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# A Marxist Interpretation of Chinese History

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## THE FOUNDATION OF THE TRADITIONAL CULTURE

THE present has its roots struck deep in the past. What exists to-day has evolved out of the life of yesterday, and of the innumerable days preceding. The present can be correctly understood and the future clearly visualised, therefore, only with the aid of a proper appreciation of the historical background.

The history of China vanishes in the dark ages. Side by side with the Mediterranean and Semitic races, the Chinese entered the early stages of human progress thousands of years ago. China is generally considered to be the land of a very old civilisation. But in course of time, the people inheriting the Semitic and the Mediterranean cultures strode ahead to build the modern civilisation on the basis of the ancient heritage, while the Chinese failed to keep pace. Mediaeval, even antique, social relations still subsist in contemporary China. Modern civilisation has touched her but on the surface, causing more evil than good to her teeming millions. It is not an unusual phenomenon that peoples having reached a comparatively high stage of progress in antiquity entirely disappeared from existence. But China did not accompany Babylon and ancient Egypt into the oblivion. She struggled ahead, but was left a long way behind by others who appeared on the scene later. In view of that curious caprice of history, China did not receive proper attention in the study of human evolution except as a special case, difficult to understand; and modern China has become a baffling problem for many. It is a "Chinese Puzzle" which appears to defy the established laws of social progress. But there is no puzzle in history which cannot be solved with the aid of the modern method of treating historical problems as problems of science, approaching them



with the assumption that there is some cause for each historical phenomenon, and that it can be discovered.

The causes for the prolonged stagnation of the Chinese society are to be found in the conditions under which its foundation was laid, thousands of years ago. The fact that antique China survived destruction indicates that she possessed a vitality altogether lacking in the case of the Babylonians, Egyptians and the barbarians of the Western Hemisphere. But the vitality at the same time was not great enough to overcome completely the opposing forces of dissolution, as was the case with the Mediterranean and Semitic races.

A scientific examination of the history of China shows that there is nothing in it which is *essentially* different from the history of any other civilisation. Whatever distinction appears to be there is rather of quantity than of quality. The progress has been slower in China than in the countries of the modern civilisation. The historians who find deep-rooted peculiarities in the Chinese civilisation, do so with a motive. It is to prove that, owing to her innate peculiarities, China is not able to absorb the conquests of modern civilisation; that she is constitutionally incapable of adopting modern economic and political institutions; and that, therefore, she must remain a legitimate prey for the standard-bearers of modern civilisation. That is not a scientific reading of history.

On the other hand, many of the Chinese themselves also believe in, and preach, the cult of "special genius". Not able to understand the causes for the deplorable stagnation of their national life, they make a virtue out of it. Afraid of the spectre of racial inferiority, they idealise the past which has brought about the present misery. But the backwardness of their country is a fact. It cannot be removed by glorifying its causes. On the contrary, the causes must be boldly discovered and ruthlessly extirpated. The lingering faith in the infallibility and eternalness of their ancient culture, on the part of even those Chinese who desire to

see their country progress on the road of modern civilisation, renders China a baffling problem to grasp. Indeed, this ideological contradiction is a part of the problem.

After centuries of a fossilised existence, old China is at last disappearing, to make room for a new. The mediaeval structure of society, sanctified by the teachings of Confucius and Mencius, has been undermined, though slowly, by the rise of new forces and under the impact of the modern civilisation and culture from abroad. It is tottering. But the ideology of new China in the throes of rebirth can no longer be the same as of the modern civilisation ushered in by the Renaissance in Europe. The ideology of the centuries-belated Chinese Renaissance cannot be that which no longer breathes the spirit of a rising civilisation, but seeks to galvanise a decayed order of society. Hence the ideologists of Chinese nationalism look wistfully back to the Golden Age, just when the Chinese people are engaged in a gigantic struggle for creating a social order higher than capitalist civilisation. Sun Yat-sen formulated his "Three People's Principles", and the "Five-Power Constitution" of the new State on the basis of the political philosophy of Confucius and Mencius. The ideologists of Chinese nationalism find the "Foundation of Modern China" in the debris of antiquity.

It is true that the present has its roots struck deep in the past, and the builders of the future can draw inspiration from the past; but the tree grows out of the seed only by destroying it. If the seed is lovingly preserved for what it potentially contains, its pregnancy becomes sterile—the tree never blossoms.

To conjure up the past is not a Chinese peculiarity. The ideological pioneers of the European bourgeoisie, while heralding the rise of a new social order, harked back to the pagan culture of ancient Greece. Indeed, the bourgeois social order was reared upon the twin pillars of the Hellenic philosophy and Roman Law. The philosophers of ancient Greece and, later, the law-givers of Rome were the ideo-



logists of a revolution which shifted the basis of human society from primitive communism to private property. And bourgeois society, the high-watermark of human progress based on private property, was born with the rich heritage of the Greek and Roman cultures. Not only the men of the Renaissance, but even the rationalist thinkers of the eighteenth century invoked a legendary "Golden Age" while preaching the doctrine of *social contract*, as the cardinal principle of the ideology of a new order, on the authority of the philosophers of ancient Greece. Revolting against the authority of the Roman Church, Martin Luther masqueraded as the reincarnation of the very founder of that institution. The great French Revolution destroyed feudal aristocracy and monarchist absolutism: yet, its leaders believed that they were engaged in the task of creating a state on the model of the Roman Republic which had laid the foundation of the very social institutions they were abolishing. As a matter of fact, the bourgeoisie have always conjured up the past as the authority for their revolutionary thoughts liquidating old traditions and heralding new social relations.<sup>1</sup> Themselves afraid of the great potentiality of the revolution they were advocating, they invoked the authority of the dead past for justifying their action.

