THE GREEN GANG IN SHANGHAI, 1920-1937:
THE RISE OF DU YUESHENG

By

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Declaration

Except where otherwise indicated this thesis is my own original work.

Brian G. Martin
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Abstract

The subject of the thesis is the rise and development of the Green Gang in Shanghai during the 1920s and 1930s. It approaches this theme through the study of one particular Green Gang group which operated out of the French Concession, and specifically the career of one of its bosses, Du Yuesheng.

In the early twentieth century the Green Gang was one of the major secret society organisations active in North and Central China. Although it drew on earlier sectarian and organisational traditions, the evidence suggests that its origins date only from the second half of the nineteenth century. At an early stage Shanghai provided a very favourable environment for the development of the Green Gang with its emphasis on the acquisition of wealth, its large immigrant population, its separate jurisdictions, and its foreign administrations. By 1920, therefore, the city had emerged as a major centre of Green Gang activity.

In the course of the 1920s the French Concession Green Gang group emerged as the dominant group within the Green Gang system in Shanghai. This process was accompanied by changes in the power relations within the group's leadership which saw the emergence of Du Yuesheng to a position of predominance. The French Concession group's rise to power was the product of two factors: its control of the opium traffic in Shanghai, and the agreement it reached with the French authorities on the division of the profits from the
traffic. After 1927 this agreement was expanded to include Green Gang assistance with aspects of the internal security of the Concession, although the consequent marked increase in Du Yuesheng’s power compelled the French authorities to take action against him in 1932.

The French Concession Green Gang’s increasing power attracted the attention of both the Chinese Communist Party and the Guomindang who each sought its support in the period of the Northern Expedition (1926-1928). Although the Green Gang bosses eventually supported Jiang Jieshi and played a key role in his anti-communist coup in Shanghai of 12 April 1927, nevertheless their relations with the new Guomindang state were affected by the political instability of the regime the late 1920s and early 1930s. It was the crisis provoked by the Shanghai Incident of 1932 which provided a new basis for the relationship. The French Concession Green Gang group became one element in the new corporatist structures which Jiang Jieshi created in the wake of the crisis in order to strengthen his regime with the inclusion of key members of Shanghai’s "civil society". Of the the Green Gang bosses it was Du Yuesheng who adapted most effectively to the new system of power. With his close connections with both the Guomindang’s trade union organisations and the leading members of the Shanghai bourgeoisie together with his activities in support of the Government’s economic policies, Du emerged as a key element in the Guomindang’s corporatist system of power in Shanghai. Indeed the years 1932 to 1937 represented the apogee of Du’s power in Shanghai.
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INTRODUCTION

The study of Chinese secret societies by Western scholars has a well-established pedigree, dating from the mid-nineteenth century, although interest in the subject has passed through a number of phases over the intervening period. Modern research on secret societies, in fact, dates from the mid-1960s, and was strongly influenced initially by the work of Jean Chesneaux and Feiling Davis. This research, in broad terms, has concentrated on two main themes: the interaction between secret societies and rural society and their political function as a focus for popular opposition to an exploitative state system prior to the 1911 Revolution. There has been little discussion of secret societies either in the context of China's modern urban development, or as political actors in their own right who were capable of relatively sustained collaboration with the new state systems established in twentieth century China. Indeed the evolution of secret societies during the Republican period (1912-1949) is, by and large, still terra incognita to the Western scholar.

The present thesis seeks to address the issues of the social and political role of secret societies in urban China, and their relationship to the state systems of the Republican period by means of a study of the activities of one such society, the Green Gang, in Shanghai in the 1920s and 1930s.
The thesis focuses on one Green Gang group in particular, that controlled by the French Concession Green Gang bosses, and within this group it devotes much of its attention to the career of one of these bosses, Du Yuesheng.

In analysing the activities of the French Concession Green Gang group and the career of Du Yuesheng in this period the thesis deals with a number of themes. One of these is what might be called the "cotemporaneity" of secret societies in the Republican period. Secret societies, in the view of this author, were malleable organisations with a great capacity to adapt to different social and political environments. It is a major contention of this thesis, in fact, that secret societies, such as the Green Gang, far from being feudal anachronisms were an integral part of the society and politics of twentieth century China, and that they were capable of adapting positively to the challenges of social and political change. This theme is first raised in Chapter One with the argument that the modern Green Gang was in fact a recently established secret society, whose origins did not go back much further than the late nineteenth century and whose organisation was still in the process of definition in the early twentieth century; and it informs all the other chapters in the thesis.

A second theme is that the hybrid Sino-foreign character of Shanghai was particularly encouraging of secret society activities. The existence of exclusive and competing
national jurisdictions greatly facilitated both the expansion of Green Gang organisation and the proliferation of the rackets controlled by various Green Gang groups. At the same time the security needs of the foreign settlements, particularly the need to control rapidly increasing Chinese populations, dictated a degree of co-operation between the foreign authorities and certain powerful Green Gang bosses, with the latter being co-opted into the foreign police forces as members of their respective Chinese detective squads. In other words certain favoured Green Gang bosses gained tacit official recognition of their rackets in return for increasing the coercive power of the foreign settlements. Some bosses, in fact, were able to parley their security function for the foreign authorities into real political power, as occurred in the French Concession. This relationship raises the larger question of the nature of the imperialist system as it operated in Shanghai; and the theme is discussed in detail in the context of the situation in the French Concession in Chapters Three and Five of the thesis.

The opium traffic was the key to financial success and power for the Green Gang groups: they competed ruthlessly with one another and with other secret society groups for a share in this lucrative racket; and it was the ability of the French Concession bosses to gain control of the opium traffic which laid the basis for the emergence of the phenomenon of organised crime in Shanghai in the mid-1920s. The security of the opium traffic, furthermore, was an important factor in
determining the French Concession group’s attitude to Chinese and foreign authorities in Shanghai. This theme forms the basis for Chapter Two, but it also informs many of the other chapters of the thesis; notably Chapters Three, Five, Six and Seven.

The relationship of the Green Gang to the major social classes, the industrial workers and the bourgeoisie, is important to an understanding of its role in urban society. Its relations with the working class were shaped by the fact that Shanghai was an immigrant society with no highly developed sense of social cohesion, a point discussed in Chapter One; and the major characteristic of its relations with the workers was its control of the labour racket associated with the labour-contract system. The Green Gang’s relations with the industrial working class forms an important part of the discussion in Chapters Four, Five and Seven.

The relations of the various Green Gang groups with the Chinese bourgeoisie was at first merely a function of the former’s criminal activities, notably their extortion and kidnapping rackets. Although this negative aspect of the relationship continued to be significant it was overshadowed progressively by other, more constructive, factors which reflected the emergence of a more complex relationship. The new relationship reflected, in the first instance, the dynamics of the contraband opium traffic once it had come
under the effective control of the French Concession Green Gang in the mid 1920s, and the competition of this group with certain leading members of the Chinese bourgeoisie for power and influence in the French Concession. This forms an important part of the discussion in Chapters Three and Five.

The second phase of the new relationship was initiated as a result of the crisis of 1932 and the participation of certain Green Gang bosses in the political organisations which the bourgeoisie created in this period, notably the Shanghai Civic Association. In the course of the 1930s this relationship was subsumed under the corporatist state system constructed by the Guomindang, and this theme is pursued in Chapters Six, Seven and Eight.

Another important theme is the reaction of the Green Gang leadership to the revolutionary politics of the 1920s, and particularly its relations with the two revolutionary parties, the Guomindang (Nationalist Party) and the Chinese Communist Party. This theme forms the body of the discussion in Chapter Four which includes an analysis of the Green Gang involvement in Jiang Jieshi's coup of April 1927. A continuation of this theme is the relationship of the Green Gang bosses to the new state system created by the Guomindang after 1927-28. As discussed in the thesis this was a complex relationship which was determined by a number of factors and went through a number of phases. The thesis argues that the turning point in the relationship came with the crisis provoked by the Shanghai Incident in 1932. It was in the
wake of this crisis that Du Yuesheng emerged clearly as the most powerful Green Gang boss in Shanghai. He participated fully in the new corporatist state system created by the Nanjing Government, and through this participation enhanced significantly his political and economic power. In the 1930s, in fact, Du had become a leading political figure in his own right. These developments form the substance of the last three chapters of the thesis.

Through an analysis of these themes the thesis argues that the Green Gang was a major actor in the history of Shanghai in the early twentieth century. It was an essential element in the evolving social, economic and political structures of the city. It was their important influence on the urban politics of Shanghai, indeed, which enabled some Green Gang leaders to gain an influence in politics at the national level during the period of Guomindang rule after 1927.
Endnotes


2. These themes inform two general works on secret societies by Chesneaux and Davis: Fei-ling Davis, Primitive Revolutionaries of China: A Study of Secret Societies in the Late Nineteenth Century, London: Routledge and Kegan Paul, 1971; Jean Chesneaux, Peasant Revolts in China, 1840-1949, London: Thames and Hudson, 1973. As suggested by their titles, the approach taken by these works reflected, in part, the tenor of the times in the China of the Cultural Revolution. They reflect, in particular, the Maoist emphasis on secret societies as catalysts of popular revolt against the feudal state, and hence their official designation as "progressive" organisations with proto-socialist and proto-nationalist characteristics. See also the important collection of essays on secret societies in the modern period edited by Chesneaux and Davis and published in the early 1970s; Mouvements Populaires et Sociétés Secrètes en Chine aux XIXe et XXe Siècles, ed. by Jean Chesneaux, Feiling Davis and Nguyen Nguyet Ho, Paris: Francois Maspero, 1970; as well as a collection of readings on secret societies edited by Chesneaux: Jean Chesneaux, ed., Les Sociétés Secrètes en Chine (XIXe et XXe Siècles), Paris: Julliard, 1965. It should be emphasised here that these are not the only themes to have attracted the attention of Western scholars with an interest in secret societies. In recent years there has been a strong interest in the religious aspects of secret societies and of their relationship to Chinese popular culture in the late traditional period. Such an approach has informed the work of Susan Naquin and, most recently, that of Joseph Esherick. See Susan Naquin, Millenarian Rebellion in China: The Eight Trigrams Uprising of 1813, New Haven, Conn.: Yale University Press, 1976; Susan Naquin, Shantung Rebellion: The Wang Lun Uprising of 1774, New
This proposition holds true in general terms. Some historians, it should be observed, have addressed certain aspects of secret societies in rural China, notably the activities of the Red Spears (Hongqi Hui) in the Huabei region in the 1920s. See, for example, Lucien Bianco, "Sociétés secrètes et autodéfense paysanne (1921-1933)", in Mouvements Populaires et Sociétés Secrètes en Chine aux XIXe et XXe Siècles, pp407-420; Roman Slawinski, "Les Piques rouges et la révolution chinoise de 1925-1927", in Ibid., pp393-406; Elizabeth J. Perry, Rebels and Revolutionaries in North China, 1845-1945, Stanford, Calif.: Stanford University Press, 1980.


One historian, indeed, who has dealt with the issue of secret societies in the urban environment of Shanghai is Tadao Sakai. Sakai might well be considered a special case, however, as much of his discussion relies heavily on his own experience as a Japanese intelligence officer who dealt with Shanghai secret societies in the course of his duties during the Sino-Japanese War (1937-1945); his work, therefore, has the attributes of a primary source, and is so treated in the present thesis. Tadao Sakai, "Le Hongbang (Bande rouge) aux XIXe et XXe siècles", in Mouvement Populaires et Sociétés Secrètes en Chine aux XIXe et XXe Siècles, pp316-343.

CHAPTER 1
THE ORIGINS OF THE GREEN GANG AND ITS EMERGENCE IN SHANGHAI
1900-1920

(1) The Origins of the Green Gang

The origins and evolution of the Green Gang are rather problematic and are the subject of some not inconsiderable debate among Chinese historians. One leading historian of the Green Gang, Hu Zhusheng, has observed that among the histories of modern Chinese secret societies that of the Green Gang is the one replete with the most complex problems; while another historian, Jerome Ch’en, has remarked that the history of the Green Gang "is a blend of facts and fiction, often more fiction than facts".¹

One contentious issue is the exact origins of the Green Gang. Many historians consider the Green Gang to be identical with the branch of the Patriarch Luo Sect (Luo Zu Jiao), a dissenting Buddhist sect, which was active among the Grand Canal boatmen in the eighteenth century. Others, however, suggest a much later date on the grounds that references to the Green Gang as a specific organisation only appear in the official records from the middle of the nineteenth century.² The one Western historian who has made a particular study of the grain tribute boatmen’s associations, David E. Kelley, argues that there is no evidence to suggest that the Green Gang "under any of its variant names" existed prior to the
second half of the nineteenth century, although he does allow for the possibility of some kind of continuity between the Luo Sect and the traditions of the Green Gang. The picture was complicated further by the contention of one Chinese historian, Li Shiyu, in an article published in 1963 that the Green Gang did not originate as a branch of the Patriarch Luo Sect; although he has renounced this view subsequently. It should be noted in this regard that the various Green Gang manuals ("tongcao") which were published in the early twentieth century trace the organisation's origins in an unbroken line back to the Patriarch Luo Sect and to the grain tribute fleets of the mid-Qing period. Whether this reflects an accurate representation of the facts or is merely the appropriation, or indeed the deliberate manufacture, of a tradition remains a question to be addressed by further historical research.

Another source of disagreement among historians is the nature of the relationship between the Green Gang and the Triads (Hong Men). Some historians contend that the Green Gang was merely a branch of the Triads, while others argue that the two organisations had quite separate origins and developed in quite distinct ways. This debate is of more than historical interest. In the early twentieth century to claim that the Green Gang was an offshoot of the Triads, given the latter's pronounced anti-Qing nature and its involvement in the 1911 Revolution, served the political purpose of enhancing the Green Gang's revolutionary legitimacy and political
credentials in the period of Guomindang rule.  

The following discussion does not pretend to resolve such questions in the historiography of the Green Gang. It provides merely a brief outline of those main features of the historical development of the Green Gang on which a majority of historians more or less agree as a background to the thesis proper. In brief, the antecedents of the Green Gang are to be found in the Buddhist sect of the Patriarch Luo (Luo Zu Jiao) and the boatmen's associations that developed among the crews of the tribute grain fleets on the Grand Canal. A major discontinuity, however, occurred in the historical evolution of the Green Gang in the mid-nineteenth century which raises important questions, as yet unresolved, about the true origins of this organisation; the doubts raised by these questions are compounded by the fact that the earliest recorded form of the term Green Gang (Qing Bang) - Anqing Daoyou (The Anqing League) - did not occur before the middle of the nineteenth century.

The Patriarch Luo Sect was an evangelical Buddhist sect which had evolved from the White Lotus Sect, and which was established in the late Ming. In the course of the sixteenth and seventeenth centuries it spread throughout China, and it in its turn spawned a number of sects the most important of which included the Da Cheng Jiao (the Mahayana Sect), the San Cheng Jiao (the Three Orders of Buddhist Saints Sect), the Wuwei Jiao (the Non-action Sect), and the
Lao Guan Zhai (the Venerable Officials Vegetarian Sect). According to official Qing Government reports dating from the mid-eighteenth century, the Patriarch Luo Sect was introduced to the soldiers and boatmen of the grain tribute fleets on the Grand Canal in the early seventeenth century by three individuals, Weng Yan and Qian Jian (both from Miyun County in Zhili) and Pan Qing (from Songjiang County in Jiangsu). These three were later known as "The Three Patriarchs" and by the eighteenth century the Three Patriarchs Sect (San Zu Jiao) - which was also known as the Pan Sect (Pan Men) - was the established sub-sect of the Patriarch Luo Sect among the crews of the grain tribute fleets.

The sect's structure generally followed the organisation of the grain transport fleets and it set up associations on each of the 128 fleets, and each association took its name from the name of its respective fleet (bang). A key role in the sect's organisation was played by the boatswain (duoshou) on each of the grain transport boats. He was empowered to set up a "church (jiaomen)" on his boat to which he recruited his fellow boatmen, and he would place also a spirit tablet to the Patriarch Luo on the ship's bowsprit. In time the dock officials (matou guan) who were regular officials in charge of the administration of the docks along the Grand Canal became another key post in the sect's organisation; they became senior members of the sect's associations with the right to open lodges (xiangtang) and to recruit disciples (tudi). The city of Hangzhou, the southern terminus of
the tribute fleets, became an important organisational centre for the boatmen's associations. It was here that a major temple of the Luo Sect (jiamiao) as well as three Buddhist monasteries (an) dedicated to Weng, Qian and Pan were located, together with their putative graves. These monasteries served also as hostels for the boatmen who came mainly from areas north of the Yangzi River (from Shandong and Zhili predominantly); and by 1727 there was a total of 70 of these monastery-hostels (antang). These monastery-hostels provided the organisational basis for the boatmen's associations (shuishou banghui). By the middle of the eighteenth century, therefore, that section of the Patriarch Luo which was active among the Grand Canal boatmen had established itself as a self-help organisation which provided services strikingly similar to those provided by huiguan (landsmanchaften), such as temporary accommodation, medical care and burial for the dead; at the same time it also functioned as a professional body which regulated the standards and transmitted the technical skills associated with the boatmen's occupation.

By the early nineteenth century these boatmen's associations had become so powerful that they were virtually a law unto themselves. Qing officials took action periodically to curb the more serious disorders, as when they arrested over 300 boatmen from the Jiabai Fleet in 1825. By the early nineteenth century, nevertheless, disorder was endemic among the grain transport fleets. In 1825, for example, the
Censor who oversaw the grain tribute system memorialised the throne to complain of the regular use by the associations' leaders of the tactic of delaying the scheduled sailing of the tribute fleets as a means of extorting a wage hike for their followers from the bannermen. Over a decade later, in 1839, Lin Zexu noted that murders were carried out regularly by the boatmen's leaders, whom he described as "teachers (shifu)" holding positions in the monastery-hostels (laotang); and he noted that these "teachers" used any means to increase their control over the boatmen including subverting the authority of the bannermen.  

In the mid-nineteenth century both man-made and natural disasters (notably the change in the course of the Yellow River in 1855) combined to bring about the demise of these boatmen's associations. These events also ushered in an extremely confused period in the history of the Green Gang which has yet to be evaluated satisfactorily by historians, and which is the key to an understanding of the formation of the modern Green Gang. By the mid-1850s the transportation of tribute grain by the Grand Canal had come to a complete halt. The move by the Taiping armies into the lower Yangzi and their occupation of Nanjing in 1853 ended grain tribute shipments from Zhejiang, and the change in the course of the Yellow River in 1855 made permanent the shift to sea transport for the grain tribute from Jiangsu which had commenced in 1848. As a result of these changes it is estimated that between 40,000 and 50,000 boatmen lost their
regular employment; when all those in ancillary and service occupations associated with the grain transport along the Grand Canal are included, the final figure must be calculated in the hundreds of thousands. The boatmen's associations, therefore, were completely disrupted by these developments and their organisation disintegrated. The temple of the Patriarch Luo in Hangzhou, which had become the devotional and organisational centre of the boatmen's associations, was completely destroyed due to the military activities associated with the Taiping Rebellion. According to the account in one Green Gang manual, as a result of this disaster:

In the fourth year of Xian Feng [1855]. . . the proper sacrifices to the Great Provider ended, and as a consequence incense was not burnt to the three ancestors for over forty years.

Large numbers of unemployed boatmen joined various rebel groups such as the Nian and the Red Turbans in Subei, and the Taipings in the Jiangnan. Many more, however, became salt smugglers, especially in the Huai region of Subei which contained some of the largest salt pans in the country. Salt was an official monopoly and a dietary staple of the Chinese population; its high price and inelastic demand ensured a flourishing illicit trade. The boatmen's associations already had well established relations with the salt smugglers in Subei. In the course of the eighteenth century
the Qing Government had authorised the officers and crews of the grain tribute fleets to carry a certain amount of cargo on their own account. Many used this concession to smuggle salt from the north where it was cheap to the ports on the Yangzi where its retail price was very high. In this lucrative enterprise the boatmen formed close working relations with the professional salt smugglers of the Liang Huai region of Subei who were referred to in the records as "green skins (qingpi)".

With the disintegration of the boatmen's associations a new organisation emerged in the Subei region in the 1850s and 1860s -the Anqing Daoyou (The Anqing League). Its membership was composed of former grain tribute boatmen and professional salt smugglers, and although initially these two groups represented separate elements within a loose organisational structure, by the 1890s they had fused into a single integrated organisation. The major activity of the League was salt smuggling, and its area of operations was, therefore, originally confined to that region of Subei, the Liang Huai, which was one of the largest of the twelve salt divisions under government monopoly, and where the salt smugglers congregated. A further reason for the concentration of the League's activities on Subei was that the Jiangnan region remained a cockpit of conflict between the Taiping and Qing armies into the early 1860s.

By the 1870s and 1880s, however, the Anqing League extended
its activities to the lower Yangzi ports, notably Yangzhou, and the Lake Tai region. By the turn of the century this latter region had become a major centre of the League’s smuggling activities.\textsuperscript{24}

It is now commonly accepted by historians that the name Anqing Daoyou represents the first clear reference to the Green Gang in the official sources, although they continue to disagree as to its precise origins. Some historians believe that the character "qing (清)" in Anqing Daoyou referred to the first of the twenty-four generational status groups into which the Green Gang was organised, and which was represented by the same character "qing (清)".\textsuperscript{25} Others consider that the term "anqing (安清)", which means "peace", was Buddhist in origin, and that it was used of a person entering a Buddhist sect, such as the Patriarch Luo Sect and its derivatives among the grain transport boatmen.\textsuperscript{26} Finally there are those historians who believe that neither of these versions is correct. On the basis of Qing Government records they argue to the contrary that the term "anqing" refers to the two neighbouring localities in Subei in which the League was first active, that is Andong (安东) and Qinghe (清河) counties, at the point where the Grand Canal intersected with the Huai River.\textsuperscript{27} On the evidence presently available this latter explanation appears to be the most plausible of the three.

It is still not clear how the name Green Gang (Qing Bang) evolved from that of the Anqing League. One possible explanation is that since the "qing (清)" = green in
the name Green Gang is a homophone of the "qing (青)" = clear/pure in the name Anqing, the former was written in error for the latter; a transposition that could have been assisted by the fact that one element in the Anqing League, the professional salt-smugglers, were called "green skins (qingpi)". Indeed it might be suggested here that the name "Green Gang (Qing Bang)" is in fact derived from the Subei term for salt-smugglers ("qingpi").

The immediate origins of the modern Green Gang, as opposed to its general antecedents, remain somewhat obscure. What can be inferred from the evidence presently available is that the foundations of the modern Green Gang were provided by the Anqing League, and that the Green Gang itself first emerged as a distinct organisation in the 1880s and 1890s. In the late 1880s a certain Pan Shengtai and others, who belonged to the Anqing League, organised a "Pan Sect (Pan Men)" which went under the official name of "Anqing Zhongxing (The Anqing Revival), and which was organised in association with the partial and temporary revival of the grain tribute system on the Grand Canal. This was one element in the politico-economic strategy of the officials of the Tongzhi Restoration (1862-1874) to restore those conditions which had obtained prior to the onset of the Taiping and other rebellions, but which in the late nineteenth century progressively succumbed both to escalating costs and to the development of a more economic and efficient alternative in sea transport. The revived system involved only six fleets (bang): the Jiang
Huai Si, the Xing Wu Si, the Xing Wu Liu, the Jia Bai, the Jia Hai Wei and the Hang San; and these six bang (fleets) provided a key element in the organisational system of the modern Green Gang. Tao Chengzhang noted the prevalence of this "Pan Sect" or "Pan Family (Pan Jia)" throughout the counties of the Jiangnan by the turn of the century. Tao also noted that by this time the "Pan Sect" was also commonly known as the "Green Gang", which in his view was a mistaken transcription of the term "Qing Bang". Another source, one of the Green Gang manuals ("tongcao") which were published in the early twentieth century, states that in 1886 (the twelfth year of Guangxu) a further twenty-four generational status groups were created by members of the "Xing" status group. It might be suggested that this event is the first clear reference to the creation of an organisational structure for the modern Green Gang.

It can be argued further that the creation of the modern Green Gang occurred over a prolonged period which extended into the first two decades of the twentieth century, and that its organisation was effected at different times in different localities. Support for this view is provided by the Green Gang manual cited above which provides some evidence to suggest that the organisation was carried out by members of the "Xing", "Li" and "Da" generational status groups whose period of activity covered roughly the forty years from 1880 to 1920. The same document also notes that a third batch of twenty-four generational status groups was created in
1921, which would suggest that the process of defining the organisational structure of the Green Gang had not yet been fully completed in the first two decades of the twentieth century.\textsuperscript{33} Some evidence for the proposition that the modern Green Gang was established at different times in different regions, and even in different localities of the same region, over the forty-odd year period 1885 to round about 1925 is suggested by a survey of the Anqing and Green Gang organisations in the seventeen counties of the Huai region of Subei which was conducted by Wu Choupeng in the late 1920s as part of a larger enquiry into the social and economic conditions of the region.\textsuperscript{34} According to this survey almost all of the Anqing League organisations (in nine of the seventeen counties), for which some form of date was given, claimed to date from the the end of the Ming or the beginning of the Qing Dynasty. This would appear to indicate that the Anqing League organisations in these counties utilised the pre-existing boatmen’s associations. The survey also revealed, however, that just under half of these Anqing League/Green Gang organisations (in eight of the seventeen counties) had been first established at some time in the second half of the nineteenth century, and mainly during the Guangxu period (1875-1908); and that two of them, those in Ganyu and Donghai counties, were established as late as 1914 and 1925 respectively. This would indicate a rapid expansion of these organisations in this region in the late nineteenth and early twentieth centuries. Most of these organisations which referred to themselves as Green Gang (Qing Bang),
moreover, were established in this later period, including the two which were set up in the early years of the Republic.

An important figure in the period of transition from the Anqing League to the Green Gang at the end of the nineteenth century was Xu Baoshan (1866-1913), a prominent leader of the Anqing League in Subei. His sphere of operations was in the lower Yangzi valley in the region between Yangzhou and Zhenjiang and here he progressively built up an impressive power base. By the first decade of the twentieth century he reputedly controlled over 700 salt smuggling craft and had over 10,000 followers, and in 1899 he established his own organisation, the Chunbao Lodge (Chunbao Shantang). Throughout the 1890s and 1900s Xu enjoyed fairly complex relations with the Qing authorities and with the revolutionaries, in both cases the relationship oscillated between conflict and co-operation depending on which policy best served to maximise Xu's interests at any given time. The apogee of Xu's power occurred after 1900 when he was appointed commander of the Qing Government's local anti-smuggling forces, and especially with the outbreak of the 1911 Revolution when he seized power in Yangzhou and gained control of the production and distribution centres of the salt industry. At the very moment of his triumph, however, Xu was assassinated by members of the Guomindang in revenge for the killing of Tongmenghui revolutionaries during his seizure of Yangzhou.
The career of Xu Baoshan has a significance for the later history of the modern Green Gang for four main reasons. In the first place a number of his key followers, such as Zhang Renkui and Gao Shikui, went on to become important leaders of the Green Gang in the Republican period, and so provided in their persons a degree of continuity between the Anqing League and the modern Green Gang. Secondly, Xu’s career reveals the complex relationship which existed between the leaders of the Anqing League and established authority, and the capacity of these leaders to co-operate successfully with that authority to mutual advantage. This was a pattern which was to be repeated by certain Green Gang leaders in the Republican period. Thirdly, a highly developed system of smuggling provided the economic basis for the power not only of Xu Baoshan but of all leaders of the Anqing League. The commodity, salt, was a necessary item in the diet of the Chinese population and one which was highly taxed by the State; therefore demand for cheap contraband salt was both high and constant. Again the management of this smuggling activity demanded not only a corrupt relationship with the local authorities, but also a highly developed relationship with local merchants in order to ensure the effective distribution of the contraband salt. In all these ways, therefore, the salt smuggling activities of Xu and other members of the Anqing League provided both a precedent and a reservoir of practical experience on which later Green Gang leaders could draw when they engaged in trafficking in opium in the Republican period.
Finally Xu Baoshan's career reveals the complex and confusing relationship that had developed between the Anqing League and the Triads by the turn of the century. As the creation of his Chunbao Lodge would suggest, Xu appears to have been a Triad member as well as a leader of the Anqing League. The relationship between the Anqing League and the Triads went back to the 1850s and 1860s when the Hunan Army was stationed in the Liang Huai region to both eradicate the Nian and eliminate salt smuggling. This force had been penetrated by the Gelaohui (the Society of Brothers and Elders) and most of its officers were members of the Gelaohui. These proceeded to co-operate in the salt-smuggling operations of the local leadership of the Anqing League, and by the end of the century a complex system of careful co-operation had developed between the Anqing League and the Gelaohui in Subei which allowed, on occasion, for leaders of the one organisation to become members of the other. This relationship was continued by the modern Green Gang in the twentieth century, although it was never free of serious rivalry and frequent conflict, and was affected by changing power balances both within each secret society organisation between the two secret societies.

Most Chinese historians who discuss the circumstances surrounding the creation of the Anqing League and the emergence of the Green Gang in the late nineteenth century do so in terms of the re-emergence and reorganisation of the Green Gang. This approach is based on the assumption that
the Green Gang and the eighteenth century boatmen's associations were one and the same organisation. As noted above there is no evidence to suggest that this was in fact the case (except for the organisational genealogies provided in the Green Gang manuals), and in fact there is some evidence to suggest that it was not. The argument that is made here is that the events in the second half of the nineteenth century reflect not the restoration of an old organisation but rather the creation of a new organisation. Although the Green Gang laid claim to the legacy of the Patriarch Luo Sect and the boatmen's associations, it was in fact a new phenomenon. Its appropriation of the rituals and organisational structure of the defunct boatmen's associations was part of a process by which it manufactured a "tradition" for itself which in turn assisted its assimilation into the rural communities of Subei and later the Jiangnan.

(2) The Organisational Structure of the Green Gang

Before proceeding to discuss the emergence of the Green Gang in Shanghai it is useful at this point to provide a brief description of the Green Gang's organisational structure. Details of the organisation and regulations of the Green Gang are provided by the Green Gang manuals (tongcao) which were published in the 1930s and 1940s. The information which is contained in these manuals is a mix of fact and received (indeed appropriated) tradition, and disentangling the one
from the other presents its own set of complex problems. Despite the difficulties, however, they constitute the major source of information on the internal organisation of the Green Gang, and have been used extensively by those Chinese and Japanese historians of secret societies who discuss the Green Gang.\(^3\) The present section does not attempt a detailed exposition of the Green Gang's organisational structure, and merely provides an outline of the issue sufficient to provide a background to the main body of the thesis.

The Green Gang organised itself as an ersatz lineage, and members regarded themselves as belonging to an extended clan system. They referred to the Green Gang as "the family (jia)" and to their membership as being "in the family (jiali)". An important aspect of this system was the organisation of the Green Gang along generational lines in imitation of the generational structures of lineage systems. Senior leaders in the Green Gang were called "masters (shifu or laoshi)" and their authority within the system derived from the seniority of their generational status; only these "masters", in theory, could recruit followers, who were called "disciples (tudi)". New members on entering the Green Gang were given, at the same time, a generational name ("zi") which designated their position within the Green Gang hierarchy. The new members' generational status within the Green Gang would be the one immediately below that of their "master". In the first half of the twentieth century, for
example, four generational status groups operated within the Green Gang which were, in descending order of seniority, the "Da", the "Tong", the "Wu" and the "Xue" (with the latter occasionally being referred to as the "Jue"). Thus followers of leaders who belonged to the "Da" generational status group (the most senior of the four) were members of the "Tong" generational status group, which was the next one down; and those followers of the leaders of the "Tong" generational status group were members of the "Wu" generational status group; and similarly followers of leaders the "Wu" generational status group were members of the most junior generational status group of the period, the "Xue".39

Originally there were twenty-four generational status groups ("zibei") whose creation was ascribed to the putative founder of the Green Gang, Jin Bifeng.40 According to the Green Gang manuals the first four generational groups (the "Qing", "Jing", "Dao", and "De") were assigned to the ancestral founders of the Green Gang: with Jin Bifeng, himself, occupying the "Qing" generation; Luo Qing (the founder of the Luo Sect) occupying the "Jing"; Lu Kui (the "Ancestor Lu") occupying the "Dao"; and the three "Late Ancestors (Houzu)", Weng Yan, Qian Jian, and Pan Qing occupying the fourth or "De" generation.41 There is some controversy over the origins of the last four generational status groups (the "Da", "Tong", "Wu" and "Xue") with some sources denying that they formed part of the original generational structure of the traditional Green Gang, and arguing that they were
created only at the turn of the nineteenth and twentieth centuries. One source asserts that there were in fact only twenty generational groups in the original Green Gang structure, and that the last of these generations, the "Li", coincided with the final years of the Qing Dynasty which ended in 1911, and it was at this time that four further generational groups (the "Da", the "Tong", the "Wu" and the "Xue") were created; and these were numbered twenty-one to twenty-four in the generational hierarchy. Another source agrees with this periodisation, and adds a further refinement by suggesting that these four generational groups were created by anti-Qing revolutionaries who sought to use the Green Gang groups in the Jiangnan, and that the generational names are an enigmatic reference to the Datong Military School (Datong Wuxue) which was set up in Shaoxing by Xu Xilin and Qiu Jin. This latter suggestion, however, has not yet been substantiated by corroborating evidence. As noted in the previous section two further sets of twenty-four generational status groups were created in the late nineteenth and early twentieth centuries, which would suggest that the Green Gang was undergoing significant organisational changes in this period.

One further point needs to be made with regard to the generational structure of the modern Green Gang. Although membership of a senior generational group conferred influence and status within the Green Gang system, it did not necessarily confer power. Within the Shanghai Green Gang,
for example, Huang Jinrong did not become a member of one of the Green Gang's generations until late in his career, but this fact did not inhibit his ability to control his followers who were Green Gang members. Until he formally joined the Green Gang in 1923, Huang was described as having an "empty character (kongzi)", that is he lacked membership of a formal generational status group (zibei). Du Yuesheng, for his part, was a member of the rather lowly "Wu" generational status group, which was ranked twenty-third out of the twenty-four generations. This did not prevent him, however, from exercising authority over Green Gang members who belonged to the generational status group, the "Tong", which immediately preceded his own. This contradiction between formal status within the Green Gang system and the exercise of actual power is fundamental to an understanding of the development to an understanding of the emergence of the Green Gang in Shanghai. It reflects the fact, as suggested in the early part of this chapter, that the Green Gang was a relatively new phenomenon whose organisational structure was still evolving in the first decades of the twentieth century. As a result it was prepared to co-opt existing sources of gangster power (such as that exercised by Huang Jinrong), and at the same time its hierarchical structure was not sufficiently well-defined to prevent the acquisition of significant power by members whose formal status in the hierarchy was relatively low (such as Du Yuesheng).
The Green Gang was also organised into separate branches or gangs (bang). In the Green Gang tradition as recounted in the manuals these branches were reputedly based on the grain tribute fleets (also called bang) of the Grand Canal. In the early twentieth century, however, there were only six major branches in the Green Gang structure, and, as mentioned in the preceding section, these appear to have been based on, or at least had the same names as, the six fleets of the grain transport that were revived temporarily by the Qing Government in the late nineteenth century. These six branches were the Jiang Huai Si, the Jia Bai, the Xing Wu Si, the Xing Wu Liu, the Hang San, and the Jiang Hai Wei. These branches did not have precise geographical areas of activity, and their areas of predominance depended on the movements of the leaders of the "Da" generational group of the respective branches, and on who among these leaders recruited followers and in what numbers. Two branches were influential in Shanghai in the 1920s and 1930s, the Xing Wu Si (which flourished in the French Concession) and the Xing Wu Liu (which flourished in the International Settlement); while the Jia Bai became the most powerful branch in Zhejiang after the 1911 Revolution.

According to the Green Gang manuals the induction of new members involved fairly elaborate ceremonies, which were originally modelled on those of Buddhist monasticism. Green Gang initiates, for example, dressed in robes similar to those worn by Buddhist monks, and the terminology used in the
ceremony was derived from that obtaining in Buddhist temples: the process of applying for membership was referred to as "entering the monastery (shangxiang)", while the customary payment made on joining the Green Gang was called "making one's vows (shoujie)". The initiation ceremony itself was called Xiangtang and could be either fairly simple or extremely elaborate with different degrees in between; although whatever its degree of elaboration it was normally held in a local temple. In general the particular Green Gang leader who was accepting new followers and who was designated "the master" was assisted by six other "masters" who performed clearly defined and important roles in the ceremony. These included the introduction (yinjian) of applicants, their instruction in Green Gang principles (zhuandao), the supervision of the ceremonies (sili), the custody of the official seal (yongyin) and the drafting of proclamations (zhangbu).

An applicant for membership of the Green Gang first had to find a Green Gang "boss (laotou)" with sufficient generational status to introduce him to the leader ("master") whose follower he wished to become. Once he had secured an introduction he then had to write out an application form (baishitie) containing information on his family background for three generations, his age, his native place, and his occupation which he then presented personally to the "master". The applicant then joined other initiates in the membership ceremony which involved kowtowing three times and
burning incense before the altars containing the tablets representing the Patriarch Luo and the three progenitors (zhuye), Weng, Pan and Qian, which was followed by three prostrations before the "master" and his six assistants. After a period of time the initiates were each given a mouthful of water, in a ceremony known as "the mouth cleaning (jingkou)", which symbolised their purification and rebirth as a member of the Green Gang. The "master" then put a series of formal questions to each initiate regarding their willingness to accept the rules of the society and the prescribed punishments for any breach of the Green Gang's code. Each of the initiates then received a certificate of membership on payment of a fee Ch$10 or Ch$12 to the presiding "master". The ceremony then usually concluded with a formal dinner party.  

The Green Gang had, at least in theory, a very strict code of conduct which its members transgressed on pain of very severe penalties including death. The key regulations were the so-called "ten great rules (shi da banggui)" which were designed to ensure organisational solidarity and esprit. They forbade "disciples" to deceive their masters or disgrace the Green Gang Ancestors; and encouraged them to respect their seniors in the Green Gang structure, to obey the society's rules, to deal fairly with other members of the society, to keep the society's secrets, and to avoid adultery and theft. They also bound all members to uphold the traditional Confucian virtues of "benevolence (ren)", "righteousness (yi)", 

"propriety (li)", "wisdom (zhi)" and "sincerity (xin)". There were also a number of supplementary rules and proscriptions which covered such issues as the settlement of disputes between Green Gang members, mutual assistance among members, hospitality to travelling members, secret signs of recognition, and disciples' responsibilities to their masters.⁴⁸

(3) The Emergence of The Green Gang in Shanghai

By the turn of the nineteenth and twentieth centuries Shanghai had emerged as an important centre of Green Gang activity. There were three general factors which, taken together, produced an environment in Shanghai favourable to the growth of gangsterism in general and the development of the Green Gang in particular. These were the emergence of Shanghai as a key transshipment point in the grain tribute system in the late nineteenth century; the mass peasant migration into Shanghai from the rural hinterland, especially from impoverished Jiangbei, consequent on its emergence as an industrial centre after 1895; and the existence of separate police jurisdictions in the city, together with the colonial nature of the police systems in the two foreign settlements.

In the latter half of the nineteenth century an increasing proportion of the tribute rice from the Jiangnan was transported by sea rather than by the Grand Canal, first in sea-going junks and then in steamships. One consequence of
this development was that Shanghai, as the southern terminus of the sea-transport system, became an important transshipment point for the tribute rice from Jiangsu and Zhejiang. The tribute grain from these provinces was transported to Shanghai where it was stored, weighed and loaded onto the sea-going junks. The latter then assembled off Chongming Island and proceeded as a fleet to Tianjin, the voyage taking about one month or only one-third of the time it took to transport the grain up the Grand Canal. As a result many former boatmen and others associated with the Grand Canal transport system moved to Shanghai in order to work on the docks, the sea-going junks and the steamships when the latter began to replace the junks. These former transport workers on the Grand Canal brought with them to Shanghai elements of the new Green Gang organisation which, as noted in the first section of this chapter, was in the process of definition during this period. Tribute rice was an increasingly important cargo for the steamers of the China Merchants Steam Navigation Company (Lunchuan Zhaoshangju - CMSN) after 1873, and the CMSN ships and docks in Shanghai became particular centres of Green Gang activity by the beginning of the twentieth century. By the end of the nineteenth century local officials began to take note of the increase in crime, smuggling in particular, on the Shanghai waterfront. In 1889, for example, Qing officials in Shanghai agreed on the need to establish an anti-smuggling squad on the Huangpu River in order to curb the activities of the numerous smuggling craft on the river. In this way, it
may be suggested, Shanghai emerged as a centre for the modern Green Gang from the latter's inception in the decades of the 1880s and 1890s.

In the early twentieth century Shanghai's position as the leading commercial and industrial centre in China acted as a magnet for peasants and merchants alike who came from all over the country to work in its factories and commercial firms. As a result the city's population burgeoned dramatically in the first thirty years of the twentieth century. The population for the whole of Shanghai virtually trebled in the brief twenty-year period 1910-1930, increasing from just over one million to just over three million. The population increases in the foreign settlements were even more dramatic. In the International Settlement the population doubled between 1895 and 1910 and doubled again between 1910 and 1930; while that of the French Concession almost tripled between 1895 and 1915 and more than tripled again between 1915 and 1930.\(^{52}\) The greater part of this increase was provided by immigrants from other parts of China, principally the Jiangnan and Jiangbei regions. In the International Settlement, for example, immigrants from other regions of China made up over eighty-nine per cent of the total population in 1895, over eighty-two per cent in 1910, and over ninety per cent in 1930.\(^{53}\)

In addition to the indigent peasantry these immigrants also included various social groups who lived either close to the
margins of the law or entirely outside of it in their home communities. These groups included disbanded soldiers, salt smugglers, bandits, local thugs and rural police constables who were attracted by the enhanced opportunities for their activities provided by Shanghai. Many members of these groups, like the peasant immigrants generally, came from rural Jiangbei which, as was noted earlier in this chapter, was a major centre of Green Gang activity. Many of them were, in fact, members of the Green Gang, and they brought with them their own Green Gang organisation which served to reinforce the Green Gang system already present in Shanghai. Support for this proposition is provided by a names list of Green Gang leaders which was compiled by a Green Gang manual in the 1930s, in which the overwhelming majority of those listed as resident in Shanghai (62 per cent) actually came from other parts of China, notably Jiangbei, Shandong and Ningbo.\(^54\)

Thus in the early years of the twentieth century Shanghai was a city of immigrants, and one where the social cohesion of the Chinese population was tenuous at best. In this situation the role of native-place (tong xiang) networks gained in significance, and these provided the basis for whatever social organisation existed among the Chinese population. This fact was of enormous importance in the development of organised crime in the city. Given the fact that most of the gangsters were themselves immigrants, the native-place system itself became the basic building block of
gangster organisations. Many gangster bosses restricted their area of operations to their fellow provincials, as did Gu Zhuxian in the International Settlement and Jin Jiulin in the French Concession, both of whose power bases were provided by their fellow immigrants from Subei. The gangsters used native-place networks to organise protection and other rackets (such as prostitution, gambling etc.); to interpose themselves as middlemen between their native-place group and other such groups; to mediate relations between their fellow-provincials and petty officialdom in the various municipalities of Shanghai; and to gain control of the labour market and transform it into a lucrative racket.

The large influx of Chinese immigrants into Shanghai in the 1910s and 1920s, and the attendant increase in gangster activities, posed serious problems of social order and control for the city's police authorities. These authorities, however, were ill-equipped to deal with such problems. Shanghai was not one city but three cities - the Chinese City, the International Settlement and the French Concession - each with its own administrative, legal and (most important) police systems. There was little or no institutional cooperation between the three separate police authorities, and what cooperation did occur was on an ad hoc and individual basis. The lack of such formal cooperation between the two foreign jurisdictions was all the more remarkable given their shared interests in the maintenance of their respective colonial authorities. The degree of
isolation between the foreign administrations was reflected in the admission by the acting French Consul-General, Jacques Meyrier, to the French Municipal Council in the wake of the May 30 Incident in 1925 that no direct telephone link existed between the police authorities of the French Concession and the International Settlement. The problem was exacerbated by the fact that the three municipalities were not merely civic administrations but were also separate national jurisdictions, and therefore routine police functions (such as criminal investigations and the maintenance of local order) could and did take on the character of exercises in international relations. The frustrations to which such a situation gave rise were well summed-up by the Commissioner of the Municipal Police of the International Settlement in the following extracts quoted by Feetham in his report on the question of extraterritoriality to the Municipal Council in 1931:

While the police forces do cooperate with each other to the best of their ability in the circumstances, full cooperation is impossible because of fundamental differences in ideas of police administration. Prevalence of crime in one area is not likely to give cause for anxiety to the police in another area; in fact, there is no exchange of information between the three authorities in connection with the general state of crime. There is no central police control....
Further while the principles on which the police administrations of the three independent areas of a large city work, differ as fundamentally as they do in Shanghai, and while political expediency gives rise to continual friction, there can be no real cooperation between the different police authorities in suppressing crime.\(^{59}\)

Such a situation of divided and conflicting police jurisdiction allowed the gangsters to flourish and to extend their own organisational systems. They could set themselves up in one jurisdiction and conduct armed robberies, kidnappings and narcotics trafficking in the other two jurisdictions, and they could safeguard their base by bribing the local beat policemen and even relatively senior police officials.\(^{60}\) During periodic police crackdowns the gangsters could avoid any substantial loss to their position by moving between jurisdictions. It was for eventualities such as these that the various gangster groups entered into agreements and formed loose alliances among themselves. A good example of how the system of divided police authority worked to the advantage of leading gangsters is provided by the career of Wang Yaqiao. Wang, a Green Gang member and a professional assassin, ran Shanghai's equivalent of Murder Incorporated, and, despite being on the most wanted lists of all three Shanghai police forces, he was able to continue his activities virtually unhindered for almost twenty years.\(^{61}\) It can be argued, in fact, that the Shanghai gangsters
successfully transferred to this Sino-foreign urban environment the rural bandits' classic strategy of establishing their "lairs" in the no-man's land between two or more county or prefectural administrations: by 1920 Shanghai had become a veritable urban Liangshanpo.\textsuperscript{62}

The situation was further complicated by the fact that gangsters also formed the basis of the Chinese detective squads in both the International Settlement and the French Concession. The chief of the Chinese Detective Squad of the Shanghai Municipal Police (SMP) in the 1910s and 1920s was one Shen Xingshan. Shen was also the principal leader of the gangster organisation known as the Big Eight Mob, which controlled the narcotics traffic in the International Settlement in the late 1910s and early 1920s and many of his lieutenants were also members of the Municipal Police's Chinese detective squad.\textsuperscript{63} Indeed the Big Eight Mob had such a grip on the SMP Chinese detective squad that one former China coast journalist observed rather sardonically that "almost every Chinese detective on the [SMP] force had a criminal record."\textsuperscript{64} A similar situation obtained in the French Concession where Huang Jinrong was Chief of the Chinese Detective Squad of the French Police, and which is discussed in detail elsewhere.

The fact that this state of affairs continued throughout the lives of the foreign settlements would seem to indicate deliberate policy rather than mere chance occurrence. The
probable rationale for this policy was that the cooption of selected gangster groups was the most cost-effective way of maintaining order among and control over the settlements' Chinese populations. This reflected the fact the police forces of both settlements were essentially colonial forces whose main task was to ensure the security of the colonial administrations and the lives and property of the imperial powers' citizens, and not the enforcement of law among the subject (Chinese) population. Given that the gangster/detectives' function was to mediate the coercive power exercised by the colonial authority over the indigenous Chinese population, their role was in effect that of "compradors of violence." This general rationale was doubtless reinforced in the Shanghai situation by the enormous problems of social control posed by the continuous large increases in the Chinese population throughout this period, and by the specific problems for police control posed by the separate national jurisdictions. Whatever the reasons for this policy, its effect was to strengthen and, to a degree, institutionalise gangster organisations in the foreign settlements. The access to foreign authority which the gangster/detectives gained by virtue of their role in the system of control strengthened their power and enhanced their status among other gangster groups. Indeed their role gave them a certain legitimacy within the settlements' colonial power structure and some of them, such as Huang Jinrong, were even decorated by the colonial authorities for services rendered.65
The gangsters also took advantage of the colonial structure of the foreign settlements in other ways in order to enhance their security. One means which proved rather effective was bribing the consuls of countries enjoying extraterritoriality in order to obtain the nominal citizenship of these states and the extraterritorial privileges that went with it. In this way the gangster bosses could ensure that any criminal cases involving themselves would be heard by these consuls in the Mixed Courts of the International Settlement and the French Concession, who would invariably dismiss the proceedings. In the early 1920s the Portuguese, Spanish and Chilean consuls-general enjoyed a lucrative business by selling the rights of citizenship of their respective countries to a large number of local Shanghai gangsters. Included in this number were Du Yuesheng, who enjoyed Portuguese citizenship, and the Guangdong narcotics "king," Ye Qinghe, who claimed to be a Chilean protege.66

At this point it should be noted that the Green Gang was not the only secret society which operated in the Shanghai area in the early twentieth century, although it was the predominant one. Other secret societies which were active in Shanghai were those associated with the Triad (Hong Men) system: the Heaven and Earth Society (Tiandihui), the Three Harmonies Society (Sanhehui), the Three Dots Society (Sandianhui), and latterly the Society of Brothers and Elders. The Triads originally were composed of Ming loyalists on Taiwan and their area of activity later spread
to the southern coastal provinces of Fujian and Guangdong. By the end of the eighteenth century they were active in the Jiangnan region; and it was a Triad offshoot, the Small Sword Society (Xiaodaohui), which seized control of Chinese Shanghai from the Qing Government in September 1853 and administered it for some seventeen months until February 1855. In the wake of the Taiping Rebellion the structure of Triad organisation in Shanghai changed with the extension of the activities of the Society of Brothers and Elders into the lower Yangzi region in the 1860s and 1870s. By the end of the nineteenth century the Society of Brothers and Elders had displaced the other Triad groups, such as the Heaven and Earth Society, and had emerged as the major Triad organisation in the Shanghai area. It was about this time that the term Red Gang (Hong Bang) was first used in reference to Triad groups. Although the origins of this term are still a matter of dispute, the character for "red" (hong[^7]) is a homopheme of the character for "vast" (hong[^'^/r]) in the name Hong Men; and one theory suggests that the transposition of the terms occurred because Qing officials habitually referred to members of the Hong Men as "red turban bandits (hongjinzei)".

For roughly thirty-five years, from about 1880 to about 1915, the Red Gang (that is the Triads belonging to the system of the Society of Brothers and Elders) was the dominant secret society organisation in Shanghai. It was involved with the opium trade through the activities of the influential
Chaozhou Clique (Chao Bang) of opium merchants, all of whose members were also members of the Red Gang. At the same time its political activities were closely linked with those of Sun Zhongshan’s revolutionary organisations, the Revive China Society (Xingzhong Hui) and the Alliance Society (Tongmeng Hui), and it played a major role in the 1911 Revolution. By the end of the second decade of the twentieth, however, the Red Gang had entered a period of rapid and prolonged decline. Its connections with the late Qing revolutionary organisations served it ill in the troubled politics of the new Republic; it was the subject of concerted attacks by the governments of Yuan Shikai and Li Yuanhong as a result of its participation in the 1911 and 1913 revolutions and the anti-monarchist movement of 1915-1916, and these attacks seriously disrupted its organisation and activities. At the same time it did not benefit to the same degree as did the Green Gang from the aforementioned demographic changes in Shanghai, and its membership numbers declined significantly while those of the Green Gang increased dramatically. Finally the Red Gang’s economic position in the Jiangnan region was undermined by its loss of control of the opium contraband to Green Gang groups such as the Big Eight Mob, in the manner discussed in the following chapter, as the legal trade was phased out in the course of the 1910s. Although the Red Gang remained active in Shanghai and ran a large number of rackets in its own right after 1920, it was no longer the predominant secret society in the city and essentially functioned in a subordinate
capacity to a succession of major Green Gang groups, as discussed elsewhere.

(4) The Major Green Gang Groups in Shanghai in the 1920s

By the 1920s Shanghai had become notorious as the major centre of large-scale criminal activity in China. There are no reliable figures for the total number of gangsters in Shanghai, nevertheless the most commonly cited contemporary estimate for the 1920s and 1930s was about 100,000, which represented just over three per cent of the city's population at that time. Most of these were members of the Green Gang which was by that time the predominant secret society-cum-gangster organisation in Shanghai. According to a name-list of prominent Green Gang members compiled in the early 1930s over ten per cent were resident in Shanghai, which represented the greatest concentration of Green Gang leaders in any city in China at that time.

The Green Gang system in Shanghai did not represent a single, integrated organisation, but rather functioned as a loose structure of interlocking webs of influence and authority which allowed for the coexistence within it of different and competing groups. According to Jiang Hao, who was himself a Green Gang leader and a member of the Guomindang in the 1930s, there was a total of forty-eight Green Gang leaders who were prominent in Shanghai over the period of thirty years from 1919 to 1949. All of these leaders recruited
their own followers, exercised real, if unequal, power in their own right, and their relationships with one another oscillated between guarded co-operation and outright conflict, depending on which strategy best served their interests at any given time. The majority of these Green Gang bosses belonged to the "Tong" generational status group (34 or 70 per cent), while ten (or 20 per cent) belonged to the prestigious "Da" generational status group; only one, Du Yuesheng, belonged to the relatively lowly "Wu" generational status group. There were, in other words, different centres of power within the system at any given moment, and these shifted and changed over time. By the 1920s, for example, three or four of these groups had emerged as significant, if different, centres of power within the Green Gang system in Shanghai. These were Zhang Renkui's group and the Big Eight Mob (Da Ba Gu Dang) both located in the International Settlement; Gu Zhuxian's group in the Zhabei-Hongkou area; and Huang Jinrong's group in the French Concession.

Zhang Renkui (1859-1945) played a very important role in the consolidation of the Green Gang system in Shanghai in the 1920s. A native of Teng County, Shandong, he began his career as a lieutenant of Xu Baoshan, as noted earlier, and he took over Xu's command on the latter's death in 1913. He was well-connected with the world of warlord politics and in 1917 he became Tong-Hai Defence Commissioner in Subei, a post he held until 1927. Zhang was a member of the "Da"
generational status group of the Xing Wu Liu Branch of the Green Gang and he belonged to that generation which had forged the modern Green Gang in the 1880s and 1890s: in other words he personified the link between the Anqing League in Subei of the late nineteenth century and the modern Green Gang in Shanghai of the early twentieth century. His influence extended throughout the Subei region, including southern Shandong, and later it included the Jiangnan and Shanghai, where he took up permanent residence in the early 1920s. By that time Zhang was the most prestigious Green Gang leader in Shanghai and most leading gangsters sought to become his followers in order to enhance their standing and to obtain the legitimacy of a relatively high generational status within the Green Gang system. It was largely because Zhang was a member of the Xing Wu Liu Branch that this branch became one of the predominant organisations in the Green Gang system in Shanghai. According to the name-list of Green Gang leaders compiled by Chen Guoping in the 1930s over 40 per cent of all members of the "Tong" generational status group of the Xing Wu Liu Branch of the Green Gang throughout China were members of Zhang Renkui's personal organisation, the Benevolence Society (Ren She).77

In the early 1920s the Big Eight Mob was one of the most powerful Green Gang organisations in Shanghai through its control of the trafficking in contraband opium and its close links with the SMP. However its power rapidly declined in the mid-1920s in circumstances which are described in detail
among the Green Gang groups which rose to prominence in the course of the 1920s was that organised by Gu Zhuxian (1885-1956). Gu was a migrant from Subei, his native place was Yancheng County, who arrived in Shanghai in 1900 to work as a ricsha coolie and later, briefly, as a Chinese constable in the SMP. About 1904 he joined the Green Gang when he took as his "teacher (shi)" Liu Dengjie, a local Green Gang leader who belonged to the "Da" generational status group of the Xing Wu Si Branch, the second largest Green Gang branch operating in Shanghai in that period. After his enforced resignation from the SMP Gu became involved with the local entertainment industry in the Hongkou-Zhabei district, where he opened a teahouse, the Desheng Lou, and later gained control of the Moon Theatre (Tianshan Wutai) on Jiujiang Road. At the same time he went into the ricsha business with his brother Gu Songmou and eventually controlled most of the ricsha hongs in Hongkou and Zhabei. During the late 1910s and early 1920s he built up his power base among his fellow Subei migrants in Zhabei through his involvement with, and later control of, the Zhabei Volunteer Corps (the local militia) and the Jiang-Huai Fellow Countrymen's Association (Jiang Huai Tongxiang Hui). By the late 1920s Gu had established a commanding position for himself in the Zhabei-Hongkou area. As Rewi Alley, who got to know Gu and his associates quite well in this period through his work with the Fire Department of the Shanghai Municipal Council,
remarked:

... The vendors at the public markets, the contractors who bossed the watersiders and grew rich off their wages, the contractors for female labour in the cotton mills, the court officials and police detectives, and the whole controlling structure of Shanghai society paid homage [to Gu Zhuxian].

The other Green Gang group which became increasingly more powerful in the 1920s was the organisation controlled by Huang Jinrong (1868-1953). Huang was the son of a policeman. His father, Huang Bingchuan, had been chief constable (bukuitou) in the Suzhou prefectural yamen, and on his retirement he opened a teahouse, the Sanpai Lou, in Nandao. Huang Jinrong was apprenticed to a scroll-mounting shop in the Shanghai City Temple (Cheng Huang Miao), but he spent most of his time in the company of the local gangsters who frequented his father's teahouse. Huang had contracted smallpox as a child and he was therefore given the nickname "pock-marked Jinrong (mapi Jinrong)" which remained with him throughout his career. In 1892 he joined the French Concession Police as a detective constable which launched him on a successful career as a policeman. As discussed elsewhere Huang used his power and influence as a police officer to build up his gangster connections: he controlled opium hongs, gambling joints and brothels; he extended his protection to thieves, armed robbers, pimps, kidnappers and
murderers; and he also recruited his own petty hoodlums to run protection rackets on his behalf. Although Huang maintained close relations with members of the Green Gang, and many of his own followers were Green Gang members, he himself was not a member of the Green Gang for most of his active career.

Because of his position in the police force Huang was careful not to become involved directly with his various illicit operations; it was his wife, Madame Gui, who looked after these activities on his behalf. A former brothel-keeper from Suzhou she was a shrewd and intelligent woman and acted as Huang's de facto adviser; indeed her role in Huang's organisation and the influence she exercised over his operations revealed the highly influential role which women could play in the Green Gang system. Madame Gui was an important gangster-entrepreneur in her own right. She controlled the lucrative nightsoil business in the French Concession through her company the Mahong Ji Nightsoil Hong (Mahong Ji Fenhang), and she was commonly referred to in Shanghai as the "nightsoil queen (fenwang)".

By the early 1920s Huang Jinrong's senior lieutenant was Du Yuesheng (1888-1951). Du was born into an extremely poor family in the village of Gaoqiao, Pudong. He received next to no formal education and was illiterate for most of his life; it was only in the 1930s that he hired scholars to teach him the basics of reading and writing, with indifferent
success. He was, nevertheless, a highly intelligent individual and had both a shrewd mind and a striking capacity to think strategically. About 1906 he was apprenticed to a fruit shop, the Da You Fruit Hong in Nandao, where he worked for five years until he was dismissed for stealing the shop's takings to fund his gambling interests. During his period as a shop assistant Du got to know a number of local gangsters, and after his dismissal he took up the uncertain life of a local hoodlum (a "xiao bisan") frequenting the wharves of Shiliupu, where he was known as "Fruit Yuesheng (Shuiguo Yuesheng)", and derived a precarious livelihood from small-time opium dealing, robbery and extortion. An interesting description of the activities of these local hoodlums or "loafers" is provided in a memoir written by a former British officer of the SMP where he notes:

it is by instinct alone that you recognize the loafer [i.e. "bisan"]. He has about as little intelligence as the coolie, except that he becomes a little more cunning. His hand-to-mouth existence teaches him that. He might be compared to the hooligan known in other countries, but he is much more ruthless. The loafers usually work in gangs, and sell their services to anyone who wants any dirty work to be done and is afraid to do it himself. They blockade shops that are being "squeezed" by some racketeering gang, act as decoys for blackmailers, and generally act as the jackals for the lions in the crime racket.84
At some point in the early 1910s Du became a follower of Chen Shichang, the local gangster boss in the Shiliupu district and a member of the "Tong" generational status group of the Jiang Huai Si Branch of the Green Gang. In this way Du joined the Green Gang as a member of the relatively lowly "Wu" generational status group, and he held a series of inconsequential positions in Chen's organisation.

The turning point in Du's early career came in the second half of the 1910s when he was introduced to Huang Jinrong who gave him a job as one of his police informers. Madame Gui recognised Du's abilities and assisted his career in Huang's organisation by, among other things, giving him the management of some of Huang's gambling joints. A form of mother-son relationship developed between Madame Gui and Du who remained fiercely loyal to her, and in later years frequently referred to her importance in his career. In 1918 Du was introduced to the opium business by Huang Jinrong who obtained for him an appointment as an assistant in an opium hong in Hongkou, and then as manager of a large opium hong on the Rue du Consulat. Du now had sufficient standing within the organisation to begin recruiting followers of his own, and in 1920 he bought a jewellery shop, the Meizhenhua Ji, on the Rue du Consulat which was managed by one of his followers, Li Yingsheng, and which he used as the headquarters for his opium operations.
The third figure in what was to become the gangster triumvirate in the French Concession was Zhang Xiaolin (1877-1940). Zhang was a native of Cixi County, Zhejiang, and his early career was spent in the provincial capital of Hangzhou. In 1897 he and his brother worked as machinists in the Hangzhou Engineering School (Hangzhou Jifang Xue), and it was during this period that Zhang took up with local toughs and first experienced the world of the gangster-playboy ("baixiangren"). Some time in the first half of the 1900s Zhang entered the Zhejiang Military Preparatory School (Zhejiang Wubei Xuetang) although he left before graduating. His classmates included future Zhejiang warlords such as Zhou Fengqi, Xia Chao, Zhang Zaiyang, and Gu Naibin, and this relationship proved extremely important to Zhang's later career. After leaving the military school Zhang was employed as a "runner" or "legman" (paotui) by Li Xiutang, the Chief of Detectives of the Hangzhou Prefecture, and he took this opportunity to engage in various extortion rackets. At the same time Zhang also pursued a career as a professional gambler and he made a comfortable living fleecing the peasants in the Hangzhou, Jiaxing and Lake Tai districts. In 1919 Zhang moved to Shanghai where he lived off the earnings of prostitution and gambling: he operated a gambling joint-cum-brothel called the Manting Fang on Guangdong Road, and a bull ring just off the Avenue Joffre in the French Concession. At this time he joined the Green Gang by becoming a follower of Fan Jincheng who belonged to the "Da" generational status group. As a member of the "Tong"
generational status group, Zhang began to recruit his own followers and extend the range of his activities; it was in this period that he developed a relationship with Huang Jinrong and Du Yuesheng and became involved in contraband opium.

In sum the Green Gang was a newly established secret society organisation. Despite its generational antecedents in the boatmen's associations and the Patriarch Luo Sect, the Green Gang's actual origins cannot be traced much beyond the last two decades of the nineteenth century. Indeed the Green Gang was still in the process of organisational definition in the first two decades of the twentieth century. This fact is of considerable importance in understanding its emergence in Shanghai. Rather than representing the adaptation of a long-established traditional secret society organisation to a new Sino-foreign environment, the Green Gang in Shanghai in fact was part of a newly emergent organisation which was still in the process of formation. In other words the development of the Green Gang in Shanghai was not an aberrant form of a well-established secret society system, to the contrary it was an integral part of a new phenomenon: the Shanghai environment was of central importance in the organisational development of the Green Gang.
Endnotes


5. Cai Shaoqing gives a condensation of the origins of the Green Gang provided by these manuals; Cai Shaoqing, p.80.

6. Those historians who argue that the Green Gang was a branch of the Triads include Jerome Ch'en, "Rebels between rebellions: secret societies in the novel P'eng Kung An", *Journal of Asian Studies*, 29, 4 (August 1970):813; Jerome Ch'en, "The Origins of the Boxers", *ibid.*, pp65-66; Wu Rui, "Tan Qing Bang (Discussing the Green Gang)", *Changliu* (Free Flow), 43, 11 (July 1971):35; Nan Huaijin, "Qing Bang xingqi de yuanyuan yu neimu (The origins and inside story of the rise of the Green Gang)", *Xin Tiandi* (New Universe), 5, 8 (October 1966):12. It is perhaps not accidental that the latter two authors are historians from Taiwan.
Those historians which reject these claims include Hu Zhusheng, Cai Shaoqing, Dai Xuanzhi and Li Shiyu.

7. This certainly motivated contemporary accounts such as that of Liu Lianke in 1940 which stressed the Triad origins of the Green Gang in order to gain political advantage in the present; Liu Lianke, Banghui Sanbainian Geming Shi (A History of the Secret Societies' Three Hundred Years of Revolution) Macao: [Liuyuan], 1940, passim.


10. Li Shiyu (1987), p.293 citing the report of the interrogation of members of the Luo Sect in 1768 by Cui Yingjie, the Governor-General of Fujian and Zhejiang.


