

The Guangdong government had also accumulated huge debts over the years in order to make up deficits. They included mainly government debts to the central bank, public bonds and treasury notes. By early 1928, the provincial treasury had inherited debts amounting to 200,000,000 yuan, half of which were contracted during 1924-27 (Guangdongsheng caizhengting, 1934: 1/57-58).

What was the fiscal situation like after the ascendancy of Chen Jitang? Table 3 shows that the general state of finance in Guangdong during 1930-35 was more or less the same as in the preceding period. The provincial government continued to register budget deficits. The land tax still constituted 5% of the total revenue, whereas the gambling tax amounted to three times the land tax collected. Military expenses, ranging from 40-60 million yuan per annum, remained the most important item of expenditure. On the average, they accounted for 71% of all tax receipts and 54% of the total revenue. Although Guangdong was free from war in this period, Chen Jitang’s mammoth military program, as well as his campaigns against bandits and
Communists, had kept military spending at a high level throughout his rule.

The inauguration of tax sharing between the central and provincial governments in the Nanjing era complicated fiscal administration and constituted a major source of disputes between Guangdong and Nanjing. Although tax-sharing arrangements were finalized by Song Ziwen in July 1928, it was not until the fiscal year 1930-31 that Guangdong’s budget drew a distinction between national revenue and expenditure on the one hand, and provincial revenue and expenditure on the other (Guangdongsheng caizhengting, 1934: 1/66-67, 3/466-87).16

Table 4 presents a profile of the incomes and expenditures of Guangdong’s national treasury during 1930-35. With respect to taxes that were designated as national, two were particularly important after Chen Jitang achieved supremacy in Guangdong. The first was the so-called “consolidated tax” (tongshui) which included excise duties on rolled tobacco, flour, cotton yarn, matches and cement. It constituted 33% of all taxes and 30% of all revenues (including both tax and non-tax receipts) received by the national treasury during 1931-35. The second was the opium tax which was collected under the euphemism of the “opium-suppression tax” (jinyanshui). It constituted 28% of all taxes and 25% of all revenues received by the national treasury in the same period. Other important national taxes included the salt tax, tobacco and wine tax, stamp tax and customs duty. As regards expenditures that were designated as national, one item surpassed all others in importance. This was military expense, which constituted 80% of the total expenditures of the national treasury during 1930-35. It is noteworthy that in any single fiscal year of this period, military spending alone outstripped the total revenue of the national treasury. This meant no money was ever left in the national treasury and consequently, no revenue was ever submitted to Nanjing.
### TABLE 4: Revenue and Expenditure of the National Treasury of the Guangdong Provincial Government, 1930-35

<table>
<thead>
<tr>
<th>Revenue and Expenditure</th>
<th>Fiscal Year</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue: (Yuan)</td>
<td>1930-31</td>
<td>1931-32</td>
<td>1932-33</td>
<td>1933-34</td>
</tr>
<tr>
<td>(1) Taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Salt</td>
<td>8,325,137</td>
<td>6,929,266</td>
<td>7,054,409</td>
<td>5,160,457</td>
<td>5,004,271</td>
</tr>
<tr>
<td>b) Tobacco &amp; wine</td>
<td>4,103,348</td>
<td>5,528,711</td>
<td>4,635,919</td>
<td>6,583,080</td>
<td>5,029,683</td>
</tr>
<tr>
<td>c) Stamp</td>
<td>1,692,228</td>
<td>2,098,914</td>
<td>1,731,235</td>
<td>2,117,686</td>
<td>1,998,822</td>
</tr>
<tr>
<td>d) Customs</td>
<td>632,690</td>
<td>74,498</td>
<td>37,258</td>
<td>49,369</td>
<td>63,098</td>
</tr>
<tr>
<td>e) Consolidated</td>
<td>1,275,677</td>
<td>9,057,292</td>
<td>10,176,848</td>
<td>13,055,971</td>
<td>15,257,598</td>
</tr>
<tr>
<td>f) Opium suppression</td>
<td>5,994,699</td>
<td>8,361,699</td>
<td>8,699,971</td>
<td>12,165,181</td>
<td>11,271,292</td>
</tr>
<tr>
<td>g) Sub-total</td>
<td>29,935,359</td>
<td>32,461,162</td>
<td>32,524,420</td>
<td>39,410,491</td>
<td>38,908,070</td>
</tr>
<tr>
<td>(2) Non-tax receipts</td>
<td>1,672,362</td>
<td>3,855,605</td>
<td>3,959,155</td>
<td>4,175,441</td>
<td>5,004,956</td>
</tr>
<tr>
<td>Total revenue</td>
<td>31,607,721</td>
<td>36,316,767</td>
<td>36,483,575</td>
<td>43,585,933</td>
<td>43,913,026</td>
</tr>
<tr>
<td>Expenditure:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Party expenses</td>
<td>49,880</td>
<td>25,440</td>
<td>15,856</td>
<td>nil</td>
<td>30,472</td>
</tr>
<tr>
<td>(2) Diplomatic expenses</td>
<td>5,320</td>
<td>8,000</td>
<td>4,088</td>
<td>7,862</td>
<td>7,862</td>
</tr>
<tr>
<td>(3) Administrative expenses of home affairs</td>
<td>236,993</td>
<td>458,980</td>
<td>352,536</td>
<td>375,021</td>
<td>406,999</td>
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<tr>
<td>(4) Expenses of financial administration</td>
<td>1,378,978</td>
<td>1,015,482</td>
<td>572,797</td>
<td>1,630,408</td>
<td>2,725,880</td>
</tr>
<tr>
<td>(5) Expenses for education</td>
<td>1,277,800</td>
<td>1,611,809</td>
<td>1,993,597</td>
<td>2,369,717</td>
<td>3,590,275</td>
</tr>
<tr>
<td>(7) Others</td>
<td>13,442,491</td>
<td>12,087,395</td>
<td>7,595,984</td>
<td>2,989,262</td>
<td>3,772,706</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>56,648,422</td>
<td>65,470,983</td>
<td>55,947,639</td>
<td>62,660,756</td>
<td>70,490,936</td>
</tr>
<tr>
<td>Balance of revenue and expenditure</td>
<td>-25,040,701</td>
<td>-29,154,216</td>
<td>-19,464,064</td>
<td>-19,074,823</td>
<td>-26,577,910</td>
</tr>
</tbody>
</table>