If the European middle class, when they were still a revolutionary factor, looked to the past for inspiration, it is no wonder that the Chinese middle class should do the same now that their class throughout the world have become a bulwark of reaction. The teachings of the Greek philosophers, more than two thousand years after their time, provided the basis for the ideology of the bourgeois social order in Europe. In China, Confucius and his disciples, like their Greek contemporaries, also for the first time

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<sup>1</sup> "At the very time when men appear engaged in revolutionising things and themselves, in bringing about what never was before, at such very epochs of revolutionary crisis do they anxiously conjure up into their service the spirits of the past."—Karl Marx, "The Eighteenth Brumaire of Louis Bonaparte".

recognised the necessity of the political organisation of society and enunciated the rudimentary laws for governing social relations. But their teachings did not inspire subsequent thinkers to herald the rise of a higher social order. The seeds of Renaissance and of the resulting spiritual progress of Europe were in the ancient culture of Greece. Confucianism was not so happily pregnant. The misfortune was due not to any innate inferiority of the Chinese mind, but to the material conditions under which the foundation of Chinese culture was laid. The responsibility for the deplorable social stagnation of China is usually laid at the door of the Confucian culture. But the correct interpretation of history should be to reverse the relation. Having entered the first stages of civilisation together with the fore-runners of the modern European nations, the Chinese people, nevertheless, lagged behind in centuries of social stagnation, because of the defectiveness of the material basis of their civilisation. The social stagnation, caused by defective endowments of nature, made it possible that the progressive elements in the Confucian culture were overcome by the conservative.

Originally, Chinese culture did not differ essentially from the contemporary Greek or Indian culture. In either case, the philosophical foundation was the ideology of human society outgrowing tribal organisation, based upon blood relations, and striving towards political institutions governed by the relation of private property. The subsequent growth of human culture was the result of the evolution of private property. The evolution of private property, in its turn, was caused by the development of the means of production. The progressive perfection of tools in the hands of man—the development of the means of production—again is determined by physical conditions. Only in the higher stages of civilisation, man invents powerful tools which can overcome elemental conditions. In the primitive stages, production is still largely governed by the endowment of nature, namely, the flora and fauna of the



country, geographical environments, animal resources, supply of labour, etc.

The boundary between barbarism and civilisation is difficult to indicate. Indeed, there exists no definite dividing line. The germ of civilisation was in barbarism, and remnants of the latter persisted for a long time while the former developed. The factor that clearly distinguishes civilised society from barbarism is the growth of private property. It revolutionises production—its mode and means, and therefore marks the beginning of a new stage of human evolution. The growth of private property begins only after man has acquired the knowledge of making land bear fruit. So the cultivation of the soil for producing food can be reckoned as the first sign of civilisation. A group of human beings begin to organise themselves territorially and politically only after they have reached the stage of evolution in which they get their livelihood mainly by the cultivation of the earth. In that stage, man ceases to subsist, as in the preceding stages of savagery and barbarism, almost entirely by his own physical effort. For the cultivation of the soil he supplements his labour by employing animals which previously he killed to consume. The transformation of animal from an article of consumption into the means of production is a land-mark in the process of social evolution. It lays the foundation of private property. By harnessing animal energy to supplement his labour in the production of the means of subsistence, man outgrows barbarism and enters the stage of civilisation.<sup>2</sup>

From the remotest days of history, the inhabitants of China got their subsistence by cultivating the land. But the country was very poor in such animals as could be domesticated to become means of production.

Here is the weak spot in the foundation of Chinese

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<sup>2</sup> "The differentiation of the Semitic and Arvan families from the mass of barbarians seems to have commenced with the domestication of animals."—Lewis Morgan, "Ancient Society", p. 22.

society. The Chinese people entered the earlier stages of civilisation without possessing precisely that gift of nature which, in that period, in addition to human labour, is the basic means of production.<sup>3</sup> The scarcity of cattle and horses was a decisive factor in the earlier stages of the evolution of Chinese society. Eventually, it contributed more to the prolonged stagnation of national life than any other single factor. Limiting the margin of surplus produce, it obstructed the free development of private property. Defective growth of private property, in its turn, hindered the expansion of the productive forces. The mode of production consequently assumed peculiar forms, placing a specific stamp upon the whole process of social evolution for hundreds of years. Primitive cultivation of land did not develop into field agriculture, socialising human labour, first in the form of slavery, and then of serfdom in the typical European sense. Agriculture developed not extensively, but intensively. Instead of bringing larger and larger areas under cultivation, greater and greater amount of labour was concentrated on limited areas in order to make them bear more and more fruit for meeting the growing requirements of an expanding population. Garden culture, artificial manuring and extensive irrigation became the specific features of the Chinese mode of agricultural production, conditioned by the defective endowment of nature.

China was not alone in the misfortune of not possessing

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<sup>3</sup> "The domestic animals supplementing human muscles with animal power contributed a new factor of the highest value. In course of time, the production of iron gave the plow an iron point, and a better spade and axe. Out of these, and the previous horticulture, came field culture; and with it, for the first time, unlimited subsistence. The plow drawn by animal power may be regarded as inaugurating a new art. Now for the first time came the thought of reducing the forest, and bringing wide fields under cultivation. Moreover, dense population in limited areas now became possible. Prior to field agriculture, it is not probable that half a million people were developed and held together under one government in any part of the earth. *If exceptions occurred, they must have resulted from pastoral life on the plains, or from horticulture improved by irrigation, under peculiar and exceptional conditions.*" (Italics are mine—Author)—Lewis Morgan, "Ancient Society", p. 26.



cattle and horse in the earlier stages of social evolution. The native races of America also suffered from the same misfortune. Consequently, having attained a well-advanced stage of barbarism, they perished.<sup>4</sup> Animals have more than once settled the fate of entire peoples. The possession of horses, in addition to fire-arms, was the decisive technical factor in the conquest of Mexico and Peru by the Spaniards.

The roots of the proverbial conservatism of the Chinese people can be traced to the conditions under which they entered the first stages of early civilisation. Owing to the fact that the primitive Chinese inhabited a country, poor in animals adapted to domestication, nomadic habits did not develop in them. In the absence of animals in abundance, hunting and pasturage cannot become the means of subsistence of mankind. Most probably, the fish and cereal periods were contiguous in the process of social evolution of ancient China. They were not separated by the early meat period in which animal becomes the means of subsistence (not yet of production) of the primitive man.

