Importing Development: The Chinese Nationalists' Embrace of Jewish Settlement Plans During World War II

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On Christmas Eve, 1938, Shanghai Municipal Council (SMC) Secretary G. Godfrey Phillips sent an urgent cable to the American Jewish Joint Distribution Committee (AJJDC):

MUNICIPAL COUNCIL OF INTERNATIONAL SETTLEMENT SHANGHAI IS GRAVELY PERTURBED BY ABNORMAL INFLUX OF JEWISH REFUGEES SHANGHAI IS ALREADY FACING MOST SERIOUS REFUGEE PROBLEM DUE TO SINOJAPANESE HOSTILITIES IT IS QUITE IMPOSSIBLE TO ABSORB ANY LARGE NUMBER OF FOREIGN REFUGEES.¹

December 1938 marked the high tide of Jewish refugees flooding into Shanghai. A year after Japanese generals ordered the Rape of Nanjing, and a month after Kristallnacht confirmed German Jews’ worst fears of the Nazi regime, hundreds of refugees poured into Shanghai every week.² But as Phillips’ cable shows, Shanghai's run as the world's most welcoming port for Jewish refugees was coming to an end.

Shanghai enjoyed an unusual political status in the early days of World War II. Japan occupied most of the city from August 1937, but left control of the International Settlement, the longtime cosmopolitan legal haven of European and American businessmen, in the hands of the Shanghai Municipal Council (SMC), the Settlement’s multinational government established in the wake of China’s defeat in the First Opium War (1839-1842). Under the SMC’s purview, Shanghai remained one
of the few ports in the world that would allow stateless persons entry. From August 1937 to August 1939, when the SMC began tightly restricting entry, over 20,000 Jewish refugees, mostly from central Europe, flooded into the city.\(^3\)

Soon after Phillips sent his cable, Sun Ke, leader of the Nationalist (Guomindang or Kuomintang) government’s legislative branch and Republic of China founder Sun Yat-sen’s only son, learned that SMC officials planned to restrict the flow of refugees to Shanghai. He began drafting a plan to settle Jewish refugees in southwest China on a massive scale. On February 17th, 1939, Sun made his proposal to the National Defense Supreme Council in Chongqing, the southwestern city where the Nationalists had made their headquarters since December 1937. He emphasized the humanitarian contribution the government would be making, as well as potential benefits to the Chinese war effort. If the Nationalists could win favor among prominent Jews, who they assumed held considerable sway in British and American politics, then those countries would be more likely to support them in the war against the Japanese.\(^4\) In June, Jewish German industrialist Jacob Berglas announced his own plan for a refugee settlement in Yunnan, China’s most southwestern province.\(^5\) New York dentist Maurice William, who had written back in 1934 that “China is the one great hope for Hitler’s victims,” soon approached the Nationalist government with his own plan for a settlement.\(^6\) Both Berglas and William’s proposals garnered significant interest from different groups within the Nationalist government. Though the proposal ultimately failed because of a lack of funding, there is no doubting the sincerity of all three parties’ efforts to make the settlement a reality.

Despite a rich literature of historical studies on both plans for Jewish settlements outside of Palestine and the Shanghai Jewish community in particular, scholars have largely ignored the resettlement plans hatched by Sun, Berglas, and
The plans’ ultimate failures contribute to this dearth of scholarship. Indeed, it is difficult to find a single mention of the proposals in either Chinese or Western records after 1940. Furthermore, China’s current regime has made it exceedingly difficult to research the Republican Period (1912–49), only allowing foreign scholars to make thirty photocopies per year at China’s Second Historical Archives in Nanjing. However, the publication of numerous sourcebooks in both Chinese and English in recent years has offered Western scholars a renewed opportunity to understand the historical significance of the Yunnan Plans.

Sun Ke, son of Sun Yat-sen, circa 1928

Historian of East Asia, Gao Bei, remains the only Western scholar who has thoroughly studied the Yunnan Plans. Gao understands the Nationalists’ support for the Yunnan Plans as part of their war strategy against the Japanese, as well as an attempt to boost China’s international stature more broadly. Gao’s analysis illuminates one of the central themes of the Yunnan Plans’ history from the Chinese perspective, while
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making a significant contribution to our understanding of how Republican China sought to establish its place in the interwar world order. Yet several questions remain: Why did a Jewish settlement in southwest China so strongly capture the imaginations of William and Berglas? Why were the Nationalists, long skeptical of Western influence, suddenly comfortable with the mass immigration of a religious group to the interior of their country? And how did both groups envision the future of the settlement in a post-war world?