*Source: Guangdongsheng caizhengting, 1934: 1/112-15, 3/466-71, 477-81, 487-92, 497-502, 508-12, 518-23 (For the fiscal years 1930-31, 1931-32 and 1932-33); Xiong Li, 1935: 7-11; Xiong Li, 1936: 2/533-35 (For the fiscal years 1933-34 and 1934-35).*
In order to defray military expenses, an arrangement was made to the effect that the provincial treasury would make up the deficits of the national treasury (Guangdongsheng caizhengting, 1934: 1/66). This *modus operandi* generated conflicts between Chen Jitang and Chen Mingshu when the latter was Chairman of the Guangdong Provincial Government.

In his memoirs, Chen Mingshu recalls that Chen Jitang “had never interfered with government affairs under my jurisdiction;” yet, he ridicules Chen Jitang as one who “pretends to be a pig and swallows up a tiger” (*banzhu chi laohu*) (Zhu Zongzhen, 1997: 67, 121). The two men were certainly at loggerheads. Speaking on National Day of 1930, Chen Mingshu expressed regrets that little accomplishment had been made because huge sums had been taken away from the provincial treasury to pay for military expenses (Zhu Zongzhen and Wang Chaoguang, 1996: 72). Jiang Jieshi summed up the conflicts between the two Chens after Chen Mingshu silently left Guangzhou in late April of 1931:

> The revenues that Guangdong ought to remit to the central government have all been turned over to Chen Jitang to defray his military spending. Still not satisfied, he draws money from the provincial treasury. His army comprises only five divisions and, according to central regulations governing military expenditure, he requires less than 1,500,000 *yuan* a month to pay his troops. However, Chen Jitang demands 4,300,000 *yuan* a month, which is three times more than what is needed to maintain a central army of the same size. He also gets 800,000 *yuan* a month from those areas in Guangxi that he occupies, without reporting this to the central authorities and waiting for central allocation. It all adds up to over 5,000,000 *yuan* a month…. Consequently, Chen Mingshu, Chairman of the Guangdong Provincial Government, finds it impossible to get anything done. Gambling cannot be banned and bandits cannot be wiped out because Chen Jitang’s army has seized all incomes. Nothing can get moving. Chairman Chen has long wished to resign…[for] such a state of affairs has been going on for a long time…. Chen Jitang, on the other hand, has also been long dissatisfied with Chairman Chen Mingshu, as he cannot levy taxes according to his own wish. In particular, after the central government abolishes the collection of likin, Chen Jitang’s troops can no longer go around extorting likin as they had done before. This has aroused their dissatisfaction…. All these matters can be confirmed by official telegrams. They are based on evidence that can be verified. [Guangdongsheng dang’anguan, 1985: 95]
With the departure of Chen Mingshu and especially after the appointment of Qu Fangpu to head the Treasury, Chen Jitang had little trouble controlling the purse strings of Guangdong. He could now levy taxes as he wished, and spend revenues in ways he saw fit. Undoubtedly, Chen Jitang assigned top priority to funding Guangdong’s military establishment. He also had the final say on all matters pertaining to military spending. Any requests for additional military expenses had to have Chen’s approval in the form of written instructions to the Department of Finance before payments were made. It was said that Chen signed his instructions in a variety of ways, or used special marks in lieu of signatures, to denote how much to pay and when to pay. It was also said that only Qu Fangpu knew what those different signatures or marks implied (Chen Boren, 1987: 295).