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<sup>4</sup> "The American aborigines in the lower status of barbarism were in possession of horticulture one entire ethnical period earlier than the inhabitants of the eastern hemisphere. It was a consequence of the unequal endowments of the two hemispheres, the eastern possessing all animals adapted to domestication, save one, and a majority of cereals; while the western had only one cereal fit for cultivation. It tended to prolong the older period of barbarism in the former, to shorten it in the latter; and with the advantage of condition in this period in favour of the American aborigines. But when the most advanced tribes in the eastern hemisphere, at the commencement of the middle-period of barbarism, had domesticated animals which gave meat and milk—their condition, without a knowledge of the cereals, was much superior to that of the American aborigines in the corresponding period, with maize and plants, but without domestic animals...."

"The absence of animals adapted to domestication in the western hemisphere and the specific differences in the cereals of the two hemispheres, exercised an important influence upon the relative advancement of their inhabitants.... In the eastern hemisphere, the domestication of animals enabled the thrifty and industrious to secure for themselves a permanent supply of animal food, the healthful and invigorating influence of which upon the race was undoubtedly remarkable. It is at least supposable that the Aryan and Semitic families owed their pre-eminent endowments to the great scale upon which, as far back as knowledge extends, they have identified themselves with the maintenance in numbers of domestic animals."—Lewis Morgan, "Ancient Society", pp. 22 and 24.

The primitive Chinese must have wandered along the great rivers flowing from the Central Asiatic mountains to the Pacific Ocean. Consequently, their main means of subsistence must have been fish. Later on, thanks to the flat and alluvial nature of the soil, and in the absence of any other means of subsistence (meat and milk), it was possible for them to discover, perhaps even when other primitive human families were still leading a nomadic life, that the land could be made to bear fruit by cultivation. The knowledge that the earth could be cultivated to bear food marks the termination of the nomadic period. The primitive Chinese most probably reached the stage of settled conditions without passing through the stage of great migrations as in the case of the Aryan and Semitic races.

Conservatism is the characteristic of any one possessing something to conserve. Agriculture creates interest in land; as soon as man learns to cultivate it, he becomes attached to it. He settles down in a fixed region, claiming as his own the land which he can make bear him fruit. Therefore, the knowledge to secure food by cultivating the earth can be reckoned as the first rung in the ladder of civilisation, that is of organised society. This knowledge eliminates the necessity of constant and continuous migration in search of food and for grazing cattle. It renders possible that a large number of human beings settle down definitely in a certain region. There follows then the evolution of private property, which eventually dissolves the tribal organisation based upon blood relation, and the process of the political organisation of society begins.

Thanks to the natural endowments of the country they inhabited originally, the ancient Chinese most probably entered the stage of settled existence earlier than any other race; China perhaps was the home of the earliest organised human society. But the very condition which in that early epoch placed her at the van of human progress, at the same time, constituted the weak spot in the foundation of her civilisation. The Chinese society was born with



an organic disease, so to say ; its subsequent evolution was crippled by that original misfortune.

Similar phenomena of social evolution are found in other parts of the world as well. For example, the aboriginal races of America reached the latter stages of barbarism when the inhabitants of the eastern hemisphere had hardly emerged from savagery. While the latter had just left the primeval forests and were still wandering with their domesticated animals in search of food and pasture, the American races were well advanced in the stage of farinaceous subsistence. They had learned to produce food through the cultivation of the soil.<sup>5</sup> Presently, the barbarian of the eastern hemisphere also learned to cultivate land, and by virtue of possessing domesticated animals not only overtook his American rival, but strode ahead to civilisation while the other stagnated, and eventually perished in the stage of barbarism which he had attained earlier. Unequal endowment of nature is the cause of such uneven progress of social evolution.

Man did not learn to domesticate animals and cultivate the soil simultaneously. Neither the one nor the other primitive conquest alone enabled him to emerge out of barbarism. The combination of both the early achievements brought him at the gates of civilisation. The foundation of civilised society is laid as soon as man learns to harness animal energy to aid his own labour for cultivating the soil. By that achievement, he creates conditions under which, for the first time in the history of his evolution, his exertions are no longer devoted exclusively to getting the means of a bare subsistence. A part of his energy is released for other purposes—to create new values, which in their turn stimulate further evolution of the means of production. The possession of domesticated animals as the means of production eventually leads to the possession of land. The possession of land and the ability to make it bear fruit, in ever growing quantity, put an end to the habit of

<sup>5</sup> Lewis Morgan, "Ancient Society", p. 26.

migration. The ability of one man to cultivate more land than he could if he were to depend exclusively upon his own labour and that of his human dependents, creates the impetus for acquisition. The property in land, first tribal, then patriarchal, later private, evolves; the basis of civilisation is thus laid.

The use of domesticated animals for the cultivation of soil creates a surplus of human labour as a precondition for the institution of slavery—the pillar of antique civilisation. With the aid of animal power and improved tools, a diminishing number of human beings is required to produce food and other elementary necessities of the entire community. Consequently, a growing number of men are thrown out of the process of necessary production, and become available for use as chattels in the primitive production of commodities. Possessing labour power in excess of what is necessary for its subsistence and reproduction, a community can employ the surplus human energy for further conquests, either of nature or of the neighbouring human communities. In that condition, slavery becomes the basis of economic progress and political expansion. The surplus human labour becomes the object of sale and purchase by the few owning the means of production, the main item of which, in that early stage of civilisation, is land. Slavery is originally brought into existence by the displacement of human labour through the employment of animal power in the production of the necessities of the primitive society. It attains the classical form, as in Greece, the Semetic countries, and Rome, when large numbers of prisoners are made in wars.

