

Chiang Kai-Shek's Gamble in Shanghai, 1937

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In late 1937, a badly mauled Japanese army emerged victorious from the war-ravaged streets of Shanghai. Although the Japanese military leadership had confidently predicted the city would fall in three days, its Chinese defenders had held off the Japanese invaders in a bitter struggle lasting three months before finally being forced to retreat and relinquish control of the city. The decision to hold Shanghai at such costs, made by China's wartime leader, Generalissimo Chiang Kai-Shek, can be regarded as a brave and dynamic show of defiance against a foreign invader. However, while the Nationalist Army's troops did indeed put up a spirited defence, inflicting heavy losses to the enemy, their value as Chiang's most elite troops was squandered, with only marginal benefit to China's standing in the war. This was largely due to the high rate of attrition suffered by these elite German-trained units, for, despite their excellent training, they still lacked the amount of firepower necessary to challenge the Japanese. The loss of so many of these soldiers would, in turn, weaken Chiang's position as leader of the Chinese Army, actually a coalition of multiple factions, of which only a portion were truly loyal to him and the Kuomintang. Together, these factors would force Chiang to adopt a defensive posture for the remainder of the war. Indeed, Chiang Kai-Shek's decision to attack the Japanese in Shanghai in 1937, while not entirely without merit, was a poor use of military resources largely due to its irreparable toll on the Nationalist Army and its weakening of Chiang's leadership over his coalition. Among other major consequences, this would, in turn, negatively impact China's, and particularly the KMT's, ability to wage an offensive war against the Japanese.

The importance of Shanghai and the surrounding hinterland to the Chinese government was paramount. Indeed, Jiangsu and Zhejiang were the provinces over which the government had the greatest degree of territorial control, unlike the situation in North

China.¹ The key cities of Nanjing (the capital), Hangzhou and, of course, Shanghai, were all situated in these two provinces. In addition, much of China's industrial capacity was situated in the area around Shanghai.² From a strategic standpoint, Chiang's German advisors had warned that the loss of these two provinces would also allow the Japanese to effectively cut China in two, and if the Nationalists were to retreat southwards, they would be in a highly mountainous and relatively undeveloped region from which they would be hard-pressed to mount any counteroffensive.³ Thus, by extension, this meant that this was the region in which Chiang Kai-Shek could best mount a stand against the Japanese and he gave strict orders for his troops to fight to the last man. Indeed, his determination to hold the city is evidenced in his refusal to comply with his advisors' pleas for him to sue for peace with the Japanese, dismissing some of them as "old and impractical...[who,] after military defeat, [asked] for appeasement."⁴ The region was simply too important to the survival of the KMT. More than any other province in China, Chiang could not afford to lose Jiangsu and Zhejiang because of their vital importance to the KMT's political and economic power. If China were to make any stand against Japan, it would understandably have to be here.

The bulk of the Nationalist Army divisions tasked with defending Shanghai were the famous German-trained units, formed under the tutelage and supervision of military advisors sent by Weimar and later Nazi Germany throughout the early 1930s. Together with warlord armies hailing from Guangdong and Guangxi provinces, among others, these elite units that were poured into Shanghai from August to November of 1937 consisted of some 600,000 men, led by 35,000 officers trained at the prestigious Whampoa Military Academy, among other noted military colleges. As such, these units consisted of the most modern, best-equipped and highly trained soldiers in the entire National Revolutionary Army, and were

¹ Hsi-Sheng Chi, *Nationalist China at War: Military Defeats and Political Collapse, 1937-45* (Detroit, Michigan: University of Michigan Press, 1982), 45.

² *Ibid.*, 46.

³ *Ibid.*, 46.

⁴ Chiang Kai-Shek, diary entry. November 20, 1937 quoted in Jay Taylor, *The Generalissimo:*

⁴ Chiang Kai-Shek, diary entry. November 20, 1937 quoted in Jay Taylor, *The Generalissimo: Chiang Kai-Shek and the Struggle for Modern China* (Cambridge, Massachusetts: Harvard University Press, 2009), 151.

the only units that had the capacity to fight a modern war. Chiang hoped that, with these troops, he could wear down the Japanese in a war of attrition, proclaiming, “the time must come when Japan’s military strength will be completely exhausted, thus giving us ultimate victory.”⁵ However, despite the fact that the Chinese force was numerically far superior to Japan’s 200,000 troops, these elite units were still inadequately equipped to face the Japanese on an equal footing in terms of firepower, equipment and mobility.⁶