To answer these questions, my approach will differ from Gao’s in two important ways. First, lacking access to physical archives located in Taiwan, Nanjing, and Jerusalem, I have not assembled the source material necessary to trace causal links between William’s creation of the Yunnan settlement idea in 1933, Sun’s adoption of the idea in 1939, and Sun and Berglas’ promotion of their own plans later that year. I will instead analyze the underlying political assumptions of the plans themselves to understand how two groups as seemingly different as Western Jews and Nationalist Chinese could coalesce around such an ambitious project. Second, while Gao has analyzed the Yunnan Plans in the Chinese political context, I will place them in the Jewish political context as well, revealing how William and Berglas’ Yunnan Plans fit into the larger tradition of plans for Jewish settlements outside of Palestine. Despite the significant body of scholarship on the Uganda Scheme, Theodor Herzl’s plan to settle European Jews in British East Africa, as well as subsequent Jewish settlement plans, historians have yet to place the Yunnan Plans in the context of this tradition.

My analysis of the Yunnan Plans’ broader intellectual context will reveal that both Jewish and Chinese leaders’ notions of economic and political development were critical to their support of resettlement. The argument will proceed in three parts. First, I will analyze the earliest version of Jewish resettlement in China, which William began exploring in
1933. Second, I will show that the Chinese government had their doubts about Sun co-opting William’s idea in 1939, but ultimately embraced the Jewish settlement project as a way of importing the industrial knowledge that they deemed necessary for building the state.\textsuperscript{11} Third, I will show that the mentality that motivated William and Berglas’ dogged pursuit of a Yunnan settlement was part of a broader shift in the history of Jewish Territorialism, which Gur Alroey defines as “the call to establish an autonomous entity or state for the Jews in a land that is not the Land of Israel.”\textsuperscript{12} From the joint crises of Hitler’s rise to power and the Japanese invasion of China emerged a brief synergy between these two disparate intellectual traditions—Jewish Territorialism and Chinese Nationalist state-building—in a truly audacious political project.

Part I: Maurice William’s Big Idea

Following the World’s Zionist Conference’s rejection of the Uganda Scheme in 1903, British author and playwright, Israel Zangwill, led fifty prominent Zionists in establishing a rival institution: the Jewish Territorial Organization. Like Zionists, Territorialists believed that in the face of growing anti-Semitism, Jews should establish a permanent settlement outside of Europe to ensure the long-term security of their people. Unlike Zionists, Territorialists did not believe that this settlement needed to be in Palestine. But after the initial surge in energy following the Sixth World Zionist Conference, the Territorialist movement slowly lost momentum, and by 1925 Zangwill had disbanded the organization. The rise of Nazi Germany in the early 1930s and the founding of the Freeland League for Jewish Territorial Colonization in 1934 brought new life to the movement.\textsuperscript{13} That same year, Maurice William, a little-known New Yorker with no ties to institutional Territorialism, conceived of a plan to apply the Territorialist cause to the unlikeliest of
Chinese Nationalists first encountered the ideas of Maurice William by chance. Though a devoted Marxist in his early years, William, who made his living as a dentist in Brooklyn, became disillusioned with Communism during the First World War. The result of his search for a new belief system was a book, which he published in 1921 with the title, *The Social Interpretation of History: A Refutation of the Marxian Economic Interpretation of History*. Though only a few hundred copies were printed, by 1924 the book found its way to the southeastern Chinese port city of Guangzhou and ended up in the hands of Sun Yat-Sen, founding father of the Chinese republic and leader of the Chinese Nationalist Party.

When Sun began reading William’s book, he had been delivering a series of lectures laying out his vision for China’s political future. Sun had already outlined the first two of his “Three Principles of the People,” his articulation of which “had been communistic in tone.”14 But after a three month adjournment during which he made William’s book his “constant companion,” Sun had developed a new understanding of his third principle, (best translated as “People’s Livelihood”).15 According to journalist Katharine Roberts, who published an article about William in the *American Mercury* in 1939, “[Sun] explained that he no longer believed in the class struggle but that, along with Dr. William, he thought better conditions could be obtained through co-operation of business and labor.”16 From the moment he received word of his book’s influence on Chinese politics, William felt a responsibility to help cultivate the Republic of China as a liberal democracy.17 Indeed, by the early 1930s, William had come up with a new idea that promised to reshape China’s development once again.