Man's knowledge and ability to make the land bear fruit did not create fully all three conditions in ancient China. The cultivation of land, by itself, is not a broad enough basis for a civilised society to be built upon. It becomes so only when it represents a mode of production in which human labour is supplemented by the employment of domesticated animals. Like the American races,



the Chinese, in an earlier epoch, favoured by natural conditions, learned the art of cultivating land perhaps earlier than other races. That achievement represented their entrance into the initial stage of primitive civilisation, in so far as the knowledge and ability to make the land bear fruit enabled them to settle down in a definite region and consequently to lay the foundation of an organised society. But just as in the case of American barbarism, early Chinese civilisation was presently handicapped by the very same natural conditions which had accelerated its progress in an earlier period. In the absence of domesticated animals, particularly cattle, in ancient China, agriculture did not release sufficient human labour from the process of necessary production. The same cause obstructed the evolution of private property in land. The evolution of property began to stagnate in the stage of patriarchal ownership; for, by his own labour alone and with the very primitive tool of that period, one man could hardly get his subsistence by cultivating land. Joint labour was an indispensable necessity.

Insufficient impetus for the early accumulation of land seriously affected the growth of slavery, and later on, of serfdom. Human labour not having been displaced in a sufficient quantity from the process of necessary production, the foundation of the system of slavery, as a distinct mode of production, was not laid. As conditions were not favourable for the concentration of land on the basis of private ownership, subsequently feudalism failed to develop in the classical European form. And in a still later period, the growth of manufacture was retarded by the fact that practically the entire social labour was required for the production of food.

Reared upon such a defective foundation, the Chinese society evolved haltingly and painfully. Except for this innate weakness, caused by the defective endowment of nature, Chinese civilisation, in its early stages, had no other distinctive feature. Indeed, the conditions of China at the time of Confucius were remarkably similar to those of

contemporary Greece. The mission of Confucius was the same as that of the ancient Greek law-givers like Draco and Solon, namely, to lay the moral basis for the political organisation of society. Yet, the seed sown in the countries around the Levant eventually blossomed forth into the modern civilisation of Europe, while China laboured in dark ages which appeared to be interminable. So, we must put our finger on the defective spot in the foundation of the Chinese society as the key to the "Chinese Puzzle". Nor was the depressing darkness of the middle-ages a peculiarity of China. During the centuries intervening between the fall of the Roman Empire and the Renaissance, Europe also was plunged into mediaeval darkness. When, after two thousand years of a painful history of wars, invasions, devastations, famine and bitter class struggle—the Chinese society showed signs of surviving the defects of its birth, it was overtaken by yet another misfortune. That was the obstruction of its normal development through foreign intervention. The heirs of the ancient Greek civilisation invaded China, as it were, to punish her for having in the remote past been a nearly successful rival of fair Hellas.



## THE STRUCTURE OF CHINESE SOCIETY

The landlords, who still enjoy feudal rights and patriarchal privileges, also participate largely in capitalist exploitation. For example, a family possessing 400,000 *mu* of land in the neighbouring province of Kiangsu, also has extensive trading and financial interests in Shanghai. It is the owner of the China Steam Navigation Company—a modern capitalist concern. And that is not an exception. Throughout the country, the landlords are also capitalists. They are all engaged in some trade or other, mostly in agricultural produce which they take over from the peasantry. The feudal-patriarchal relations serve the purpose of primitive capitalist accumulation.

In China, the transition from the feudal to the capitalist mode of production does not take place in the form of the process of the producer becoming a trader—a capitalist;<sup>35</sup> it takes place rather from the opposite direction—traders not connected with the process of production first appear as the medium for the circulation of commodities, and later interfere in the process of production itself. This latter process, which obstructs free economic development, could be observed also in the earlier stages of capitalist development in Europe. It operated in certain industries of England and France until the middle of the nineteenth century. The difference is that China did not have the possibility of breaking the chain by which trades-capital circumscribes the growth of the capitalist mode of production. Foreign intervention reinforced the position of the primitive capitalist traders of China who operated on the

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<sup>35</sup> "The transition from the feudal mode of production takes place in a two-fold manner. The producer becomes a trader and capitalist. . . . This is the really revolutionary way. Alternately, the produce passes directly to the possession of the trader. Although, historically, the latter also is the process of transition . . . by itself it does not bring about the subversion of the old mode of production, which it rather conserves and retains as its own pre-conditions." (Karl Marx, "Capital", Vol. III, Part I).

basis of feudal relations. The product of the labour of the Chinese peasants could come to the world market only through the intermediary of those traders. Chinese agriculture thus came to be subjected to two forms of exploitation; the capitalist mode of production was deprived of the possibility of growing within the limits of the semi-feudal, semi-capitalist relations.

The characteristic feature of feudal economy is that the larger part of the surplus product of social labour is appropriated by the ruling class not for reinvestment in the process of production, but to be devoted to unproductive, parasitic purposes. A higher mode of production can grow within the framework of feudal relations, when an increasing part of the surplus produce remains with the producer, thus enabling him to improve his means of production. Therefore, when production is not directly connected with land, that is, in the case of manufacture, feudal restrictions upon free exchange of commodities are still more rigorous. In course of the struggle, taking place for several centuries and covering a whole historical period—the middle-age—the productive forces, finally, break the cramping bonds of feudalism and blossom forth in the capitalist social order. The duration and result of this historical struggle depends on the magnitude of the surplus that can be produced in the process of production still within the limits and under the restrictions of feudalism.

Under feudal conditions, the peasant works either as a free producer, a direct subject of the king, or as a serf on the feudal domain; the product of his labour, over and above what is necessary for his barest subsistence, is taken away from him in the form of rent, tax or other feudal levies. The specific feature of feudalism is that the surplus value is realised directly through the appropriation of the entire surplus product. The production of surplus value becomes the foundation of the capitalist mode of production only then, when a part of the surplus is absorbed as profit, when surplus value is no longer realised in the simple form



of the direct appropriation of the entire surplus produce. Then the entire surplus product of social labour ceases to be the monopoly of the feudal landlord. Profit represents a loss for the landlord, whether the State or the feudal noble. There begins the struggle for the division of the surplus value.