The disparity between Japan’s heavy firepower and that of the Chinese Army was indeed great. Key to the Japanese advantage was their near-total air supremacy. Throughout the entire three-month battle, some 1,500 Japanese aircraft were able to lay down near-continuous fire down on Chiang’s men with virtual impunity, and there was little that the Chinese Air Force could do to challenge this with their 87 operational aircraft.⁷ The Japanese infantry elements were also well supported by armour and artillery, and finally, in addition to having air cover, they could also rely on the Imperial Navy for both naval gunfire support, and transport. Having no real navy of their own, the Chinese could do little to challenge the Japanese at sea. Indeed, it was the Imperial Navy that provided the Japanese with the advantage of mobility, and their boldly executed amphibious landing at Hangzhou Bay towards the end of the fighting in Shanghai would decisively break the Chinese defences.⁸ Although Chiang’s forces would still be able to inflict well over 40,000 enemy casualties, a feat in itself, they would still be beaten back with far greater losses of their own by November 8. So complete was their defeat that the retreat from Shanghai was a scene of total confusion and disorganization; there was, by that time, little hope of regrouping.⁹ Thus,

⁵ Chiang Kai-Shek, *Collected Wartime Messages of Generalissimo Chiang Kai-Shek, 1937-1945*, II vols. (New York, New York: John Day, 1945), 49, as quoted in Jonathan Fenby, *Generalissimo: Chiang Kai-Shek and the China He Lost* (London: Simon & Schuster, 2003), 310.

⁶ Chi, op cit, 37.

⁷ Taylor, op cit, 149.

⁸ Marvin Williamsen, “The Military Dimension, 1937-1941,” in *China’s Bitter Victory: The War With Japan, 1937-1945*, ed. James C. Hsiung and Steven I. Levine, 135-156 (Armonk, New York: East Gate, 1992), 143.

⁹ Williamsen, op cit, 144.

in spite of performing commendably in combat, these elite units were routed and virtually destroyed as an effective fighting force because they were still at an inherent disadvantage, and the cost of losing so many of them in a single battle was to have significant consequences for the KMT and its place within the coalition of which it was a part.

Although the Chinese Army was unified in name, it was actually an alliance of sorts made up of several powerful warlord armies, the Chinese Communist Party's Red Army, and Kuomintang's Nationalist Army, all under the overall command of the Generalissimo himself. This consolidation of power had been hard won. For example, the Red Army had been nearly destroyed during Chiang's lengthy campaigns against the Communists during the 1920s and into the early 30s, removing it as a threat to his power.¹⁰ Later alliances with the most powerful of China's warlords also helped eliminate other obstacles to KMT dominance. Granted, Chiang's army was far from the largest in the coalition by the time the United Front was declared, but it was the most powerful. Indeed, out of a total of 176 divisions loyal to the KMT government in 1937, Chiang had direct control over 31, and of those, only 10 were the German-trained units.¹¹ This had been enough to ensure his position as leader of the coalition. As Colin Mackerras describes it, "Chiang's army was not the only army in China, but it was the strongest and most important."¹² Thus, in early 1937, Chiang could be said to have cemented the KMT's place as the dominant political group in China. Because so much of Chiang's credibility as leader of the coalition hinged on his command of a well-endowed army, the massive losses these troops sustained during the fighting in Shanghai severely weakened this position.

It should be noted that the Nationalist Army would still continue to grow in numbers after 1937, and of course, the Nationalists would continue to secure notable victories later on. But the Communist Eighth Route Army and the warlord armies would also fight, and win, in many of the more decisive engagements, undermining the KMT's

¹⁰ Edward L. Dreyer, *China at War: 1901-1949* (New York, New York: Longman, 1995), 219.

¹¹ Chi, *op cit*, 37.

