Felix Boecking

No Great Wall: Trade, Tariffs, and Nationalism in Republican China, 1927–1945 (Cambridge, MA: Harvard University Press, 2017). 280 pp. \$39.95 (cloth).

No Great Wall is a sturdy economic history of Republican China, offering a fresh look at the fall of the Guomindang (GMD) / Nationalist government, drawing upon archival materials from China, Britain, Germany, and the United States, as well as extensive use of Chinese and British government documents. Central to Felix Boecking's thesis is the link between tariff revenue—generated largely from international trade—and the GMD's attempts to modernize the Chinese state. In the Nanjing decade between 1927 and 1937, tariffs provided the central government with as much as forty percent of its tax revenue, and eighty percent of that came from China's eastern seaboard. As such, tariff revenues played a crucial role in the GMD's governance. The outbreak of the Sino-Japanese War in July 1937 resulted in Nationalist China losing access to the vibrant trading cities of the coastal provinces, and with them, any real chance of financing Chiang Kai-shek's ambitious development plans.

Boecking stresses that this book is not an apology for the GMD, but rather “an attempt to understand more closely . . . its nature and the causes of its eventual demise” (p. 16). The dominant narrative about the fall of the GMD claims that it failed because of corruption and incompetence; the end of the GMD in China was a result of poor leadership. In Boecking's analysis, he attributes the cause instead to economics, claiming that “the fiscal disintegration of the Nationalist state during the war was one of the chief causes of its loss of political legitimacy” (p. 237). He notes that the Chinese state made substantial gains under GMD rule. It posted growth rates, albeit modest ones, between 1926 to 1936, which was a time when several advanced economies saw negative growth. Nationalist China also had expanded its territorial control to rule sixty six percent of the population by 1937, up from twenty percent in 1929. And importantly, it had taken control of its Maritime Customs in 1929, which Britain had managed since 1854, giving the GMD government access to the funds that financed its political and military rule.

Despite these successes, however, the Chinese economy prior to the war with Japan was essentially a set of regional economies under the domination of revenue from the eastern seaboard. Japan's invasion and subsequent control over eastern China resulted in the loss of tariffs on foreign trade in port cities, and much of the modern manufacturing that was located there. Absent the dual engines of its economic growth, the GMD government resorted to deficit financing and, by the end of the war, was “a politically discredited party, with their project of administrative modernization but a memory” (p. 31).

Especially interesting is Boecking's discussion of changing views in China on foreign trade in the period after the Nanjing Treaty in 1842, when the Chinese generally perceived it to have a negative impact on their nation, up to the time of GMD rule, by which point they considered it an integral part of China's economy. He attributes this to three factors—legally imported foreign commodities, the increase in tariffs they generated, and the exposure of Chinese intellectuals to Western concepts of political economy. He charts the evolution of this intellectual transition with a discussion of major Chinese economic scholars from the late 19th Century to the mid-1940s, a process that also serves as an account of the debates within China about development and modernization.

A constant throughout was the perceived importance of Chinese control over the Maritime Customs that the GMD finally achieved in 1929. Because of the viewpoint that this was a major foreign policy achievement, it gave the GMD a significant degree of domestic political legitimacy. It also acted as a modernizing force for the Nationalist government; its production and use of trade statistics provided a technocratic style of governance, using data for policy making and publishing foreign language trade and revenue reports for international investors and bondholders. This proved another source of legitimacy for leaders engaged in the pursuit of developing a modern state, derived from Western models yet maintaining a Chinese identity. However, the reliance on Maritime Customs tariffs to finance so much of this modernizing project was ultimately the GMD's undoing; after losing eastern China in 1940, the previous decade's financial accomplishments were lost, and with it, any semblance of Nationalist legitimacy. Boecking concludes with a warning from the Guomindang's experience that "governments that disproportionately rely on one particular form of tax revenue are more vulnerable—not only fiscally but also politically—than those with diverse types of tax revenue" (p. 238).

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