When, under the given conditions of production, a relatively large surplus is produced, the share absorbed by profit is correspondingly large, and consequently, a broad foundation is laid for the rising capitalist mode of production.<sup>36</sup>

The extraordinary insufficiency of the surplus produce of agriculture retarded the development of Chinese society. The main concern in China always was to have enough rice—the staple foodstuff. The measure of good government was the ability to keep a reserve of rice for bad days. The product of the entire social labour was hardly enough to ensure the subsistence and reproduction of the immediate producers. That is to say, the entire labour power was virtually socially necessary labour. The surplus labour, which could be performed in the normal process of production, was very narrowly limited by the conditions of production. The slow development of private property in China was caused by those peculiar conditions of produc-

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<sup>36</sup> "The general conditions for the existence of surplus value and profit . . . are: the immediate producers must work longer than the time required for (gaining the means) reproduction of their own labour power, of themselves. They must perform surplus labour. This is the subjective condition. But the objective (condition) is that they *can* perform surplus labour, that the natural conditions are such that a part of their labour time at their disposal suffices for their reproduction and subsistence as producers, that the production of the necessities for their life does not consume their entire labour time. The productivity of nature sets one limit, one point of departure, one basis. On the other side, another limit is set by the development of the social power of production of their labour. Regarded still more closely, since the production of food stuff is the primary condition of their life and of all production generally, the labour applied to that production, that is to say, agricultural labour in the widest economical sense, should be sufficiently productive, so that the entire labour time available is not absorbed in the production of foodstuff for the immediate producers; so that agricultural surplus labour and, consequently, agricultural surplus produce may be possible." (Karl Marx, "Capital", Vol. III, Part 2.)

tion; under those conditions, surplus produce did not represent normally performed surplus labour, but forced labour. In other words, a part of the socially necessary labour had to be applied to overcome the natural restrictions on surplus production. The result was extreme poverty of the masses, and the permanent unstability of national economy. The most characteristic feature of the situation was recurring famines and civil wars which, in their turn, often destroyed the larger part of the population.

The fluctuation of population is a remarkable feature of the Chinese history. In the first Han Period, feudalism prospered under the orderly conditions reestablished after the chaos which followed the defeat of the Chin Revolution. The population rose to sixty millions. During the following period of Wang Mang reaction, it fell to twenty-one million, and rose again to fifty million towards the end of the second Han period. During the civil wars of the third century A.D. the population sank to the record depth of eight millions. In the next century, it gradually went up to sixteen millions, and later to forty-six millions in course of several hundred years. In the tenth century, during the reign of the Sung Dynasty, the population again fell to twenty-one million. After a steady rise up to forty-five millions, it suddenly went down again to thirteen millions in a few decades. From the thirteenth to the seventeenth century, the population remained relatively stable; the fluctuation was within a few millions; the general tendency was upwards. During the years of the downfall of the Ming Dynasty, it again declined to twenty-one million. After the establishment of the Manchu rule, there was no backward movement of population.<sup>37</sup> Historical investigation reveals the fact that the periodical decline of population was always caused by famine, which again either followed or preceded a civil war.

These figures, deduced from a large mass of historical

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<sup>37</sup> Lee, "The Economic History of China". All the figures are given in the nearest round number.



material, prove one thing. Until the eighteenth century, the level of production in China was so low as did not insure even the most minimum means of subsistence for the immediate producers themselves. The land was fruitful; but devastating floods rendered large areas unworthy of cultivation for long periods. And behind the tragic scene, there always remained the fundamental weakness of the Chinese civilisation.

The scarcity of the beasts of burden in the North, and their absence in the South, created conditions in which virtually the entire labour time had to be employed for the production of the means for the barest subsistence of the people. The situation was further aggravated by the fact that in the olden days, it was a State monopoly to use horses and oxen for military purpose. Therefore, agriculture was not only dependent mainly on human labour; the absence of cattle also diminished the fertility of land. Even to-day, in the South, cattle is rarely employed in agriculture. Milk, butter and cheese are things seldom to be found on the Chinese table.<sup>38</sup> The dependence of agriculture exclusively on human labour strengthened the position of the patriarchal family. The absolute right of the father over the children was recognised by law, in order to prevent the young people from wandering away from land.<sup>39</sup>

The structure of the present-day Chinese society is the result of the conditions of production which prevailed in the earlier stages of its development. The conditions were not favourable for accumulation. For a long time, right

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<sup>38</sup> "No labour is spent for the production of fodder, unless that can also serve the purpose of human subsistence. Horses are seldom used for luxury or military purposes, for travel or for the transport of goods; but mules, camels, ass and goats are used on the north of the Yangtse for transport and other purposes. . . . In the southern and eastern provinces, all animals are rare. The transport of goods and passengers is done in boats or by human beings. The natives do not use butter, milk or cheese. The few cattle find their feed on the wasteland round the village." (Williams, "The Middle Kingdom".)

<sup>39</sup> "The patriarch of three or four generations compels his sons and grand-children to stay with him; their houses must be next to his. They with their families constitute a common social unit." (*Ibid.*).

up to the eighteenth century, normal production left a very narrow surplus. The part of the produce of social labour absorbed by pre-capitalist rent, taxes levied by the despotic State, and feudal charges, was not surplus product; it represented very largely forced labour. Finally, there developed primitive capitalism on the basis of the exploitation of intensified forced labour.

One of the causes of antagonism between capitalism and feudalism is that capitalist profit encroaches upon the feudal landlord's rent. That is specially the case when the pre-capitalist land rent directly represents the entire surplus produce. Since primitive capitalism grew in China as a social factor necessarily connected with feudal relations, it was not absolutely antagonistic to the old mode of production. It only placed a new burden on the process of production already so very heavily encumbered. In mediaeval China, nascent capitalism was inseparably dependent on the feudal mode of production. It is so even to day. In the beginning of the capitalist development in Europe also, this was characteristic of trades capital. The oriental market, discovery of America, influx of precious metals from Mexico, and the plunder of India opened a new way before European capitalism which, consequently, could free itself from the bondage of feudalism, and the bourgeoisie only thereafter began the decisive struggle for political power. The pioneers of the Chinese bourgeoisie found themselves in a different situation; therefore, they could not travel the way of their more fortunate European compeers, and before long became helpless victims of plundering invaders.