William’s idea for resettling central European Jewish refugees in China did not emerge in a vacuum. A network of Jewish scholars and American Sinologists had close ties to the
Chinese Nationalist government long before the outbreak of the Second World War. Some of these connections, like the one between Sun and William, occurred by chance. But the presence of Chinese students at universities like Columbia and Cornell in the early 20th century also facilitated intellectual exchange. Celebrated Chinese essayist and May 4th Movement leader Hu Shih is one notable example. After studying under John Dewey at Columbia University, Hu adopted Dewey’s pragmatic philosophy and began to apply it to the Chinese context. Hu later helped organize Dewey’s lecture tour of China from 1919-21, which further cemented Dewey’s influence on China’s growing community of young intellectuals.18

Beginning in 1933, William leveraged his connections to this network of prominent Jews and intellectuals to seek advice and support for his resettlement proposal. William wrote a letter to Albert Einstein on January 30th, 1934, “to send some information about the possibilities of finding a new home in China for German Jews.”19 William’s correspondence with Einstein survives as a record of his early efforts to find backing for the Jewish resettlement project. As William told Einstein in their initial exchange, The Social Interpretation of History’s legacy in China would provide Jewish leaders the basis for pursuing such an ambitious project:

Since a fortunate combination of circumstances made it possible for me to be of service to the Chinese government and the Chinese people and has won me the good-will of that nation, I should be happy to use this good-will in the service of our co-religionists of Germany. What practical form this service should take is the immediate question which I should like to discuss with you and other Jewish leaders.20

Upon receiving William’s letter, Einstein wrote back declaring
his enthusiasm for the project. “Your plan,” he wrote, “seems to me to be very hopeful and rational and its realization must be pursued energetically.”

By the time Einstein praised William’s plan, it had already won the endorsement of several prominent American intellectuals. “During a visit at the summer home of Judge Brandeis last September we naturally discussed the plight of German Jews,” William told Einstein. “He too feels that China is the one great hope for Hitler’s victims.” William had also consulted with Dewey and his Columbia colleague James T. Shotwell. “I have gone into this subject in personal interviews with Professor John Dewey and Professor James T. Shotwell,” William told Einstein, “and find that they agree that we should make the most of our opportunities in China.” Though William certainly never lacked the confidence to advocate for his own political beliefs, Dewey’s approval must have bolstered his belief that a plan for Jewish resettlement was achievable.

Einstein never became directly involved in the resettlement project, but his brief correspondence with William in 1934 anticipated many of the ideas that would come to define the debates surrounding the Yunnan Plans. The world-renowned physicist was quick to point out the cultural resemblance between Jews and the Chinese. To Einstein, cooperation between the Jewish community and the Chinese was a natural match given the two groups’ long histories:

The Chinese and Jewish peoples, in spite of any apparent differences in their traditions, have this in common: both possess a mentality that is the product of cultures that go back to antiquity. This happy circumstance is a guarantee of mutual understanding and successful cooperation.

The idea that Jews and the Chinese were like-minded cultures,
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temporarily left behind by the sprint to modernization yet still due for a 20th century rejuvenation, would later become one of the Chinese Nationalists’ central justifications for promoting Jewish settlement.

Another theme that emerges from Einstein’s letters to William is the belief that resettling Jews in China would help the Chinese nation at least as much as it helped the refugees themselves. While ensuring the survival of thousands of Hitler’s potential victims, William’s resettlement plan could also provide China with valuable business and industrial expertise, as Einstein put it in one of his letters to William:

I feel with all my heart that while your efforts will in no wise impair the invaluable moral and spiritual heritage of the Chinese people, which has withstood the test of thousands of years, it will place at the service of China the beneficent aid of Western skill, knowledge and science.²⁵

Chinese Nationalists advocating for Jewish resettlement echoed Einstein’s 1934 portrayal of German Jewish refugees in their discussions of the matter five years later. Even those who dissented from Sun Ke’s promotion of a massive Jewish settlement agreed that China’s government should make use of highly qualified central European Jews, believing that they were paragons of Western expertise and rationality.²⁶

Attached to Einstein’s endorsement of William’s plan was an important caveat. If German Jews could not find suitable employment in China, then the plan could not succeed. William agreed with Einstein that “ascertaining what opportunities China can offer for the profitable employment of German Jews” was the first step in testing the feasibility of his plan.²⁷ Einstein promised to help attract prominent sponsors for William’s plan, but only after he was convinced that Ger-
man Jews traveling to China would not be stripped of their middle-class dignity. “I can help find suitable individuals,” he wrote to William, “once I am satisfied that the German Jews can really find an existence in China.” The fear among Westerners that German Jews would be unable to maintain in China what they deemed to be an adequate standard of living persisted throughout discussions of Jewish resettlement. For men like Einstein and William, these concerns were practical rather than colonialist: ensuring that refugees would have employment opportunities commensurate with their previous careers in central Europe was critical for attracting American financial support for William’s project.