Until Chen’s fall, Guangdong was beyond Nanjing’s reach in matters of finance. No revenue was ever submitted to Nanjing because military expenses, which came under the category of national expenditure, always exceeded the total annual revenue of the national treasury. This not only angered Jiang Jieshi, but also alienated those people who cherished de facto national reunification (“Jinhou zhi Yue ju,” 1936:10). Significantly, Chen Jitang’s rule of Guangdong shows that fiscal autonomy, rather than men at arms, provided the very foundation of military separatism. Scholarly works on “residual warlordism” seldom explore the fiscal relationship between particular warlord regimes and the central government. We only know from Robert Kapp’s study of Sichuan that, apart from a very small portion of the salt tax revenue, none of the other so-called “national taxes” were ever forwarded to Nanjing (Kapp, 1973: 71). The extent to which this phenomenon prevailed in China during the Nanjing era will come to light when more case studies are conducted.
To obtain the sinews of war and to keep his regime afloat, Chen Jitang racked his brain to find the quickest and most economical means of increasing incomes. Although he promised to reduce tax burdens, he failed to live up to his promise because of the imperative and urgent need to tap every possible source of finance. Following is a discussion of Chen’s methods of increasing incomes and their repercussions.

1. Increasing Tax Revenue. Table 3 shows that total tax revenue (that is, receipts from both national and provincial taxes) had increased from 58,794,176 yuan in 1930-31 to 91,089,781 yuan in 1934-35. As mentioned, the Guangdong government’s tax revenue depended largely on “miscellaneous taxes and levies.” They were usually collected by tax-farmers, and several layers of underwriting companies often existed. Though most of these taxes originated as ad hoc levies, they were as a rule regularized and so, they accumulated over the long run. In Zhongshan county, for instance, a total of 60 “miscellaneous taxes and levies” existed by the 1930s, including the obnoxious excrement tax. Angry taxpayers had reportedly composed a couplet, which they sent to one of the tax-farmers. It read: “A tax on excrement was never heard of in the past; these days, everything carries a levy except when we fart” (Xiao Baoyao, 1989: 26-27). The numbers of “miscellaneous taxes and levies” actually varied from county to county and from place to place, for most of them were of local origins. Due to widespread chaos in the 1910s and 1920s, a substantial portion of the “miscellaneous taxes and levies” collected was embezzled by local functionaries and troops alike. Such a situation changed once Chen Jitang installed Qu Fangpu as Director of the Department of Finance in May 1932.

Qu, with the backing of Chen, immediately declared that the Department of
Finance would issue all tax licenses through open bidding starting from October 1932 (Guangdongsheng caizhengting, 1934: 1/90). This brought about the centralization of finance. Coupled with the encouragement of competitions among the tax merchants, the provincial government thus managed to procure higher incomes from the host of “miscellaneous taxes and levies.” By regulation, the successful bidders were required to pay an extra 10% protection fee, euphemistically called the “accumulation fund” (gongjijin), to troops stationed in those localities where the taxes were to be collected (Qin Qingjun, 1987:297). This was intended to defray local military expenses. It nevertheless created serious conflicts between the Second and Third Armies. The truth is that the Second Army, when assigned to take over garrison duty from the Third Army in central Guangdong, found itself deprived of that region’s protection fees which were still collected by Third Army men. Chen Jitang eventually set up a special military financial committee to centralize the collection and allocation of the so-called “accumulation fund” in order to ease tensions among his commanders (Chen Boren, 1987: 301-02).

Chen Jitang was particularly concerned about the collection of the gambling and opium taxes. Public outcry against the demoralization of society caused by gambling and opium smoking was strong. Even Chen himself realized that the rampancy of these two evils had made a mockery of his slogan of building “a model, new Guangdong.” He could not, however, afford to lose these two lucrative taxes which local functionaries of the time referred to as “Vitamins A and B” that “sustain the vitality of Guangdong” (Wei Gong, 1964: 113).

In order to make sure that the collection of these two important taxes was placed in trustworthy hands, Chen Jitang issued both the gambling and opium licenses to a tactful tax-farmer, Huo Zhiting, who had provided him with 4-5 million yuan during
the war with Zhang Fakui in late 1929. In the winter of 1933, Chen came under strong public pressure to ban gambling. He subsequently ordered the prohibition of gambling in Guangzhou. It failed to have any real effect not only because his order was not strictly enforced, but also for the reason that the ban did not apply to Henan on the southern bank of the Zhujiang where most casinos operated (Wu Xiangheng, 1987: 329). From July 1932 to June 1935, Chen netted 15,000,000 yuan a year from the gambling tax. He also reaped 11,000,000 yuan a year from the opium tax (see Table 3).

In order to raise the price of opium in Guangdong, Chen Jitang made the Guangxi authorities accept an agreement in July 1932. By this agreement, Guangxi consented to suppress opium smuggling into Guangdong and to hold regular stocks of opium at warehouses in Wuzhou until Chen’s so-called Opium Suppression Bureau (Jinyanju) requested shipments. This resulted in a significant loss of revenue for Guangxi, and the problem was not solved until a new agreement was reached in late 1934 (Levich, 1993: 243-44). Yet, the Guangdong-Guangxi opium trade remained under the control of the Liangguang Heyi Company ran by Huo Zhiting, who also commanded an armed fleet to protect the opium trade and crack down on smuggling (Wu Xiangheng, 1987: 328-29). Huo’s supervision of the opium traffic through holding the opium license actually typified the system of tax collection that prevailed under Chen Jitang’s rule, namely that of “government supervision and merchant management” (guandu shangban).