The collection and transport of the Government's share in the product of agriculture stimulated the growth of trades capital in China. In the fifteenth century, a part of the taxes was paid in money, at least formally.<sup>40</sup> But by far the greater part of the State revenue was collected then

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<sup>40</sup> Chen Shao-kwan, "The System of Taxation in China".



and later in kind. That is done even to-day; and since even to-day a large part of the tribute, taken in the form of rent or taxes, represents forced labour, the product of this forced labour should be taken away from the producer somehow as early as possible; that is to say, immediately upon the harvesting of the crops. Should time be allowed for the crops to be transformed into money, one would always run the risk of their being consumed at least partially. Always there is a great hole to be filled up. Therefore, the Government must collect the largest part of the revenue in kind, as soon as the harvest is over, if it wants to secure what, in its opinion, is its share. Then, there is the antagonism between the State officials, who usually are also landlords and big merchants, on the one hand, and petty traders, on the other. Thanks to the system of payment of taxes in kind, State officials make a threefold profit: firstly, from the monopoly of the grain trade which they exercise through that system; secondly, from the transport of a part of the grains collected in payment of taxes to the provincial and national capitals; thirdly, from the exchange of the rest for money. Through this system, the feudal officials dominate the entire economic life of the nation, and they do so in the interest of trades capital.<sup>41</sup> Payment of taxes in money would place the small traders in the position to break the feudal-capitalist monopoly. They would have the possibility of buying the grain directly from the small peasantry.

Since 1919, there is no Central Government for the entire country. Therefore, the budget of the Peking Government has no real significance. In the earlier years of the Republic, the situation was hardly any better. Yet, in the absence of more adequate and reliable information,

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<sup>41</sup> "The product of land must support all Government officials, merchants, all Tartar families, who hold the land in some or other form of fental vassalship, and all the farmers who do not do any work . . . Acquisition of land is the most popular means for making capital productive; and throughout the East, there is no place where the right of landownership is not respected." (Montgomery Martin, "Trade, Finance and Society in China".)

the budget of that period can be taken for an approximate representation of the situation. In that, no less than sixty per cent of the State revenue is derived from taxes which are delivered to the monopoly of the reactionary feudal-capitalist alliance. With the exception of the salt tax, practically all the other items of taxation fall directly or indirectly on agriculture, and are paid largely in kind.

Economic backwardness has hindered the development of the modern means of transport, with the exception of the modest beginnings made primarily for the urgent necessities of imperialist trade. The result of this backwardness of the means of transportation is the territorial splitting of natural economy which again hinders the rise of a modern centralised State. The country is divided into a number of isolated local markets monopolised by land-owning and trading State officials. Thanks to the penetration of Imperialism, these isolated markets, while still founded on semi-feudal production, have become connected with the world market. The semi-feudal agrarian production has been drawn into the sphere of the most modern capitalist exploitation. Finally, out of this process, there has arisen a class, which tries to introduce real capitalist mode of production in China's national economy. In consequence of the rise of the modern bourgeoisie, the social structure of urban areas stands in sharp antagonism to the rest of the country which still remains under feudal-patriarchal domination. But the bourgeoisie, though they possess modern means of production in the cities, cannot give a revolutionary expression to the antagonism between the capitalist city and the feudal village. Because they themselves are still rooted in the economy of the village with which they are connected as the intermediary between the world market and the internal markets of China. This contradiction, inherent in the very existence of the Chinese bourgeoisie, is the fundamental problem of modern China. As this problem results historically from the social structure of the country, its solution can be found only in the



complete subversion of the established social order as a whole.

The feudal-patriarchal property in land is overburdened by capitalist exploitation. The larger part of the accumulation taking place therefrom, flows out of the country as imperialist tribute. The result is a fossilised social system, embracing simultaneously manifold social relations which appeared successively ever since the dawn of civilisation. They are grown into, and overlap, each other. Consequently, one of them cannot replace the others, even when it represents a progressive tendency. Capitalism, for example, cannot destroy the feudal relations without undermining its own foundation. That has been proved by the events since the Revolution of 1911, and specially since the rise of the Nationalist Government of Canton. The reconstruction of the Chinese society cannot be carried through by a class which itself is rooted in the established conditions. That can and will be done by a class which is the heir of the revolutionary tradition of all the great social upheavals of the past, which will lose nothing from the complete dissolution of the present conditions beyond all reforms, but will win a whole world. Therefore, the structure of the new Chinese society in the throes of birth will neither be capitalist nor neo-Confucian, as idealised by the petty-bourgeois nationalists. That can only be a Communist society—the creation of the working class.

## FOREIGN AGGRESSION

The encroachment upon Chinese sovereignty stopped short of actual annexation only owing to the rivalry amongst the imperialist Powers. In the case of India, England was alone. The mediaeval Empires of the Portuguese, Dutch and French collapsed in consequence of the decay of their bases in the home countries. When India was conquered, England was the only country which possessed the preconditions of modern imperialism. But towards the end of the nineteenth century, other countries also attained a similar stage. Consequently, China could not go the way of India, although most of the pioneering work for her conquest had been done by the English. She became a colony of international imperialism. That is the specific feature of modern China; it greatly influences her economic and political life.

Until the Sino-Japanese war, the inter-imperialist rivalry was not pronounced. All the Christian Powers were united in their aggression upon China. There was no serious friction over the partition of outlying territories. The question of partitioning China proper was raised by the result of the Sino-Japanese war. Japan annexed the Liaotung Peninsula; the Treaty of Shimonoseki marked the beginning of the famous scramble for concessions. The United States of America also intervened as an active factor. Ever since the acquisition of the Philippine Islands, the Americans began to take more interest in the affairs of China. American intervention started with the famous Hay Doctrine of "open door". Divested of its diplomatic dubiousness, the doctrine meant that Uncle Sam also wanted his share of the Chinese spoils. It was the precursor of American hegemony in China, an object realised after a quarter of a century. But at the time the doctrine was formulated, American imperialism was still in its infancy. It could not assert itself in the situation effectively. The scramble for concessions went on feverishly to the extent



of threatening the dismemberment of the territorial integrity of China, in spite of the hypocritical acceptance of the Hay Doctrine by all the Powers.