As European Jews’ desperation intensified in the late 1930s, however, criticisms from Westerners skeptical of resettlement in China took on a far more racialized tone. At the height of central European Jewish flight to Shanghai in 1939, China expert Nathaniel Peffer expressed fears that the refugees would risk stooping to the level of colonized subjects. “China always has been hopeless as an area for the absorption of large numbers of Occidentals,” he wrote in an April memorandum to his Columbia University colleague Joseph P. Chamberlain. “One does not like to think of the prospect of middle-class Europeans sinking to the status of coolies and beachcombers, which is, I myself think, the prospect for three out of every four Jews who go to China.”

Einstein’s preoccupation with the quality of German Jews’ employment opportunities in China in his 1934 letters to William was indicative of a pre-Holocaust ignorance of the extermination facing Jews who remained in Europe. Peffer’s dismissive assessment of Jews’ opportunities in China, on the other hand, exemplified the kind of colonialist world view that continued to hamper efforts to resettle Jews in China. Inherent to Peffer’s way of thinking was the belief that, even five months after Kristallnacht and five months before the German
invasion of Poland, no reality facing Jews in Europe could be worse than the cultural insult of working alongside the “coolies and beachcombers” of the Orient.  

Unlike Peffer, who focused his analysis on the over-crowded conditions of 1939 Shanghai, William looked at sites all across China as he began his survey in 1934. “Many of our co-religionists . . .” he told Einstein in the final letter which survives from their correspondence that year, “insist that the best results could be expected only if I personally were to go to China in the interest of our cause.” But to invest in such an expedition, William would need some system of criteria for assessing potential sites for Jewish settlement. “If I were to go to China,” he told Einstein, “I would want to do everything possible to insure the success of our common objective. Since no one person can hope to think of everything that ought to be investigated, I shall need the help and advice of our best thinkers.”

Though Einstein restated his support for William’s project in his final response in March 1934, there is no record of him giving William the advice he desired. William himself never ended up making a trip to China, and records of any discussions between William and the Chinese government about a Jewish settlement plan are nonexistent. Gao has concluded that Nationalist leaders were likely exposed to William’s Jewish settlement proposal before 1939 but rejected it out of concern for their relations with the Nazis, with whom China maintained diplomatic relations until 1941. It was not until Sun got word of the SMC’s plans to cut off Jewish immigration to Shanghai in 1939 that he revisited the idea.

Part 2: Sun Ke’s Yunnan Plan

Sun’s original proposal to the National Defense Supreme Council, which he filed in February of 1939, revealed
a leader preoccupied with enhancing China’s relationship with Britain and America. Sun outlined four main justifications for his settlement plan: first, to offer humanitarian assistance to a destitute people; second, to win the sympathy of the British; third, to win the sympathy of the U.S.; and fourth, to harness the talents of Jewish people for the future of China. \(^3\) At first glance, only the second and third reasons seemed to directly relate to attracting British and American support for the war against Japan, but there were common threads that underpin the logic of each of Sun’s four points.

The first common thread was that the plan’s main strength lay not in its effectiveness as a project of humanitarian relief, but as a tool of propaganda. Sun’s first point did reference his father’s belief that China should “unite and support weak nations,” but these idealistic considerations were quickly subsumed by the more practical arguments that followed. \(^3\) It seems that to the Nationalists, the impact that the plan could have on the Jewish people was second in importance to the impact it could have on the view of the British and American public. “With regard to Britain, the support of the Jewish people would enhance the sympathy of the ordinary British people toward us,” Sun argued. \(^6\) His analysis of the plan’s impact on America struck similar notes, suggesting that the plan “could shift the focus of Americans from the Jews toward support of China.” \(^7\) In terms of propaganda,” Sun continued, “there would certainly be much to gain.” \(^3\)

Far from demonstrating a belief that both China and the Jewish people would benefit from a settlement project, Sun’s language revealed a view of humanitarian, political, and military assistance as a zero-sum game in which Americans’ concern for the plight of European Jews could only take away from their willingness to help China. Sun’s proposal’s emphasis on propaganda value can also help to explain why parts of the Chinese Nationalist government were so quick to embrace such
an ambitious project. From Sun’s point of view, the project would not necessarily need to go into effect for it to serve its purpose. The plan’s announcement alone could be enough to rally British and American support for China.