14. Hu Zhusheng, p.104; Cai Shaoqing, p.82.


16. Hui guan were originally hostels established by various provinces, prefectures and counties in Beijing to accommodate the locality's candidates when they came to the capital to sit for the metropolitan examinations.

20. Hu Zhusheng, p.110; Watanabe, p.800.
22. Zhao Qingfu, Anqing Cuchenq, cited by Hu Zhusheng, op.cit.
24. Ma Xisha and Cheng Su, pp20,22; Tao Chengzhang, p.21.
25. See the following section for a discussion of the Green Gang’s organisational structure, including the system of generational status groups.
27. Ma Xisha and Cheng Su, p.20; Cai Shaoqing, p.85.
30. Tao Chengzhang, op. cit. The "qing" which Tao gives for the term "qing bang" is the qing which means celebration, and is, therefore, itself probably a mistaken transcription of the "qing" in "anqing" which is the qing meaning clear/pure.

31. Liu Bainian, San An Quanji (The Complete Collection of the Three Monasteries), Tianjin: n. p., 1931, p.24. These generational groups were in addition to the existing twenty-four which had been created in the eighteenth century by the boatmen's associations.

32. Liu Bainian, pp50 -54.


36. Hu Zhusheng, p.112; Watanabe, p.804

37. The following eleven Green Gang manuals have been consulted for the purposes of the present work:
2. Chen Guoping, Qingmen Kaoyuan (The Origins of the Green Gang), Shanghai: Lianyi chubanshe, 1946;
7. Sun Yuemin, Jiali Baojian (A Precious Guide to Those in the Family), Shenyang: Zhongguo Sanli Shushe, 1946;
8. Grand Master Wei, Bang: Zhongguo Banghui: Qing, Hong, Hanliu (Gangs: Chinese Secret Societies; the Green and Red Gangs, and the Han Remnants), Chongqing: Shuowen She, 1949;
1935;

38. Among the most important of these general histories are Cai Shaoqing, ibid.; Shuai Xuefu, Zhongguo Banghui Shi (A History of Chinese Secret Societies), Hong Kong: Xiandai Chubanshe, [1970]; and Ikemoto Yoshio, Chuqoku Kindai Himitsu Kessha Kō (An Investigation of Secret Societies in Modern China), Nagoya: Saika Shorin, 1973.


40. Shuai Xuefu, pp154-157; Wang Yangqing, “Shanghai Qinghong Bang gaishu (An outline of the Green and Red Gangs in Shanghai), Shehui Kexue (Social Sciences), 5 (May 1982):63. The twenty-four generations of the Green Gang were: the "Qing"; "Jing"; "Dao"; "De"; "Wen"; "Cheng"; "Fo"; "Fa"; "Ren"; "Lun"; "Zhi"; "Hui"; "Ben"; "Lai"; "Zi"; "Xin"; "Yuan"; "Ming"; "Xing"; "Li"; "Da"; "Tong"; "Wu"; "Xue" or "Jue".


44. Zhang Shusheng, diagrams 1-6, pp52-63; Liu Zhenyuan, p.48, 147-152; "The rise and growth of the 'Ch'ing Pang'", The People's Tribune, 7(NS): 3 (1 August 1934):117.


46. Ibid., p.36.


51. Hu Zhusheng, p.117.

52. Luo Zhiru, *Tongji Biao zhong zhi Shanghai* (Shanghai In Statistics), Nanjing: Guoli Zhongyang Yanjiu Yuan [Academia Sinica], 1932, p.21, table 29. The figures given by Luo are as follows:

(a) The whole of Shanghai
   1910  1,185,859
   1930  3,112,250

(b) The International Settlement
   1895  245,679
   1910  501,541
   1930  1,007,868

(c) The French Concession
   1895  52,188
   1915  149,000
   1930  434,807

53. Ibid., p.27, table 43.

54. Chen Guoping, pp.281-313.

55. Wang Yangqing, p.64.

56. Zhu Bangxing et al., *Shanghai Chanye yu Shanghai Zhigong* (Enterprises and Workers in Shanghai), Shanghai, Renmin Chubanshe, 1984, [reprint of 1939 edition], passim; Liu Hongsheng Qiye Shiliao (Historical Materials on the Enterprises of Liu Hongsheng), ed. by Shanghai Kexue Yuan Jingji Yanjiu Suo (The Economic Research Institute of the Shanghai Academy of Social Sciences), 3 vols,
57. There is as yet no Western monographic studies of the police systems which operated in Shanghai prior to 1937. For an analysis of the development of modern police functions in Chinese Shanghai see Frederic Wakeman, Jr., "Policing modern Shanghai", The China Quarterly, 115 (September 1988): 408-440.


60. In 1922, for example, the French Consul-General, Auguste Wilden, dismissed the entire personnel of one police post(composed of a sergeant and four constables) for taking bribes from local gangsters; M.A. Wilden, Consul-Général de France à Shanghai, à Son Excellence Monsieur Poincaré, Président du Conseil, Ministre des Affaires Etrangères à Paris, Consulat-Général de France à Shanghai, Shanghai, le 18 Février 1924. Direction des Affaires Politiques et Commerciales Asie: Océanie, No.34 E515.4.

61. "Reported assassination of Wong Yao Jao" (Report by D.S.I. Coyne, 3 December 1936), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D5374.

62. Liangshanpo was the hideout and stronghold of the Chinese "Robin Hoods" at the end of the Song Dynasty as described in the Ming novel entitled The Water Margin.

63. Although the Big Eight Mob’s operations were taken over by the French Concession Green Gang in the mid-1920s, and its organisation was absorbed into the latter’s, as discussed in the following chapter, nevertheless its influence persisted among the Chinese detectives of the Shanghai Municipal Police. The chief of these detectives in the 1930s, one Lu Liankui, was not only a Green Gang member but was a follower of Ji Yunging, one of the eight leaders of the Big Eight Mob. Zhang Junqu, Du Yueheng Zhuan (Biography of Du Yueheng), 4 vols, Taibei: Zhuanji Wenxue, 1980, V.1, pp.124, 136; Jiang Hao, "Qingbang de Yuanliu Ji Qi Yanbian", pp.61,66.

in the uniform branch of the SMP who resigned in 1936 in somewhat controversial circumstances over the death of a coolie; C. E. Gauss [Cons.-Gen. Shanghai] to Sec. of State, Washington, "Political Report for February 1936" (6 March 1936), 893.00 P.R. Shanghai/89.

65. Shi Jun, "Shanghai sandaheng de goujie he douzheng (Cooperation and conflict among the Shanghai's three big bosses)" in Jiu Shanghai de Banahui, p.352.


70. Wang Yangqing, p.63.


72. Tadao Sakai, p.322.

73. Tadao Sakai, p.327. For a discussion of the contraband opium traffic in the rise of the Green Gang see the following chapter.


75. Chen Guoping, pp. 281-313.

77. Chen Guoping, pp293-297, 284; Hong Weiqing, "Zhang Renkui yu Ren She (Zhang Renkui and the Benevolence Society)", in Jiu Shanghai de Banghui, pp108-114; Wang Yalu, "Qingbang 'Da' zibei Zhang Renkui he Zhao Chenglou (Zhang Renkui and Zhao Chenglou, members of the 'Da' generational status group of the Green Gang)"., in Shanghai Shi Wenshi Guan (Shanghai Municipal Cultural Centre), ed., Jiu Shanghai de Yan Du Chang (Opium, Gambling and Prostitution in Old Shanghai), Shanghai: Baijia, 1988, pp238-239; Atsushi Watanabe, pp811-812; Shi Yi, Du Yuesheng Waizhuan (An Unofficial Biography of Du Yuesheng), Hong Kong: Daye, 1962, p.202; Daily Intelligence Report (Shanghai Municipal Police), 23 October 1925; "Xing Wu Liu Da Zipai Zhang Gong Yixiang (A portrait of the recently deceased Mister Zhang who belonged to the Da generational status group of the Xing Wu Liu Branch)", in Geng Yuying, np.

78. Xue Gengxin, "Wo jiechu guode Shanghai banghui renwu (My past contacts with leading Shanghai gangsters)", in Jiu Shanghai de Banghui, p.95; Wang Delin, "Gu Zhuxian zai Zhabei faji he kaishe Tianshan Wutai (Gu Zhuxian's rise to power in Zhabei and the establishment of the Moon Theatre)", in Jiu Shanghai de Banghui, pp357-359; Wang Yangqing, p.64; "Chang Ching Mou" (Report by Supt. Pan Shao Liang, 30 December 1930), Shanghai Municipal Police, Special Branch, Personnel File CS 178; "Translation of handbills thrown from roof of Wing On Building, Nanking Road" (Louza Station, 26 October 1935), Shanghai Municipal Police, Special Branch, Investigation File D7057; "Inauguration in Chapei of a Citizen's Maintenance Association" (Report by Supt. Tan Shao-liang, 8 April 1932), Shanghai Municipal Police, Special Branch, Investigation File D3445.


82. Zhu Menghua, "Jiu Shanghai de sige feipin dawang (The four refuse potentates of old Shanghai)", in Shanghai Shi Wenshi Guan (The Shanghai Cultural Centre), Shanghai Difang Shi Ziliao (Materials on the Local History of Shanghai), Shanghai: Shanghai Shehui Kexue Yuan, 1984,
pp162-163.


84. Peters, p.223.

85. Zhu Jianliang and Wu Weizhi, "Zhang Xiaolin", in Minguo Renwu Zhan, V.4, pp160-161; Xu Zhucheng, p.17; Zhang Jungu, V.1, pp139-140; Da Liumang Du Yuesheng, p.11.
CHAPTER 2

PART 1: THE ROLE OF OPIUM

The most important development in the history of the Green Gang system in the 1920s and 1930s was the ascendancy achieved within that system by the Green Gang bosses in the French Concession: Huang Jinrong, Du Yuesheng and Zhang Xiaolin. This ascendancy rested on control of the illicit opium traffic in Shanghai, and on a tacit accommodation between the gangster bosses and the French Concession authorities. Control of the contraband opium provided the necessary financial resources which enabled the French Concession Green Gang bosses to develop a vast network of organised crime which touched most aspects of the social and economic worlds of Shanghai. In addition, the structure of this contraband trade served to define the relationship between the gangsters and the local warlords and provided the context within which the leading gangsters sought to exercise political influence. The basic contours of the pattern of interaction between local gangsters and militarists-cum-politicians in the Jiangnan region were established by 1925; and this relationship provided a model on which to base the later co-operation between the Green Gang and the Guomindang Government after 1927. The accommodation between the French authorities and the Green Gang bosses, for its part, reflected both the concerns held by the French for the security of the Concession and the contributions of the local
Green Gang towards meeting these concerns, and the involvement of elements in the French administration in the contraband opium traffic itself.

Although control of the opium traffic and the understanding with the French authorities were inseparable aspects of the French Concession Green Gang's original power base, for the purposes of exposition they are discussed in two separate chapters: the present chapter deals with the issue of opium, and the following chapter discusses the origins of the Green Gang bosses' relations with the French authorities.

(1) Shanghai and Opium

Throughout the late nineteenth century opium was inseparable from the prosperity of Shanghai. In this period Shanghai was the principal distribution centre for the legal trade in both imported and domestic opium, and the opium trade was an integral part of the city's commercial life. Most of the local foreign and Chinese merchants derived at least part of their wealth from trading in the drug. The North-China Herald thus noted in 1914:

Practically every foreign bank is involved, and practically every big Chinese piece-goods, yarn or metal dealer is involved and thus the whole trade of the Settlement is interconnected in this business.¹
Rhoads Murphey has suggested that the concentration of the legal trade in opium at Shanghai played a significant role in the process of capital accumulation in Shanghai which gave this city an important advantage in its acquisition of commercial and, after 1895, of industrial dominance. In fact he believes that opium played as great a part in Shanghai’s commercial development in the nineteenth century as did tea and silk, and that it continued to stimulate the growth and concentration of capital and commercial activity well after tea and silk had lost their predominant positions.²

With its legalisation as a result of the Treaty Settlement of 1858-1860 which ended the Arrow War of 1856-1860, the opium trade developed rapidly in the 1860s and 1870s, and by the end of the latter decade 83,000 piculs of foreign opium were imported into China annually.³ Although the amount of imported opium had begun to decline by the end of the 1880s, because of the growth in native opium, it nevertheless remained an important item in China’s foreign trade. In the 1890s, for example, imported opium represented over 20 per cent, or over one-fifth, of China’s total imports, and in the years immediately preceding the Qing Government’s prohibition on the cultivation and consumption of opium in November 1906, imports of the drug through Shanghai averaged 22,500 piculs valued at Ch$40 million per year.⁴

The conduct of this legal trade in opium was a flourishing Sino-foreign enterprise. By the turn of the century opium
imports were largely in the hands of four foreign merchant houses: those of David Sassoon and Co., E.D. Sassoon, S.J. David, and Edward Ezra.\(^5\) The wholesaling and retailing aspects of the trade were handled by Guangdong merchants, of whom the most important were those from Chaozhou who formed the so-called Chaozhou Clique, and who, as noted in the previous chapter, were members of the Red Gang.\(^6\) This Chaozhou Clique operated the three major opium businesses in the International Settlement, that is, the Zhengxia Ji, the Guoyu Ji and the Liwei Ji.\(^7\) Of these three concerns the most famous and most successful in the first decade of the twentieth century was the Zhengxia Ji. Both the foreign and Chinese opium merchants carefully regulated the trade and the latter were exempt from interference by Chinese officials.

With the demise of the legal trade in opium in 1919, Shanghai re-emerged as the centre of a vast trafficking network in illicit opium from domestic and overseas sources. The domestic system involved the trans-shipment of Sichuan and some Yunnan opium by Yangtze River steamers via the ports of Yichang, Hankou and Nanjing to Shanghai, and the shipment of the bulk of Yunnan opium by rail to Haiphong and other ports in French Indo-China and hence by steamer to Shanghai. The overseas trafficking, for its part, involved the smuggling into Shanghai of Persian, Turkish and Indian opium either by ocean liner from ports such as Bushire in the Persian Gulf and Constantinople, or through the medium of the parcel post.\(^8\) The trafficking in Chinese opium was facilitated by
the creation of de facto opium monopolies by various warlord units in certain key places such as Shashi, Yichang and Hankou. These military monopolies, in co-operation with the local Chinese merchants and gangsters, taxed the passage of Sichuan and Yunnan opium and guaranteed its 'protection' from one sphere of influence to another. For its part, the contraband trade in foreign opium was assisted by the existence of a number of foreign colonies, each with its own opium monopoly, in the vicinity of China, which acted as trans-shipment points for smuggling opium and its derivatives into China. In the 1920s the most important of these opium monopolies from the point of view of their role in the contraband trade were those in French Indo-China, Macao, Hong Kong, Formosa and Vladivostock. The activities of these official monopolies in the contraband traffic was supplemented by the foreign-controlled areas in China proper, such as Guangzhouwan (Guangdong), Qingdao, Dalian and, of course, Shanghai.

Although no detailed figures of the value of the contraband opium trade exist, a number of educated guesses have been made by knowledgeable observers which serve to give some indication, however imprecise they may be, of the scale of the traffic. In the late 1920s D'Auxion De Ruffe, a French lawyer in Shanghai, concluded that the consumption of opium in China totalled $700 million per year, and Tang Shaoyi, then Chairman of the National Anti-Opium Association, estimated that China spent a total of $1 billion per year on
illicit opium, of which $800 million was spent on Chinese-produced opium and $200 million on imported opium. The amount of this revenue which was generated by the opium traffic through Shanghai has been variously put at over $40 million or about $78 million to upwards of $100 million per year. Whatever the exact figure it is clear that these revenues played an important, if undisclosed, role in the Shanghai economy. This was recognised by the Shanghai Commissioner for Customs, E. Gordon Lowder, in his report of 1924 where he noted that contraband opium was "undoubtedly of sufficient magnitude to affect the balance of trade in Shanghai". Moreover, the profits to be earned from illicit opium ensured that Shanghai remained one of the most sought after prizes in the politics of the warlord era.

(2) The transition from legal trade to contraband traffic

Following the implementation of the Qing Government's decree of 21 November 1906, which provided for the gradual prohibition of opium cultivation and consumption over a ten year period, the British Government concluded two agreements with the Chinese authorities in December 1907 and May 1911 by which the importation of Indian opium into China would be reduced to zero in ten annual instalments beginning in 1908. At the same time action was taken at the international level, largely on the initiative of the United States Government, to control the flow of opium into China. An International Opium Commission was established by the major foreign powers with
interests in the Far East, which convened a conference in Shanghai in February 1909 and passed a number of resolutions designed to support the Qing Government's suppression policy and to restrict the importation of opium and its derivatives into China. These resolutions provided the basis for the convening of the First Hague Opium Conference, December 1911-January 1912, which concluded with the signing of an International Opium Convention on 23 January 1912. This Convention bound its signatories to undertake effective measures to prevent drug smuggling into China and the use of foreign post offices in China for the shipment of opium, and to close all opium retail shops and opium dens in the foreign-controlled areas. Thus the foreign and Chinese opium merchants were faced with the prospects of the termination of all aspects of the legal trade in foreign opium, together with that in domestic opium, by the end of 1917.

The foreign opium merchants responded to this threat to their position by developing a three-pronged strategy which was designed to extract for themselves the maximum financial advantage from the process of phased abolition. In the first place the opium merchants attempted to corner the available supply of Indian opium in order to keep its price high. At the same time they sought to control the importation and distribution of foreign opium in Shanghai by forming themselves into the Shanghai Opium Merchants' Combine in 1913, and by signing an agreement with the Chaozhou opium
merchants under the terms of which the latter agreed to buy their Indian and Persian opium exclusively from the Combine and to work closely with the foreign merchants. Thus an efficient monopoly was created with the Combine controlling the importation of Indian and Persian opium and the Chaozhou Clique controlling its distribution. In order to further its monopoly position the Opium Combine successfully brought pressure to bear on the Shanghai Municipal Council (SMC) to enlist the services of the SMP in ensuring that only the Combine’s Indian opium could be handled, sold or smoked in the International Settlement.15

The Opium Combine also entered into corrupt agreements with the Chinese authorities in order to safeguard its position and to sell its opium to government agencies on extremely favourable terms. In May 1915 the Combine reached an agreement with Yuan Shikai’s Government by which the latter kept the three provinces of Jiangsu, Jiangxi and Guangdong open for the sale of opium until 31 March 1917 (when the legal traffic in opium ceased altogether) in return for payments to itself of $3,500 per chest, exclusive of duty payable on the existing stocks of opium. This was followed almost two years later by negotiations between the foreign Opium Combine and Feng Guozhang, then Military Governor of Jiangsu, for the sale of the Combine’s remaining stocks of Indian opium to the Chinese Government. However, the Chinese Government failed to carry out the terms of an agreement reached with the Combine in February 1917 partly because it
baulked at the exorbitant size of the fee demanded by the originators of the deal, and partly because of the public outcry against the agreement once its terms were known. Negotiations were resumed once Feng Guozhang became President and a supplementary agreement was signed in June 1918 by which the Combine sold its remaining opium stocks comprising 1,577.5 chests at 6,200 taels per chest, which gave a total purchasing price of $13,397,940 payable in government bonds worth 40 per cent of their face value. Soon after this transaction was concluded there was a further round of public protests when the Chinese Government sold 300 of these chests for 16,000 taels per chest, thus providing Feng with a windfall of some 4,800,000 taels.¹⁶

One result of the Opium Combine's activities was that the price of Indian opium in Shanghai rose to astronomical levels. Between 1912 and 1916 the price of a chest of Bengal opium rose over six-fold and that of a chest of Malwa opium rose over five-fold.¹⁷ That these prices were artificially inflated by the Combine's activities can be discerned from the fact that a chest of Indian opium which was worth 1,000 taels in 1909 was sold in 1914 for 6,800 taels; by the time it reached the retail merchant in Shanghai it was worth 10,000 taels and in remoter places anything up to 50,000 taels. If the same chest was shipped to a non-China market, however, it was worth the equivalent of only 500 taels.¹⁸

As the Shanghai Commissioner of Customs remarked:
Thus, before the traffic closed, the legal price of opium was such that the drug was worth seven times its weight in silver. . .\textsuperscript{19}

(3) Gangsters and Opium Smuggling, 1912-1919: The Role of the Big Eight Mob

This exorbitant increase in the price of legal opium in turn led to an enormous increase in the smuggling of contraband opium in the period from 1912 to 1916. There had always been a certain amount of trafficking in illicit opium by groups of petty gangsters and these pursuits formed an important element in the livelihood of the 100,000-odd gangsters in Shanghai. Such opium heists were usually small-scale affairs and involved either street hold-ups of runners from one of the opium hongs, or the theft of individual chests while opium shipments entered or left the godowns in which they were stored.\textsuperscript{20} However, in the 1910s trafficking in contraband opium grew in size and became better organised. It was the scale of such activities that prompted the Opium Combine and its ally the Chaozhou Clique to request the SMC in January 1916 to take strong measures against the small opium retail shops which were doing a thriving business in smuggled opium.\textsuperscript{21} As the Shanghai Commissioner of Customs noted, the contraband traffic in opium had emerged by 1916 as a serious competitor to the legal opium trade and, indeed, threatened to undermine the monopoly which the foreign and Chinese opium merchants had secured over the legal opium...
It was during this period that a major gangster organisation emerged from among the smaller gangster groups in Shanghai in the form of the Eight Mob (Ba Gu Dang) or the Big Eight Mob (Da Ba Gu Dang). Its rise was linked directly to the events surrounding the transition from the predominance of the legal trade in opium to the prevalence of the contraband traffic in the drug which occurred in the 1910s. The Big Eight Mob, which was part of the Green Gang system, began its career in the first decade of the twentieth century as one of the petty gangs that engaged in opium heists. However it successfully extended and transformed its operations into a major protection racket involving the Chinese opium merchants, so that by about 1911 it had a monopoly of the transportation and distribution of the drug. The Big Eight Mob derived its name from its collective leadership structure which was composed of eight major gangsters, and its base of operations was located in the International Settlement. The effectiveness of the Mob's protection racket depended on developing a close relationship with the Chinese and foreign police forces, particularly the Chinese Water Police, the Chinese Anti-Smuggling Squad and the Municipal Police of the International Settlement. The emergence of Shen Xingshan as the major leader or primus inter pares within the Big Eight Mob can be ascribed to the fact that he was the Chief of the Chinese Detective Squad of the SMP, and as such played a key role in fostering the relationship between the two
organisations. The corruption spawned by contact with the gangsters and their contraband opium traffic was so well established within the SMP that a confidential report prepared by senior officers of the force stated that it had 'seriously affect[ed] the discipline of the municipal police' before remedial action was taken in 1923.

It is probable that the Big Eight Mob had a close association with the Shanghai Opium Merchants’ Combine and that it provided the Combine with some of its coercive muscle, particularly during the latter’s campaign against opium smugglers in 1916. As noted above, the Big Eight Mob had an established relationship with the opium merchants of the Chaozhou Clique. In return for the payment of a ‘protection fee’ it provided a guarantee to these merchants that their imports of foreign opium would not be plundered by one or other of the innumerable groups of petty gangsters in Shanghai.

The development of the Big Eight Mob’s protection racket brought some measure of control over the activities of the petty gangsters, many of whom joined the more powerful organisation. Among these latter were the gangsters in the French Concession who made their own accommodation with the Mob. Huang Jinrong, in his capacity as Chief of the Chinese Detective Squad in the French Concession, maintained a close personal relationship with the Big Eight Mob leader, Shen Xingshan, who was his opposite number in the Municipal
Police. Du Yuesheng himself joined the Big Eight Mob at the same time as he joined Huang Jinrong's establishment in the 1910s, and it was as a member of the Big Eight Mob that Du was introduced to the leading Chaozhou opium merchants in 1918. Throughout the 1910s the centre of gangster power and activity in Shanghai lay in the International Settlement where the major opium concerns were located, and the evidence would suggest that the gangsters of the French Concession were subordinate to the Big Eight Mob, and that their leaders were frequently on the latter's payroll.

The period of dominance of the Shanghai Opium Merchants' Combine and its allies was brought to an end with the closure of the last licensed opium retail shops in the International Settlement and the ending of the legal importation of opium in 1917. With the inauguration of a new President in December 1918, the Beijing Government ordered the destruction of the remaining opium in its possession, and this was carried out in January 1919. Although the Opium Combine was disbanded, some of its individual members together with the Chaozhou opium merchants began to seek further financial gain in the contraband traffic. This decade of transition in the opium trade was significant in that it witnessed the emergence of a new phenomenon, a large-scale criminal organisation in the shape of the Big Eight Mob, and the beginnings of warlord interest in the financial rewards offered by the opium traffic.
With the demise of the legal trade in opium in 1919 the Anfu militarists who controlled the Shanghai area established an unofficial monopoly over the contraband opium traffic. This monopoly resembled a loosely structured syndicate in which co-operation was achieved among three separate, yet interlocking elements: the military, the Chaozhou opium merchants and the gangsters. Each of these three elements had their own discrete functions in the syndicate. The military provided political and physical protection, while the Chinese navy provided ships for the transportation of imported opium contraband which was off-loaded from ocean-liners outside Wusong harbour. For their part, the Chaozhou opium merchants engaged in the purchase of opium contraband through the formation of temporary combines, and in the wholesale storage and distribution of the illicit opium to networks of retail shops. Finally the gangsters, principally the Big Eight Mob, provided physical protection for the transportation of the contraband opium in association with the military, and guaranteed by their involvement that there would be a minimum of interference from groups of small-time gangsters with the system of opium trafficking.

Although Lu Yongxiang had involved himself with the import of contraband opium since 1915 when he was appointed Defence Commissioner of Shanghai and Songjiang, the monopoly system
was not finally put in place until late 1919. Its creation was associated with the organisational changes that occurred in August of that year when Lu was appointed Military Governor of Zhejiang by President Duan Qirui on the death of Yang Shande, and Lu’s lieutenant, He Fenglin, replaced him as Defence Commissioner of Shanghai and Songjiang. The two key officials associated with the syndicate were He Fenglin and Xu Guoliang, the Wusong-Shanghai Police Commissioner, and it was He who played the leading role in the creation of its organisation. Of the Chaozhou opium merchants associated with the syndicate, the key figures were Su Jiashan, the owner of the leading opium hong in the International Settlement and reputedly the shrewdest of the opium merchants, and Fan Huichun, who owned the largest opium business in the French Concession.

The instrument of the monopoly was the Jufeng Trading Company (Jufeng Maoyi Gongsi). This enterprise, with an initial capitalisation of $10 million, nominally dealt in real estate, but its main purpose was to manage the contraband opium traffic. According to an expose of its operations which appeared in The North-China Herald in 1923, the syndicate levied a ‘fee’ on all contraband opium of between 50 cents and $1.00 per ounce and guaranteed the safe landing of illicit opium at Shanghai in return for an additional charge of $1.00 per ounce of opium landed. Further information on the operations of the syndicate was provided in documents seized by the SMP in January 1925, in connection
with the so-called Ezra Opium Case. This case involved a Sino-foreign combine which had been organised in late 1923 to import contraband Turkish opium into China. The documents included a contract, one clause of which clearly specified that the military would protect illicit opium in transit in the Shanghai area, stating that "The Navy, Army and Police, will generally assist in the protection of the goods".

Another clause of the same contract provided a schedule of fees charged for protecting opium in transit in the Jiangnan area. These ranged from $600 per chest for Chinese, $1,000 per chest for Turkish, and $1,400 per chest for Indian opium. Other documents recorded a payment of $294,495 to the military which was described as 'landing charges', and a further payment of $2,000 to the Chinese River Police. The syndicate rigorously enforced this protection system and there were numerous incidents such as the one in January 1923 when an unnamed senior official had his 300 chests of opium confiscated at Wusong because he had failed to pay the appropriate fee.

Individual consignments handled by the syndicate could be extremely valuable. One example was the huge quantity of Indian opium valued at $20 million which was smuggled into Zhejiang via the Choushan islands in late 1923 at the direction of Lu Yongxiang's subordinates, including his Chief of Police. Consignments of this magnitude guaranteed that the profits were enormous. Given the secretive nature of the
syndicate’s operations it is virtually impossible to obtain reliable figures regarding its profitability. Contemporary estimates of its annual profits varied enormously from $10 million to upwards of $100 million. Qi Xieyuan, in justifying his attack on Shanghai in late 1924, alleged that both Lu and He had netted over $20 million in the period from 1922 to 1924. In 1923 The North-China Herald estimated the syndicate’s ‘lowest’ possible level of profits at nearly $30 million a year, and other sources suggested that its profit margin was over $56 million in its first year of operation. Although it is probable that some part of these vast profits was used to purchase armaments for Lu Yongxiang’s forces and to finance the political ambitions of the Anfu Clique, a large percentage also found its way into the private bank accounts of the syndicate operators. This is suggested by the fact that when Xu Guoliang, one of the leading organisers of the syndicate, was murdered in late 1923, he left a personal estate worth $4 million plus a house in Tianjin worth $200,000.

Gangsters from the Jiangnan area played an important part in the operations of the syndicate. A key role, in fact, was performed by Zhang Xiaolin. Through his ex-classmates from the Zhejiang Military Preparatory School, Zhang established a relationship with Lu Yongxiang and He Fenglin in the late 1910s. He acted as liaison between Lu Yongxiang’s headquarters in Hangzhou and He Fenglin’s headquarters in Shanghai, for the purpose of safeguarding Lu’s interests and
those of Zhejiang militarists, and at the same time directed
the Zhejiang end of the syndicate's operations. The
activities of Zhang Xiaolin would suggest that the existence
of this syndicate provided an opportunity for Zhejiang
gangsters, especially those from Hangzhou and Shaoxing, to
extend their operations to Shanghai. Nevertheless, for most
of this period the Big Eight Mob remained the most powerful
group of gangsters involved in the syndicate's operations in
Shanghai. The foundations of the Big Eight Mob's ascendancy
were its control of the major opium merchants in the
International Settlement; its control over the personnel of
the Chinese Water Police and Anti-Smuggling Squad; its
control of the Chinese detectives in the SMP, through Shen
Xingshan; and its direct access to He Fenglin, which was
guaranteed by the fact that one of its members, Jiang
Ganting, was Secretary to the Shanghai-Songjiang Defence
Commissioner's Headquarters. The Big Eight Mob also co-
operated with Japanese narcotics traffickers whose sphere of
operations embraced Yokohama, Formosa and China. In 1921 and
1922, for example, one of the leaders of the Big Eight Mob,
Dai Buxiang, was involved with one Shinji Sekito, the
president of the Sanyo Shokai Shipping Company, together with
the Hoshi Pharmaceutical Company, in the importation of 2,000
chests of opium into Shanghai via Formosa. In undertaking
such operations the Mob was undoubtedly acting on behalf of
the syndicate.
Although the French Concession gangsters played an ancillary role in the syndicate's operations, as a junior ally of the Big Eight Mob for most of the period of the system's existence, a change gradually occurred in the balance of power between the two groups in the course of the early 1920s. This realignment of forces was directly related to Du Yuesheng's ambition to carve out for himself a secure power base within the gangster milieu in the French Concession. Du used his share of the profits from the syndicate's activities to provide himself with a personal following, and from about 1918 onwards he progressively built up an impressive organisation which he deliberately modelled on the structure of the Big Eight Mob, and hence was popularly referred to in Shanghai as the Small Eight Mob (Xiao Ba Gu Dang). With the approval of Huang Jinrong, Du engaged in a campaign which challenged the Big Eight Mob's protection racket with the aim of asserting his own group's right to control the opium traffic within the French Concession. In pursuing this policy Du succeeded in exploiting the prevailing dissatisfaction of some opium retailers in the French Concession with the Big Eight Mob's control over their supplies of opium. An indication of the intensity of this conflict is provided by the reports of the Municipal Police which remarked on the 'alarming' increase in crime in connection with the illicit opium traffic in the International Settlement, and the arrest of 300 armed robbers in the Settlement in the five year period from 1918 to 1923. By 1923 a modus vivendi was arranged between the
two groups by which the Big Eight Mob recognised the French Concession as the 'territory' of the Small Eight Mob and the latter's right to supply the illicit opium to the Concession's opium retailers.\textsuperscript{50} The position of the French Concession gangsters was further strengthened when they succeeded in working out an agreement with Zhang Xiaolin, which eventually resulted in the latter assuming a leadership position within their organisation.\textsuperscript{51} The arrangement with Zhang provided the Green Gang leadership in the French Concession with their own independent source of access to Lu Yongxiang and the Zhejiang militarists on the one hand and He Fenglin on the other. However, it was not until just before the demise of the syndicate in late 1924 that the French Concession Green Gang clearly emerged as the predominant element in the partnership with the Big Eight Mob.

From late 1923 onwards the operations of the syndicate were adversely affected by important changes in the local political environment. On 10 November 1923 Xu Guoliang, the Wusong-Shanghai Police Commissioner and a leading member of the syndicate, was assassinated. At one level Xu's murder was related to the political conflict between Lu Yongxiang and Qi Xieyuan, the Military Governor of Jiangsu, for control of the Shanghai area. Xu was not a member of the Anfu Clique, and maintained a relatively independent position in the conflict which developed between Lu and Qi in the course of 1923.\textsuperscript{52} On another level, however, there is considerable circumstantial evidence to suggest that the murder was
related to the operations of the syndicate. It was alleged at the time that both Lu Yongxiang and He Fenglin ordered the assassination, and that it was related to a dispute over the syndicate's opium trafficking activities. Writing in 1926 George Sokolsky, a prominent American journalist in Shanghai, suggested that Xu had been murdered because he had failed to consider the interests of powerful local gangsters in the contraband opium traffic. It is possible that the murder was prompted by a mix of motives. With the virtual elimination of Anfu military power in the wake of the Anfu-Zhili War in 1922, and the consequent isolation of the Anfu militarists in Shanghai and Zhejiang, Xu could indeed have made overtures to Qi Xieyuan in an effort to strengthen his own position. Any such negotiations might well have involved discussion of the profits from the opium traffic, particularly given the fact that the desire to control the system of narcotics trafficking was a major consideration in Qi's designs on Shanghai.

The activities of this Anfu opium syndicate came to an end with the defeat of Lu Yongxiang and He Fenglin by Qi Xieyuan in the Zhejiang-Jiangsu War of September and October 1924. Most sources agree that the principal cause of the war was competition for control of the revenues from contraband opium, and the war itself was popularly referred to as 'the opium war.' During this brief war the gangster members of the syndicate lent their support to the embattled Anfu militarists. The Green Gang leaders provided much-needed
trucks to transport He Fenglin's troops to the front at a critical moment in the battle for Shanghai, and Du Yuesheng set up a Refugee Relief Committee (Nanmin Jiuji Hui) to provide relief for the large numbers of refugees from the war zones.\(^56\) After the defeat of the Anfu forces Du provided temporary refuge for He Fenglin and Lu Xiaojia, Lu Yongxiang's son, in his house at No. 26 Rue Doumer in the French Concession.\(^57\) Despite the provision of such assistance, the complete rout of the Anfu militarists meant that the gangsters had to devise with all speed alternative arrangements for the organisation and protection of the contraband opium traffic.

(5) The Creation of the Three Prosperities Company (Sanxin Gongsi), 1924-1925

Prior to the demise of the syndicate the position of the French Concession Green Gang leaders was greatly strengthened by the campaign undertaken by the SMP to eradicate the trade in contraband opium within the boundaries of the International Settlement. In an attempt to counter the increasingly more brazen activities of the opium traffickers in the Settlement and their adverse effects on police morale, the SMP created in 1923 a Special Anti-Narcotics Squad under the command of Assistant Commissioner M.O. Springfield.\(^58\) The Special Squad's brief was, in the words of a Municipal Police report:
... to wage constant warfare against those engaged in the transport, storage or sale (wholesale and retail) of opium within the limits of the International Settlement. 59

In the execution of this commission the Special Squad established an elaborate network of informers, conducted regular raids on opium shops and warehouses and intensified patrols in those areas known to be used by traffickers. These measures began to take effect in the three year period from 1924 to 1926 and the number of prosecutions for opium trafficking accounted for over 46 per cent of the total number of prosecutions in the ten year period 1918 to 1928. 60 The high point in the Special Squad's campaign came in January and February 1925, when it dealt a series of what were described as 'staggering blows' against the leading opium hongs, with the discovery of two massive storage areas for illicit opium at No. 51 Canton Road and at No. 562 Foochow Road. 61 The raids on these two major depots broke the back of the resistance of the leading Chaozhou opium merchants in the International Settlement to the police campaign.

The major casualty of this campaign was the Big Eight Mob whose power base in the International Settlement was completely eroded. The Big Eight Mob's position as the major gangster organisation involved with opium trafficking in Shanghai rested on its control of the leading Chaozhou opium
concerns and on its ability to penetrate the SMP organisation. In the wake of the Special Squad's raids, particularly those of January and February, the major Chaozhou opium merchants moved their operations out of the International Settlement into Chinese Shanghai and the French Concession, and thus out of the control of the Big Eight Mob. Moreover, attempts to eradicate corruption within the Municipal Police and generally to improve the force's morale greatly reduced the influence of the Big Eight Mob within the police force, particularly within the Chinese detective squad.

The Green Gang leaders in the French Concession seized this opportunity to consolidate their own control over the opium traffic in Shanghai. There is some evidence to suggest that the Green Gang at this time engaged in its own campaign of intimidation against the opium hongs in the International Settlement, which served to complement the activities of the Special Squad in forcing the opium merchants out of the Settlement and into the French Concession. The takeover of the Big Eight Mob's operations by the French Concession Green Gang group was arranged at a meeting between Shen Xingshan and Huang Jinrong. Although the sources give no date for this meeting it probably occurred at some time after the Special Squad's major raids of January and February 1925, which triggered the departure of most of the leading opium hongs from the International Settlement. Much of the Big Eight Mob's organisation was incorporated into the French
Concession Green Gang structure, and a large number of the Mob's leading personnel, such as Shen Xingshan and Su Jiashan, went on to become prominent figures in the French Concession Green Gang's rackets.65

The consolidation of the control of the French Concession Green Gang bosses over the opium traffic occurred at a time when warlord politics in Shanghai were entering a highly unstable period. This development helped to strengthen the gangsters' bargaining position vis-a-vis a succession of warlord rulers. Almost as soon as he had achieved victory, Qi Xieyuan was robbed of its fruits by events in Beijing, when Feng Yuxiang betrayed Wu Peifu and allied with Zhang Zuolin in the restoration of an Anfu Government with Duan Qirui as Provisional Chief Executive in November 1924. This led to a further round of conflict in the Shanghai area with Qi Xieyuan allied with Sun Chuanfang in opposition to the Fengtian forces of Zhang Zongchang, which ended with Qi's defeat and departure for Japan in January and Sun's tactical withdrawal to Zhejiang in February 1925.66 There is some evidence to suggest that Qi's designs on the opium traffic led to conflict with the Green Gang, and that this contributed to his difficulties in consolidating his position in Shanghai.67 This would explain the participation of Du Yuesheng and the other Green Gang leaders in Xu ('Little Xu') Shuzheng's abortive putsch in mid-October 1924, and in the subsequent arrest by the Fengtian forces in February 1925 of the opium merchant Fan Huichun, whom Qi had appointed as his
magistrate for Shanghai during his brief exercise of authority. By contrast, the French Concession gangsters went out of their way to welcome Zhang Zongchang's forces to Shanghai. They entertained Zhang on a lavish scale, and assisted him in establishing his control over Shanghai. This perhaps reflected the fact that Zhang Zongchang was himself a member of the Green Gang, and that his relations with Huang Jinrong went back to the period of the 1911 Revolution when Zhang briefly served in the forces of Li Zhengwu in Shanghai.

It was probably in February or March 1925 that the Green Gang leadership made its arrangements with Zhang Zongchang for the conduct of the opium traffic in Shanghai. The system, however, was not as well regulated nor as carefully controlled as the one which had been organised by Lu Yongxiang during his long period of authority in the Shanghai area. With the removal of Zhang's headquarters to Xuzhou in northern Jiangsu at the end of March 1925 the situation in Shanghai became increasingly chaotic, not to say scandalous, as Zhang's officers competed with one another for a share of the profits from the opium traffic. The situation was complicated by the fact that throughout the first half of 1925 several public organisations in Shanghai, including the National Anti-Opium Association (NAOA), the Jiangsu Educational Association and the Shanghai Students' Union launched an active anti-opium campaign which provided effective, and unwelcome, publicity of the activities of the
militarists and the traffickers.\textsuperscript{71} These public bodies published repeated allegations that the Chinese police conducted fake opium raids and that senior officials such as Chang Zhiying, the Shanghai and Wusong Police Commissioner, and Admiral Yang Shuzhuang, Commander-in-Chief of the Navy, were on the gangsters' payroll.\textsuperscript{72} The gangsters, for their part, were impervious to public criticism. One prominent opium trafficker, interviewed by the Chinese press, claimed that the traffickers had official protection not only at the local level but also within the Central Government in Beijing, and arrogantly dismissed the activities of the public organisations with the remark:

\begin{quote}
Why should we be afraid? Public opinion is worth nothing. We do not care for any or all of the newspapers and public organisations.\textsuperscript{73}
\end{quote}

During May 1925 trade in opium was openly conducted in the Chinese City. Opium was sold in packages bearing the official seal of the Shanghai Bureau for the Prevention of Opium and Drug Smuggling, a circumstance which compelled the Ministry of the Interior to order its closure at the end of May.\textsuperscript{74} At the same time opium retail shops in the Chinese City openly displayed their official military 'protection' permits.\textsuperscript{75} The open trafficking in opium had a corrosive effect on the discipline and morale of the Fengtian forces. Each unit conducted its own smuggling operations and disputes over the ownership of individual consignments occasionally
resulted in armed conflict between different Fengtian units. This state of affairs reached its nadir in a dramatic shoot-out between senior Fengtian army officers. In the early afternoon of 30 May 1925, a violent quarrel broke out at the Fengtian military headquarters in Zhabei between Generals Li Kuiyuan (Director of Military Affairs of the First Fengtian Army), Yuan Zhihe (Director of the Military Supplies Department and Chief of the Shanghai Military Court) and Cheng Guorui (Commander of the 28th Mixed Brigade) over the distribution of the profits from a large opium consignment, which resulted in the death of Li and the wounding of Yuan and Cheng. Although Zhang Zongchang, at the request of the Provisional Chief Executive Duan Qirui, sent senior officers to investigate the affair, their proceedings were never published and the incident was duly forgotten.

The first half of 1925 also witnessed renewed calls for the legalisation of the opium traffic in Shanghai. At the Rehabilitation Conference in Beijing, from February to April 1925, Yu Xiaqing, supported by Sun Baoqi, proposed the creation of a government opium monopoly at Shanghai in the form of a Public Opium Sales Bureau. Yu’s proposal was received with some enthusiasm, as it was well known that Duan’s Government was chronically short of funds to meet its administrative expenses, and the NAOA delegate to the Conference observed that government officials were in the process of preparing a plan for just such a monopoly. Questions were soon raised in the Chinese press, however, as
to the real motives underlying Yu’s suggestion. Although some commentators considered that such a scheme could never be implemented because it would arouse the opposition of the powerful gangsters who controlled the traffic, others hinted darkly that, on the contrary, the Shanghai gangsters themselves might well have been the true initiators and supporters of the scheme.\textsuperscript{80} It was suggested that Yu Xiaqing was himself involved with the contraband traffic in Shanghai, and that Sun Baoqi’s own proposal in support of Yu’s scheme was merely ‘a means of consolidating the existing irregular trade’.\textsuperscript{81} Whatever the role of the Green Gang leadership in the promotion of this scheme, the scheme itself never got beyond the proposal stage and was quietly dropped in the face of concerted opposition from Shanghai’s public organisations.\textsuperscript{82}

None of the sources provide a precise date for the organisation of the instrument of the Green Gang’s monopoly, the Three Prosperities Company (Sanxin Gongsi). However the sequence of events described above would indicate that it was probably established some time between February and July 1925. It is doubtful whether the Company had as yet been formed in the period prior to the Special Squad’s major push against the Shantou opium hongs in the International Settlement in early 1925, and while the outcome of the military struggle in Shanghai still remained relatively uncertain at the end of 1924. On the other hand, the Company was definitely in existence by late July 1925, when the
According to the report in the *Minguo Ribao* the Three Prosperities Company had an initial capitalisation of Ch$2,700,000, although other sources suggest a higher figure of about Ch$10 million; it provided protection for the twenty-one Chaozhou opium hongs together with the retail shops, and engaged in opium trafficking (both Chinese and foreign) on its own account. Its operations were so all-embracing that it was popularly referred to in Shanghai as the 'Big Company' (Da Gongsi). The Company was nominally a partnership of four opium merchants who included Su Jiashan. However these partners had no real authority, and their presence was merely part of an elaborate deception to disguise the fact that the Company was actually controlled and financed by the three Green Gang bosses Du Yuesheng, Huang Jinrong and Zhang Xiaolin. The Company’s General Manager was Jin Tingsun, a Green Gang member who had risen to prominence in Huang Jinrong’s household because of his business acumen. Jin was a key figure in the Big Company by reason of the fact that he exercised control over its financial affairs.
Although there are no accurate sources on the Company's financial structure, it is probable that it enjoyed a similar level of profits to those estimated for the previous Anfu-sponsored monopoly. There are suggestions that the Big Company's annual profits reached $56 million, and there is no doubt that the profits were vast. These profits were distributed three times a year at the time of the three major festivals, the fifth of the fifth Lunar month, the Mid-Autumn Festival, and the Chinese New Year. Apart from engaging in narcotics trafficking on its own account which probably provided the bulk of the Company's profits, the rest of the profits came from its protection racket over other traffickers and dealers. Some attempt can be made to gauge the profits from this protection operation from those few shards of evidence scattered in the sources. Each of the twenty-one major opium merchants operating in Shanghai paid the Big Company $50,000 a month in return for a guarantee that their operations in Shanghai and Jiangnan would be free from depredations by local gangsters. Therefore the Company's annual revenue from this source alone amounted to $12,600,000.

In addition the Big Company divided the sixty opium wholesale shops which operated in Shanghai into ten groups for the purposes of protection, and these paid fees ranging from $300 to $7,000 per month depending on the volume of their business. If it is assumed that six opium shops were assigned to each grade (although there is no reason at all to
assume that the arrangements were this symmetrical), then one obtains an average annual income from this source of $2,181,600. The Big Company also charged a transit fee for transporting opium through the International Settlement and Chinese territory: the fees were $0.13 cents per ounce from Butterfield and Swire and the China Merchants' Steam Navigation Company wharves to the French Concession; and $0.26 cents from the Pudong, Wusong, Yangshupu and Hongkou wharves to the French Concession. Contemporary observers estimated that about 1,000 Piculs (or about 133,333 lbs) of opium a month was brought into Shanghai. If it is assumed that half of this opium paid the minimum transit fee of 13 cents and the other half the maximum fee of 26 cents then one obtains a figure of $415,998.96 per month, or $4,991,986.42 per year in income from this source. However it should be kept in mind that this figure is no more than a sketchy approximation given the variables involved in its calculation. Moreover the Big Company collected a tax from each opium den of 30 cents a night for each opium pipe in use, but this figure is impossible to quantify. These calculations, although far from satisfactory, provide a figure of about $19,773,586 in total annual revenue from these three sources of income. If this figure is added to the contemporary estimate of $40 million a year for the operations of the Big Company's associate organisation, the Nantong Combine, then we arrive at a figure approaching $60 million, which is reasonably close to the earlier estimate of $56 million.
The Big Company's major item of expenditure was the payment of bribes to the French and Chinese authorities in order to secure protection for its own operations. It would appear that the scale of these payments almost rivalled that of the opium revenues themselves. The financial demands of the Big Company by Chinese officials were very high. After he had routed the residual Fengtian forces and took control of Shanghai in October 1925, Sun Chuanfang, for example, entered into an agreement with the Big Company for the creation of an unofficial monopoly. Sun had experience of such monopolies as he had participated in the one operated at Yichang when he was stationed there in 1922. By early 1926 the arrangement was working well. The Green Gang leaders had been appointed to advisory positions within Sun's headquarters and Sun's military forces protected the passage of the illicit opium through Chinese territory, and eliminated any serious rival to the Combine's operations.

In return for the provision of such services Sun received, according to some sources, up to $15 million per year. Other sources assert that he was able to raise $5 million per month in taxes on illicit opium. This latter figure appears to be much too high. It would have given Sun Chuanfang an annual revenue $60 million from opium protection fees alone which, according to the figures cited earlier, would have consumed most, if not all, of the total revenue generated by the opium traffic in Shanghai. However, despite the impossibility of arriving at an exact figure, it is safe to assume that payments to the French and Chinese authorities
together consumed between one-quarter and one-third of the revenues which the Green Gang's Big Company obtained from the illicit opium traffic. Although such a figure represented a sizeable percentage of the profits from illicit opium, it was considered a necessary, and on the whole, acceptable cost of the system which the Green Gang leaders forged in the course of 1925 for the control of the Shanghai opium traffic. The reality was that the Big Company's contraband business could not have operated effectively without the collusion of the Chinese authorities in Shanghai. Indeed it could not function either without the tacit co-operation of the French authorities and it is to this relationship that we now turn.
Endnotes


7. Chen Dingshan, Qunshen Jiwen, (Old Tales of Shanghai), Taipei: Chenguang Yuekan She, 1964, pp34-35; Shi Yi, p.192.


10. J.T. Pratt [Foreign Office], "Memorandum Respecting the Opium Problem in the Far East" (10 August 1929), F04749/4749/87 (hereafter cited as the Pratt Memorandum).

12. Inprecorr (International Press Correspondence), 13 January 1927; Pal, p.41, where he cites estimates made by the journalist Lennox Simpson ('Putnam Weale'); *The China Year Book, 1924-25*, p.559, which noted that the Maritime Customs and various Shanghai police forces together seized about $10 million worth of opium and its derivatives annually. The figure given in the text is based on the supposition that such seizures represented only a fraction of the total traffic, and certainly no more than ten per cent.


15. The Pratt Memorandum; Kotenev, 257-61; Lowder, 9-10; *The China Weekly Review* (hereafter cited as CWR), 26 March 1927. According to Kotenev the Committee which controlled the Combine's affairs consisted of the following thirteen individuals all of whom were drawn from the leading foreign opium merchant houses: E. Chandoobhoyand, D.E.J. Abrahams, Simon A. Levy, E. Nissim, Evelyn David, B.C.Sethna, B.D. Tata, Edward Ezra, B.H. Dastur, R.D. Katania, F. Dewjee, R. Bagoria, Sagal Thavar. Kotenev also notes that as a result of public criticism of the powers which the Opium Combine apparently exercised over the International Settlement Police, the Municipal Council changed its policy. As a consequence the number of prosecutions instituted at the instance of the Opium Combine and Chaozhou Clique was 'very considerably' reduced in 1917.

16. The Pratt Memorandum; *Customs Decennial Reports 1912-21*; Kotenev, op.cit.


18. The Pratt Memorandum.


22. Lowder, p.10.


24. Zhang Jungu, op.cit. According to Zhang the eight leaders were Shen Xingshan, Guo Haishan, Ji Yunqing, Yu Bingwen, Yang Zaitian, Xie Baosheng, Bao Haichou and Dai Buxiang. Liu Hong names four members of the leadership but identifies three only by their nicknames, and the fourth, Gu Jietang, does not appear on Zhang’s list. It is possible that Gu is the same person as Gu Jiatang, who was a member of Du’s Small Eight Mob.


27. CWR, 26 March 1927.

28. Zhang Jungu, V.1, p.124; Liu Hong, pp87-88; Jiang Shaozhen, op.cit.; "Memorandum on Mr. Tu Yueh-sung alias Tu Yuin" (8 July 1939), Shanghai Municipal Police, Special Branch, Sect.2, Investigation File D9319.

29. The Pratt Memorandum; Lowder; Kotenev.

30. NCH, 11 August 1923.

31. Ma Baoheng, "Qi Lu zhi zhan jilue (A brief record of the war between Qi Xieyuan and Lu Yongxiang)", in Du Chunhe, et al, eds, Beiyang Junfa Shiliao Xuanji (Selected Historical Materials on the Beiyang Warlords), 2 vols, Beijing: Zhongguo Shehui Kexue Yuan, 1981, V.2, pp136-139; Confidential Report; NCH, 11 August 1923. The confidential report of the Municipal Police noted that in the period 1917 to 1920 ‘powerful interests’ planned to monopolise the illicit opium trade; and The North-China Herald report of 1923 noted that the monopoly had been in operation for ‘the past three or four years’, that is, since 1919 or 1920.
Ma Baoheng; Liu Hong, 88; Xu Zhucheng, p.16. Ma Baoheng was well-placed to know the details of Lu Yongxiang's trafficking operations. He himself commanded Lu's Guards Regiment, while his nephew, Ma Honglie was Lu's Gendarmerie Commander and was heavily involved in the contraband operations. Apart from Lu, He and Xu - the three key figures in the syndicate - the following military officers were also involved with its operations: Yu Yefeng, Commander of the Anti-Smuggling Squad after 1919; Ma Honglie, Commander of Lu Yongxiang's Gendarmerie (i.e. Military Police); Lu Xiaojia, Lu Yongxiang's son; Zhou Fengqi, Commander of the Second Zhejiang Division; and Pan Guogang, a Zhejiang warlord. Sources: Chen Dingshan, 36; Ma Baoheng; Xiang Xiongxiao, "Xinhai Geming zai Zhejiang (The 1911 Revolution in Zhejiang)", in Zhejiang Xinhai Gemina Huivi Lu (Reminiscences of the 1911 Revolution in Zhejiang), Hangzhou: Zhejiang Renmin Chubanshe, 1981, p.177.

Liu Hong, op.cit.; Zhang Jingu, V.1, p.246. Liu suggests that Du Yuesheng may at one time have worked for Su Jiashan.

Liu Hong; Xu Zhucheng.

NCH, 11 August 1923.

The information which is presented here from the Ezra documents is derived from the proceedings of the Mixed Court as recorded in various issues of the North China Herald: NCH, 21 February 1925; NCH, 7 March 1925; NCH, 2 May 1925; NCH, 22 August 1925; NCH, 6 June 1925; and documents published by the Advisory Committee on Opium of the League of Nations, League of Nations Advisory Committee on Traffic in Opium and Other Dangerous Drugs. Minutes of the Seventh Session, Geneva August 24-31, 1925. Appendix C.602.M.192 1925 XI no. 8.

Ibid.

NCH, 11 August 1923.

NCH, 2 February 1924.

NCH, 13 September 1924.

NCH, 11 August 1923; Liu Hong, op.cit.; Xu Zhucheng, op. cit.

Ma Baoheng, op.cit.; NCH, 11 August 1923; NCH, 13 September 1924.

NCH, 17 November 1923.


46. Sir C. Eliot [Amb., Tokyo] to the Marquess Curzon of Kedleston (17 January 1923), F0553/553/87. Eliot gives Dai’s name as ‘Tai Chang-Man’. However, there is a very strong probability that he is one and the same person as Dai Buxiang; Eliot describes Tai Chang-Man as "... the chief of a notorious Shanghai smuggling gang. ..."

47. Liu Hong, op.cit.; Xu Zhucheng, p.16; Zhang Jungu, V.1, pp124-128; Da Liumang Du Yuesheng, pp7-10. The Small Eight Mob consisted of eight petty gangster leaders who were divided into two groups of four. The inner core was composed of Gu Jiatang, Gao Xinbao, Ye Chuoshan and Rui Qingrong, and the outer group of Yang Qitang, Huang Jiafang, Yao Zhisheng and Hou Quangen.


49. Confidential Report; NCH, 16 June 1923, which quotes from the SMP Report for May 1923.

50. Zhang Jungu, V.1, pp96-98. It is probable that this deal was negotiated by Shen Xingshan and Huang Jinrong.

51. Zhang Jungu, V.1, pp141-142; Xue Gengxin, op.cit.; Xu Zhucheng, pp17, 32. Xu notes that Du Yuesheng was appointed an "adviser" to both Lu Yongxiang and Qi Xieyuan.

52. NCH, 17 November 1923. Xu had been appointed Police Commissioner by Yuan Shikai on 8 August 1914.

53. NCH, 24 November 1923; NCH, 8 December 1923; NCH, 12 January 1924; NCH, 13 September 1924; "Confidential Report [on the murder of Xu Guoliang]" (9 April 1924), Shanghai Municipal Police, Special Branch, Investigation File IO55374. Qi Xieyuan was the source for the allegation that the murder was connected with the Anfu militarists’ trafficking in opium. The assassin, although held for a while at He Fenglin’s headquarters, was never executed.

54. NCH, 13 March 1926.

55. Yu Zhi, "Yapian wenti (The opium question)", Dongfang Zazhi (Eastern Miscellany), 22, 4 (25 February 1925):2-3; Chen Xizhang, Xishuo Beivanq (Detailed Discussion of the Northern Warlords), 2 vols, Taipei: Zhuanji Wenxue, 1982, V.2, p.393; Ma Baoheng, p.139; NCH, 23 May 1925; D’Auxion De Ruffe, p.116; Ma Yinqu, op.cit.; Zhang


58. Confidential Report; the Pratt Memorandum; Edwin S. Cunningham [Cons.-Gen., Shanghai] to the Sec. of State (3 March 1930), 893.114, Narcotics/105 (hereafter cited as Cunningham).


60. Ibid; Cunningham. The number of prosecutions for opium trafficking in the decade 1918 to 1928 totalled 21,384. The figures for the years 1923 to 1928 were as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Prosecutions</th>
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<tr>
<td>1923</td>
<td>1,903</td>
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<tr>
<td>1924</td>
<td>3,207</td>
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<tr>
<td>1925</td>
<td>3,269</td>
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<td>1926</td>
<td>3,446</td>
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<tr>
<td>1927</td>
<td>1,690</td>
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<tr>
<td>1928</td>
<td>2,725</td>
</tr>
</tbody>
</table>

61. Ibid; NCH, 26 September 1925.

62. NCH, 30 May 1925; the Pratt Memorandum.

63. Hu Zhusheng, p.119.

64. Zhang Jungu, V.1, pp132, 136-139.

65. Shi Yi, p.238; Zhang Jungu, V.1, pp246-247; the Pratt Memorandum.


67. NCH, 13 March 1926.

68. NCH, 18 October 1924; NCH, 25 October 1924; Zhang Jungu, V.1, p.212; NCH, 28 February 1925.


70. See the following reports from The North-China Herald for May 1925, which imply that an arrangement between the Fengtian forces and the gangsters was already in place.

71. NCH, 23 May 1925.

72. NCH, 16 May 1925; NCH, 30 May 1925. Chang Zhiying was alleged to have accepted a $250,000 bribe, while Yang Shuizhuang was alleged to have received one worth $400,000.

73. NCH, 23 May 1925. This leading opium trafficker was described as 'a man named Cheng'. It is possible that it could have been a reference to Zhang Xiaolin.

74. NCH, 23 May 1925; NCH, 30 May 1925.

75. NCH, 30 May 1925.

76. NCH, 23 May 1925.

77. NCH, 6 June 1925; Guowen Zhoubao ("Kwo-wen Weekly"), 7 June 1925; Kotenev, p.264.

78. Yu Zhi, (Dongfang Zazhi, 25 February 1925), op.cit.; NCH, 14 February 1925.

79. NCH, 16 May 1925.

80. NCH, 14 March 1925.

81. Yu Zhi, "Yapian wenti yu Shanghai shizheng (The opium question and the administration of Shanghai)", Dongfang Zazhi, 22, 12 (25 June 1925):2; NCH, 13 March 1925; NCH, 23 May 1925.

82. NCH, 23 May 1925.


84. Minguo Ribao, 25 July 1925; Zhang Jungu, V.1; p.143.


86. Confidential Report; the three other opium merchants who made up the nominal partnership with Su Jiashan were, according to the Municipal Police, Chang Ruitang, Wang Shaochen and Lin Chenhong. Wang Shaochen was
perhaps the same person as Wang Jiafa who helped Du Yuesheng negotiate the agreement with the French authorities, as discussed in the following chapter. The Company's name - 'Three Prosperities' - was rumoured to be a reference to the three Green Gang bosses.

87. Zhang Junqu, V.1, pp130-132, 146. Other senior members of the Company identified by Zhang were Ma Xiangsheng, Fan Hengde, Dai Lao'er and Yuan Shanbao. It is possible that both Fan Hengde and Dai Lao'er are the same people as the opium merchant Fan Huichun and the former Big Eight Mob leader Dai Buxiang. According to Zhang, Yuan Shanbao was an old friend of Du Yuesheng whom Du put on the Big Company's payroll.


89. Shi Yi, p.48; Zhang Junqu, V.2, p.135.

90. The Pratt Memorandum.

91. Confidential Report; Cunningham. The ten grades for payment of monthly fees were (Grade 1)$7,000, (2)$6,000, (3)$5,000, (4)$4,000, (5)$3,000, (6)$2,000, (7)$1,500, (8)$1,000, (9)$500 and (10)$300.

92. Ibid.

93. Ibid.

94. NCH, 30 January 1926; International Anti-Opium Association, Opium Cultivation and Traffic in China, Peking: International Anti-Opium Association, 1926, pp19-20; The China Year Book, 1926, p.663. The Nantong Combine was originally set up as a separate organisation in Nantong County on the north bank of the Yangzi in late 1925, however its operations were quickly merged with those of the Big Company. By early 1926, therefore, the two combines formed one large organisation in which the Green Gang's Big Company had the controlling interest.

95. Yichang Intelligence Report, September Quarter (1922), F085/85/10.

96. International Anti-Opium Association, op.cit.; The China Year Book, 1926, op.cit.; Shi Yi, p.199; Zhang Junqu, V.1, p.163; NCH, 17 April 1926; NCH, 8 May 1926; NCH, 10 July 1926; NCH, 19 February 1927; China Forum, May 1932.

CHAPTER 3


PART 2: THE FRENCH CONNECTION

The relationship with the French authorities was as important a factor as their control of the opium traffic in the emergence of the French Concession Green Gang bosses to a position of primacy within the Green Gang system in Shanghai. It was this relationship which provided them with a reasonably secure base from which they could further extend their control over the opium traffic and other rackets. The connection with the French authorities went through three main phases in the period prior to the outbreak of the Sino-Japanese War: the first phase which covered the period up to 1927; the second covering the years 1927-1932; and the final phase, the period 1932-1937. The present chapter is concerned with the first phase of the relationship, the two subsequent phases are discussed in Chapter Five. The initial phase in the relationship between the Green Gang bosses and the French Concession authorities had three main characteristics. These were the continuing importance of Huang Jinrong's position in the French Police; the arrangements on opium distribution within the Concession entered into with senior members of the French administration; and the competition for power and influence between the Green Gang bosses and the Chinese "Establishment" in the Concession, the so-called Gentry-Councillor Clique.
Huang Jinrong’s power and influence within the French Concession rested in the first instance on the position he held within the police force. Huang’s position in the police and the influence which it gave him were, in turn, determined by the specific security concerns which preoccupied the French authorities in the 1920s. Unlike the International Settlement where executive authority was exercised by a Municipal Council overseen by the Consular Body, executive power in the French Concession was concentrated in the hands of the French Consul-General who exercised it through the issuance of consular ordinances, with the Municipal Council serving in a purely advisory capacity. One of the key powers enjoyed by the Consul-General was his control over the concession’s police force (La Garde Municipale) which, in the words of one consul-general, was answerable "directly and solely to the Consul-General". The personnel of this force (both French and Vietnamese) was composed almost exclusively of former soldiers, and its chief throughout the period 1919 to 1932, E. Fiori, was an artillery captain in the Army Reserve who had seen extensive service with the French Army in Morocco. The para-military nature of the Concession police was also reflected in its responsibilities which, besides the regular policing of the Concession, included providing for its external security. As Consul-General Wilden noted in early 1924, the police provided "in case of troubles, the principal element of the body responsible for
Thus both in its composition and in its diverse responsibilities the French Concession police constituted a typical example of a colonial police force.

Despite the large powers enjoyed by the consul-general, successive consuls-general were preoccupied by the relative weakness of the Concession's system of security compared with that in the International Settlement. Although this concern only became of critical importance during the events of late 1926 and early 1927, it had been a factor in the calculations of the French Concession authorities since the First World War. Indeed, Fiori had been appointed in 1919 with the specific brief to transform the police into an effective instrument for the defence of the Concession and so lessen its dependence in security matters on the International Settlement. This sense of vulnerability reflected the fact that throughout the early 1920s budgetary constraints made it difficult to maintain the strength of the police force at levels adequate even for regular policing functions, a problem that was compounded by the huge increases in the Concession's Chinese population during this same period. Another factor which contributed to this concern with security matters was the doubtful legal standing of the 1868 Règlements which provided the constitutional basis for the Concession. It was argued that since these regulations had been supported by force majeure they could be invalidated by force. As one contemporary authority noted:
the Règlements have their origin in the same vague treaty provisions as the [International Settlement] Land Regulations. The Règlements have been supported by force and could be invalidated in the same manner by a strong Chinese government.