The possibility of the annexation of China by any one single Power being out of the question, due to the presence of so many aspirants, colonisation of China took the form of creating "spheres of influence". The resistance to the out and out annexation of China no longer came from China herself. She could be easily disposed of by any imperialist invader. Formal annexation was prevented by the rivalry amongst the imperialist Powers. The design on the part of any one Power to annex China was sure to provoke inter-imperialist war. So long as the rivalry was amongst the Christian Powers, any such conflict was ruled out. Finally, Japan appeared on the scene, and by her victory over Russia demonstrated her power. Thereupon, the paramount Christian Power entered into a partnership with the heathen upstart, and the Anglo-Japanese alliance since then regulated inter-imperialist rivalry in the Far East until the tragic consequences of the world war upset the old balance of power. The Hay Doctrine, at last, asserted itself effectively. In the Washington Conference of 1921, American imperialism dictated the termination of the Anglo-Japanese alliance. Under the conditions of an armed truce amongst themselves, the imperialist Powers jointly subjected China to colonial exploitation.

At the end of the nineteenth century, the nature of China's foreign trade had entirely changed. The balance of trade had definitely turned against her. She no longer exported handicraft wares in return for gold and silver. Even opium had lost its predominance in Chinese import. It had been replaced by cotton textile. China had become a real colony, exporting agricultural products in exchange for goods manufactured in other countries. In 1900, the value of her total foreign trade had risen to 270 million dollars; in half a century, it had nearly quadrupled itself. By far the greater part of the trade was in the hands of

the English. Meanwhile, industry had developed in other countries also. The colonial trade could no longer be carried on the principle of free trade. Monopolisation of market through the acquisition of colonies had become a necessity. Capitalism had developed into modern imperialism. The leading industrial countries of the world had begun to export increasing amounts of capital, in addition to the export of manufactured goods, with the object of enlarging the market for the latter.

At the end of the nineteenth century, China had been subjected to the operation of modern imperialism. The policy of acquiring concessions for the construction of railways and exploitation of minerals had replaced the older policy of sheer plunder and open territorial aggression. The location of the concessions acquired by the imperialist Powers marked their respective spheres of influence.

England, as the paramount Power, laid a heavy hand on the entire Yangtse Valley, the centre of the economic life of China. Russia laid claim to Turkestan, Outer Mongolia and Northern Manchuria, in addition to the extensive territories she had actually annexed previously. Japan's share was South Manchuria, Inner Mongolia and the province of Fukien facing the island of Formosa. France appropriated Yunan, Kwangtung and the adjoining territories of the South. Lastly, Germany took Shantung. The United States of America, still occupied with the enormous task of conquering a Continent and consolidating its position in the New World, did not require any concession in China. It was still an agricultural country itself; accumulated capital found plenty of profitable investment at home. Indeed, America was still a debtor country; she borrowed capital. So, the American attitude towards China was that of a liberal lawyer holding a watching brief—an attitude which was very useful for the gradual conquest of the position of hegemony which she occupies in China to-day.

After a considerable portion of the accumulated wealth



had been drained out of the country in the period of plunder, China found herself obliged to accept foreign capital on very unfavourable conditions for the improvement of her means of transport and exploitation of mineral resources. Even that was not to be done in accordance with the needs of her entire national economy, but for the promotion of imperialist trade. The turn of the balance of foreign trade against her created a situation in which she was obliged to grant extensive concessions for loans forced upon her. The deficit in the balance of foreign trade made her indebted to the countries selling her manufactured goods. The very narrow margin of her surplus production made it impossible for her to liquidate the indebtedness by increasing export. A rapid development of her national economy through the introduction of the mechanical means of production had been made well-nigh impossible by the drain of her accumulated wealth. Previously, she had endeavoured to arrest the importation of outlandish commodities as a measure to prevent this critical state of affairs. But her door had been forced open in the sacred name of the free exchange of commodities. The great harm done to her in that process had placed her in a position wherein the exchange, as far as she was concerned, was no longer free. It meant colonial subjugation, though the chains might be of gold. China could square her accounts with the foreign countries trading with her only by accepting from them as loan the sums necessary to cover the deficit in her balance of overseas trade. And as a country not able to pay for the goods she purchased (although not voluntarily), her international credit sank so low that she could not get forced loans except in return for valuable concessions which represented not only great economic loss, but further encroachment on what little was left of her political sovereignty.

The exhausting drain of the accumulated wealth, the loss of extensive territories, and practical forfeiture of political sovereignty were followed by something much

more serious than all of these taken together. It was the subordination of her entire national economy to the interests of imperialist trade and finance. The consequence of that position was economic stagnation and impoverishment of the people. Imperialist Powers acquired extensive concessions for the exploitation of minerals and construction of railways, but actually accomplished only very little. Exporting the greater part of their surplus capital to other fields, where competition was keener, they held China as the reserve. Mutual suspicion prevented the imperialist Powers from making practical use of the vast concessions they acquired at the expense of helpless China. They failed to improve sufficiently the means of transport, so very essential for their own interest—for the development of trade. Being a joint colony of international imperialism, China could not even have the indirect benefit that accrued from colonial exploitation. In the colonies monopolised separately by the imperialist Powers modern means of transport were introduced extensively; but in the case of China they did very little in that direction. Here, they limited their "civilising" mission to the most minimum necessary for carrying on a fair amount of trade, such as, modern shipping facilities in a few ports and short distance railways or steam navigation as feeder services. They were averse to investing capital in constructing extensive systems of railways as for example in India; because, under the given conditions, they could not serve exclusively the monopolist interest of the particular Power making the investment. The sources of raw materials to be made accessible, and markets opened, by such enterprises would be inevitably shared by rival Powers. That would be a violation of the very principle of colonial exploitation which is monopoly. In China, the contradictions of imperialism stood out in their crassest form.