The second common thread in Sun’s logic was the influence of Jewish stereotypes on the Chinese government’s assessment of the plan. While it is true that many of the most successful British merchants in the Far East during the nineteenth century, such as the Kadoorie and Sassoon families, were Baghdadi Jews, Sun’s portrayal of Jews as the financial puppeteers of the West was built more on stereotype than reality:

Furthermore, the British Far Eastern policy actually hinges on the large merchants and bankers in the Far East. So the initial obstruction and most recent realization of British economic support <for China> was in truth manipulated by these large merchants and bankers, and since many of these large merchants and bankers are Jewish, therefore this proposal would influence the British to have an even more favorable attitude toward us.39

Sun’s description of the Jewish financiers’ “manipulation” of British economic policy suggests that members of the Chinese elite, especially the increasingly cosmopolitan and western-educated Nationalists, had internalized the western trope of Jews as financial puppeteers.40

Jewish stereotypes emerged again in the Chinese foreign ministry’s analysis of Sun’s proposal. In response to Sun’s claim that publicizing the settlement plan would have great propaganda value, the foreign ministry wrote:

The enemy and fascist countries are constantly alleging that we are a communist state, and at this time to take
in a large number of Jews will make it difficult to avoid giving the enemy a pretext for propaganda. In general, in fascist theory, communism and the Jews are frequently mentioned in the same breath.\textsuperscript{41}

The Chinese Nationalists themselves clearly did not subscribe to what historian Paul Hanebrink has called “the myth of Judeo-Bolshevism,” yet that did not stop fascist governments’ promotion of this anti-Semitic trope from influencing Chinese Nationalists’ decision making.\textsuperscript{42} The Chinese Nationalists’ relationship with these stereotypes also illuminates the paradoxical nature of anti-Semitic ideology itself: they had to consider Jews’ potential portrayal as both manipulative financiers and communist sympathizers. In the Eurocentric world system in which Sun hoped their Jewish settlement plan would help them play a part, the Chinese Foreign Ministry did not consider itself to be in a position to critique the Judeo-Bolshevist ideology. If much of Europe was sympathetic to the idea of Judeo-Bolshevism, then the Nationalists felt they must consider its impact in their propaganda war.

The Nationalists ultimately believed that the status of the Jews was both an asset and a liability in their efforts to garner war support from Britain and the United States. The Jews’ financial leverage could help them influence Western leaders, yet helping Jews could also reinforce Japanese claims about the Chinese Communists. Gao has argued that the Chinese government’s policy toward Jewish refugees centers around these wartime considerations.\textsuperscript{43} But taken as a whole, the text of the government’s discussions of Sun’s proposed settlement plan suggested that not all Chinese officials were thinking merely in the short term.

Sun’s original proposal found the legislative leader in two minds about whether the Jewish settlement would be temporary. Sun wrote: “Now, we propose to designate a temporary
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residence area for Jews in the southwest border region…”

This language seemed clear enough, yet in his list of reasons for the plan, Sun elaborated:

With regard to the future building up <of China>, the Jewish people have a strong financial background and many talents. Should we be able to obtain a favorable impression from them and obtain their support and assistance, it would be of enormous help to us.

Sun’s argument seemed to reiterate the same themes present in the sections analyzed above. There was another mention of gaining “a favorable impression,” and another reference to the Jews’ “strong financial background.” Yet there were also two key differences. The first was that in this document, Sun conceived of the Jewish peoples’ value not in terms of their ability to attract sympathy and military support, but in terms of their ability to contribute directly to “the future building up of China.” Here, their “strong financial background and many talents” were not considered useful because of their influence on British and American foreign policy, but as expertise that would be necessary for China’s economic development.

Though much of Sun’s proposal focused on Jewish elites, when he wrote “the Jewish people” in this passage, he referred not to the Sassoons or the Kadoories of Shanghai and Hong Kong, but to the ordinary Jews of central Europe who would populate the settlement.