The recognition of the Concession’s vulnerability on security matters was aggravated by the metropolitan French government’s belief that the Concession represented the most important centre of French influence in the Far East. Such an attitude led the local French administration to emphasise French authority at every opportunity, and to meet all challenges, real or imagined, to that authority no matter from what quarter they might emanate. It was in this context that local French officials came to believe that the International Settlement itself, by the very fact of its proximity to the Concession, constituted a challenge to continuing French authority within the Concession. This anxiety was clearly expressed in the minute which the Ministry of Foreign Affairs submitted to the Council of Ministers at the height of the Shanghai crisis in January 1927. It said in part:

The French Concession in Shanghai is, by far, the most important centre of French influence in the China seas. [It has] contributed in the greatest measure to the maintenance of our prestige in
China. A failure on our part would have disastrous consequences for all our economic and moral interests in the Far East.¹

This preoccupation with security concerns predisposed French officials to seek allies where they could to support the efforts to maintain French authority and prestige within the Concession. One such ally was Huang Jinrong, a member of the Chinese detective squad and a gang boss. Although, as noted earlier, Huang had joined the French Concession police in 1892, it was not until the First World War that he emerged as the leading Chinese figure in the police force and the predominant gangster boss in the Concession. Because of the large number of French police officers who returned to France for war service at this time, the French Consul-General carried out a reorganisation of the police force which devolved greater responsibilities on the Chinese members of the force. Consequently Huang was promoted to Chief Superintendent and many of his close associates, such as Cheng Ziqing and Jin Jiulin, were also appointed to senior positions.² Huang's usefulness to the French authorities derived from the close relations he had developed with local gangster groups associated with the Green and Red Gang systems, such as the Big Eight Mob and the Thirty-Six Mob (Sanshiliu Gudang), although Huang himself, as noted in a previous chapter, was not a formal member of the Green Gang system. He was also active in a group called the "One Hundred and Eight Warriors (Yibailingba Jiang)" which brought
together the leading Chinese detectives working for the foreign authorities, and therefore provided him with a regular channel to his colleagues in the International Settlement. Through these connections Huang was able to assist the chief of the Surete (the detective squad) to effect such periodic police "clean-ups" as that in 1922 when thirteen separate gangster mobs (with a total of 124 members) were arrested in the course of the year. In much the same way Huang was able to mobilise the necessary muscle to help the French authorities break the Chinese shopkeepers' strike in the wake of the May Fourth Incident of 1919. It was for such reasons that Huang earned the popular nickname "the Great Wall of security in the Concession (zujie zhi'an de changcheng)."

Huang's connections with gangster and bandit groups outside Shanghai, in particular his extensive contacts with Green Gang organisations throughout the Jiangnan and Jiangbei, could also be used to advantage by the French authorities. On one occasion, for example, when the wife of the Concession's chief administrative officer, Verdier, was kidnapped by bandits while holidaying in the Lake Tai area, the French authorities turned to Huang for help. Huang successfully negotiated the release of Mrs Verdier using as his intermediary one of Du Yuesheng's followers, Gao Xinbao, who enjoyed close relations with the Green gang groups around Lake Tai.
Another occasion, and one of greater political significance, was Huang's role in the negotiations concerning the Lincheng Incident. This referred to the hold-up by bandits, led by one Sun Meiyao, of the Shanghai-Beijing express train, the so-called Blue Express, near the town of Lincheng, Shandong, on 5 May 1923. All of the train's 300 passengers, including 35 foreigners, were seized and held for ransom by the bandits. The incident created consternation among the foreign powers who brought great pressure to bear on the Beijing Government to obtain the release of the foreign captives. The French authorities were concerned particularly about the fate of a M. Berube, a French official of the Chinese Maritime Customs, and Signor Musso who, although an Italian, was the senior lawyer in the French Concession and enjoyed a close working relationship with the French administration. They sought, therefore, to use Huang Jinrong's Green Gang connections in order to make contact with the bandit leaders. Huang sought the assistance of Zhang Renkui, who was then Tong-Hai Defence Commissioner, who provided him with a safe-conduct pass, and with this he proceeded to Lincheng accompanied by Zhang's leading follower, Wu Kunshan. Huang and Wu held a number of discussions with Sun Meiyao and his representatives in the vicinity of Lincheng, as well as with the local Chinese officials. These discussions, in fact, were part of a series of protracted and complex negotiations with the bandits which involved the Beijing Government, local warlord authorities, and the representatives of three major foreign
powers (Britain, France and the United States) which finally resulted in the release of the captives at the end of June 1923. As a result of his participation in these successful negotiations Huang's standing with the French authorities was greatly enhanced. One further consequence of Huang Jinrong's involvement with the Lincheng Affair was that he finally became a member of the Green Gang. In return for obtaining Zhang Renkui's co-operation Huang had to agree to become one of Zhang's followers. In this way, therefore, Huang became a member of the "Tong" generational status group of the Xing Wu Liu Branch of the Green Gang.  

Huang also used his position as the Surete's leading Chinese detective to further his own economic interests and to increase his influence with the leading gangster organisations in Shanghai. From his headquarters in the Ju Bao Teahouse (Jubao Chalou), Huang regulated the activities of armed robbers, kidnappers and narcotics smugglers, and managed his many diverse economic interests. He owned a string of theatres and bathhouses, and he either protected or controlled all of the opium hongs, gambling joints and brothels in the French Concession. As part of these operations he regularly paid out bribes to his French colleagues and superiors in the police force. It might be remarked in this context that two successive heads of the Sûreté, Messrs Traissac and Sidaine, Huang's nominal superiors, lost their positions in 1924 and 1925 respectively for turning a blind eye to the involvement of Chinese
detectives in the gambling and narcotics operations in the Concession. Despite his corruption of superiors, Huang's position, nevertheless, derived from his influence with French officialdom. It was his position within the concession police force, particularly in the 1910s and early 1920s, that gave him standing with other gangster groups in Shanghai and enabled him to build up his own gangster following. It was this fact which allowed him to develop a close working relationship with those gang bosses who belonged to the Green Gang system, without himself formally being a member of that system until very much later in his career. Thus it was that Huang Jinrong's position as a gang boss was defined and constrained by his membership of the police force.

(2) Rivals For Power: The Chinese Catholic "Gentry-Councillor Clique"

However, Huang Jinrong and his associates were not the only group that the French officials used to mediate their relations with the Chinese population of the Concession. Another powerful group which was closely associated with the Concession authorities was the so-called "Gentry-Councillor Clique (Shendong Pai)" which was composed of influential Chinese businessmen who were also Roman Catholics and returned students from France. The two leading members of this group in the 1920s and 1930s were Zhu Zhiyao (1863-1955) and Lu Baihong (1873-1937). Both Zhu and Lu belonged to
leading Chinese Roman Catholic families in Jiangnan who could trace their Catholicism back to the seventeenth century and were active in Catholic evangelical and philanthropic work in Shanghai. Both, for example, were involved with the creation of the Shanghai branch of the Union for Chinese Catholic Action (Unio Actionis Catholicae Sinarum) shortly after that organisation was established in 1912, while Lu also ran the Hospice de St Joseph in Nandao. In 1926 Lu went to Rome and had an audience with Pope Pius XI who conferred on him papal decorations in recognition of his work with Catholic Action. Zhu and Lu were also leading merchants with strong links with the Zhejiang financial clique (notably with Zhu Baosan and Yu Xiaqing) and extensive interests in shipping, public utilities and real estate in the Shanghai area.

Other members of this clique included Wu Zonglian (a former Chinese minister to Italy), Lu Songhou (former chairman of the Nandao Municipality), Zhu Yan (co-director of the Institut Technique Franco-Chinois), and Wei Tingrong (a director of the Crédit Franco-Chinois and the Da Da Bank, and the son-in-law of Zhu Baosan). The fact that members of this group had forged close links with the French Catholic establishment and the Vatican commended them to the local French authorities, particularly as France still maintained at that time an interest in the promotion of Catholicism as part of the cultural aspect of its China policy. Moreover a number of them, such as Wei Tingrong and Zhu Yan, were involved in promoting French financial and educational
interests in Shanghai and therefore contributed indirectly to the strengthening of French authority within the Concession. In fact, when the French agreed to appoint two non-participating Chinese councillors to the Municipal Council to advise the consul-general on matters relating to the Chinese population, as part of the Sino-French Agreement of 1914, they appointed them from the ranks of these Catholic gentry.\(^{21}\)

There is no doubt that a relationship of some kind existed between this Gentry-Councillor Clique and prominent Shanghai gangsters. Both Zhu and Lu dealt with at least one leading member of the Big Eight Mob in the course of their business activities in the early 1920s, and there were suggestions that some sort of recognition concerning spheres of interest in the French Concession existed between them and Huang Jingrong’s group.\(^{22}\) However, as the gangster groups sought to enlarge the areas of their interests and the degree of their influence over the French administration, this tacit compact broke down and both groups engaged in both covert and overt conflict for power and influence in the latter half of the 1920s.

(3) The Deal with the French Authorities, April-June 1925

As part of the process of consolidation of their control over the Shanghai opium traffic in the wake of the creation of the Three Prosperities Company, the three Green Gang bosses
sought to secure their base of operations within the French Concession. There are indications that the gangsters first approached influential French members of the Municipal Council in either late 1924 or early 1925, in particular the leading French lawyer and legal adviser to the Concession authorities, Du Pac de Marsouliès, in order to reach some kind of tacit understanding with the French. The Concession authorities were interested. Throughout the early 1920s they had argued that the policy of opium prohibition was a failure and the Chief of Police, Fiori, openly urged the legalisation of the trade in 1924 and 1925. He was not alone in this view; many other foreign officials held similar views including Sir Francis Aglen, the Inspector-General of Customs. Two major reasons were put forward in support of a policy of legalisation. Firstly, there was the argument that it was impossible to police adequately the policy of prohibition, and that the situation of unenforceable prohibition created a crisis of morale within the foreign police forces of Shanghai by encouraging rampant corruption within their ranks. A second, and more telling, argument was that the opium trade once legalised could be licensed and thus generate revenue for all three administrations in Shanghai. Opium farms at that time were a standard means of raising official revenues in European colonies in the Far East, and the French officials in Shanghai had the example of the lucrative farm in Indo-China which raised fifteen million piastres in revenue in 1923 alone, or twenty-one per cent of the French administration's budget for that year.
Moreover the security problems which confronted the Concession authorities in late 1924 and early 1925 in the wake of the Zhejiang-Jiangsu War graphically illustrated the need for an expanded police force. Revenue was, therefore, the major consideration in the French authorities' response to the gangsters' overtures in early 1925, and this was confirmed by subsequent events.

The main obstacle to a policy of open licensing of the opium trade, as mentioned in the previous chapter, was the mobilisation of international and Chinese public opinion by the powerful (and basically Protestant) missionary lobby in organisations such as the International Anti-Opium Association. It was the effective work performed by these bodies that prevented either the Chinese government or the Shanghai Consular Body from requesting the Foreign Powers to reappraise the 1912 Hague Convention and allow the public licensing of the opium trade.\[26\]

The local French administration, however, decided to defy this pressure and entered into secret negotiations with the Three Prosperities Company, in the person of Du Yuesheng.\[27\]

These negotiations were held over a three-month period, April-June 1925, and involved senior members of the municipal administration and leading French businessmen. These included the Chief of Police, Captain E. Fiori; the chief administrative officer of the Concession, M. Verdier; M. Speelman (a local Dutch banker and member of the French
Municipal Council); M. Blum (the managing director of Ullmann et Cie and member of the French Municipal Council); M. Galvin (a local pharmacist); and Doctor Hibert (a medical practitioner). The sources suggest that the then acting Consul-General, Jacques Meyrier, was represented in the negotiations by Galvin and Blum, and that he used the services of Li Yingsheng, the manager of the jewellery store, the Meizhenhua Ji, on the Rue du Consulat owned by Du Yuesheng, as an intermediary between himself and the Three Prosperities Company.28

On 28 April 1925 a meeting took place at No. 40 Route Vallon which was attended by Du Yuesheng and Wang Jiafa (described as an 'opium importer') representing the Three Prosperities Company, and Captain Fiori, M. Galvin and Doctor Hibert representing the local French authorities, at which an agreement was reached on the conditions governing the opium traffic in the French Concession.29 By the terms of this agreement, five opium retail shops and an opium warehouse were to be opened on a trial basis for one month, after which period the number of opium shops would be increased to twenty. Before operations commenced the Green Gang leaders would pay $70,000 to M. Galvin, who acted on behalf of the Police and the Consulate, in order that they would 'turn a blind eye' ('pour fermer les yeux) to the proceedings. This payment would be made in two instalments of $35,000, and the Three Prosperities Company agreed to pay a monthly fee in advance to the French police. Finally the gangsters
undertook responsibility for all the Chinese personnel involved together with 'the people who are in the habit of handling money in this sort of business'.

During this meeting the gangsters expressed their doubts as to whether or not the French parties to the negotiations could deliver on their promises of protection. Both Du and Wang bluntly stated that they had limited confidence in the police's ability to ensure adequate protection, and therefore demanded a ten-day trial period before they handed any money over to the French authorities. In response Galvin threatened the Green Gang leaders with the possibility that if they did not make the payments they would never obtain a monopoly of the opium traffic in the Concession. At this point Fiori ostentatiously left the meeting delegating full negotiating powers to Galvin, and this action convinced Du and Wang to reach an agreement and make the payments.

Shortly afterwards the substance of these negotiations was leaked to the press, which led to their suspension for most of May.

In late May the final contract was signed and it came into effect on 1 June 1925, although only after M. Blum had reimbursed the $35,000 to the Green Gang leaders on behalf of the French authorities. The contract, which was signed by Du Yuesheng on behalf of the Three Prosperities Company, merely elaborated the points agreed to at the meeting of 28 April. Among other things, it provided that the French
police would arrest and prosecute those opium traffickers who were not members of the Company; that the Company would give the police advance notice of its shipments, and that it would liaise closely with the Police representative, that is Captain Fiori, and 'keep him informed of everything that happens'; that the Company would provide its guards with uniforms and register them with the French police; and, most important, that the Company would ensure that the opium traffic was conducted 'discreetly' and that nobody was 'compromised' by its activities. The French authorities ensured their control of this arrangement through the stipulation that the contract was renewable on a three-monthly basis.\textsuperscript{34} The arrangements, therefore, were tightly controlled by the French police: all arrangements were to be made with Captain Fiori with whom the Three Prosperities Company was to maintain a close and regular liaison, and its personnel were to be registered with the French police.

Under the terms of the contract, the Big Company agreed to pay the police representative a lump sum of $140,000 together with $80,000 per month ($960,000 a year) 'during the entire duration of the traffic'. In addition it agreed to pay a body described as 'the European committee', presumably those members of the administration and the Municipal Council who were parties to the negotiations, $250 for each chest of opium which entered the warehouse, together with $500 per month ($6,000 per year) for each opium retail shop which operated in the Concession.\textsuperscript{35} This arrangement could
involve substantial sums. If, as some contemporary observers believed, the Company could on occasion traffic in opium to the amount of forty thousand chests in any one year, this would involve a payout to 'the European committee' of $10 million, a sum that more than met the administrative costs of the French Concession.  

In early August 1925 the French Concession police conducted a series of raids in what was described in the local press as 'a determined campaign against opium traffickers'. Six separate establishments were raided, including one on Wei Xiang Lane which was where the headquarters of the Three Prosperities Company was located. This action by the French police is susceptible to two separate explanations. It is possible that the raids were designed to put pressure on the Three Prosperities Company over some last minute hitch in the negotiations between itself and the French Concession authorities. On the other hand, it is possible that the raids were carried out against rival opium traffickers with the agreement of the Green Gang leadership, and that the raid on the premises in Wei Xiang Lane was merely a 'blind' to distract public attention away from the true purposes of this activity. Given the terms of the agreement between the gangsters and the French authorities, the latter would appear to be the more likely explanation. Added weight is given to this conclusion by the fact that the major opium trafficking organisation hit by the raids was the Guobaofeng Company and not the Three Prosperities Company. Whatever the
explanation for these particular raids there were no further raids on such a scale in the French Concession throughout the latter part of 1925, and the arrangements between Du Yuesheng and Captain Fiori appeared to be operating smoothly in early 1926.40

As some informed observers later remarked, an opium tax farm had been established in effect, if not in name, in the French Concession.41 These semi-official arrangements created quite a different situation from the corruption of individual police and municipal officials that had obtained in an earlier period. They put the relationship between the gangsters and the French authorities on a new, more regular and systematic basis, and in so doing created new opportunities for the gangsters.

(4) The Continuing Power Of the Gentry-Councillor Clique in the French Concession, 1924-1927

These new opportunities, however, were not immediately realised, mainly because of the emphasis which the French administration continued to place on its close relations with the Gentry-Councillor Clique. In late 1924 the Consul-General, Auguste Wilden, turned to this group for assistance in dealing with the security crisis facing the Concession as a result of the confused military and political situation in Shanghai in the wake of the Zhejiang-Jiangsu War. The fact that the French chose not to seek help from the gangsters
possibly reflected not only the limited role which the French still assigned Huang Jinrong's gangster organisation but also the fact that the French Concession gangsters themselves were deeply implicated in the military conspiracies of the defeated Anfu forces. All three Green Gang bosses were involved in the abortive scheme of Xu Shuzheng ("Little Xu"), Duan Qirui's right-hand man and strategist of the Anfu Clique, in mid-October 1924 to reorganise the defeated Zhejiang forces and continue the struggle along the borders of the foreign settlements, with the option of rushing the settlements in the event of their defeat.  

The Gentry-Councillor Clique responded to Wilden's request by organising a militia corps between November 1924 and April 1925 which was officially known as the French Concession Chinese Volunteers (Compagnie des Volontaires Chinois de la Concession Française). This corps consisted of between 150 and 200 men and was controlled by Zhu Zhiyao and Lu Baihong, who were its president and vice-president respectively. Its commander was Wei Tingrong. Although the Gentry-Councillor Clique met most of the company's costs out of a special fund, the French authorities supplied most of its armaments (200 rifles) together with a $5,000 grant for outfitting the volunteers. The volunteer corps also boasted six machine guns and an armoured car.

This Chinese Volunteers Corps was similar to the merchant militias organised in Chinese Shanghai, and it greatly
enhanced the power and influence of the Gentry-Councillor Clique in the Concession. The French were well pleased with the performance of the volunteers and considered them to be a major support to the police in the maintenance of public order, especially during the first anniversary of the 30 May Incident on 30 May 1926. As a result Wei Tingrong was awarded the Concession’s highest decoration, the Gold Medal of the French Municipality (Médaille Or de la Municipalité Française) in recognition of the services he performed for the French Concession as commander of the Chinese Volunteers.

The position of the Gentry-Councillor Clique was further enhanced by the role which French officials allocated to it in their reform of the Concession’s administration. Both Meyrier and his successor as Consul-General, P. E. Naggiar, were concerned at the growing influence of non-French foreigners on the Municipal Council and the threat that they believed this posed for French authority in the Concession. The problem was demographic: by about 1920 the French were a minority of the foreign population in the Concession. In 1926, according to figures cited by Naggiar, out of a total population in the Concession of 308,000, there were 300,000 Chinese, 7,000 non-French foreigners, and only 1,000 French. As part of their strategy for dealing with this problem, the French authorities decided to appoint Chinese representatives to the Municipal Council with, for the first time, full rights of participation in the council’s affairs.
This had a double advantage from the administration’s standpoint: it met to some degree Chinese nationalist demands for greater representation in the council, and at the same time it shored up the French position within the council.

As a result, one of Naggiar’s first acts on taking up the position of French Consul-General in April 1926 was to appoint two leading members of the Gentry Councillor Clique, Lu Baihong and Lu Songhou, as noted earlier, as full members of the French Municipal Council. In a speech at a reception for Sun Chuanfang in early May, Lu Baihong expressed his satisfaction with Naggiar’s actions which not only provided the Chinese bourgeoisie with full representation in the Municipal Council for the first time, but also served to further strengthen his clique’s position within the Concession. In his speech Lu revealed a shrewd understanding of the concerns motivating Naggiar’s actions:

Despite some general difficulties, there is nothing of a vexatious manner to be found in the French Concession..... Thanks to [Naggiar] we [the Chinese councillors] can now take part in the deliberations of the council and in its decisions. This benevolent attitude will certainly ensure a greater prosperity for the French Concession, and will consolidate the excellent understanding between the Chinese and French residents.
Although Meyrier and Naggiar had earlier considered matching the elected members of the council with others appointed by the consuls-general to ensure (with the casting vote of the French president) a built-in majority, by the end of 1926 Naggiar had decided to completely abolish the elected Municipal Council. On 14 January 1927 it was replaced with an appointed Provisional Commission (Commission Provisoire d'Administration Municipale) on the basis of Article 8 of the 1868 Règlements. Technically the elected Municipal Council was only suspended temporarily because of "events affecting the order and security of the concession"; in fact it was never restored. Of the seventeen members appointed to the Provisional Commission by the consuls-general, five were Chinese, and all of them were leading members of the Gentry-Councillor Clique. In a very real sense the major beneficiaries of Naggiar's administrative coup (apart from the French administration itself) was the clique of Chinese Roman Catholic gentry associated with Zhu Zhiyao and Lu Baihong.48

The complex of financial, security and constitutional problems which the French administration faced in the years 1925 and 1926 had enabled both the gangster triumvirate and the Gentry-Councillor Clique to enhance their respective positions within the Concession. The Green Gang bosses not only widened their range of contacts with French officials but also succeeded, to a degree, in formalising those contacts as a result of the agreement both parties had signed
on the opium traffic. They were now better placed than before to develop their political influence in the Concession over the longer term. That this did not happen immediately reflected both the fact that the new leadership needed time to digest the changes in its organisation and range of activities, and the fact that the Gentry-Councillor Clique dominated the political relationship between the Chinese residents and the French Concession authorities in these years. This clique successfully parleyed its preparedness to accommodate French concerns on security and political matters into substantial influence with successive consuls-general, in particular Naggiar. Consequently there appears to have been a degree of covert conflict between the two groups throughout this period, with the Catholic gentry clique attempting to contain the increasing ambitions of the gangster bosses.


The extension of the power and organisation of the Green Gang group in the French Concession in the mid-1920s, through the control of the contraband opium traffic by means of the establishment of the Three Prosperities Company and the understanding reached with the French Concession authorities, was accompanied by changes within the group which saw the emergence of a new leadership combination. This change in the power balance within the leadership was at the expense of
Huang Jinrong who lost his position of primacy within the organisation and was forced to share increasingly more of his power with his two erstwhile lieutenants, Du Yuesheng and Zhang Xiaolin. The result was the emergence of a collective leadership after 1925, and this triumvirate was popularly referred to as the "three big bosses (san daheng)".

In 1924 Huang's leadership was seriously weakened by the so-called Lu Lanchun Affair, which involved Huang in a conflict with Lu Yongxiang's warlord group. The occasion was the disparaging remarks made by Lu Xiaojia, Lu Yongxiang's son, during a performance by the famous female Beijing opera star Lu Lanchun in Huang's theatre, the Gong Wutai, which provoked Huang to assault Lu. Vowing vengeance Lu requested assistance from He Fenglin. This request presented He with a dilemma: on the one hand the relationship with Huang and the French Concession Green Gang was of major importance in managing the Anfu Clique's opium monopoly; on the other hand Huang had made the son of his commanding officer lose face and thus by extension had insulted Lu Yongxiang himself. He decided finally to assist the younger Lu and a few days later soldiers in plainclothes arrested Huang in the Gong Wutai and took him to He's headquarters at Longhua.

On learning of Huang's arrest both Du Yuesheng and Zhang Xiaolin set about trying to obtain his release. Zhang handled the direct negotiations with He Fenglin drawing on his close relations with the Zhejiang warlords. These
negotiations, however, proved to be protracted, and Huang was only released after a sizeable sum of money had been handed over by the gangsters which Du had raised from the Guangdong opium merchants. His arrest and imprisonment constituted an enormous loss of face for Huang Jinrong and revealed in stark fashion the limitations on his authority and influence in a key relationship for the Green Gang bosses. Shortly after his release Huang entered into a sworn brother relationship with Du and Zhang which symbolically expressed the new equality between the three Green Gang bosses. This arrangement in fact provided Huang with a face-saving means by which he could relinquish real power in the group and retire to the status of an honoured elder. From this period on all policy decisions were made by Du and Zhang.49

Huang's embarrassment was compounded the following year when Wei Tingrong of the Gentry-Councillor Clique engineered his resignation as Chief of the Chinese Detective Squad.50 This was related to the Clique's attempts to disrupt the negotiations between the Green Gang bosses and the French authorities on the prospective opium farm. In early May 1925 an open letter to the acting Consul-General, Meyrier, was published in the Shanghai press which called on him to suppress the opium retail shops scheduled to open "in a day or two" so as to ensure that "the reputation and integrity of the French in Shanghai should be upheld."51 Although the Clique failed in its attempt to prevent the opium agreement between the French authorities and the Green Gang bosses it
did succeed in forcing Huang's resignation from the police force. He retired in 1925. Although less than two years later, in January 1927, the French re-appointed Huang to the post of senior adviser to the police, he had lost much of his former influence and with it his position in the French Concession Green Gang hierarchy to his two former subordinates, Zhang and Du.\textsuperscript{52}

The power exercised by Zhang Xiaolin and Du Yuesheng under the new system after 1924 rested on different bases. Zhang's power derived from his close associations with the Jiangnan warlords, Lu Yongxiang and He Fenglin, and he developed similar relations with both Sun Chuanfang and Zhang Zongchang after the defeat of the Lu Yongxiang in the Zhejiang-Jiangsu War of September 1924. Zhang's power within the French Concession Green Gang system, therefore, reflected his familiarity with the world of warlord politics and his acceptability within that world. He was in other words the key person who mediated the relationship between the Green Gang bosses and the warlord political systems in Shanghai.

Du Yuesheng, for his part, concentrated his efforts on securing control of the Green Gang's narcotics operations in Shanghai. In the early 1920s he built up a close working relationship with the major Guangdong opium merchants and he played a key role in the establishment of the Three Prosperities Company, whose management he controlled in association with Jin Tingsun. It was Du, moreover, who
negotiated the agreement with the French authorities on behalf of the Green Gang bosses, and this role provided him with a good basis to develop his own connections with those authorities. Through his involvement with the Three Prosperities Company, in short, Du controlled a large part of the financial resources of the French Concession Green Gang, and this provided him with the necessary leverage to progressively extend his power and influence. By late 1924 Du was already considered to be a major power in the gangster world of Shanghai, when he was mentioned by name in an open letter which was published in The North-China Herald. In this letter Du was described as:

the chief loafer of the French Concession, an opium and arms smuggler. He claims Portuguese citizenship, and pretends to be immune from arrest in the French Concession for whatever he may do. It is strange that the 'Sin wen pao' [Xinwen Bao] published his name as Dou 'someone' instead of in full. I presume they knew the character of the man, and were afraid to print it, for fear of inviting trouble from Dou's loafer gangs.53

The political changes which occurred in the late 1920s, with the establishment of Guomindang rule in Shanghai, increased Du's power even further at the expense of both Huang Jinrong and Zhang Xiaolin, and ensured that by the mid 1930s he had emerged as the leading Green Gang boss in Shanghai.

2. Ibid.; NCH, 18 February 1928.


4. Ibid.


6. This was a major reason in the desire by both Meyrier and Naggiar to reform the French Municipal Council in 1925-1926. See the following section.


9. Xiang Bo, pp.131-132; Cheng Xiwen, "Wo dang Huang Jinrong guanjia de jianwen (What I saw and heard as Huang Jinrong's butler)", in Jiu Shanghai de Banghui, pp.148-149.


11. Shen Bao, 8 June 1919, cited in Wusi Yundong zai Shanghai Shiliao Xuanli (Selected Historical Materials on the May Fourth Movement in Shanghai), ed. by Shanghai Shehui Kexue Yuan Lishi Yanjiu Suo (The Institute of Historical Research of the Shanghai Academy of Social Sciences), Shanghai, Renmin Chubanshe, 1980, p.768.

12. Xiang Bo, p.132; Da Liumang Du Yuesheng, p.6.

13. Xiang Bo, p.132.
14. For details of the incident consult John B. Powell, My Twenty-Five Years in China, New York: Macmillan, 1945, pp92-124; and Chen Siyi, "Lincheng jieche an (The train hold-up at Lincheng)", in Shi Peng, ed., Minguo Si Da Qi'an (Four Very Strange Cases from the Republic), Hong Kong: Zhong Yuan, 1986, pp1-89. See also the detailed account on the first anniversary of the incident in NCH, 10 May 1924.


23. The Acting Consul-General, Meyrier, in his report to the French Minister noted the allegations that one of the reasons why Du Pac stood in the Municipal Council elections of January 1925 was his desire to set up an opium trafficking organisation. Du Pac was associated with the Shanghai opium traffickers. He was the defence lawyer in the Ezra opium case which involved the leading Guangdong opium merchant Ye Qinghe and withdrew from the case in rather intriguing circumstances. See the reports in The North-China Herald, January-June 1925, and M.J. Meyrier, Consul, gérant le Consulat-Général de France à Shanghai. À Son Excellence Monsieur de Martel, Ministre Plénipotentiaire de la République Française à Pékin. Annex in M.D. de Martel, Ministre Plénipotentiaire de la République Française en Chine, à Son Excellence Monsieur Edouard Herriot, Président du Conseil, Ministre des Affaires Etrangères à Paris. Légation de la République Française en Chine. Pékin, le 10 Février 1925. Direction des Affaires Politiques et Commerciales. Asie: Océanie, No.41 E515.4.

24. Wilden (9 July 1923); Wilden (18 February 1924); Conseil d'Administration Municipale de la Concession Française à Changhai. Compte-Rendu de la Gestion pour l'Exercice 1924. Rapports pour l'Année 1924: Rapport de la Garde Municipale, p.296; Conseil d'Administration Municipale de la Concession Française à Changhai. Compte-Rendu de la Gestion pour l'Exercice 1925. Rapports pour l'Année 1925: Rapport de la Garde Municipale, p.258.

25. NCH, 6 December 1924.


27. The following is based on the minutes of meetings and the text of the contract between Du Yuesheng acting on behalf of the Three Prosperities Company, and certain French officials and businessmen which are provided in Douglas Jenkins [Cons.-Gen., Shanghai] to the Sec. of State, Washington (16 March 1931), 893.114 Narcotics/208. These documents came into the possession of the United States Consulate-General in Shanghai in 1931. The original owner of the documents was a certain M. Rene Baurens, a former President of the French Mixed Court in Shanghai, who in 1931 held a minor administrative position in French Indo-China. Baurens had been a member of the French Concession opium monopoly, but had been expelled because of his alleged greed, and in revenge he had leaked these documents for
a price. Jenkins, although he could not give absolute guarantees, believed the documents to be genuine. He told the State Department that:

While the authenticity of these documents cannot be guaranteed, and while the source thereof must be treated as confidential, it is believed that they are genuine.

Other sources used for this section are Da Liumang Du Yuesheng, pp.14-15, Xue Gengxin (1980), p.163; Ferdinand Mayer [Minister, Peking] to the Sec. of State, Washington (23 April 1925), 893. 114/528; Minguo Ribao, 25 July 1925.

30. ibid.
31. ibid.
32. ibid; NCH, 9 May 1925.
33. Jenkins (16 March 1931).
34. ibid.
35. Jenkins (16 March 1931).
37. NCH, 8 August 1925.
38. ibid; Zhang Jungu, V.1, p.132.
39. NCH, 8 August 1925. It is possible that the Guobaofeng opium hong is the same institution as the major Shantou opium hong, the Guoyu Ji.
40. NCH, 6 March 1926.
41. The contract stipulated that the French police would arrest and prosecute only those opium dealers who were not members of the Three Prosperities Company, and whose opium consignments did not bear the combine's "chop": Jenkins (16 March 1931). In a dispatch of mid-1930 the British Consul-General in Shanghai referred to the Green Gang Bosses as "the 'opium farmers' of the French Concession": Consul-General Brenan to Sir M. Lampson, Shanghai, May 29, 1930. FO 3570/184/87. Other sources which imply a semi-official arrangement regarding opium between the gangsters and the French authorities are "Memorandum on Mr Tu Yueh-Sheng alias Tu Yuin" (Report,
8 July 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D9319; CWR, 7 February 1931; CWR, 23 January 1932.

42. NCH, 18 October 1924; NCH, 25 October 1924; Zhang Jungu, V.1, p.212.


46. Dong Shu, "Fazujie shizheng yange (The evolution of the French Concession administration)", Shanghai Shi Tongzhiquan Oikan, 2, 3 (December 1934):759; Naggiar (15 August 1926).


48. The five Chinese members were Lu Baihong, Lu Songhou, Zhu Yan, Wu Zonglian and Wei Tingrong. NCH, 15 January 1927; Dong Shu, "Shanghai Fazujie de duoshi shiqi," pp.1000-1001; The China Year Book 1928, p.928; M.E. Naggiar, Consul-Général de France A Shanghai. À Son Excellence Monsieur le Ministre des Affaires Etrangères à Paris, Consulat-Général de France à Shanghai, Shanghai, le 17 Janvier 1927. Direction des Affaires Politiques et Commerciales. Asie: Océanie, No.11 E515.4; Conseil d'Administration Municipale de la Concession Française à Shanghai. Compte-Rendu de la Gestion pour

49. *Da Li umang Du Yuesheng*, pp11-12; Huang Guodong, "Du Men huajiu (Reminiscences about Du's household)", in *Jiu Shanghai de Banghui*, pp255-256; Chen Dingshan, pp98-100; *Jiu Shanghai Fengyun Renwu*, pp159-160.


51. NCH, 9 May 1925.

52. *Da Li umang Du Yuesheng*, p.6; Xiang Bo, p.132.

In the course of the 1920s the French Concession Green Gang bosses also established links with the two major revolutionary parties which actively sought to recast the mould of Chinese politics, the Nationalist Party or Guomindang (GMD) and the Chinese Communist Party (CCP). For the Green Gang bosses these relations were of an essentially pragmatic nature and reflected their propensity to deal with any and all organisations in pursuit of their own specific interests. In other words the gangster bosses did not distinguish necessarily between their relations with these political parties and those they enjoyed with the local warlords and French authorities. By the late 1920s the GMD and the CCP, for their part, could not ignore the important role which the French Concession Green Gang, in particular, played in the political and economic world of Shanghai, as a consequence of its control of the contraband opium traffic and its relationships with the local Chinese warlord and French authorities. Jiang Jieshi, indeed, found the Green Gang bosses to be indispensable allies in his coup de main against the CCP; while the CCP leadership itself, in the pursuit of its political strategy of organising the working class, had to take account of the labour rackets run by the Green Gang.
The relationship between the Shanghai Green Gang and the Guomindang had its origin in the period of the 1911 Revolution when Chen Qimei, the head of the Tongmeng Hui's Central China Bureau, utilised the Green and Red Gangs to capture Shanghai and subsequently to assist him in the consolidation of his own position as military governor (dudu) of Shanghai. Members of the Green Gang formed the rank and file of Chen's "Dare-to-Die" Corps (Gansi Dui) which were commanded by Green Gang leaders such as Liu Fubiao and Ying Guixin during the 1911 revolution in Shanghai. There is some suggestion that Chen Qimei himself joined the Green Gang and held a leadership position in that organisation in order to ensure his authority over the gangsters, and he certainly helped to set up the Mutual Progress Association of the Chinese Republic (Zhonghua Minguo Gongjin Hui) in order to mobilise the Green Gang in support of his military governorship. Established in 1912 in Shanghai under the direction of Ying Guixin this organisation sought to include all the Green Gang members in the lower Yangzi Valley, and its leadership was drawn from Green Gang leaders of the "Da" generational status group. The Mutual Progress Association did not endure long, it was suppressed by Yuan Shikai's Government by the end of 1912, and its former leader, Yin Guixin, went over to Yuan Shikai. The assassination of the senior Guomindang parliamentarian, Song Jiaoren, by Ying
Guixin on Yuan's orders in 1913 embarassed Chen Qimei and compromised his strategy of using the Green Gang to further the political goals of the revolutionaries. This strategy was disrupted further by Chen's own assassination in 1916, and although his lieutenant, Han Hui, attempted to maintain it after Chen's death, the link between the Shanghai Green Gang and the Chinese Revolutionary Party (Zhonghua Geming Dang), a predecessor of the GMD, was finally broken with Han's assassination in 1917.³

Regular contact between the Shanghai Green Gang and the Guomindang does not appear to have been re-established until the mid-1920s, at a time when the Green Gang organisation itself was undergoing profound changes with the emergence of the French Concession bosses to a position of predominance in the system. The occasion was the approach made to Du Yuesheng in 1924 by unspecified "important members" of the Guomindang who requested his protection for their activities in Shanghai. Du agreed and as a result several senior Guomindang members took up residence in the French Concession. It was in the context of this arrangement that Du first established relations with a number of Guomindang politicians including Chen Lifu (a nephew of Chen Qimei), Shao Lizi, Zhu Minyi and Yang Hu.⁴ During the May 30 Movement in 1925 Du worked closely with the Guomindang representatives in Shanghai in their attempts to control the political direction of the movement. With the outbreak of the incident Du held discussions on the crisis with Ma
Chaojun (a GMD trade union organiser), who was then in Shanghai organising branches of the Associations for the Study of Sun Yat-sen Thought (Sun Wen Zhuyi Xuehui) among Shanghai students on behalf of the Right GMD. Du also took an active part in the meeting organised by Ye Chucang, Ma Chaojun and Liu Liyun and held in the Shanghai GMD Headquarters at No.44 Route Vallon on the evening of the 30 May, which decided on the strategy of the triple strike by merchants, students, and workers to begin from 1 June. It might be remarked here that Du's involvement with the Guomindang's political response to the May Thirtieth Incident was a good tactical move in the light of the controversy then surrounding the creation by the Green Gang bosses of a de facto opium monopoly in the French Concession. It successfully diverted Chinese public attention away from the agreement with the French authorities and gave the gangster bosses a patriotic image in the popular mind.

It may be appropriate to mention at this juncture Jiang Jieshi's links with the Shanghai Green Gang. These links date from the 1911 Revolution when Jiang personally commanded one of Chen Qimei's "Dare-to-Die Corps" which was sent from Shanghai to assist in the liberation of Hangzhou. There have been repeated allegations, moreover, by both Chinese and foreign authors concerning both Jiang's membership of the Green Gang and his relationship with Huang Jinrong, over the past sixty years. Jiang himself admitted to leading a wild and dissolute life in Shanghai in the late 1910s in a letter
to Hu Hanmin and Wang Jingwei in 1924; and when Jiang did leave Shanghai finally for Guangdong in 1919 it was Huang Jinrong, along with Yu Xiaqing, who provided him with financial assistance.\(^9\) Evidence does exist, moreover, in the form of an entry in a names list in a Green Gang manual, which would appear to establish the fact that Jiang Jieshi was indeed a member of the Green Gang.\(^10\) According to this source Jiang was a member of the "Wu" generational status group of the "Xing Wu Liu" Branch of the Green Gang.

(2) The Green Gang and the Chinese Communist Party (CCP)

During the 1920s relations between the Green Gang and the fledgling Chinese Communist Party were extremely ambiguous. The Shanghai Green Gang leadership, although never in sympathy with the Chinese Communists' objectives, as they understood them, did not have any profound ideological hostility towards the Communists.\(^11\) They treated the Communists, at least initially, as merely another factor in the politics of Shanghai, and were prepared to deal with them on the same basis as they dealt with Sun Chuanfang and other militarists, when it was in their interests to do so. The Chinese Communist Party, for its part, did not pursue a consistently hostile policy towards the Green Gang, and its strategies alternated between the poles of outright opposition and guarded cooperation.
The Green Gang viewed Shanghai's industrial proletariat as an important source of revenue and a useful pool from which to recruit new members. In the early 1920s the Green Gang exercised a "stranglehold over the Shanghai workers" which was derived from their control of the labour-contract system known as baogong. The Green Gang had early perceived the financial rewards to be gained from the labour contract system and by the 1920s had transformed it into one of their most lucrative rackets. Its control over the system was facilitated by the fact that the majority of workers in Shanghai were immigrants from the rural hinterland who were socially fragmented along native place lines, and for whom Shanghai was a completely alien environment.

In most of the Shanghai factories the foremen and inspectors who managed the baogong system were petty Green Gang leaders, who through their manipulation of the system completely dominated the lives of the workers. These foremen adapted Green Gang organisational principles to ensure the effectiveness of control over the workers under their charge. All workers in those factories where the Green Gang controlled the labour contract system were forced to enter into "disciple" and "grand disciple" relations with their foremen, and the latter manipulated these relationships in order to obtain "gifts" and bribes, and used these workers "disciples" for their own criminal purposes.
When the Chinese Communist Party, therefore, began its policy of systematically organising the Shanghai workers into trade unions in the early 1920s, it had to take account of the Green Gang’s dominant position among the workers through its control of the baogong system. Initially the Chinese Communist strategy was to infiltrate the Green Gang in the hopes of influencing it from within in the interests of the Chinese Communist Party’s trade union policy. The architect of this policy was apparently Li Qihan, who was in charge of the CCP’s initial labour policy. Li himself joined the Green Gang and became a disciple of a local boss who belonged to the relatively senior "Tong" generational status group.15

However the CCP became progressively disillusioned with the Green Gang and came to regard it as a degenerate form of secret society, whose relations with the workers were based solely on exploitation. It then adopted a complicated strategy of trying to break down the Green Gang’s organisational coherence by distinguishing between major and minor bosses in the Green Gang hierarchy. In pursuance of this policy the Communists attacked senior Green Gang bosses as "capitalist stooges" while at the same time they attempted to win over the junior Green Gang bosses who occupied positions as factory foremen. These new tactics were first put into effect by Li Qihan and Zhang Guotao during the strike in the British American Tobacco Company’s Pudong factory in August 1921. One key objective of this strike for the communists was to set up a trade union in the factory. In
order to do this, however, they needed to undermine the power exercised over the workers by the local Green Gang boss (laotou), one Wang Fengshan, who was also the factory’s chief inspector. The means of effecting this was to destroy his prestige by a public loss of "face (mianzi)". The method adopted was for one of the strike leaders, who was also one of Wang’s "disciples", to tip a watermelon filled with human excrement over the boss’ head. After this incident the communists had no further trouble in organizing a union among the workers.16

Despite the success of these tactics on this occasion, the attempt to introduce the elements of class struggle into the Green Gang system does not appear generally to have been very successful. A new and more complex phase in the relations between the CCP and the Green Gang was ushered in by the May Thirtieth Movement. On the one hand at the height of the crisis in mid 1925, the CCP and the Shanghai General Labour Union (Shanghai Zonggonghui-SGLU) entered into a tactical alliance with certain Green Gang groups which allowed the latter to participate actively in the anti-British and anti-Japanese boycott under the auspices of the GLU. In return the gangsters extended their protection to the GLU personnel and premises in Zhabei. The available evidence would suggest that this agreement was in the nature of a deal struck between Li Lisan, the communist head of the GLU, and Gu Zhuxian, the Zhabei Green Gang boss.17 On the other hand, in the wake of the May Thirtieth Movement the CCP’s
organisation of Shanghai labour made dramatic advances throughout 1925 and early 1926. As a result the CCP now had the confidence to set about effectively undermining the Green Gang's position within the labour market in a systematic way: the abolition of the baogong system became a key strike demand; it launched attacks on "scabs" and initiated a policy of physical assault on factory foremen which was implemented by the Workers Pickets.\textsuperscript{18}


1) The Green Gang and the Guomindang: Jiang Jieshi's Overtures

By the second half of 1926 it was clear to Jiang Jieshi that Shanghai was the key to the politico-military strategy of the Northern Expedition. He needed to secure for himself the economic resources of Shanghai in order to finance the Northern Expedition. Control of Shanghai and its hinterland, moreover, would place Jiang in a strong strategic position in any future political conflict within the Guomindang. Major obstacles, however, forced Jiang to tread cautiously. In the autumn of 1926 Shanghai still appeared to be securely under the control of Sun Chuanfang's Allied Army\textsuperscript{19}; it had also emerged as the strongest centre of trade union and CCP power in China; and the city remained the centre of foreign economic and political interests in China which the foreign
powers showed every intention of defending.

Jiang was aware of the changes that had occurred in the structure of power of the Green Gang in Shanghai in the mid-1920s as a result of the emergence of the three French Concession bosses to a position of predominance in the system. It is possible that from his perspective the securing of the support of these Green Gang bosses could contribute to the solution of these problems. The Green Gang leaders' friendly contacts with Sun Chuanfang and his military and civilian officials, for example, could be effectively used by the Guomindang in its strategy of subverting warlord authority in Shanghai. The Green Gang itself could provide the nucleus for a para-military force which could effectively oppose and destroy the power of the Shanghai GLU's Workers Pickets. Even the Green Gang's relations with the authorities of the foreign settlements, through their involvement with the settlements' police forces, could be turned to advantage, if it could be used as a channel for securing the tacit approval of the foreign authorities for the National Revolutionary Army's takeover of Chinese Shanghai. It was considerations such as these which led Jiang in late 1926 to resume contact with Huang Jinrong, with whom he had been out of touch since 1919.

The principle motivation of the French Concession Green Gang bosses, for their part, in all their dealings was a calculating self-interest, and there is no reason to doubt
that this attitude did not determine their response to the overtures from the Guomindang. Their actions and alliances were determined simply by what would best preserve and enhance Green Gang interests, notably the opium monopoly and other lucrative rackets. The evidence, fragmentary though it is, would suggest that Green Gang support for the Guomindang was achieved only after protracted negotiations covering at least a four month period, from November 1926 to February 1927. During this period the Green Gang bosses continued to enjoy a mutually beneficial relationship with Sun Chuanfang who remained reasonably secure in Shanghai. As late as January 1927, indeed, the Green Gang was still cooperating with Sun Chuanfang's police in hunting down "radicals" in Zhabei and Nandao.  

The Green Gang leadership was apparently uncommitted to either side in, at least the early stages of, the developing conflict between the Guomindang Right Wing and the Chinese Communists. On the other hand the leadership divided as to where it should lend its support in the military struggle between the Warlords and the Guomindang after the launching of the Northern Expedition. At least one of the bosses, Zhang Xiaolin, considered the Guomindang's policies to be inimical to the interests of the Green Gang, and although this hostile view might not have been shared by the other leaders, yet it is probable that they still considered the Guomindang to be an unknown quantity in late 1926.
Simultaneously with the launching of the Northern Expedition in July 1926, Niu Yongjian was sent to Shanghai as the Guomindang’s Special Representative entrusted with the dual task of subverting Sun Chuanfang’s military subordinates and coordinating the activities of the anti-warlord and revolutionary forces in Shanghai with the advance of the National Revolutionary Army. At the same time it would appear that Niu was charged with the secret mission of monitoring and controlling Chinese Communist activities.

On 4 September 1927 Niu established the seven member Jiangsu Party Affairs Committee (Jiangsu Dangwu Weiyuanhui), under his chairmanship, to coordinate the Guomindang-Chinese Communist sabotage activities in Shanghai, and to provide a forum which would endorse Niu’s decisions on the timing of the armed uprisings. There is a certain amount of circumstantial evidence to suggest that Niu approached the Green Gang leadership in the autumn of 1926 with a view to enlisting their support for the National Revolutionary Army. It is claimed that Du Yuesheng had very close relations with Niu Yongjian and three other members of the Jiangsu Party Affairs Committee, the implication being that Du had at least unofficial contacts with this Committee.

Niu was a native of Shanghai and had been associated with Chen Qimei in both the 1911 and 1913 Shanghai revolutions, and it is probable that he had been chosen for this assignment because of his extensive contacts among the political and financial power brokers of Shanghai, and these would almost certainly have included the French Concession Green Gang bosses.
The first clear evidence of Green Gang interest in the possibilities of cooperation with the Guomindang occurs in the context of the autonomy movement which developed in Shanghai in the winter of 1926. This movement brought together radical and conservative groups who, for different reasons, were interested in preserving Shanghai from the ravages of civil war, and its development was actively encouraged by Niu Yongjian, who hoped to manipulate the movement to the advantage of the Guomindang. The growth of the autonomy movement was directly linked to Sun Chuanfang's worsening military situation. The initial move, the creation of a Shanghai Citizens' Federation, was taken in the wake of Sun's defeat at Jiujiang, 5 November 1926, and the extension of the movement to include the three Jiangnan provinces of Jiangsu, Anhui and Zhejiang in a Three Provinces Federation was taken in December, after Sun's trip to Tianjin to enlist Zhang Zuolin's support. The Green Gang leaders, faced with an increasingly unstable political situation in Shanghai, played an active role in the Shanghai Citizens' Federation, a body which brought together local Chinese bankers, merchants, industrialists and politicians.

It was in the context of this autonomy movement that Huang Jinrong apparently had a meeting with Jiang Jieshi at Jiujiang in mid-November 1926. The exact nature of this conference remains obscure, although it has been suggested that it was at this meeting that Jiang not only secured the Green Gang's support for his planned purge but also settled
its detailed strategy. Other evidence suggests, however, that the French Concession Green Gang bosses still kept their options open in the winter of 1926, and that, indeed, they did not finally commit themselves to the Guomindang cause until late February 1927.

From the evidence presently available the following would seem to be a reasonable reconstruction of the attitudes of the Shanghai Green Gang leadership towards the Guomindang. In late 1926 they appear to have adopted a non-committal attitude towards the Guomindang, and maintained an even handed approach towards both sides in the Guomindang-Warlord conflict. They responded to overtures from the Guomindang and developed contacts with the Guomindang's Shanghai underground, while at the same time maintaining their relations with Sun Chuanfang. This even handed policy would account for their passive involvement in Guomindang espionage in early December 1926, when they passed on to Niu Yongjian intelligence reports concerning the dispositions of Sun Chuanfang's troops in Zhejiang which were sent to them by Zhang Boqi the Commander of the Ningbo Forts in the Zhejiang Army. It would also account for their espionage activities on behalf of Sun Chuanfang, in early 1927 when detectives controlled by the Green Gang infiltrated "radical circles" in Zhabei and Nandao. The Green Gang leadership's major concern was to determine what benefits they would obtain from a Guomindang victory in the civil war. It is more than likely that the major factor in determining the
leadership's decision, as to whether or not they would support the Guomindang, was the Guomindang's attitude to their monopoly of the opium traffic in Shanghai. There are strong indications that the agreement reached between Jiang Jieshi and the Green Gang bosses contained a provision for Green Gang control of any future Guomindang opium monopoly. Concern about the future of their opium interests certainly exercised the minds of the Green gang bosses at this time. In mid-March 1927, for example, Du Yuesheng approached the CCP's Shanghai District Special Committee with the offer of placing all Green Gang groups in Shanghai under the command of the CCP in return for the latter's agreement not to move against the opium traffic; the Committee, however, remained non-committal.

As Sun Chuanfang's military position deteriorated in the winter of 1926-1927, the Green Gang leadership became more receptive to the Guomindang overtures. It was probably during this period of the rapid collapse of warlord resistance in the Central Yangzi, December 1926- January 1927, that a vigorous debate was initiated within the Green Gang leadership as to their strategy in the event of a Guomindang victory. The debate seems to have been between Du Yuesheng and Zhang Xiaolin both of whom strove to win the support of Huang Jinrong who, as the "elder" figure in the triumvirate, apparently filled the role of umpire. Both Du and Zhang shared a common preoccupation, the need to ensure the long-term interests of the Shanghai Green Gang. The
debate was over means and not ends. Zhang argued the need to support the warlord position, because he feared that a Guomindang victory would bring to an end the political, economic and social conditions which enabled the Green Gang to maintain its ascendancy in Shanghai. Du Yuesheng, for his part, took a pragmatic position, and argued that the Green Gang's best strategy would be to respond positively to the Guomindang's overtures, and to cooperate with it, in order to ensure that the Shanghai Green Gang's interests would be accommodated in the Guomindang's new order. The different strategies offered by Zhang and Du probably reflected their differing assessments as to the capacity of the warlord forces to defeat the Guomindang military forces. Zhang Xiaolin held an optimistic view of the resilience of the warlord armies, and when Zhang Zongchang's forces came to Shanghai at the end of February strongly advocated Green Gang support for his old friend and Green Gang colleague, Zhang Zongchang. Du, on the other hand, had a more pessimistic view of the ability of the warlord forces to defeat the Guomindang. The debate continued throughout January 1927.

A turning point was reached in February 1927 when Jiang Jieshi appointed the French Concession Green Gang bosses as his "resident" special agents in Shanghai. In effect this appears to have been an attempt to secure Jiang's control over the Green Gang leaders' actions, since it placed them in a formal command structure under the authority of Yang Hu who was Head of the Special Services Bureau of Jiang Jieshi's
Military Headquarters. In response the Jiangsu Provincial Government was reported to have issued warrants for the arrest of Du Yuesheng and Zhang Xiaolin as suspected Guomindang agents. Sun Chuanfang, however, took the unusual step of issuing an official proclamation denying the validity of these reports. Sun’s action, it might be suggested, reflected both his own ambivalent attitude towards the Guomindang and his need to preserve his modus vivendi with the Green Gang bosses.

On 24 February 1927 the three French Concession Green Gang bosses held a discussion to determine finally their attitude to the Guomindang, on the very day that Zhang Zongchang’s forces under the command of Bi Shucheng entered Shanghai. The discussion lasted the whole day and resulted in a decision to support the Guomindang. Two factors seem to have influenced this decision. The first was the total shipwreck of Sun Chuanfang’s position which jeopardised the Green Gang’s position in Shanghai which had been carefully constructed within the framework of an agreed modus vivendi with Sun Chuanfang. They also had doubts about Zhang Zongchang’s capacity to consolidate his position both militarily and politically in the Shanghai area. The second factor influencing this decision was the Green Gang bosses’ concern regarding the threat which the organised trade union movement, under Communist direction, posed to their vested interests in Shanghai. Although the February General Strike and uprising had been suppressed, it had given a clear
indication of the strength of the workers movement, which had been capable of turning "pompous Shanghai" into a "graveyard" for three days.43


In late 1926 there was a further change in the CCP's tactics towards the Green Gang, and an attempt was made to implement a more conciliatory policy than the one that had been pursued since late 1925, in an attempt to reach at least a guarded understanding with the Green Gang leaders. This change in policy coincided with Wang Shouhua's replacement of Li Lisan as Chairman of the Labour Union Committee of the CCP's Central Committee in October 1926.44 It is probable that Wang Shouhua was the architect of this conciliatory policy, and that he had been instructed by the Central Committee to develop a friendly relationship with the Green Gang leadership.45 In late January 1927, for example, the CCP's Shanghai District Committee (Shanghai qu weiyuanhui) reaffirmed its decision to maintain its relationship with Du Yuesheng.46 Throughout this period of CCP conciliation of the Green Gang, from early November 1926 to late February 1927, Wang Shouhua liaised on a regular basis with Du Yuesheng,47 and a halt was called to CCP attacks on Green Gang factory foremen.48 The reasons for this change of strategy are not hard to identify. The policy of conciliation coincided with the development of the autonomy
movement in Shanghai and it represented the CCP's contribution to the attempts being made by Niu Yongjian to transform the movement into some kind of "united front" in the interests of the National Revolutionary Army. It is possible that the CCP were also seeking to make their own contacts with the Green Gang leadership in order to attempt to use the Green Gang network to strengthen the Shanghai General Labour Union's position vis-a-vis the Guomindang. It would appear that the CCP had become suspicious of Niu Yongjian's policy towards itself following Niu's failure to warn the CCP of the failure of Xia Chao's Revolt in late October 1926. The conciliatory policy was also a recognition by the CCP of the strong position which the Green Gang maintained in Shanghai through its control of police coercive power. As noted in the preceding chapter the Shanghai Green Gang had gone through an important reorganisation of its own in 1924-1925, which had greatly increased its power and which had coincided with the development in the power and influence of the Shanghai General Labour Union.

This conciliatory policy reached its culmination in Wang Shouhua's attempts to gain Green Gang support for the General strike and uprising of 19-24 February 1927. However, the Green Gang leadership had by late February 1927 no intention of allying themselves with the CCP, and were in fact on the point of cooperating with Jiang Jieshi. The Green Gang bosses, in fact, participated fully in the attempt to contain
the general strike and repress the uprising. During the general strike Du Yuesheng used his position as chairman of the French Concession Chinese Chamber of Commerce to prevent Chinese merchants and their employees in the French Concession from joining the strike, and thus ensuring that it did not take root in the French Concession.\(^52\) It is possible that Du also played a role in persuading the Chinese General Chamber of Commerce not to join the call for a general strike. In fact Du was praised by the foreign community for doing "much to bring the strike to an end."\(^53\)

It would appear, therefore, that Du played a crucial role in ensuring the failure of the February general strike, since the lack of support from the Chinese Chamber of Commerce and from the shopkeepers' associations was a critical factor in its failure.\(^54\)

The failure of the February general strike and insurrection, and the role which the Green Gang leadership played in ensuring that failure, destroyed the CCP's policy of conciliation. The events of the February general strike had finally disabused the CCP of any illusions they might have entertained of using the Green Gang in the interests of the Shanghai General Labour Union.

Almost immediately after the end of the strike the systematic murders of Green Gang factory foremen and inspectors by CCP controlled assassination squads, resumed at an accelerated rate. According to SMP Reports between 19 February and 23
March a total of eleven foremen were murdered and five wounded in Shanghai, and at least two ex-foremen were executed by Workers Tribunals in Pudong.\textsuperscript{55} Again, during March, the abolition of the \textit{baogong} system reemerged as a central demand of the Shanghai trade unions.\textsuperscript{56} By late February, therefore, the CCP had swung back to a policy of outright hostility towards the Green Gang, and the Green Gang leaders themselves now regarded the destruction of the Communist controlled trade union organisations as a matter of vital importance if their former control of the labour organisations was to be restored.

(4) \textbf{The Green Gang and Revolutionary Politics, Part 2: The "Nanchang Policy" and the March Uprising 1927}

By the end of February 1927, therefore, the French Concession Green Gang bosses had definitely committed themselves to support of the Guomindang. During this month they lent their support to Jiang Jieshi's so-called "Nanchang policy" of destroying CCP organisations piecemeal, and they actively participated in the subversion of warlord commanders in Shanghai conducted by Niu Yongjian.

The aim of Jiang's "Nanchang policy" was to eradicate CCP influence in local Guomindang branches and to destroy its control over the organised mass movements, in those areas which were occupied by Jiang Jieshi's divisions of the National Revolutionary Army. It was in fact a policy of
piecemeal destruction of the CCP's power bases, which avoided the critical political complications that a major purge would have entailed. This policy originated in December 1926 - January 1927, when Chen Guofu secretly arrived in Nanchang (December), and organised an "Anti Bolshevik League", and Yang Hu was despatched (January) to establish contact with the Green Gang groups in the major cities of the Jiangnan: Jiujiang, Anqing, Wuhu and Nanjing. However the policy was not implemented until the middle of March 1927, and it would appear that Jiang Jieshi deliberately timed its implementation to coincide with the holding of the Third Plenum of the Guomindang's Second Central Executive Committee in Wuhan from 10-17 March. Jiang had disapproved of the holding of this Plenum and had refused to attend, and the Plenum removed Jiang from the chairmanship of the Central Executive Committee. In retrospect, the holding of the Third Plenum and the initiation of the "Nanchang policy" can be seen as the opening moves in the final split of the Guomindang into Right and Left factions.

The Green Gang groups in the lower Yangzi were intimately involved with the implementation of the "Nanchang policy". On 17 March, the last day of the Wuhan Plenum, Jiang Jieshi launched simultaneous attacks against the CCP in Nanchang and Jiujiang. In both assaults local Green Gang members were used as shock troops in the destruction of the trade union and mass organisations together with the local Guomindang branches. According to Chen Duxiu, Jiang Jieshi paid out
Ch$600,000 to Green Gang thugs (liumang) in Jiangxi in order to create ant-communist disturbances.\textsuperscript{62}

The purge conducted in Anqing on March 23 provides a good illustration of the techniques used in the implementation of the "Nanchang policy".\textsuperscript{63} Immediately on Jiang Jieshi's arrival in Anqing, on 19 March, his lieutenants, notably Yang Hu, began to establish their own mass organisations to oppose those controlled by the CCP and the Left Wing of the Guomindang. These Right Guomindang organisations had such names in the Anhui General Union, the Anhui Peasants Association, the Anhui Students Association etc, names deliberately chosen to confuse the rank-and-file members of the legitimate mass organisations. In all Yang Hu organised five mass organisations. However their membership was negligible; for example the "Anhui General Union" had only between 100 and 200 members and was composed almost entirely of members of the local Anqing Green Gang.

The next priority was to create an armed force to deal with the local Workers' Pickets, and Yang Hu organised a 100 man "Dare-to-Die Corps" from among the local Green Gang membership, recruiting them at the flat rate of Ch$4 per man plus a sliding scale of rewards for injuries: Ch$100 for minor wounds, Ch$500 for major wounds, Ch$1,500 for death. Finally there was the need to deliberately provoke incidents with the CCP mass organisations in order to provide the justification for military intervention and the closure of
the CCP organisations. In Anqing this was achieved by Guo Morou's move to close down the Anqing General Labour Union on 22 March, on the grounds that it was a "false" union and had insufficient membership to warrant its existence. The Anqing General Labour Union took up the challenge and protested to Jiang Jieshi that it was being "oppressed", and Jiang promised to investigate the matter. The following day, 23 March, the five Right Guomindang "mass organisations" staged a mass meeting to welcome Jiang Jieshi and enforced the closure of all Anqing's shops for the day. This was the cue for the coup. During the demonstrations of welcome a fracas developed between the demonstrators and workers belonging to the CCP mass organisations, and the upshot was the attack and occupation by the Green Gang "Dare-to-Dies" of the Anhui Provincial Guomindang Branch, the Anqing Municipal Guomindang Branch, the Right Bank Army's Political Department and several trade union headquarters. After the coup Jiang Jieshi created an Anhui Political Affairs Committee under the chairmanship of Chen Tiaoyuan, a former warlord and Green Gang member, which included, according to Guo Morou, Green Gang leaders and leaders of the Big Sword Society. This committee supervised the implementation of the "White Terror" in Anqing. Thus the Anqing purge provides a clear example of the techniques of the "Nanchang policy", which were later adapted and repeated in Shanghai.

Meanwhile in Shanghai Niu Yongjian was orchestrating the subversion of local warlord commanders. By mid-March Niu had
successfully suborned Li Baozhang, formerly Sun Chuanfang’s Defence Commissioner for Shanghai and Songjiang, with the promise of a command in the National Revolutionary Army, and Admiral Yang Shuzhuang, Commander of Zhang Zuolin’s Bohai Fleet, and had entered into negotiations with the Commander of Sun Chuanfang’s airforce. In March 1927 the key warlord commander in Shanghai was Bi Shucheng, who commanded the 137th Brigade of Zhang Zongchang’s Eighth Shandong Army and was concurrently Defence Commissioner of the Shanghai and Wusong Districts. In the subversion of Bi Shucheng Niu Yongjian enlisted the assistance of the Green Gang bosses. The gangsters’ strategy was to introduce Bi to the Shanghai good life in the form of one of the most famous prostitutes in Shanghai and so lure him away from his duties and into the fleshpots of Shanghai. The strategy worked and Bi not only ignored Zhang Zongchang’s order of 17 March to proceed to Sun Chuanfang’s assistance at the Songjiang front, but shortly afterwards betrayed the complete secret battle plans of the warlord forces to Niu Yongjian, with Du Yuesheng acting as intermediary. By 20 March Niu could inform Bai Chongxi to delay his advance into Shanghai as Bi was on the point of surrendering. However the March Uprising rudely interrupted Niu’s and Du’s careful timetable for Bi’s defection, and Bi fled to Shandong where he was court-martialled and shot for, ironically, having “secret relations with the Reds” on 5 April.
Throughout March the Shanghai General Labour Union laid the ground work for a further uprising and general strike, and the decision finally taken at an emergency meeting on the evening of 20 March, on the recommendation of Wang Shouhua, Zhou Enlai, Luo Yinong and Zhao Shiyan. At noon on 21 March a general strike was called, which involved anywhere between 500,000 and 800,000 striking workers and led to a total stoppage of work throughout Shanghai's large-scale industry, in municipal utilities and commercial concerns. At the same time the Workers' Pickets of the Shanghai General Labour Union launched armed attacks on all concentrations of warlord forces, and within thirty-six hours the General Labour Union had effective control over all of Chinese Shanghai. Foreign Shanghai was stunned by the suddenness and completeness of the victory of the Workers' Pickets, and The North-China Herald confessed that 21 March was "one of the most hectic days that it [i.e. Shanghai] has experienced since the area became an International Settlement."

The Green Gang leadership, absorbed as it was in its role in the subversion of Bi Shucheng was caught completely off balance by the suddenness, strength and scope of the March Uprising. Unlike the February Uprising, the CCP do not appear to have informed the Green Gang bosses of the impending strike, nor to have solicited their support. Indeed one of the major objectives of the Workers' Pickets was to eliminate the police forces in Chinese Shanghai, which represented a key element in the Green Gangs network of
control in Shanghai. Thus attacks on the police stations led to several armed clashes between the Green Gang and Workers' Pickets in the course of the Uprising. In Hongkou the local Green Gang boss, Sun Jiefu, who controlled the local police force, sent his Green Gang force, of between 200 and 1,000 men, to assist the embattled police in an attempt to recapture those police stations occupied by the Workers' Pickets. This conflict between the local Green Gang and the Workers Pickets was only brought to an end by the personal intervention of Du Yuesheng who persuaded Sun "with some difficulty" to call off his Green Gang followers.

