

Memorandum on the Situation in Taiwan

Background

The Formosan Chinese greeted the surrender of Japanese authority to the Chinese with immense enthusiasm on October 25, 1945. After fifty years under Japanese control and intensive economic development they welcomed a return to China, which they had idealized as the "Mother Country". The richness of the island and the relatively light population pressure had made rapid economic and social developments possible. Agriculture, food processing and light industry in the best years produced an overseas trade valued at U.S. \$225,000,000. To improve Taiwan's economic value the Japanese had raised the general standard of living. Public health standards were high and literacy widely spread among the masses. Formosans had come to place a high value on orderly procedures in the courts and on the orderly enforcement and observance of government regulations, for they found order both profitable and necessary in a complex and semi-industrialized economy.

With the removal of the Japanese the Formosans looked forward to a return to profitable trade and an expansion of their already established industries, with the markets of China ready to receive all that they could produce. The surpluses which had always gone to Japan would now, they thought, go to China. They expected to return to control of the properties taken from them by the Japanese through fifty years and expected a larger share in the management of their own enterprises. Under pressure of the Japanese overlords who were alien to Taiwan, they had developed an island-wide sense of social solidarity. They were free of all internal political strife. The Japanese had rigorously excluded all Communist influence and activity, and had indeed filled the people with fear, dislike and distrust of Communist doctrines. They revered the Generalissimo, believed the Three people's Principles meant new opportunities, and looked forward expectantly to participation in the Central Government. The year 1946 was one of increasing disappointment. Though the majority of petty officials, clerks and office boys of the new Administration were Formosans, they were virtually excluded from all important government offices and from important administrative posts. The legal necessity to place all confiscated Japanese properties and enterprises under Government control led to the creation of syndicates and combines in every field in which the Japanese had had an interest. Though the Government owns (and must heavily subsidize) these companies, the salaried and privileged administrators are in a position to squeeze freely. It is alleged that raw and finished materials and agricultural products find their way into the hands of unscrupulous officials for their use in private trading and smuggling. Judging from Taiwan's former capacity to produce and the fact that its enterprises continue, qualified Formosans estimate that published records show only one-tenth of actual receipts. As an example, it is alleged by persons formerly connected with the Department of Agriculture and Forestry that fishing boats were withdrawn from their normal bases in 1940 and were used for smuggling in the interest of the authorities concerned.

Formosans have been virtually excluded from the higher levels of economic administration. These persistent allegations of corruption lead them to place responsibility on members of the Government who appear and reappear in lucrative posts as Commissioners, members of Committees, and Directors in a manner which concentrates full control of the total economy in the hands of a clique close to the Governor.

There was a progressive decline in Formosan economic enterprise, especially where there was competition with ex-Japanese interest. Unemployment among Formosans has progressively increased, either through direct discharge (frequently to make room for unqualified newcomers) or by the suspension or abolition of various established enterprises which failed to be profitable under the new management. Whereas about 50,000 Formosans had been employed normally in industrial work, by January 1947 UNRRA officials estimated that less than 5,000 were so employed. Whereas the top government officials created a Taiwan Industrial and Mining Enterprises Syndicate with a capital of two billion Taiwan yen, in which the Commissioners and their associates play leading roles, the Department of Mining and Industry announced an appropriation of only eight million Taiwan yen for loans in aid of private (i. e. Formosan) Industrial enterprises after June 1946.

The Quarantine Service broke down and the Public Health Service was badly shattered. Cholera epidemics occurred for the first time in about 80 years: bubonic plague appeared after an even longer absence. Educational standards in the schools were markedly lowered. Friction spread through the schools between Formosans and mainland students and teachers. Trouble between mainland police and local petty officials increased. The press was filled with public charges and counter-charges of corruption and lawless acts among government officers. Formosans claimed that corruption and nepotism among mainland officials increased rather than abated during the year. The cost of living soared. Bank of Taiwan wholesale commodity price indices show advance as follows from November 1945 to January 1947: foodstuffs 3,328 to 21,058; clothing 5,741 to 24,483; fuel 963 to 14,091; fertilizers 139 to 37,559; building materials 949 to 13,612 (Pre-war June 1937 is used as a basis). Prices shot up most rapidly during February 1947. These figures on the whole reflect the drain of Taiwan wealth from the island, with little or no return to it.

Although the two rice harvests of 1946 were good, a rice shortage grew acute in December 1948 and January 1947. The Government instituted a tax in kind for rice lands, ostensibly to secure an equal distribution, and repeatedly threatened to use military force to punish private hoarders which it blamed for the shortages. In fact there is substantial evidence to support the Formosans in their charges that large quantities of grain were smuggled out or went into private control of officials. It is popularly believed that the army is shipping unpublicized quantities to the northern front on the mainland.

Three governmental acts

Against this background of increasing economic and social dislocation three governmental acts in January and February appear to have crystallized Formosan resentment toward economic policies and toward individuals in the Government.