Heavy reliance on “miscellaneous taxes and levies” as a source of revenue was certainly at odds with the spirit of the “Three-Year Administrative Plan.” To carry out its promise of abolishing “harsh and insignificant miscellaneous levies” (kexi zajuan), the Guangdong Provincial Government decreed, on 1 January 1933, the abolition of
21 harsh levies (Guangdongsheng caizhengting: 1/97). In July 1934, on the eve of the convening of the Guangdong Provincial Assembly, Chen Jitang declared that miscellaneous levies worth 4,600,000 yuan a year had been annulled during the past eighteen months (Chen Jitang, 1934:233). A year later, a Guangzhou newspaper listed 120 kinds of levies that had been abolished since early 1933, which cost the Guangdong Treasury 6,427,500 yuan a year. It also reported on the Guangdong Provincial Assembly’s decision to make 1 August a commemoration day, celebrating the abolition of harsh miscellaneous levies in Guangdong (Guangzhou minguo ribao, 22 July 1935). The truth is that no sooner had one type of levy been declared illegal than a new one sprang up to take its place. Indeed, the repeated promises to abolish harsh miscellaneous levies had been broken with equal regularity throughout Chen’s rule. This is shown by the fact that shortly after his fall, the Nanjing Government banned 380 kinds of taxes and levies in Guangdong. Another 245 kinds were declared null and void in the first three months of 1937 (Kwok Hung-wei, 1989:37). Vigorous campaigns against gambling and opium smoking were simultaneously launched (Guomin zhengfu junshi weiyuanhui, 1936; Zhongguo Guomindang Guangdongsheng dangbu xuanchuanke, 1936).

The “Three-Year Administrative Plan” also provided for a reform of the land tax, and stipulated that the gambling and opium taxes were to be abrogated once the reformed land tax yielded more revenue to the Treasury. Table 3 shows that the land tax’s contribution to provincial revenue was small by 1933. It was based on antiquated cadastral records, and tax evasion was serious. In October 1933, the Guangdong Provincial Government proclaimed that a progressive “provisional land tax” (linshi dishui), to be based on current land price, would replace the old land tax. It was supposedly a fair tax, as all existing surtaxes on land would be abolished. The tasks of
updating land registration and determining land price were in full swing in 1934. By early 1936, most counties had adopted the new system. According to official records, the land tax quota of the province had increased by 70% as a result of the change. Ironically, such an increase was not the result of bringing more acreage under taxation through updating land registration. It was rather due to higher tax per unit of land, for land price was often arbitrarily assessed and fixed. The landowners thus had to pay higher tax, and many old abuses remained (Lin, 1997: 106-13).

Another way by which Chen Jitang increased tax revenue was to impose heavy duties on goods imported into Guangdong. On 15 May 1933, the Guangdong Provincial Government promulgated the levying of “special taxes on foreign agricultural products and miscellaneous items” (bolai nongchanpin zaxiang zhuanshui). In truth, these so-called “special taxes” applied not only to foreign imports, but also to most Chinese goods that were produced outside Guangdong. Products that made use of foreign raw materials were taxed; products that competed with similar kinds of products manufactured in Guangdong were taxed; and even farm produce such as soybean and soya-bean oil produced in Manchuria were taxed (Chen Boren, 1987: 298-99). Indeed, Chen Jitang had erected a high tariff wall around Guangdong in order to protect infant government industries and to reap more revenue. This stirred up widespread discontent outside Guangdong and even among the Guangdong merchants. People queried what the term “foreign” really meant, and criticized the “special taxes” as a disguised form of likin that hampered the development of a unified national market (“Yue ju dianding hou zhi juanshui”, 1936: 3-4).

II. Increasing Non-Tax Revenue. Chen Jitang saw the development of government industries (shengying gongye) as essential to Guangdong’s economic
growth and, more significantly, as a way to increase incomes. The “Three-Year Administrative Plan” included an ambitious program for the establishment of 24 government factories, with a projected capitalization in the region of 100,000,000 yuan. Top priority was assigned to the establishment of the Wengjiang hydroelectric plant (42,500,000 yuan) and an iron and steel mill (26,000,000 yuan) so as to provide a solid foundation for industrialization (Guangdongsheng diaochatongjiju, 1934: 4-5; Qin Qingjun, 1987: 282-83). This blueprint of industrial development was nevertheless not followed during 1933-36. The reason is that the two key industries originally plan demanded huge capital outlays and promised no quick returns. As Chen Jitang’s principal concern was to tap every possible source of finance, he found it necessary to change the strategy of industrial development once the “Three-Year Administrative Plan” was under way. He subsequently made the cement and sugar industries the cornerstone of his industrial program, based on considerations of profitability.