In the late afternoon of the same day, 21 March, Green Gang units also became involved in spontaneous conflicts with the Workers' Pickets in Zhabei, when some local Green Gang groups, with some assistance from Sun Jiefu's men, attempted to recapture the Huzhou Guild which had just been occupied by the Workers' Pickets. Again, the Green Gang groups only withdrew after Du Yuesheng's personal intervention. These Green Gang units then took advantage of the confusion in Zhabei to go on a looting spree and were only restrained by the intervention of the Workers' Pickets. In Pudong a situation of stalemate existed between the Workers' Pickets and Du Yuesheng's Pudong Merchants Militia after the Workers Pickets had successfully captured Pudong's Third District Police Station. Initial overtures from the Workers' Pickets to form a joint administration for Pudong were rejected by the Merchants' Militia. It was only after the failure of an
attempt by Green Gang elements from metropolitan Shanghai to come to the assistance of the Pudong Militia on the evening of 21 March, that Du Yuesheng ordered the Militia to reach a temporary agreement. As a result of this agreement Pudong was jointly governed by the Workers Pickets and the Merchants' Militia through the agencies of a Provisional Bureau of Public Safety (Linshi Bao'anju) and a Pudong Workers' Delegates Congress (Pudong Chu Geye Renmin Daibiao Dahui). However relations between the Militia and the Workers' Pickets remained uneasy, with the Militia adopting an obstructionist attitude and attempting to gain control of several public utilities. Therefore the CCP did not have undisputed control over Pudong, in the wake of the March Uprising, and several minor armed clashes between the Pudong Militia and the Workers Pickets continued to occur until the eve of the April purge.78 A similar arrangement for the tactical cooperation between the local Workers' Pickets and the Green Gang militia was reached in Wusong.79

The Shanghai Green Gang leadership, taken off-guard as they were by the March Uprising, appear to have formulated no clear policy to deal with the situation, and were merely carried along by the force of events. Du Yuesheng, at least, seems to have decided to allow events to work themselves out, and attempted to monitor developments from his home on the Rue Wagner, which became a virtual Green Gang command post.80 Du's tactics, as revealed by his actions during 21-22 March, were temporary expedients to prevent any major
confrontation between the Green Gang and the CCP organisations which now effectively controlled Chinese Shanghai, and to provide time for the gangster bosses to come to terms with the new power alignments in the city. On the one hand he put a stop to any direct conflict between the Green Gang and the Workers' Pickets, as in Hongkou and Zhabei, on the other hand he entered into tactical agreements with the Workers' Pickets, as in Pudong and Wusong which were of a purely temporary nature.

The energies of the CCP leadership, for its part, were fully occupied in establishing its authority in Chinese Shanghai, and it therefore wished to avoid any unnecessary confrontation with the Green Gang bosses. The local CCP leadership, therefore, was willing to reach some kind of modus vivendi with local Green Gang groups in those areas where the latter continued to exercise a significant degree of control. However the CCP also regarded these agreements as mere expedients, and after 22 March something akin to a "Mexican stand-off" situation existed between the Green Gang and the Workers' Pickets, in which neither side was as yet sufficiently powerful on its own to move decisively against the other.

The Shanghai General Labour Union now enjoyed almost total control over Chinese Shanghai. After 22 March the Workers' Pickets were not only numerous totalling between 3,000 and 5,000 men, they were also well armed with the weapons
surrendered by the warlord troops and police, and were in a position to take over most of the police functions in Chinese Shanghai. Moreover the CCP virtually controlled the municipal administration through its dominant position in the Shanghai Provisional Municipal Government which was established on 22 March.\(^8\)

As a result of the Uprising Jiang Jieshi's position in Shanghai was extremely precarious. He had only one reliable division in the Shanghai area, Liu Zhi's Second Division, whose strength of 3,000 men was hardly equal to the combined force of the Workers' Pickets. His nearest reinforcements were at Hangzhou, where He Yingqin had a force of only 10,000 men. As The North-China Herald observed "The military forces of Chiang Kai-shek are now so scattered over so vast an area as not to be very valuable... for the suppression of the labourers."\(^8\) Moreover Jiang could not rely on the loyalty of either Xue Yue's First Division or Yan Zhong's Twenty-First Division, as both these commanders had "leftist tendencies".\(^8\) Finally, Jiang was still apparently unsure of the attitude to the Guangxi Clique to his proposed coup, and had at least two meetings with Li Zongren, during the last week of March, at which he tried to gauge Li's attitude to the Shanghai situation.\(^8\) In this situation of qualified military weakness, the Green Gang bosses' support became not merely a desirable end for Jiang Jieshi but a crucial factor in the success of his plans.
The final preparations for the coup were undertaken in great secrecy during the fortnight 27 March-11 April. Although there are indications that the CCP leadership had some knowledge of Jiang’s activities they had no idea as to the timing and extent of a possible coup, and appear to have been taken completely by surprise when the purge was initiated on 12 April.

From the moment of his arrival in Shanghai, Jiang Jieshi established contact with the French Concession Green Gang bosses. According to Huang Jinrong’s own account, as told to a senior Chinese detective in the French Concession police in 1939, he and Du Yuesheng personally met Jiang’s airplane at Longhua Airfield on 26 March, and he took the opportunity to introduce Jiang to Du whom Jiang had not met previously. Jiang later paid a personal call on Huang Jinrong at the latter’s home. Most of his dealings with the Green Gang bosses, however, were done through his two personal representatives Yang Hu and Chen Qun, who were later joined by Wang Bailing. Within the first few days after Jiang’s arrival in Shanghai, Yang and Chen held two meetings with the Green Gang bosses which decided the strategy for the coup and the Green Gang’s role in it.
Yang Hu and Chen Qun's mission was to try and coordinate the activities of all the gangster groups in Shanghai with a view to the elimination of the Chinese Communists. Of the two, it appears that it was Chen Qun who devised the basic strategy and made all the important decisions, although Yang as the senior representative had to give his final approval. Their first priority was to achieve a sufficient standing with the Green Gang bosses in order to establish some control over their actions and ensure that their own orders would be carried out. They, therefore, had themselves inducted into the Green Gang as "disciples" of Zhang Renkui, who, as noted elsewhere, was at that time one of the most powerful and prestigious leaders of the Green Gang in China. In this way Yang and Chen hoped to use their status as Zhang Renkui's disciples to control the Shanghai Green Gang bosses. As disciples of Zhang, the two Guomindang representatives became members of the "Tong" Green Gang generational status group which meant that they were the generational peers of both Huang Jinrong and Zhang Xiaolin, and the generational superiors of Du Yuesheng who, as noted earlier, belonged to the inferior 'Wu' generational status group. Yang and Chen judiciously complemented their formal position within the Green Gang system by entering into a "sworn brother" relationship with Du Yuesheng, Zhang Xiaolin and Huang Jinrong, thus creating a personal bond between themselves and the Green Gang bosses.
In the last days of March, Yang and Chen's overriding priority was to adapt the "Nanchang policy" to Shanghai conditions and ensure its implementation. This involved the creation both of a 'front' trade union organisation to challenge the Shanghai General Labour Union and wean the trade unions from its control, and of a para-military force capable of defeating the "Workers' Pickets". Both aims were achieved by the end of the first week in April with the establishment of the Shanghai General Federation of Labour (Shanghai Gongjie Lianhe Zonghui), a Green Gang controlled labour organisation, and the Chinese Mutual Progress Association (Zhonghua Gongjin Hui).

It would appear that the initial moves in setting the General Federation of Labour (GFL) were taken in early March, although its operations were not finally approved by the Wusong-Shanghai Police Department until 2 April. Its headquarters was located in the French Concession and it initially controlled the employees in those public utilities and transport services located in the Concession. From the outset the GFL was designed as a rival to the Shanghai General Labour Union and its function was to remain in readiness to replace the latter organisation as soon as the purge was launched. The GFL's manifesto declared that the workers needed to free themselves from their "unfortunate circumstances", that is their subservience to the CCP, and that the only way for them to achieve their goal was to obey the Three People's Principles and to participate in an
undefined "popular revolution".95 This Federation was to play a key role in the events of the purge.

The establishment of the Chinese Mutual Progress Association (MPA) was probably discussed by Yang Hu and Chen Qun and the two Green Gang bosses, Du Yuesheng and Zhang Xiaolin, at the end of March.96 Most sources agree that its creation was a Guomindang initiative, and that it was a conscious attempt to adapt to the conditions then prevailing in Shanghai the Tong Meng Hui precedents of creating hybrid organisations as bridges between the revolutionaries and secret societies, through which the revolutionaries could mobilise the secret societies in the interests of revolutionary goals.97 The name, Chinese Mutual Progress Association, was itself a conscious evocation of the earlier Mutual Progress Association which had been organised by Chen Qimei in Shanghai in 1912. When the Green Gang bosses published a notice in the Shanghai Chinese press announcing the establishment of the MPA, they claimed that it was merely a continuation of the earlier organisation.98 The creation of the MPA, therefore, is an indication of the continuing influence which the revolutionary strategies of Chen Qimei exercised over the minds of the Guomindang Right Wing in the 1920s, and in particular Jiang Jieshi.

The MPA was conceived by the Guomindang as an umbrella organisation which would embrace all the secret societies active in Shanghai and thus ensure the coordination of their
efforts in the purge. Therefore the leadership of the MPA should have ideally included other secret society organisation, such as the Triads (Hong Men), as well as the Green Gang. In fact from its inception the MPA functioned as a totally Green Gang organisation. All twelve of the major leadership positions within the MPA were held by senior Green Gang members, including its figurehead overall civilian commander, Pu Jinrong. The only non-Green Gang leader who participated regularly in the MPA’s council was Jiang Ganting who was a Shanghai Triad leader and the former secretary to the Shanghai-Songjiang Defence Commissioner. Jiang, however, was very much the exception which proved the rule. He held no formal leadership position within the MPA and his entrée into the MPA inner circles was secured by his close association with the Green Gang triumvirate, and especially with Du Yuesheng, on whose payroll he had been for years past.

Within the Green Gang’s predominant position in the MPA, power was even further centralised in the person of Du Yuesheng. It was Du who exercised the real authority within the MPA. The core of the MPA leadership was provided by Du’s Small Eight Mob, five of whose leaders held leadership positions within the MPA. Moreover Du had close personal friendships with two other leaders, Ma Xiangsheng and Jin Tingsun. Ma had first introduced Du to Huang Jinrong, and Jin, like Du, had been one of Huang Jinrong’s chief lieutenants in the 1910s, and had been actively
involved with Du in the latter's attempts to unify the opium traffic in Shanghai in the early 1920s. Indeed Pu Jinrong, himself, had been Du's candidate for the position of overall leader of the MPA. It is more than probable that Du had engineered Pu's selection because he wanted a 'straw man' in the nominal overall leadership position, in order to enable Du himself to control the MPA from behind the scenes. Pu, in fact, was heavily in Du's debt. He had been an employee of the Three Prosperities Company which was run by Du and his son, Pu Xianyuan, was one of Du's "disciples". Moreover Pu had sworn brother relations with both Jin Tingsun and Gao Xinbao, both of whom were close associates of Du.

It would appear from the available evidence that the Guomindang never established firm organisational control over the MPA. Although Yang Hu and Chen Qun participated in the MPA's war councils, neither of them had any formal standing in its organisation. In fact Du Yuesheng ensured that his own followers were placed in key leadership positions and effectively transformed the MPA into an instrument of his own personal power. The Guomindang's inability to establish effective control over the MPA stemmed in part from a basic misunderstanding of the nature of the Green Gang power structure as it operated in Shanghai. It would appear that the Guomindang representatives confused formal hierarchical status with actual power, as instanced by Yang Hu and Chen Qun's desire to be inducted into the Green Gang as "disciples" of Zhang Renkui. In Shanghai in the 1920s,
however, as noted in a previous chapter, Green Gang generational status signified a merely formal honour and carried no real authority in its own right. What really mattered was personal ability and the capacity to maintain and enhance Green Gang economic and political interests, as Du Yuesheng had demonstrated by his unification of the illicit opium traffic in the mid-1920's. Indeed generational status counted for so little in the Shanghai context that both Gu Jiatang and Ye Chuoshan could function effectively as two of Du's key subordinates in the Small Eight Mob, despite the fact both were superior in formal generational status to Du.106 This misunderstanding of the true power structure within the Shanghai Green Gang created serious problems for the Guomindang in its attempts to manipulate Du in its own interests, problems which only became apparent after the purge.

In the fortnight preceding the coup, the MPA leadership met on a daily basis. At Du's suggestion the overall military command of the MPA forces was given to Zhang Baiqi, the ex-commander of the Ningbo Forts. This represented a further victory for Du in the pursuit of his policy of having his own men placed in the important positions within the MPA organisation.107 An important consideration in these military preparations was the need to secure an adequate supply of weapons. This had become an urgent problem with the Workers' Pickets' acquisition of the surrendered weapons from the defeated Shandong military and local police forces.
The MPA obtained their supply of weapons and the money to purchase them from three main sources. In the first place the Green Gang leaders tapped their own resources. Du commissioned the compradors of foreign firms specialising in arms supply to purchase as many as possible at almost any price, while Zhang Xiaolin personally paid out Ch$80,000 on weapons' purchases. These weapons were stored in Huang Jinrong's home in the French Concession. Funds for weapons purchases were also obtained through the Guomindang, from loans provided by the Chinese merchants of Shanghai. Of a Ch$15,000,000 loan advanced to Jiang Jieshi by Shanghai financiers in early April, Ch$500,000 was earmarked for weapons purchases on behalf of the MPA. There were also, some contributions from the foreign authorities and business community in Shanghai. The French Concession authorities, for example, supplied Du Yuesheng with a large quantity of rifles and ammunition, some reports giving a figure of 5,000 rifles.

During the first ten days of April the MPA forces were involved in a series of skirmishes with the Workers' Pickets in manoeuvres designed to probe the strengths and weaknesses of the latter's dispositions in Chinese Shanghai. These skirmishes reflected the increasing tension in Shanghai as the final political decisions regarding the implementation of the coup were made. On 2 April, the very day that the Guomindang Central Supervisory Committee members in Shanghai requested local Guomindang military commanders to arrest
Communist activists, the MPA cooperated with Liu Zhi's Second Division in an attack on Workers' Pickets' strongholds in Zhabei. Five major centres were seized, including the Workers' Pickets headquarters in the Eastern Library Building, over 340 Pickets were arrested and sent to Longhua for "interrogation", and a good caches of weapons seized. Further skirmishes occurred later in the week in Pudong and Nandao.

By April 3 the battle lines between the MPA and the Workers' Pickets were firmly drawn. In reaction to the events of 2 and 3 April, the Shanghai General Labour Union took steps to safeguard the Workers Pickets. On 5 April it declared that it would call a general strike if anyone attempted to destroy the Workers' Pickets, and on the following day, 6 April, it ostentatiously armed them in a public ceremony in defiance of the martial law provisions promulgated on 30 March by Bai Chongxi. By the late afternoon of 11 April the CCP definitely knew that a coup was in preparation, as elements of the Second Division of Zhou Fengqi's 26th Army took up their planned positions in the streets of Chinese Shanghai, shortly after 4pm. Throughout the evening a continuous stream of secret reports was received be Workers' Pickets headquarters, now located in the Commercial Press Recreational Club, to the effect that the MPA and the military would shortly launch a joint attack against the Workers Pickets. In response to these reports the Workers' Pickets Headquarters sent a letter to Zhou Fengqi's
Headquarters that same evening, requesting the help of the 26th Army in the event of any "unfortunate incident". No reply was received from Zhou Fengqi. The Workers' Pickets Headquarters then placed its detachments, concentrated in Zhabei, Wusong, Pudong and Nandao on full alert.\footnote{115}

\section{6) The Green Gang and the Coup of 12 April 1927}

\subsection{1) The Events of 11 April}

Du Yuesheng was directly involved with one of the key actions of the coup, the assassination of Wang Shouhua on the evening of 11 April.\footnote{116} In early 1927 Wang Shouhua was the key CCP leader in Shanghai. As President of the Shanghai General Labour Union and Chairman of the Labour Union Committee of the CCP Central Committee, Wang directly controlled the Shanghai trade union movement and particularly its fighting arm, the Workers' Pickets. His elimination was therefore considered by Jiang Jieshi as a prerequisite for the success of the coup, since it would hopefully, create such confusion among the forces of the Workers' Pickets in Shanghai, that they would be unable to mount an effective defence against the shocktroops. Yang Hu and Chen Qun, therefore, were entrusted with the detailed planning of the assassination, and they involved Du Yuesheng because of his close relations with Wang.\footnote{117}
The decision to murder Wang was apparently taken at a meeting at Du Yuesheng's home on the Rue Wagner on 9 April, the same day that Jiang Jieshi left for Nanjing. Those present included Du and Zhang Xiaolin, the two Green Gang bosses; Yang Hu and Chen Qun, the Guomindang representatives; Zhang Baiqi, the military commander of the MPA; and Du's four chief lieutenants in the Small Eight Mob: Ye Chuoshan, Gu Jiatang, Rui Qingrong and Gao Xinbao. The strategy adopted was for Du to send a dinner invitation to Wang in order to lure him out of the fortress of the Shanghai General Labour Unions's Headquarters in the Huzhou Guild. The invitation was for 8pm on 11 April and was accepted by Wang, with some reservations.118 The actual assassins were Du's four lieutenants, Gu Jiatang, Ye Chuoshan, Rui Qingrong and Gao Xinbao, who supervised the preparations, and carried out the abduction and murder. As soon as Wang arrived at Du's home he was overpowered, bundled into a car in which he was murdered, and his body either dumped or buried in a shallow grave in Shanghai's Western Districts. The whole operation took less than an hour, and had been completed by 9pm.119 Although Chen Qun attempted to suppress all information on Wang's fate, the Shanghai General Labour Union certainly knew that he had been murdered by 15 April, when it specifically cited his assassination as one of its ten major indictments against Jiang Jieshi.120

Some time later on the night of 11 April, after he had supervised Wang's murder, Du Yuesheng held a meeting with
Stirling Fessenden (1875-1943), Chairman of the Municipal Council of the Shanghai International Settlement. His purpose was to obtain Fessenden's agreement to the passage of his MPA forces through the International Settlement. This agreement was crucial to the success of the purge, since without free passage through the International Settlement the MPA forces, based as they were in the French Concession, would be unable to speedily reach their targets in Zhabei. Du arranged the meeting through the good offices of the Chief of the French Concession Police, E. Fiori, and the meeting between the three, Du, Fessenden and Fiori, was held in Du's home. According to Fessenden's own account Du "went to the point in a business like manner", and Fessenden after some hesitation agreed to Du's request. Fessenden later claimed that he was motivated solely by his fears of a Communist attempt to take over the foreign settlements.  

Du Yuesheng's approach to Fessenden can best be understood in the context of a developing rapprochement between the Right Guomindang conspirators the Shanghai foreign authorities. Jiang Jieshi and his allies in the Right Guomindang feared the possibility of full-scale foreign intervention in defence of the Shanghai foreign settlements. They sought to capitalise on the foreign authorities' fears of a Communist-inspired attack on the foreign settlements and on their generalised fears of international communism. Du Yuesheng played this card well in his conversations with Fessenden. On their part, the Shanghai foreign authorities were prepared
to follow their standing policy of cooperating with any Chinese power which could guarantee the security of Chinese Shanghai.

2) The Shanghai Purge 12-13 April

In the last few days before the purge the MPA leadership drew up detailed battle plans which carefully coordinated the activities of the shock troops with those of Zhou Fengqi's 26th Army, which provided the heavy support. The function of MPA forces as 'shock troops' and their organisation was reminiscent of the "Dare-to-Die" Corps of the 1911 Revolution. The MPA forces were organised into two "tiger regiments (biaojun)", and the First Tiger Regiment was in turn divided into three "columns". The objectives of the First Tiger Regiment, the largest of the two, were the concentrations of the Workers' Pickets in Zhabei: its first column was to attack the Workers' Pickets Headquarters in the Commercial Press Recreational Club; its second column was to attack the Shanghai General Labour Union Headquarters, located in the Huzhou Guild; and its third column was to seize the Commercial Press Printing Works, which was occupied by a 100 man detachment of Workers' Pickets. The Second Tiger Regiment's objective were located in Nandao, and centred on the Chinese Tramways Company's premises, which were occupied by large detachments of Workers' Pickets. The total strength of the MPA strike forces probably numbered about 2,000 men. The decision to launch the purge on 12
April, had been taken when it was learned that the Shanghai General Labour Union had scheduled a mass meeting to welcome Wang Jingwei's return to China for 12 April.\textsuperscript{125}

The purge began at about 4am on the morning of 12 April, and was signalled by a bugle blast followed by the siren whistle of a Chinese gunboat in the harbour.\textsuperscript{126} The aim of the initial operations was to destroy the Workers' Pickets as a credible armed force. Within the first one and a half hours the MPA units had attacked all their major targets in Zhabei and Nan Dao. The Guomindang forces employed a ruse to throw the Workers' Pickets off-guard. A military officer ostentatiously disarmed MPA units in an effort to persuade the Workers' Pickets that the military was neutral in the conflict. To maintain the pretence that the military was merely attempting to mediate between rival Workers' organisations, the MPA units were all dressed in blue denim workers' overalls with arm bands bearing the character "worker (gong)". This stratagem was used effectively to gain control of the Huzhou Guild and the Commercial Press Printing Works, but failed with the Commercial Press Recreational Club, which contained the headquarters of the Workers' Pickets.\textsuperscript{127} By 4pm on 12 April, all of the positions of the Workers' Pickets had fallen, except for the Commercial Press Recreational Club which doggedly held out until the following day, 13 April, when it too was forced to surrender.\textsuperscript{128} The events of 12 April had broken the power of the Workers' Pickets throughout Chinese Shanghai, and at least a third of
the Workers' Pickets' forces, between 900 and 1,000 men, had surrendered.\textsuperscript{129}

Almost as soon as the military situation had been stabilised the Right Guomindang moved to establish its control over the Shanghai trade unions. On 12 April, the MPA leadership issued a circular telegram stating that their aim was to wrest control of the Shanghai General Labour Union from the "blacksheep", that is the CCP, and to reorganise it along the lines of the Three People's Principles. On the afternoon of 12 April, Chen Qun, in his capacity as Director of the Political Department of the Eastern Route Army's Front Headquarters, issued a memorandum in which he called for "harmony" between labour and the Guomindang, and warning of the need to discipline labour when it "becomes a disturbing element, when it arrogates to itself tasks which are detrimental to the [national?] movement and [is] disturbing of law and order".\textsuperscript{130}

In accordance with these principles the Guomindang new order in labour organisation was quickly put in place. On the afternoon of 13 April the Green Gang-controlled Shanghai General Federation of Labour took over the Huzhou Guild, swore themselves into office, and immediately dissolved both the Shanghai General Labour Union and their own organisation, the latter having already served its purpose. They then created a new organisation, the Committee for the Unification of Shanghai Trade Union Organisations (Shanghai Gonghui Zizhi
Tongyi Weiyuanhui - UUC), to coordinate the activities of all trade unions in Shanghai. The personnel of this new Committee, however, did not differ greatly from the old Federation, it almost wholly consisted of Green Gang members. As a harbinger of things to come, its first decision was to carry out a registration of all trade unions that were affiliated with the now outlawed Shanghai General Labour Union, with a view to their reorganisation and the elimination of "dangerous elements" among the workers. This trade union reorganisation was entrusted to two Green Gang members, Zhang Baiqi, the military commander of the MPA and his vice-commander.\textsuperscript{131} The Shanghai General Labour Union, which had now gone underground, issued a call for a general strike for 13 April which was answered, at its peak, by over 100,000 workers. However the strike failed, in part because it was a gesture of protest and lacked any concrete objective, and in part because the military muscle of the Workers' Pickets had been eliminated. The Shanghai General Labour Union unilaterally ended the strike on 15 April, but not before over a hundred unarmed demonstrators, protesting the arrests of Workers' Pickets, had been massacred on Baoshan Road on 13 April.\textsuperscript{132}

\textbf{(7) Aftermath: The Green Gang and the "White Terror", April-August 1927}

Immediately the military struggle was won the instruments of repression and the organisational framework of the "White
Terror" were set up. On 14 April the Shanghai Party Purification Committee (Shanghai Shi Qingdang Weiyuanhui) was established under the direction of Yang Hu and Chen Qun, respectively chairman and vice-chairman. Over the next six months until Jiang Jieshi's resignation in August Yang Hu and Chen Qun, in fact, enjoyed a virtual monopoly of military and political power in Shanghai. In addition to their joint control of the Shanghai Party Purification Committee, Yang was also the Wusong-Shanghai Garrison Commander after 11 May 1927, while Chen was Head of the Political Department of the Wusong-Shanghai Garrison Command, and Chairman of the UUC. The fact that Chen held senior positions in both the Party Purification Committee, which oversaw the extermination of Communists and leftists, and the UUC which implemented the reorganisation of the trade unions, indicates that there was no essential difference between the two operations, they were merely two aspects of the same process. This identification of interests was made quite clear by Chen himself, who was in the habit of ending his speeches to UUC members with the following statement:

I presently represent the Front Headquarters of the Eastern Route Army, and the Party Purification Committee. At the same time I also represent the Committee for the Unification of Trade Union Organisations. I will therefore kill anyone engaged in reactionary [i.e. communist] activities...
The French Concession Green Gang bosses were intimately involved with the implementation of this organised terror in Shanghai. The commander of the Party Purification Committee's "Action Squad (Xindong Dadui)" was Rui Qingrong, one of Du Yuesheng's most trusted lieutenants, whose services Du had "lent" to Chen Qun for the duration of "Party Purification". Rui's squad, which was composed entirely of his own personal Green Gang following, went into operation immediately. On the afternoon of 14 April it raided five "Communist" organisations: the Shanghai Provisional Municipal Government; the Guomindang Special Municipal Party Branch; the Shanghai Students' Federation; the offices of the "Common People's Daily (Pingmin Ribao)", the organ of the Shanghai General Labour Union; and the China Relief Association (Zhongguo Jinan Hui). In the course of this blitz Rui's "Action Squad" arrested over 1,000 Communist suspects. On the same day gangster members of the old Federation closed down various trade union offices in Nandao and Pudong. The terror launched by the Shanghai Party Purification Committee and implemented by the Green Gang was indiscriminate and capricious. Anyone could be arrested as a Communist and the cells at Longhua were full of innocent people, as one contemporary account states:

...Any passer-by in the street was liable to be pointed out as Communist by one of Chang [sic] Kai shek's catchpoles [i.e. Green Gang] and promptly killed...
No communist suspect who was arrested in these early days of the terror underwent a public court trial, in fact most were summarily executed. In interviews with Chinese journalists Chen Qun always became evasive when questioned as to the number of "Communists" executed or awaiting execution.\textsuperscript{137}

The Green Gang bosses were involved also with the implementation of the purge ("party purification") in the counties of Shanghai's hinterland and elsewhere in the Jiangnan. Du Yuesheng, for example, personally accompanied Chen Qun, Yang Hu and Rui Qingrong when they brought "party purification" to Ningbo.\textsuperscript{138} He also, together with Huang Jinrong and Zhang Xiaolin, conducted the purge in Baoshan County, and delegated one of his lieutenants, Gao Xinbao, to implement the purge in Qingpu and Songjiang counties.\textsuperscript{139} By early May the French Concession Green Gang bosses had set up their own Anti-Communist League and had activated the Green Gang networks in the lower Yangzi and North China in the interests of fighting communism.\textsuperscript{140}

The Green Gang bosses, especially Du Yuesheng, gave strong support to the UUC throughout 1927. It is significant that the UUC's trade union strength was concentrated in those districts of Shanghai where the Green Gang's influence was greatest, notably Pudong where the Green Gang controlled the BAT Union, and had little or no support in those districts, such as Zhabei and Nandao, where the CCP-controlled General Labour Union had been most active.\textsuperscript{141} No trade union was
safe from this encroaching miasma of terror. Even 'reorganised' unions, such as those for the employees of Wing On and Sincere Department Stores, were not immune from threats and intimidation when they dared to criticise the corrupt practices and terroristic methods of the UUC. The UUC was even capable of turning on the GMD Shanghai Party Branch. When Zhou Zhiyuan, the Head of the GMD Branch's Workers and Peasants Department, ordered his secretary, Zhang Junyi, to engage in secret organisation work among the Shanghai trade unions in an attempt to undermine the UUC's position, Chen Qun had Zhang arrested and murdered in short order. Some indication of the fear generated in Shanghai by the campaign of terror carried out by the UUC and its Green Gang allies is provided by a witticism current at the time, "wolves and tigers (hu) hunt in packs (chun)", a bitter pun on the names of Yang Hu and Chen Qun.

The terror became an integral part of the Guomindang's administrative system during the first six months of its rule in Shanghai. It was progressively extended in its scope until eventually it was a weapon used against all classes of Shanghai society, in order to coerce them into acquiescence of Guomindang policies. When wealthy Chinese businessmen, for example, baulked at the ceaseless financial demands made on them by Jiang Jieshi, many found themselves denounced as "communists" and thrown in prison until they made the payments demanded of them. The French Concession Green Gang bosses played an active part in the extension of the
terror. All three held leadership positions in the so-called "Self Defence Militia (Ziwei Tuan)" which was organised in July by the Shanghai Federation of Commerce and Industry (Shanghai Shangye Lianhehui), a body which had been set up by some leading businessmen to support Jiang Jieshi.\textsuperscript{146}

The resignation of Jiang Jieshi from his government posts on 11 August 1927 brought the period of terror to an end, with the winding up of the Shanghai Party Purification Committee in early September; although the UUC was not abolished finally until May 1928. In the six months from mid-April to early September 1927 it was estimated that over 5,000 leftists, Communists, members of the Guomindang 'Left Wing' and sundry others, had been killed by the apparatus of the terror.\textsuperscript{147}

Through their crucial assistance to Jiang Jieshi in April 1927 the Green Gang bosses became an officially recognised element within the Guomindang's new national polity. In mid-May 1927 the three Gang bosses were formally appointed counsellors with the rank of major-general to Jiang Jieshi's Military Headquarters.\textsuperscript{148} Although these appointments were in fact merely honorific titles they had great symbolic importance. They legitimised the Green Gang's position in Jiang Jieshi's new national polity; they formalised the special relationship that had developed between the Green Gang and the Guomindang in the preparations and implementation of the purge, and this relationship was to be
one of the characteristics of Chinese political life in the 1930s; and finally these titles implicitly acknowledged the special position and interests of the Green Gang in the local politics of Shanghai.

The three Green Gang bosses, however, did not benefit equally from their involvement in the purge. Despite his personal relationship with Jiang Jieshi and his role as the initial point of contact between Jiang and the Green Gang bosses, Huang did not take an active part in the organisation of the gangsters' involvement in the purge, nor did he establish strong organisational links with key elements in the Guomindang polity after 1927. As a consequence Huang's power and influence diminished substantially in the last years of the 1920s. Zhang Xiaolin, for his part, had been less than enthusiastic in his support of the Guomindang, and the final collapse of the warlord position in Shanghai in early 1927 undermined a key element in his own power base, his close political relationship with successive warlord regimes. He was less than successful in finding a substitute for this relationship within the Guomindang polity in the late 1920s and 1930s. Of the three, it was in fact Du Yuesheng who benefitted most from involvement in the purge. He was the one gangster boss who was most prepared to work with the Guomindang, and in the process he ensured that he established a good working relationship with the two Guomindang representatives, Yang Hu and Chen Qun, and that he had effective control over a key instrument of the purge, the
MPA. Du, in other words, had used the crisis to enhance his personal power and this fact, together with his control of the opium traffic, placed him in a better position than his two colleagues to extend his power and influence even further.
Endnotes

1. Rankin, pp.119, 209; Zhang Chengyu, "Geming Jun Gansidui zhanyang Zhang Chengyu zhi zishu (The memoirs of Zhang Chengyu, Dare-to-Die commander in the Revolutionary Army)" in Feng Ziyu, Geming Yishi (Fragments of Revolutionary History), Taibei: Taiwan Shangwu Yinshu Guan, 1965, V.5, pp.270-97; Stephen Piero Rudinger de Rodyenko, The Second Revolution in China, 1913: My Adventures of the Fighting Around Shanghai, the Arsenal, Woosung Forts, Shanghai: Shanghai Mercury, 1914, pp.53, 94-95, 106-08, 121, 123; Chen Rongguang, V.1 pp. 73-74; Mark Elvin, "The 1911 Revolution in Shanghai", Papers on Far Eastern History, 29, March 1984, pp152-153.


4. "Memorandum on Mr. Tu Yueh-sung alias Tu Yuin" (Report, 8 July 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D9319.


9. Rong Mengyuan, pp8-9; "General Chiang Kai-shek" (Report by D.S.I. E. Papp, 23 September 1929), Shanghai Municipal Police, Special Branch, Investigation File D529.

10. Chen Guoping, p.306. Chen’s entry is for a ‘Jiang Dezheng’ of Fenghua County, Jiang’s native place in Zhejiang and the profession given is "politician (zhengjie)". It should be noted that ‘dezheng’ is a close variant of Jiang’s courtesy name ‘zhongzheng’. It could represent either a deliberate obfuscation or an error in transcription, with the latter being the more likely prospect. Another approach could be that the name ‘dezheng (moral governance)’ represents the name that Jiang himself adopted when he entered the Green Gang.

11. Shi Yi, p.95.


13. The baogong system derived its origins from a situation where foreign factory owners did not recruit their labour directly but hired labour contractors for this purpose. These contractors were given labour quotas to fill, and they then hired their quota of workers from the peasants of Shanghai’s rural hinterland, the Jiangnan and the Jiangbei regions. The factory management dealt only with the labour contractors, to whom they paid the workers’ wages in lump sums. The labour contractor had complete control over the workers who made up his quota, hiring and firing them at will, and taking a percentage cut from their wages for his services in finding them jobs, accommodation, women
etc. Therefore the labour contractors held an intermediate position between the factory owners and the labour market, which was essentially a 'comprador' situation, and like their fellow commercial compradors, these 'labour compradors' used their key position to build up their power and influence. The Chinese factory owners followed the precedent set by the foreigners in this area of labour recruitment, as they did in so many other fields, and as a result by the 1920s the baogong system had become the institutional framework within which labour relations were conducted in Shanghai. For a recent, if somewhat contentious, discussion of the operations of the baogong system in the cotton mills of Shanghai see Honig, pp94-131. Honig's argument that the contract system was itself a creation of the Green Gang and did not exist prior to 1928 stretches the evidence too far, and, in the opinion of this author, is not proven.


17. "Daily Intelligence Report" (3 August 1925), Shanghai Municipal Police; "Daily Intelligence Report" (28 August 1925), Shanghai Municipal Police; "Daily Intelligence Report" (19 September 1925), Shanghai Municipal Police.


19. As late as early February 1927 Sun Chuanfang still had about 8,000 troops stationed in and around Shanghai; NCH, 19 February 1927.

20. NCH, 15 January 1927. The North-China Herald's report states that "secret service agents" of the International and French Settlements police forces were in "constant communion" with the Chinese authorities, and were investigating rumours and conditions in "the lower haunts and radical circles" of Zhabei and Nandao. These "secret service agents" would have had to have been members of the Chinese police forces of the foreign settlements if they were to be effective agents in the
working class districts of Chinese Shanghai. Since Green Gang leaders controlled the Chinese detective squads of these forces, they must have approved of the operation.


24. There are many indications in this period of Niu's ambiguous relations with the Chinese Communists and of his apparent policy of encouraging the CCP and Warlord forces to neutralise one another to the advantage of the Guomindang. An early example was Niu's failure to inform the CCP of Xia Chao's defeat in Zhejiang on 20 October, 1926, which resulted in the complete defeat of the CCP-led Shanghai Insurrection of 24 October, which had been planned to coincide with Xia's rebellion. This prompted a Russian adviser in Shanghai to report to Borodin, shortly after the failure of the insurrection, that Niu was not to be trusted; C. Martin Wilbur and Julie Lien-ying How, eds, Documents on Communism, Nationalism and Soviet Advisers in China, 1918-1927, New York: Columbia University Press, 1956, p.525.


26. Zhang Jungu, V.1, p.270. The three other members of the Committee mentioned by Zhang were Zhang Jingjiang, He Chengjun, and Ye Chucang.

27. Minguo Renwu Xiao Zhuan, V.2, op. cit., Rankin, p.209; The China Year Book 1935, p. 398. Two further points might be of relevance here. Niu had been Civil Governor of Jiangsu for a period in 1923, and his headquarters in late 1926 were located in the French Concession.


29. Isaacs, p.131; Inprecorr, 13 January 1927.

Tang Shengzhi and others.

31. Isaacs, op. cit.; Gayn, op. cit.


34. Jiang Shaozhen, p.315; J.V. Davidson-Houston, Yellow Creek: The Story of Shanghai, p.135, Wan Molin, p.21. Wan Molin states that Zhang Xiaolin only agreed to join in the 'Party Purge' in order to strengthen his control over the opium traffic.


37. Wan Molin, op.cit.


39. Guo Morou, Morou Zizhuan (The Autobiography of Guo Morou), Hong Kong: Sanlian Shudian, 1978, V.3, p. 129. Guo states also that by early February the Wuhan Government's Political Department knew of Jiang Jieshi's overtures to the Shanghai Green Gang, but did not know its purpose. Guo confesses to having dismissed the news of Jiang's overtures, in a conversation with a Russian adviser, with the flippant remark that it was "simply his so-called low-level [i.e., mass] work"; Guo Morou, op.cit.


41. Ding Wenjiang, Sun Chuanfang's Director of the Port of Wusong and Shanghai, told the French Consul-General, Naggiar, in November 1926 that Sun hesitated to break openly with the Guomindang even while engaging in military action against Jiang Jieshi's forces; M. E. Naggiar, Consul-Général de France à Changhai, A Son Excellence Monsieur le Ministre des Affaires Etrangères à Paris. Consulat-Général de France à Changhai, Changhai, le 13 Novembre 1926. Direction des Affaires Politiques et Commerciales. Asie: Océanie No.152; Shen Bao, 13 February 1927; NCH, 19 February 1927.

42. Zhang Jungu, V.1, pp277-278.

44. Zhang Guotao, V.1, p.570.

45. Zhang Jungu, V.1, pp.271-272, 315; Wan Molin, "Jianghu qiren Du Yuesheng (Secret society notable Du Yuesheng)", Shidai Wenzhe (Current Digest), 5, 1 (July 1982):93. Both Zhang and Wan state that Du had saved Wang Shouhua from arrest by the SMP on numerous occasions during the May Thirtieth Movement of 1925 when Wang was an "important activist" in the Shanghai Student Association. However Zhang Guotao states that Wang had spent "several years" in Russia and only returned to Shanghai in October 1926. This is disputed by a recent study on Wang Shouhua which states that he returned from the Soviet Union in late 1924. It is, therefore, possible that he was active during the May Thirtieth period in Shanghai; Zhang Guotao V.1, pp.596-70; Huang Meizhen, "Wang Shouhua Zhuanlue (A biographical sketch of Wang Shouhua)", Jindai Shi Yanjiu (Studies in Modern History), 1, 15 (1983):63. Zhang Jungu also states that Wang tried on several occasions to join the Green Gang, but without success. This is possible as it is consistent with conciliatory policy pursued by the CCP at this time, and if Wang did attempt to join the Green Gang he was only following Li Qihan’s precedent.

46. Minutes of the plenary meeting of the Shanghai District Committee for 25 January 1927, in Xu Yufang and Bian Xingying, p.186.

47. Zhang Guotao, V.1, p.570; Shi Yi, p.95. Wang Shou-hua told Zhang in January 1927 that he maintained "very good relations" with Du Yuesheng and met Du "almost daily". This is confirmed by Shi Yi who states that Wang frequently visited Du.

48. Only two incidents of attacks on factory foremen were reported in The North-China Herald for the period November 1926 to January 1927; NCH, 27 November 1926; NCH, 15 January 1927.

49. Chesneaux, p.341 Isaacs, p.131; Wilbur and How, p.525.


51. Zhang Jungu V.1, p. 274.

52. NCH, 26 February 1927.

53. NCH, 5 March 1927.

55. NCH, 19 March 1927; NCH, 23 April 1927; see also report in NCH, 5 March 1927 which states that a 'Labourers Protection Society' [i.e., the Workers' Pickets] were hiring "ignorant coolies" to launch a "terror campaign" by shooting "innocent and peaceful" workers who refused to go on strike. This same report also stated that the assassination squads had "apparently been formed to carry out the orders of the [Shanghai General Labour] Union and deal with cases which require drastic action".

56. Chesneaux, pp.355, 531.


58. The first incident, the destruction of the Ganzhou General Labour Union, and the murder of its chairman, Chen Zanzian, occurred on 11 March, one day after the Plenum met in Wuhan; Chesneaux, p.352; Zhang Guotao, V.1, p.578; Isaacs, p.143; Minguo Dashi Rizhi, V.1, p.354.


60. Zhang Guotao, V.1, pp.578-79. Zhang states that immediately after the Plenum the Wuhan Government issued secret orders to General Cheng Qian, Commander of the NRA's 2nd and 6th Armies, to arrest Jiang Jieshi "should an opportunity present itself". It never did, the Nanjing Incident intervened; Zhang Guotao, pp. 581-84.

61. Chesneaux, op.cit.; Isaacs, p.143; NCH, 2 April 1927.

62. Chen's report is to be found in the Minutes of the plenary meeting of the Shanghai District Committee for 1 April 1927, in Xu Yufang and Bian Xingying, p.220; Guo Morou, V.3, pp. 129, 134-35 who speaks of "hired gangsters"; Isaacs, op. cit.; NCH, 2 April 1927, which refers to "farmers".

63. This account is based largely on Guo Morou, V.3, pp.123-27, 136-40. Guo was an eyewitness to the Anqing coup having arrived in Anqing on 22 March.

64. Guo Morou, op. cit.; Zhang Jungu, V.1, pp.309-10. Zhang gives Yang Hu's version of the Anqing Purge and the role he played in it. It is possible Yang Hu had himself been a member of the local Anqing Green Gang. Yang was a native of Anqing and Zhang quotes Yang as saying that he had many "brothers" in the past in Anqing and that these responded to his call to arms. Corroboration is provided by Guo Morou who states that Yang Hu was a Green Gang leader.

Zhang Jungu, V.1, p.280.

NCH, 12 March 1927; Zhang Jungu, V.1, pp.281-82.

Zhang Jungu, V.1, pp.284-85; NCH, 19 March 1927; Minguo Dashi Rizhi, V.1, p.355.

Isaacs, p.137.


Chesneaux, pp355-356.

Hua Gang, p.224; Chesneaux, p.357.

NCH, 26 March 1927. A good, detailed account of the Uprising is given in Hua Gang, pp216-226. A fine fictional evocation of the temper of the times is provided in André Malraux, La Condition Humaine [first published 1933; trans. as Man's Estate, London: Penguin, 1961].

Zhang Jungu, V.1, p.288.

Hua Gang, op.cit.


Zhang Jungu, V.1, p.290; Mark Gayn, p.145; Hua Gang, pp221-222.


Hua Gang, p.220; Divici Geming Zhanzheng Shiqi de Congren Yundong, p.477.

Zhang Jungu, V.1, p.297.

Isaacs, pp.146, 360; Chesneaux, pp.358, 362; Li Zongren, Li Zongren Huyì Lu (The Memoirs of Li Zongren), [Guilin]: Guangxi Renmin Chubanshe, 1980, V.1, p.459.
Li Zongren concluded that after the March Uprising the Shanghai General Labour Union had "escaped" from the Guomindang's control.

82. NCH, 21 April 1927.

83. Li Zongren, V.1, pp.458-59. Indeed Xue Yue had disobeyed Bai Chongxi's direct orders by leading his division into Zhabei on the evening of 22 March, to support the uprising. Xue Yue apparently approached the CCP leadership at an unspecified date (probably in the last week of March), with information that Jiang was preparing a coup against the CCP. Xue proposed that he himself should carry out a pre-emptive strike against Jiang, with CCP support. For reasons that still remain obscure the CCP leadership rejected Xue Yue's offer, although they did know of the preparations for a coup they did not want a "premature conflict" with Jiang Jieshi; Chitarov, "Report to the 16th Session of XV Congress of the CPSU, December 11, 1927" in Leon Trotsky, Problems of the Chinese Revolution, Ann Arbor, Mich.: University of Michigan, 1967, p.270. For Xue Yue's entry into Zhabei on 22 March, see Hua Gang, pp223-224; and Divici Guonei Geming Zhanzheng Shiqi de Gongren Yundong, p.478.

84. Li Zongren, V.1, pp.457-460. During these conversations Li states that he suggested the solutions to the military situation in Shanghai which Jiang later implemented; namely replacing the unreliable units of Yan Zhong and Xue Yue, with that of Liu Zhi. Li states that he never knew where he stood with Jiang, although Jiang professed to Li that he was incapable of doing anything in the current situation, Li later discovered that Jiang had already set in train the plans for a purge in Shanghai.


86. Xue Gengxin, in Jiu Shanghai de Banqhui, p.91.


88. Zhang Jungu, V.1, pp.301, 322. At this time Yang Hu was Head of the Special Services Bureau of Jiang's Headquarters, and Chen Qun was Bai Chongxi's private secretary. Chen was appointed Director of the Political Department of the Front Headquarters of the Eastern Route Army, that is Bai's command at some time during the first week of April; Guo Moruo, V.3, p.127; Zhang Jungu, V.1, p.327; Zhu Zijia, Huangpu Jiang de Zhuolang (The Turbid Waters of the Huangpu River), Hong Kong:
Wuxing Jishubao She, 1964, p.49.


90. Lu Chongpeng, pp.71, 73; Zhang Jungu, V.1, p.312.


92. For a discussion of the generational status system (zibei) which operated within the Green Gang see Chapter One above.

93. Lu Chongpeng, p.71.


95. Isaacs, p.152; Mark Gayn, p.149; Wang Qingbin, V.2, p.41-42; Ma Chaojun, V.2, p.660.

96. A consensus view among the available sources suggests that the Mutual Progress Association was organised shortly after Jiang Jieshi’s arrival in Shanghai, that is some time between 26-31 March; Zhang Jungu, V.1, p.320; Divici Guonei Geming Zhangzheng Shiqi de Gongren Yundong, p.528; Liu Hong, p.89.

97. Most of the available sources agree that the creation of the MPA was a Guomindang initiative; Divici Guonei Geming Zhangzheng Shiqi de Gongren Yundong, p.528; Shi Yi, p.96; Liu Hong, p.89; Zhang Guotao, V.1, p.588. The assertion by Zhang Jungu, therefore, that the name was coined by the Green Gang bosses themselves at the suggestion of Zhang Xiaolin is probably unfounded; Zhang Jungu, V.1, p.320.

98. Shen Bao, 8 April 1927; Da Liumang Du Yuesheng, p.23; Jiang Shaozhen, p.315.

99. Zhang Jungu, V.1, p.312; Shi Yi, p.96; Da Liumang Du Yuesheng, p.22.

100. Zhu Zijia, p.48; Shi Yi, p.97; Zhang Jungu, V.1, pp320-321; Divici Guonei Zhanzheng Shiqi de Gongren Yundong, pp528-529; Da Liumang Du Yuesheng, op.cit. The twelve leaders of the MPA were:
   1. Huang Jinrong
   7. Rui Qingrong
Zhu Zijia omits Yang Shunchuan. There is no other record of 'Yang Shanchuan' except the citation in Shi Yi. It is probable that Yang Shunchuan = Yang Qitang, one of the eight leaders of Du's Small Eight Mob. I base the following analysis on the supposition that the two Yangs refer to one and the same person.

Pu Jinrong was a native of Shanghai, and belonged to the "Tong" generational status group of the Green Gang. He had "sworn brother" relations with two other MPA leaders, Jin Tingsun and Gao Xinbao, all three being followers of Wang Deling, who belonged to the "Da" generational status group; Zhang Jungu, V.1, p.320; Chen Guoping, p.283; Zhu Zijia, op.cit.; Shi Yi, op.cit.

Da Liumang Du Yuesheng mentions five other Green Gang leaders whose assistance was sought in setting up the MPA: Fan Jincheng, Liu Chunpu, Xu Langxi, Jiang Baiqi and Yuan Hanyun. None of these leaders, however, played a prominent part in the MPA's activities, and it is probable that they held merely honorary positions in the organisation.


103. These were Gu Jiatang, Ye Chuoshan, Rui Qingrong, Gao Xinbao and Yang Qitang (if Yang Qitang = Yang Shunchuan). Shi Yi, op.cit.; Zhu Zijia, op.cit.

104. Shi Yi, p.190; Zhang Jungu, V.1, p. 130.

105. Zhang Jungu, V.1, p.321. Indeed the only MPA leader with whom Du did not have close relations was Gu Zhuxian; Zhu Zijia, op.cit.

106. Chen Guoping, pp. 296-97, 302. Both Gu and Ye belonged to the "Tong" generational status group of the Xing Wu Liu Branch of the Green Gang, indeed they were in formal terms at least, the peers of Huang Jinrong. Du, on the other hand, belonged to the 'Wu' generational status group, that is the one immediately inferior to the "Tong", of the Jiang Huai Si Branch of the Green Gang.

107. Zhang Jungu, V.1, p.336. Du and Zhang enjoyed "sworn brother" relations, and Zhang had been involved in Green Gang inspired espionage in Zhejiang in December 1926. Zhang Baiqi was in all probability a member of the Green Gang in Zhejiang. He had personally led two of the
three "Dare-to-Die" columns in the liberation of Hangzhou in 1911, the other column was led by Jiang Jieshi.


110. Powell, p.159. See the following chapter for a discussion of the involvement by the French authorities in the coup of April 1927.

111. A detailed account of the political background to the April 12 Purge is provided Tien-wei Wu, "Chiang Kai-shek's April 12th Coup of 1927" in F. Gilbert Chan and Thomas H. Etzold, eds. China in the 1920's: Nationalism and Revolution, New York: New Viewpoints 1976, pp.147-159. The political strategy and rationale for the anti-CCP coup were elaborated at a series of meetings held by those members of the Guomindang Central Supervisory Committee then resident in Shanghai. The prime mover was Wu Zhihui, who launched a "Party Protection and National Salvation Movement" at a meeting of the GMDSC on 28 March, which provided both the political rationale for the coup and the political context in which it could be executed. On 2 April, a further meeting of the GMDSC endorsed Wu Zhihui's petition for the formal impeachment of the CCP, and ordered all military commanders, in those areas where the CCP were active, to immediately arrest all Communists. Immediately this formal decision of the GMDSC was made, Jiang Jieshi summoned a secret conference to decide on ways and means of implementing it. Between 2 April and 5 April the Right Guomindang conspirators, again led by Wu Zhihui, began a concerted, if ultimately fruitless, campaign to persuade Wang Jingwei of the necessity for the anti-Communist coup, and thus hopefully prevent a split within the Guomindang. These overtures to enlist Wang's support were aborted by the Joint Declaration between Wang Jingwei and Chen Duxiu, issued on 5 April, and by Wang's immediate departure for Wuhan. Therefore, in the final countdown towards the purge, 2 April was the date by which a political decision had been made to break with the Communists, and 5 April the date when a split within the Guomindang became inevitable; Minguo Dashi Rizhi, V.1, 357-358; Li Zongren, V.1, pp.460-463; Huang Xuchu "Li Zongren kouzhong de Wu Zhihui yu Wang Jingwei (Li Zongren speaks of Wu Zhihui and Wang Jingwei)", Chunqiu ("The Observation Post"), 253 (16 January 1968):13-14; Huang Shaoxiong, Wushi huivi (Fifty Years of Memories), Hong Kong: N.P., 1969, pp.175-177; Zhang Guotao, V.1, pp.587-588.

112. NCH, 9 April 1927; Liu Hong, p.89. Liu Hong gives the date of this incident as 7-8 April. However it is clear from The North-China Herald report that this particular
skirmish occurred on 2 and 3 April.

113. For Nandao see Chesneaux, p.364; for the continuing tense situation in Pudong after the March Uprising see the previous section of this chapter.

114. Minguo Dashi Rizhi, V.1, p.358; NCH 9 April 1927; Zhang Guotao, V.1, p.587.


116. NCH, 16 April 1927; Inprecorr, 23 June 1927; Zhu Zijia, p.51; Shi Yi, p.95; Zhang Junru, V.2, p.9; Zhang Guotao, V.1, p.589; Isaacs, p.177; Huang Meizhen, p.64; Mark Gayn, p.153.

117. Zhang Guotao, V.1, pp.569-70; Chesneaux, p.358; Zhu Zijia, p.50; Shi Yi, pp.95-6; Zhang Junru, V.2, p.7. See above for a discussion of the relationship between Wang Shouhua and Du Yuesheng. Apparently relations between Wang and Du were sufficiently close, at least in the popular Shanghai imagination, that numerous rumours circulated in Shanghai's Chinese press to the effect that Du greatly valued Wang and that an intimate relationship had developed between them over the years; Zhang Junru, V.2, pp.2-4, which cites two examples.

118. Many of Wang's colleagues warned him against accepting the invitation, but Wang felt that he had to go otherwise the gangsters would hold him in contempt and this would destroy the relationship he had built up with them in the preceding months. Wang argued that the Green Gang bosses had always kept their word to him in the past, and if he went he might be able to persuade the gangsters not to participate overtly in any possible conflict between the CCP and the Right GMD; Xu Yufang and Bian Xingying, pp316-318; Zhang Junru, V.2 pp.1-5. Zhang Junru's account is the richest in details concerning the events surrounding Wang Shouhua's murder. It is obvious from the context that Zhang's account is almost entirely based on interviews with Wan Molin, who, at the time, was one of Du Yuesheng's "disciples" and general factotum in the Du household.

119. Zhang Junru, V.2, pp.7-12; Zhu Zijia, p.51; Shi Yi, p.96; Liu Hong, p.89; Da Liumang Du Yuesheng, p.25.

120. Divici Guonei Ceming Zhanzheng Shiqi de Gongren Yundong, pp.531-532. The ten indictments were contained in a memorandum on the purge which the Shanghai General Labour Union sent to the Guomindang Central Executive Committee and National Government in Wuhan.
121. Powell, pp158-160; Zhang Jungu, V.1, pp332-334. The exact date of this meeting is rather problematic. John R. Powell, the major source of information on the Du-Fessenden conversations, gives no date for the meeting. Zhang Jungu asserts that it occurred late on the night of 11 April. Zhang’s statement is circumstantially corroborated by two other sources, The North-China Herald and Mark Gayn. The North-China Herald states that both the Foreign and Chinese [sic.] authorities were informed of the forthcoming coup "after midnight", that is the early hours of 12 April; NCH, 16 April 1927. Gayn asserts that Jiang Jieshi notified the British and French authorities of his imminent purge, on 11 April, Gayn, p.153.

Stirling Fessenden arrived in Shanghai in 1904 as a recent law graduate from Bowdoin College on a mission for the American Trading Company of New York. He stayed on to practice law in Shanghai, and opened up his own law firm in the 1910s, Jernigan and Fessenden. In the 1920s and 1930s he held the most important administrative positions in the International Settlement, first as Chairman of the SMC and then, in the mid 1930s, as its Secretary-General. According to Powell Fessenden was familiarly known as "the Lord Mayor" of Shanghai. In 1939, Fessenden was finally forced to resign as Secretary-General of the SMC because of failing eyesight, and he died in penury during the Japanese occupation in September 1943; The Directory and Chronicle for Corea, Japan and China for the Year 1916, Hong Kong: Hongkong Daily Press, 1916, p.845; Powell, pp326-327.

122. Powell, pp.158-59; Zhang Jungu, V.1, p.332-34.


124. There is some doubt as to the total strength of the MPA. Zhang Jungu gives a figure of 15,000, which seems grossly inflated, while the Divici Guonei Geming Zhanzheng Shigi de Congren Yundong provides a figure of 500, which appears to be much too low. A later SMP report puts the number at 2,000. This latter figure would appear to be closer to the mark than the other two, given the fact that not all Green Gang members in Shanghai were involved in the MPA units, and that the MPA had to be at least equal to the strength of the Workers’ Pickets opposing them, whose numbers were estimated at between 2,700 and 3,000 men; Zhang Jungu, op.cit.; Divici Guonei Geming Zhanzheng Shigi de Congren Yundong, p.494, 529; "Memorandum on Mr. Tu Yueh-sung alias Tu Yuin" (Report, 8 July 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D9319; Chesneaux, p.362.
125. NCH, 16 April 1927; Zhu Shaozhou, op.cit. Zhu Shaozhou was a participant in the events of the purge and held a headquarters position in Zhou Fengqi’s 26th Army.

126. Gayn, p.153; NCH, 16 April 1927; Divici Guonei Geming Zhanzheng Shiqi de Gongren Yundong, pp.494-95; The China Year Book 1928, p.1362; the SMP monthly report for April in NCH, 21 May 1927.


128. The positions that had fallen by the afternoon of 12 April included:
1. the Huzhou Guild - Zhabei
2. Commercial Press Printing Works - Zhabei
3. Chinese Tramways Company’s Compound - Nandao
4. Fuzhou Guild - Nandao
5. Third District Police Station in Pudong

Divici Guonei Geming Zhanzheng Shiqi de Gongren Yundong, pp.495-500; NCH, 16 April 1927.


130. NCH, 16 April 1927.


132. Isaacs, p.179; Minguo Dashi Rizhi, V.1, p.359; NCH, 21 May 1927; NCH, 16 April 1927; Zhu Shaozhou, p.25(b); Inprecorr, 23 June 1927; Divici Guonei Geming Zhanzheng Shiqi de Gongren Yundong, pp.529-530.

133. Zhu Zijia, p.49; Minguo Dashi Rizhi, V.1, p.362; Wan Molin, Hushang Wangshi, V.1, p.10. As noted earlier in this chapter, Yang Hu was also the chief of Jiang Jieshi’s secret police. During the Northern Expedition he held the position of Head of the Special Services Bureau of the General Headquarters, see Guo Moruo, V.2, p.127; Zhang Jungu, V.1, p.301.

134. ‘Jun Xing’, "Gongtonghui jiuhua (Old talk about the Unification Committee)", in Dangdai Shisheng (Fragments of Contemporary History), Shanghai: Shanghai Zhoubao She, 1933, p.175.

135. Zhang Jungu, V.2, pp.77-8; Wan Molin, pp.8-12,13; Zhu Zijia, p.49; Divici Guonei Geming Zhanzheng Shiqi de Gongren Yundong, pp.525-526.

136. Inprecorr, 23 June 1927.
137. Zhu Zijia, pp49-50


140. NCH, 30 April 1927; NCH, 14 May 1927.


142. NCH, 18 June 1927.

143. Ma Chaojun, V.2, p.734; 'Jun Xing', p.175.

144. Lu Chongpeng, p.73; Isaacs, p.177. It is possible that Chen Chun, himself, was the source of the adage. On 18 April 1927, Chen addressed a meeting held to celebrate the removal of the GMD capital to Nanjing. In the course of this speech Chen remarked that the CCP were 'the vanguards of a new brand of imperialism which would be more ferocious than wolves and tigers'; NCH, 23 April 1927. This phrase was probably picked up and embellished by Shanghai wits at the expense of Yang Hu and Chen Chun.


146. Yi jiuerqinian de Shanghai Shangye Lianhehui, p.269. According to this source Huang Jinrong was the Head of the Self Defence Militia and both Du Yuesheng and Zhang Xiaolin were his deputies.


148. NCH, 21 May 1927; Zhang Jungu, V.2, p.81; Zhu Zijia, p.48; Shi Yi, p.97; Wan Molin p.24; Liu Hong, p.90; Da Liumang Du Yuesheng, p.27.
The events of early 1927 in Shanghai, the threat posed by the CCP after the March uprising and the approach of the GMD's Northern Expedition, altered fundamentally the parameters of power within the French Concession. It placed the relationship between the French authorities and the Green Gang bosses on a new basis, and saw the emergence of Du Yuesheng as the key figure in that relationship. Over the next few years Du proceeded to consolidate his good working relations with key members of the French Concession administration and to enhance his political position within the Concession. The influence of the Green Gang bosses, and in particular Du Yuesheng, within the Concession reached its apotheosis during the consulship of E. Koechlin (December 1928-March 1932). The marked erosion in French authority in the Concession during those years created a serious political crisis for the French administration in 1932, and led to a major reassertion of French authority during the consul-generalship of J. Meyrier (1932-1935). Du Yuesheng, nevertheless, continued to exert significant influence in the Concession until the outbreak of the Sino-Japanese War in 1937.
(1) The French Authorities, the Green Gang and the Events of January - April 1927

In early 1927 the French authorities in both Paris and Shanghai were extremely concerned about the security implications of the entry of the Guomindang's National Revolutionary Army (NRA) into the Jiangnan region and the Communist-inspired workers' uprisings in Chinese Shanghai in February and March 1927. They were troubled particularly by the implications for the French Concession of the reports of the seizures of the British concessions in Hankou and Jiujiang in early January 1927. During the first two months of 1927 the French Foreign Ministry was concerned that the weaker defence forces available to the Shanghai French Concession relative to those in the International Settlement would encourage the Chinese to consider the Concession a "soft option" and attack it in preference to the more strongly defended International Settlement.¹

This crisis, which appeared to have the potential to threaten the very existence of the Concession, forced the French authorities to look very hard at their defence resources. In the course of this review they dismissed the Chinese members of the police force and the Chinese volunteer units organised by the Gentry-Councillor Clique as incapable of providing an effective defence "in the event of anti-foreign disorders."²
The Gentry-Councillor Clique lacked the necessary connections with the new forces on the Chinese political stage, the GMD and the NRA, and were thus of little use to the French during the crisis months of early 1927. On the other hand, the gangster bosses, as noted in the previous chapter, did enjoy a working relationship with the various revolutionary parties active in Shanghai, and also had links with Jiang Jieshi. The French authorities, therefore, turned to them and in particular to Du Yuesheng. These French overtures neatly balanced those from the Right GMD who were also seeking the gangster bosses' assistance against the Communists in Shanghai.

Du agreed to assist the French in maintaining order in the Concession in return for French-supplied weapons. On 26 February, therefore, Naggiar, the French Consul-General, dispatched a request for 300 rifles plus 150 revolvers and 1,000 steel helmets. These were some of the weapons that Du's gangsters used to execute the anti-Communist coup in mid-April. Du quickly implemented his side of the bargain when he personally intervened to prevent Chinese merchants and their employees in the French Concession from joining the Communist-sponsored general strike of 20-24 February, as noted in the previous chapter. The French, for their part, facilitated Du's preparations for the anti-Communist purge. In addition to providing arms they provided an armed police guard for the MPA headquarters at No.18 Song Shan Road, in the French Concession. As noted earlier, the Chief of the
French Concession Police, Captain Fiori, arranged a meeting between Du Yuesheng and Stirling Fessenden, the Chairman of the Shanghai Municipal Council, at which the latter granted Du's armed gangsters the right of passage through the International Settlement to attack the communist positions in Zhabei. The close co-operation between the French police and Du Yuesheng's gangsters was officially acknowledged in 1928 by the acting Consul-General Meyrier in a despatch to the French Minister in Beiping. It is probable that the French used the gangster bosses as their intermediaries in establishing contacts with the GMD's NRA which was an important element in their strategy to maintain the security of the Concession during the first four months of 1927.

(2) The Post-12 April Coup Deal: Opium and the Security of the Concession

By their actions the Green Gang bosses, and most particularly Du Yuesheng, effectively served the political interests of the French authorities at a time of acute crisis in early 1927. The crucial assistance which the gangster bosses had provided the authorities during the crisis months of February-April began the process by which they progressively displaced the Gentry-Councillor Clique as the major centre of Chinese power in the French Concession.