(1) Throughout 1946 Formosans sought permission to elect city mayors and *Hsien* magistrates, in order to ensure themselves of some direct control over local police and over economic functions and public services. The announcement of China's new Constitution was greeted with relief. Prominent Formosan leaders counseled that demands for local elections could wait until the Constitution would become effective at the end of 1947. In early January, however, the Governor General announced that although the Constitution would be effective on the mainland on December 25, 1947, it would be impossible for the Government to allow local elections of mayors and magistrates in Formosa until December 1949. This had an effect which stirred political discussion to a new pitch. Formosans state that until they can elect their own representatives at all levels of local government they will have no security of person; they cannot control the local police, ensure the enforcement of law nor enjoy security of property.

(2) On February 1 the Government announced a new policy for the disposal of certain large categories of Japanese property—principally real estate abandoned by the Japanese and now occupied by Formosans on a low rental basis. The announced procedures were such that it was widely believed that Formosans without great wealth and its influence would be unable to buy real estate which they had believed would be available, especially in view of the fact that it had been taken from them more or less forcefully by the Japanese over the course of fifty years. This announced procedure was interpreted as a threat to the security of low-income level Formosans who, having lost their former homes during the war, are not anxious to face eviction from houses now occupied if, as they anticipate, new mainland landlords should suddenly greatly increase rentals. (Rental is the one item in living costs which has not risen excessively since 1945, due to the removal of several hundred thousand Japanese.)

(3) The third governmental act was a February 14 announcement of a series of complex financial and trading regulations which Formosans believed effectually concentrated monopoly control in the hands of a small group of officials. It is believed by some observers that these were announced precipitously and rashly in the belief that the crisis in Shanghai was about to provide an opportunity long awaited to establish a semi-autonomous economy for Taiwan, giving into the hands of a few mainland people an absolute control of all external trade and a general control of internal production and business as well.

As an island people, Formosans have been sensitive to overseas trade, and after the Japanese surrender they anticipated the reestablishment and expansion of seaborne commerce. They had proposed to organize their capital for production and individual business, out of which they had expected to be taxed in support of the Central Government and of the local island administration. These new measures seemed to the Formosans not only a threat to return them to the subservient position they had suffered under the Japanese, but to threaten to destroy the very means to create wealth within the island.

The February Incident

Spontaneous protest and unorganized riots

On the evening of February 27 certain armed Monopoly Bureau agents and special police agents set upon and beat a female cigarette vendor, who with her two small children had protested the seizure of her small cash as well as her allegedly untaxed cigarettes. She is reported to have died soon after as a result of the beating at police hands. An angered crowd set after the agents, who shot at random, killing one person before they escaped into a civil police station. Their Monopoly Bureau truck and its contents were burned in the street, although the agents were allowed to be taken away, on foot and unmolested. from the police station by military police called for that purpose.

On the morning of February 28 a crowd estimated at about 2,000 marched in orderly fashion from the area in which the incident had occurred, past the American Consulate and toward the Monopoly Bureau Headquarters. Placards and banners announced that they intended to protest the action of special armed agents, to demand a death sentence for the responsible man, and to demand the resignation of the Monopoly Bureau Director.

Unfortunately, as they made their way across the city, two Monopoly agents were discovered in a side street molesting a vendor. They were beaten to death by an angry crowd which was not taking part in the initial demonstration. This happened near the Taipei Branch Monopoly Bureau Office buildings which the crowd began to sack. Its contents were burned in the streets. Mainland employees were driven out and if caught were beaten mercilessly. The crowd's anger enlarged to include employees and property of the Trading Bureau, another monopolistic organization greatly disliked. The Consul and the Vice Consul observed the orderly gathering before the Monopoly Bureau Headquarters, where no Monopoly Bureau official would receive the petition which had been brought about noon. Monopoly Bureau police and a few military police were guarding the entrances.

Meanwhile at about one o'clock someone announced to the radio audience that demands were being made on the Government to put an end to its monopolies. All Formosans were urged to support the movement.

The parade, meanwhile, left the Monopoly Bureau for the Governor's office where it was intended to present the petition for reform. At about two o'clock it reached a wide intersection adjacent to the government grounds. Without warning a machine gun mounted somewhere on the government building opened fire, swept and dispersed the crowd and killed at least four. Two consular officers drove through the square immediately after the shots were fired. Two of the dead were picked up a few minutes later by an UNRRA officer.

This shooting was the signal for a citywide outburst of anger against all mainland Chinese, regardless of rank or occupation. Many were beaten, cars were burned and in some few cases

offices and houses of minor officials were sacked and the contents burned in the street. It was observed that the Formosans refrained from looting. One Formosan was found attempting to take cigarettes from a burning heap; he was forced to kneel and beg forgiveness from the crowd and was then driven away. Another was severely beaten. Tires and other equipment were observed to have been left untouched on overturned cars, and remained in evidence until the Formosans lost control of the city March 9. Martial law was invoked in the late afternoon February 28. Armed military controls began to appear in the city, firing at random wherever they went.

At 10 o'clock a. m., March 1, the Chairman of the Taipei Municipal People's Political Council invited the Council, representatives of the National and provincial P.P.C. Councils and the Taiwan representatives to the National Assembly, to form a committee for settling the so called Monopoly Bureau Incident. It was decided to send a delegation to call on the Governor General, requesting, among other things, that a committee be formed to settle the problems jointly by the people and the Government. These men recognized that with the firing on the crowd at the government building, the issues had become much greater than mere punishment of Monopoly Bureau agents and a financial settlement for the injured and dead. They urged the Governor to lift martial law so that the dangers of a clash between the unarmed civil population and the military would be averted. This the Governor agreed to do at midnight, March 1, meanwhile forbidding meetings and parades.

