

Perspectives of the Situation in China.

By M. N. ROY.

THE recognition of the Nanking government by the great imperialist powers and the agreement on the long-debated question of China's right to levy higher customs duties were read in the bourgeois world as the signs of a new era in China.

It was believed that under the leadership of the nationalist bourgeoisie, who had so ruthlessly dealt with the revolutionary workers and peasants, China was entering the paradise of capitalist law and order. Not only the bourgeoisie, but their allies of the international social democracy also welcomed the birth of capitalist China.

Socialists Jubilant.

For example, the Arbeiter Zeitung of Vienna (Dec. 27, 1928) welcomed China's entry into the "whirlpool of capitalist economy" with the wise observation that "the lesson of the defeat of Moscow in China is that no stage in the history of social evolution can be jumped over."

According to the organ of Austro-Marxism, "barbarous Asiatic Bolshevism" could be defeated by British imperialism "on the banks of the Yangtze," because the former sought to change the course of history.

Even among the Communists there were a few who anticipated a period of capitalist stabilization of China. They thought that the temporary defeat of the revolution would lead to a concentration of the forces of the bourgeoisie in a capitalist state.

Unstable From Start.

However, from the very day of its inauguration, the Nanking government stood revealed in its instability. Today it is more evident than ever that the nationalist bourgeoisie are not capable of solving the problems that face China.

It has signally failed to accomplish the tasks it set to itself. These tasks were: to centralize the country under a supreme political power; to reduce military expenditure through the centralization and limitation of the armies; and to reconstruct the country economically on the basis of centralized finance. None of these tasks has been so much as touched.

The cause of this signal failure of the attempt to reconstruct China is simple. It is that the bourgeois democratic revolution has not yet been complete in China. The creation of a centralized bourgeois state is conditional upon the accomplishment of the bourgeois democratic revolution.

The Chinese bourgeoisie seek to build a capitalist state without having created the conditions for the existence of such a state. They aspire to taste the sweet fruits of a revolution that they have shamelessly betrayed. Therefore, not sweet fruits, but bitter disappointment is their share.

Counter-Revolution.

The signs of a concentration of the forces of counter-revolution were read in two facts. The first of these was the composition of the discords and disagreements inside the Kuomintang consolidating the position of the so-called middle group around Chiang Kai-shek; and the second was the meeting of all the war-lords in Nanking to discuss the thorny question of the centralization and limitation of military forces.

The first was a more apparent success than the latter. It was not a peace, but armed truce among the antagonistic counter-revolutionary factions to deal with the revolution. The vital issue concerning the abolition of the Branch Political Councils, whose continued existence meant that the Party was split up into a number of independent and warring groups, could not be settled. It was postponed till the Third Party Congress. This is due to meet in the middle of March.

Every precaution has been taken by the ruling clique to make it a packed assembly. Nevertheless, a

new note of discord is struck, all of a sudden, from the most unexpected quarter. On the eve of the Party Congress, Kiangsu Provincial organization, which has all along been a stronghold of Chiang Kai-shek, demands the return of his rival, Wong Ching-wei, who was forced by the counter-revolutionary bourgeoisie to flee the country after he had betrayed the national revolution at their behest. The apparent unity of the Party was established by the elimination of Wong from the leadership. Now, it appears that Wong and the petty bourgeois Left wing, who are opposed to the Nanking clique of Shanghai bankers, are not eliminated.

The situation is so tense that all river shipping on the middle Yangtze has stopped. The atmosphere is charged with the possibility of new war between Wuhan and Nanking.

Meeting of Militarists.

The meeting of the war-lords in Nanking was a more important phenomenon. It augured the bankruptcy of militarism, and was pregnant with more far-reaching consequences than the armed truce among the warring factions inside the Kuomintang. The continuance of militarism has been made untenable from both sides. The revolutionary ferment among the peasant masses is positively dangerous for militarism, which is constantly threatened by peasant uprising, in the rear, on the flank, indeed, on all sides.

On the other hand, imperialism has decided to change the feudal militarists for the bourgeoisie as its social base in China. The United States have to a great extent dictated this new orientation in China. Extension of trade and investment of capital demand tolerably peaceful conditions in China. Militarism has been the main disturbing factor in this respect. It has outlived its usefulness. It must now be set aside as the weapon of the imperialist domination of China.

Therefore, the imperialist powers, particularly America, extended their benediction to the Nanking government. Threatened from both sides—constant menace of peasant uprising and the vanishing prospect of imperialist support—awakened constitutional scruples in the war-lords who flocked to Nanking wishing to participate in a joint control of the entire country rather than carry on their precarious efforts to gain absolute control of certain regions. This agreement to subordinate themselves to a national high command, and to disband part of their respective forces was something unprecedented in the history of the Chinese Republic, although this agreement was largely on paper.

The achievement of the Nanking government in the sphere of military concentration, after all, has not been more abiding than on the question of party unity. The re-appearance of the notorious Chang Tsung-chang proves that the curse of militarism is not cured. It proves that imperialism, as a whole, cannot dispense with its tried and traditional weapon in dominating China, even if it wants to.

There is little doubt that Japan stands behind Chang Tsung-chang, and it is very likely that Japan violates the new imperialist orientation in China under the instigation of Britain. Thus capitalist reconstruction of China under a centralized bourgeois state, desired by imperialism, meets serious obstacles before it is hardly undertaken. These obstacles are produced by class contradictions in China and contradictions of imperialism.