An important aspect of the accord reached in February 1927 between Du Yuesheng and Captain Fiori, acting on behalf of
the gangster bosses and the French Consul-General respectively, was the latter's agreement to protect the extension of the gangsters' economic power (in the form of opium and gambling rackets) in the Concession. This marked the beginnings of a clear community of interests between the French authorities and the gangsters, in which the former tolerated the latter's rackets in return for their assistance in the maintenance of the security and internal order of the Concession. The French, themselves, ruefully referred to this arrangement as "the pact with the devil (le pacte avec le diable)". A significant dimension of this pact was the reaffirmation of the 1925 agreement on opium trafficking and the extension of the narcotics distribution network within the Concession. The sale of opium was conducted on such an open basis in the Concession that an investigation conducted in early 1931 revealed that the local Chinese regularly referred to the system as an "official monopoly." An indication of the degree of involvement of French officialdom in the opium traffic were the strenuous efforts they made in the late 1920s to try and persuade the representatives of the other Foreign Powers to overturn the 1912 International Opium Convention and put the opium trade back on a legal (and officially taxable) footing. The French authorities had argued for several years the practical benefits for both China and the foreign powers with interests in China of a policy of control rather than prohibition, and therefore gave strong support to the Anti-Opium Law proposed by the Nanjing Government in early 1928 which would have established a form
of official monopoly.¹⁰

In the context of these Chinese moves to promote an official monopoly, Du Yuesheng approached the senior officials of both foreign settlements in order to obtain their agreement to putting the opium traffic on a semi-official basis. In February 1928, the acting French Consul-General, Meyrier, informed the French Minister, de Martel, in Beiping that he had held discussions with Du Yuesheng in which the latter had offered to make regular monthly payments of between Ch$20,000 and Ch$60,000 to the French Mixed Court in return for the non-implementation of the Chinese Government’s anti-opium laws in the French Concession. Meyrier told de Martel that he supported the conclusion of such an agreement in part because of Du’s power within the Concession and the need for the French administration to retain his support. He also noted that a similar agreement had been entered into secretly between Stirling Fessenden and Du Yuesheng, by which the gangster boss agreed to make anonymous payments to the SMC’s treasury of between Ch$50,000 and Ch$100,000 a month in return for the non-operation of the ant-opium laws in the International Settlement. The French Government was sympathetic to the possibility of such arrangements, but forbade the conclusion of any formal agreement until, and unless, the other interested Powers agreed to such a course of action.¹¹
When the Shanghai Consular Body held its discussions on the proposed Anti-Opium Law in early March 1928, therefore, Meyrier strongly argued the case for the creation of a monopoly system in the Shanghai foreign settlements. In the course of his argument Meyrier revealed the proposal that had been put to him by Du Yuesheng, by which the Three Prosperities Company would contribute directly to the treasuries of both administrations the sums it then paid out in "bribes" in the event that the monopoly system was instituted. In July of the same year Naggiar, the newly appointed head of the Asiatic Department of the Ministry of Foreign Affairs, put the same argument to members of the British Embassy in Paris. Unfortunately for the French (and indeed the SMC), the British and American governments refused to consider a revision of the Hague Convention, and so the policy of official connivance in the drug traffic continued in the French Concession. This connivance even extended to the French armed forces in the Far East, with reports that French gunboats on the upper Yangzi were used to convoy French-flagged vessels known to be engaged in running guns to Sichuan and opium to Shanghai.

In addition to his opium rackets, Du Yuesheng also developed major gambling interests in the Concession after 1927, which greatly increased his financial power. He conducted negotiations with Fiori and Verdier (the Concession's chief administrative officer) in the course of 1927, and early in 1928 five large gambling joints catering to wealthy Chinese
were opened in various locations throughout the Concession. Du Yuesheng directly controlled all of them and they were managed by key lieutenants of his Small Eight Mob, and protected by a special strongman squad of 500 gangsters under the command of one of his principal lieutenants, Gao Xinbao. The largest and most notorious of these gambling houses was the Fusheng, also known as "Number 181" from its address on the Avenue Foch. This was a large three-storey foreign-style house which catered for all types of Western and Chinese forms of gambling, for whose use Du paid 4,000 silver taels each month. Besides such prestigious locations, Du also controlled innumerable gambling dives catering for working-class gamblers in the area around Bao Xing Li.15

(3) The Consolidation of Green Gang Political Power in the French Concession

Du Yuesheng also used the pact with the French authorities to further his political ambitions within the Concession. The instrument of this policy was the French Concession Chinese Ratepayers' Association (Fazujie Nashui Huaren Hui-CRA). This organisation was established in mid-January 1927 with the avowed purpose of representing the interests of the Chinese ratepayers in the Concession. From the outset, however, it was controlled by Du Yuesheng and his colleagues. The three Green Gang bosses were joint chairmen of a 21-man Preparatory Committee which formally established the association during the first six months of 1927, and whose
headquarters was located either in or near Du's home on the Rue Wagner. The Preparatory Committee numbered at least two more gangsters in its membership, Shang Mujiang (a close associate of Zhang Xiaolin) and Cheng Zhusun.\textsuperscript{16} The Green Gang bosses also firmly controlled the association's Supervisory Committees and the Joint Chairmanships "elected" by the association's members in 1929 and 1931.\textsuperscript{17}

The gang bosses launched their drive for political power in the Concession in the immediate aftermath of the anti-Communist Purge. In late April 1927 the CRA began to put pressure on the French authorities to meet its demands for the election of all Chinese members of the Provisional Commission (instead of their appointment by the French Consul-General); to increase the numbers of Chinese members from five to eight; and to appoint six Chinese advisers to the Consulate-General.\textsuperscript{18} These aims had the dual purpose of promoting the CRA itself (and hence the gang bosses) as the legitimate spokesman for the Chinese residents of the Concession, and to undercut the position of the Gentry-Councillor Clique whose members made up all the Chinese representation on the Provisional Commission.

The French authorities' decision in July 1927 to follow the International Settlement and raise the Concession's rates by two per cent provided the gang bosses with the ideal issue to push their political demands. In early July the CRA presented the Provisional Commission with its demands,
including the ambit claim that all matters concerning the Concession's administration should be submitted to the CRA for its approval. If accepted, this demand would have enabled the CRA to appropriate the functions of the Provisional Commission. It was in fact an obvious attempt by the gangster bosses to pressure the French by capitalising on current Chinese nationalist hostility to extraterritoriality and the GMD's intervention in the contemporaneous rates dispute in the International Settlement. The other demands dealt with the real issues at stake: the abolition of the rates increase and the election of the Provisional Commission's Chinese members by the CRA.

In mid-July the CRA appointed Du, Zhang and Shang Mujiang to negotiate with the French authorities on its behalf. As a result of these negotiations a compromise was reached which gave both sides something of what they sought. Although the Green Gang Bosses failed to obtain the election of the Chinese members of the Provisional Commission, they did win the right to have the CRA elect nine Chinese advisers to the Provisional Commission. All nine advisers were drawn from the CRA's Executive Committee and included Du Yuesheng, Zhang Xiaolin, Cheng Zhusun and Shang Mujiang. The French, for their part, obtained the gangsters' acceptance of the increased rate on the basis of a review after a six-month period.
Despite this compromise the CRA continued to press throughout the latter half of 1927 for the election of the Chinese members of the Provisional Commission. In an open letter to the Concession's Chinese ratepayers of late November 1927, the CRA argued that the effectiveness of the existing Chinese councillors was severely restricted by the fact that they were appointed by the French Consul-General and not elected by the Chinese ratepayers. In the context of the hostility between the Green Gang bosses and the Gentry-Councillor Clique, this statement was not merely, or even primarily, a plea for greater democracy in the Provisional Commission, but an attack on the Clique's self-assumed right to represent Chinese interests in the Concession. At the same time the CRA attempted to strengthen its legitimacy by appropriating current GMD terminology on political democracy. In the letter it described its aims as "to promote the capacity for self-government" and to develop "the spirit of self-government."  

In January 1928 Du Yuehsheng and Zhang Xiaolin used the resumption of negotiations on the increased rate to bargain for Zhang's admission to the Provisional Commission. In return, the French continued to collect the increased rate and, as a sop to the ratepayers, they agreed to increase the police force by 200 men. Zhang's appointment to the Provisional Commission was one of the last acts of Naggiar as Consul-General and he acknowledged that it was a quid pro quo for the services rendered by the gangster bosses during the
security crisis a year before.\textsuperscript{21} Zhang's membership of the Provisional Commission was a major victory for the Green Gang bosses, and it was consolidated eighteen months later by Du Yuesheng's own appointment as a councillor in July 1929. In his inaugural speech on taking his seat in the Provisional Commission on the 17th of that month, Du stated that the basic work of the Commission was that of Sino-French administration.\textsuperscript{22} This was a calculated remark which implied that in future the main business of government in the Concession could only be pursued on the basis of a collaboration between the representatives of the Chinese population and the French authorities. Moreover, by stating that this should occur within the Provisional Commission, he was asserting a parity of that body with the French administration which it had never enjoyed, and which it had never been intended that it should. The reason that Du made such a claim was that the Provisional Commission had now become (as of mid-1929) the power base of the gangster bosses in the Concession.

If the membership changes to the Provisional Commission in 1928 and 1929 represented an increase in power for the Green Gang bosses, by the same token they represented a serious diminution in the power of the Gentry-Councillor Clique. Both Zhang and Du gained their seats on the commission at the expense of Lu Songhou and Wu Zonglian, two aged members of the Clique. Although the Clique still retained three of the five Chinese seats, real influence had shifted from them to
Du and Zhang. This was clearly revealed by the Wei Tingrong affair in mid-1929. Within a week of his taking his seat on the commission, Du had his old rival Wei Tingrong kidnapped and spirited away to Pudong. Such a brazen attack on a leading member of the Gentry-Councillor Clique caused consternation within French officialdom. According to a Shanghai Municipal Police report, the French authorities threatened to close down the opium traffic unless Wei was released. The incident also created a rift between Du and Zhang Xiaolin. The relationship between the two bosses had never been easy and had become increasingly more difficult with the marked increase in Du’s power and authority since 1927. It is possible that Zhang considered that Du had overreached himself and had endangered the basis of the gangsters’ power in the Concession (their control of the opium traffic) for the dubious satisfaction of settling accounts with a bitter rival. Whatever the reason, Zhang abruptly resigned his position as co-chairman of the CRA on the 1 August 1929, and left Shanghai for Dairen. The affair was finally brought to an end when, after a tense three months, Wei was finally released in mid-September 1929 in a raid conducted by all three police forces in Shanghai. Whatever the immediate costs to Du’s position he had, in kidnapping Wei, delivered a symbolic message to the Gentry-Councillor Clique on where power now lay in the new balance of forces within the French Concession.
The coping stone to the edifice of gangster political power in the Concession was provided by Consul Koechlin's agreement in late 1930 that the CRA should elect the Chinese members of the Provisional Commission. This was the result of protracted negotiations which were conducted throughout 1930 and the gangsters again made use of the rate issue as a lever. Among other factors which influenced Koechlin's decision was undoubtedly the crucial role played by Du Yuesheng in bringing to an end the long-drawn out strike of the French Tramways Union from June to August 1930. On 31 October, therefore, Koechlin sent a letter to the CRA in which he conceded the principle of election of the Chinese councillors, and requested that the CRA endorse the five Chinese members already serving on the Commission. The CRA complied and on 18 November 1930 it convened a special congress which formally endorsed the five sitting Chinese members, and elected nine special advisers to the various committees of the Provisional Commission. These developments represented a complete victory for the Green Gang Bosses, and in particular Du Yuesheng. He now controlled the Provisional Commission and the leaders of the Gentry-Councillor Clique were dependent on his favour for the retention of their positions on the Commission. A new balance of forces had emerged in the power structure of the French Concession.

The ascendancy of Du Yuesheng within the French Concession and his increasing influence within Shanghai generally was
symbolically affirmed by the dedication ceremonies on 9-10 June 1931 for his family temple, the Du Jiasi, which he had built in his native place of Gaoqiao. Congratulatory scrolls were sent by all the leading individuals and institutions in the French Concession, including Koechlin, Fiori, Verdier, representatives of the Gentry-Councillor Clique (Wu Zonglian and Lu Baihong), the French members of the Provisional Commission, the Association of Chinese Officers of the French Concession Police, the management and senior staff of the French Tramways Company, and the members of the French Tramways Union. Leading members of the National Government, including Jiang Jieshi, Hu Hanmin, Kong Xiangxi (H. H. Kung) and Song Ziwen (T. V. Soong), also sent congratulatory scrolls, as did members of the Shanghai City Government and the Shanghai GMD Branch, led by the Mayor, Zhang Qun. Leading figures of the former warlord regimes sent their congratulations including Duan Qirui, Cao Kun, Wu Peifu, Zhang Zongchang, and Xu Shichang. Congratulations were also received from the Chinese and foreign business communities in Shanghai, and the formal ancestral tablet which traced Du’s ancestry back to the legendary Emperor Yao and the Xia dynasty was penned by none other than the prominent scholar and famous revolutionary of 1911, Zhang Binglin.

The dedication ceremonies were organised by a committee which included leading Shanghai capitalists such as Yu Xiaqing, Wang Xiaolai and Yuan Lideng, as well as Du’s two colleagues, Huang Jirong and Zhang Xiaolin. The ceremonies began with
a huge parade which included Green Gang members, government officials, merchants, trade unionists, police, soldiers and boy scouts, and which wended its way from Du's home in the Rue Wagner through the French Concession to the Quai de France (the French Bund). Members of both the French Concession Police and the SMP lined the route of the procession, and in the vanguard of the procession were honour guards carrying the congratulatory scrolls from political notables such as Jiang Jieshi, Zhang Xueliang, and Koechlin. Du had organised special launches which plied back and forth between Shanghai and Pudong carrying thousands of guests over the two day period. The Shanghai Post Office set up a temporary post office in Gaoqiao for the duration of the festivities which issued a special postmark for cards and letters: "to commemorate the foundation ceremonies for the Du Family Temple". In the course of the celebrations Du received innumerable gifts and he himself personally distributed over Ch$70,000 to his followers and servants.25


In addition to his assistance to the French authorities in ensuring the external security of the Concession in 1927 from which he derived important political gains in the Provisional Commission, Du Yuesheng's position in the Concession was enhanced further by his successful mediation of industrial and
social disputes. Such mediation was an important aspect of the pact between Du and the French authorities and represented, from the latter's point of view, a significant contribution to the maintenance of the internal security of the Concession. As the British Consul-General in Shanghai, J.F. Brenan, informed Sir Miles Lampson, the British Minister in Beiping, the Shanghai Green Gang bosses were extremely useful intermediaries in dealing, by Chinese methods, with any Chinese troubles which arise, whether political..., industrial..., or even peace and good order [in the French Concession]. They can continue their opium dealings just so long as the concession benefits - very materially - and is spared much of the trouble to which foreign authorities in China are so often heirs....

The most important industrial disputes in this period occurred in the principal public utilities concern in the Concession, the French Tramways and Electric Light Company (La Compagnie Française de Tramways et d'Eclairage Electrique de Shanghai), and in particular the strikes in December 1928 and June-August 1930. In undertaking the mediation of these strikes Du, it might be suggested, was concerned with increasing his standing with, and hence his "indispensability" to, the French authorities. He was interested, however, in more than this. By the latter half of 1930, it might be argued further, Du was intent in
building up an independent power base within the Concession, and part of his strategy for achieving this end was to gain control over organised labour in the settlement. One major purpose of his mediation of the 1928 and 1930 strikes, therefore, was to gain control of the French Tramways Union (Fadian Gonghui-FTU) which he accomplished by 1931. The French Tramways Company was in fact the major public utility in the French Concession. It also supplied all of the Concession's water and electricity, as well as providing its public transport. The Company, therefore, occupied a strategic position in the social and economic life of the French Concession. This fact in turn ensured the importance of the FTU, since, given this concentration of strategic services in the one company, any strike in the French Tramways Company had the potential to paralyse the whole Concession. Once he had control of the FTU, therefore, Du had the advantage over the French authorities.

Du's strategy was facilitated by the fact that industrial disputes, such as those in the French Tramways Company, were not matters solely of concern to the Concession authorities. Agencies of the Chinese Municipal Government of Greater Shanghai, such as the Bureau of Social Affairs (Shanghai Shi Shehui Ju-BSA), together with the Shanghai GMD Party Branch claimed an interest in the Chinese populations of the foreign Settlements, and both organisations were actively involved with the 1928 and 1930 disputes in the French Tramways Company. This was a local manifestation of the new
Nationalist Government’s general policy to reclaim those areas of the nation’s sovereignty which had been lost to China. In the four year period, 1927-1930, the Nanjing Government had regained tariff autonomy, successfully negotiated the withdrawal of Japanese troops from Shandong after the Jinan Incident, fought (and lost) a brief war with the Soviet Union over the latter’s control of the Chinese Eastern Railway, and had obtained the rendition of the British naval base at Weihaiwei. It had also put the Foreign Powers on notice that it sought the abolition of extraterritoriality, and launched a diplomatic offensive towards this end in late 1930 and early 1931. As part of this policy, therefore, the Chinese authorities in Shanghai took every opportunity to assert their claims to authority over the Chinese population and their welfare in the foreign settlements, and this attitude ensured that even relatively minor incidents became the subjects of diplomatic exchanges.

This was the context within which Du conducted his mediation of social and industrial disputes in the Concession. The French used him to "manage" their relations with the local Chinese authorities in the resolution of disputes involving the Chinese population of the Concession, while the Chinese authorities found Du to be a useful instrument in furthering their own interests in the Concession. Du, for his part, used his relations with one to gain increased leverage with the other and so increase his own power and influence. Good examples of this triangular relationship in a situation in
which local fracas could become international incidents were provided by the Wu Tonggen Affair of September 1928 and the Xin Dingxiang Affair of October-December 1930. In both cases a Chinese worker was murdered by French marines (a tram driver in the case of Wu and a sampan ferryman in the case of Xin), public protests were mobilised by the Shanghai Party Office and the Shanghai trade unions, in which demands were made for the abolition of extraterritoriality, and the affairs became the subject of diplomatic exchanges between the Chinese and French authorities. On each occasion both parties accepted Du's mediation of the incident, and in each case he negotiated a compromise settlement which took the immediate heat out of the affair, met the needs of the local French and Chinese authorities and provided some material relief to the victims' bereaved families. In the case of the Wu Tonggen Affair, the indemnity paid to the family was Ch$3,500, of which the French authorities and French Tramways Company each contributed Ch$1,000, while Du not only contributed the remaining Ch$1,500 but undertook to pay Wu's widow a Ch$30 monthly maintenance allowance for ten years. Du's total contribution therefore amounted to Ch$5,000. Du strengthened his relations with both Chinese and French officialdom as a result of his successful negotiations.

1) The 1928 Strike

The FTU had been organised under CCP auspices in August 1926, and after its active participation in the events of early
1927 its key leaders were arrested and the union itself was suppressed by the Green Gang -supported UUC during the period of "party purification". The FTU had been reactivated with the help of those reformist elements in the local GMD and trade union leadership who had been most opposed to the labour activities of the Green Gang and the UUC, and it had a particularly 'close affiliation' with the Shanghai Postal Workers' Union, the most important of the reformist 'yellow' unions in Shanghai. It was suggested at the time that the restoration of the FTU and its subsequent strike was in fact a deliberate attempt to check the Green Gang's influence in the labour movement. The union took advantage of the anti-imperialist sentiments aroused by the Wu affair to announce its restoration in late September 1928, and it issued a public declaration denouncing Wu's murder and announcing its intention to 'revive its martial spirit'. The Green Gang certainly treated the union as a threat. Throughout late September and October, gangsters and Chinese detectives kept a close watch on union leaders and members. By the end of October 1928, twenty-two union members had been arrested, including members of the FTU's executive committee.

In early November the FTU presented the company with a log of claims whose centrepiece was a demand for a thirty per cent increase in wages. When this was rejected by the company, who responded with an offer of only ten per cent, the union decided on strike action at a meeting on 2 December 1928.
The French Tramways strike (3-30 December) was the first major test of the agreement between the Green Gang bosses and the French authorities. This explains the anxiety of the gangster bosses to end the strike as quickly as possible. Immediately the strike took effect, Huang Jinrong sent one of his followers, Cheng Ziqing, a senior detective in the French Concession Police’s Surete (Special Branch), to the FTU in an attempt to persuade the strikers to return to work pending negotiations for a settlement of the dispute. The strikers rejected this suggestion and took the precaution of creating a picket corps.\textsuperscript{38}

On 8 December the Committee for the Settlement of the French Tramways Union’s Strike was established under the control of the local GMD Branch and the Shanghai City Government’s Bureau of Social Affairs, and it effectively excluded CCP strike organisations such as the FTU Workers’ Picket and Propaganda Corps. At this point Du Yuesheng stepped forward as the French company’s official representative and indicated his desire to discuss a settlement of the dispute with the GMD strike committee.\textsuperscript{39} Du’s invitation to hold the discussions in his home on the Rue Wagner, however, was rebuffed by the committee which insisted that they be held at the Shanghai GMD Branch Headquarters. As a result Du refused to attend the first meeting and sent his follower Li Yingsheng in his place. After a brief stand-off the members of the committee reluctantly agreed to hold the discussions in Du’s home.\textsuperscript{40} This incident indicates, perhaps, the
continuing hostility among some of the local GMD cadres and trade union leaders towards the Green Gang, and their distaste for the need to co-operate with one of its leaders.

Despite this contretemps, serious negotiations between Du and the strike committee got under way on the evening of 9 December at the GMD Shanghai Branch Headquarters. After a marathon negotiating session which lasted into the early hours of 10 December, Du agreed to most of the strikers' initial sixteen demands but with a reduced financial settlement. The meeting agreed to Du's timetable for settling the dispute, a return-to-work on 11 December followed by the signing of a formal agreement on 15 December. The draft agreement was jeopardised almost immediately by a confrontation between the returning strikers and the French police on 11 December when the latter refused to allow the strikers to hold a return to work procession along the Rue Lafayette. After an emergency meeting with the two senior members of the strike committee, Leng Xin of the GMD Shanghai Branch and Zhang Tinghao of the Bureau of Social Affairs, Du obtained their assurance that this incident would not prevent the return to work.

Du, in fact, had not obtained the Company's endorsement of the draft agreement; in other words he expected the strikers to return to work without the company's management having approved the agreement. In the event the French Tramways Company rejected the financial aspects of the settlement,
announced that Du had no authority to speak on its behalf, continued to dismiss 'recalcitrant' employees, and refused to sign the formal agreement on 15 December. The company's stand effectively sabotaged Du's attempts to end the strike. His credibility with the workers completely undermined, Du resigned from his position as mediator in a state of confusion.

The French Tramways Company's refusal to sign the official strike settlement caused an outcry among the company's workers. They turned their anger against Du Yuesheng, whom they believed had deliberately betrayed them, and the GMD strike committee, because of its close association with Du during the negotiations that ended the first strike. Radical union members reorganised the strike committee and Xu Amei (1906-1939) became its new chairman. Xu was a Communist who belonged to He Mengxiong's 'real work' faction of the CCP's Jiangsu Provincial Committee. Despite the efforts of the local GMD cadres and the Bureau of Social Affairs, the reorganised strike committee declared that a second strike was to begin on 16 December.

Du Yuesheng played no active role during the first few days of the second strike, and demonstrated his chagrin with the company by refusing to give its new official mediator any support. Finally he successfully used his control of the French Concession Chinese Ratepayers' Association to pressure the company into reinstating him as its official mediator.
From 19 December until the end of the strike, Du held regular meetings with the representatives of the GMD Shanghai Branch and the Bureau of Social Affairs to find ways of breaking the deadlock. He tried bribing the GMD union officials to obtain a return to work. When their best efforts failed, Du decided to openly break the strike. At a secret meeting held on the evening of 29 December in Du's home, the seven leading GMD unionists signed the return to work order for the following day. Du Yuesheng offered them a Ch$7,000 bribe if they succeeded in obtaining a return to work. Events now moved swiftly to a conclusion. Provided with arms and a motor car by Du, two of the unionists toured the working-class districts of Shanghai in the early hours of 30 December, declaring that the strike committee had ordered a return to work. As the confused strikers made their way to the depot later in the morning, they were met by a group of Huang Jinrong's Chinese detectives who pushed them through the gate. As a CCP commentator noted sardonically, the behaviour of these Green Gang detectives was 'like the prostitutes on the Great Western Road of Shanghai soliciting clients'. By midday, almost eighty per cent of the strikers were back at work. The strike was over.

2) The 1930 Strike

Throughout 1929 Du Yuesheng built up progressively his own coterie of followers in the FTU, the most important of whom were Li Linshu, a senior inspector in the Company's Traffic
Department, and Shao Ziyi, a senior clerk with the Company. Both Li and Shao had their own networks of followers among the workers in the workshops and among the professional staff which could be used by Du to disrupt the activities of the FTU. By 1930, therefore, Du had an established network of Green Gang followers among the French Tramways workers.\(^{56}\) Du’s penetration of the union was greatly facilitated by a major split in its ranks, which was orchestrated by Li Linshu on his behalf, and which resulted in the majority of the employees in the Traffic Department leaving the FTU and forming their own union, the Traffic Employees’ Club (Chewubu Tongren Julebu), in February 1929.\(^{57}\) Although the FTU leadership was still controlled by the radical elements around its Communist chairman, Xu Amei, with the defection of the traffic staff its membership was limited essentially to the machine shop workers.\(^{58}\) This was a significant factor in determining the course and outcome of the 1930 strike.

In late June 1930 Xu Amei brought the FTU out on strike in support of its members’ economic interests which had been seriously undermined by the severe inflation caused by the virtual doubling of the price of rice between mid-1928 and mid-1930.\(^{59}\) The strike was supported by the major "yellow" unions and Lu Jingshi of the Shanghai Postal Workers’ Union (Shanghai Youwu Gonghui) organised a support committee for the FTU from among the Shanghai trade unions.\(^{60}\) In its early stages the strike was limited to the workers in the machine shops who belonged to the FTU. The traffic staff, who
belonged to the Traffic Employees' Club, refused to join the strike, undoubtedly at the direction of Du Yuesheng in an effort to keep the strike within manageable limits. This division among the workers' ranks created a situation of escalating violence, as the strikers tried to coerce the traffic staff to join the strike by attacking and destroying tramcars and power lines.

The traffic staff's attitude only further encouraged the French Tramways Company to maintain its intransigent position. On 4 July, the situation of stalemate between the company and the FTU, and the increasingly counterproductive violence finally forced Xu Amei to approach Du Yuesheng. Du proposed to Xu that the strikers return to work on the following day with the promise that he would guarantee the payment of strike pay and that a final solution would be negotiated within ten days. Xu's preparedness to accept these terms temporarily split the strike leadership. Unity was quickly restored, however, when Du proved unable to secure the release of the arrested strikers, which had been the precondition for accepting the deal. The strike continued, as did the violence between the strikers and the non-striking traffic staff.

The character of the strike was changed fundamentally by the incident on the Rue Brenier de Montmorand. On the morning of 21 July, two to three hundred strikers led by Xu Amei, in a last ditch attempt to force the traffic staff to join the
strike, attacked the offices of the Traffic Employees' Club on the Rue Brenier de Montmorand. They were met by the newly formed French police riot squad, and in the ensuing melee, the strikers were dispersed and a bystander, a bricklayer, was killed when the riot squad fired over the heads of the strikers.\textsuperscript{64} The immediate effect of the incident was to enlarge the scope of the strike. As a protest against the French police action, the Company's Chinese clerical staff organised a strike support committee, joined the FTU, and went out on strike on 22 July.\textsuperscript{65} This was an unprecedented display of solidarity between the company's white-collar and blue collar workers. The incident also released a great outpouring of nationalist and anti-imperialist emotion among the Shanghai public and put a serious strain on Sino-French relations. The Municipal Government of Greater Shanghai sent its French secretary, Geng Jiaji, to negotiate a settlement of the incident with Koechlin.\textsuperscript{66} The Nanjing Government itself became involved at the end of July, when it ordered the Ministry of Foreign Affairs to lodge a strong protest over the incident with the new French Minister to China, Auguste Wilden.\textsuperscript{67} As Yu Hongjun, the Secretary General of the Municipality of Greater Shanghai, remarked, the incident had transformed the strike from an 'ordinary dispute' between capital and labour into one that fundamentally threatened the peace and order of Shanghai.\textsuperscript{68}

The incident between the French police and the FTU strikers placed the Nanjing Government in an extremely awkward
situation. On the one hand, it had to be seen to satisfy popular nationalist demands that it take a strong stand with the French authorities over the incident. On the other hand, the Government wanted to avoid the development of a potentially serious crisis in Sino-French relations, particularly as its energies were fully engaged in 1930 in the military conflict with Feng Yuxiang and Yan Xishan. The solution which the Government decided on was to terminate the strike as soon as possible in the belief that this would remove the cause of the growing popular outcry and the gathering diplomatic crisis. To this end Hou Dajun was sent as the GMD's permanent representative to the FTU with the task of supervising the union's activities, and the GMD elder statesman, Li Shizeng, was appointed as the Nanjing Government's official mediator in the dispute.69

The French authorities themselves were under pressure from Paris to resolve the dispute; and so Koechlin delegated Verdier and Fiori to approach Du.70 By the time the French authorities approached him, Du had created a climate favourable to his intervention. He orchestrated calls from the Company's clerical staff for his mediation, as well as demands by the French Concession Chinese Ratepayers' Association, which he of course controlled, that the French Tramways Company resolve the dispute.71 During the discussions with the French representatives, however, Du was curiously reluctant to accede to their request, and Fiori felt compelled to remind Du that his opium and gambling
rackets would be placed in jeopardy if the dispute remained unresolved. An explanation of this paradoxical situation is that Du sought to mediate the dispute in his own right and not simply as the representative of the French Tramways Company, in other words he wished to avoid a repetition of his experiences with the Company during the 1928 strike.

Once he had accepted the task of mediating the dispute, Du’s first move was to try to reach an accommodation with Xu Amei. Xu was prepared to discuss the strikers’ demands with Du, but he rejected Du’s attempts to buy him over with an invitation to become one of his Green Gang followers on a monthly retainer of Ch$200. Xu, moreover, sabotaged Du’s attempts to obtain an early settlement of the dispute. At a strike meeting on 6 August, Xu denounced the tentative agreement drawn up on 5 August to end the strike because it included a clause for the dismissal of fifty strikers as trouble makers.

After this failure to reach an accommodation with the strike leaders, Du set about the task of breaking the strike. He attempted to eliminate the strike leaders by one means or another, and used his network of Green Gang followers among the strikers to obtain intelligence on the leaders’ movements. By 12 August, Du Yuesheng’s disruptive tactics had succeeded in throwing the strikers sufficiently off balance to enable a final round of negotiations to be held that evening in Li Shizeng’s home in the French Concession.
Xu Amei and the strike leaders were excluded from this meeting, the FTU being nominally represented by a nonentity, Zhang Qixiang. During the discussions Du Yuesheng agreed to the FTU's six demands, although with a reduced financial component. The draft agreement also included a provision that the forty workers the company wanted dismissed should 'voluntarily resign' but receive the same benefits as the employed workers. Later in the evening, when this draft agreement was taken to Fiori for his signature, he objected to the last mentioned and deleted it from Du's agreement.  

With the return to work on 13 August, Du left nothing to chance. He ordered his Green Gang followers to patrol the streets and coerce any strikers reluctant to return to work. In fact, as in 1928, Du Yuesheng had obtained the return to work by deliberate deception. His sole concern had been to obtain a return to work, at all costs, and he was prepared to make almost any promise to achieve this aim. He had told the meeting of 12 August that the French Consul-General had agreed to all the strikers' demands. This was, of course, not true. Verdier, the Director of Municipal Services, saw the draft agreement for the first time only after the return to work. He then informed Du that the French Consul-General had no authority to order the French Tramways Company to accept the agreement, and that the company would object to the financial concessions. The upshot was that Du himself bore most of the financial costs of the settlement, a sum which was estimated to be as high as
However, this was a small price to pay to safeguard the Green Gang’s opium and gambling interests in the Concession. With the end of the strike Du succeeded in neutralising the radical union leadership. Xu Amei was dismissed from his job as a fitter in the machine shop.

Despite the loss of his job in the French Tramways Company, however, Xu remained the head of the FTU and continued to have a strong personal following among the machine shop workers.

3) Aftermath: The Elimination of Xu Amei 1931

The increasingly unequal struggle between Xu Amei and Du Yuesheng for control of the French Tramways workers continued for another year, and reached a climax in September 1931. Xu’s final undoing began with a riot on the evening of 4 September 1931 outside the Avenue Joffre Police Station by about two hundred French Tramways mechanics and municipal employees who demanded the release of four workers (one mechanic of the French Tramways Company and three municipal employees) who had been arrested after a fracas outside a teahouse on the Rue Kraetzer. More arrests were made and the French authorities declared martial law.

On the afternoon of 5 September, the rioters were tried and sentenced to varying terms of imprisonment. In response, the FTU and the French Concession Municipal Council’s Chinese Employees’ Social Club (Fazujie Gongbu Ju Tongren Youyi Hui)
held a meeting, under the terms of an agreement they had entered into in August 1931, and decided to take joint strike action on the following day to force the release of their imprisoned colleagues. However, the French police and Du Yuesheng moved rapidly to disrupt the planned strike. As part of what was obviously a carefully prepared strategy, the French police closed down the Municipal Employees' Social Club and placed a strong guard on the FTU's headquarters in the early hours of 6 September. At this point the resolve of the municipal employees wavered, and they sent a delegation to discuss matters with Marmorat, head of the French Police Special Branch, at 2.00 a.m. on 5 September. The upshot was that the municipal employees pulled out of the strike and only about six hundred of the French Tramways machine shop workers, controlled by the FTU, went out on strike on the morning of 6 September.\textsuperscript{81}

The turning point of the strike was the arrest of Xu Amei on the afternoon of 6 September in a carefully planned and elaborately executed operation which involved members of all three police forces in Shanghai as well as Du Yuesheng's gangsters. With Xu's arrest the strike collapsed.\textsuperscript{82} The majority of the strikers returned to work on 7 September, with a few holding out until 8 September. Du Yuesheng moved quickly to take full control of the FTU in the wake of Xu Amei's arrest. He appointed two new leaders to head the FTU, Zhang Fubao and Shi Chuanfu, both of whom were members of his Green Gang coterie.\textsuperscript{83} The French police noted that with
Xu's arrest and the takeover of the FTU, "serenity returned to the workers' thoughts".\textsuperscript{84} Xu's trial lasted merely ten minutes at the end of which time he was sentenced to a total of ten years and six month's imprisonment, and the loss of his civil rights for twelve years.\textsuperscript{85} Du Yuesheng's victory was complete.

(5) The Crisis of Authority in the French Concession, 1931

The drama of Xu Amei's demise and Du Yuesheng's consolidation of his control over the FTU occurred against a backdrop of gathering crisis in the Concession. This crisis turned on the nature of the relationship between the Green Gang and the French Authorities. By early 1931 Du's control of the Provisional Commission and the local trade unions together with his close and complex relationship with the Chinese authorities had caused many informed foreign observers to conclude that the gangsters and not the French administration ran the Concession. The British and International Settlement authorities were particularly concerned by this development and the adverse implications held for the foreign position generally in Shanghai. In late 1929, for example, the Shanghai Municipal Police provided the British Consul-General with a confidential report on the situation in the French Concession which stated that Captain Fiori was Chief of Police in name only and that real power was exercised by Du Yuesheng and his gangster colleagues.\textsuperscript{86} Eighteen months later, in March 1931, the British Consul-General in a report
to his Minister in Beiping observed that not only did the Green Gang bosses have complete control of the Concession's affairs but that they were in a position to destroy the French administration if they considered it in their interests to do so. The report said in part:

The truth of the matter is ... that the local French authorities are so entirely in the hands of the people who control the traffic in opium and gambling that they are unable to break loose, even if they so desired. It pays the ring at present to support the French administration, but I have little doubt that they could bring it tumbling to the ground and that they would do so if any serious attempt was made to cut off their sources of income.87

These sentiments were echoed by the Shanghai based American journal The China Weekly Review which observed in an editorial in July 1931 that the Green Gang bosses were in fact the real power in the French Concession and constituted a form of "super-government":

... Persons who are familiar with conditions in the French-administered section of Shanghai, particularly the Police Department of the International Settlement, express the opinion that conditions in Frenchtown have become so serious that local French officialdom is powerless to effect reforms. It is claimed that the
vice-ring in the French Concession has become so powerful as to practically constitute a super-government which actually controls the area . . . a super-government not greatly different from the regime of Al Capone which operated in Chicago. . . .

The French authorities themselves admitted to the erosion of their authority in the Concession by 1931/1932. In a despatch to Paris in May 1932 Meyrier, the recently appointed Consul-General, observed that Du Yuesheng's organisation, which had initially acted as a "willing tool (instrument docile)" of the French, had become a formidable power in its own right, and one which sought to take over the Concession's administration and to substitute itself " for the French authorities, either by agreement or by force (de gré ou de force, à l'autorité française)".

By mid-1931, therefore, it was commonly believed that public order had so broken down that a crisis of authority existed in the French Concession. Thus it was seriously suggested that the commanders of the United States and British defence forces in Shanghai be formally requested to station some of their troops in the residential section of the Concession in order to protect the lives and property of their nationals resident there.

These developments were a cause of some concern to the French government in Paris, not only because of the threat they
posed to French authority in Shanghai, but also because of the great damage they inflicted on French prestige in the Far East generally. For these reasons it despatched in mid-1930 Auguste Wilden, a retired former Consul-General in Shanghai, as the new French Minister to China with the specific brief to investigate the situation in the Shanghai Concession. After his arrival Wilden's investigations made very slow progress due to the obstructive tactics adopted by the French officials in Shanghai, notably Koechlin, whom Wilden described as "obviously hostile," and Fiori who was "evasive and furtive." Finally Wilden reluctantly concluded that it was impossible to reform the situation through the existing local French officials, who were too deeply involved with the gangsters; although he did not finally succeed in persuading Paris of the need to replace Koechlin and Fiori until late 1931.91

While Wilden searched for an appropriate strategy to deal with the problems in the Concession, the situation deteriorated further with the publicity given to the gambling rackets in early 1931. Between 1929 and 1931 the International Settlement authorities had progressively closed down all the gambling joints and dog-racing tracks (Luna Park and the Stadium) in the settlement, which meant that by 1931 all gambling rackets were concentrated in the French Concession and therefore under the control of the Green Gang bosses. One reason for the International Settlement's policy was its desire to prevent the gambling question (which
was formally proscribed under Chinese law) from becoming an issue in the negotiations between the Chinese Government and the Foreign Powers concerning extraterritoriality. Accordingly many foreign officials feared that the continued open operations of the Green Gang's gambling joints in the French Concession could seriously undermine the position of the Foreign Powers in the face of the Chinese government's diplomatic offensive in early 1931 for the rendition of the foreign settlements. It was for this reason that the British Consul-General put pressure on Koechlin in February 1931 to clean up the gambling rackets. However, the French authorities merely procrastinated and responded with a few carefully managed raids which left the Green Gang gambling joints largely undisturbed.92

Nevertheless the pressure was increasing on Green Gang interests in the Concession and Du Yuesheng used his power within the Concession to try and keep the local French officials from capitulating to this pressure. As a lever on the French authorities he ended his previous lukewarm attitude to the Nationalist Government's campaign against extraterritoriality, and swung the CRA in support of the government's negotiations for the rendition of the French Mixed Court which were then just getting underway.93 At the same time Du Yuesheng used his control of industrial labour to bring pressure to bear on the local French officials and prevent them from capitulating to Wilden's blandishments. Although the strike in July 1931 by the
garbage collectors of the French Municipality had its own separate causes, there are strong circumstantial reasons to suggest that Du used the strike to demonstrate his power in the Concession in order to intimidate the French authorities. The strike spread rapidly to include over ninety per cent of the French Municipal Council's workforce and thus effectively paralysed the French Concession. It was in this context that a number of observers spoke of a crisis of authority in the Concession. From the point of view of the gangsters the strike did have a salutary effect on the local French officials. When Captain Fiori, in response to pressure from the Consular Body, launched his drive against gambling in September 1931, it was conducted in such a way as to minimise its impact on Green Gang interests. 

(6) The French Authorities Move Against Du Yuesheng, February-July 1932

The outbreak of conflict between Chinese and Japanese forces in the Shanghai area on 28 January 1932 brought the crisis in the French Concession to a head. Both sides tried to manipulate the security crisis to their own advantage: Du Yuesheng and the gangsters in a bid to preserve their power and influence; Wilden and those French officials associated with him in order to ease out Koechlin and Fiori and to remove Du Yuesheng's influence from the Concession. Immediately hostilities commenced between Chinese and Japanese forces, Vice Admiral Herr, commander of the French
Far East Fleet and overall commander of French forces in Shanghai, took over all authority from the civil officials of the Concession and proscribed the opium and gambling rackets. At the same time Koechlin called out Du's gangsters ostensibly in support of the French forces in the defence of the Concession, and the streets were filled with over 1,000 of Du's "special agents" sporting tricolour armbands and carrying weapons supplied by the French police. Their purpose was to create such confusion as to effectively disrupt the French forces' security operations, and so compel the martial law authorities to rescind their proscriptions on the opium and gambling rackets. However, Herr had apparently been forewarned of Du's tactics and he moved decisively against the gangsters and within a few days he had cleared them from the streets.  

Wilden simultaneously, in accordance with an earlier decision, announced the appointment of Meyrier and Fabre, respectively Consul-General and Chief of Police in the Tianjin French Concession, as the new consul-general and police chief in Shanghai. Koechlin, now under considerable pressure, was compelled to seek Du's resignation as a member of the Provisional Commission. Du tendered his resignation in a letter dated 15 February 1932, in which he cited, among other things, his financial and commercial commitments and his involvement with the Shanghai Martial Law Committee, which precluded his further membership of the Provisional Commission. Koechlin, however, did not finally
announce Du's resignation until 29 February 1932. In the intervening fortnight Du undoubtedly engaged in last-minute efforts to avoid its acceptance. However, Koechlin no longer exercised any effective authority, his actions were now controlled by Minister Wilden and Vice Admiral Herr, and in any event he had to salvage what he could of his professional career.

A strange sequence of events now unfolded. Within a fortnight of the public acceptance of Du's resignation from the Provisional Commission, three leading members of the Concession died within a week of one another from what Meyrier described as "a sudden illness (une maladie foudroyante)"; Du Pac de Marsouliès of "double pneumonia," the ex-consul-general Koechlin of "smallpox" en route to France, and Colonel A. Marcaire, commander of French land forces in Shanghai, of "pneumonia." Rumours circulated almost immediately that all three had been murdered by Du in revenge for the actions taken against his interests in the Concession, but no convincing evidence has been found to substantiate them. Nevertheless the circumstances of the deaths, the fact that they were of key French officials involved in the pact with the gangsters, that they all occurred in just over a week (11-19 March 1932) and the lack of any adequate explanation as to the manner in which the alleged fatal diseases were contracted, are certainly suspicious. Some possible hint of the real nature of the deaths was provided by Meyrier in his homily to Koechlin and
Marcaire when he described them as having "died for France in the service of our concession (morts pour France au service de notre concession)."  

Whatever the true nature of these deaths, they did usher in a five-month period (March to July 1932) of bitter conflict as Du Yuesheng deployed all his resources in an effort to preserve his position in the face of the determined efforts by Meyrier and Fabre to prise him out of the Concession. During this period protracted negotiations were held between Du and Meyrier for the removal of the Three Prosperities Company from the Concession. These negotiations were conducted in an extremely tense atmosphere. As Meyrier observed at the time, he and Fabre had to tread very carefully because Du’s loss of face had made his organisation even more dangerous. During this period, in fact, Meyrier and Fabre were first offered bribes and then had their lives threatened. When these tactics failed to move the local French officials, Du used his connections with leading Chinese to have them intercede on his behalf with senior French officials and politicians. As a result Zheng Yuxiu (Soumay Tcheng) and Song Ailing (Madame H.H.Kung) went to Paris in mid-April 1932 to lobby French government officials and French politicians on Du’s behalf, while Huang Huilan (Madame Wellington Koo) lobbied Wilden in Beiping. Both attempts, however, were unsuccessful.
With the failure of these missions Du fell back on his last remaining (but most powerful) weapon - his control of organised labour in the Concession. He used his control of the FTU to orchestrate a strike in the French Tramways Company, and timed its outbreak for the week preceding Bastille Day (14 July 1932) in order to maximise its impact on the French authorities. This stratagem worked and with the outbreak of the strike on 7 July, French troops and police were mobilised to patrol the main thoroughfares of the Concession. After the strike had been in progress for four days, Meyrier made contact with Wu Tiecheng, the Mayor of Greater Shanghai, in order both to end the strike and seek an arrangement for the removal of Du's opium business from the Concession. An agreement was finally reached after further negotiations by which Du could run his narcotics operations from Nandao under the auspices of Wu's newly created opium monopoly in Greater Shanghai, and the French would assist in the transportation of his opium stocks out of the Concession. Once this agreement was reached Du terminated the strike.

By the end of the year Du had dissolved the Three Prosperities Company and ran his narcotics operations from a "Special Service Department" within the Shanghai Peace Preservation Corps which was commanded by his crony Yang Hu. Thus by November 1932 Meyrier could assure the British Consul-General that the opium combine had been removed from French territory and that Du Yuesheng was no
longer allowed to interfere in the Concession's affairs.\textsuperscript{106}

(7) The Reassertion of French Authority in the Concession 1932-1935

Meyrier's primary task during his three years as Consul-General was the assertion of French consular authority in the Concession which had been seriously eroded during the tenure of his predecessor Koechlin (December 1928-March 1932). In his inaugural speech to the Provisional Commission on 14 March 1932, Meyrier outlined his three priorities: the preservation of order and security in the Concession, the improvement of its administration and the enhancement of its prosperity. He placed particular emphasis on the last two points:

I eagerly desire that calm and peace will return at last to Shanghai, and that we will be able to devote our energies no longer to defence but to the prosperity and good administration of our Concession.\textsuperscript{107}

Police corruption, the legacy of Fiori, was the first item on the agenda of his program of administrative reform. With the very able assistance of Fabre he dismissed large numbers of corrupt officers from the force and implemented a wholesale reform of the police structure. Great care was taken in the selection of officers and the lines of responsibility within the police hierarchy were strengthened, so that by 1935 the
Concession had a more disciplined and tightly controlled police system than at any time since the First World War.\textsuperscript{108}

In the sphere of municipal administration Meyrier reasserted the primacy of the office of the Consul-General over the Provisional Commission. He rarely attended the meetings of the Commission and communicated with it through his consul, Coiffard, who acted as its president. This restored the traditional relationship between the Consul-General and the Municipal Council/Provisional Commission. This relationship had been undermined in the period 1929-1932 when Du Yuesheng had transformed the Provisional Commission into his personal power base with Koechlin attending all its meetings in his capacity as president. In this context Meyrier restored key members of the Gentry-Councillor Clique to their former role as the main intermediaries between the French administration and the Chinese population. Meyrier had a long-standing relationship with this group and had worked very closely with them in the mid 1920s, first as Consul under Wilden and then as acting Consul-General. This was particularly true of Wei Tingrong, for whom Meyrier had apparently a very high regard, and whom he used as a personal adviser on matters affecting the Chinese residents of the Concession. Wei’s consistent opposition to Du Yuesheng further increased his standing with Meyrier.\textsuperscript{109}

Besides implementing these administrative reforms, Meyrier prosecuted vigorous anti-opium and anti-gambling policies.
In late September 1932, the French police played a prominent role in the seizure of a large consignment of opium valued at between Ch$250,000 and Ch$500,000. Moreover there was a marked increase in the number of arrests of drug traffickers and proprietors of opium dens. Almost ten times as many traffickers were arrested in 1932 as in 1931 (475 as opposed to merely 48), and almost five times as many opium den proprietors (2,053 versus 465). The crackdown continued throughout 1933 and 1934, when a total of 11,130 drug-related arrests were made. The arrest rate for drug-related offences, however, decreased noticeably after Meyrier returned to France in January 1935. In 1935 the number of arrests totalled 3,234 and in 1936 they totalled a mere 788. Meyrier also created a Gaming Squad (Brigade des Jeux) for the express purpose of eradicating all forms of Chinese gambling from the Concession. This squad made just over 1,700 arrests each year between 1934 and 1936.

It was never part of Meyrier’s purpose, however, to remove completely the influence of the Green Gang from the Concession. This would have been a major undertaking which was probably beyond the resources available to the French administration. Nor was it necessarily in the interests of the French authorities to do so. They still found the gangster bosses, including Du Yuesheng, a useful and necessary adjunct to their administrative resources; a point which was acknowledged explicitly by Meyrier. The aim of Meyrier’s reforms, therefore, was to ensure that the gangster
bosses never again exercised undue influence over the French administration, and to once again make of them a "willing tool" in the hands of the French authorities. Meyrier had expressed this view during the crisis of early 1932, in his despatch to the Minister of Foreign Affairs of May 1932, when he observed that although the French authorities could no longer depend on Du Yuesheng, nevertheless, they needed to keep on good terms with him. This pragmatic approach was reinforced by the enormous expansion of Du's power and influence throughout Shanghai in the years after 1932, when he became an integral part of the Guomindang state system.

The influence of the Green Gang bosses, therefore, was still apparent in the Concession after 1932. Zhang Xiaolin, for example, not only retained his membership of the Provisional Commission but was honoured by the French administration on the occasion of his sixtieth birthday in June 1936. The CRA continued to "elect" the Chinese Members of the Provisional Commission, three of whom came from its own ranks, as well as the special advisers to the Commission's various committees, who included such prominent Green Gang members as Shang Mujiang and Jin Tingsun. In fact Du Yuesheng's control of the CRA was strengthened after the association's 1933 election which abolished the system of co-chairmen and replaced it with one chairman (Du) and two vice-chairmen. The new CRA Executive Committee elected in 1933 also contained at least four members of Du's recently established Endurance Club. It might be noted here also
that Du was one of the official guests at the dinner to farewell Meyrier on his return to France in January 1935.\textsuperscript{117}

Throughout the 1930s Du Yuesheng continued to mediate disputes in the Concession. A good example was his role in negotiating a settlement of the ricsha registration dispute of July-August 1935. In an attempt to limit the number of ricshas operating in the Concession, the French administration decided on a policy of compulsory registration on the lines of a similar system which had been established in the International Settlement by the SMC. The ricsha owners, not surprisingly, strongly objected to the registration process and they launched a business strike in late July, and encouraged their coolies to take strike action. At the same time representatives of the Ricsha Owners' Association (Renlicheye Gonghui) approached Du Yuesheng to act on their behalf in discussions with the French authorities. In early August, therefore, Du held a number of meetings with Baudez, the acting Consul-General, together with the Chinese authorities of the Shanghai City Government and the Bureau of Social Affairs. The latter had become involved in the dispute after an incident between French police and striking ricsha coolies at the Pont Ste Catherine on 6 August. In consultation with representatives of the Chinese City Government, the Bureau of Social Affairs and the Ricsha Owners Association, Du worked out a compromise agreement, involving both the waiving of the registration fee imposed by the French administration and the postponement of
the registration process for a period of two months, which became the basis for the final settlement.\textsuperscript{118}

Although Du's role in this dispute appeared to be similar to the one he had played during the French Tramways disputes of the late 1920s and early 1930s, its basis in fact was quite different. Then he represented the French capitalists and the French administration; in the mid-1930s, on the other hand, he represented Chinese capitalists and conducted his negotiations in close consultation with the Chinese authorities and not the French administration. Du's mediation certainly remained important for the French authorities, but it derived its significance from his influential position in the Guomindang political system both nationally and locally, and was not dependent on his relationship with the French.
Endnotes


5. Powell, pp.158-159.

6. M. J. Meyrier, Consul-Général de France à Shanghai, à M. de Martel, Ministre Plénipotentiaire de France en Chine, à Pékin. Consulat-Général de France à Shanghai, Shanghai, 30 août 1928. Ministre des Affaires Étrangères, Affaires Communes, deuxième série. V.56, Opium: Réglementation en Chine, Février 1925-Septembre 1928. I would like to thank Dr Nicholas Clifford for having brought this despatch to my attention together with that in note 89 below.

8. Personal communication from Professor Jean Chesneaux; Memorandum of Mr Woodhead’s Interview in Peking ... FO 1380/7/87; Brenan [Cons.-Gen., Shanghai] to Sir M. Lampson (29 May 1930) FO 3570/184/87.


16. Shanghai Shi Nianlian 1936 (The Shanghai Yearbook for 1936), pp.V45-46; "List of Public Organisations in Shanghai" (Report by D.I. Crawford, 8 October 1938), Shanghai Municipal Police, Special Branch S.1, Investigation File D4683. Shang Mujiang was a Green Gang boss from Hangzhou who had moved to Shanghai and was very close to Zhang Xiaolin. See Gendai Chûka Minkoku Manshûkoku Jimmeikan, 1932, p.171. Although there are no similar biographical details for Cheng
Zhusun, circumstantial evidence would suggest that he too was a Green Gang member.

17. *Shanghai Shi Nianlian 1936*, pp.V45-46 which gives the following details:

(A) The 1929 Elections of the Chinese Ratepayers Association: (1) The Supervisory Committee: (a) Huang Jinrong (b) Du Yuesheng (c) Jin Tingsun (one of Du's senior lieutenants); (2) The 3-man Joint Chairmanship: (a) Zhang Xiaolin (b) Shang Mujiang (c) Cheng Zhusun

(B) The 1931 Elections: (1) The Supervisory Committee: (a) Huang Jinrong (b) Zhang Xiaolin (c) Jin Tingsun; (2) The 3-man Joint Chairmanship: (a) Du Yuesheng (b) Shang Mujiang (c) Cheng Zhusun.


19. NCH, 9 July 1927; NCH, 19 July 1927; NCH, 30 July 1927; *Shanghai Shi Nianlian 1936*, p.V46; *Da Liumang Du Yuesheng*, p.29; Dong Shu, "Shanghai Fazujie de duoshi shiqi", p.1022; Meyrier (30 August 1928).


25. Fan Shaozeng, pp221-224; Da Liuming Du Yuesheng, pp48-49; Zhang Jungu, V.2, pp284-311; Shi Yi, pp149-158; Du Shi Jiasi Loucheng Jiniance (Commemorative Volume on the Foundation of the Du Family Temple), Shanghai: Zhongguo Fanggu Yinshuju, 1932, passim.


Zhu Bangxing et al. provide the most extensive treatment available on the FTU, including important details of the strikes of 1928 and 1930, on pp273-365; while Hammond provides a comprehensive account of the FTU on pp.177-212; and Roux’s article is a detailed study of the 1928 strike.


30. For the Wu Tonggen Affair see Martin (1985), pp.108-109; for the Xin Dingxiang Affair see Ma Chaojun, pp.1019-1021.

32. Martin, pp105-106; Zhu Bangxing et al., pp299-300.
33. NCH, 17 November 1928.
34. NCH, 29 December 1928.
35. Ma Chaojun, V.3, p.834.
37. Ma Chaojun, op.cit.; NCH, 8 December 1928.
41. Ma Chaojun, op.cit.; Zhang Jungu, V.2, p.128; CWR, 5 January 1929; Roux, p.20; Zhu Bangxing et al.,op.cit. It is probable that the following seven people attended this meeting:
1. Chen Maolin and Hua Zhirong representing the FTU. These were the unionists denounced as 'scabs' by the CCP.
2. Liu Yun and Leng Xin of the GMD Shanghai Party Branch.
42. Ma Chaojun, op.cit.; NCH, 15 December 1928.
43. Ma Chaojun, op.cit.; Zhang Jungu, op.cit.; Roux, pp.20-1; NCH, 22 December 1928
44. Ma Chaojun, op.cit.; Zhang Jungu, V.2, p.127; NCH, 22 December 1928; CWR, 5 January 1929.
46. NCH, 22 December 1928; Zhang Jungu, op.cit.
47. CWR, 5 January 1929; NCH, 22 December 1928; Hammond, p.190, citing Shen Bao, 19 December 1928.

49. NCH, 22 December 1928; Ma Chaojun, op.cit.; Zhang Jungu, V.2, p.127.


51. NCH, 22 December 1928; Ma Chaojun, op.cit; Zhang Jungu, V.2, p.128.

52. Ma Chaojun, op.cit.; Zhang Jungu, V.2, p.130; Roux, pp.21-22.

53. Roux, p.24; NCH, 29 December 1928, which notes the 'dissension' within the strike committee leadership and the unavailing efforts of the GMD officials to get a return to work.


55. Zhongguo Gongren, op.cit.; Ma Chaojun, op.cit.; CWR, 5 January 1929; NCH, 5 January 1929. The seven GMD union officials who attended the secret meeting at Du's home included Hua Zhiyong, Chen Maolin, Guan Jihua, Zhang Tinghao, and Liu Yun.


57. Jiang Peinan, p.204; NCH, 30 March 1929.

58. Xue Gengxin (1979), p.156; CWR, 9 August 1930; Zhang Jungu, V.2, p.156; NCH, 7 October 1931; NCH, 27 July 1932; CWR, 12 September 1931.

59. NCH, 21 September 1929; NCH, 4 October 1929; NCH, 19 October 1929; NCH, 26 October 1929; NCH, 29 July 1930; CWR, 9 August 1930; Zhang Jungu, V.2, p.156; Jiang Peinan, pp205-206.

60. NCH, 22 July 1930; Ma Chaojun, V.3, p.995.

61. NCH, 22 July 1930.

62. NCH, 15 July 1930; NCH, 22 July 1930.


65. NCH, 29 July 1930; Ma Chaojun, op.cit. The Chinese clerks' declaration in support of the strike is worth quoting. It read in part:

The clerical staff are in the same boat with their fellow workers. We see the dangerous crisis, and rather than quietly sit by and look on, we have ... joined the battle lines of the strike to struggle together, to make the imperialists quickly realise that [despite] their wealth, we several hundred workers will fight for victory... [quoted in Ma Chaojun, above.]

66. NCH, 29 July 1930; Ma Chaojun, V.3, p.996; Zhang Jungu, op.cit.

67. NCH, 5 August 1930; Ma Chaojun, op.cit.

68. NCH, 29 July 1930.

69. Ma Chaojun, op.cit.; Zhang Jungu, V.2; p.157; NCH, 5 August 1930; *The China Year Book 1931*, p.519.


72. Xue Gengxin (1979), op.cit.

73. Ibid. Harold Isaacs noted in 1932, that Xu was one of the few trade unionists who was not a Green Gang member: Harold Isaacs, "Five Years of Kuomintang Reaction", *China Forum*, May 1932, p.18.

74. CWR, 9 August 1930.

75. Yang Guanbei, op.cit.; Shih Yi, op.cit.; NCH, 5 August 1930; CWR, 9 August 1930.

76. Ma Chaojun, op.cit.; *The China Year Book 1931*, op.cit.; NCH, 19 August 1930; Zhang Jungu, op.cit.

77. Xue Gengxin (1979), op.cit.

79. NCH, 8 September 1931.

80. Dong Shu, "Shanghai Fazujie de duoshi shiqi", pp76-77; NCH, 8 September 1931; Conseil d'Administration Municipale de la Concession Francaise à Changhai. Compte-Rendu de la Gestion pour l'Exercice 1931: Rapport des Services de Police. Titre IV Section Politique, p.300.

81. NCH, 8 September 1931; Dong Shu, "Shanghai Fazujie de duoshi shiqi", p.77.


83. Xue Gengxin, op.cit. Xue implies that these two individuals became leaders of the FTU after the 1930 strike. However, Xu Amei still controlled the FTU until his arrest in September 1931. Xue’s memory of these events is occasionally a little confused, his reminiscences were only written down after 1949. The logic of events would suggest, therefore, that Zhang and Shi were appointed to head the FTU in September 1931.

84. Dong Shu, "Shanghai Fazujie de duoshi shiqi", op.cit.

85. Xu was released from prison in April 1937 as a result of the political amnesty which was part of the agreement reached between the GMD and the CCP in the wake of the Xi’an Incident. He resumed his trade union activities, and became involved in the anti-Japanese movement with the outbreak of the Sino-Japanese War. After the withdrawal of Chinese forces from the Shanghai area, Xu remained in Shanghai continuing his labour activities. At the end of 1939 he was kidnapped from the French Concession and executed by the Special Service Unit of the Wang Jingwei regime. Jiang Punan, pp219-222; Harold Isaacs, ‘Five Years of Kuomintang Reaction’, op.cit.; NCH, 27 October 1931; Xue Gengxin, op.cit.

86. Confidential Report on Traffic in Opium at Shanghai... FO 6548/69/87.


88. CWR, 18 July 1931.

Among the reasons that can be adduced to suggest manipulation of the strike by Du Yuesheng are the following: the curious fact that the French authorities refused to take any emergency measures despite protests by foreign residents of the concession; the rapidity with which the strike spread from the garbage coolies to involve all Chinese employees of the Municipal Council and the suggestions of coercion involved; the very generous strike settlement which was estimated to cost the ratepayers an extra 400,000 taels a year; and finally, the official French description of the strike as having "an especially anti-French character."

95. CWR, 5 September 1931; CWR, 19 September 1931; CWR, 26 September 1931.

96. La Lumière, 18 June 1932 cited in CWR, 10 September 1932; Shen Bao, 19 February 1932 cited in Da Liumang Du Yuesheng, p.32; The Peking and Tientsin Times, 28 June 1932; CWR, 19 March 1932.

97. Memorandum of Mr Woodhead's Interview in Peking ... FO 1380/7/87.
Liumang Du Yuesheng, p.29.


100. Conseil d’Administration Municipale (Meeting of 24 March 1932), p.54.

101. Meyrier to the Minister of Foreign Affairs (16 May 1932).

102. Memorandum of Mr Woodhead’s Interview in Peking ... FO 1380/7/87; China Forum, 16 April 1932; Da Liumang Du Yuesheng, p.36.


104. ‘Da Yun’, p.126.

105. Sir J. Brenan [Cons.-Gen. Shanghai] to Mr Ingram (7 November 1932) FO 1380/7/87; "Memorandum on Mr Tu Yueh-Sung alias Tu Yuin" (Report, 8 July 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D9319.

106. Brenan to Ingram (7 November 1932).

107. Conseil d’Administration Municipale (Meeting of 14 March 1932), p.44.


109. Conseil d’Administration Municipale (Meeting of the 7 January 1935), pp.4-5; Huang Guodong, "Du men huajiu," in Jiu Shanghai de Banghui, p.256. Throughout Meyrier’s term of office Wei was a member of the Provincial Commission’s powerful Public Works Committee (his colleague Lu Baihong was a member of the equally important Finance Committee). When Meyrier retired as Consul-General in January 1935, Wei resigned his membership of the Provisional Commission. This would strengthen the assumption that Wei’s influence on the

110. The Central China Post, 26 September 1932; The Central China Post, 27 September 1932; NCH, 28 September 1932.


114. Meyrier to the Minister of Foreign Affairs (16 May 1932).


117. Shishi Xinbao, 10 January 1935.
118. Chen Bao, 30 July 1935; Chen Bao, 31 July 1935; Chen Bao, 4 August 1935; Min Bao, 5 August 1935; "Daily Intelligence Report: Political" (6 August 1935), Shanghai Municipal Police, Special Branch, Investigation File D5670; "Daily Intelligence Report: Political" (7 August 1935), Shanghai Municipal Police, Special Branch, Investigation File D5670; Xinwen Bao, 8 August 1935; "Daily Intelligence Report: Political" (9 August 1935); China Times, 10 August 1935; Ma Chaojun, V.3, pp1245-1246.
Participation in Jiang Jieshi's anti-Communist coup of April 1927 was a necessary first step, but not of itself a sufficient one, in the evolution of the relationship between the French Concession Green Gang Bosses and the new Guomindang regime in Shanghai in the period 1927-1931. There were other factors which were equally important in shaping that relationship. These included the politics of opium, the political instability of the regime in this period, and, as discussed in the preceding chapter, the Gang Bosses' relations with the French Concession authorities.

(1) The Role of Opium in Guomindang - Green Gang Relations, 1927-1931

Opium was of fundamental importance in the new relationship of the Green Gang bosses with the Guomindang regime, just as it had been in their relations with the earlier warlord regimes. Concern to ensure security of their opium interests, as noted in Chapter Four, was a prime consideration for the three Green Gang bosses in their dealings with both the Communist and Guomindang representatives in Shanghai in March-April 1927. Despite the understanding reached with Jiang Jieshi in early 1927, the
politics of opium during these years were a complex issue in which periods of accommodation between the gangster bosses and the Guomindang regime alternated with periods of covert hostility. This reflected the fact that the interests of Du Yuesheng and the other Gang Bosses and those of the Nationalist Government frequently diverged. The former sought the preservation and even enhancement of the existing contraband system for personal enrichment, while the latter sought to regulate the traffic as a source of government revenue.

It was the poverty of its fiscal resources that forced the Nanjing Government to contemplate the possibility of an official opium monopoly, and the Finance Minister Song Ziwen (T. V. Soong) attempted to create such a monopoly on several occasions. However all such attempts had to take account of the entrenched interests of the Green Gang in the system of opium trafficking in the Jiangnan region. In mid-1927 Jiang Jieshi’s urgent need for funds to finance the final phase of the Northern Expedition led the Nanjing Government to consider the creation of an opium monopoly. In order to minimise both public disquiet and the concerns of the foreign powers who were parties to the Hague Convention of 1912, the monopoly was instituted under the guise of prohibition. According to the regulations the consumption of opium was to be phased out over a period of three years during which time a licensing system for the consumption of opium was to be instituted. In late June, therefore, a National Opium
Suppression Bureau (Guomin Jinyan Ju - NOSB) was established under the jurisdiction of the Ministry of Finance, and the sale of licensed opium in Jiangsu and Zhejiang was farmed out to a private company, the Xin Yuan Company, under the supervision of the NOSB.\(^1\)

The three French Concession Green Gang bosses were among the original promoters of this company, together with some of the leading Chaozhou opium merchants. Not long after the Xin Yuan Company was established, however, the Green Gang bosses resigned on the grounds, according to informed observers, that they could make larger profits from their own Three Prosperities Company in the French Concession and without the supervision of agencies of the Nanjing Government. It was not in their interests, in other words, to support the Xin Yuan Company. After the withdrawal of the gangster bosses a retail war developed between the Three Prosperities Company and the official monopolist Xin Yuan Company, with the latter establishing its own distribution network in the French Concession in direct competition with that run by the Green Gang bosses. As this "war" progressed into late 1927, however, the advantage shifted increasingly in favour of the gangster bosses, who were able to use their connections with the Guangxi Clique to bring into Shanghai large amounts of opium in defiance of the Government monopoly. In November 1927, for example, Bai Chongxi, one of the leaders of the Guangxi Clique, intervened in favour of the Green Gang bosses in a dispute between the Three Prosperities Company and the
Xin Yuan Company over a large consignment of Persian opium.\textsuperscript{2} The Green Gang bosses, in other words, were able to turn to their advantage the political tensions between the Nanjing Government and the Guangxi Clique in their own conflict with the Xin Yuan Company.