On that day busses and trucks, filled with squads of government troops armed with machine guns and rifles, began to sweep through the streets, firing indiscriminately. Machine guns were set up at important intersections. Shooting grew in volume during the afternoon. At no time were Formosans observed to have arms and no instances of Formosan use of arms were reported in Taipei. Nevertheless, the military were evidently allowed free use in what appeared to be an attempt to frighten the people into obedience.

At approximately 5 o'clock, the Governor General broadcast a message which appears to have increased the anger of the people. He stated that the Monopoly Bureau incident had been settled by a generous payment of money. Without referring to the machine gun fire from his own office he accused the Formosans of increased rioting, but generously promised to lift martial law at midnight.

"There is one more point," the Governor broadcast. "The P.P.C members wished to send representatives to form a committee jointly with the Government to settle this riot. This I have also granted. If you have any opinion, you can tell me through this Committee." (*Hsin Sheng Pao*, March 2, 1947.)

While he was broadcasting, members of the American Consulate staff witnessed a severe clash between armed government forces and unarmed crowds. Mounted troops had killed two pedestrians near the compound. A crowd gathered. A few hundred yards away Railway

Administration special armed police suddenly opened fire from within the Administration building and killed two more pedestrians. The crowd turned on any mainland Railway Bureau employee found nearby. Two more pedestrians who looked like Coolies were shot about 300 feet from the Consulate gates. Then as the bodies were carried off the crowd was observed to assemble again some distance from a mounted patrol near an intersection. Suddenly, with no warning, a long burst of machine gun fire swept the area. Some of the wounded and dead were carried past the Consulate gates; it is stated reliably that at least 123 were felled by this burst and that 25 died. How many of the injured walked away is not known.

On this afternoon 25 mainland officials from the neighboring Railway Administration compound took refuge in the Consulate. Although the crowd observed them enter, no attempt was made to pursue them. They were removed eight hours later under police guard.

The temper of the populace was uncertain. Inflammatory handbills and posters began to appear in increasing number. There was a general demand that the Government of Taiwan must be thoroughly reformed.

At 12 noon March 2 the "Untaxed Cigarette Incident Investigation Committee of the Taipei Municipal P.P.C." called on the Governor General, and with this began the attempt to meet and clarify the fundamental political and economic problems which lay back of the uprisings. The Governor had with him the Secretary-General, the Commissioners for Civil Affairs, Communications, and Industry and Mining.

The Governor appears to have been told by the Committee that there could be no peace as long as roving armed patrols were permitted to sweep the streets with gunfire and so paralyze all normal activity.

It is believed that if fully determined the people could have overpowered and ended the patrols which were moving only in the central part of the city.

The Governor therefore agreed to several "temporary demands", i.e., stipulations of conditions to be maintained while the people organized their fundamental demands for reform in government. These included (1) an agreement that a schedule of fundamental reforms should be prepared for discussion by March 10, after representatives of the people throughout the island could be consulted; (2) a promise that the Government would not bring additional troops into the city while these consultations were in progress; (3) a volunteer youth organization under the supervision of the Mayor and the municipal Chief of Police (a mainlander) would maintain law and order temporarily; (4) communications would be restored at once in order to avoid a food shortage.

The Governor agreed to broadcast at 3 o'clock p.m. and agreed to reduce the armed patrols gradually, meanwhile ordering them to patrol with rifles and other arms down on the floor of the trucks and busses, for use only if crowds were found disturbing the peace.

At 2: 30 o'clock the first general meeting of the Governor's representatives (the Commissioners of Civil Affairs, Police, and Communications, and the Taipei Mayor) and the Settlement Committee met in the Public Hall, with a capacity audience of spectators. It was announced that as a result of the morning conference the Governor had decided to readjust the Committee to bring into it representatives of the Chamber of Commerce, the Labor Union, student organizations, popular organizations, and the important Taiwan Political Reconstruction Association which has been for many months the most outspoken and emphatically nationalist group urging reform in General Chen's government.

The following temporary demands were formulated:

1. All people arrested in connection with the riots will be released;
2. The Government will pay death gratuities and compensations to the wounded;
3. The Government will not prosecute persons involved;
4. Armed police patrols will be stopped immediately;
5. Communications will be restored immediately.

While in session the meeting was disturbed by volleys of shots outside, when the Governor's promised 3 o'clock broadcast was postponed for almost two hours, it began to be rumored that he was delaying in hope that troops would reach the city from the south and he would not be forced to make public acceptance of the demands.

At approximately 5 o'clock, March 2, the Governor again broadcast, concluding his speech with the statement:

"A committee will be organized to settle the incident. Besides government officials and members of the P.P.C., representatives from the people of all walks of life will be invited to joint the committee so that it may represent opinions of the majority of the people." (*Hsin Sheng Pao*, March 3, 1947)

On the night of March 2, word reached Taipei that the Governor actually had attempted to get troop to the city. Citizens near Hsinchu city, however, were reported to have halted the troop carriers by removing rails from the main line.