Promotion of the cement industry was an obvious choice, for two cement factories were operating in Guangzhou at that time: an old one at Henan and a modern one at Xicun. This saved construction costs. Moreover, cement was in huge demand in Guangdong because various kinds of construction work—municipal construction, motor-road and highway construction, and the construction of the southern section of the Guangzhou-Hankou Railway—were then in full swing. In July 1933, the Henan Cement Factory became a branch of the Xicun Cement Factory where a new set of equipment was installed to double its output capacity. To facilitate the sale of cement, Chen Jitang not only imposed heavy duties on imported cement, but also required all government construction works to use locally produced cement unless special permission was granted by the Department of Finance (Guangdongsheng caizhengting,
1936: 39-41). From June 1932 to the end of 1934, the Xicun Cement Factory yielded a net profit of over 5,000,000 yuan. Its importance was highlighted by the Guangdong Provincial Statistics Bureau: “The net profit made each year from this factory has been distributed for its own extension and for establishing other kinds of factories. Therefore it is not only the forerunner but also a founder of other industries owned and operated by the Provincial Government” (Guangdong Provincial Statistics Bureau, 1935: 5).

The policy of promoting the sugar industry was the brainchild of Feng Rui, an American-trained professor of agronomy and Chief of the Bureau of Agriculture and Forestry of the Guangdong Provincial Department of Reconstruction. Following a visit to the Philippines in early 1933, Feng drafted the “Three-Year Plan for the Rejuvenation of the Sugar Industry of Guangdong” (Fuxing Guangdong tangye sannian jihua). It laid down guidelines for the creation of five “cane sugar production districts” (zhetang yingzaoqu) and the establishment of three modern sugar refineries in each district. 19 Feng’s proposal was submitted to the Guangdong Provincial Government in June, and was instantly approved.

In setting up the sugar refineries, Chen Jitang benefited from the worldwide bankruptcy of industries caused by the Great Depression. He was able to purchase equipment and accessories at reduced prices from two competing contractors: the Honolulu Iron Works Company of the United States and the Skoda Works Company of Czechoslovakia, with the latter offering specially favorable terms of payment (Xian Zien, 1987: 251-52). The first two sugar refineries, established at Xinzao and Shitou in the Guangzhou district, started to mill sugar cane in December 1934.

Surprisingly, Chen Jitang was said to have reaped huge profits from selling machine-processed white sugar in the six months before these two refineries went into
operation. He had reportedly sent his agents to Hong Kong, who bought huge quantities of white sugar from the Taikoo Sugar Refinery at 8.40 yuan per picul. The sugar was shipped up the Zhujiang River, reloaded onto Chen’s so-called “anti-smuggling fleet” which bypassed the Guangzhou Customs, repacked at the Xinzao Sugar Refinery which was still under construction, and sold as the government’s “Five Rams Brand” (Wuyangpai) sugar at 19 yuan per picul. In the second half of 1934, Chen reaped a profit of 4,000,000 yuan from selling what contemporaries sarcastically called “smokeless sugar” (wuyantang), that is, sugar produced before the sugar refinery started to mill sugar cane (Xian Zien, 1987: 260; Xie Yingming, 1987: 230-31). In late 1935 and early 1936, four more sugar refineries were established in Shunde, Dongguan, Huiyang and Jieyang counties. These six sugar refineries constituted the principal component of a conglomeration of modern government industries set up under Chen’s rule.20

With a view to supplying sufficient cane to the sugar refineries, Chen Jitang encouraged sugar cane planting by providing loans to needy cane-cultivators who were required to sell their harvested cane to the government. To facilitate the sale of white sugar, Chen not only imposed heavy duties on imported sugar, but also entrusted the sale of white sugar to specially licensed wholesalers and distributors who were all required to pay earnest money and to fulfil stipulated business quotas on a monthly basis. Sugar sold without the government’s permission was treated as smuggled sugar. Ordinances were passed to the effect that all such sugar would be confiscated, and the smugglers concerned would be fined 10-40 times the value of the sugar confiscated, depending on the number of offences they had committed (Guangdong shengying zhetang, 1934: 30-34, 50-51, 67-73).

Chen Jitang also guarded his sugar business against private investment in white
sugar production. By regulation, no private sugar mills could be set up without applying for registration. Capitalization was limited to 50,000 yuan per mill, whereas output was limited to three tons per day. Moreover, the use of imported syrup and coarse sugar to make white sugar was forbidden (Xian Zien, 1987: 256, 258). The limit set on private investment obviously made it impossible for any individuals or groups to set up modern sugar refineries in Guangdong, for one such refinery with a complete milling outfit would cost at least 1,200,000 yuan (Mo Yinggui, 1987: 311). The government sugar refineries thus found no rivals. A survey conducted shortly after Chen Jitang’s fall revealed that there were 1,789 private sugar mills operating in 19 sugar producing counties of Guangdong. They all belonged to the traditional type of stone roller sugar cane mills (shizha zheliao) that produced brown sugar only (“Guangdongsheng jiben gongye”, 1937: 57, 60-61).