After Jiang Jieshi's resignation in mid-August 1927, Du Yuesheng, on behalf of the Green Gang bosses, reached an agreement on the opium issue with the so-called "September Government" of Sun Ke (Sun Fo). By the terms of this agreement the licence of the Xin Yuan Company was cancelled and its tax farm in the Jiangnan region was given to the Zi Xin Company, a subsidiary of the Three Prosperities Company.\textsuperscript{3} Under the new system the NOSB was replaced by the Jiangsu Opium Suppression Bureau (Jiangsu Sheng Jinyan Ju) as the official regulatory body, and licensed opium shops were established in Chinese Shanghai during the first half of 1928 which received their supplies from the Zi Xin Company.\textsuperscript{4} It was in the context of this licensing system that the National Government both drafted an Anti-Opium Law in March 1928, in order to give the system an established basis in law, and attempted to win the support of the foreign powers for a licensed monopoly system. As noted in the previous chapter this attempt ultimately was unsuccessful, and as a consequence the semi-official licensing system was terminated in August 1928 with the abolition of the Jiangsu Opium Suppression Bureau. The interests of the Green Gang had been well served by this system of semi-official monopoly, and it
had enabled them to extend significantly their narcotics operation.5

The tacit, if occasionally tense, accommodation between the Nanjing Government and the French Concession Green Gang bosses was also prone to scandal, as was indicated by the Jiang'an Affair in late 1928.6 On the night of 21 November 1928, a violent dispute occurred between a party of troops from the Wusong Shanghai Garrison Command and a police detachment from the Municipality of Greater Shanghai over the unloading of 20,000 ounces of opium from the China Merchants' Steam Navigation Company's (CMSN) steamer, the S.S. Jiang'an, which was anchored at the CMSN wharf on the Nandao bund next to the French Concession.7 The true nature of this affair still remains unclear, although it would appear to be related to the tensions between Jiang Jieshi and the Guangxi Clique regarding control of the proceeds from the opium traffic. The consignment had been sent apparently by Song Ziwen from Nanjing to Xiong Shihui, the Wusong-Shanghai Garrison Commander, for distribution. Xiong, in conjunction with Dai Fushi (the Shanghai Commissioner of Police), had established retail outlets for opium throughout Chinese Shanghai. Zhang Dingfan, the Mayor of Chinese Shanghai and a senior member of the Guangxi Clique, decided to take the opportunity presented by the incident to settle accounts with his political rival, Xiong Shihui. Once his police had seized the consignment he sent a telegram to the Nanjing Government in which he accused Xiong and Dai of having violated the Government's anti-opium
regulations, and he made sure that the Shanghai newspapers gave the affair extensive coverage. In this way he appealed directly to public opinion.8

Zhang’s tactics were designed to provoke a public outcry over the affair which was a source of acute political embarrassment to the Nanjing Government.9 Jiang Jieshi was furious.10 Not only did the scandal come very close to him personally, but it also could not have come at a worse time for the Nanjing Government: it had just hosted a national conference on opium suppression (1-10 November) and passed a new Opium Suppression Act (24 November).11 The Government was forced to respond, and a special commission, headed by Zhang Zhijiang, Chairman of the National Opium Suppression Committee and a close supporter of Jiang, was set up to investigate the affair.12 The political implications of the affair, however, were so potentially damaging for the Government that the committee’s report merely condemned a few scapegoats, including Dai Fushi, but ignored the wider ramifications of the issue. This provoked the resignation of Zhang Dingfan as Mayor of Chinese Shanghai, and with this act, political interest in the affair subsided.13

If this opium scandal was an embarrassment for Jiang Jieshi, it was also of serious concern to the Green Gang bosses. Their concern was two-fold. In the first place the operations of the Three Prosperities Company at this time depended on close co-operation with both the Garrison Command
and the Municipal Government of Chinese Shanghai. Any overt conflict between them, as in the case of the Jiang’an affair, could involve serious problems for the Company’s system of narcotics distribution. Secondly, the publicity given the affair included reports of the involvement of the French Concession Green Gang’s opium consortium in the distribution of the disputed opium consignment, which resulted in public condemnation of the gangster bosses. This unwanted publicity was extremely unwelcome to the three Green Gang bosses. The very success of the Green Gang’s traffic in contraband opium depended on its relative secrecy. The Gang bosses were now seized with the fear that any genuine inquiry into the current scandal would jeopardise their relations with key political and military figures in both Shanghai and Nanjing, on whose co-operation the success of the traffic depended. As a result they attempted to divert attention from their involvement by joining in the chorus of public condemnation of the scandal and in the calls for the punishment of those involved. By early 1929, however, the scandal had blown over, and the Three Prosperities Company resumed its regular operations.

The attempts by the Nanjing Government to regulate the opium traffic in the late 1920s and early 1930s involved the development of a rather complex relationship between Song Ziwen, the Minister of Finance, and Du Yuesheng, which oscillated between periods of serious tension and periods of guarded co-operation. In February 1928, for example, Song’s
untiring search for revenues led him to attempt to dun the Zi Xin Company. Song demanded a 'loan' of $1,000,000 from the Zi Xin Company on pain of closure of the operations of the Three Prosperities Company. Du Yuesheng, however, refused on the grounds that the Government "ceaselessly" demanded loans but failed to provide adequate protection for the Company's opium operations. Du then called Song's bluff by demanding that the monopoly under which the Zi Xin Company operated be wound up, together with the refund of monies already paid by the gangsters to the Government.\(^17\)

On the other hand one example of the mutual interest of the Government and the Green Gang bosses being served by a degree of co-operation was the opium consignment involved in the Jiang'an affair of late 1928. Another was the "arrangement" which Song entered into with Du and Xiong Shihui in May 1930 for the importation of a large quantity of Persian opium into Shanghai, variously reported to be 700 or 2,000 cases. The total value of the consignment was estimated to be in the region of Ch$14,000,000.\(^18\)

The most serious confrontation between Song Ziwen and Du Yuesheng occurred in the context of the proposed Government opium monopoly in the first half of 1931. In February 1931 Dr Wu Liande, Head of the Government's National Quarantine Service, proposed a government monopoly of opium as a revenue raising exercise. Wu estimated that such a monopoly would net the Nanjing Government annually between Ch$50,000,000 and
The proposal had the support of Liu Ruiheng, the Chairman of the National Opium Suppression Committee, and Frederick Maze, the Inspector-General of the Chinese Maritime Customs. It was reported also that the scheme, in fact, had been suggested to the Chinese officials by Dr. J. Rajchman, the League of Nations adviser to the National Government, when he proposed that China should use a Government opium monopoly as security for the raising of foreign loans. Wu's proposal gained strong political support when Jiang Jieshi delivered a speech in May to the National People's Convention in which he announced the Government's intention to adopt a "scientific method" to deal with the opium problem.

The French Concession Green Gang bosses strongly opposed at first the creation of such a monopoly, which they considered would adversely affect the existing operations of their Three Prosperities Company. At the end of April, however, Jiang Jieshi summoned Du Yuesheng and his two colleagues to a conference in Nanjing at which a deal was done between Du and Jiang. In return for Du's assistance in his anti-communist drive, Jiang agreed that Du could select all the officials involved in the proposed opium monopoly. Du Yuesheng, in other words, would have effective control over the system. Once this agreement had been concluded opium suppression bureaus were established in six provinces, including Jiangsu and Zhejiang.
Within a month, however, the arrangement with the gangsters broke down in somewhat obscure circumstances which involved the activities of Song Ziwen. It would appear the Song set up his own organisation in Shanghai, including a force of 200 special police, which he used to bring pressure to bear on the Three Prosperities Company. In early July, for example, Song directed the Shanghai Opium Suppression Bureau (Shanghai Shi Jinyan Ju) to confiscate a large amount of opium to the value of Ch$1,000,000 from an unnamed concern, presumably either the Three Prosperities Company itself or one of its affiliates, on the pretext that it had failed to pay stamp duty on the merchandise. As part of these tactics Song apparently attempted to play one gang boss off against the other, the implication being that he tried to turn to his advantage the existing tensions between Zhang Xiaolin and Du Yuesheng. In the event the opium suppression bureaux were abolished abruptly in mid-July, and many informed observers believed that a major reason for their abolition was the renewed opposition of the Green Gang bosses, notably Du Yuesheng, to the involvement of the Ministry of Finance in the opium traffic.

A fortnight later, 23 July 1931, an unsuccessful attempt was made to assassinate Song Ziwen at Shanghai’s North Station on his arrival from Nanjing. Although the circumstances of this incident are obscure, a number of informed observers at the time believed that the Green Gang bosses were behind the attempt and that it related to their conflict with Song over
the proposed opium monopoly. As Edwin S. Cunningham, the United States Consul-General in Shanghai, observed in his report to Washington on the incident:

... well-informed opinion here considers it was likely that the attack [on Song] was planned and carried out by the opium interests whose business was threatened by Mr. Soong's proposed opium taxation scheme.27

In this way another attempt by the Nanjing Government to create an official opium monopoly came to naught, and again the opposition of the Green Gang bosses played a not inconsiderable role in this outcome.

The failure of the Nanjing Government in this period to establish effective control over the opium traffic left Du Yuesheng and his fellow Green Gang bosses free to expand their narcotics operations through arrangements with independent regional militarists. In 1928, for example, Liu Xiang, the Sichuan warlord, began to set up a number of morphia factories around both Chongqing and Wanxian; by late 1930 there were twenty such factories and their number had increased to twenty-eight by 1932. Not long after the first of these factories was established Du entered into an agreement with Liu Xiang by which Du purchased the partially refined product of these morphia factories and undertook the final refining process in Shanghai. The deal was arranged through the good offices of Fan Shaozeng, a subordinate of
Liu Xiang and one of the principals involved with the management of the Sichuan morphia factories. Fan was also a leader of the Paoge (a Sichuan secret society affiliated to the Gelaohui), and he used his secret society connections to develop a relationship with Du Yuesheng; and, indeed, he joined the Green Gang by becoming a follower of Zhang Renkui. A subsidiary of the Three Prosperities Company, the Xin Ji Company, was set up in Chongqing under the management of two of Du’s senior associates in the narcotics business, Chen Kunyuan, the so-called "morphine King (mafei da wang)", and Ye Qinghe, the "opium King (yapian da wang)". This company bought an average of $250,000 worth of morphia a month in Chongqing which it sent on to Shanghai for further refining. By 1933 Du’s Green Gang group controlled all the Sichuan morphine traffic which was transported down the Yangzi River. This morphine was refined in a number of narcotics plants in Shanghai controlled by Du’s organisation, one of which was located in the Du Family Temple, Gaoqiao, Pudong which, as noted in the previous chapter, Du had built in 1931 to honour his ancestors.\(^{28}\)

(2) The Green Gang Bosses and Guomindang Politics, 1928-1931

The "Sichuan connection" reflected the second factor which conditioned the relationship between the Green Gang Bosses and the Nationalist Government in this period. The extreme political instability of the regime’s ruling coalitions, compelled the Gang Bosses to maintain relations with a broad
spectrum of factional groups (including opponents as well as supporters of the regime).

Despite his control of the greater part of the regime's military resources, Jiang Jieshi had not yet effectively consolidated his political power in these early years. Consequently he was compelled to resign temporarily from his offices on two separate occasions, in August 1927 and again in December 1931, for lack of the political strength to withstand a coalition of other Guomindang factions. However if Jiang could not rule in his own right without an accommodation with the senior civilian leadership of the Party, neither could these leaders govern effectively without Jiang. Both attempts at civilian rule, Wang Jingwei's attempt to govern in coalition with the Guangxi Clique in the second half of 1927 and Sun Ke's brief Government of December 1931 - January 1932, ended in failure. More successful was the coalition forged between Jiang Jieshi and Hu Hanmin's Guangdong Clique in 1928 which lasted until early 1931. However this coalition continued to face serious challenges from the other military and political factions. The two most important of these was the conflict with the Guangxi Clique in April 1929, and the alliance between Feng Yuxiang, Yan Xishan and Wang Jingwei's Reorganisationist faction which led to open warfare with the Nanjing Government in 1930. Eventually the Jiang-Hu coalition broke down with Jiang's arrest of Hu Hanmin in February 1931 over Hu's opposition to Jiang's proposed constitution for the Republic of China.
This incident was the beginning of a protracted political crisis for the regime which lasted throughout 1931 and involved the creation of a separate Guomindang Government in Canton in May of that year which repudiated Nanjing's authority.

The ability of the three Green Gang bosses to deal with a wide range of political factions in this period, derived from the fact, as made clear in the preceding chapter, that they enjoyed an established, independent power base within the French Concession. This gave them a certain freedom of action in the world of Chinese politics, which enabled them to work with a variety of political leaders without being completely identified with any one of them.

Du Yuesheng, for example, developed close and extensive ties with the Guangxi Clique in the wake of the coup of April 1927. This reflected the fact that it was Bai Chongxi's forces, the Eastern Route Army, which carried out the anti-communist coup in Shanghai and that these forces remained an important element in the politico-military situation in the Shanghai region until early 1928. In this situation it was understandable that, as noted above, Du and the Guangxi Clique co-operated closely in the narcotics traffic in Shanghai at this time.

These links were strengthened further by the co-operation between Du and the Clique in matters of labour control. The
UUC (The Committee for the Unification of Shanghai Trade Union Organisations), with which Du Yuesheng was closely involved throughout 1927, was also the instrument of Bai Chongxi and the Guangxi Clique. Many of its leading officials, such as Chen Qun, Pan Yizhi, Zhou Guanhong and Weng Guanghui, came from Bai's Front Headquarters of the Eastern Route Army. The UUC was completely dependant on the support of Bai's Front Headquarters and Yang Hu's Garrison Command. Both provided an essential part of the UUC's coercive muscle, a division of troops organised into a so-called "Industrial Protection Department (Hugong Bu)", and almost all of the UUC's administrative expenses.

In this context, therefore, it is not surprising that Li Zongren, in addition to Bai Chongxi, met and dealt with Du Yuesheng and Huang Jinrong, no matter how distasteful he later claimed to have found the experience. The relationship between the leaders of the Guangxi Clique and Du Yuesheng, in fact, proved to be an enduring one. In early 1929, for example, prior to the Guangxi revolt, the Nanjing Government approached Du Yuesheng and requested him to prevent Li Zongren, who was visiting Shanghai at the time, from leaving the city and joining the other Guangxi leaders. Du, however, refused on the grounds that he could not get involved in political differences between rival cliques at the expense of personal friendships. Over two years later when the Guangxi leaders came to Shanghai to attend the Peace Conference in late 1931, Du sent his private motor-launch to
meet their steamer off Wusong, and placed them under his personal protection during their stay in Shanghai. The French Concession Green Gang bosses also maintained relations with Wang Jingwei’s faction during this period. During 1930, for example, Du Yuesheng maintained close contacts with Wang Jingwei's Reorganisationist Faction in Beiping through Wang’s right-hand man, Chen Gongbo. Indeed it would appear that he was not only privy to, but also directly involved with some of the Reorganisationists' moves against Jiang Jieshi. Over a year later during the Shanghai Peace Conference 27 October - 7 November 1931, which attempted to work out a modus vivendi between the Nanjing and Canton Governments, one of Du Yuesheng’s followers, Deng Zuyu, acted as a liaison between the French Concession Green Gang Bosses and the delegation from the Canton Government. At the same time Huang Jinrong extended his personal protection to Wang Jingwei when the latter held his faction’s Fourth National Congress in Shanghai in December 1931. Huang also provided the facilities for holding this Congress, which was held in his recently acquired Great World Amusement Centre (Da Shijie Yule Zhongxin). In fact the Green Gang bosses provided one channel of communication between the different political factions during the negotiations to work out an acceptable compromise Government in October - December 1931.
(3) The Crisis of 1932

The crisis year of 1932 was a turning point in the relations between the French Concession Green Gang Bosses, more particularly Du Yuesheng, and the Nanjing Government. In the course of the year the Government was reconstituted on a new, broader and more integrated basis, and one which provided a definite role for the leading Shanghai capitalists. At the same time Du Yuesheng lost his independent power base within the French Concession and was therefore forced to seek an accommodation with the Nanjing authorities. In this endeavour he was successful and, as a result, he and his Green Gang group became an integral part of the new Guomindang power structure in Shanghai.

1) The Nanjing Regime’s Crisis of Authority

In the winter of 1931-1932 the combination of a serious foreign policy crisis and a protracted domestic political crisis produced a severe regime crisis for the Nanjing Government. The house arrest of Hu Hanmin by Jiang Jieshi, as mentioned earlier, initiated a major political crisis in the course of which calls were made for Jiang’s impeachment and a separate Government was set up in Canton. The Japanese invasion of Manchuria, following the Mukden Incident of 18 September 1931, forced the Guomindang politicians to seek a solution to the domestic political crisis in order to provide an effective response to the Japanese action. After
prolonged negotiations and the convening of a peace conference in Shanghai, a compromise was reached by which Jiang resigned his posts and a new government was formed under Sun Ke in December 1931. This government was not long-lived. It lacked any real authority and it did not have the support of either Jiang Jieshi or the Shanghai financiers. It finally collapsed in the face of renewed Japanese aggression, when Japanese forces invaded Shanghai on 28 January 1932. This further crisis led to the formation of another government in which Wang Jingwei and Jiang Jieshi played key roles as President of the Executive Yuan and Chairman of the Military Affairs Commission respectively.

In the following months the Nanjing Government's confused response to the crisis provoked by Japan, coming on top of the prolonged political crisis of the previous year, eroded its authority and undermined its legitimacy in the eyes of the Chinese public. The decline in the Government's stocks was only compounded by the removal of the capital from Nanjing to Luoyang on 3 February, and by the growing popular belief that the withdrawal of Cai Tingkai's Nineteenth Route Army from the Wusong-Shanghai area on 2-3 March 1932 was due to inadequate support from the Nationalist Government. Criticism of the Guomindang regime was even voiced at the National Emergency Conference (Guonan Huiyi) which was convened by the Government in Luoyang in mid April. Such criticism was all the more significant because of the Guomindang's attempts to stack the conference and its control
of the agenda, and the fact that most non-party delegates refused to attend. In its manifesto of 12 April, the Conference delegates urged the Government to safeguard civil rights and create a democratic and representative system of government. In early March the American Consulate General in Nanjing reported on the general disillusionment felt by the Chinese elite towards the Guomindang regime. It noted the prevalence of the belief that Jiang Jieshi, his "military regime" and the Guomindang itself were all "finished" and that certain responsible Chinese advocated a League of Nations mandate for China. It was against this background of profound public disillusionment with the regime that Jiang Jieshi remarked in mid year that the "Chinese revolution has failed."  

2) The Crisis in Shanghai and the Role of the Chinese Bourgeois Elite

In Shanghai the Japanese invasion led to the temporary collapse of administrative authority in the Chinese City. After their occupation of Zhabei the Japanese military proceeded to set up a puppet government to administer the area. This was the so-called Shanghai Northern District Citizens' Municipal Maintenance Association (Shanghai Beishi Renmin Difang Weichihui) which was run by local Zhabei gangsters, such as Hu Lifu and Chang Yuqing, who belonged to Gu Zhuxian's Green Gang Group. Indeed the Shanghai Municipal Police (SMP) firmly believed that Gu and his brother were
behind the puppet government and financed the venture. This
government, in fact, was nothing more than a glorified
 extortion agency whose main administrative function was to
 run gambling dens, opium dives and brothels.\(^{42}\) In early May
discussions were held between these gangsters and officers of
the Japanese consulate in Shanghai about the possibility of
creating a separate Japanese Concession in Shanghai which
would include the districts of Zhabei, Jiangwan, Wusong,
Baoshan and Liuhe.\(^{43}\) These discussions were suspended,
however, following the implementation of the ceasefire
agreement on 5 May.

The erosion of Chinese authority in Shanghai provided a
favourable environment for the activities of various military
and political adventurers. In mid-March Zhou Fengqi,

 together with some of his former colleagues in the 26th Army,

 planned to seize control of the Chinese administration in

 Nandao in the name of a so-called "South Eastern Self Defence

 Army (Dongnan Ziwei Jun)". As noted in Chapter Four, Zhou

 had been a major participant in the anti-Communist coup of 12

 April 1927 and he had Green Gang connections, although he had

 subsequently fallen out with Jiang Jeishi. The plot,

 however, was revealed to the SMP and all the plotters, with

 the exception of Zhou himself, were apprehended in a raid on

 the Great Eastern Hotel on 12 March.\(^{44}\)

The administrative vacuum created by the disintegration of
government authority in Shanghai was filled on an ad hoc
basis by the elite of the Shanghai bourgeoisie. On 31 January members of this elite organised the Shanghai Citizens' Maintenance Association (Shanghai Shimin Difang Weichihui) or SCMA. This body undertook a comprehensive range of administrative, financial and troop support functions throughout the period of conflict in Shanghai. It provided material support for Chinese forces at the front and relief for refugees from the war zone, together with any other measures that were necessary to ensure local order. At the same time it endeavoured to maintain as many of the essential economic activities of Chinese Shanghai as was possible in the crisis, through its regulation of the Chinese financial markets and of Chinese commercial and industrial operations. Under its auspices, for example, the Shanghai Bankers' Association (Shanghai Yinhangye Tongye Gonghui) set up a Joint Reserve Board (Yinhang Lianhe Junbei Weiyuanhui) on 15 March 1932. The purpose of this board was to counter the financial panic then prevailing in Shanghai through the provision of some semblance of financial stability by guaranteeing the deposits of the Chinese commercial banks.

The SCMA had a total membership of 94, drawn from the leading Chinese financiers, industrialists and businessmen in Shanghai, and its operations were in the hands of a Chairman (Shi Liangcai), and two deputy Chairmen, who were assisted by a 15 member Executive Committee. It was organised into five sections dealing with troop support, refugee relief, economics, international relations and general affairs; and
it also organised, separately, ten committees covering such issues as food supply, rear support, communications, management of relief supplies, and merchant militia, as well as larger issues such as civil aviation, foreign policy and domestic politics, and the question of extraterritoriality.

During the crisis the SCMA raised over Ch$930,000 in contributions for troop support and refugee relief; it ran 65 refugee camps (shourong suo) which looked after 32,700 refugees out of a total of 43,300 refugees in Shanghai; and it supplied the Chinese troops with a total of 14,200 piculs of rice, and assisted with the provision of 39 field hospitals. It also responded to the pleas for help from the Shanghai Municipal Government's Bureau of Social Affairs in dealing with the socio-economic problems posed by the 30,000 to 40,000 workers dismissed from the Japanese textile mills. The SCMA played a key role in the creation of the Shanghai Municipal Committee for the Relief of Unemployed Workers (Shanghai Shi Shiye Gongren Jiujihui) in late March, and provided 600 piculs of rice to feed the unemployed workers from the Japanese textile mills in West Shanghai. Moreover the Repatriation Unit of the SCMA's Relief Section hired fifteen steamers and returned a total of 18,701 unemployed workers and refugees to their native places, principally in Jiangbei. The SCMA conducted its activities over a four month period (31 January-6 June), and during the height of the crisis its Executive Committee sat in almost permanent session. In early June it was reorganised on a permanent
basis and given a new name the Shanghai Civic Association (Shanghai Shi Difang Xiehui).

The cooperation of the Shanghai bourgeois elite with the local Guomindang authorities did not prevent it from voicing trenchant criticisms of the regime itself. In fact the ineffectiveness of the Nanjing Government and the obvious dependence of the municipal authorities on the work of the SCMA during the crisis, encouraged the bourgeois elite to formulate political demands of its own. An opportunity was provided by the controversy associated with the convening of the National Emergency Conference in Nanjing in mid-April. When this conference was first proposed by Cai Yuanpei in November 1931 its purpose was to enlist the support of outstanding non-party people for the Nanjing Government by encouraging a wide-ranging discussion of all aspects of the national emergency including political and military issues as well as economic and foreign policy matters. The conference, however, was repeatedly postponed because of the burgeoning crisis, and, when it was finally convened, Jiang Jieshi and Wang Jingwei narrowed the terms of its discussions to exclude debate of the one-party rule of the Guomindang and political reform. In protest the sixty-six Shanghai delegates to the Conference (many of whom were members of the SCMA), led by Shi Liangcai, boycotted the Conference and sent a telegram laying out their political demands of the Nanjing regime. This was nothing less than a political manifesto in which they asserted their right to offer advice to the Government
on matters of national importance, and called for immediate guarantees of freedom of speech, press and popular assembly, the establishment of an elected Control Yuan within two months, and the promulgation of a democratic constitution within eight months. 49

Leading Shanghai financiers also organised an Anti-Civil War League (Feizhi Neizhan Datongmeng) with the aim of ending civil war, and thus eliminating a major financial burden on themselves. Although much publicity was given to the pledges made by leading financiers, such as Qian Xinzhi, that no member of the League would lend money to the Government for domestic military activities, the League fudged the issue in practice. It did not take a clear stand against Jiang Jieshi's renewed anti-Communist campaigns at its Congress in August, and contented itself with the issuance in December of denunciations of Liu Xiang for prolonging the civil war in Sichuan. 50 Nevertheless it can be argued that by this action the Shanghai financiers succeeded in getting their views on to the political agenda. The Government could not simply dismiss out of hand the position put by the League, and had to take the views of the financiers more fully into account when raising loans to finance its military activities. That the League did have some effect is indicated by the emphasis which the Government subsequently placed on political over military measures in its "bandit suppression" (anti-communist) campaign.
(4) Du Yuesheng and the 1932 Crisis.

1) The Green Gang Bosses and the Anti-Japanese Boycott

The reaction of Du Yuesheng to the above crisis in early 1932 was complex and reflected the diversity of his interests in Shanghai. Du and his two Green Gang colleagues had been involved in the anti-Japanese commercial boycott since its inception in mid 1931. They also participated in the various relief organisations which the leading members of the Shanghai bourgeoisie set up to assist Manchurian refugees in the wake of the Japanese occupation of Manchuria after 18 September 1931. Du and Zhang Xiaolin, for example, were members of the standing committees of the Shanghai Northeast Refugees Relief Association (Shanghai Dongbei Nanmin Jiujihui) and the Federation of Shanghai Charities for Providing Relief Funds for Refugees in the Northeast (Shanghai Ge Zishan Tuanti Zhenji Dongbei Nanmin Lianhehui), along with Wang Xiaolai, Shi Liangcai and Yu Xiaqing. Huang Jinrong was a member of the Federation of Shanghai Charities Supervisory Committee, while Du was a member of the standing committee of another related organisation established by the Chinese Chamber of Commerce, the Shanghai Municipal Chamber of Commerce's Committee to Raise Funds for the Support and Relief of the Northeast (Shanghai Shi Shanghui Choumu Yuanjiu Dongbei Juankuan Weiyuan Hui).51
Involvement in such organisations, especially those associated with the anti-Japanese boycott, provided new opportunities for the Green Gang leaders to engage in racketeering, especially extortion; and the 'patriotic' nature of these associations served to legitimise such activities. Among the instruments for enforcing the boycott in 1932 were three organisations controlled by Du Yuesheng and Huang Jinrong which the French Police regarded as merely mechanisms for extorting money from certain members of the business community. These were the Secret Investigation Group for National Salvation and Resistance Against Japan (Jiuguo Kangri Anchatuan) and the Blood and Soul Group for the Extermination of Traitors (Xuehun Chujian Tuan), both controlled by Du Yuesheng, and the National Salvation Assassination Society (Jiuguo Ansha Tuan) which was organised by Huang Jinrong's senior lieutenant, Chen Peide. These groups later played a role in the resistance against the Japanese military in the Hongkou-Zhabei area when they engaged in sniping tactics against the Japanese Landing Party.

2) Relations with the Shanghai Bourgeoisie

In carrying out their activities during the boycott these gangster organisations worked in association with certain prominent Chinese businessmen, such as Wang Xiaolai, who found in them a useful means for the elimination of their commercial and political rivals in the name of "national
salvation." The activities of these strong-arm gangster organisations, therefore, provided one channel by which the Green Gang bosses, notably Du Yuesheng, forged close links with certain leaders of the Chinese bourgeoisie during the crisis of 1931-1932.

Another means by which Du Yuesheng strengthened his organisational links with the Shanghai bourgeoisie was through his participation in the activities of the SCMA. Du played a key role in this organisation. He was one of the Association's two deputy chairmen (the other was Wang Xiaolai), while his colleague, Zhang Xiaolin was a member of the Executive Committee. Du also provided the SCMA with its headquarters, his ex-gambling joint at No. 181 Avenue Foch, and made the largest single contribution to the Association's administrative expenses. Du's bank, the Zhonghui Bank was a founding member of the aforementioned Joint Reserve Board set up by the Shanghai Bankers' Association under the auspices of the SCMA to stabilise the Shanghai financial market during the crisis. At the same time both Du and Zhang were members of SCMA sections charged with raising financial contributions for the National Salvation Fund (Jiuguo Juan-NSF) and with providing material support for the troops at the front. The Zhonghui Bank, was one of the thirty-three modern-style and native banks which were designated as official agents for the collection of NSF contributions. In fact, the Zhonghui Bank held the fourth largest deposits of NSF contributions, amounting to Ch$52,271 or almost 6 per
cent of total contributions of Ch$931,618. Du was also a member of two important committees of the SCMA, the Committee to Study the Question of a Merchant's Militia (Shangtuan Wenti Yanjiu Weiyuanhui) and the Committee for the Management of the Fund to Resist the Enemy and Support the Troops (Kangdi Weilao Jin Chuli Weiyuanhui). Finally Du's follower, and senior economic adviser, Yang Guanbei, was Deputy Head of the SCMA's Repatriation Unit (Qiansong Gu) which supervised the relocation of war zone refugees and unemployed workers back to their native districts.

The participation by Du Yuesheng in the SCMA was an important step in the extension of his influence among the leaders of the Chinese bourgeoisie and in the broadening of his power base beyond the confines of the French Concession. This was because the SCMA (and its successor the SCA) was the key body which articulated the political interests of the Shanghai bourgeois elite as a whole, and represented those interests to the Guomindang authorities. Du participated fully in the political activities of the SCMA in the course of 1932. He and Zhang Xiaolin, for example, joined the other Shanghai delegates in boycotting the National Emergency Conference in April, and both put their names to the circular telegram which demanded major political reforms of the Guomindang regime. Huang Jinrong, alone of the three Green Gang bosses, attended, a decision which was not unrelated to his appointment by Wang Jingwei as an adviser to the Executive Yuan on the eve of the Conference. Du Yuesheng also
played an active part in the Anti-Civil War League and was elected to its Standing Committee, along with Wang Xiaolai, Lin Kanghou and two others, at the League's Congress in August.\(^{58}\)

3) The Accommodation Between Du Yuesheng and the Shanghai Guomindang Regarding Opium

A major determinant of Du Yuesheng's actions in 1932 was the decisive moves taken by the French authorities to remove his gambling and narcotics rackets from the French Concession. The French, as has been discussed, took advantage of the crisis caused by the Shanghai Incident to bring pressure to bear on Du to divest him of his official positions in the Concession. These moves inaugurated a protracted conflict which lasted most of the year and which reached its greatest intensity in the five month period from March to July.

At one point, at the beginning of May, Du Yuesheng made arrangements with the Zhabei puppet government to transfer his opium and gambling interests to Zhabei in the event that the outcome of his negotiations with the French proved unsuccessful. By the end of May some of Du's gambling and opium interests had in fact been transferred to that part of Zhabei that bordered on Hongkou.\(^{59}\) Despite his activities in the SCMA and in support of the Chinese troops, Du Yuesheng maintained contacts with the Hu Lifu puppet government in Zhabei from its inception, as did his Green Gang colleagues
in the French Concession. Shortly after this government was established in early April, for example, Huang Jinrong wrote a letter to Hu Lifu in which he expressed his support and sympathy for Hu’s organisation. When two members of the puppet government, Wang Ziliang and Gu Jiacai, were incarcerated by the Chinese authorities in late April, it was Du who interceded on their behalf and secured their release. Both men were members of Du’s narcotics combine, the Three Prosperities Company.60

With the final collapse of the puppet government at the end of May, Du Yuesheng had to seek alternative arrangements for securing his gambling and narcotics interests. At the same time as he increased the pressure on the French authorities in order to improve his bargaining position, as discussed in the previous chapter, Du entered into negotiations with the Mayor of Shanghai, Wu Tiecheng, for the removal of his narcotics interests to Nandao. The context of these latter negotiations was provided by the Nanjing Government’s moves in October 1932 to extend its semi-official opium monopoly from Hankou, where it had operated for several years as the Hubei Special Tax Bureau (Hubei Teshui Qinglihui), to Jiangsu and Shanghai. This reflected the decision taken by senior Guomindang leaders at the Lushan Conference in June 1932 to set-up a de facto opium monopoly because of the serious financial problems which faced the Government as a result of the crisis of 1931-1932.61
In early November 1932 Du Yuesheng visited Hankou to seek official permission to conduct the public sale of opium in Shanghai in return for the payment of Ch$3,000,000 a month to the Minister of Finance, Song Ziwen. Some days earlier Du had secured the appointment of his nominee, Yang Hu, as commander of the Shanghai Peace Preservation Corps (Shanghai Shi Bao'andui) and thus ensured the necessary armed protection for the transportation of his opium shipments. Du then wound up the operations of the Three Prosperities Company and incorporated its functions within a "Special Service Department (Tewu Bu)" of the Peace Preservation Corps. Once a deal had been struck with Wu Tiecheng this "Special Service Department" was placed under the control of the Shanghai Bureau of Public Safety (Shanghai Shi Gong'an Ju), and hence of Wu himself. Finally in December, Du Yuesheng also secured the 'farm' of the opium operations in Jiangsu province. By the end of the year, therefore, Du had succeeded in reaching an agreement with the Guomindang authorities which not only allowed the transfer of his narcotics operations from the French Concession to Chinese territory but which also gave them a semi-official status. This opium deal, however, was only one element in a larger accommodation between Du Yuesheng and his Green Gang group on the one hand and the Nanjing Government on the other. The context for this accommodation was the new configuration of power in the regime which had emerged from the crisis of 1932.
Endnotes


2. Lampson to Chamberlain (20 December 1927).

3. The North-China Daily News (NCDN), 23 November 1927; Lampson to Chamberlain (20 December 1927); Edwin S. Cunningham [Consul-General, Shanghai] to Sec. of State (12 December 1927), Dept. of State 893.114/602; Pratt Memorandum.


6. The details of the Jiang'an opium scandal can be followed in the columns of The North China Herald for December 1928. See NCH, 1 December 1928; NCH, 8 December 1928; NCH, 15 December 1928; NCH, 22 December 1928; NCH, 29 December 1928. See also US Department of State, Records Relating to Internal Affairs of China 1910-29, Decimal File No. 893, 114N16.

7. NCH, 1 December 1928; US Department of State, op.cit.


9. NCH, 1 December 1928.

10. Shanghai Times, 7 December 1928.


12. NCH, 8 December 1928.

13. NCH, 8 December 1928; Garstin [Con.-Gen., Shanghai] to Sir M. Lampson (9 August 1929) FO 5428/69/87.

15. NCH, 8 December 1928; NCH, 29 December 1928; US Department of State, op.cit.

16. NCH, 8 December 1928.

17. Edwin S. Cunningham [Cons.-Gen., Shanghai] to Sec. of State, Washington, "Political Conditions in the Shanghai Consular District during the Month of February 1928" (7 March 1928), State Dept. 893.00 PR Shanghai/2.


21. CWR, 1 August 1931.


25. Isaacs, "Five years of Kuomintang reaction", op.cit.

26. Edwin S. Cunningham [Cons.-Gen., Shanghai] to the Sec. of State, "Political Conditions in the Shanghai Consular District for the Month of July 1931", (4 August 1931), State Dept. 893.00 PR Shanghai/38; CWR, 18 July 1931.

27. Edwin S. Cunningham [Cons.-Gen., Shanghai] to the Sec. of State, "Political Conditions in the Shanghai Consular District for the Month of August 1931", (17 September 1931), State Dept. 893.00 PR Shanghai/39; Isaacs, "Five years of Kuomintang reaction", op.cit.

29. See Chapter Four for a discussion of Du's involvement with the UUC.


32. Li Zongren, V.2, pp531-533.

33. Jin Feng, "Du Yuesheng xiansheng liushian jianghu chungi" (The sixty-year adventurous life of Mr Du Yuesheng), in Du Yuesheng Xiansheng Jinian Ji, V.2, p.51; 'Xinshishuo', "Shuo Du Yuesheng Xiansheng (Speaking of Mister Du Yuesheng)", ibid., p.56.

34. Isaacs, "Five years of Kuomintang reaction", op.cit.


36. "Deng Yu Chu, Chief Secretary to the Minister of the Interior of the Reformed Government, reported to have deserted" (Report by Supt. Tan Shao-liang, 15 September 1938), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D8185.

37. Yan Ren, "Shanghai de sichuan dahui" (The Shanghai Fourth [GMD] Congress), in Xiandai Shiliao (Materials on Contemporary History, Shanghai: Haitian, 1934, V.2, pp.87, 92.

38. Minguo Dashi Rizhi, V.1, pp. 480, 481; Telegram No. 308 [American Leg'n, Peiping] to Sec. of State, Washington (5 March 1932), State Dept. 893.00; Telegram No. 314 [American Leg'n, Peiping] to Sec. of State, Washington (8 March 1932), State Dept. 893.00.

40. Willys R. Peck [Cons.-Gen., Nanking] to Sec. of State, Washington, "Forwarding Memorandum on the Chinese Political Situation" (12 March 1932), State Dept. 893.00/11899.


42. "Administration of Chapei Area" (Report by D.S. Golder, 5 April 1932), Shanghai Municipal Police, Investigation File D3445; "Inauguration in Chapei of a Citizen's Maintenance Association" (Report by Supt Tan Shao-liang, 8 April 1932), Shanghai Municipal Police, Investigation File D3445; NCH, 3 May 1932; NCH, 24 May 1932; NCH, 17 August 1932.

43. Extracts from French Police Intelligence Report (2 May 1932), Shanghai Municipal Police, Investigation File D3445; "Removal of Opium Dens from French Concession to Chapei" (Report, 5 May 1932), Shanghai Municipal Police, Investigation File D 3445.

44. "Arrest of 'Revolutionaries' in the Settlement" (Report by Supt Robertson, 14 March 1932), Shanghai Municipal Police, Special Branch Sect. 1, Investigation File D3369; "Resume of plot to stage Coup d'Etat at Nantao and arrest of Participants" (Report by D.S. Golder, 18 April 1932), Shanghai Municipal Police, Special Branch Sect. 1, Investigation File D3369; "Unsuccessful Coup d'Etat in Nantao and arrest of twelve participants" (Report by D.S. Golder, 11 May 1932), Shanghai Municipal Police, Special Branch Sect. 1, Investigation File D3369.

45. The information which follows is taken from *Shanghai Shimin Difang Weichihui Baogao Shu* (The report of the Shanghai Citizens' Maintenance Association), [Shanghai]: n.p., December 1932, pp.1:1-15. The initiative taken by the SCMA was not without precedent. Between 1905 and 1914, for example, members of the gentry and merchant elite of Shanghai took advantage of the late Qing Government's programme of local self-government to organise a Shanghai City Council for the administration of the Chinese City. See Mark Elvin, "The administration of Shanghai", in *The Chinese City Between Two Worlds*, Stanford, Calif.: Stanford University Press, 1974, pp239-262.
46. Guo Xiaoxian, "Shanghai de neiguo yinhang (The Chinese commercial banks of Shanghai)", Shanghai Shi Tongzhiguan Qikan, 1, 2 (September 1933):481-482.

47. According to the Shanghai Shimin Difang Weichihui Huiyuanlu (Membership List of the Shanghai Citizens' Maintenance Association), [Shanghai, 1932], the eighteen members of the SCMA executive were:
Shi Liangcai (Chairman), Wang Xiaolai (Deputy Chairman), Du Yuesheng (Deputy Chairman), Yu Xiaqing, Zhang Xiaolin, Qin Runging, Lin Kanghou, Zhu Yinjiang, Liu Hongsheng, Xu Xinliu, Qian Xinzhi, Hu Mengjia, Zhang Gongquan, Hu Junqiu, Mu Ouchu, Tang Shoumin, Guo Shun, and Zhu Ziqiao.


49. Shen Yunlong, pp. 336-337, 343-344; NCH, 12 April 1932; China Forum, 16 April 1932.

50. Coble, pp.115-119; P. R. Josselyn [Cons.,Shanghai] to Sec. of State, Washington, "Political Report for August 1932" (9 September 1932), State Dept. 893.00 PR Shanghai/49; Edwin S. Cunningham [Cons.-Gen., Shanghai] to Sec. of State, Washington, "Political Report for December 1932" (19 January 1933), State Dept. 893.00 PR Shanghai/53.

51. Zhang Zhang, "Guonan qizhongde Shanghai jiuji tuanti" (Shanghai relief agencies in the period of national emergency), in Dangdai Shisheng, pp.165-169.

52. Isaacs, "Five years of Kuomintang reaction", op.cit.

53. Concession Francaise de Changhai (Shanghai, 2 November 1932), Services de Police, Service Politique, Compte Rendu d’Enquéte No. 113/8; "Organizations connected with the Anti-Japanese Boycott Movement" (Report by D.S. MacAdie, 1 September 1932), Shanghai Municipal Police, Special Branch Sect. 1, Investigation File D3904; "Anti-Japanese Incidents" (Report by D.S.I. Coyne, 8 November 1936), Shanghai Municipal Police, Special Branch Sect. 2, Investigation File D7667.


55. Shanghai Shimin Difang Weichihui Baogaoshu, passim.

56. Guo Xiaoxian, p.481.

57. China Forum, 16 April 1932; Isaacs, "Five years of Kuomintang reaction", op.cit.; Shen Yunlong, pp.336-337; "Threatening letters received by Mr Hsia Chi Feng and Mr Ling" (Report by C.D.I. Robertson, 20 April 1932), Shanghai Municipal Police, Investigation File D3176/17.
58. Josselyn [Cons., Shanghai] to Sec. of State, Washington, "Political Report for August 1932" (9 September 1932), State Dept. 893.00 PR SHanghai/49.

59. "Opium and gambling in Chapei" (Report, 2 May 1932), Shanghai Municipal Police, Investigation File D3445; "Removal of opium dens from the French Concession to Chapei" (Report, 5 May 1932), Shanghai Municipal Police, Investigation File D3445; CWR, 4 June 1932.


In reaction to the crisis of 1931-1932 and the consequent erosion of the authority of the Government, Jiang Jieshi conducted a major political reorganisation of the regime after 1932. This reorganisation, as it was conducted in Shanghai, provided Du Yuesheng with a range of new opportunities, and enabled him to conduct a far-reaching restructuring of his own power base. He was, in fact, the only Green Gang boss to respond successfully to the new political realities in Shanghai, and he was able, as a result, to achieve a position of dominance over the various Green Gang groups, as well as to play an important role in the politics of the city.

The restructuring of his power base, however, was only the first step in Du’s response to the Nationalist Government’s refurbished political system. His purpose was to become part of that system. One of the more remarkable developments in the politics of Shanghai in this period was the relative rapidity with which Du’s network of personal power underwent a process of institutionalisation. By mid 1937, on the eve of the Sino-Japanese War, Du had become an integral part of the Guomindang’s political, administrative and economic structures in Shanghai. These twin processes of
reconstruction and institutionalisation can be observed in the following areas of Du's activities: his close working relationship with the CC Clique; his involvement with labour control and the Government's opium policy; his role in the Shanghai Civic Association; the organisation of the Endurance Club (Heng She) and his successful assertion of primacy within the Shanghai gangster leadership; and the development and expansion of his economic interests in Shanghai.¹

(1) The Guomindang Corporatist State

One element in Jiang's policy of reorganisation was the adaptation to Chinese conditions of aspects of the system of state corporatism. Corporatism, in the view of one leading scholar in the field, is a system by which society is organised into a fixed number of single, compulsory, functionally defined groups or "corporations", recognised and/or created by the state as the officially sanctioned representatives their respective group's interests in return for the acceptance of certain controls on the selection of their leaders and on the articulation of their interests.²

The attractions of corporatism for the Guomindang Government as it sought solutions to the political crisis of 1931-1932 are not hard to seek. In the 1930s corporatism was considered to be a progressive political ideology which sought the effective integration of society with the state, and which postulated a "third way" distinct from both capitalism and communism.³ As one enthusiastic advocate of
the period exclaimed:

The twentieth century will be the century of corporatism just as the nineteenth century was the century of liberalism. . .⁴

It is not surprising that the combination of a coercive ideology of state-building which was stridently anti-communist proved attractive to Jiang Jieshi, and its attraction was only enhanced by the fact that corporatism was a major component of the ideology of the Italian Fascist State, which Jiang himself saw as providing a blueprint for the future society.⁵ Indeed many factions close to Jiang were influenced strongly by the example of fascism, and some, notably the "Blue Shirts" and the CC Clique, believed that fascist ideology should eventually replace the official Guomindang ideology, the Three People's Principles, as the guiding ideology of the state.⁶ The fact that these Guomindang factions turned to fascism at this time is instructive. It reflected the failure of the Three People's Principles to meet the needs of the Guomindang state for an integrative ideology which could counter effectively the serious political and ideological challenge of communism.

It could be argued that elements of a corporatist system were to be found in the relationship between the Shanghai trade unions and the Guomindang authorities after 1932. On the one hand the Government ensured its control over trade union
organisation and activity by the provisions of the restrictive Trade Union Law promulgated in 1929 (and subsequently amended in 1931 and 1933), and by the creation of a Municipal Bureau of Social Affairs at the end of 1928 to monitor trade union activities and mediate industrial disputes, and which, after 1933, became the designated government supervisory authority over trade unions. On the other hand the Guomindang Government recognised certain unions which operated in key industries or utilities as having a major role to play in the industrial order of Shanghai. These were the so-called "seven big unions": The Postal Workers' Union, the British-American Tobacco Company Workers' Union, the Journalists' Union, the Commercial Press Workers' Union, the Nanyang Tobacco Company Workers' Union, the Chinese Electricity Company Workers' Union, and the Shanghai-Ningbo Railwaymen's Union; and to their number could be added, after 1932, the Chinese Seamen's Union. These formed the core of the so-called "yellow unions (huangse gonghui)", and after 1932 their leadership formed the senior echelons of the Guomindang trade union movement. After some difficulties these unions finally succeeded in establishing their peak organisation in 1933, the Shanghai Municipal General Trade Union (Shanghai Shi Zonggonghui - SGLU), which co-operated closely with the Bureau of Social Affairs in the management of industrial relations in Shanghai.

Similarly the relationship between the Nanjing Government and the Shanghai bourgeoisie also had certain of the
characteristics of state corporatism. In his study of the
Guomindang and the Shanghai merchant elites, Joseph Fewsmith
noted the emergence of a system of state corporatism prior to
1930 with the extension of state control over the Shanghai
Chamber of Commerce in the wake of the passage of the Trade
Association Law and the Chamber of Commerce Law in 1929.10
This process, however, gathered pace and was given an added
urgency by the serious regime crisis provoked by the events
of 1931-1932. In order to repair the damage done to the
regime's legitimacy by these events Jiang Jieshi allowed for
the strictly limited, but nevertheless important, involvement
by the leading members of the Shanghai bourgeoisie, through
such organizations as the Shanghai Civic Association, in
aspects of the regime's decision making process. In this way
their interests were given institutional representation in
the regime's political system.

The moves to co-opt the leading members of the Shanghai
bourgeoisie were prompted by the need to address the problem
of the erosion of the legitimacy of the regime in the eyes of
key sections of the Chinese public, notably leading
intellectuals and members of the bourgeoisie, on which
depended the restoration of its authority. At the same time
the Nanjing Government could not ignore the important
contributions made by the Shanghai Citizens' Maintenance
Association (SCMA) to the preservation of social order and of
basic economic activities in Shanghai at a time when the
local municipal administration was in a state of near
collapse. The huge economic costs of the conflict in Zhabei also underlined the importance for the Government of an accommodation with the leading members of the Shanghai bourgeoisie. Both Liu Dajun, Head of the Nanjing Governments' Statistics Department, and Zhang Jia'ao, the General Manager of the Bank of China, estimated the economic losses resulting from the Shanghai conflict at anywhere between Ch$1.5 billion and Ch$2 billion. These figures included the destruction of 50% of all factories and 40% of all railway property in Zhabei, together with a 45% reduction in the revenue of the Shanghai Municipal Government.

It was considerations such as these which induced the Nanjing Government to extend official recognition to the Shanghai Civic Association (SCA), the successor to the SCMA. Government leaders believed that the SCA would make an important contribution to the Government's financial, industrial and defence policy, as well as to the restoration of economic prosperity and social order in Shanghai. As the Minister of Finance, Song Ziwen, put it at a meeting of the SCA in early September 1932:

.... Now the Shanghai Citizens' Maintenance Association has been reorganised as the Shanghai Civic Association. Its work is now much harder, and it must engage in long-term preparations and specific planning for such issues as national defence, finance and industry. I have extraordinary admiration for your spirit! And I express
In other words the Nanjing Government regarded the SCA as an important organisation through which to cooperate with the Shanghai bourgeoisie and to gain their support for key Government policies. The importance of the SCA was that it brought together the leaders from all areas of Shanghai economic life - finance, commerce and industry - in the one organisation. If membership numbers are any indication the SCA became even more representative as time went on. Its membership tripled in five years, rising from 80 in June 1932 to 156 in 1935 to 241 in May 1937.

At the municipal level the Shanghai Municipal Government set up a 19 member Provisional Municipal Council (Shanghai Shi Linshi Shi Canyihui) in mid October 1932 to provide it with advice on administrative matters. The councillors brought together representatives of Shanghai's industrial, financial and business interests (all of whom were members of the SCA) with labour leaders and local Party figures, under the chairmanship of Shi Liangcai. The Council was a genuine corporatist body, with councillors selected from representative professional groups to "represent" "the people". As Pan Gongzhan noted in his speech at the Council's inauguration:

....Mayor Wu [Tiecheng] ... has been guided by one principle, namely, those who are selected must be honest
people, who really enjoy the confidence and support of the people ... a careful survey of men selected would show that [their] integrity and character cannot be questioned [sic]. Furthermore, these gentlemen, chosen from representative groups of bankers, merchants, industrialists, educators, labour leaders and journalists, truly represent the many more important walks of life. I do not believe that they can be improved upon even by an election.15

The Council was organised into eight sections which mirrored the bureaux of the Municipal Government, such as Social Affairs, Public Safety, Finance, Public Works, Education etc. Furthermore it debated and reviewed all aspects of municipal administration, from road construction, house rents and health regulations to the annual budgets, the issuance of municipal bonds and the management of government revenues.

This accommodation between the Guomindang regime and the Shanghai bourgeoisie was, in sum, a form of corporatism based on mutual weakness. The Nanjing Government had been seriously weakened by the events of 1932 and needed to reassert its authority. However it had to confront the serious political and financial limitations on that authority, and find ways to ameliorate them. One means of meeting the situation was to coopt the leading elements of the Shanghai bourgeoisie. In the years immediately after the Shanghai Incident, in other words, the Nanjing Government
could be described as an early example of a weak authoritarian regime of a type which has become much more familiar in countries of the Third World since the demise of colonialism. The Shanghai bourgeoisie, for its part, was given an opportunity by the crisis of the regime in 1932 to assert its political interests in a meaningful way. It did this effectively through its involvement in the SCMA and in its public criticism of the National Emergency Conference. The Guomindang regime had to take note of its views. On the other hand, the bourgeoisie's political strength was neither very great nor very soundly established, and had been eroded by the past policies of the Guomindang Government itself. The best it could hope for, therefore, was to negotiate an increase in its influence on Government policies, and this it largely achieved in the years after 1932.

The creation of a form of corporatist state was, in fact, one part of a larger, multi-pronged strategy adopted by Jiang Jieshi to rebuild and enlarge the regime's power and authority. Other aspects of this strategy included the forging of a political alliance with Wang Jingwei and his faction; the assertion by Jiang of his control over the Guomindang Party Branches; and the emphasis placed on the elimination of the communist challenge. The alliance with Wang represented a fairly stable division of political responsibility between Jiang, who controlled the Military Affairs Commission, and Wang, who, as Head of the Executive Yuan, was the Government's nominal Chief Executive.
Although the balance of power rested with Jiang, the alliance, nevertheless, proved durable. It held together effectively in the face of continued pressure from Japan and domestic political challenges such as that posed by the Fujian Rebellion of October 1933 to January 1934. This coalition between Jiang and Wang was only broken in November 1935, with the failed assassination attempt on Wang Jingwei and his subsequent departure for Europe in February 1936.

At the same time Jiang moved decisively to consolidate his own political power by establishing his control over the Guomindang Party Branches. His instrument for achieving this was the CC Clique. This had been organised in mid 1927 by the Chen brothers (Chen Guofu and Chen Lifu) to promote Jiang’s interests within the Party. The processes by which the CC Clique extended its control over central and provincial party organisations had been proceeding steadily since the late 1920s, but these were accelerated after 1932. In 1933 Chen Lifu set himself the objective of gaining control of the Guomindang’s Fifth National Congress for Jiang Jieshi. This he achieved. When the Fifth Congress met in November 1935 the CC Clique held 28 per cent of the membership of the Fifth Central Executive Committee (CEC) and controlled all the CEC’s committees, while Chen, himself, was elected to the nine-man Standing Committee.

In Shanghai the CC Clique moved to consolidate its power with the appointment of Wu Xingya as head of its organisation in
the city. Wu had been responsible for CC Clique strategy in Hubei and Anhui in the years 1928-1931, and in the 1930s he was the third most powerful figure in the Clique, after the two Chen brothers. He held the positions of Chairman of the Shanghai GMD Branch’s Executive Committee and Chief of the Shanghai Municipal Government’s Bureau of Social Affairs, and he worked closely with two local CC Clique members, Wu Kaixian (who headed the so-called ‘Jiangsu faction’) and Pan Gongzhan. After his arrival in Shanghai Wu Xingya moved quickly to gain control of the local Party structure. In September 1932 he manipulated the Shanghai Party Branch’s Eighth Congress to ensure that his nominees, all CC Clique members, were ‘elected’ to the Executive and Supervisory Committees. This process was repeated in all the district sub-branches of the Shanghai GMD Branch. No further Congresses were held and this new power configuration remained stable for the rest of the Nanjing decade.¹⁸

In order to further the CC Clique’s interests in Shanghai (particularly in the areas of propaganda, education, and youth affairs), Wu Xingya established the so-called ‘Action Club (Gan She)’. This was a highly secret organisation which, according to a former member, was greatly influenced by the examples of the Italian Fascist Party and German National Socialism, and whose purpose was to promote fascism within the Guomindang as a means of strengthening the position of Jiang Jieshi. According to this source, Pan Gongzhan, who was Deputy Head of the Action Club, drew up a
list of operational slogans for the organisation which included exhortations to "firmly trust in Fascism" and to "pledge one's life to the struggle for the realisation of Fascism", as well as to "protect and support to the death the supreme leader Chairman Jiang". This same source also asserted that the editorial policy of the newspaper Chen Bao, which was controlled by the CC Clique, advocated the tenets of fascism rather than the promotion of Sun Yat-sen's Three People's Principles. In August 1933, indeed, Wu Xingya was required by a conference of the CC Clique held in Lushan to establish "fascist cells" within the Shanghai Party Branch, within "loyal" military units, and in schools and universities in Shanghai. As noted above the attraction of fascism for certain elements within the Guomindang reflected the Party's need to find suitable ideological and organisational instruments to counter effectively the challenge of communism, and the widespread feeling within the Party that its official ideology and its existing organisation were inadequate to the task.

It was the comprehensive nature of this challenge (political, ideological as well as military) that explained the third element in Jiang's strategy, that is the central importance which he and his advisers gave to the elimination of communism. At the national level this policy took the form of military campaigns against the communist base area in Jiangxi, while in the urban areas it took the form of a campaign of deliberate terror. In a sense the "white terror"
was the means by which the Nanjing Government consolidated control over its own rear areas in the cities of China. In Shanghai both the CC Clique and the Revival Society (Fuxing She, that is the Blue Shirts) organised their own "special service" squads whose rivalry compounded the sense of anarchy on the streets of the city in 1933-1934. The CC Clique's special service squad organised an assassination corps of communist "turncoats", led by the former communist Gu Shunzhang. This corps, which was trained by Yang Hu, proved to be extremely effective, and in the course of one year, July 1933-July 1934, according to one source, it contributed to the elimination of 4,500 communists.

(2) Du Yuesheng's Relations with the CC Clique

For most of the second half of the Nanjing decade Du Yuesheng's connections with the CC Clique were among his most important political alliances in Shanghai. As noted above, the CC Clique controlled the Party organisation in Shanghai and, through the activities of its special service units it was able to extend its power into all levels of Shanghai society. Moreover the CC Clique served Jiang Jieshi's interests, and so assisting the Clique in its local operations was, from Du's point of view, a useful way of currying favour with Jiang. Du's contacts with the leadership of the CC Clique went right back to 1924, when he had extended his protection to Chen Lifu who was then engaged in setting up an underground Guomindang organisation in
However, it was only after the 1932 crisis and the arrival of Wu Xingya to head up the Clique operations in Shanghai that Du developed a close, regular relationship with the Clique. The CC Clique, for its part, also desired to establish a good working relationship with the Green Gang organisation in Shanghai. In this regard some sources have noted that one reason for Wu's appointment as head of CC Clique operations in Shanghai was his membership of the Green Gang, and the fact that he had sufficient generational seniority to deal on an equal footing with Du Yuesheng and Yang Hu. Whatever the truth of this Wu and Du first began to work closely together during the crisis of 1932, when the two men (in their respective capacities as the newly appointed chief of the Bureau of Social Affairs and as the deputy chairman of the SCMA), cooperated to contain the social problems created by the Shanghai conflict. Du's successful mediation of the anti-Japanese strike wave, and, in particular, his assistance in the solution of the politically-inspired Postal Workers' strike in late May 1932, impressed Wu.

Another key figure whom Du began to cultivate in 1932 was Wu Kaixian. Wu Kaixian was one of the four members of the Shanghai GMD Branch's Standing Committee "elected" in September 1932, and he was also the leader of the so-called "Jiangsu faction" within the CC Clique. He was one of Wu Xingya's two deputies in the CC Clique's Shanghai Shanghai. However, it was only after the 1932 crisis and the arrival of Wu Xingya to head up the Clique operations in Shanghai that Du developed a close, regular relationship with the Clique. The CC Clique, for its part, also desired to establish a good working relationship with the Green Gang organisation in Shanghai. In this regard some sources have noted that one reason for Wu's appointment as head of CC Clique operations in Shanghai was his membership of the Green Gang, and the fact that he had sufficient generational seniority to deal on an equal footing with Du Yuesheng and Yang Hu. Whatever the truth of this Wu and Du first began to work closely together during the crisis of 1932, when the two men (in their respective capacities as the newly appointed chief of the Bureau of Social Affairs and as the deputy chairman of the SCMA), cooperated to contain the social problems created by the Shanghai conflict. Du's successful mediation of the anti-Japanese strike wave, and, in particular, his assistance in the solution of the politically-inspired Postal Workers' strike in late May 1932, impressed Wu.

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organisation (the other was Pan Gongzhan). In mid 1936 Du Yuesheng strongly supported Wu Kaixian's moves to establish his control over local Chinese merchants, which was part of a political struggle within the Shanghai Party Branch, and provided assistance to Wu when the latter set up his own organisation, the Bingzi She (the Nineteen Thirty-Six Club) to achieve this.

Although Du did have followers among local Party members prior to 1932, the most important one being Chen Junyi, nevertheless it was only after that date that he engaged in a systematic recruitment of Shanghai Party members by means of his new organisation (the Endurance Club). Du recruited his followers not only from the Shanghai GMD Party Branch but also from the district sub-branches, especially The Second District Sub-branch (the French Concession), the Fifth District (Pudong), The Sixth District (Zhabei), and The Ninth District (Longhua). In the 1930s Du had about a dozen key followers who were Party members and also members of the CC Clique. They included Lu Jingshi, Wang Manyun, Huang Xianggu, Zhang Binghui, Xu Yefu, Wang Gang, Hou Dachun, and Cai Hongtian.

Du Yuesheng and his Green Gang group were also heavily involved in the CC Clique's special service operations. Lu Jingshi, for example, was very active in Wu Xingya's highly secret Action Club (Gan She). He controlled the Club's "Workers' Action Battalion (Gongren Xingdong Da Dui)", an
organisation of blackshirted bully-boys which cooperated closely with the Bureau of Public Safety in raids on left-wing presses and book stores, and in the ‘storming’ of universities, such as Jinan, and secondary schools. In 1933 it was reported in the local Japanese press that Du’s Green Gang group was so heavily involved with the activities of the Guomindang special services that the French police could not rely on their Chinese detective squad (who mostly belonged to Du’s Green Gang group) to investigate crimes committed by these special service units in the French Concession. In an attempt to solve the problem the French Police began to recruit Red Gang (Triad) members (who were rivals of the Green Gang) into its Chinese detective squad specifically to investigate the activities of the special service squads.

By late 1936 the CC Clique organisation in Shanghai had entered a period of decline. The CC Clique and the Blue Shirts had been in competition with one another for control of Shanghai’s cultural and educational institutions for some time, and this rivalry grew in intensity in 1935 and 1936. At this point an obscure conflict within the Action Club leadership broke out between Li Shijun (head of the Club’s intelligence services) and Wu Xingya in May-June 1936. Wu’s sudden death in August resulted in the collapse of his personal organisation. In its place there ensued a struggle between Wu Kaixian and Pan Gongzhan for control of the organisation causing paralysis of the CC Clique. It is not
clear what role, if any, Du played in these developments, although it would appear that he gave his support to Wu Kaixian. By this time, however, Du's own position was so strong that the collapse of the CC Clique's position in Shanghai did not adversely affect him. In any event he had already established contact with the Blue Shirts, the major factional rival of the CC Clique. Between 1935 and 1937 Du had a close working relationship with the Head of the Shanghai Area of the Blue Shirts special services (the Juntong), Wang Xinheng. Wang was a frequent guest of Du's Endurance Club, and he drew many of his recruits for the Juntong from Du's gangster groups and from members of the Shanghai General Postal Workers Union (which was controlled by Du).  

The two key individuals in Du Yuesheng's network of power in Shanghai in the years 1932 to 1937 were Lu Jingshi and Yang Hu. Lu provided the link between Du and local political and labour circles, while Yang gave Du access to the military units in Shanghai. Lu Jingshi became a member of Du's Green Gang group in May 1931 along with Zhu Xuefan and other leaders of the Postal Workers' Union. In 1932 he joined the CC Clique through the good offices of Wu Kaixian and was appointed to the Shanghai Party Branch's Eighth Executive Committee in September of that year. Although Lu was an active and influential member of the CC Clique his first loyalty remained to Du Yuesheng. No less a figure than Chen Lifu remarked that Lu's loyalty to Du surpassed his loyalty
to the Guomindang.\textsuperscript{35} It is not surprising, therefore, that Du considered Lu to be his most capable follower and that he always gave particular weight to his advice. Lu was very active in party and governmental affairs in Shanghai. In 1934 he was appointed a member of the Shanghai Muncipality New Life Movement Acceleration Committee (Shanghai Shi Xin Shenghuo Yundong Zujinhui), the organisation which was charged with the responsibility of implementing Jiang Jieshi’s New Life Movement in Shanghai. Over the next two years he became the Director of this organisation’s Youth Service Groups (1935) and Vice-Chairman of the New Life Labour Service Corps (Xin Shenghuo Laodong Fuwu Tuan) in 1936. At the same time he was head of the CC Clique’s Shanghai Workers’ Movement Promotion Association (Shanghai Gongren Yundong Zujinhui) and of its para-military wing, the Workers’ Action Battalion. In late 1935 Lu was appointed Chief Judge of the Military Court of the Wusong-Shanghai Defence Commissioner’s Headquarters (Song-Hu Jingbei Silingbu de Junfa Chu Zhang), and in this capacity he worked closely with Yang Hu, after the latter was appointed Defence Commissioner in early 1936. Both were noted for their corruption. In his judicial capacity Lu was also appointed in May 1936 to the three man Standing Committee of the Shanghai Party Branch’s Committee for Re-educating Political Prisoners in Shanghai (Shanghai Zhengzhi Fanjiaohui Weiyuanhui), becoming a member of the Shanghai Municipality’s Provisional Council in 1932.\textsuperscript{36}
Yang Hu, for his part, was a Green Gang "crony" of Du Yuesheng, who controlled significant coercive power in Shanghai in the period 1932-1937. He held the post of Commissioner of the Shanghai Municipal Peace Preservation Corps (Shanghai Shi Bao'andui) from November 1932 to April 1936. This was the para-military force which was raised to fill the security gap created by the Sino-Japanese Ceasefire Agreement of 5 May 1932 which had proscribed the stationing of Chinese troops in either Pudong or Zhabei. According to the Shanghai Municipal Police, Yang Hu had, in fact, been Du Yuesheng's nominee for the post. In April 1936 Yang Hu was appointed Wusong-Shanghai Defence Commissioner (Song-Hu Jingbei Siling), the most senior military post in the Shanghai area, and which had previously been held by Mayor Wu Tiecheng. Yang held this post until the withdrawal of the Guomindang administration from Shanghai in November 1937, and in this period he was the most powerful military figure in the Shanghai area. He was also among the most corrupt. According to the SMP Yang made over Ch$2 million during his tenure as Defence Commissioner. At the same time as he held these military posts Yang also held the Secretaryship of the Chinese Seamen's Union (Zhonghua Haiyuan Gonghui). The reason for this odd combination of posts was that Yang was entrusted with playing a key role in the protection of Du Yuesheng's narcotics operations. His capacity to perform this role was enhanced by the control he exercised over sailors on coastal and river steamers through the Seamen's Union, and was a useful complement to his control of the
Shanghai area through his military posts.\(^\text{37}\) It is not surprising, therefore, that when the mayoralty of Shanghai became vacant with Wu Tiecheng's departure from Shanghai upon his appointment as Governor of Guangdong, Du Yuesheng "strongly recommended" Yang Hu's candidacy to Jiang Jieshi as Wu's successor. Although ultimately unsuccessful, the fact that Du made the attempt revealed just how powerful he had become in Shanghai on the eve of the Sino-Japanese War.\(^\text{38}\)

(3) Du Yuesheng and Labour Control

Du Yuesheng did not become involved in the Guomindang's policies of labour control in a systematic way until 1932. Prior to that year his involvement in "industrial relations" issues had been limited to his co-operation in the purge of Shanghai trade unions which was conducted by the Committee for the Unification of Shanghai Trade Union Organisations in the course of 1927, and to his mediation, largely at the behest of the French Concession authorities, of disputes in the French Tramways Company. The harbinger of change in this situation was the decision, in May 1931, by Lu Jingshi, Zhu Xuefan, Zhang Kechang and nine other key people in the Nanjing Government's Department of Communications, the Central Postal Administration and the Shanghai Post Office to join the Green Gang and become followers of Du Yuesheng.\(^\text{39}\) Lu's purpose, according to Zhu Xuefan's account, was to use his membership of Du's Green Gang group to strengthen his own control over the Postal Workers Union and to enhance his
standing as a major figure in the Guomindang’s trade union organisation.