The backwardness of the means of transport places tremendous restrictions on trade in China. For example, it costs much more to bring a certain quantity of wheat to



Hankow from Shensi, only three hundred miles away, than from the United States or Canada or Australia. Anthracite coal is sold in Shanghai at twenty dollars a ton, but it is extracted in Shansi for a few cents. The great difference represents largely the cost of transport. In such primitive conditions of transport, trades capital thrives in close collaboration with feudal privileges, and national economy is broken up into isolated local markets, dominated by the semi-feudal trader. He greatly hinders the development of production which actually stagnates. Twenty men's labour is wasted to bring into the export market the produce of one man's labour. Consequently, the producer gets the smallest fraction of the value created by his labour, a very large part being appropriated by the parasitic trader who brings the commodities to the export market. Modern means of transport would eliminate the parasitic middleman, thereby increasing imperialist profit. Nevertheless, construction of railways and other modern means of transport has proceeded very very slowly in China. The present mileage is like a mere drop in the ocean. Imperialist Powers holding concessions for railway building sat tight on their stakes, waiting for the time when monopolist operation might be possible. Meanwhile, the economic life of China stagnated, and the imperialist booty contained a large element of forced labour. Inherent contradictions obliged imperialism to fall back upon a mode of production which militated against its own interest. In China, imperialism plays the dog in the manger.

The service of forced loans was placed under the control of banks belonging to the creditor nationalities. Thus, the State revenues of China were mortgaged to imperialism. Those banks gradually captured the entire credit system of the country. Foreign trade being controlled by those powerful banking institutions, native banks financing the internal trade (as well as the internal transit of foreign trade both ways) also came under their domination. Consequently, imperialist finance could dictate the

employment of native capital. Chinese traders, who brought the native product from the remotest corners of the country to the ports, for export, and carried the commodities of foreign origin to all parts of the country, received ample credit and protection from the foreign banks. But by the control of credit, the foreign banks put all kinds of obstacles in the way of the Chinese taking to industrial pursuits. In other words, foreign domination of the Chinese national economy was secured and maintained through the encouragement of reactionary, non-productive, parasitic, trades capital which was an obstacle to a normal capitalist development of the country.

The modern Chinese bourgeoisie grew largely out of the contact with the imperialist Powers. They are the descendants of the Hong merchants. So very closely linked up with the imperialist exploitation of the country, they cannot promote any substantial improvement of national economy. It is true that lately they are turning their attention to industrial enterprises; but in these too they are dominated by imperialist finance. Imperialist interest, which previously restricted them to trade, now can permit them to travel a little in the new direction. In any case, they are but instruments of imperialism. As an independent factor, they are too weak to be assertive. Their revolutionary industrial tendencies are overwhelmed by the more fundamental and dominating trading function which is fostered by imperialism.

To what a great extent imperialism dominates the national economy of China, is shown by the following facts. For the payment of the interest on the Boxer Indemnity (450 million taels) and for the services of other foreign loans, important items of State revenue such as railways, salt gabelle and customs are pledged.<sup>13</sup> This by itself would

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<sup>13</sup> Including the Boxer Indemnity, China's foreign indebtedness amounts approximately to 215 million pounds, the actual payment to be made on the maturity of the loan is as much as 350 million pounds. (J. R. Baylin, "Foreign Loan Obligations of China".) Considering that China has an average annual deficit of about 20 million pounds in the



not be so objectionable, if the collection, custody and administration of the revenues were not in the hands of foreigners. As these items cover about half of the entire State budget, their mortgage is extremely prejudicial to the whole system of State finance, and consequently seriously affects the entire national economy.

Out of the 7700 miles of railways, nearly 7000 miles are owned by foreigners, and the concession rights held by them preclude any extensive construction of railways by the Chinese, even if they had the resources necessary for the purpose. Foreign claims are staked almost on all the known mineral deposits of the country. Only twenty-seven per cent of the iron ore extracted belong to Chinese concerns which, in their turn, are financially controlled by foreign banks. Fourteen out of the eighteen blast furnaces are owned by foreigners. Nearly half of the coal is dug by Chinese concerns; but as coal is mostly exported, the whole industry is controlled by banks financing foreign trade. Further, owing to the lack of capital and credit, Chinese concerns extract coal with very primitive methods. These methods are largely in operation also in concerns directly owned by foreigners. They represent a pre-capitalist form of exploitation. A few foreign banks with a total capital of 80 million pounds control the entire foreign trade of China and a very considerable portion of the internal trade. They also dominate the State finance. About eighty per cent of China's foreign trade is in the hands of foreign shipping companies. A very considerable portion of river shipping is also done in foreign vessels.

Had not foreign imperialism been so deeply involved in the present conditions of Chinese national economy, it would not intervene in the internal affairs of the country, whenever there was any serious threat to the established order. Foreign interests placed insurmountable obstacles

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balance of foreign trade, and that her budgeted revenue is less than 50 million pounds—not enough to cover the national expenditure—this foreign indebtedness represents complete colonisation of the country.

to any appreciable economic development of China. The imperialist Powers then adopted the infamous "gun-boat policy" to hold the unfortunate country in her present state of stagnation. The imperialist exploitation of China takes place through the subordination of a largely pre-capitalist mode of production to the highly developed capitalist world market. Therefore, imperialism is vitally interested to maintain in China a social organisation in which pre-capitalist production takes place in direct contact with, and under the domination of, the capitalist world market. Time and again, imperialism has openly played this sinister rôle. It helped the suppression of the Taiping Revolt which promised to give birth to a modern democratic China. It drowned the Boxer Rebellion in torrents of blood, although that also was essentially a great democratic movement. It captured the control of the customs during the troubled days following the revolution of 1911, as a measure directed against the young Republic. It helped the rank reactionary Yuan Shi-kai in his fight against the democratic movement, and encouraged him in the abortive attempt to restore the monarchy. It backed up the feudal war lords who plunged the country in the bloody chaos of protracted civil war with the object of preventing the rise of a democratic China which might not be fully subservient to foreign capital. It helped the feudal militarists against the nationalist bourgeoisie when the latter, under the pressure of the masses, fought for revolutionary democratic freedom. More than once, it massacred the masses when they protested against brutal exploitation and intolerable conditions. Finally, it took the nationalist bourgeoisie under protecting wings as soon as they had betrayed the national revolution and turned fiercely against the democratic masses. The record of imperialism in China is black indeed.