From this time (March 3) the confidence of the people appears to have been undermined. The moderate and conservative element represented by the Committee members were willing to trust the Government's word and to proceed with negotiations. The more skeptical elements agreed to support the Committee in its efforts but at the same time determined to prepare resistance to any military action which might be set against them.

This delegation, received by five Government Commissioners and Chief of Staff Ko, urged that the patrols be withdrawn, for they were still firing wildly in the streets despite the Governor's promises. After long discussion the Government representatives agreed:

1. All troops to be withdrawn by 6 p. m., March 8;
2. Public order to be maintained by a temporary Public Security Service Corps including gendarmes, police, and youths;
3. Communications to be restored at 6 p. m.;
4. Military rice stores to be released to avert crisis;
5. Any military personnel making a disturbance to be sent to General Ko for punishment;
6. Any civilians disturbing the peace to be punished according to law, on the guarantee of the Committee;
7. Troops absolutely would not come from the south to the north. (General Ko is reported to have promised "to commit suicide" if his personal guarantee were broken.)

Meanwhile, a Taipei City Provisional Public Safety Committee was organized by the Settlement Committee. Its members were recommended by the Committee and were to constitute a "Loyal Service Corps." Its effective period was to end on the day normal conditions were restored in Taipei. Meanwhile, events at Taipei were known throughout Taiwan. It appears that Formosans became deeply alarmed at persistent rumors that troops were coming from the mainland, and began to arm themselves to resist a military occupation, insisting, however, that they wanted reform, not civil war. Formosans began to take over local administrative posts everywhere held by mainland Chinese. Government troops offered some resistance but it appears that in many places mainlanders agreed to relinquish their posts peacefully, as at Hualienkang (Karenko). The aborigines are reported to be cooperating fully with the Formosan Chinese. Without prearrangement or preparation, by March 5, Formosan-Chinese were in the ascendancy or in control throughout the island.

This called for larger organization in order to prevent ruffians under guise of "local patriotism" from taking advantage of confusion. On March 4 the Settlement Committee enlarged its representative character by creating 17 subdivisions or local Settlement Committees throughout the island. Circumstances beyond control forced the Committee to so enlarge its duties, and in doing so it announced:

"We should acknowledge the aim of this action, that there is no other desire except to demand a reformation of Government" (*Hsin-Sheng Pao*, March 5, 1947)

This was without doubt necessary, for the absence of mainland office-holders from their duties threatened to paralyze the administration.

The Governor and his Commissioners received the Committee's representatives at 3:30 p.m., March 4 and the Governor took occasion to remind them that his duties were related to both

national administration and local government and expressed his hope that the people would come forth with more proposals for local administration. He stated that he had ordered the police and gendarmes not to carry weapons,

March 5 was quiet at Taipei. Shops were open and primary schools resumed classwork. The city appeared to be returning to normal while the Settlement Committee worked toward a reform program which would remove the sources of conflict between administration and people.

There was intense popular anxiety, however, for rumors of impending troop movements grew stronger. It was said that the March 10 date set for presentation of the reform proposals would be too late. Each rumor strengthened the arguments of the men who desired to organize resistance and made the task of the officially recognized Settlement Committee more difficult. In an attempt to clarify its own position and to strengthen its influence over dissident elements the Settlement Committee published basic Articles of Organization clearly defining its temporary character.

A Youth League of considerable potential significance came into being, stressing as basic principles a desire to make Taiwan a model province of China and to hasten Dr. Sun Yat-sen's program of National Reconstruction. The founder, former president of the Chamber of Commerce, Chiang Wei-chuan, said:

"We absolutely support the Central Government but will eradicate all corrupt officials in this province. This is our aim which I hope every one of you fully grasp." (*Chung Wei Jih Pao*, March 6, 1947)

Spurred by fears of a military invasion, on March 6 the Settlement Committee completed its draft of items of reform which the Governor had agreed to discuss and to refer to the Central Government wherever necessary. The Committee's executive group acted as sponsors and included four members of the National P.P.C., six members of the Taiwan Provincial P.P.C., five members of the Taipei Municipal P.P.C. and two "reserve members". Everyone of these men had received the approval of the Government as P.P.C. members and represent in fact the most conservative elements in Taiwan. One is a former Consul General at San Francisco, and ex-Mayor of Taipei. The reform proposals, made possible March 7, are set forth on pages 15-18 of this dispatch.

The Army's explicit promise that the Central Government would not send troops

On March 8 Major-General Chang Wu.tao, Commander of the fourth Gendarme Regiment, at 12:00 noon called on the Settlement Committee at its headquarters. According to the press and to witnesses he made the following categorical statement:

"I can guarantee that there will be no social disturbances if the people do not try to disarm the soldiers. I want especially to report to you that the demands for political reforms in this province are very proper. The Central Government will not dispatch troops to Taiwan. I earnestly entreat

the people of Taiwan not to irritate the Central Government, but to cooperate to maintain order. I can risk my life to guarantee that the Central Government will not take any military actions against Taiwan. I speak these words out of my sincere attachment to this province and to the nation. I hope Taiwan will become a model province after these political reforms." (*Hsin Sheng Pao*, March 9, 1947.)