There is little doubt that Chen Jitang had made a fortune out of the sugar monopoly. Guangdong white sugar found lucrative markets not only in the southwest, but also in Shanghai and the entire Yangzi region (Guangzhouqu diyi zhetang yingzaochang, 1935: 89-90). The available information unfortunately does not reveal how much Chen had earned. In truth, incomes from government industries were kept separate from the accounts of the Department of Finance (Qin Qingjun, 1965: 96; Chan Kei-on, 1974: 188). It is even doubtful whether such incomes had ever been systematically and truthfully recorded. A popular saying in those days, which ridiculed the Guangdong army for “feeding on sugar,” nevertheless drove home the importance of sugar incomes (Xie Yingming, 1987: 230).

A quicker and more convenient way to raise non-tax revenue was the issuance of treasury notes and public bonds. They were usually apportioned among various counties and municipalities. In the period 1929-32, treasury notes were issued five
times (December 1929, July 1930, August 1930, June 1931 and January 1932) and public bonds once (April 1932), amounting to 59,500,000 yuan. From 1933 to the fall of Chen Jitang in July 1936, treasury notes were issued four times (September 1934, March 1935, July 1935 and November 1935) and public bonds twice (April and May 1936), amounting to 48,000,000 yuan. The extent to which these treasury notes and public bonds were redeemed remains unknown.

A final point that merits attention is Chen Jitang’s manipulation of the Guangdong Provincial Bank, which enjoyed the right of issuing notes and silver coins free from the control of Nanjing. From July 1932 to October 1935, the Bank had issued notes and coins amounting to 49,000,000 yuan. When Nanjing abandoned the silver standard in early November 1935, Guangdong followed suit because of the serious outflow of silver. Chen nevertheless did not adopt the fabi as the legal tender. He instructed the Guangdong Provincial Bank to issue new kinds of paper notes for Guangdong, and offered a premium of 20% in exchanging silver coins for the new bank notes. From late 1935 to mid-1936, the Guangdong Provincial Government had purchased 110,330,000 yuan of silver from the public. In the same period, the Guangdong Provincial Bank had issued new notes amounting to 192,000,000 yuan (Shao Zongchi, 1987: 315-38; Tang Shoumin and Bei Zuyi, 1936: 4).

Chen Jitang also borrowed heavily from the Guangdong Provincial Bank. An old-timer, who was the Bank’s cashier section chief, remembered at least five occasions when Chen asked for money on behalf of the provincial government and army general headquarters. A total of 80,000,000 yuan was borrowed from the Bank on these five occasions. Furthermore, Chen was said to have drawn 7,000,000 yuan and HK$3,800,000 from the Bank when he stepped down from office and took flight in July 1936 (“Jinhou zhi Yue ju”, 1936: 10).
CONCLUDING REMARKS

Chen Jitang’s principal concern was to strengthen and safeguard his regime outside the mandate of Nanjing. He could not have maintained his position as “King of the Southern Skies” had he not been able to withhold revenues due to the central government and spend them in ways he saw fit. This underlay much of the tension between Guangdong and Nanjing in the 1930s until Chen’s fall in July 1936, which closed the chapter of warlordism in Guangdong.

As a “reformist” warlord, Chen Jitang aspired to make Guangdong a showcase: a Sun Yatsenist-type model province that would be the pride of Guangdong and the envy of the nation. There is little doubt about Chen’s commitment to such an ideal, or the sincerity of his promises. This article nevertheless shows that there were serious limitations to what Chen could accomplish because of his primary orientation as a warlord.

Chen’s style of rule was unmistakably arbitrary and coercive, leaving no rooms for any sort of compromise. He had little choice; for only by exercising total control could he tap resources as he wished in order to finance his war machine. Chen’s experience in governing semi-independent Guangdong illustrates that nothing mattered more to a warlord than gaining unrestricted access to the sinews of war. This was a matter of survival for any warlord regime; everything else was of secondary importance. Chen missed no opportunities to augment incomes. Unfortunately, increase in revenue was constantly outpaced by increase in military spending. He thus had to orchestrate endless revenue-raising campaigns, and tap the source of finance on any imaginable occasions. As a result, his regime turned into a revenue-generating enterprise that made a mockery of his lofty aspirations.
Chen’s concern for tapping the source of finance did contribute to the promotion of industries in Guangdong. Of all government industries established under his rule, none enjoyed more acclaim than the sugar industry. Indeed, it was Chen who pioneered the production of machine-processed white sugar in China. He proudly proclaimed Guangdong’s lead in this respect when the Shitou Sugar Refinery went into operation in December 1934 (Guangzhou minguo ribao, 21 December 1934). It should be noted, however, that Chen’s sugar refineries were not an unqualified success. They failed to give full play to their productive capacity because of insufficient sugar cane produced in Guangdong (Xian Zien, 1987: 250), and Chen could not expect other provinces to provide him with cheap cane as he had erected a high tariff wall around Guangdong to protect its infant industries. This testifies to the limits of industrial development under a separatist regime. Besides, Chen’s policy of discriminating against private capital stifled local initiatives. It stamped out competition and was not conducive to economic growth.