The contradictions inside the country grow out of the antagonistic interests of the two classes on which

the Nanking government tries to base itself. They are the big city bourgeoisie, on the one hand, and the feudal landlords, on the other. And the Holy Ghost of imperialism lurking rather prominently in the background, makes the trinity of the political faith of Nanking complete.

The wrestle inside the Kuomintang is the wrestle for power between the big bankers of the maritime provinces and feudal barons of the interior now that the ballast of petty bourgeois radicalism has been thrown overboard. But this defeat and discredited third factor endeavors to smuggle itself back into the political arena through the backdoor. It allies itself with the feudal militarist Kiangsi group, thus constituting itself a factor of disruption.

Supremacy Only Nominal.

Sitting at the apex of such a precarious class combination the Nanking government began its career with a very grandiose scheme of reconstruction. The very first steps towards the realization of this scheme threatened to disrupt the loose class alliance which constitutes the social basis of the Nanking government. Although it has assumed the grandiloquent title of National Government, the Nanking clique, in fact, rules only over two and a half provinces—Kiangsu, Chekiang and southern half of Anhwei.

The supremacy of Nanking over other provinces is but nominal, the real power being still in the possession of local authorities largely dominated by feudal militarists. So a government based upon the support of the merchants of the two maritime provinces and the bankers of Shanghai endeavors to extend its rule over the interior of the country where feudalism still rules supreme.

It is one thing to make a laudable scheme; but to put it into effect is something entirely different. The success of the scheme of the Bankers' Conference, which brought the Nanking government in its present precarious existence, depends upon the ability of the government to find occupation for the disbanded soldiers. This is a very hard nut to crack, and the Nanking government has broken its teeth on this nut. There are approximately 1,600,000 troops, really or nominally, under the control of the Nanking government. The plan is to reduce the number to half. So, considerably more than a million men, counting soldiers and the camp-followers, are to be disbanded. The initial cost for disbanding these men is estimated at least at 40 million dollars. Where is this money to be found? This is the problem.

The next, and more difficult problem, is that of finding permanent employment for the disbanded soldiers. There are two directions in which the problem could be solved; namely, providing the men with land and capital to cultivate it, or extensive public works (construction of roads, railways, etc.). The first alternative involves an attack upon feudalism, which the nationalist bourgeoisie have proved themselves unwilling and incapable of doing.

The latter requires a huge supply of capital, which the Chinese bourgeoisie by themselves are not able to find. So the disbandment scheme, which is the condition *sin quo non* of the reorganization of national finance, hangs fire.

Meanwhile, the Nanking government is in great financial difficulty. Although the total revenue of the country is estimated at 450 million dollars, and the control of this sum theoretically belongs to the Nanking government, the actual income of this is only 5 millions a month

collected from the provinces of Kiangsu and Chekiang.

The monthly expenditure of the Nanking government is 9 million dollars. This large deficit has been met by loans ever since the inauguration of the government. Until now the Shanghai Chinese bankers have lent the Nanking government the total sum of 126 million dollars at an average interest of 9.5 per cent.

So, it would be not an exaggeration to say that the Nanking government is mortgaged to the Shanghai Chinese bankers behind whom stands international imperialist finance. The new customs tariff introduced from February 1st, will produce two and a half millions a month, hardly fifty per cent of which sum will enter the national exchequer, as the part collected at Canton and ports similarly situated will be absorbed by the local authorities. So there is not a bright spot on the horizon.

Bourgeois Fiasco.

The attempt to create a modern bourgeois state in China has ended in a fiasco. The Chinese nationalist bourgeoisie are utterly unable to tackle the problem. There is only one way for them—to sell themselves and the country to imperialist finance. Unlimited supply of capital, with the help of which the baffling problems of disbandment and financial reorganization can possibly be tackled with greater chance of success, must come from abroad.

There is only one imperialist country which is in a position to supply unlimited capital. That is the United States of America. But Uncle Sam would not give a cent unless he quarters his exacting bailiffs on the debtor country. So there appear in China a whole host of American "advisers." Judging from the number of these, they are a veritable army of occupation.

The new orientation of imperialist policy in China thus works all in favor of the United States, if it works at all. Others are left in the cold. But Britain, Japan, France, with their "special interests" in China could not be expected to be done out of the profitable job without making a counter-move. They are making it. The renewal of the Anglo-Japanese agreement, which was burst by America in 1921, was a part of this move, which is taking the form of support and encouragement to movements disputing the supremacy of Nanking.

So, the irreconcilable rivalry among imperialist powers is bound to give impetus to the forces of disruption in China, thus operating against their own desire to see a counter-revolutionary bourgeois government established in that country. Neither the nationalist bourgeoisie, nor foreign imperialism can solve the Chinese problems in a way favorable to capitalism.

Socialist Revolution.

The accomplishment of the national bourgeois democratic revolution is the basic condition for the solution of all the complicated economic and political problems of China. Feudalism has to be completely destroyed before militarism, which is one of its ugly by-products, can be liquidated. In consequence of the failure of the bourgeoisie to do it, the historic task devolves upon the proletariat. And the bourgeois democratic revolution carried to its conclusion by the proletariat, in this period of capitalist decay, transforms itself directly into socialist revolution. The debacle of the Nanking government and the new period of civil war, that is sure to be the result of this debacle, will present the working class with the opportunity to go over again to the offensive. Reviewing the situation the correspondent of the London Times wrote from Nanking already at the beginning of the new year:

"It (outbreak of new hostilities) would give the Communists the opportunity to establish a leadership which would be difficult to destroy."