The Landing of Government troops and subsequent terrorism

Foreign observers who were at Keelung March 8 state that in mid-afternoon the street of city were cleared suddenly by machine gun fire directed at no particular objects or persons. After dark ships docked and discharged the troops for which the Governor apparently had been waiting. Fairly reliable sources estimate that about 2,000 police were landed, followed by about 8,000 troops with light equipment including U. S. army jeeps. Men and equipment were rushed to Taipei. It is reported that about 3,000 men were landed at Takao simultaneously. Troops were reported continuing to arrive on March 17.

Beginning March 9, there was widespread and indiscriminate killing. Soldiers were seen bayoneting coolies without apparent provocation in front of a Consulate staff residence. Soldiers were seen to rob passersby. An old man protesting the removal of a woman from his house was seen cut down by two soldiers. The Canadian nurse in charge of an adjacent Mission Hospital was observed bravely to make seven trips under fire into the crowded area across the avenue to treat persons shot down or bayoneted, and once as she supervised the movement of a wounded man into the hospital the bearers with her were fired upon. Some of the patients brought in had been shot and hacked to pieces. Young Formosan men were observed tied together, being prodded at bayonet point toward the city limits. A Formosan woman primary school teacher attempting to reach her home was shot in the back and robbed near the Mission compound. A British business man attempting to rescue an American woman whose house was being riddled with machine gun fire from a nearby emplacement was fired upon and narrowly escaped, one bullet cutting through his clothing and another being deflected from the steering gear of his jeep. Another foreigner saw a youth forced to dismount from his cycle before a military policeman, who thereupon lacerated the man's hands so badly with his bayonet that the man could not pick up his machine.

Anyone thought to be trying to hide or run was shot down. Looting began wherever the soldiers saw something desirable. In the Manka area, near the Consulate, a general sacking by soldiers took place on March 10; many shopkeepers are believed to have been shot.

On March 11 it was reported that a systematic search for middle school students had begun during the night. School enrollment lists were used. A broadcast earlier had ordered all youths who had been members of the Security Patrol or the Youth League to turn in their weapons. Concurrently, all middle school students were ordered to remain at home. If a student was caught

on the street while trying to obey the first order he was killed; if the searchers found a weapon in his house, he met a like fate. If a student was not at home his brother or his father was seized as hostage. A reliable estimate was made that about 700 students had been seized in Taipei by March 13. Two hundred are said to have been seized in Keelung. Fifty are reported, to have been killed at Matsuyama and thirty at Kokuto (suburbs of Taipei) on the night of March 9.

From March 8 the Government instituted searches for all members of the Settlement Committee and for all editors, lawyers and many prominent business men who had in any way been identified with the activities of the Committee between March 1 and 8. Wang Tien-teng, Chairman of the Settlement Committee, was seized and is alleged to have been executed about March 13. Tan Gim, a leading banker, was taken from his sick bed; Lim Mo-sei, editor of the *Min Pao*, was seized in the night and taken without clothing. Gan Kin-en, head of a large private mining interest, was arrested.

Middle school and normal school teachers began to be seized or to disappear March 14. One teacher who had been deprived of his license as a public prosecutor after exposing a case of police corruption in early 1946, was taken on March 15. Another public prosecutor involved in the arrest and punishment of mainland police officers convicted in court of killing an official of the Taichung Court, is said to have been literally drugged out of the Taipei Higher Court by the convicted man who had apparently won release after March 8. A minor accountant in the Taiwan Navigation Company at Keelung was called out and shot, with the explanation that the Manager did not think well of him.

On March 13 a tense crowd was observed near the homes of the Vice Consul and the U.S.I.S. Director; wailing women who came away incoherently said that two students had just been beheaded. UNSRA personnel observed bodies lying along the road between their hostel and the city office. Unclaimed bodies were reliably reported to be lying in the ditches and along an embankment within 2000 feet of the foreign mission compound. A foreigner reported that on March 10 while at the Army Garrison Headquarters he observed some 15 well-dressed Formosan-Chinese bound and kneeling, with necks bared, apparently awaiting execution. On March 14 and 15 many bodies began to float into the inner harbor at Keelung. Foreigners saw sampans tow them in for possible identification by anxiously waiting people. It is estimated by a reliable Keelung observer that Some 300 people had been seized and killed there.

After three days in Taipei streets, government forces began to push out into suburban and rural areas. Mounted machine gun patrols were observed along the highroads 15 to 20 miles from Taipei shooting at random in village streets in what appeared to be effort to break any spirit of resistance. Manhunts were observed being conducted through the hills near the UNRRA hostel. Foreigners saw bodies in the streets of Tamsui.

By March 17 the order of seizure or execution seemed to have become, successively, all established critics of the government, Settlement committee members and their aides, men who

had taken part in the interim policing of Taipei, middle school students and teachers, lawyers, economic leaders and members of influential families, and finally, persons who in the past had caused members of the Government or their appointees serious loss of face. On March 16 it was rumored that anyone who spoke English well, or who had close foreign connections was being seized "for examination", and that many Japanese technicians in the employ of the Government were being taken.