These moves were part of the process of accommodation between reformist trade union leaders and key factions in the Nanjing Government, such as the CC Clique, which provided part of the foundations of the Guomindang’s emerging system of state corporatism. In this context these overtures to Du reflected the need for reformist trade unions, such as the Postal Workers’ Union, to obtain allies where they could to counter-balance the continuing influence of those anti-unionist elements within the Nanjing Government who had ensured the passage of the repressive GMD Trade Union Law in October 1929. The repeal of this law, or its extensive amendment, was a constant preoccupation of trade union leaders, such as Lu Jingshi and Zhu Xuefan, in the early 1930s.

At the same time, the fact that the leadership of the Postal Workers’ Union joined his Green Gang group, enabled Du to extend his influence into one of the seven major trade unions in Shanghai. The fact, moreover, that leading Guomindang trade unionists were now his followers, gave Du a direct entree into trade union politics in Shanghai. By 1932, indeed, Du Yuesheng’s penetration of organised labour in Shanghai was so effective that it was the envy of the CCP. As one CCP trade union activist ruefully admitted in a letter to the China Forum:
It seems to me that if the vanguard of the working class [i.e. the CCP] could cause their penetration of the workers' masses to be as effective as the gangsters', our victory will come even sooner.41

It was the crisis of 1932, in fact, which prompted Du's involvement in labour disputes beyond the French Concession, when he participated in the mediation of the anti-Japanese strike wave among Chinese textile workers.42 Of particular importance was Du's mediation of the Postal Workers' strike of 22-27 May 1932. This was essentially a political rather than an economic strike. The leadership of the Postal Workers Union took the opportunity of the weakness of the Government and the general ill-repute in which it was held during the Shanghai crisis, to give vent to long held criticisms of the postal administration. By extension, the strike was also aimed at the then Minister for Communications, Chen Mingshu. The Government, however, did not look with equanimity on a strike in a strategic industry, the postal service, at a time of national crisis, and therefore moved quickly to end the strike. Wang Jingwei invoked legislation which stated that postal workers, as government employees, did not have the right to strike. At the same time the Shanghai Guomindang authorities entered into negotiations with the leadership of the Postal Workers Union. Du was invited to participate in the mediation effort which arose out of these negotiations, because it was known that the leaders of the Postal Workers' Union were his
followers. Other mediators included key CC Clique members, Wu Kaixian and Pan Gongzhan. The strike was ended successfully on 26 May and Du, together with Pan and Wu, were members of the 15 man Special Committee which was set up to oversee the implementation of the agreement. As noted earlier it was Du’s involvement in the mediation of this postal workers’ strike that was the basis for the rapport between himself and the leaders of the CC Clique organisation in Shanghai. Labour control was an important area of activity for the CC Clique, and Du Yuesheng’s follower Lu Jingshi, who joined the CC Clique after the termination of the postal workers’ strike, was very active in these labour activities, particularly through his control of the Clique’s so-called Workers’ Action Battalion. This was, as noted in the previous section, a group of bully boys who, among other things, engaged in strike breaking activities, as in the case of the strike at the Hengfeng Cotton Mill in September 1933. At the same time Du Yuesheng, with the encouragement of the CC Clique leadership in Shanghai, engaged in industrial mediation on a regular basis. In this activity he worked closely with the Shanghai Municipal Bureau of Social Affairs, and in this way he became an integral part of the Guomindang’s system of labour control in Shanghai. Du now mediated disputes in all the major industries in Shanghai. Some of his more important efforts included mediation of
strikes in the Shanghai Power Company’s plant in September-November 1933; in the British American Tobacco Company factory, Pudong June 1934; in the Hong Xing Hosiery Factory, July 1936; in the Japanese cotton mills, November 1936; in the Shanghai Electrical Construction Company, February-April 1937; and among the crews employed by the Ningbo-Shaoxing Steam Navigation Company, March 1937.45

After 1932 Du Yuesheng also strengthened his control over both the Postal Workers’ Union and the Shanghai Municipal General Labour Union (SGLU).46 He did this through the activities in both organisations of his follower Zhu Xuefan. In 1935 Zhu set up his own Green Gang group, the Resolute Club (Yi She), and actively recruited members in both the Postal Workers’ Union and the SGLU. In his memoir Zhu notes that Du Yuesheng and the Green Gang bosses who formed part of his group (ie. Jin Tingsun, Ma Xiangsheng, Peng Baiwei and Yang Hu) held a preponderant position in the Postal Workers’ Union; and that the two largest organisations of postal workers were both controlled by Du’s followers, Zhang Kechang and himself. Within the SGLU, members of the five man Standing Committee who controlled its operations were either followers of Du himself or of Du’s close colleague Jin Tingsun. Zhu Xuefan, for his part, used his position within the SGLU to extend his Resolute Society network among the unions in a number of enterprises throughout Shanghai. These included all the major utilities and industrial companies in both the International Settlement and the Chinese City. As
a loyal follower of Du, Zhu's activities not only increased his own power and influence but also, indirectly, that of Du Yuesheng as well.47

The SGLU's influence over the industrial workers in Shanghai remained fairly weak throughout the 1930s. This was because all the major factories and industrial concerns were located either in the International Settlement itself or on the External Roads (under SMC control) and outside Chinese jurisdiction. In an attempt to rectify this situation and tighten Guomindang control over this industrial workers, the Shanghai Party Branch and the Bureau of Social Affairs, in association with Du Yuesheng, organised the Livelihood Mutual Aid Association (LMAS - Shenghuo Huzhu She) in August 1936. This organisation had a membership of about 300 by April 1937 and gave priority to the establishment of branches among transport workers. The Livelihood Mutual Aid Association was designed, in the view of the Shanghai Municipal Police Special Branch, to circumvent the Shanghai General Labour Union and to further Du Yuesheng's control over organised labour in Shanghai. Although the fifteen promoters were all Guomindang Party members (indeed they were all members of the CC Clique's Shanghai organisation) they were also all followers of Du Yuesheng, and many were members of his Endurance Club. As the SMP Special Branch report noted in May 1937:
There is no doubt that this organisation is completely subject to the influence of Mr Tu Yueh-sung [sic]... as the majority of the promoters are his followers. It is also subject to the control of the local Tangpu [Party Branch] and the Chinese authorities, in view of the fact that the promoters hold official posts in the local Tangpu or other government organs.\textsuperscript{48}

The creation of the Livelihood Mutual Aid Association, therefore, reflected the merging of the interests of Du Yuesheng and the Guomindang on labour issues, which in turn reflected the complete integration of Du Yuesheng into the regime's system of labour control. In other words, by 1936 Du was an integral part of the corporatist structures which the Nanjing Government had constructed to regulate its relations with organised labour.

(4) Du Yuesheng and Opium

As noted earlier the agreement reached between the local Shanghai authorities and Du Yuesheng over the latter's opium interests in late 1932 was a basic element in the accommodation between Du and the Guomindang regime. As a result of this agreement Du became part of the Nanjing Government's semi-official opium monopoly. Because the purpose of this covert monopoly was to raise additional revenue for Jiang Jieshi's anti-Communist campaigns, it was run by the Hubei Special Tax Bureau (also known as the Hankou
Special Tax Bureau) under the control of Jiang’s Military Headquarters in Nanchang. Du’s role in these operations was to control the Shanghai opium merchants and to collect taxes on opium at the rate of 15 cents per ounce on behalf of the official Special Tax General Bureau (Teshui Zongju) which was established in Shanghai. At the same time Du controlled the operation of the system in Jiangsu through his Green Gang followers and colleagues, who held all the key positions in the so-called Jiangsu Province Opium Suppression Bureau (Jiangsu Sheng Jinyan Ju). In other words Du was the leading opium tax farmer in the Jiangnan area. When the opium monopoly in Jiangsu was cancelled in September 1933, Du reopened his Three Prosperities Company in Nandao and this quickly became, in the words of a SMP Special Branch report, "the chief distribution office and supply agent for opium in Shanghai."

Two key official figures in this covert monopoly were the Minister of Finance, Song Ziwen, and the Mayor of Shanghai, Wu Tiecheng. Both had close relations with Du. By 1933 Du and Song had reached an understanding which ended the serious conflict of 1931. Indeed on at least two occasions, in August 1933 and December 1935, Du extended his protection to Song when the latter’s life was threatened. Wu Tiecheng, for his part, was on Du’s payroll, and received a "personal donation" of Ch$500,000 a month from Du, as had his predecessor as mayor, Zhang Qun. According to the SMP Special Branch it had been Song Ziwen and Du Yuesheng
together who had secured Wu Tiecheng’s appointment as Wusong-Shanghai Defence Commissioner, in order to guarantee protection for the operation of the covert opium monopoly in the Jiangnan area.\textsuperscript{52}

This covert opium monopoly, however, was hostage to scandal and could cause serious political embarrassment to the Nanjing Government. A case in point was the morphia scam of November 1933. In mid 1933 Du Yuesheng, together with Wu Tiecheng, Song Ziwen and Lu Liankui (Assistant Superintendent in the SMP and a Green Gang boss) organised the Xia Ji Company (Xia Ji Gongsi) to refine a quantity of morphia which had been seized by the Chinese authorities in Hankou. The operation had the approval of Jiang Jieshi who wanted the morphia refined for "medicinal purposes". However Du used this agreement as a useful cover to refine his own consignments of morphia rather than that of Jiang Jieshi. When Huang Jinrong informed Jiang of Du’s scheme in late 1933, the resulting uproar almost cost Wu Tiecheng the mayoralty of Shanghai, and seriously compromised Du’s relations with Jiang. It was only with some difficulty that Du was able to retain his position in the semi-official monopoly.\textsuperscript{53}

In order to avoid these recurring scandals associated with the covert policy, Jiang Jieshi’s Nanchang Headquarters introduced in June 1934 a new strategy of the phased suppression of opium over a six year period. Although the
objective was to end all dealing in opium by 1940, the scheme was in fact a system of official monopoly. Under its terms all dealing in opium was restricted to Government agencies and licensed merchants, while only registered smokers would be allowed to buy opium. As part of this scheme the Shanghai Municipal Government set up a Shanghai Municipal Opium Suppression Committee (SMOSC - Shanghai Shi Jinyan Wei Yuan Hui) in July 1935 under the control of a three-man Standing Committee consisting of Du Yuesheng, Wang Xiaolai, a prominent merchant and Chairman of the Chinese Ratepayers’ Association of the International Settlement, and Yan Fuqing, President of the Chinese Red Cross. The functions of this committee were to supervise the registration of addicts, suppress unlicensed dealers, and conduct propaganda on behalf of the Government’s policy of opium prohibition.

In fact the operations of the SMOSC enabled Du to promote his opium interests quite openly as the Shanghai representative of the official monopoly. The means by which he effected this was his control of the licensing and addict registration systems in Shanghai. Furthermore Du could now count on the public cooperation of Government agencies such as the Chinese Maritime Customs. According to the American journalist, Ilona Ralf Sues, after 1935 the Customs turned over all stocks of confiscated opium to the SMOSC for destruction. Many Customs staff believed, however, that these confiscated stocks merely found their way back via the Committee into the illicit traffic. Moreover in 1936 and
1937 protracted and ultimately inconclusive negotiations were held between the Shanghai Municipal Government and the Shanghai Municipal Council (SMC) for the extension of the Chinese suppression policy to the International Settlement. These negotiations essentially took up where the earlier negotiations in 1928 had left off, and they held out the prospect for Du of extending his opium operations legally into the International Settlement, thirteen years after the SMP had successfully eliminated large-scale narcotics trafficking in the Settlement.

(5) The Shanghai Civic Association

1) Du Yuesheng and the Leadership of the SCA

Du Yuesheng took over the Chairmanship of the Shanghai Civic Association (SCA) on the assassination of its first chairman, Shi Liangcai, in November 1934. Shi, the proprietor of Shen Bao, Shanghai's pre-eminent newspaper, had been a moving force in the mobilisation of the Shanghai bourgeoisie during the crisis of 1932. He saw himself, and was seen by others, as the political leader of the Shanghai bourgeoisie. Shi's personal ambition was boundless, and ultimately he overreached himself. He appears to have wanted to share power with Jiang Jieshi, and to have believed that the aftermath of the 1932 crisis provided the ideal opportunity. According to Huang Yanpei, Shi told Jiang once at a meeting in Nanjing: "You control a large army of several hundred
thousand men, I have several hundred thousand readers of my two newspapers, *Shen Bao* and *Xinwen Bao*. If you and I cooperated what could we not do?"59 Shi's murder, therefore, revealed the limits to the accommodation that the Nanjing Government was prepared to make with the bourgeoisie. The regime, it might be inferred, would not countenance cooperation on the basis of two independent centres of power, as this would merely be a tactless reminder of its inherent weakness; this was Shi Liangcai's mistake. The regime, it might be suggested further, could only countenance one power centre, its own. However once this was accepted, the political process itself could take on the character of a series of pragmatic adjustments to take account of a continuously changing, if unequal, balance of weakness between the regime and major social forces, such as the Shanghai bourgeoisie. It was this process that Du Yuesheng well understood.

Du's role in Shi Liangcai's assassination remains enigmatic. Allegations were current at the time that he was "the prime instigator" of the murder but nothing could be proved. It is now clear that the assassination was carried out by Dai Li and his Juntong special services on the orders of Jiang Jieshi.60 Whatever his involvement might have been, Du benefitted enormously from the murder. He was appointed Chairman of Shi's newspapers - *Shen Bao*, *Xinwen Bao*, *China Evening News*, and *China Press*; and of course he became Chairman of the SCA. In many respects Shi's murder was a
necessary precondition for Du’s emergence as a leading political figure on the Shanghai scene. His political style, however, was quite different from that of Shi Liangcai. As Chairman of the SCA, Du worked closely with Wang Xiaolai, Chairman of the Chinese Ratepayers Association of the International Settlement. In mid 1936 Du gave Wang important support in a complex political conflict with his arch-rival Wang Yansong, a silk merchant and prominent member of the Shanghai Party Branch, for control of the Shanghai Municipal Chamber of Commerce (Shanghai Shi Shanghui). Du had an interest of his own in opposing Wang Yansong. Wang and his supporters had extorted money from one of Du’s prominent followers and member of the Endurance Club, Zhang Rongchu, during the anti-Japanese boycott in 1931. Zhang’s case was used as the means to disgrace Wang Yansong who was briefly imprisoned in Nanjing. The upshot of the conflict was that Wang Xiaolai was elected Chairman of the Chamber of Commerce, and Du was elected to its five man Standing Committee for the first time, in July 1936. Between them Wang and Du now controlled the Chamber of Commerce, and this gave them a commanding position within the Shanghai bourgeoisie.61

2) The Gaoqiao Rural Progress Association

Du Yuesheng used his position first as Deputy Chairman and then Chairman of the SCA to both project himself as a local leader representing Shanghai interests, and as a national figure who was involved in national politics. In this dual
role he actively supported the implementation of the Guomindang policies of "self-government" in Shanghai, and obtained the Municipal Government's agreement for the organisation of his native place, Gaoqiao, as a model district. In pursuit of this latter objective, Du, in his capacity as Deputy Chairman of the SCA, organised the Gaoqiao Rural Progress Association (Gaoqiao Nongcun Gaijinhui) in February 1934. Over the next two and one half years, from February 1934 to December 1936, the Gaoqiao Rural Progress Association assisted with the implementation of the Guomindang policy of baojia in Gaoqiao on an experimental basis. Baojia was a traditional system of collective security used by several Chinese dynasties by which village populations were organised into a hierarchy of units of mutual responsibility loosely based on a decimal system (ten families formed a pai, ten pai formed a jia, and ten jia formed a bao, and so forth). During the 1930s the Guomindang Government, initially in the context of its campaigns against the Communists in central China, used a remodeled version of the baojia system as an instrument for the extension of state control at the local level under the rubric of "local self-government". The participation of the Gaoqiao Rural Progress Association in this system is a further example of the co-operation of elements of the bourgeois elite, through organisations such as the SCA, and the local Guomindang authorities in the process of state building in Shanghai. Du Yuesheng, for his part, expressed his own belief in the shared interests of the Shanghai elite
and the Guomindang Government in the extension and consolidation of the State's power at the local level in a retrospective article on the activities of his Gaoqiao Rural Progress Association which appeared in the Xinwen Bao on 22 December 1936. In this article Du made the following observations:

The baojia system is the harbinger of local self-government. Those provinces and cities which have already implemented it have achieved fantastic results. As our city is the economic and cultural centre of the nation, it seems to me that it is important for it to have local self-government and facilities for organising the masses. . . Therefore I requested the Municipal Government to approve the implementation of baojia on an experimental basis in Gaoqiao district, and to immediately order the local police organs in Gaoqiao to take charge of this matter. [I told the Government that] my Association would do all in its power to help in order to achieve early results, and if there were any political problems about using the police, then [the Government could] order my Association to take responsibility, as it was more than willing to exert itself in the service of our [Municipal] Government and the local community.65
3) Citizenship Registration and the Elections to the National People’s Congress

Both Du Yuesheng and the SCA were also involved in the successive attempts by the Goumindang Government to organise elections for a proposed National People’s Congress (Guomin Dahui - NPC) in the course of the year from mid 1936 to mid 1937. One response of the Government to its crisis of legitimacy in 1931-1932 had been to emphasise its commitment to the implementation of the period of constitutional rule at the earliest opportunity. As a result the Legislative Yuan, under the presidency of Sun Ke, prepared a number of draft constitutions between 1932 and 1935. As part of this process the first plenary session of the Guomindang’s Fifth Central Executive Committee met on 5 December 1935 and decided both to promulgate the third draft constitution on 5 May 1936 and to convene the NPC on 12 November 1936, in order to mark the commencement of the period of constitutional government in Nationalist China. In order to qualify to vote in the elections for the proposed NPC the Chinese population first had to be registered as citizens, and a citizenship registration campaign was launched in August 1936. The official reason for the registration was the need to obtain adequate information on each individual which did not then exist because of the absence of a proper population census. In fact the process of citizenship registration was a potent political weapon which enabled the Guomindang Government to
decide who was and was not a "citizen" and, therefore, who could participate in the political process. 67

Within the French Concession the process of citizenship registration was undertaken by the Election Office for the Second Special District which was run jointly by the French Concession Chinese Ratepayers Association and the Second Special District Guomindang Branch. When the French authorities, concerned about the implications of the process of registration for their own authority in the Concession, halted the process in mid August, Du Yuesheng discussed the issue directly with the French Consul-General. As a result of Du's intervention the French authorities acknowledged that a "misunderstanding" had occurred and undertook not to interfere further with the registration campaign which was thereupon resumed in the Concession. 68 During August Du, in his capacity as Chairman of the Shanghai Civic Association, also officiated at various citizenship and oath-taking ceremonies, including one held by the Chinese Chamber of Commerce which involved 470 employees of the Chamber itself and affiliated associations. 69 At the same time Du Yuesheng's close Green Gang associate, Yang Hu, chaired a citizenship ceremony which involved about 1,000 members of the Chinese Seamen's Union. 70

In the event the meeting of the NPC was postponed for a year, until 12 November 1937, on the grounds that insufficient time had been allowed to conduct the citizenship registration and
hold the elections. Elections for the postponed NPC were held in July 1937, and Du Yuesheng stood as one of the three candidates for the French Concession; the other two being his Green Gang associate, Jin Tingsun, and his financial adviser and business ally, Qian Xinzhi. All three candidates had the support of both the French Concession Ratepayers' Association and the Second Special District Citizen's Federation which festooned the streets of the Concession with banners supporting their candidature. According to a translation made by the SMP these read as follows:

The National People's Congress is the principal factor for the consolidation of the national forces of the Republic of China against foreign aggression. We must elect Messrs Tu Yueh-sung[Du Yuesheng], Ching Ding-sung[Jin Tingsun] and Chien Sing-tse[Qian Xinzhi] as our representatives to the Congress.

The elections for the 20 Shanghai delegates to the NPC were held on the 18 July 1937. The candidates were elected on the basis of a combination of occupational and geographical constituencies, with twelve delegates representing organisations such as trade unions, business associations and peasant associations, and the remaining eight representing the different areas of Shanghai. The SCA was well represented and, in fact, its members formed the majority of the delegates. Not only were the delegates representing the business community drawn from its ranks, so also were many of
those representing geographical constituencies, and indeed even one who ostensibly represented the peasantry. Among the ranks of the elected delegates who were also members of the SCA were to be found Wang Xiaolai, Yu Xiaqing, Lin Kanghou, Guo Shun, Qian Xinzhi, and of course Du Yuesheng. Indeed in their composition the Shanghai delegates to the NPC clearly represented Du Yuesheng's own network of power. In addition to his colleagues from the SCA, the delegates also included two of Du's leading Green Gang followers, Lu Jingshi and Zhu Xuefan, who represented the Shanghai trade unions, together with his Green Gang colleague, Jin Tingsun, who like Du was one of the delegates from the French Concession. These elections, however, were overtaken by the Marco Polo Bridge Incident which initiated the Sino-Japanese War; on 13 August the war came to Shanghai, and the NPC never met.

4) The SCA and National Crises: the December Nine Movement and the Xi'an Incident

In addition to its participation in the political processes of the Guomindang state, the SCA, under the chairmanship of Du Yuesheng, was also an important source of support for the regime during periods of national crisis. Two major examples are provided by the December Nine Movement of 1935 and the Xi'an Incident of December 1936. On 9 December 1935 about 6,000 students in Beiping demonstrated against continued Japanese incursions in North China, in particular against the creation of the East Hebei Autonomous Council, a semi-
autonomous regime which was under the effective control of the Japanese military. The students also opposed the Nanjing Government's policy of continuing appeasement in the face of Japanese military aggression, which led the Chinese Government to create its own autonomous organisation in North China, the so-called Hebei-Chahar Political Council. By the end of the first week the number of students involved in the demonstrations in Beiping had more than doubled to 15,000, and the movement spread to the other major cities of China, including Shanghai. On 24 December there were major student demonstrations in Shanghai, and the Mayor, Wu Tiecheng, was presented with a request from the students for permission to go to Nanjing to present a petition to the Government. Mayor Wu, however, refused and forbade any further demonstrations in line with instructions he had received from the Minister of Education, Wang Shijie. On the following day, Christmas Day 1935, Wu held a meeting with Du Yuesheng and other members of the SCA to discuss the student situation in Shanghai. At this meeting Du and his SCA colleagues expressed their approval of the Mayor's actions, and offered their assistance to the Municipal Government in the preservation of peace and order in Shanghai. In this way the SCA under the chairmanship of Du actively assisted the Chinese Municipal authorities in their attempts to limit the political consequences of the December Nine Movement in Shanghai.
A year later an even more serious political crisis confronted the Nanjing Government as a result of the detention of Jiang Jieshi by Zhang Xueliang in Xi’an on 12 December 1936. Zhang’s purpose was to persuade Jiang to end the civil war with the communists and form a united front with them against Japan. Du Yuesheng was one of the first members of the Shanghai elite to rally to Jiang’s support. Du, together with Wang Xiaolai and Qian Xinzhi, sent an urgent telegram to Zhang in the name of the SCA and the Shanghai Chinese Chamber of Commerce in which they offered to go themselves to Xi’an as hostages in return for Jiang’s release. It is possible that Du hoped to use his long established relationship with Zhang to gain Jiang’s release. Du had had business dealings involving contraband opium with Zhang in the past; and in March 1933 he had extended his personal protection to Zhang when the latter came to Shanghai at a time when he was the subject of numerous assassination attempts and death threats because of his reputed loss of Manchuria to the Japanese. Although nothing came of Du’s offer, it should not for that reason be dismissed as merely an empty political gesture, given the fact that by the end of 1936 he was a key element in the Guomindang’s structure of power in Shanghai. On Jiang’s release from Xi’an on Christmas Day 1936, Du was among the first to travel to Nanjing to offer his sympathy and congratulations to the Generalissimo.

It is clear that by 1937 Du Yuesheng had established the SCA as an organisation which exercised influence not only at the
level of local Shanghai politics, but also at the level of national politics. He justified this dual role of the SCA in a speech in January 1937. He said in part:

The character of our Association was originally limited to local matters, but ... Shanghai is the centre of China's domestic and foreign communications the centre of the national economy. Its position is unusually important, therefore the work of our Association cannot be limited to the district and cannot have a limited character. We all know what is necessary, for example, the labour question, the financial questions, the problem of international affairs etc. ... I hope that all the gentlemen of our Association will recognise their common responsibilities and will make common efforts.80

(6) The Endurance Club (Heng She)

Another important organisation which contributed to the enhancement of Du Yuesheng's power in the 1930s was the Endurance Club. It was established in November 1932 (although it did not formally open for business until February 1933) with the express purpose of coordinating Du's various interests and effectively projecting his power in Shanghai. The key figures in this organisation were Lu Jingshi, Wan Molin and Chen Chun. It was Lu who played the principal role in the club's planning and organisation, and
who suggested that it take the form of a "social organisation (shetuan)", that is a club, in order to avoid the Guomindang Government's formal proscription on secret society organisation.\textsuperscript{81} Chen Chun, a professional politician and former secretary to Du, suggested the club's name, while Wan Molin, Du's erstwhile butler, was in charge of the club's day-to-day administration.\textsuperscript{82}

On Lu Jingshi's advice, the Endurance Club was created as a deliberately elitist organisation whose membership was restricted to those with social standing; that is politicians, government and military officials, industrialists, financiers and professionals. In other words it was conceived as a vehicle for the realisation of Du Yuesheng's ambition to influence significantly the local Chinese political structures in order to enhance his own interests and position in Shanghai. Membership, therefore, was not open to all of Du's followers, and the majority of his gangster coterie were excluded. Thus the Endurance Club was distinct from, but complementary to, Du's Green Gang group. Prospective members of the Club underwent a membership ceremony similar in many respects to that of a secret society, and which involved their acknowledgement of Du as their "teacher (baishili)". They were not inducted, however, into the Green Gang and Du refrained from instructing them in the secret language of the Green Gang.\textsuperscript{83}
Given this specific nature of the Endurance Club its membership remained relatively small, numbering in the hundreds rather than the thousands. Nevertheless within those limits there was a remarkable expansion of membership prior to the outbreak of the Sino-Japanese War. In the four year period from February 1933 to May 1937 membership increased more than four-fold, from 130 to 564. According to the data on the 402 members for whom details are available, the majority were businessmen and industrialists, 54 per cent of the total. These were followed by politicians and government officials, 24 per cent, and next came professionals (lawyers, journalists, medical practitioners, educationalists etc), 13 per cent. The smallest number of members were represented by trade unionists, 6 per cent, and by military officers, 3 per cent. However it should be noted that the trade union members were entirely composed of Post Office employees. The overwhelming majority of Endurance Club members, 80 per cent, lived and worked in Shanghai, and most of the remainder came from the nearby provinces of Zhejiang and Jiangsu. An interesting figure is the 5 per cent of members who lived and worked in Nanjing, which indicates that Du Yuesheng's organisational network was well-entrenched within the national capital itself.

The Endurance Club had a formal organisational structure, complete with periodic congresses, a nineteen-member executive committee, a nine-man standing committee, and an fifty-member advisory council. Organisationally the Standing
Committee of the Executive Committee was the highest decision making body of the Club; and between 1934 and 1936 the membership of the Standing Committee of the Second Executive Committee consisted of Lu Jingshi, Cai Futang, Zhang Kechang, Xu Maotang, Zhang Rongchu, Zhang Zilian, E Shen, Zhang Shichuan, and Chen Dazai. In June 1936 in an attempt to encourage greater involvement by the membership in the activities of the Club an Advisory Council (Pingyi Hui) was established. It consisted of fifty members, or ten per cent of the Club’s total membership at that time, who met every second month, and its aims were to strengthen the Club’s organisation and to promote the cohesion of its membership.

This formal structure, however, meant very little in practice. The Endurance Club was Du Yuesheng’s organisational instrument and everything was in fact directly controlled by him. The membership voted as Du directed, and he would select a list of officeholders which would be read out at the Congress and formally voted through by the membership. Power did not reside in the formal structure but in Du and his immediate coterie, Lu Jingshi and Wan Molin. Lu Jingshi emphasized the character of the Endurance Club as Du’s personal organisation in his speech to the Club’s Third Anniversary Congress. In this speech he observed that the Club had only one leader and only one centre and that was Du Yuesheng, and went on to remark that all Endurance Club members had to "serve Mister Du like dogs and horses".
By the mid 1930s Du’s Endurance Club was the most powerful organisation within the Shanghai Green Gang because of its links with the Shanghai bourgeoisie and with Guomindang politicians and government officials. Its very success inspired imitation both from among Du’s followers and from his Green Gang colleagues and rivals. Among his followers, Lu Jingshi organised a "Tranquility Club (Jing She)", and Zhu Xuefan a "Resolute Club (Yi She). Among Du’s colleagues, Yang Hu set up his "Revive China Study Association (Xingzhong Xuehui)" in 1936, Jin Tingsun his "Engraved Club (Ming She)" and Wang Xiaolai his "Risen Club (Sheng She)". Even Huang Jinrong followed the fashion when he set up his "Fidelity Club (Zhongxin She)" in 1936, its name no doubt a bitter comment on his deteriorating relations with Du Yuesheng.91

(7) Du Yuesheng’s Ascendancy Within the Shanghai Green Gang System

As the rush among Green Gang leaders to create their own versions of the Endurance Club indicates, Du Yuesheng enjoyed a position of primacy within the Green Gang structure in the mid 1930s. By then Du had succeeded in eliminating his major rivals and in asserting his preeminence over his two erstwhile colleagues, Huang Jinrong and Zhang Xiaolin.
1) The Challenge from Gu Zhuxian

By 1935 the most serious threat to Du’s position was provided by the ambitions of the Green Gang boss Gu Zhuxian, who began to extend his influence beyond his bailiwick and into other areas of Shanghai. In late 1930, for example, he became a follower of Huang Jinrong in order to extend his influence into the French Concession. During the Shanghai Incident, in April 1932, he was, as noted earlier, the principle figure behind the creation of the pro-Japanese Zhabei Puppet-Government. The major activity of this Government was the establishment of gambling and opium dens, and it is probable that Gu attempted to capitalise on Du Yuesheng’s conflict with the French authorities over the removal of Du’s narcotics and gambling operations from the Concession. Du, therefore, had every reason to consider Gu a threat to his position.

In the autumn of 1935, however, Gu’s position suddenly collapsed when he was arrested by the French Police for the murder two years earlier of Tang Jiapeng, the manager of the Great World Amusement Centre and a follower of Huang Jinrong. Gu was tried, found guilty and sentenced to fifteen years imprisonment. He successfully appealed against the sentence, however, and was released in December 1936 after having been imprisoned for fifteen months. Although some sources suggest that Du Yuesheng framed Gu, the evidence does suggest that Gu did in fact arrange Tang’s murder in 1933. However it is
possible that Du encouraged the investigation by the French Police in 1935, and he certainly stood to gain by Gu’s incarceration. His trial and imprisonment eliminated Gu as a serious rival of Du Yuesheng, and when he emerged from prison his power was greatly diminished. Du followed up Gu’s discomfiture by eliminating the power of Gu’s cousin and ally in the French Concession, one Jin Jiulin.94

2) Tensions with Huang Jinrong and Zhang Xiaolin

By 1934 the close co-operation between the three French Concession Green Gang bosses, which had ensured the supremacy of their organisation within the Green Gang system in Shanghai since the early 1920s, had effectively broken down. The reason was that neither Zhang Xiaolin nor Huang Jinrong had accommodated themselves to the political realities of the new Guomindang corporatist system as successfully as had Du Yuesheng. As a result both Zhang and Huang lost substantial authority and power to Du, which enabled him to emerge as the undisputed Green Gang boss in Shanghai in the course of the 1930s.

Although he co-operated with the authorities of the new Guomindang state after 1927, Zhang Xiaolin never developed the same close working relationship with them as did Du, and which he himself had enjoyed with the authorities of the previous warlord regimes in the 1920s. Indeed Zhang’s authority and influence in the French Concession Green Gang
system, as noted in an earlier chapter, derived from his close association with those local warlords who belonged to the Anfu Clique and later with Sun Chuanfang and Zhang Zongchang; and he was the one of the three bosses who had been least enthusiastic about co-operation with the Guomindang in early 1927. During the 1930s Zhang's position within the Green Gang structure derived from his large network of followers within the French Concession, and his diverse business interests, many of which were in association with Du Yuesheng, such as the Lin Ji Timber Company (Lin Ji Muhang) which traded in timber products from the Soviet Far East.95 Of particular importance was his standing and influence with the French authorities which continued even after the closure of the gambling dens and the removal of the narcotics operations from the Concession in 1932. Nevertheless Zhang experienced an erosion of his power after 1932 as increasing numbers of his Green Gang followers left him for service with Du Yuesheng. At the same time, Du was able to use his political connections to exclude Zhang from particularly lucrative financial deals. A case in point was the Government's currency reform of 1935, when Du obtained prior knowledge of the Government's plans but failed to inform Zhang, because he wished to exploit the financial advantage for himself. Zhang deeply resented Du's actions in this affair.96

Huang Jinrong, for his part, was in a state of virtual semi-retirement by 1930. As noted in previous chapters, the Lu
Lanchun affair of 1924 involved a major loss of prestige for Huang, and in its aftermath he was compelled to share his power on a more equal basis with his former subordinates Du Yuesheng and Zhang Xiaolin. The process of decline continued with Huang’s enforced resignation from the Chinese detective squad of the French Concession Police in 1925. By 1927, therefore, Huang’s power within the French Concession had declined significantly, although he remained an influential figure within the French Concession Green Gang organisation.

At the same time Huang lost touch with the centres of power in the new Guomindang state after 1927, and particularly after 1932. Although he, alone of the Green Gang leaders in 1927, was personally known to Jiang Jieshi, and indeed had introduced his colleagues to the latter on the eve of the anti-Communist purge, his relationship with Jiang dated from the 1910s, that is the period prior to Jiang’s emergence as a power-broker within the re-organised Guomindang. Despite his involvement in the anti-Communist purge in April 1927, Huang had not maintained contact with Jiang in Guangzhou in the 1920s, and, unlike Du Yuesheng, he did not develop relations with the new political groups and politicians, such as the Chen brothers and their CC Clique, Kong Xiangxi (H.H. Kung), Song Ziwen and other prominent political and financial figures who made up Jiang’s network of power in the 1930s. His isolation from Jiang’s network is illustrated by his decision to offer Wang Jingwei his protection in 1931, as noted in the previous chapter.
Huang also failed to diversify the recruitment of his followers by including petty politicians and businessmen, as was done so effectively by Du Yuesheng through his Endurance Club. His followers, therefore, continued to be drawn in the main from the gangster demi-monde, and only two of them, Tang Jiapeng and Ding Yongchang, demonstrated any skill in furthering the interests of their boss in the changed environment of the 1930s. Huang did not develop any substantial relationship with the Chinese business or financial communities of Shanghai to the degree that Du Yuesheng, or even Zhang Xiaolin, succeeded in doing in the 1930s. Indeed he refused to do so, and contented himself with maintaining his interests in those concerns, such as theatres, amusement centres, hotels and bathhouses, associated with the popular entertainment industry of Shanghai; in fact those "legitimate" business interests traditionally preferred by Shanghai gang bosses. The only serious business venture which Huang undertook in the 1930s was the Great World Amusement Centre which he took over from Huang Chujiu in 1931.97

It is not surprising, therefore, that Huang's power declined markedly in the 1930s, especially in relation to that of Du Yuesheng, and that he became increasingly more marginalised within the power structure of the Shanghai Green Gang. As this process unfolded serious tensions and covert conflict emerged in the relationship between Huang Jinrong and Du Yuesheng. In 1933, as noted above, Huang attempted to
undermine Du's relationship with the Jiang Jieshi by revealing to the latter the full extent of Du's role in the morphia scam of that year; and although Du was able to extricate himself successfully from the ensuing controversy he did so only with some difficulty, and Huang came very close to realising his objective. Some two years later, in early 1936, Du struck a blow against Huang's prestige when his leading follower, Lu Jingshi, the newly appointed Head of the Martial Law Division of the Wusong-Shanghai Garrison Command, arrested Chen Peide, one of Huang's foremost followers and the Chairman of the BAT Trade Union, as a suspected communist. The immediate cause of this incident was competition between Lu and Chen for control of the SGLU, but the deeper cause was the covert conflict between Huang and Du. Huang was outraged and demanded that Yang Hu, the Wusong-Shanghai Garrison Commander, release Chen immediately; at the same time he complained to Jiang Jieshi who ordered Yang to conduct an investigation into the affair. On his release Chen accused Lu of deliberately slighting the authority of Huang Jinrong. 98

A further incident occurred in December of the same year when one of Huang's closest Green Gang associates, Cheng Ziqing, a Chinese Chief Detective Inspector with the French Concession Police's Surete, was accused by the Guomindang authorities of spying for the Japanese in Shanghai. Cheng approached Huang to request the latter's help in clearing up the allegations against him, and Huang was compelled to
request Du Yuesheng to use his contacts in the local administration to clear up the "misunderstanding". Du wrote to Geng Jiaji, the French Secretary of the Municipality of Greater Shanghai, who investigated the case and recommended the withdrawal of the accusations against Cheng. This incident revealed starkly Huang's lack of standing with the local Guomindang authorities by the mid-1930s, which greatly limited his own capacity to help even old colleagues when they ran foul of these authorities without recourse to Du Yuesheng's assistance.

Neither Zhang nor Huang accepted passively their diminished power vis-a-vis Du Yuesheng, and both took measures to undermine his position in the mid-1930s. Zhang, for example, set up a couple of organisations whose principle purpose was to oppose Du's Endurance Club. One of these was called the Chinese Mutual Progress Association (Zhonghua Gongjinhui), which was an unmistakeable reference back through the organisation of the same name of 1927 to the original Mutual Progress Society created by Green Gang leaders in 1912. The other was called the Hut of Tolerance (Ren Lu), which was, perhaps, a whimsical rejoinder to the name of Du's organisation, the Endurance Club.

Similarly Huang Jinrong approved the establishment of the Fidelity Club in the summer of 1936 with the purpose of covertly undermining Du's Endurance Club by exploiting tensions and contradictions among its membership. Neither
attempt by Zhang and Huang was successful. The problem was that Du Yuesheng was just too powerful; with his political connections he completely isolated his two former colleagues. There was some recognition of this fact in the comments on his relations with Du which Huang Jinrong made in 1939 to Xue Gengxin of the French Concession Police. Huang said in part

It is well known that I involved Du Yuesheng in the setting up of my opium and gambling concerns in the French Concession, on the recommendation of my fellow townsmen from Suzhou, Chen Shichang. To begin with he [ie. Du] called me 'Uncle Huang'. With the victory of the Northern Expedition forces in Shanghai, Jiang Jieshi came to Shanghai not long before the Party Purification of 12 April, and I personally introduced Du Yuesheng to him at Longhua Airfield.... After the Party Purification, my follower Chen Peide, and Du's followers Lu Jingshi and Zhou Xuexiang became leading figures in the Shanghai trade unions. However Chen's ability to get things done fell far short of Lu's. Du made effective use of peddling National Government bonds, and his prestige outstripped my own. As a result when Du telephoned me, he no longer called me 'Uncle Huang' but 'Elder Brother Jinrong'. This left a bad taste in my mouth.
3) Relations with the Triads

In addition to the creation of the Endurance Club and the assertion of his primacy within the Green Gang system, Du Yuesheng also established a close relationship with the leadership of the Triads (Hongmen). This development further strengthened Du's central position within the secret society organisations of Shanghai and his key role in mediating the relationship between these organisations and the Guomindang political authorities in the 1930s. By the 1920s the Triad organisation in Shanghai, as noted earlier, had entered a period of decline and was very much weaker than that of the Green Gang. The marginalisation of the Triads in Shanghai was compounded by the close relationship which elements of the Green Gang leadership established with the Guomindang authorities from the late 1920s on. This situation bred enormous resentment of the Green Gang among Triad members, which was only exacerbated by the necessity for Triad leaders to join the Green Gang organisation if they wished to prosper in Shanghai. Good examples of this phenomenon were the careers of Wang Yucheng, Xu Langxi and Zheng Ziliang. All three were prominent Triad leaders, both Wang and Xu played an active part in the 1911 Revolution, and both set up their own Triad lodges (the Five Sages Mountain - Wuxing Shan - by Wang, and the Valley of Clouds Mountain - Yuyun Shan - by Xu); while Zheng was a leader of the Triad Guangdong Gang (Guang bang) which ran the opium dens in Shanghai. Nevertheless, all three found it necessary to join the Green
Gang in order to effectively pursue their activities in Shanghai; both Wang and Xu belonged to the "Da" generational status group of the Green Gang, while Zheng belonged to the "Tong" generational status group.\textsuperscript{103}

Periodic attempts, nevertheless, were made in concert with the Guomindang politicians in Shanghai to revitalise the Triad organisation both to counteract the severe fragmentation of that organisation which had accompanied its marginalisation after 1916, and to restore its political links with the Guomindang. The first attempt occurred in 1929 with the creation of the Five Sages Mountain (Wuxing Shan) by five Triad leaders in Shanghai; Xiang Songpo, Ming De, Zhu Zhuowen, Mei Guangpei and Zhang Zilian. Despite its avowed aim of challenging the Green Gang's dominant position in Shanghai and the fact that its leadership had very close links with the Guomindang, this organisation lacked any substance and never posed a serious challenge to the Green Gang ascendancy in Shanghai.\textsuperscript{104} A second, and more structured attempt was made in 1936 when Wang Yucheng and several other Triad leaders organised the Triad Promotion Association (Hong Xing Xiehui - TPA). This association brought together over thirty separate Triad groups in Shanghai, each of whom nominated five of its members to represent it on the TPA; the latter body therefore had over 150 members and served to co-ordinate the activities of these Triad groups. The TPA was also the official liaison body between the various Shanghai Triad organisations and the
local Guomindang authorities, and it had the enthusiastic support of Jiang Hao, a member of the executive committee of the Shanghai Municipal GMD Party Branch who was also a member of the TPA.\textsuperscript{105}

Du Yuesheng had well-established connections with certain Triad leaders through their common involvement in the contraband opium traffic, as noted in an earlier chapter. As part of the operations of the Three Prosperities Company, Du maintained close relations with two Triad leaders in particular: Yang Qingshan, who was one of the three leaders of the Triad organisation in Hankou and who controlled the transportation of Sichuan opium through Hankou; and Zheng Ziliang, who was one of the leaders of the so-called Guangdong Group of the Triads (Guang Bang) in Shanghai which controlled the local opium hongs.\textsuperscript{106} In the 1930s Du expanded his connections with the Triad groups in Shanghai to take account of the restructuring of the Triad organisation undertaken under the auspices of the Guomindang. The key figure in Du's relations with these politically oriented Triad organisations was Zhang Zilian. Zhang, as has been pointed out, was one of the five leaders of the Five Sages Mountain and was head of the Xinliantang (the Lodge of Trust and Integrity) which was one of the five lodges that composed the Five Sages Mountain. He was also, however, a prominent member of Du Yuesheng's Endurance Club, and was a member of the Standing Committee of that body's Second Executive Committee which was appointed in 1934. In the mid-1930s
Zhang became a leading member of the TPA, and it was his position on that body's executive committee which enabled Du to influence that organisation's activities. Zhang's work on Du's behalf was complemented by that of Mao Yun, who was also a member of Du's Endurance Club as well as being a member of the TPA and of the Shanghai Party Branch. In this way Du was able to exercise some control over the Triad organisations in Shanghai and to monitor their relations with the local Guomindang.

In conclusion, the nature of Du Yuesheng's relations with the Guomindang changed significantly after 1932, and this change was intimately associated with the establishment of a system of state corporatism by the Nanjing Government. Du, in fact, was co-opted by the Guomindang state and became an important element in the new corporatist system as it functioned in Shanghai. The key aspects of this co-option were Du's alliance with the CC Clique, which provided the political context for his involvement with the corporatist structures in Shanghai; his rapprochement with the reformist leaders of the major "yellow unions", such as Lu Jingshi and Zhu Xuefan, which, together with his relations with the CC Clique, ensured for Du a major role in the Guomindang's industrial policy; and his chairmanship of the Shanghai Civic Association which enabled him to play a prominent role in the mediation of relations between the municipal and national authorities and the Shanghai bourgeoisie. It was this active involvement with the structures of the Guomindang's
corporatist state which clearly distinguished Du's activities in the period after 1932 from the years that went before, and which enabled him to emerge as an influential political power broker in his own right in Shanghai. At the same time Du's co-option by the Guomindang corporatist state gave him a crucial advantage over his erstwhile Green Gang colleagues and enabled him both to consolidate his power within the Green Gang system and to extend it over the Triad organisations in Shanghai. Indeed, it can be argued that Du was the means by which the Guomindang incorporated the secret society organisations in Shanghai into its new corporatist political system. It was this corporatist system which also provided the institutional framework which enabled Du to expand his economic interests after 1932, as discussed in the following chapter.
Endnotes

1. See the following chapter for a discussion of Du's economic interests in the 1930s.


3. Ibid., p.31.


5. Eastman, p.68.

6. Ibid., p.54. For the CC Clique see below.


15. NCH, 19 October 1932.


18. In the Shanghai Shi Nianlian 1937 (Shanghai Municipal Yearbook 1937), Shanghai: Shanghai Shi Zhengfu, 1937, pp. 2-6, the nine members of the Shanghai Party Branch’s Eighth Executive Committee were given as follows: Wu Xingya, Pan Gongzhan, Tong Xingbai, Jiang Huaisu, Lu Jingshi, Chen Junyi, Lin Meiyan, Tao Baichuan, and Cai Hongtian. The five members of its Supervisory Committee, listed in the same publication, were Wu Kaixian, Wang Yansong, Yu Hongjun, Wu Xiu, and Jiang Hao.

19. Huang Jingzhai, “Guomindang CCxi de Gan She (The Guomindang CC Clique’s Action Club)”, Wenshi Ziliao Xuanii, 6 (1986):131-138. These observations are corroborated by the contemporary reports of the Shanghai Municipal Police. See, for example, "The Fascisti Movement in China" (Memorandum by Supt. Robertson, 20 June 1933), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D4685.

20. Ibid., p.139.


24. "Memorandum on Mr Tu Yueh-sung alias Tu Yuin" (Report, 8 July 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D9319.

25. Huang Jingzhai, p.134. It might be noted here that several leading members of the CC Clique’s Shanghai organisation found membership of the Green Gang useful in the furtherance of their intelligence activities. For example, Li Shijun, the head of the Action Club’s


28. "Local Kuomintang plans to control local merchants" (Report by D.I. Sih Tse-liang, 16 June 1936), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D7382.

29. For details of the Endurance Club see section 6 below.


31. Huang Jingzhai, pp.142-155.

32. Shanhai Mainichi, 8 July 1933, cited in "Translations from the Shanghai Press" (8 July 1933), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D4685.


34. Shen Zui, pp.47-50.

35. Guo Lanxin, p.319; Da Liumang Du Yuesheng, p.56; "Allegations against Mr Lo Ching Dz" (Report by D.I.Pan Lien-pih, 9 March 1933), Shanghai Municipal Police, Special Branch Sect 1, Investigation File D9638.
36. Zhang Jungu, V.3, p.126; Huang Jingzhai, p.136; "Meeting of the New Life Movement" (Report by D.S.I. Shields, 19 February 1936), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D4685; Daily Intelligence Report (1 May 1936), Shanghai Municipal Police, Special Branch, Investigation File D4797; "Organisation à Shanghai du 'Comité' Chargé de la Rééducation des Prisonniers Politiques" (2 June 1936), Consulat- Général de Shanghai, Service de Police, Service Politique, Rapport 1123/2.

37. Daily Intelligence Report (28 December 1932), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D3648; Intelligence Report - Political (18 April 1936), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D3648; "Alleged arrival in Shanghai of General Yang Hu" (Report by Supt Tan Shao Liang, 24 October 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File [no number].

38. NCDN, 24 July 1937; "Reported appointment of General Yang Hu to Shanghai Mayorship" (Report by Tan Shao Liang, 26 July 1937), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D7584.

39. Zhu Xuefan, "Shanghai gongren yundong yu banghui er'sanshi (One or two things about the secret societies and the Shanghai labour movement)", in Jiu Shanghai de Banghui, p.5; Da Liumang Du Yuesheng, p.56.


43. Hammond, pp. 162-167; China Forum, 28 May 1932; China Forum, 4 June 1932; China Forum, 18 June 1932; Cunningham [Cons.-Gen., Shanghai] to Sec. of State, Washington, "Political Report for May 1932" (8 June 1932), 893.00 PR Shanghai/47.

44. China Forum, 18 September 1933.

45. China Forum, 22 October 1933; Ma Chaojun, V.3, pp1197-2201; "Hung Shing Hosiery Factory - Workers solicit assistance from Tu Yueh-sung" (Report by D.I. Sih Tse-Liang, 16 July 1936), Shanghai Municipal Police, Special Branch, Sect.1, Investigation File D7020; Shanghai Evening Post and Mercury, 25 November 1936; "Situation in the Toyoda Cotton Mill and the strike of workers" (Report by D.I. Nakamura, 23 February 1937), Shanghai Municipal Police, S.P.O.'s Office, Headquarters, Investigation File D7803; Shanghai Times, 24 April 1937; Daily Intelligence Report (8 April 1937), Shanghai
Municipal Police, Special Branch, Sect.1, Investigation File D7836.

46. This organisation had been set up in 1929 largely through the efforts of the leadership of the Postal Workers' Union, notably Lu Jingshi, in order to press the claims of the reformist trade unions and to lobby for the repeal of the 1929 Trade Union Law. It was not officially recognised by the Shanghai GMD Branch, however, until October 1933, and was not given any legal standing by the Government until September 1934. Hammond, pp77-83.

47. Zhu Xuefan, pp.8-10, 18-19.


50. "Action Against Drug Establishments in Nantao" (Secret and Confidential Report by D.S. MacAdie, 25 November 1933), Shanghai Municipal Police, Special Branch Sect.1, Investigation File [no number].


52. Da Liumang Du Yuehsheng, p.37; "Action Against Drug Establishments in Nantao" (Secret and Confidential Report by D.S. MacAdie, 25 November 1933), Shanghai Municipal Police, Special Branch Sect. 1, Investigation File [no number].

53. "Action Against Drug Establishments in Nantao" (Secret and Confidential Report by D.S. MacAdie, 25 November 1933), Shanghai Municipal Police, Special Branch Sect.1, Investigation File [no number]; "Action against Drug Establishments in Nantao" (Secret and Confidential Report by Supt Tan Shao-Liang, 30 November 1933), Shanghai Municipal Police, Special Branch Sect.1, Investigation File [no number]. Clubb [Vice-Cons., Hankow] to Adams [Cons.-Gen.], "The Opium Traffic in China" (24 April 1934), 894.114 Narcotics/738; "Memorandum on Mr Tu Yueh-sung alias Tu Yuin" (8 July...
1939), Shanghai Municipal Police, Special Branch, Investigation File D9319.


56. Sues, pp.73-74, 94.

57. C.E. Gauss [Cons.-Gen., Shanghai] to Sec. of State, Washington, "Political Report for July 1936" (5 August 1936), 893.00 PR Shanghai/94; Shanghai Times, 22 May 1937; Daily Intelligence Report (7 July 1937), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D7318.


60. "Memorandum on Mr Tu Yueh-sung alias Mr Tu Yuin (8 July 1939), Shanghai Municipal Police, Special Branch Sect.2, Investigation File D9319; Shen Zui, pp.161-164.

61. "Alleged extortion by staff members of the Chinese Chamber Of Commerce" (Report by D.L. Sih Tse-liang, 27 April 1936), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D7382; "Detention of Wang Yien-Soong in Nanking" (Report by D.L. Sih Tse-liang, 22 May 1936), Shanghai Municipal Police, Special Branch Sect.1 Investigation File D7382; Min Bao, 2 July 1936; "Meeting held in the Chinese Chamber of Commerce" (Report by D.S.I. Shields, 1 July 1936), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D7382.

62. Da Liumang Du Yuesheng, p.64.


65. Da Liumang Du Yuesheng, op.cit.


67. Minguo Dashi Rizhi, V.1, p.536; Tsao, p19; Resume of the Registration of Chinese Citizens Sponsored by the National Government" (Report by D.I. Sih Tse-liang, 19 August 1936), Shanghai Municipal Police, Special Branch, Sect.1, Investigation File No. D7493.

68. Daily Intelligence Report (11 August 1936), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D7493; Daily Intelligence Report (12 August 1936), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D7493; Xinwen Bao, 14 August 1936.

69. Daily Intelligence Report (17 August 1936), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D7493.

70. Daily Intelligence Report (19 August 1936), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D7493.

71. The Shanghai Evening Post and Mercury, 25 May 1937; Tsao, p.19.

72. Daily Intelligence Report (17 July 1937), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D7493.

73. Daily Intelligence Report (26 July 1937), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D7493.

75. Da Liumang Du Yuesheng, p.62; Israel, p.301.

76. Da Liumang Du Yuesheng, p.63.

77. Ibid., pp63-64.

78. Cunningham [Cons.-Gen., Shanghai] to the Secretary of State [Washington, D.C.] (1 April 1933) "Political Report for March 1933", 893.00 P.R. Shanghai/56.

79. Da Liumang Du Yuesheng, op.cit.


84. Da Liumang Du Yuesheng, p.57; Heng She Yuekan (The Endurance Club Monthly), 16-17 (May 1937):106.

85. These percentages are based on the 402 members for whom details are available, which were obtained from the following three sources: (a) 1934 Membership List containing details of 324 members; (b) List of new members for December 1936 with details of 44 individuals; (c) List of new members for May 1937 with details of 34 individuals; Jiu Shanghai de Banghui, pp.369-382; Heng She Yuekan, 16-17 (May 1937):119-122.

86. These percentages are based on the 239 names from membership lists for which explicit details of residence and place of occupation are available; Jiu Shanghai de Banghui, pp.369-382; Heng She Yuekan, 16-17(May 1937):119-122.


89. Jiu Shanghai de Banghui, pp 367-368; Heng She Yuekan, 16-17 (May 1937):107-111; Guo Lanxin, op.cit.; Da Liiumang Du Yuesheng, op.cit.


91. Guo Lanxin, pp.301, 309; Da Liiumang Du Yuesheng, p.57; Wang Yangqing, et al., p.64.

92. For information on the early career of Gu Zhuxian see Chapter One.

93. "Chang Ching Mou" (Report by Supt Pan Shao Liang, 30 December 1930), Shanghai Municipal Police, Special Branch, Personnel File CA178; "List of Public Organizations in Shanghai" (Report by D.I. Crawford, 8 October 1938), Shanghai Municipal Police, Special Branch Sect.1, Investigation File D4683; "Administrative Organ in Chapei - Chinese Authorities order arrest of its members" (Report by Supt Tan Shao-liang, 7 April 1932), Shanghai Municipal Police, Special Branch, Investigation File D3445; "Louza Station: Translation of Handbills Thrown from Roof of Wing On Building, Nanking Road" (26 October 1935), Shanghai Municipal Police, Special Branch, Investigation File D7057.

94. Xue Gengxin, Jiu Shanghai de Banghui, p.96; "Louza Station: Translation of Handbills (etc.)" (26 October 1935), Shanghai Municipal Police, Special Branch, Investigation File D7057; Li Baq, 18 December 1936; Dagong Baq, 5 March 1937; Shanghai Evening Post and Mercury, 25 June 1937; Wang Yangqing, et al., op.cit.; Jiang Hao, "Hongmen lishi chutan", p.61.

95. Yu Yunjiu, "Wo suo zhidaode Zhang Xiaolin (The Zhang Xiaolin I knew)", in Jiu Shanghai de Banghui, p.348; "Relations between Soviet Authorities and Tu Yueh-sung" (Report by D.S.I. Duncan, 8 February 1934), Shanghai Municipal Police, Special Branch, Section 1, Investigation File No. D5532.

96. Zhu Jianliang and Wu Weizhi, "Zhang Xiaolin", p.163. For a discussion of Du Yuesheng's involvement in the the currency reform of 1935, see the following chapter.

97. Huang Zhenshi, "Wo suo zhidaow Huang Jinrong (The Huang Jinrong I knew), in Jiu Shanghai de Banghui, pp176-177. Huang's involvement in the takeover of Huang Chujiu's business concerns is discussed in the following chapter.

98. Cheng Xiwen, "Wo dang Huang Jinrong guanjia de jianwen (What I saw and heard as Huang Jinrong's butler)", in Jiu Shanghai de Banghui, pp163-164; Huang Zhenshi, p.177. Neither of these two Chinese sources provide an
exact date for this incident, and in an article published in 1985 I suggested that it occurred in 1927. I am now persuaded by other evidence that this date is too early, and that the incident actually occurred in early 1936, possibly April 1936. My supposition rests on the facts that Lu Jingshi did not take up his post as Head of the Martial Law Division of the Wusong-Shanghai Garrison Command until September 1935, when he took over from Tao Baichuan who had held the position for the previous two years; and that Yang Hu was not appointed to the post of Wusong-Shanghai Garrison Commander until the end of March 1936, and did not in fact take up the post until mid-April. Martin (1985), p.106; C. E. Gauss [Cons.-Gen., Shanghai] to Sec. of State, Washington, "Political Report for April 1936" (7 May 1936), 893.00 P.R. Shanghai/91; "Daily Intelligence Report" (18 April 1936), Shanghai Municipal Police, Special Branch, Investigation File D3648.


100. Yu Yunjiu, "Wo suo zhidaode Zhang Xiaolin (The Zhang Xiaolin I knew)", in Jiu Shanghai de Banghui, p.349.

101. Xue Gengxin, in Jiu Shanghai de Banghui, pp.91-92.

102. Tadao Sakai, p.327.

103. Jiang Hao, "Qingbang de yuanliu ji yanbian", pp59-60, 61,62; Jiang Hao, "Hongmen lishi chutan", pp82-83; Xu Xiaogeng, "Xianfu Xu Langxi shengping shilue (An account of the life of my late father Xu Langxi)", in Jiu Shanghai de Banghui, p.126.


Sakai, pp. 328-329, 332; Fan Songfu, p. 158.
The power and influence of Du Yuesheng in the 1930s was accompanied by, and inseparable from, the expansion of his economic interests. This expansion also went through two distinct phases: the first covering the period from about 1928 to 1931; and the second, the five years between 1932 and 1937. The first phase was characterised by the continuing, if increasingly fractious, co-operation between Du and his two Green Gang colleagues, Huang Jinrong and Zhang Xiaolin; the regular use of coercive gangster tactics to gain economic advantage with individual Chinese businessmen; and a reliance on the power of the French Concession authorities. The second phase after 1932, on the other hand, was characterised by the differentiation of the economic interests of the three Green Gang bosses, as Du asserted successfully his own interests over those of his erstwhile colleagues; a more positive and co-operative relationship with the leading members of the Shanghai bourgeoisie, especially those associated with the SCA, and a consequent moderation of gangster tactics; and a close and generally constructive relationship with the Guomindang authorities which superseded in importance the previous relationship with the French authorities, gaining for Du thereby a respectability which served him well in the highest political, financial and
social echelons.

(1) Overture: Relations between the French Concession Green Gang and the Chinese Commercial World of Shanghai, 1928-1931

The Zhonghui Bank was the instrument by which Du penetrated successfully the financial and commercial world of Shanghai after 1930. It opened for business in March 1929, and served as a conduit for the revenues generated by the gambling joints and the opium retail shops. According to one reliable source, the establishment of this bank had been suggested by Qian Xinzhi, who had urged Du to use the modern banking sector as a means of recycling the profits from his narcotics and gambling activities by investing them in legitimate business activities.¹ Qian was a key figure in China’s modern banking circles, through his position as Vice-President of the Bank of Communications from 1922 to 1927, and was one of the first of Shanghai’s leading Chinese capitalists to establish a working relationship with Du Yuesheng. Qian’s overtures to Du occurred in the course of 1928, and reflected both Qian’s accommodation with the new Guomindang regime (as evidenced by his appointments as Vice-Minister of Finance in 1927 and Provincial Commissioner of Finance for Zhejiang in 1928), and his close relationship with the French authorities in Shanghai (as witnessed by his appointment as Vice-President and Chinese Director-General of the Banque Franco-Chinoise pour le Commerce et l’Industrie).²
The original board of directors of the Zhonghui Bank brought together leading Green Gang cronies of Du Yuesheng, such as Jin Tingsun and Li Yingsheng, with leading Shanghai financiers. Prominent among the latter were Xu Maotang, comprador for the P.& O. Banking Corporation from 1922 to 1937, and Zhu Rushan, Chinese manager of the Union Mobiliere Societe Francaise de Banque et de Placement (Tonghui Xintuo Yinhang). The bank also enjoyed the patronage of the French Consul, Koechlin, who was a member of its board of directors. This was a further indication of the close political and economic relationship between the French authorities and Du Yuesheng which developed after 1927. Although Du was Chairman of the Zhonghui Bank's Board of Directors he played only a nominal role in the running of the bank, and its management was largely in the hands of Xu Maotang.3

In its first two years of operations the Zhonghui Bank's regular business was not well-developed, nor was the bank itself well-managed. By 1931, in fact, it had incurred large debts.4 At the same time it was undercapitalised by the standards of other Shanghai commercial banks. Its initial capitalisation was Ch$1,000,000, but only half of this amount (Ch$500,000) was paid up in 1929 with the remainder not finally paid up until 1931.5 This situation did not present any problems for the bank, however, since its main function was to channel the profits from Du Yuesheng's narcotics interests and his major gambling joints in the French Concession, notably the Fusheng or No. 181 Avenue Foch, into
legitimate business activities. Given their clandestine or semi-clandestine nature, it is impossible to provide accurate figures for these profits. They must have been considerable, however, when one considers the official estimates of the narcotics traffic in Shanghai, which have been cited in earlier chapters, and the suggestion that the Fusheng gambling joint alone had a monthly turnover of over Ch$2,000,000. The Zhonghui Bank also extended loans to the leading opium hongs on the security of their opium consignments.\textsuperscript{6}

Initially neither Xu Maotang nor Zhu Rushan were willing investors in the Zhonghui Bank. Both agreed to invest substantial sums in the bank only after succumbing to some gangster-style blandishments from Du. Xu, for his part, was obligated to Du after the latter had helped him obtain his father's inheritance which had been contested by his father's concubine. When Du Yuesheng asked Xu to make a substantial investment in his new bank, therefore, Xu could not refuse. In fact he invested more money in the bank than did Du himself, and provided the bank with its initial capitalisation of Ch$500,000. Xu also became a follower of Du and a founding member of the Endurance Club (Heng She) when the latter was established in late 1932.\textsuperscript{7}

As the experience of Xu Maotang makes clear, in his relations with Chinese capitalists Du Yuesheng continued to rely on the gangster techniques of cultivating obligations and even of
outright intimidation. The latter stratagem was apparent in the Green Gang bosses' involvement with the Shanghai Cotton Goods Exchange and in their takeover of the business interests of Huang Chujiu. In the former case, Du Yuesheng and Zhang Xiaolin, in the course of 1930, sought a share of the extremely profitable business of the Shanghai Chinese Cotton Goods Exchange (Shanghai Huashang Shabu Jiaoyisuo), and they devised a strategy of intimidation to achieve this end. Their opening gambit was to send a group of gangsters to disrupt business on the floor of the Exchange. Although this action forced the temporary closure of the Exchange, its directors refused to enter into any negotiations with either Du or Zhang. Du, therefore, sent a second batch of gangsters under the command of his follower Lu Xingsheng to harass the members of the Exchange as they entered and left the building. When the Shanghai Municipal Police refused to intervene, on the grounds that they dealt only with disturbances outside and not inside the Exchange, the directors were forced to deal with the Green Gang bosses. They deputed one of their number, Hu Yun'an, to request Du's "assistance" in resolving the incident. As a result of the ensuing negotiations both Du and Zhang were elected to the Exchange's board of directors in the elections held in late 1930. In addition, Wu Ruanyuan, a major shareholder in the Cotton Goods Exchange, presented the two Green Gang bosses with shares in the Exchange.\(^8\)
No sooner had the Green Gang bosses reached an accommodation with the management of the Shanghai Cotton Goods Exchange than they began moves against the business interests of Huang Chujiu. Huang ran a number of pharmacies and amusement centres, the most important of which was the Great World Amusement Centre which he established in 1916 on the Avenue Edward VII. His business dealings were of a somewhat dubious nature on occasion and, according to the Shanghai Municipal Police, Huang enjoyed "friendly" relations with the three Green Gang bosses in the French Concession. In fact Huang's business concerns were just the sort of enterprises which attracted the attention of the gangster bosses, and Huang Jinrong, in particular, had a long-standing interest in acquiring the Great World.