Upon the expiration of the grandiose “Three-Year Administrative Plan,” Chen Jitang lamented that the masses had benefited little. Out of disappointment, he criticized his subordinates for abusing power and performing duties in a perfunctory manner (Chen Jitang, 1935: 342-46; 1936: 349-50). One wonders whether Chen realized that his own style of rule had encouraged the arbitrary exercise of power, and that his methods of governance had sheltered negligent officials from public criticisms. He must have realized, however, that he could not afford to lose the support of his henchmen, even though he found them in fault.
NOTES

1. Chen recognized the economic advantages of highways, but his primary concern for highway construction was to facilitate troop movements, which he deemed as crucial for warding off attacks from the outside and maintaining order in the province. See Chen Jitang (1933: 203-04). The importance of highways in deciding the outcome of war was fully driven home when Zhang Fakui invaded Guangdong in 1929. It was the timely completion of the Guangzhou-Huaxian Highway that enabled Chen Jitang to deploy his troops quickly and routed Zhang’s army near Huaxian. See Deng Yanhua (1929b: 96-97).

2. Jiangxi ranked second after Guangdong. However, Jiangxi had only built 9,916 kilometers of highways, and was far lagging behind Guangdong’s 17,587 kilometers.

3. For information on banditry in Republican Guangdong, see Guangdong wenshi ziliao bianjibu (1997). The contemporary newspaper Guangzhou minguo ribao is a rich source for the study of bandit activities and their suppression by Chen Jitang. A contemporary slogan highlights the importance of highways in suppressing banditry: “The day that witnesses the completion of highway construction is the day that bandits are doomed.” See Deng Yanhua (1929b: 98). For an account that illustrates the significance of road and highway construction in pacifying the bandit-infested region of Xuwen in southwestern Guangdong, see Guangdong wenshi ziliao bianjibu (1997: 38-53).

4. For more information on Chen Jitang’s early military career, see Chen Jitang (1974); Lin Huaping (1996); Ling Likun and Lin Kuangdong (1998); Zhong Zhuoan (1999).
5. Gu Yingfen was Chen Jitang’s long-time patron, and Ma Chaojun was then Director of the Guangdong Provincial Department of Reconstruction. Ma recalled telling Jiang Jieshi at the meeting that Chen Jitang made the best choice because Chen “is honest, reliable and easy to control.” As regards other possible candidates, Ma opined that Chen Mingshu “is supercilious and capricious,” whereas Jiang Guangnai “is feeble and irresolute” and Xu Jingtang “is inexperienced and aggressive.” Jiang Jieshi eventually endorsed Ma’s proposal. Ma also remembered visiting Li Jishen at Tangshan. He learned from Wu Zhihui that Li was detained under the charge of using public funds in Guangdong to aid the Guangxi army. See Guo Tingyi, Wang Yujun and Liu Fenghan (1992: 121-23, 125-26).

6. Ka Zhishan, captain of the security police at Nanjing, gave a first-hand account of Hu Hanmin’s detention and its aftermath (Ka Zhishan, 1986: 1-28). After Hu was detained, Jiang Jieshi sent a cipher telegram to Xiang Hanping, a division commander under Chen Jitang. In this telegram, Jiang accused Hu of conspiring with Chen, and said he was forced to detain Hu as a preemptive move. It is generally believed that Jiang had made up this excuse in order to counter criticisms against him. See Luo Yiqun (1987: 80-81).

7. For the two circular telegrams and Jiang’s warnings, see Guangdongsheng dang’anguan (1985: 88-97).

8. According to Chen Mingshu, he was not consulted although he was well aware of the anti-Jiang plot. He subsequently left Guangzhou because he feared facing the consequence of open opposition to Jiang Jieshi even though he did not take part. Besides, he was not in favor of the anti-Jiang move (Zhu Zongzhen, 1997: 68). A different account is given by Cheng Tiangu, Chief of the Bureau of Public Works in Guangzhou. In his memoirs, Cheng pointed out that Gu Yingfen had sent him to
consult with Chen Mingshu several times. According to Cheng, Chen Mingshu was actually offered the choice of taking up either military or political leadership in the campaign to save Hu Hanmin. Chen, however, regarded the offer as a joke, as he knew Chen Jitang was already making military plans and would not budge an inch. Chen Mingshu procrastinated and eventually left Guangzhou (Cheng Tiangu, 1993: 217-18).

9. Chen Jitang talked about the “Three-Year Administrative Plan” for the first time on 14 Sept. 1932 (Chen Jitang, 1932a). For an abstract of the “Three-Year Administrative Plan” which Chen submitted to and was endorsed by the Southwest Political Council on 17 Sept. 1932, see Chen Jitang (1932b). For the full text of the “Three-Year Administrative Plan,” which runs up to 530 pages, see Guangdongsheng mishuchu (1933).