On March 9, the Committee began to publish retractions, modifications and denials of acts and proposals made during the preceding ten days. Only the Government's paper, the *Hsin Sheng Pao*, appeared March 9. On that date the Taiwan Garrison Headquarters issued the ambiguous statement that "all illegal organizations must be abolished before March 10 and meeting and parades are prohibited...." , (Communique No. 131, March 9, 1947).

On March 10, General Chen issued the following statement:

"On the afternoon of March 2, I broadcast that members of the national, provincial and municipal P.P.C.s, Taiwan representatives to the National Assembly and representatives from the people may jointly form a committee to receive the people's opinion concerning relief work for the February 28 incident.

"Unexpectedly, since its formation, the committee has given no thought to relief work such as medical care for the wounded and compensation to the killed and so forth. On the contrary, it acted beyond its province and on March 7 went so far as to announce a settlement outline containing rebellions elements. Therefore, this committee (including *hsien* and municipal branch committees.) should be abolished. Hereafter, opinions on political reforms concerning the province may be brought up by the Provincial P. P. C., and those concerning the *hsien* and municipalities. by their respective *hsien* on municipal P. P. C.s. People who have opinions may bring them up to the P.P.C.s or to the Government General direct by writing." (*Hsin Sheng Pao*, March 11, 1947)

On March 13, it was announced that all but three government-sponsored papers were banned or suspended for having published accounts of the uprising and activities of the Committee. The *Min Pao* press was destroyed effectively on March 10.

By March 17, the Government forces were pushing down the main railway lines toward the center of the island. Martial law was rigorously enforced from 8 o'clock p. m. until 6:30 o'clock a. m.

THE Draft Reform Program

Hereafter, events in Formosa and the development of Chinese administration there may be better understood in the light of the draft reform program-the so-called 32 Demands-which are here set

forth. Though the rioting after February 27 was spontaneous and the creation of the Settlement Committee an unplanned event, these requests for specific reforms in local government are rooted in fundamental economic and administrative problems which must some day be solved.

It must be pointed out that the Settlement Committee, aware of its responsible official character, was greatly hampered and embarrassed by many impossible demands made on it by individuals and groups who were not authorized to develop a reform program for the Governor's consideration. For example, there were published demands that only Formosans, be allowed to hold arms on Taiwan and that all Central Government troops be withdrawn. Some extreme threats to individuals in the Government appeared in handbill and poster form.

Here the Committee's proposals are regrouped as they appeared designed to achieve (1) equality in government; (2) security of persons and (3) security of means of livelihood. Certain of the measures were clearly open to compromise and negotiation.

Reforms to ensure equality for Formosans in local government:

1. A provincial autonomy shall be enacted and shall become the supreme norm for political affairs in this province so that the ideal of National Reconstruction of Dr. Sun Yat-sen may be here materialized.
2. The appointment of commissioners shall have the approval of the People's Political Council (after new elections have been held.) The People's Political Council shall be newly elected before June 1947. In the meantime such appointments shall be submitted by the Governor General to the Committee for Settling the February Incident for discussion and approval or rejection.
3. More than two-thirds of the Commissioners shall be appointed from those who have lived in this Province for more than ten years. (It is most desirable that such persons only shall be appointed to the Secretariat and to be Commissioners of the Department of Civil Affairs, Finance, Industry and Mining, Agriculture and Forestry, Education, and Police.)
4. Unarmed gatherings and organizations shall enjoy absolute freedom.
5. Complete freedom of speech, of the press and of the right to strike shall be realized. The system requiring registration of newspapers to be published shall be abolished.
6. The Regulations in force covering the formation of popular Organization shall be abolished.
7. The Regulations governing the scrutiny of the capacity of candidates for membership in representative organs of public opinion shall be abolished.
8. Regulations governing the election of members of various grades in representative organs of public opinion shall be revised.
9. A Political Affairs Bureau of the Settlement Committee must be established by March 15. Measures for its organization will be that a candidate be elected by representatives of each village, town and district, and then newly elected by the prefectural or city People's Political

Council. The numbers of Candidates to be elected in each city or prefecture are as follows:
(Total 30 figures and allocations here omitted)

10. The Office of the Governor General shall be converted into a Provincial Government. Before this reform is approved by the Central Government, the Office of the Governor General shall be reorganized by the Settlement Committee through popular elections so that righteous and able officers can be appointed.

(Note: It has been indicated by a Formosan lawyer that the thought behind this was to provide for the interim period leading to the peace treaties and the legal return of sovereignty to China, until which time, it is widely held, a legal Provincial Government cannot be established.)

Reforms to ensure security of person and property

1. Popular election of prefectural magistrates and city mayors shall be held before June of this year and at the same time there shall be new elections of members to all prefectural and municipal political councils. (NOTE: The reason given for this is the establishment of control over the police systems and to ensure the supremacy of, and respect for the courts.)
2. The posts of the Commissioner of the Department of Police, and of the directors of all prefectural or municipal Police Bureaus ought to be filled by Formosans. The armed special Police Contingents and the armed police maintained by the Railway Department and the Department of Industry and Mining shall be abolished immediately.
3. No government organs other than the civil police can arrest criminals.
4. Arrest or confinement of a political nature shall be prohibited.
5. All chiefs of local courts of Justice and all chief prosecutors in all local courts of Justice shall be Formosans.
6. The majority of judges, prosecutors and other court staff membership shall be Formosans.
7. More than half the Committee of Legal Affairs shall be occupied by Formosans and the Chairman of the Committee shall be mutually elected from among its members.