The Green Gang bosses' opportunity came in 1930 when the Day and Night Bank (Da Shijie Riye Yinhang), which Huang Chujiu had set up in 1921 and through which he financed his various business ventures, experienced financial difficulties. This bank was attached to the Great World Amusement Centre and it attracted the custom of small, working-class depositors by its generous opening hours of up to eight o'clock every evening. By early 1931 it was estimated that Huang's bank had a total of 13,000 depositors with over Ch$3,000,000 in deposits. The bank, however, was very poorly managed, and Huang used it, in effect, as his personal treasury. The Green Gang bosses used this situation to their advantage, and encouraged a "run" by depositors on the bank by circulating
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reports of its insolvency. This action precipitated a major financial crisis for Huang Chujiu, and, as his business dealings unraveled in late 1930, his health gave way and he died on 19 January 1931.

On the very day of Huang's death a Liquidation Committee was established to wind-up his affairs which included such leading Shanghai merchants as Yu Xiaqing, Wang Xiaolai and Wang Yansong. The French Concession Green Gang bosses were invited to join this committee, but they demurred and refused to co-operate with it. Indeed they published an advertisement in the local Chinese press dissociating themselves from this committee in the following terms:

We find from the papers that our names have been included in the list of the late Mr Huang Chujiu's Liquidation Committee. Although we are intimate friends of the late Mr Huang, we had no connections with his business and enterprises. Moreover, we did not attend the Liquidation Committee meeting.¹¹

The attempts by the Liquidation Committee to clear up Huang Chujiu's affairs were frustrated by the obstructive tactics of the Green Gang bosses, notably Du Yuesheng and Huang Jinrong. After just one week of operations the Committee wound up its activities citing unspecified "difficulties".¹² The fate of Huang Chujiu's bankrupt enterprises hung in the
balance throughout the first half of 1931 as proceedings dragged on in the French Mixed Court. The sale of the Great World Amusement Centre, in particular, was continually postponed until May when a company of which Huang Jinrong was the chairman, and appropriately named the Victory Company (Shengli Gongsi), obtained the lease on the Great World for a six month period for a mere Ch$10,000. By these means Huang Jinrong obtained control of the Great World for a mere fraction of its market value (which was estimated at Ch$1,200,000 in 1931), and which became the centre piece of his business interests in the 1930s.

(2) The Consolidation of Du Yuesheng’s Economic Interests, 1932–1937

After 1932 Du Yuesheng successfully consolidated and expanded further his diverse commercial and financial interests in Shanghai, and these interests provided the economic basis for his developing relationship with the Chinese bourgeoisie. As noted above three factors contributed to this expansion. In increasing order of importance they were, firstly, the continued use of gangster tactics of intimidation which had proved so effective in the period prior to 1932. Secondly, the new political and economic relationship which was forged with key elements of the Chinese bourgeoisie, such as Wang Xiaolai and Liu Hongsheng, in the course of the Shanghai Incident. Finally, and most important of all, was the new political relationship which Du Yuesheng had established with
the Guomindang during and immediately after the crisis of 1932; and in particular the role which the Guomindang authorities had reserved for Du in their economic strategy of seizing control of strategic business concerns under the rubric of "national enterprise (guoying)" or "joint official-merchant enterprise (guanshang heban gongsi)".

The network of Du's business interests extended into all areas of the Shanghai economy in the years 1932 to 1937. Of particular importance in this period were his banking and shipping interests, and his interest in the city's food supply through his involvement with the fish hongs and the establishment of the Shanghai Municipal Fish Market. Du's activities in these areas are representative of the range of his business interests in Shanghai in the mid 1930s, and they provide the basis for this chapter.

1) Banking

The mid-1930s witnessed the dramatic expansion of Du's involvement with the financial world of Shanghai through the increased range of the business activities of the Zhonghui Bank, and his acquisition of interests in other banking institutions, especially in the Commercial Bank of China.

Despite the problems which beset the Zhonghui Bank in its first years of operation, as noted above, after 1932 it greatly expanded its field of operations and emerged as the
primary vehicle for furthering Du’s business interests. In 1932, for example, the bank transformed its previous debts into a healthy net profit of Ch$190,000. The following year its capitalisation was doubled to Ch$2,000,000 which was increased further in 1936 to Ch$3,500,000 with the acquisition of the Jiangsu-Zhejiang Commercial and Savings Bank (Jiang Zhe Shangye Chuxu Yinhang). At the same time, the total assets of the Zhonghui Bank rose steadily from just under Ch$11,000,000 in 1932, to over Ch$13,000,000 in 1933, to just over Ch$15,000,000 in 1935. By the mid 1930s Du’s bank was a stable and successful medium-sized commercial bank, with a total staff of over 100. It was, in fact, a leading member of that group of fourteen middle-sized banks which together controlled 80 per cent of the assets of all Chinese commercial banks, and served as a natural complement to the "big five" commercial banks (that is, the Shanghai Commercial and Savings Bank, the Jincheng Banking Corporation, the China and South Sea Bank, the Continental Bank, and the National Commercial Bank). As befitted its enhanced status Du Yuesheng built a new headquarters for the bank, the Zhonghui Building (Zhonghui Dalou), on the Avenue Edward VII, at a total cost of Ch$1,560,000. Du Yuesheng had an extensive office on the second floor of the building which could only be reached by means of a bullet-proofed private elevator, and this served as the nerve-centre of his financial and commercial operations in the mid 1930s.
Du used the Zhonghui Bank as a base from which to expand his interests in the Shanghai banking world. As noted above he took over the Jiangsu-Zhejiang Commercial and Savings Bank in 1936. He also established the Minfu Union Commercial Bank (Minfu Shangye Chuxu Yinhang) in August 1933, and two years later he was instrumental in the establishment of the China Investment Bank (Guoxin Yinhang), in association with his fellow Green Gang boss Zhang Xiaolin, and leading Shanghai bankers such as Lin Kanghou. Du also had a major interest in both the Pudong Commercial Bank (Pudong Shangye Chuxu Yinhang), which had been set up in 1928 and of which he became Chairman some years later, and the Bank of Asia (Yazhou Yinhang), which was established in 1934 by Li Yaozhang and others. Du's interest in the development of modern-style banks continued into the period of the Sino-Japanese War when he set up two banks in Chongqing, the Yong Cheng and the Fu Hua, in association with the Sichuan warlord Fan Shaozeng, one of his major business partners in the narcotics traffic, and Gu Jiatang, a leading member of his Small Eight Mob.

In promoting his financial interests Du Yuesheng was assisted greatly by his relationship with the Guomindang authorities, both in Shanghai and in Nanjing. This was demonstrated clearly by his role in the Guomindang's so-called "banking coups" of 1935, and, in particular, in the Government's takeover of the Commercial Bank of China (Zhongguo Tongshang Yinhang) in June 1935. In fact the
marked increase in the size and scope of the operations of the Zhonghui Bank was related directly to the events of 1935. By 1934 the Chinese business community was under a great deal of pressure both from the international economic depression, whose full impact it experienced for the first time, and from the destabilising effects on the Chinese financial system of the large outflows of silver as a consequence of the United States Government's silver-purchase policy. The Nanjing Government took advantage of this situation to assert its control over the financial life of the nation by means of a takeover of the leading commercial banks and the implementation of a comprehensive reform of the currency.  

As Parks Coble has shown in his study of the relations between the Shanghai capitalists and the Guomindang State, the Finance Minister, Kong Xiangxi (H.H. Kung), assigned Du Yuesheng a major role in the Government's takeover of the Bank of China (Zhongguo Yinhang) and the Bank of Communications (Jiaotong Yinhang) in late March 1935. According to an SMP report Kong requested Du to negotiate with the shareholders of the two banks because these "shareholders were all on friendly terms with Mr Tu, in whom they had much confidence. . .". In other words, Kong used Du's network of relations (guanxi) with the Chinese financiers in Shanghai as one element in his strategy for taking over the banks. Du, therefore, in his capacity as Chairman of the SCA, called a meeting on 13 February 1935 at which discussions were held between Kong and the Chinese
financiers on the measures necessary to relieve the Shanghai business community of the worst aspects of the depression. At this meeting, which was attended by representatives of the Shanghai Chinese Chamber of Commerce, the Shanghai Bankers' Association, the Shanghai Native Bankers' Association, and Zhang Jia'ao of the Bank of China, Du and Kong suggested that the Bank of China and the Bank of Communications should form a three-bank group to provide loans to the Chinese business community.

Du followed up this suggestion in early March by forming a special committee of the SCA to review these relief proposals, in which he invited the participation of leading bankers. There was, however, a hard edge to Du's discussions, and it was probably during this period that he gave an unambiguous warning to Zhang Jia'ao not to thwart the takeover of the Bank of China if he valued his health. Once the takeover had been completed successfully in late March, Du Yuesheng was appointed an executive director of the Bank of China and later that same year a director of the Central Bank of China (Zhongyang Yinhang). This latter appointment caused Sir Frederick Leith-Ross, Chief Economic Adviser to the British Government who led a British mission to China in 1935-1936 to advise the Chinese Government on currency reform, to protest to Kong that such an appointment would not enhance the standing of the Bank. Kong replied, somewhat implausibly, that although Du had indeed a murky past he was now a reformed character and regularly attended
the Kongs' Sunday services. Leith-Ross, however, was later informed by a member of his mission, Cyril Rogers of the Bank of England, that Du Yuesheng was in fact one of the most sensible and helpful directors of the Central Bank.27

Du and his fellow Green Gang boss, Zhang Xiaolin, also played an important role in the Government takeover of the Commercial Bank of China, which was one of three commercial banks targeted in the so-called "little coup" of June 1935.28 The Commercial Bank of China was the oldest modern Chinese commercial bank, having been established by Sheng Xuanhuai in 1896 as the Imperial Bank of China.29 By the 1920s the bank was controlled by Fu Xiao'an, a prominent member of the Zhejiang financial clique, who held the position of managing director. At the time of the Northern Expedition, however, Fu fell foul of the new Guomindang Government because of his support for Sun Chuanfang, and he was forced to flee to Dairen in early 1927 when the Guomindang authorities ordered his arrest as a "reactionary" and the confiscation of much of his property.30 Fu remained in exile for over four years and during this period he cultivated Du Yuesheng and Zhang Xiaolin to intercede on his behalf with the Guomindang authorities. As a result of such efforts the arrest order was lifted and Fu returned to Shanghai in October 1931. The price for the support of Du and Zhang was their appointment to the board of directors of the Commercial Bank in June 1932 and their regular access to loans from the bank. These loans varied from several tens to
several hundreds of thousands of dollars, and since they were never repaid, they were in fact a form of extortion by the Green Gang bosses. Such payments were one reason for the burden of bad debts, which totalled 57 per cent of all loans, borne by the Commercial Bank in the early 1930s.31

In mid 1935 the Finance Minister, Kong Xiangxi, deliberately provoked a financial crisis for the three banks as a preliminary to their takeover by the Government. He did this by ordering both the Bank of China and the Bank of Communications to buy up the banknotes of the three commercial banks and then present them for immediate redemption thus precipitating a liquidity crisis for the banks. Faced with this squeeze on his cash reserves Fu turned to Du for assistance, and the latter stated that his own bank, the Zhonghui Bank, was willing to provide Fu with the necessary loans to redeem the Commercial Bank's banknotes. This offer was something of a double-edged sword. If accepted it would have provided immediate relief for Fu's liquidity problems, but at the same time it would have given Du enormous influence with the Commercial Bank, if not de facto control. Moreover, given that the Zhonghui Bank was a much smaller bank than the Commercial Bank it was not an unreasonable question to ask where the money would come from to honour Du's offer. The inference was that on this occasion Du was acting as a front for the Guomindang Government, a conclusion that was borne out by subsequent events.
Du also brokered an arrangement by which Fu transferred the ownership of his newly completed headquarters, the Commercial Bank Mansions (Zhongguo Tongshang Yinhang Daxia), valued at Ch$1,800,000 to Kong's group, as a means of raising some of the cash necessary to redeem his bank's notes. At the same time, Du co-operated with Kong in increasing the pressure on Fu. When the latter was unable finally to raise further funds to redeem the Commercial Bank's banknotes, Du circulated rumours that the bank had closed its doors and thus encouraged a run by depositors on the bank. This tactic was strikingly similar to the one which had been used against Huang Chujiu's Day and Night Bank in 1930. The run on the Commercial Bank finally forced Fu's hand and he relinquished control of the bank by formally turning over its account books to Du Yuesheng.

Following its takeover, the Commercial Bank was reorganised as a Government-sponsored commercial concern, officially termed a "joint official-merchant enterprise", under the control of Du Yuesheng. On 7 June 1935, at a special meeting of the Commercial Bank's board of directors Du was nominated chairman, with Zhang Xiaolin as his deputy, and both represented the Government shareholders in the bank. The same meeting reduced Fu Xiao'an's position to that of executive director. After 1935 nearly all the bank's senior officers belonged to Kong's group, either directly or as followers of Hu Mei'an, the bank's new deputy managing director and a senior member of Kong's clique. These changes at the top
were mirrored by changes at all levels of the bank's organisation which brought in a large number of Green Gang followers of both Du Yuesheng and Zhang Xiaolin, the most notable of whom included Gu Jiatang, Lu Jingshi and Yang Guanbei. It has also been alleged by Hu Baoqi, who as a former senior officer of the bank was in a position to know, that the nature of the Commercial Bank's business changed noticeably after 1935, and that henceforth an increasingly large amount of business was done with local opium concerns and enterprises run by Green Gang members.32

Du took the opportunity of the Guomindang Government's currency reform in late 1935 to speculate on both the domestic and foreign exchange rates. According to one source, Du used his relationship with Kong to obtain prior knowledge of the future exchange rate between the new Chinese dollar (fabi) and the Sichuan dollar (chuanbi). He and one of his cronies, the Sichuan warlord Fan Shaozeng, then bought up large quantities of Sichuan dollars and enjoyed a huge windfall profit once the new Chinese dollar was issued.33

According to another account told to Leith-Ross in 1936, Du had also obtained confidential information on the future foreign exchange rate of the new Chinese dollar from Kong's wife, Song Ailing. Du, however, apparently misunderstood the information and bought up large amounts of Chinese currency. As a consequence, he faced a major financial loss which was estimated to be equivalent to over 50,000 pounds sterling.
When Du's attempts to gain redress from Kong himself proved fruitless, he reverted to gangster-style intimidation by sending a coffin together with six funeral attendants to Kong's home as a none-too-subtle warning to Kong. This had the desired effect and Kong called a special meeting of the Central Bank's Board of Directors (of which Du himself was incidentally a newly appointed member), and at this meeting it was agreed that the Central Bank should take responsibility for Du's holdings of worthless Chinese currency. Although Leith-Ross could not vouch for the complete veracity of this story, it does indicate, nevertheless, in a very striking way the contemporary belief in Du Yuesheng's capacity to use strong-arm tactics when his interests were threatened, even against his patrons within the Nationalist Government.

2) Shipping

One of Du Yuesheng's most important business decisions after 1932 was to become a shipping proprietor in his own right. As a result of this decision he gained a share of the lucrative riverine and coastal trade based on Shanghai, and, at the same time, extended his business interests beyond the confines of the city and its immediate hinterland. Having his own fleet of ships also strengthened Du's control over the distribution network for contraband opium, since it reduced his dependence on other shipping companies, and neatly complemented his monopoly over the distribution of the
Du Yuesheng's acquisition of a shipping line was made easier because of the significant leverage he already exerted over the proprietors of both docks and shipping companies through his control of stevedoring and seamen's organisations. In the 1920s and 1930s all the major Green Gang bosses in Shanghai, such as Huang Jinrong, Zhang Xiaolin, Gu Zhuxian, Fan Huichun and Du himself, had an interest in the rackets on the Shanghai waterfront. They controlled the stevedores who worked the Shanghai docks through their followers who monopolised the posts of dock foremen-cum-labour contractors (baogongtou). These gangster/foremen recruited their own followers from among the stevedoring gangs, which were usually organised along native place (tongxiang) lines, such as the Pudong, Subei and Shandong gangs, etc. Each of the foremen controlled his own particular "turf", which was usually a section of a dock, and in the 1930s there were estimated to be 266 such "feudal kingdoms (fengjian wangguo)" on Suzhou Creek and along both banks of the Huangpu River. As a Shanghai adage put it:

Good men do not eat dock rice. If one wishes to eat dock rice, then one must submit to an "old man (laotou, that is a gangster boss)".  

These local gangster bosses could call on the support of their patrons, the major gang bosses, when they got into
difficulties or had serious conflicts with rival gangs over "turf".

Du Yuesheng was the major gang boss with most influence on the waterfront because he had the most followers among the gangster/foremen. One of his followers, Yu Xianting, was chairman of the leading stevedores' union on the Shanghai docks, the China Merchants' Five Docks Joint Trade Union (Zhaoshangju Wumatou Liangonghui): the five docks all belonged to the China Merchants' Steam Navigation Company (CMSN) and were located at Jinliyuan, Yangjiadu, Zhongzhan, Beizhan and Huazhan. An indication of the power which Du could exercise through his control of these stevedoring gangs was the fact that proprietors of stevedoring companies, such as Liu Hongsheng, regarded it as essential to reach an accommodation with him. Liu, for example, developed close relations with Du and his two colleagues, Huang Jinrong and Zhang Xiaolin, and would entertain them regularly at his home on Chinese New Year and other festivals. When his son, Liu Nianzhi, assumed the management of Liu's stevedoring company, the China Docks Company (Zhonghua Matou Gongsi), the younger Liu felt the need to take Du as his "old man (laotou)". In other words he became one of Du's Green Gang followers in order to facilitate his management of his father's stevedoring company.

Du Yuesheng also controlled the sailors who worked on the various coastal and riverine shipping lines. The mechanism
through which he exercised this control was the China Seamen’s Union (Zhonghua Haiyuan Gonghui), whose secretary, as noted in the previous chapter, was none other than Yang Hu, one of Du’s leading Green Gang associates. Du’s influence with the seamen was well illustrated by the speed with which he mediated a settlement of the strike by sailors employed by the CMSN Company in early January 1932. This strike, which began on 7 January and at its peak involved 1,300 sailors, was the result of long-standing grievances over terms and conditions of service. Principle among these was the demand that the CMSN recognise the organisation of a trade union among the company’s sailors. Once the strike was declared, it was the sailors themselves who requested Du to mediate the dispute, which he did successfully, together with the shipping magnate Yu Xiaqing, in a series of meetings held over a three day period, 9-11 January. Once a compromise settlement had been negotiated the strike was ended, and the sailors returned to work on 12 January.38

The target of Du Yuesheng’s ambitions was the Da Da Steam Navigation Company (Da Da Lunchuan Gongsi - DDSN), whose financial and managerial problems made it vulnerable to Du’s takeover strategy in 1932-1933. The DDSN had been established by Zhang Jian, a leading gentry-entrepreneur, in 1904 as part of the operations of the industrial complex which he had built up in Nantong since the mid 1890s. By the mid 1920s the DDSN dominated the shipping routes between Shanghai and the Subei ports, especially those of Haimen,
Nantong, and Yangzhou, and which were referred to as the "little Yangzi routes (xiao Changjiang xian)."  

In the late 1920s and early 1930s the DDSN experienced multiple crises which came together in the years 1931-1932. These crises seriously weakened the company and made it a ready target for the intrigues of Du Yuesheng. After Zhang Jian's death in 1926 the DDSN, together with the other enterprises of the Nantong complex, went into a slow but steady decline. As a result the DDSN faced increasing competition from other shipping companies and it progressively lost its predominant position on the Subei run. This economic decline of the Zhang family enterprises was compounded by political problems after 1927, when Zhang Cha, Zhang Jian's brother, was designated a "reactionary" by the new Guomindang Government for his assistance to Sun Chuanfang during the Northern Expedition and fled to Dairen. As a consequence, after 1927, the operations of the DDSN were subject to periodic interference from the Guomindang authorities. In 1930, for example, the Shanghai Municipal Government's Harbour Board declared that all the Chinese-owned docks in the area from Shiliupu to Dongjiadu were to be "returned to the nation", that is nationalised, and a cash deposit was to be paid to the Harbour Board by the shipping companies using these docks in addition to the regular wharfage dues. As a result of this measure the DDSN was forced to pay out over Ch$100,000 in cash deposits. In 1931 the company experienced a major disaster when two of its
steamers, the Daji and the Dade, were destroyed by fire with the loss of over 1,000 passengers. Overcrowding was one of the main causes of this disaster, and the following year the Harbour Board fined the DDSN for violating the shipping regulations by carrying passengers in excess of the numbers stipulated by law.\textsuperscript{41} The costs of these disasters added significantly to the company's financial problems; but the final blow to its solvency came with the collapse of the Deji Native Bank (Deji Qianzhuang), which was the DDSN's banker, in the wake of the Shanghai Incident. As a result of this bankruptcy the DDSN lost its entire funds deposited with the bank, which were estimated to total over Ch$200,000. The collapse of the Deji Bank also caused a revolt of the shareholders against the DDSN management, which after Zhang Cha's flight had been in the hands of Bao Xinzhai, and this provided Du Yuesheng with his opportunity to seize control.\textsuperscript{42}

Du's bid for control of the DDSN was a carefully planned affair which was executed in a systematic way in the period 1932-1933. A pivotal role in Du's strategy was played by Yang Guanbei. Yang was a trained economist and lawyer whose family held major investments in Zhang Jian's Nantong complex. Yang himself had a detailed knowledge of the inner workings of the Nantong enterprises through both his position as one of the directors of the Da Sheng Cotton Mill (Da Sheng Shachang) and his shareholdings in the Shanghai Nantong Real Estate Company (Shanghai Nantong Dichan Gongsi). At the same
time he had well-established links with the Guomindang, which dated from the period of the Northern Expedition when he worked in the Political Department of Bai Chongxi’s military headquarters. It was in this period that he established good working relations with both Chen Qun, then Head of the Political Department, and Yang Hu, then head of Jiang Jieshi’s military intelligence and Commander of the Wusong-Shanghai Garrison. It was through these connections with Chen Qun and Yang Hu that Yang was introduced to Du Yuesheng, and he quickly became one of the latter’s leading followers and also one of his key economic advisers.\(^43\)

Taking advantage of the DDSN’s financial crisis after the collapse of the Deji Bank, Yang Guanbei sought to gain leverage in the company by arranging for the Zifeng Native Bank (Zifeng Qianzhuang) to purchase a nominal shareholding of Ch$3,000 in the DDSN on behalf of himself and Du Yuesheng. As a shareholder Du could now bring pressure to bear on the company’s directors from the inside, and, in alliance with a large group of disaffected shareholders, he demanded a thorough reform of the DDSN management. When the resulting reorganisation failed to meet Du’s requirements by preserving the dominant interests of the Zhang family, Du used his connections with the local Guomindang authorities to bring further pressure to bear on the DDSN management. He wrote a letter to Wu Xingya, Head of the Bureau of Social Affairs of the Shanghai Municipal Government, in which he complained of rampant corruption within the DDSN. In response Wu ordered
the convening of a general meeting of shareholders, which he then directed to reorganise the company's board of directors and appoint a new chairman together with a new managing director.44

During the negotiations on the composition of the new board of directors Du strengthened his position by resort to strong-arm gangster tactics. He ordered one of his senior Green Gang followers, Dai Buxiang, to seize control of the Da Da Docks (Da Da Matou) in Shiliupu. In the ensuing conflict between Dai's gangsters and those of the gangster/foreman of the docks, one Zhang Jinkui, members of the Bureau of Public Safety led by its chief, Cai Jingjun, intervened and sealed the docks. As a result the DDSN steamers could neither load nor unload cargo, and the company's business ground to a halt. The circumstances and the timing of this fracas strongly suggest some degree of collusion between the Chinese police authorities and Du Yuesheng. After this affray Zhang Jinkui drew the obvious conclusion and joined Du's Green Gang group, a move which gave Du complete control of the Da Da Docks.45 The closure of the docks had a direct influence on the outcome of the negotiations, and when the new board met in 1933 Du's victory was complete. He had gained unquestioned control of the DDSN. Under the new arrangements Du Yuesheng was Chairman of the Board of Directors, while his two followers, Yang Guanbei and Xu Yihe, were manager and deputy manager respectively. The Zhang family's interests were represented by Zhang Jian's son, Zhang Xiaoruo, who was
given the position of managing director. This was a purely nominal position, however, since all decisions on company policy were taken by Yang Guanbei, who was the de facto managing director.\textsuperscript{46}

After he gained control of the company Du left its day-to-day management in the hands of Yang Guanbei who ran it without further reference to the shareholders. According to the memoirs of a former senior employee of the DDSN, no general meeting of shareholders was called after 1932-1933, and very few meetings of the full board of directors were ever held. Despite this, and the fact that the DDSN failed to declare a dividend for the remainder of the 1930s, the shareholders were effectively intimidated by the potent combination of Du's gangster muscle and his political connections and dared not protest.\textsuperscript{47} At the same time Du placed his own Green Gang followers in key management positions. In addition to the posts held by Yang Guanbei and Xu Yihe, Yang Zhixiong became the company's new supervisor; Zang Ruiqing, the new warehouse manager; and Chen Runqing, the company's new general inspector.\textsuperscript{48}

After he gained control of the DDSN, Du Yuesheng also used his relations with his fellow Green Gang bosses to enhance the company's business prospects. In an important move to rehabilitate the company's operations, he secured protection for its activities in Subei through the good offices of the Green Gang boss Gao Shikui. As a member of the prestigious
"Da" generational status group of the Jiang Huai Si Branch of the Green Gang, Gao was an important "elder" in the Green Gang system in Shanghai in the 1930s. He also exercised significant influence among the Green Gang groups in the Subei region, as his original power base at the turn of the century had been provided by his control of the docks along the route of the Grand Canal in northern Jiangsu. In the early twentieth century the Subei region suffered from endemic banditry which, in conjunction with periodic natural disasters and a resource-poor economic environment, resulted in major disruptions to the rural economy. In the late 1920s the situation worsened with the outbreak of a revolt by the Small Sword Society (Xiaodaohui) in which local Green Gang leaders were involved. As a consequence of this highly volatile situation the operations of the DDSN, like those of other commercial activities in the region, were disrupted by the depredations of bandits and Small Sword rebels. This was the context in which Gao used his influence and prestige on behalf of Du to obtain the agreement of the leading bandit chief and Green Gang boss in the Lake Hongze region, one Wu Laoyao, not to attack the DDSN steamers on the Subei run.

Yang Guanbei followed up this agreement by appointing influential local Green Gang bosses as the managers of the DDSN's branch agencies in Subei. The head of the the company's Bengbu office, for example, was one Xia Jingui who belonged to the "Da" generational staus group of the Green Gang; while Feng Shouyi, who was in charge of the Qingjiangpu
office, also belonged to the "Da" generational status group; and the manager of the Yangzhou and Zhenjiang offices, one Xiang Chunting, belonged to the "Tong" generational status group of the Green Gang. At the same time Yang Guanbei organised the Da Xing Trading Company (Da Xing Maoyi Gongsi), in conjunction with the Shanghai Commercial and Savings Bank (Shanghai Shangye Chuxu Yinhang) and the Bank of Communications, to act as a purchasing agent in Shanghai for Subei merchants. This system worked to the advantage of these merchants since they avoided the inconvenience and danger of themselves travelling to Shanghai to make their purchases; while at the same time it strengthened the grip of Du Yuesheng over the commercial aspects of the Subei economy. Indeed, by the late 1930s, the DDSN, under the control of Du Yuesheng and through the efforts of Yang Guanbei, had been transformed into a vast trading conglomerate which dominated much of the commercial life of Subei. Not only did it run separate shipping services for passengers and freight, it also provided agency services for local merchants, which even included arrangements with the Shanghai banks for a bills of exchange facility. In the creation of this conglomerate the Green Gang networks of Du Yuesheng played a not inconsiderable role.

These same networks were important also in reaching accommodations with rival shipping companies after 1933, and in particular with the Da Tong Renji Steam Navigation Company (Da Tong Renji Hangye Gongsi-DTRSN) which was the DDSN's
major competitor on the Subei route. The DTRSN was established in 1924 as a partnership between Yang Zaitian, a former salt smuggler from Subei and one of the leaders of the Big Eight Mob in Shanghai, and the two leading members of the French Concession's "Gentry-Councillor" Clique, Lu Baihong and Zhu Zhiyao. At first the DTRSN plied only those Subei routes for which it had reached a prior agreement with Zhang Jian. After 1926, however, it engaged the DDSN in serious competition, and by the early 1930s it had eroded significantly the latter company's previous dominance of the "little Yangzi run". By this time the DTRSN had four medium-sized steamers on the Shanghai-Yangzhou run, whose total gross tonnage of 5,630 tons was greater than the eight DDSN steamers which plied the same route (5,212 tons).

The dynamics of this competition, however, changed dramatically after Du Yuesheng acquired the DDSN. Du's deal with Gao Shikui gave the DDSN a clear advantage over the DTRSN on the Subei routes, and the former was able to press this advantage by excluding the latter from certain ports, notably Nantong. This situation led Yang Zaitian to use his and Du Yuesheng's common membership of the Green Gang as a basis for reaching an understanding between the two companies. This understanding resulted in the creation of an effective duopoly on the Shanghai-Subei run with the establishment by the two shipping companies of a common organisation, the Da Da-Da Tong Joint Office (Da Da Da Tong Lianhe Banshichu). By means of this Joint Office the two
companies divided up the Subei run between themselves on the basis of mutually agreed percentages, and presented a common front towards competition from other shipping lines.

The creation of this duopoly antagonised Yu Xiaqing who was anxious that his own San Bei Steam Navigation Company (San Bei Lunchuan Gongsi) should gain a share of the business of the Shanghai-Subei run. Du Yuesheng, however, successfully used his influence with the Guomindang authorities to frustrate Yu’s ambitions. As a consequence the latter’s complaints to the Shanghai Bureau of Shipping Administration (Shanghai Hangzhengju) and the Ministry of Communications were unsuccessful. Finally, in 1934, the Ministry of Communications convened a Committee for the Regulation of Shipping Routes (Zhengli Hangxian Weiyuanhui) which recommended that the Shanghai shipping proprietors themselves mediate an agreement between Du and Yu Xiaqing. The compromise that was eventually reached by this mediation involved the hiring by the Da Da-Da Tong Joint Office of one of the San Bei Company’s steamers to ply the Subei run.54

In the mid 1930s Du Yuesheng’s position as a leading Shanghai shipping proprietor was reinforced by the role that he and the other Green Gang bosses played in the Nanjing Government’s “nationalisation” of the CMSN Company. The takeover of the CMSN had been a longstanding objective of the Guomindang, and an attempt had been made to assert its
control over the company even before the forces of the Northern Expedition reached Shanghai in March 1927. The consolidation of the new Government’s control over the CMSN, however, proved somewhat elusive in the years from 1927 to 1931 when all attempts were negated by the general political instability which affected the regime itself. As a result the CMSN experienced a period of acute uncertainty which reached its nadir in the crisis of 1930. This was provoked by a serious dispute between Zhao Tieqiao, the Government-appointed Commissioner for the Reorganisation of the CMSN, and Li Guojie, the former Chairman of the CMSN, in which both parties accused the other of misappropriation of funds and general corruption, and which resulted in the murder of Zhao in July of that year.55 At the same time the leading foreign banks in Shanghai refused to extend further banking facilities to the CMSN’s subsidiary, the CMSN Wharves Company (Lunchuan Zhaoshangju Matou Gongsi), because its business management was in a "state of chaos". The foreign banks demanded that the management of the wharves be given to a foreigner, and that the company be reorganised "on a sound business basis".56

In the wake of the political and foreign policy crises of 1931-1932, the Guomindang Government adopted a new and more radical approach to the question of control of the CMSN. In October 1932 the Government initiated a complete takeover of the company through the systematic purchase of all CMSN shares at the rate of 50 taels per share; a process which was
substantially completed by the beginning of March 1933. At the same time the Government renamed the company the National Enterprise China Merchants' Steam Navigation Company (Guoying Zhaoshangju). This policy of nationalisation by purchase was accompanied by a major reorganisation of the CMSN's management with the appointment of a new managing director, Liu Hongsheng, together with new executive and supervisory committees. In addition to Liu Hongsheng all the senior management of the reorganised company was drawn from among those Shanghai entrepreneurs and industrialists who had been active during the crisis of 1932 and who were leading members of the SCA. These included Shi Liangcai, Wang Xiaolai, Yu Xiaqing, Qian Xinzhi, Hu Yunzhuang, Hu Bijiang, Rong Zongjing, and Guo Shun.

The Green Gang bosses also held influential positions in the reorganised company. Both Du Yuesheng and Zhang Xiaolin were members of the new executive committee, while Du was also a member of its influential standing committee. At the same time both Huang Jinrong and Du's close colleague, Jin Tingsun, were members of the supervisory committee. The prominence of the Green Gang bosses in the new CMSN administration was unsurprising. As noted above all had a share in the control of the Shanghai docks, and Du, in particular, exercised a major influence over the stevedores on the CMSN docks and among the sailors on the CMSN steamers. These Green Gang bosses also had a long-standing interest in the affairs of the CMSN, as its steamers were the principal
means by which the Three Prosperities Company's opium shipments from Sichuan were transported to Shanghai. Both Du and Zhang were also members of the SCA, indeed, as noted earlier, Du was the Deputy Chairman of the SCA at this time. Du Yuesheng's leverage within the CMSN was increased, perhaps, by the fact that the company's new managing director, Liu Hongsheng, was involved in the stevedoring business and had enjoyed a close relationship with Du and his gangster colleagues for some considerable time. This is suggested by the memoirs of Liu's son, Liu Nianzhi, who states that the day after his father took up his appointment as Managing Director of the CMSN, he invited Du, Zhang and Huang to lunch and requested their help in running the company.  

According to Liu Nianzhi his father's task as Managing Director was extremely difficult because the board of directors was riven by factionalism, and disputes over policy were frequent and heated. It is possible that, given the importance that Liu Hongsheng attached to co-operation with the Green Gang bosses, the increasing tensions between Du Yuesheng and Huang Jirong after 1932 was one factor contributing to these policy disputes. Both Du and Huang were returned in the elections for the executive and supervisory committees which were held in October 1933. Problems within the CMSN management, however, reached a crisis in 1935, and in February 1936 a further reorganisation took place. Liu Hongsheng resigned and was replaced as
Managing Director by Cai Zengji, and the supervisory committee was abolished. Among other things, this reorganisation would appear to have strengthened Du Yuesheng's position within the CMSN at the expense of Huang Jinrong, who lost his position in the CMSN administration with the abolition of the supervisory committee.

3) The Shanghai Food Supply and the Shanghai Municipal Fish Market

Another area of cooperation between Du Yuesheng and the Guomindang authorities and also a source of major conflict between Du and Huang Jinrong, was the creation of a centralised municipal fish market at Point Island (Dinghai Dao) in the Yangshupu district of Greater Shanghai in May 1936. Fish and fish products constituted one of the basic food staples of the population of Shanghai in the early twentieth century. In the 1930s the Shanghai market represented about half of the estimated total annual demand for fish in China, just under Ch$51 million out of Ch$100 million.

The Green Gang bosses, and in particular Huang Jinrong, had long been involved with this lucrative business. Huang controlled the twenty-three fish hongs located in the Marche de l'Est, French Concession, which, until the mid-1930s, supplied fish to all the food markets in Shanghai. The fishing grounds for Shanghai were located in the waters off
the Zhoushan archipelago (Zhoushan chundao) and these were the monopoly of the so called "fish barons (yuba)" on Zhoushan with whom the fish hong proprietors of the Marche de l’Est enjoyed sworn brother relations. The supply of fish to Shanghai, therefore, was controlled by a duopoly composed of the Zhoushan "fish barons", who controlled the fishing fleets, and the Marche de l’Est fish hong proprietors, who controlled the distribution of fish.62

Behind both stood the figure of Huang Jinrong. All of the leading fish hong proprietors, such as Wu Xintai and Zhou Mengyue, were his followers; as was also Chen Yiting, Chairman of the Zhoushan Native Place Association (Zhoushan Tongxianghui) and the Shanghai representative of the "fish barons". In addition one of Huang’s leading followers and closest advisers in the 1930s, one Huang Zhenshi, was manager of the Shanghai Municipal Association of Frozen Fish Storage Enterprises (Shanghai Shi Bingxiangye Tongye Gonghui).63 Du Yueshing also had long-standing interests in the fish industry which developed out of the work he did in this area for Huang Jinrong in the early 1920s. In 1925, for example, Du organised the Dunhe Office (Dunhe Gongsuo) and this organisation later developed into the Shanghai Municipal Association of Frozen Fish Enterprises of which he was chairman. It was, in fact, as a representative of this organisation that Du gained membership of the Shanghai Chinese General Chamber of Commerce.64
After 1932 the Nanjing Government planned to extend its control over the Shanghai fish market by setting up a central fish market as an "official-merchant joint enterprise". Work was commenced at Point Island in 1934 and completed in May 1936. The Government's purpose was both financial and strategic: to gain access to the largest and most profitable fish market in China; and to control the supply of one of the basic food items in Shanghai. This latter point was not lost on the foreigners in Shanghai. H.G.W. Woodhead, for example, in his regular column in the *Shanghai Evening Post and Mercury* enlarged upon the possible security threat posed to the foreign settlements by the establishment of a central fish market on Chinese territory and under Chinese control. He noted in part:

One aspect of the situation appears to have been overlooked by those who have commented on - and in general commended - the establishment of the Great Shanghai Fish Market, and that is its possible effects upon the food supplies of the settlement. The new Market is inconveniently situated, some seven miles from the heart of the settlement, and on Chinese Road. The maintenance of the fish supplies of the Foreign Areas, therefore, will depend on motor haulage over a long distance from a centre over which the settlement and the Concession authorities have no control. The possible implications of this state of affairs are
obvious. An important factor in the food supply of the Foreign Areas has been monopolised by the Greater Shanghai authorities, who would be in a position to prevent the transportation of fish to those Areas in certain contingencies, or alternatively to impose taxation thereon which would make the price prohibitive.  

These moves by the local Guomindang authorities to assert their control over the fish market dovetailed neatly with Du Yuesheng's own ambition to expand his interests in the frozen fish business. It was generally believed at this time that an expansion of cold storage facilities could triple the total annual demand for fish in China. As early as 1931 Du was appointed chairman of a committee which had been set up by the Ministry of Industry to reorganise the fishing industry of Jiangsu and Zhejiang, and he was involved in the planning of the central fish market from its inception in 1934. Given Huang Jinrong's predominant position in the existing fish marketing arrangements, the expansion of Du Yuesheng's interests could only be at the expense of those of Huang. The latter had also been involved with the planning of the new market through the membership on the planning committee of his close adviser Huang Zhenshi. The latter, however, was eventually squeezed out of this position by Du Yuesheng, and this was the cause of serious tension between Du and Huang Jinrong. Du also made inroads into the fish hongs, and by the mid 1930s five leading fish hong proprietors were members
of his Endurance Club.

The Shanghai Municipal Fish Market (Shanghai Shi Yuye Shichang) opened for business on 11 May 1936. The complex contained a market, godowns, a cold-storage warehouse which could hold up to 1,500 tons of fish, and an ice-plant which could produce 50 tons of ice a day. Its total capitalisation was Ch$1,200,000, with the business community and the government each providing 50 per cent. In line with its organisation as a joint official - merchant enterprise (guanshang heban gongsi) eight members of its fifteen-man executive committee were government appointees and the remaining seven were appointed by the business community. The actual number of businessman on the committee, however, was more than this breakdown might suggest as the government appointees included merchants such as Wang Xiaolai and Yu Xiaqing. Du Yuesheng headed the list of appointees by the business community and he enjoyed a commanding position in the new fish market’s administration. He was appointed Chairman of the Board of Directors and his business partner of the mid-1930s, Wang Xiaolai, was appointed Managing Director. Of the two deputy managing directors one, Tang Chengzong, was one of Du’s trusted followers, and the other, Zhu Kaiguan, became a follower of Du shortly after taking up his appointment. Moreover Du’s Green Gang colleague, Jin Tingsun, was a member of the market’s five-member supervisory Committee, as was Du’s financial adviser, the banker Qian Xinzhi. It was Du who presided over the Market’s official
opening ceremonies on 11 May 1936. It would appear also that the new Fish Market recruited a large number of its employees from Du's Green Gang coterie. In the course of 1936, for example, the Endurance Club's Employment Section was able to find positions in the new Market for eleven unemployed club members.73

These new arrangements for the marketing of fish in Shanghai were extremely contentious from the outset. In the first place they did not provide a satisfactory role in the new system for Huang Jinrong and his associates, despite the latter’s long involvement with the fish hongs of the Marche de l'Est. At the same time the arrangements required these fish hongs to move from the Marche de l'Est to the Point Island site, and to work on a commission-basis rather than on their own behalf as they had done previously.74 Not unnaturally this caused great resentment among the hong proprietors and thirteen of the leading fish hongs, led by the Gongda and Qianfeng hongs, and encouraged by Huang Jinrong, went on strike on 17 May. They requested the support of the French authorities who were themselves unhappy about the compulsory move of the fish hongs from their jurisdiction in the Marche de l'Est to Point Island, because it deprived the Concession of a lucrative source of revenue in the form of licences. The French Consul-General lodged an official complaint with Mayor Wu Tiecheng, as did the French Charge d'Affaires with the Government in Nanjing.75
The strike by the fish hongs lasted about three weeks and it was marked by occasional instances of violence. In late May, for example, groups of gangsters organised by the thirteen hongs and belonging to Huang’s coterie systematically intimidated those fish hongs located in the International Settlement, to prevent them from dealing in fish from the Municipal Market and so maintain the boycott. In response the Shanghai Municipal authorities extended military and police protection to the Municipal Market to ensure its resumption of operations. By early June an impasse had been reached, and attempts at mediation by Yu Xiaqing got nowhere. Finally Du Yuesheng entered into discussions with Huang Jinrong and a compromise was reached by which the fish hongs agreed to move to the new Municipal Market and in return provision was made for Huang’s interests to be accommodated in the new system. This was achieved by giving Huang Zhenshi a role in the operations of both the Central Market and the new Fisheries Bank (Yuye Yinhang) which the Central Bank established under Du Yuesheng’s chairmanship. On 7 June the fish hongs ended their strike and Wang Xiaolai could announce publicly that the “misunderstanding” was at an end. Despite this compromise Huang Jinrong’s interest in the fisheries’ business had received a major, indeed a permanent, check and Du Yuesheng emerged, in conjunction with the local Guomindang authorities in Shanghai, as the predominant force in the business of supplying fish to the Shanghai market.
In sum, it may be observed from the above discussion that there was a definite pattern to the expansion of Du Yuesheng’s economic interests in the 1930s. In the first place the targets were usually companies that were experiencing serious financial difficulties, such as Huang Chujiu’s concerns in 1930-1931 and the Da Da Steamship Company in 1932-1933, and were therefore vulnerable to financial manipulation. Favoured targets, moreover, were the concerns of those capitalists who had fallen foul of the Guomindang for whatever reason, and therefore enjoyed no political protection. This was the case with the management of the Da Da Steamship Company and with Fu Xiao’an of the Commercial Bank of China. A further characteristic was the judicious use of gangster tactics of intimidation in order either to force the management of the targeted institution to take the overtures seriously, or to forcibly cut through an impasse in negotiations. Good examples of the use of these tactics were provided by Du’s dealings with the Shanghai Cotton Goods Exchange in 1930 and with the Da Da Steamship Company in 1932. Once the takeover was completed Du immediately moved to place his own Green Gang followers in key positions throughout the organisation irrespective of their lack of technical or commercial competence, and also irrespective of whatever promises had been made to existing staff during the process of negotiations. Such a development occurred in both the Da Da Steamship Company and the Commercial Bank of China. In other words Du Yuesheng did not consider such organisations merely as profit-making
concerns, but regarded them also as bases of power for the promotion of his Green Gang interests. Finally, in his economic activities Du worked with and relied on the power of the Guomindang authorities. It was this relationship that gave Du a decisive advantage over both other entrepreneurs and his fellow Green Gang bosses in his economic ventures. The pattern can be clearly observed from the examples provided in this chapter. Wu Xingya's intervention was crucial, for example, in Du's takeover of the Da Da Steamship Company; while the expansion of Du's interests in the Commercial Bank and in the fish market of Shanghai was achieved within the context of the Guomindang's policy of extending partial state control over key areas of the Shanghai economy. In the former case Du collaborated with Finance Minister Kong Xiangxi and in the latter case with the Mayor of Shanghai, Wu Tiecheng.

In fact Du Yuesheng's business activities in the mid 1930s revealed the mutuality of interests that had developed between Du and gangster/business concerns on the one hand and the Guomindang authorities on the other. The context of this relationship was the latter's attempts to extend its economic control through the promotion of "joint official-merchant enterprises". Although the Guomindang authorities used Du Yuesheng as one of their agents in the furtherance of this policy, he was not simply their creature. If he had been merely this, it might be suggested that he would not have served their interests as effectively as he did. As an
earlier chapter has shown, after 1932 Du had established a solid relationship in his own right with senior members of Shanghai's Chinese bourgeoisie. It was this fact that enabled him to mediate successfully the relationship between the Guomindang authorities and the Shanghai bourgeoisie, especially after 1934 when he chaired the SCA. In this context Du's cooperation in the implementation of the Guomindang's policy of "joint official-merchant enterprises" served his own purposes of creating and expanding an independent base of economic power for himself and his Green Gang coterie.
Endnotes


7. Da Liumang Du Yuesheng, p.40; Gui Yongding, p.87.


10. Shen Bao, 30 January 1931; Xinwen Bao, 7 February 1931.


13. Shishi Xinbao, 1 April 1931; Daily Intelligence Report (29 May 1931), Shanghai Municipal Police, Special Branch, Investigation File D1949.


18. Ibid., p.135, 152.

19. Ibid., p.231, 279.


22. "Memorandum on Mr Tu Yueh-sung alias Tu Yuin" (Report, 8 July 1939), Shanghai Municipal Police, Special Branch, Sect. 2, Investigation File D9319.

23. Coble, op.cit.

24. Ibid.


28. For details of the "little coup" see Coble, op.cit. The other two banks were the Ningbo Commercial and Savings Bank (Siming Shangye Chuxu Yinhang) and the National Industrial Bank of China (Zhongguo Shiye Yinhang).


31. Hu Baoqi, "Toudi funi Fu Xiao'an (The traitor Fu Xiao'an)", Wenshi Ziliao Xuanji, 6 (1986):165-168. Hu was a close associate of Fu Xiao'an and a senior officer of the Bank of Communications in the 1930s. These memoirs are the source for the information in this and the following paragraphs on Du Yuesheng's relations with Fu Xiao'an and the Commercial Bank.

32. Ibid., pp168-171; Shanghai Jinrong Gailan, pp58-60; Chen Zhen, pp985-986.

33. Da Liiumang Du Yuesheng, p.41.

34. Leith-Ross, op.cit.


36. Huang Yongyan, p.284.


38. The China Forum, 20 January 1932; NCH, 12 January 1932; Shen Bao, 9 January 1932; Shen Bao, 11 January 1932; Shen Bao, 12 January 1932; Daily Intelligence Report (12 January 1932), Shanghai Municipal Police, Special Branch, Investigation File D3531; Daily Intelligence Report (13 January 1932), Shanghai Municipal Police, Special Branch, Investigation File D3531.

39. Huang Yongyang, op.cit.; Zhang Jungu, V.2, pp218-219; Wang Youcheng, "Du Yuesheng, Da Da matou yu 'xiao Changjiang' (Du Yuesheng, the Da Da wharves and the


42. Wang Youcheng, p.247; Huang Yongyan, op.cit.


44. Wang Youcheng, op.cit.; Huang Yongyan, p.287.

45. Huang Yongyan, op.cit.

46. Ibid.; Shanghai Shi Nianjian 1935, p.0 38.

47. Huang Yongyan, p.288; Wang Youcheng, p.248.

48. Huang Yongyan, op.cit.


50. Wu Choupeng, pp330-361; NCH, 23 February 1929; NCH, 13 April 1929; NCH, 27 April 1929; NCH, 2 December 1930.


53. Shanghai Shi Difang Xiehui (The Shanghai Civic Association) ed., Shanghai Shi Tongji (Statistics of the City of Shanghai), Shanghai: Shanghai Shi Difang Xiehui, 1933, Section 11, p.8.

54. Huang Yongyan, pp290-291.


56. "The China Merchants' Steam Navigation Wharves C/o and Shanghai Banks" (Report by C.D.I. J.W. Prince, 19 July 1930), Shanghai Municipal Police, Special Branch,
Sect.1, Investigation File No. D1462.

57. Chen Changhe, p.125; NCH, 22 February 1933; NCH, 8 March 1933.


59. Ibid.

60. Liu Hongsheng Qiye Shiliao, p.309; Chen Changhe, op.cit.

61. The Shanghai Evening Post and Mercury, 22 May 1936; The Shanghai Times, 13 May 1936.


63. Huang Zhenshi, "Wo Suo Zhidao Huang Jinrong (The Huang Jinrong I knew)", in Jiu Shanghai de Banghui, p.186; Xue Gexin, op.cit.

64. Da Liiumang Du Yuesheng, p.44; Shanghai Shi Nianjian 1936 (The Shanghai Municipal Year Book for 1936), p.28, p.32.

65. The Shanghai Evening Post and Mercury, 22 May 1936.

66. The Shanghai Times, 13 May 1936.

67. Da Liiumang Du Yuesheng, op.cit.

68. Huang Zhenshi, p.177.

69. Heng She Sheyuan Lu 1934 (The Membership list of the Endurance Society Club for 1934), appendix in Jiu Shanghai de Banghui, p.369, 372, 373; Heng She Yuekan, 12 (December 1936):50.

70. The Shanghai Evening Post and Mercury, 22 May 1936.


The members of the Executive Committee were as follows:

1) Government appointees:
   1) Wu Xingya (after his death in August 1936 Pan Gongzhan)
   2) Zhang Fayao
   3) Lin Zujin
   4) Yu Kaizhan
   5) Xu Tinghu
   6) Zhang Shenzhi
   7) Wang Xiaolai
   8) Yu Xiaqing
2) Merchant Appointees:

1) Du Yuesheng  
2) Yang Zhixiong  
3) Zhu Jingqing  
4) Tang Chengzong  
5) Cui Houming  
6) Liu Weijun  
7) Fang Jifan

72. *Shanghai Shi Nianjian 1937*, op.cit.; *Da Liumang Du Yuesheng*, op.cit.; "Memorandum on Mr Tu Yueh-sung alias Mr Tu Yuin" (Report July 1939), Shanghai Municipal Police, Special Branch, Section 2, Investigation File D9319.


75. NCDN, 19 May 1936; *The Shanghai Evening Post and Mercury*, 22 May 1936.


77. *The Shanghai Times*, 3 June 1936.

78. Xue Gengxin, op.cit.; *Da Liumang Du Yuesheng*, op.cit.; *The Shanghai Times*, 8 June 1936.
The Republican era from 1911 to 1949 was an era of transition, whose distinguishing feature was the disintegration of the traditional Chinese polity and the urgent search for viable alternatives. This involved a process of wrenching and revolutionary change which, with the collapse of traditional political and social norms, not only encouraged the emergence of new social forces but also the reconstitution in new forms of certain old ones. Within this latter category were Chinese secret societies such as the Green Gang.

As the example of the Shanghai Green Gang demonstrates, secret societies were resilient social phenomena which not only drew on well established traditions but could adapt (indeed transform) those traditions to meet the needs of changed social conditions. Although the Green Gang drew on the sectarian tradition of the the Patriarch Luo Sect and the organisational traditions of the Grand Canal boatmen, its own origins cannot be traced further back than the late to mid nineteenth century. It was, in other words, a new phenomenon which was still in the process of organisational definition in the first decades of the twentieth century.

The early twentieth century was, in fact, a golden age for secret societies, as a result of the enhanced opportunities
given these organisations by the extremely fluid social and political situation in the Republican era. The processes of the disaggregation of the elements of Chinese society and their reconstitution in new forms which characterised this period allowed secret societies, such as the Green Gang, to carve out new social "territory" for themselves and to forge strong links with new social and political classes. Shanghai, with its highly volatile combination of Chinese and foreign influences and its self-confident, aggressive sense of its own "modernity", represented both a microcosm and an intensification of these processes at work in the larger society. As noted in the thesis, the city's rootless, immigrant population; its division into three separate, competing jurisdictions; and the colonial nature of the administrative systems (especially the police administration) in the foreign settlements, all combined to provide a very favourable environment for the growth and development of the Green Gang. By the 1920s Shanghai was the major centre of Green Gang activity in China.

The contraband opium traffic was of fundamental importance in the emergence of a Chinese version of the phenomenon of organised crime in Shanghai. The unenforceable prohibition of a commodity for which there was a high and constant demand was a potent recipe for gangster involvement just as much in China as in other parts of the world where similar situations prevailed. Opium, in other words, served the same function for the Green Gang in Shanghai, as did liquor for organised
crime in Prohibition America, or heroin and cocaine for the contemporary Sicilian Mafia and the South American Colombian Cartel. It was their success in gaining control of the opium traffic in the Jiangnan region, in the manner discussed in the thesis, which ensured the ascendancy of the three Green Gang bosses in the French Concession over the Green Gang system in Shanghai in the 1920s. Indeed it was the ability of one of these bosses, Du Yuesheng, to maintain his control over the instrument of this de facto opium monopoly, the Three Prosperities Company, that enabled him to gain the dominant position within the triumvirate by the early 1930s. Opium contraband not only provided the major source of income for these Green Gang bosses, it also opened up and served to define a range of relationships with local warlords, politicians, foreign administrators, and Chinese and foreign businessmen. In other words, opium was the means by which the French Concession Green Gang bosses gained their entree into the political and commercial worlds of Shanghai, and which subsequently provided Du Yuesheng, in particular, with the wherewithal to expand the range of his economic activities in the 1930s.

The understanding with the French authorities was another important factor in the development of the network of power of the three Green Gang bosses: it provided them with a secure base from which to expand their power. Although the French had recruited Green Gang members into their police force since the turn of the century, and Huang Jinrong had
derived his power in the Green Gang system from his position as Chief of the Chinese Detective Squad, nevertheless, the extension of the triumvirate's control over the opium traffic and the consequent expansion of its power, put the relationship on a new level. Henceforth the French authorities tolerated the activities of the Green Gang opium monopoly in the Concession (from which, indeed, they derived a not inconsiderable financial return) in exchange for the support of the Green Gang bosses in maintaining the security and internal stability of the Concession. This assistance, unlike the previous understanding, extended beyond police functions to include the mediation of industrial disputes as in the case of the two major strikes in the French Tramways Company in 1928 and 1930. The architect of this revised understanding was Du Yuesheng, and he used it as the basis for expanding considerably his own political power and influence in the Concession in the late 1920s and early 1930s. He was so successful in this endeavour that he provoked a crisis of authority in the Concession which caused the French to reassert their authority in dramatic fashion in 1932. The mutuality of interests between the French authorities and the Green Gang bosses was so strong, however, that it survived this major crisis in the relationship, and Du Yuesheng and his Green Gang coterie remained an influential element in the Concession until the outbreak of the Sino-Japanese War and beyond.
If the foreign authorities could not afford to ignore the organised crime network created by the French Concession Green Gang bosses in the mid 1920s, neither could the representatives of the two revolutionary parties, the GMD and the CCP. From the time of the May Thirtieth Movement both parties sought to achieve a degree of tactical co-operation with the Green Gang bosses. The overtures became more insistent after the launching of the Northern Expedition, and took a decisive turn during the events of February and March 1927. Ultimately the Gang bosses gave their support to Jiang Jieshi and played a key role in the implementation of his anti-CCP coup in April 1927; although as late as March Du Yuesheng was still prepared to do some kind of deal with the CCP. Participation in the coup of the 12 April 1927 was important for the Gang bosses in establishing a relationship with the new Guomindang regime after 1927, as was indicated by the honorary titles bestowed on them in the wake of the coup, and by their active involvement with the Guomindang’s celebrations to mark the second, fifth and tenth anniversaries of the coup in 1929, 1932 and 1937 respectively.²

The relationship which developed between the Green Gang and the Guomindang regime after 1927, however, was a complex one which was subject to a variety of influences and which changed significantly over time. As a consequence the Green Gang bosses' participation in the anti-communist coup of April 1927, although important, was not the sole factor which
determined the nature of the relationship over the subsequent decade. Other factors which were of equal or even greater importance included the changing factional politics of the Guomindang regime and the serious political crisis of 1932; the relationship of the Green Gang leadership with other centres of power in Shanghai, notably the French Concession authorities; and, not least, the economic interests of the Green Gang bosses themselves, especially their involvement with narcotics trafficking. The different ways in which these various factors combined with one another at any one time ensured that the relationship changed substantially over time. In broad terms, as the thesis discusses, a period of fluidity was followed after 1932 with a period of relative stability.

These changes in the relationship between the Green Gang bosses and the Nanjing regime corresponded with the larger political changes in the regime itself. The turning point was the crisis year of 1932. The arrangements reached between the Green Gang bosses, specifically Du Yuesheng, and the Nanjing Government in the wake of that crisis were part of a major political reorganisation of the regime, and in particular the new accommodation which it reached with the Shanghai bourgeoisie.

This new relationship with the Guomindang authorities was accompanied by significant, and permanent, changes in the balance of power among the Green Gang bosses themselves. Du
Yuesheng clearly emerged after 1932 as the leading Green Gang boss in Shanghai, and he was able to build on his relationship with the Guomindang to further consolidate and enhance his power within the Green Gang system. Both of his colleagues, Huang Jinrong and Zhang Xiaolin, proved less effective in accommodating themselves to the new configuration of power in Shanghai. As a result their power and influence progressively declined in the period prior to the outbreak of the Sino-Japanese War. Other Green Gang bosses, such as Gu Zhuxian, were effectively excluded from participation in the system by the actions of Du Yuesheng himself.

Between 1932 and 1937, and particularly after 1934, Du Yuesheng played an important role in the variant model of state corporatism which the Nanjing Government attempted to implement in these years. It was this corporatist system, as discussed earlier, which provided the institutional context within which Du conducted his mediation of the regime's power relations with both the Shanghai bourgeoisie and organised labour. It was this function, in turn, which enabled Du to enhance his own power and influence in Shanghai, as indicated by the increasing importance of his Endurance Club during this period. At the same time, it also served to institutionalise his personal power, as he became progressively an intrinsic part of the mechanism of Guomindang power in Shanghai in the course of the 1930s. These corporatist structures, notably the creation of "joint
official-merchant enterprises", also provided the means for the expansion of Du's commercial and financial interests, which served both to reinforce the mutuality of interests between himself and the Guomindang regime, and to further extend his relations with the Shanghai bourgeoisie.

The corporatist structure of power which the Guomindang had constructed in Shanghai after 1932 collapsed with the outbreak of the Sino-Japanese War and the subsequent withdrawal of the Guomindang authorities from Shanghai in November 1937. It was never reconstituted. New systems of power were created by the regime to meet the changed circumstances of the long years of war in Chongqing and the brief post-war period in Nanjing. The corporatist system, therefore, had lasted a brief five years. Those years, however, had witnessed the apogee of the power and influence of Du Yuesheng and his Green Gang coterie. Although Du remained an influential, indeed a powerful, figure during and after the Sino-Japanese, the power which he enjoyed in both wartime Chongqing and post-war Shanghai was incomparably less than that which he had enjoyed before 1937. Thus the departure of Du Yuesheng and his chief lieutenants from Shanghai, in the company of the leading members of the Guomindang administration, aboard the S.S. Aramis on the foggy morning of 27 November 1937 represented the end of an era. It closed the most important chapter in the history of the Green Gang's involvement with Shanghai.
Endnotes


GLOSSARY

an
Anfu
Anqing Daoyou
Anqing Zhongxing
antang
Ba Gu Dang
Bai Chongxi
baishili
baishitie
baixiangren
bang
baogong
baogongtou
Bao Haichou
baojia
Bao Xinzhai
Bi Shucheng
biaojun
Bingzi She
bukuaitou
Cai Futang
Cai Hongtian
Cai Jingjun
Cai Tingkai
Cai Yuanpei
Cai Zengji
Cao Kun
Chang Yuqing
Chang Zhiying
Chao Bang
Chen Bao
Chen Qun
Chen Dazai
Chen Duxiu
Chen Gongbo
Chen Guofu
Chen Junyi
Chen Kunyuan
Chen Lifu
Chen Mingshu
Chen Peide
Chen Qimei
Chen Runqing
Chen Shichang
Chen Tiaoyuan
Chen Yiting
Cheng Guorui
Cheng Huang Miao
Cheng Zhusun
Cheng Ziqing
Chewubu Tongren Julebu
chuanbi
Chunbao Shantang
Da
Da Ba Gu Dang 大八股堂
Da Cheng Jiao 大乘教
Da Da Lunchuan Gongsi 大達輪船公司
Da Da - Da Tong Lianhe Banshichu 大達大通聯合辦事處
Da Da Matou 大達碼頭
Dadao Hui 大刀會
Da Gongsi 大公司
Da Sheng Shacheng 大生紗廠
Da Shijie Riye Yinhang 大世界日夜銀行
Da Shijie Yule Zhongxin 大世界娛樂中心
Da Tong Renji Hangye Gongsi 大通仁記航業公司
Datong Wuxue 大通武學
Da Xing Maoyi Gongsi 大興貿易公司
Dai Buxiang 戴步祥
Dai Fushi 戴浮石
Deji Qianzhuang 得記録莊
Deng Zuyu 登祖禹
Ding Yongchang 丁永昌
Dinghai Dao 定海島
Dongnan Ziwei Jun 東南自衛軍
Du Du 都督
Du Jia Si 杜家祠
Du Yuesheng 杜月笙
Duan Qirui 段祺瑞
Dunhe Gongsuo 敦和公所
duoshou 舵手
E Shen 鄂濤
fabi 法幣
Fadian Gonghui
Fan Huichun
Fan Jincheng
Fan Shaozeng
Fazujie Gongbu Ju Tongren Youyi Hui
Fazujie Nashui Huaren Hui
Feizhi Neizhan Da Tongmeng
fen da wang
Feng Guozhang
fengjian wangguo
Fengtian
Feng Shouyi
Feng Yuxiang
Fu Hua Yinhang
Fu Sheng
Fu Xiao'an
Fuxing She
Gan She
gansidui
Gaoqiao
Gaoqiao Nongcun Gaijin Hui
Gao Shikui
Gao Xinbao
Gelaohui
Geng Jiaji
gong
Gongda Yuhang
Gongren Xingdong Da Dui
Gong Wutai
Gu Jiacai
Gu Jiatang
Gu Shunzhang
Gu Zhuxian
Guanshang heban gongsi
Guang Bang
guanxi
Gui Shengjie
Guo Haishan
Guomin Dahui
Guomin Huiyi
Guomin Jinyan Ju
Guo Moruo
Guonan Huiyi
Guo Shun
Guoxin Yinhang
Guoying
Guoying Zhaoshangju
Guoyu Ji
Hang San
Hangzhou Jifang Xue
He Fenglin
He Mengxiong
Heng She
Hong Bang
Hongkou
Hong Men
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洪兴协会
洪泽
侯广根
侯大椿
侯祖根
胡鲍洪
胡笔江
胡汉民
胡立夫
胡梅庵
胡云庵
胡筠　
黄丙泉
黄慧兰
黄慧安
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黄色工會
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Tewu Bu 特務部
Tiandihui 天地會
Tianshan Wutai 天山舞臺
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Tongmenghui 同盟會
Tongxiang 同鄉
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xiangtang 香堂
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xiao bisan 小蜜三
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xiaodaohui 小刀會
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Zhuanye 諸衍
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Zibei 字輩
Zifeng Qianzhuang 滋豐錢莊
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