¹² Colin Mackerras, *China in Transformation: 1900-1949* (New York, New York: Addison Wesley Longman, 1998), 51.

credibility as the leading faction;¹³ the damage to the KMT had indeed been great. Indeed, the nearly 250,000 casualties sustained by the German-trained units in Shanghai had accounted for nearly 60% of Chiang's best soldiers. Furthermore, some 20,000 of the 35,000 Whampoa-trained officers had also been lost in the fighting, greatly weakening the calibre of Nationalist Army's officer corps, in whom so much of the future of the Army and KMT had been invested. Historian Chang Jui-Te notes that this accounted for some 10% of the total number of officers who had been trained at Whampoa (or the other important military academies in China at the time), all lost in a single action.¹⁴ More importantly, throughout the entire time the Nationalist forces were being slowly cut down in Shanghai, the Communist forces deployed elsewhere in the country remained largely unscathed, offsetting the power ratio between KMT and CCP forces.¹⁵ This was precisely what Communist leader Mao Zedong had needed; indeed he had, at the onset of war against Japan, predicted somewhat prophetically that "all [of the CCP's problems] would be resolved smoothly."¹⁶ Granted, the war was still at a relatively early stage, and the Communists themselves would lose their share of soldiers during the war, but never so many in such a decisively short space of time as the Nationalists did at Shanghai. Thus, although the Kuomintang could recover from its losses in Shanghai numerically, the reality was that the *quality* of the soldiers lost there, in terms of their superior training and discipline, was a permanent loss.

Finally, Chiang's initial powerbase had been significantly boosted by his contacts in Shanghai's financial community, and the fall of the city to the Japanese had hurt his position in that the KMT had now lost its major source of revenue and it would be some years before he could expect any real help from foreign aid. Both politically and militarily, the fighting at

¹³ Dreyer, op cit, 219.

¹⁴ Jui-Te Chang, "Nationalist Army Officers during the Sino-Japanese War, 1937-1945," *Modern Asian Studies* (Cambridge University Press) 30, no. 4 (October 1996): 1033-1056, 1046.

¹⁵ Jay Taylor, *The Generalissimo: Chiang Kai-Shek and the Struggle for Modern China* (Cambridge, Massachusetts: Harvard University Press, 2009), 148.

¹⁶ Mao quoted in Zhang Guotao, *The Rise of the Chinese Communist Party* (Lawrence, Kansas: University Press of Kansas, 1971), as quoted in Taylor, 143.

Shanghai had by the late 1930s made Chiang little more than what Jonathan Spence aptly describes as the “presiding coordinator of a loose federation of forces”, despite the apparently massive numbers of Nationalist troops on paper.¹⁷

The many perceived positive effects to come from the outcome of the battle are also deceptive. For example, while it could be said that the presence of the foreign concessions in Shanghai ensured that the battle would draw much attention from the Western powers, a number of historians have pointed out that such attention would have had little real impact on the situation. This could have been predicted by past experience: although the earlier battle of Shanghai in 1932 had drawn much condemnation of Japan by the West, the latter had done little, if anything, to dissuade the Japanese from continuing their campaign in China.¹⁸ Indeed, while it could be argued that Chiang and many in the KMT leadership were hoping that the battle in Shanghai would help rally Western support (especially because of the presence of the foreign concessions in the city), they were well aware of the more likely possibility that the West would probably do very little.¹⁹ In fact, many of Chiang’s foreign advisors had repeatedly pointed out that hoping for any effective foreign help at this stage of the war was unrealistic.²⁰ For example, both German advisor General Alexander von Falkenhausen and Australian advisor, W.H Donald, had advised at different times that if China was to go to war with Japan, she would largely be on her own for as much as two years

¹⁷ Jonathan Spence, *The Search for Modern China*, Second Edition (New York, New York: W.W. Norton, 1999), 434.

¹⁸ Wai Chor So, “The Making of the Guomindang’s Japan Policy, 1932-1937: The Roles of Chiang Kai-Shek and Wang Jingwei,” *Modern China* (Sage Publications) 28, no. 2 (April 2002): 213-252, 243.

¹⁹ Although there was little in the way of practical help from foreign governments at this time, it is worth noting that China did garner much public support from these countries. Key figures in the American administration, including President Roosevelt himself, also sympathized with the Chinese plight. It should also be pointed out that after the massacre at Nanjing in December, the US government did impose trade embargoes on Japan, and although this would compel the Japanese to (briefly) reconsider their policy on China, it would of course still be another four years before America (and their European allies) would enter the war.