Measures to ensure a revision and liberalization of economic policy and a reform of economic administration

1. A unified Progressive Income Tax shall be levied. No other sundry taxes shall be levied except the Luxury Tax and the Inheritance Tax.
2. Managers in charge of all public enterprises shall be Formosans.
3. A Committee for Inspecting Public Enterprises, elected by the people, shall be established. The disposal of Japanese properties shall be entirely entrusted to the Provincial Government. A Committee for management of industries taken over from the Japanese shall be established. Formosans shall be appointed to more than half the Committee posts.
4. The Monopoly Bureau shall be abolished. A system for rationing daily necessities shall be instituted.

5. The Trading Bureau shall be abolished.
6. The Central Government must be asked to authorize the Provincial Government to dispose of Japanese properties.

Reform affecting military administration on Formosa

1. The military police shall arrest no one other than military personnel.
2. As many Formosans as possible shall be appointed to Army, Navy and Air Force posts on Taiwan.
3. The Garrison Headquarters must be abolished to avoid the misuse of military privilege.

Reform, affecting social welfare problems

1. The political and economic rights and social position of the aborigines must be guaranteed.
2. Workmen's protection measures must be put into effect from June 1, 1947.
3. Detained war criminals and those suspected of treason must be released unconditionally. (Note: This is stated as designed to secure the release of a number of wealthy and prominent Formosans who have been held for more than a year on general charges of "treason" and "war crimes", who are alleged to be paying continual ransom to ensure the lives of those detained and to ensure the security of their extensive holdings.)

Demands which are subordinate measures or subject to compromise

1. The abolition or unification of the Vocational Guidance Camp and other unnecessary institutions must be determined by the Political Affairs Bureau of the Settlement Committee, after discussion. (Note: An internment camp for persons the Government decides to make into "useful citizens".)
2. The Central Government must be asked to return funds for the sugar exported to the mainland by the Central Government.
3. The Central Government must be asked to pay for 150,000 tons of food exported to the mainland, after estimating price in accordance with the quotation at the time of export.

In preparing these proposals for reform the Settlement Committee believed that it was preparing a basis for discussion with the Governor and through him with the Central Government. For an examination of public statements by the Governor and his representatives and from the direct testimony of Committee members, it is believed that the Committee was justified in considering itself empowered officially to propose such reforms in administration. These were not put forth as minimum or unilateral demands; they were clearly understood to be intended as means for reflecting popular opinion. March 10 was mutually agreed upon as a date for presentation in order that people throughout Taiwan could contribute their ideas to the Committee.

AFTERMATH AND SETTLEMENT

Public opinion, Nationalism and Communism

However bitter their criticism of local administrative policy before these uprisings, there can be no question that the Formosan-Chinese have felt loyalty to the Central Government and toward the Generalissimo. Fifty years under Japanese rule had sharpened their sense of Chinese nationality and race and in doing so developed a strong sense of island-wide social unity. Formosans have been ambitious to see Taiwan become a model province of China. From February 28 until March 9, while Formosans were in effective control of the island the leaders in the Settlement Committee, leaders of the Youth Groups and editors of newspapers which have been most critical of the local government all took great pains to emphasize their fundamental desire to become a model province in China, proud of their race and nationality and proud to be taking part in the National Reconstruction.

(For specific reference, see editorials and speeches quoted in the *Chung Wai Jih Pao*, March 6; *Min Pao*, March 6; *Hsin Sheng Pao*, March 5; and other Journals of that week.)

Reference has been made earlier to the intense distrust and fear of communism which was fostered intensively by the Japanese. There are a few Formosans who have been suspected of interest in overseas communism but they have always been counted of little importance. Of direct external influence a few communist pamphlets of mainland origin were found in the autumn of 1946 but they were not especially designed for Taiwan. So long as the living standard remained at a relatively high level there was little danger of communist doctrine finding a reception on Formosa. A large number of Formosans who had been conscripted into Japanese army labor battalions were repatriated from Hainan Island in conditions of extreme poverty in 1946. They had not been treated as "liberated Chinese" but as defeated enemies after the surrender. Failure to find employment on Formosa in the months since has undoubtedly increased their discontent and made them susceptible to the arguments of any confirmed communists who may have come back with them.

It may be therefore said with a high degree of assurance that as of March 1 1947, communism in any form was of most negligible importance on Taiwan.

However, a local form of communism is not only possible but is believed to be a highly probable development if economic organization collapses under the pressure of continued military occupation.

The Military commitment and possible economic consequences

If the Central Government chooses to support a policy of suppression of all criticism of the government and to confirm the authority of present officials by establishment of military

garrisons throughout the island, the cost will be very high and will not diminish. Firm control will necessitate the maintenance of troops at all large cities, at all important rail and highway junctions and in the vicinity of the power plants upon which the normal economy depends. The ports and harbors must be garrisoned. Almost 14,000 square miles will have to be policed by military force.