To gain an understanding of the thinking behind Sun’s words, we need to take note of the government procedures through which he presented and then disseminated his proposal. As president of the Legislative Yuan, Sun also sat on the National Defense Supreme Council. It was at a meeting of this council that he first proposed his Jewish settlement plan. Past analyses of the deliberations have emphasized the role military
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considerations played in the Nationalists’ support for the proposal without considering the implications of the fact that the proposal’s original audience was the National Defense Supreme Council. 50 It is not clear that Sun’s choice to first present the plan to the Defense Council was evidence that he viewed its military implications as most important, but Sun would have considered how to frame his presentation of the plan to best persuade his audience. Sun emphasizes the potential military impact in his original proposal, but we cannot be sure that this emphasis reflects only his way of thinking and not also the circumstances in which he presented the plan.

After receiving a copy of the proposal, the Civil Affairs Office of Nationalist Government forwarded it to the Executive Yuan 51, ordering them to consider the proposal and report their findings. Kong Xiangxi, President of the Executive Yuan, then directed the ministries of Internal Affairs, Foreign Affairs, Military Affairs, Treasury and Transportation, to write up their opinions of the proposal. 52 Unlike Sun, for whom the Defense Council was originally his primary audience, the various ministries considered the international propaganda value and potential military benefits of the plan as one factor among many, alongside the legality, feasibility, and long-term territorial impacts of the project. Their opinions showed significant skepticism from officials in a variety of Nationalist government roles. Kong wrote in his summary prefacing the document that Sun’s plan “would be ill-advised on many accounts.” 53 Despite Sun’s original proposal’s description of the plan as a “temporary” settlement, the various ministries’ concerns about the plan demonstrate that they understood the proposal as a long-term, or even permanent, project. 54

There was little agreement about where to place the Jewish refugees: locations close to international borders could lead to collaboration between the refugees and outsiders, while a settlement in the far west of the country, a region over which
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China historically had held an inconsistent grasp, brought its own concerns of ethnic separatism. All told, four of the five ministries expressed concerns about the effects of a Jewish settlement on China’s territorial integrity. The Ministry of War rejected the idea of a permanent settlement altogether. “As for allowing the stateless Jews to settle,” they wrote, “one ought not to grant permanent residence or a special area in order to emphasize territorial sovereignty.”

Suggestions that the Jewish should settle next to one of China’s borders, though in line with the precedent of southeastern treaty ports, only intensified the ministries’ concerns. “If the area designated for settlement is adjacent to international borders,” the Finance Ministry wrote, “we fear that one cannot avoid the emergence of abuses.”

Kong Xiangxi, circa 1925

While the government’s territorial concerns were indicative of the mindset of a country under siege from the Japanese, Nationalist officials’ conception of Jews as political agitators also colored their responses to Sun’s proposal. Kong expressed concerns about the Jews political activities,
underscoring the Ministry of Foreign Affairs’ reference to Judeo-Bolshevism, mentioned above. “After entering China,” Kong wrote, “they would not engage in any political activity or disseminate any ideology . . . if they violate these conditions, they should be expelled.” And though they expressed it with a distinctly Chinese indirectness, the Ministry of Interior believed the Jewish refugees could turn out to be spies for a foreign country. “If a large number of long-term foreigners live on international routes,” they wrote, “one cannot avoid having our secrets concerning international and defence matters leaking, and if by chance we are not completely alert, this could result in some unfortunate incident.” The Foreign Affairs Ministry echoed these concerns:

Jews have suffered distress and endure hardships, and are excellent at managing affairs. If the designated area is too broad, while at first they will be easy to govern, after they dwell together for some time, if by chance there develops ethnic self-determination coming to the point of a demand for autonomy, it will not be easy to control, and further, if that area is adjacent to the treaty ports or to international routes, they will easily receive enticements from outside forces which will not be to our advantage.

Officials did not believe placing Jews far from territorial borders was sufficient to ensure their political reliability. The Ministry of Foreign Affairs believed that a large group of Jewish refugees would be difficult to govern no matter their location. The Ministry of Interior agreed, writing: “As for the management of the said area, its organization ought to be strengthened with the police organization as its core.”

The various ministries of the Nationalist government’s executive branch agreed with Sun’s characterization of the Jews as a people possessing special characteristics, but they believed these talents were as much a liability as they were an asset to the
interests of the Chinese state. Indeed, the ministries’ concerns were largely based on their view of the Jewish refugees not as meek vagabonds, but as administratively skilled and politically active cosmopolitans.