10. In the summer of 1933, three vessels belonging to the Bohai Fleet defected to Guangdong. They formed the Guangdong Fleet, as distinct from the Fleet of the First Group Army. However, these three vessels left Guangzhou for Hong Kong in mid-1935, and were eventually taken over by the Nanjing authorities. See Xu Yaozhen (1987: 186-88); Li Jiezhi and Jiang Luo (1987: 151-52).

11. For the minutes of the meetings of the Sixth Committee of the Guangdong Provincial Government, see Guangdongsheng dang’anguan (1987-89: 3/1-628, 4/1-391). Chen Jitang attended the 245th meeting on 15 December 1933. This meeting passed the budget for the fiscal year July 1933—June 1934, but the reason why Chen attended this particular meeting is difficult to ascertain (Guangdongsheng dang’anguan, 1987-89: 3/496-97).

12. For a complete list of these 49 persons who were appointed county magistrates, see Guangdongsheng minzhengting (1936: 15-16). For more information

13. For a detailed account of the development of local self-government under Chen Jitang, see Guangdongsheng mingzhengting (1936: 91-142). In July 1934, on the eve of the convening of the Guangdong Provincial Assembly, Lin Yizhong sent students of the “advanced political study course” to various counties and municipalities to supervise the election of assemblymen. For a discussion of Lin’s role in building up Chen Jitang’s power through the local self-government movement, see Chen Yuceng (1987: 204-05).

14. In 1928, the gentry-led local militias were reorganized into “local security guard teams” and placed under the county magistrates. Yet, most of these “teams” remained under the control of powerful gentry members in the early 1930s. For more information on the genesis and development of the “local security guard teams” in Guangdong, see Yu Mianqun and Chen Jiefu (1962: 128-45).

15. For discussion of the finance of Guangdong during the Northern Expedition, see Fitzgerald (1990: 745-57); Qin Qingjun (1982: 161-93); Luo Ming (1992: 76-83).

16. The accounting unit of all national revenue and expenditure was the dayuan (national dollar), whereas that of provincial revenue and expenditure was the yuan (Guangdong dollar). For the sake of consistency, all tabulations in this article use the yuan as the basic monetary unit, the exchange rate between the dayuan and yuan being 1:1.3.

17. Huo Zhiting was a crony of Chen Jitang’s brother, Chen Weizhou. Apart from securing the gambling and opium licenses, Huo also managed to procure for his son, Huo Baocai, the post of Vice-President of the Guangdong Provincial Bank. For more information on Huo Zhiting, see Wu Xiangheng (1987: 325-30).
18. For a complete list of those commodities that were subject to the “special
taxes on foreign agricultural products and miscellaneous items,” as well as their
respective tax rates, see Guangdongsheng caizhengting (1936).

19. The five districts were Guangzhou, Huiyang, Chaoshan, Xuwen and
Qiongya (Hainan Island). See Feng Rui (1934: 2-4).

20. Modern government industries established under Chen Jitang’s rule, apart
from the expanded Xicun Cement Factory and the Xinzao, Shitou, Shunde, Dongguan,
Huiyang and Jieyang Sugar Refineries, included: the Guangdong Textile Factory
comprising six branches (raw silk, silk goods, linen goods, woolen goods, cotton
goods and machinery), the Guangdong Chemical Factory comprising two branches
(sulphuric acid and caustic soda), the Guangdong Fertilizer Factory and the Pajiang
Arsenal. There were three other factories that were near completion when Chen fell
from power: the Meilu Linen Goods Factory, the Guangdong Beverage Factory and
the Guangdong Paper Mill. As regards the originally planned hydroelectric plant and
the iron and steel mill, they proved too costly and little progress had been made by

21. Following are the amounts raised on different occasions: 4,000,000 yuan
(December 1929), 500,000 yuan (July 1930), 10,000,000 yuan (August 1930),
10,000,000 yuan (June 1931), 5,000,000 yuan (January 1932) and 30,000,000 yuan
(April 1932). See Guangdongsheng caizhengting (1934: 3/5-6).

22. Following are the amounts raised on different occasions: 2,000,000 yuan
(September 1929), 6,000,000 yuan (March 1935), 5,000,000 yuan (July 1935),
10,000,000 yuan (November 1935), 10,000,000 yuan (April 1936) and 15,000,000
yuan (May 1936). For treasury notes, see Guangdongsheng dang’anguan (1987-89:
4/21, 131, 134, 142, 187, 197, 260). For public bonds, see Guangdongsheng
23. According to this old-timer, Chen had asked for 3,000,000 yuan to expand the Xicun Cement Factory, 20,000,000 yuan to develop military reclamation districts, 10,000,000 yuan to step up air defense, 37,000,000 yuan to put finance in order, and 8,000,000 yuan to pay his troops on the day before he stepped down from office. See Shao Zongchi (1987: 319).
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Zhongguo Guomindang Guangdongsheng dangbu xuanchuanke [Propaganda Section


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