It is not possible before March 17 to assess the truth of some Formosan claims that large supplies of arms had been seized in the central part of the island and transported into hiding. The opportunity presented itself and was probably taken.

It is presumed that the Formosans, if oppression continues, will not attempt a resistance from flied positions, but will continue to harry Government troops, creating a continuous drain upon men and supplies, and will use the mountainous hinterlands as cover. Perhaps no single province in China involved so little military expenditure as that needed for Formosa before March 1, 1947. It may now well become one of the most costly, if economic losses in production and hampered transportation are added to outright costs.

It is significant that throughout the trouble the local government has emphasized the fact that the Army represents the Central Government most directly. Thus, when it began to be clear that the word given by the highest ranking military officers was to be broken, Formosans begun to lose faith in the Central Government as well.

With industry in such a precarious condition in February 1947, it must be presumed that the dislocations attendant upon the present trouble and a military occupation will hasten the disintegration of the industrial structure of Taiwan. China loses thereby all asset of immeasurable value. This established industrial structure (including the food processing units which make agriculture so profitable) has a substructure of semi-skilled local labor. UNRRA investigations have shown that young Formosans are no longer able to go into industrial schools or apprenticeships as in the past, but enter the common labor market as they see industry after industry shrivel up a. capital investment dwindle and small industries close. Unemployment will increase with acceleration of this trend.

The rice crisis in January indicated that in present circumstances Formosan may have no immediate food surpluses upon which to draw. The addition of large numbers of troops, feeding on the countryside, will further diminish available supplies. Rice and other foods will go into hiding. Sabotage and slow-down tactics may be anticipated.

The total losses of a military occupation are incalculable. Prominent Formosan Chinese—conservative, liberal, and extremists—and many young men have been killed or seized or are driven into hiding. The educational development of the island, especially in the technical schools of middle grade, will be greatly retarded at a time when China needs every trained men. Highly qualified mainland doctors and foreign medical personnel predict that the public health system

may break down badly within the year, bringing on a larger scale the cholera epidemics which appeared in 1946.

A state of near anarchy is a distinct possibility for Formosa by the end of 1947 if drastic efforts to revise policy and effect governmental reforms (free of military pressure) are not undertaken speedily. Having known a relatively high standard of living under the Japanese regime, the Formosans are not going to lose what they have without a struggle directed against the forces which they hold responsible. If the Central Government meets increasing difficulties compounded of economic and military struggles of the mainland, the Formosans will be tempted to increase their resistance in proportion.

For eighteen months Formosan-Chinese blamed the provincial administration and at the same time assured themselves that if the Generalissimo were made fully aware of conditions he would reform the system in effect on Taiwan. Later it was assumed that the application of the new Constitution would bring to Taiwan the measure of self-government needed to restore the total economy to its former high level of production, to the permanent benefit of China.

There may be a sullen peace achieved by military action, but it cannot be enforced. Further uprisings of far more serious proportions than these recent spontaneous outbursts may occur at a time when the over-all peace settlement in the Far East is underway, and problems are being reviewed for inclusion or exclusion in the conference agenda. Anyone who wishes to embarrass China will find good material in a revolutionary situation on Taiwan.

Formosa should be put to work earning foreign credit for China. Its peculiar character as an industrialized and technically developed province should be sheltered from the greater economic difficulties found on the mainland. Taiwan was returned to China as an outstanding economic asset, and example of the advanced technological economy toward which all other provinces of China are striving. Two years of concentrated rehabilitation effort in Formosa hereafter will produce permanent assets of two kinds. Raw materials and products such as fertilizers, cement, foodstuffs and industrial chemicals will become permanently available to China in increasing amounts. Others such as tea, camphor, sugar, industrial salt, pineapples and light manufactures can be directed to overseas markets. A moderate share of the foreign credit so created must be returned to Formosa for rehabilitation and expansion of state-owned industries and the expansion of private enterprise. Formosan-Chinese must be admitted to greater participation in all aspects of economic administration and reasonable profit if the island is to prosper and to return to the high and constant level of production achieved in former years. Economic stability and expansion must be founded on a sound political and social administration. Now is the time to act. To encourage and ensure wholehearted effort the Formosan-Chinese must be allowed to take a larger part in government at all levels. Changes in personnel as well as in the structure of the administration must be thoroughgoing; it is felt that half way measures and palliatives now will only postpone a larger repetition of the current protests against corruption, maladministration and

autocracy in the provincial government. Formosa can be restored to its former high level of political allegiance and of economic production by prompt and fundamental reform.

The following developments have been reported as occurring during the end of March and the first part of April:

The continuing presence of fresh bodies in Keelung Harbor and other evidence indicate that the elimination of the informed opposition is continuing. The bodies of at least two men known to neutral sources as having taken no part in any activities during the recent Incidents have been identified. It is reported at Taipei that although shots and screams in the night have become less frequent, they continue, and that there is no palpable difference in the tense atmosphere of the city. Mainlanders generally are reported to be apprehensive of further trouble, and many of them are said to feel that Formosan cooperation under present circumstances will be difficult for an indefinite time in the future. Of serious import is the reported continuous undermining of Taiwan's advanced economic structure.