Both Sun and the executive ministries had territorial concerns at the top of their minds, but they conceived of them differently. To Sun, the war with Japan was the central crisis facing the Nationalist government, and the potential for assistance from Britain and the United States presented such an appealing military opportunity that radical measures like a Jewish settlement had to be considered. To Kong and his colleagues, the war with Japan was just one issue in a long line of challenges to Chinese sovereignty which had plagued the country since China’s defeat in the First Opium War (1839-1842). Their repeated mention of the dangers of treaty ports and international routes showed that the legacies of colonialism maintained significant purchase on Chinese strategic thinking.

The officials’ preoccupation with the Jewish refugees as potential communist sympathizers revealed a different territorial anxiety. Following the split between the Nationalists and the Chinese Communist Party (CCP) during the Northern Expedition in 1927, the Nationalist government had waged an unsuccessful decade-long campaign to exterminate the CCP. Though the Japanese invasion forced the two groups to form a tenuous alliance in 1937, hostilities between the two parties never ceased, and the conflict again devolved into all-out civil war soon after the conclusion of World War II. Officials’ concerns about communist Jewish refugees were thus not only about giving fascists propaganda fodder, but also reflected their own insecurities about Chinese unification.

Despite the Executive Yuan’s unfavorable review of Sun’s proposal, they did endorse the idea that Jewish refugees’ technical expertise could help the Nationalists in their state-building efforts. In his summary of the ministries’ opinions,
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Kong wrote:

We are in the process of building the nation and we need many specialists of all sorts, such as scientists, engineers, doctors, mechanics, and so forth. The government agencies should survey what they need in the areas of responsibility, write out a detailed account, giving clear indication of what personnel they require and salaries.61

Kong’s suggestion seems reminiscent of Sun’s belief that the Jewish people’s “strong financial background and many talents” would be beneficial to “the future building up of China,” but there is a key difference.62 In Sun’s proposal, Chinese officials would assess the “specialized abilities” of Jewish refugees after they had already been settled in the country’s interior.63 For Kong, their expertise was a condition for their admittance into the country. Sun and Kong’s disagreement on this point revealed a fundamental difference in how they conceived of Jewish refugees’ roles in China’s development. Kong advocated recruiting a small number of Jews to fill specific roles within the Nationalist government. But Sun’s idea was far more ambitious. Settle enough Jewish refugees in the sparsely populated areas of the country’s interior, Sun believed, and they would begin to organically contribute to China’s larger economic development. Whereas Kong imagined the Jews filling gaps in Chinese expertise at the government level, Sun saw them filling geographic holes in the country’s economy.

The differences between Kong and Sun’s ideas could have major implications on where the refugees physically ended up. As government experts, the relatively small number of Jews that could be admitted under Kong’s plan would most likely have ended up living in large cities like Chongqing, where the Nationalist headquarters were housed at the time. By contrast, Sun’s proposal specified that Jewish refugees should “be utilized
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by various departments for construction in our rear areas.” Since then, these “rear areas” refer to the rural agricultural areas in the country’s southwest region. In response to Sun’s proposal, the Ministry of Interior wrote that “the settlement area need only be in a relatively open place in the southwest, and any will do.” While the executive ministries expressed a variety of political concerns about the location of the settlement, the economic criterion was simple: any sparsely populated and underdeveloped place would suffice.

Sun and Kong’s openness to using foreign expertise in the name of modernization was nothing new for the Nationalist government, which had previously invited League of Nations experts to consult on the administration and development of the rural economy in the early 1930s. Margherita Zanasi has shown that Nationalist officials did not always fully embrace the recommendations of League experts. Still, Minister of Finance Sun Ziwen’s decision to invite them in the first place was indicative of the Nationalists’ top-down model of development in the 1930s. Kong Xiangxi’s conception of how Jewish refugees could assist the Nationalist government was in line with how experts from the League had assisted them in the past. Just as League experts William Kenneth Hunter Campbell, Mario Dragoni, and Max Brauer had consulted with Nationalists on the issue of agricultural development starting in 1933, Kong imagined that German Jewish refugees’ expertise with respect to finance, management, and industrialization could be harnessed for Chinese statebuilding. But nowhere in the written record of his response to Sun’s proposal did Kong support the idea of a true Jewish settlement project, through which refugees would be allowed to integrate into Chinese society, regardless of their ability to directly assist the government. Sun’s proposal represented a significant deviation from Song Ziwen and Kong Xiangxi’s preferred method of utilizing foreign expertise. Sun emphasized the benefits China might reap economically in the long term from populating its interior with thousands of formerly middle-class Jewish refugees, rather than simply choosing a few
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experts to work in the Nationalist administration.