²⁰ Chi, op cit, 47.

before they could even begin to expect any foreign help.²¹ “Such views from highly placed advisors,” writes one historian, “[would] have disabused the government of any lingering illusion of using the Shanghai campaign to trigger foreign intervention.”²²

Perhaps the best demonstration of the unwillingness of foreign powers to intervene came in early December, when British and American gunboats were attacked while evacuating their citizens from Nanjing. Even after the American gunboat *Panay* was actually sunk by Japanese aircraft on the 12th, both governments quickly accepted Japanese apologies. Although American President Franklin D. Roosevelt was sympathetic to China’s situation, isolationist sentiment was still too dominant in Congress for him to really do very much; meanwhile, the British were preoccupied with trying to keep another war from consuming Europe.²³ In effect, although Chiang certainly hoped foreign governments might help put some measure of pressure on the Japanese, he was well aware of the fact that he would not be able to solely rely on them to conveniently solve the problem. For China, the moral support resulting from the battle was, perhaps, better than nothing at all, but obviously not enough to help China in any material sense.

Because of the poor management of the KMT’s military resources, the disaster at Shanghai would ultimately result in the government’s inability to adequately protect the vital two provinces of Zhejiang and Jiangsu, which would fall quickly under the Japanese advance over the next several months. Indeed, the very disaster that the Shanghai action was supposed to prevent had in fact transpired. The loss of crucial industrial facilities in the Shanghai area, coupled with the loss of so much of the Army’s offensive capabilities, largely meant that from 1937 onward, China was indeed mostly relegated to fighting a guerrilla war waged from the backwater regions of the country.²⁴ Of course, the Chinese were able to transport some of these industries from the region and into the (relatively) more secure parts of the country in

²¹ Ibid., 47.

²² Ibid., 47.

²³ Dreyer, op cit, 220.

²⁴ Hsi-Sheng Chi, “The Military Dimension, 1942-1945,” in *China’s Bitter Victory: The War With Japan, 1937-1945*, ed. James C. Hsiung and Steven I. Levine, 157-184 (Armonk, New York: East Gate, 1992), 179.

the west, and the three months during which Chiang's troops had the Japanese bogged down in Shanghai no doubt allowed valuable time for this undertaking to take place. Still, however, these areas of the country were no substitute for the highly developed coastal regions lost in 1937. Furthermore, those western provinces were, as pointed out earlier, areas of the country over which the KMT did not enjoy as much direct control as they had in Zhejiang and Jiangsu. In effect, almost everything that had arguably made Chiang the most powerful man in China evaporated away with the defeat in Shanghai.

On November 9th, Chiang finally ordered his troops to retreat, but they had, in fact already been falling back for some time. Worse yet, their retreat was not the orderly one for which they had prepared, as the retreat was chaotic and disorganized. Although their performance in the battle had demonstrated to the world that after nearly a century of humiliating concessions and military defeats by foreign imperialist powers, China was willing to fight and pay dearly for the defence of its home soil, Chiang's handling of the battle had had very severe consequences. As has been shown, the decision to launch an offensive against the Japanese in Shanghai was far more damaging to Chiang and the KMT's status in China than it was beneficial, and was carried out rather recklessly. Firstly, the crack, German-trained troops of the Nationalist Army, the best-trained and best-equipped Chiang (or any Chinese general, for that matter) had at his disposal, were still largely outgunned by their Japanese counterparts. With the sheer numbers of men under his command, a more guerrilla-oriented campaign against the better-armed Japanese would have perhaps been more effective. Squandering so many of these valuable units in a single battle, especially when the best of them were so few in number, was tactically unsound. Of course, these units performed bravely and still inflicted heavy losses on the Japanese, but in the end, the price they paid for this was one from which the Nationalist Army would find it difficult to recover. Chiang's gamble would negatively alter the power dynamics of his position within the coalition he had formed because he had essentially lost the very ingredient that had made him the leader of that coalition in the first place: a powerful army. Indeed, before Shanghai, Chiang's army had easily been the best in China whereas by the time his troops had retreated from the city, Chiang's position was far more fragile. Granted, making a stand at Shanghai can still be

looked on as something of a necessary evil for the Nationalists, due to the region's strategic importance to the KMT, but this does not change the fact that the resources with which Chiang had to defend it were gravely misused. Thus, the Generalissimo's gamble at Shanghai was perhaps made with sensible concerns in mind, but it was poorly executed due to a failure to properly recognize the inherent weaknesses of the Nationalist Army in relation to their adversaries, and its far-reaching effects were consequences that the KMT simply could not afford.

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