Given the unprecedented scale of the Jewish settlement proposal in a country that had long been wary of foreigners, not to mention the resemblance between Sun's 1939 plan and the plan William discussed with Einstein in 1934, it is hard to imagine that Sun's proposal emerged entirely independently of William's proposal. In his 1934 letters to Einstein, William mentions discussing his settlement plan with Alfred Saoke Sze, the current Chinese ambassador to the United States.68 As Gao outlines in her article on the Nationalists' policy toward Jewish refugees, in 1938 Sze's successor Chenting Thomas Wang proposed that the Nationalist government assist German Jews, but leaders rejected the idea out of concern that it would harm China's relationship with the Nazi government.69 But just a year later, with the relative importance of China's diplomatic relations with Germany quickly diminishing, Sun Ke fully embraced the idea. It is impossible to prove whether William's original efforts to promote the Jewish settlement plan directly or indirectly inspired Sun's proposal. But if Sun did encounter the idea for a Jewish settlement in China prior to 1939, his positive reception of the proposal could only have been enhanced by the knowledge that Maurice William, the American dentist who influenced his father's politics, was its originator.

The economic transformations set in motion by the Nationalists' retreat to west China also played a role in Sun's new way of thinking about development. In 1937, as Japan occupied Nanjing, the southwestern city of Chongqing became the wartime capital of China. Because China's economic and governmental resources had always been concentrated in the eastern part of the country, the shift in capital brought new life to the economically backwards southwestern regions of Sichuan, Yunnan, and Guangxi. George A. Fitch, a Protestant missionary who recorded his experiences traveling through southwest China in early 1939, documented the economic impact of China's mass western migration:
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The impact of this trained, modern, progressive mass from the East on the conservative, underdeveloped West is already startling in its results. More conservative changes are being made in a year than would perhaps have been made in fifty years had it not been for this great migration from the East. Mme. Chiang Kai-Shek rightly says: “Here our country will make up for more than it has lost, for we shall build faster and surer open rejuvenated nation – a new, strong, and robust China.”

By the time Sun made his proposal in March 1939, the realities of Japanese invasion were showing Nationalist leaders like Generalissimo Chiang Kai-Shek, the most powerful person in China, whose wife, Soong May-ling, Fitch quotes in his letter, that transplanting large numbers of people with industrial training to sparsely populated rural provinces could have a miraculous impact on development. Once again, it is difficult to show whether the flurry of economic activity in southwest China directly inspired Sun to put his proposal in writing. But Fitch’s account suggests that wartime conditions were making top leaders like Chiang more open to a development model that embraced the contributions of all kinds of outsiders, rather than a narrow group of technical experts.

Part 3: The Berglas and William Yunnan Plans

News of Sun’s proposal quickly spread throughout Europe and America, in large part due to the Nationalist government’s promotion of the plan. It was not long before prominent members of the Jewish community sought to capitalize on the opportunity. In May 1939, Jacob Berglas submitted a “Plan for the immigration of Central European Immigrants into China” to the Chinese League of Nations Union, which then relayed it to the Central Executive Committee of the Chinese Nationalist Party. A successful banker in Berlin whose family had owned
woolen and textile factories prior to the war, Berglas had fled Germany in 1938 and settled in Shanghai at the invitation of the Nationalists, who planned to hire him as a financial advisor to the Chinese government. While Berglas’ own path to China exemplified the model of selectively consulting foreign expertise that the Nationalists had embraced in the early 1930s, his settlement proposal called for 100,000 Jewish refugees to form a permanent settlement in southwest China, an idea which was more in line with Sun’s new perspective on development.

In June, Berglas held a press conference at the Cathay Hotel in Shanghai to publicize his settlement plan. An English language Shanghai newspaper reported that under the plan, refugees from all over would fully integrate into Chinese society:

The plan, which for the time being is in its infancy, would call for settling of certain parts of China, particularly Yunnan province, by emigrants of the whole world, irrespective of nationality, creed or political affiliations who, carefully selected as to their abilities and provided that they can furnish amounts sufficient for feeding and shelter over a period of one year approximately, would enjoy the same rights of residence and work as the Chinese, enjoying governmental protection with the same rights and responsibilities as Chinese citizens.

The newspaper report of his press conference suggests that in promoting the plan, Berglas framed the settlement in universalist terms, rather than one that would specifically serve Jews. It is clear, however, from his correspondence with Bernard Kahn, who was European director of the Jewish Joint Distribution Committee at the time, that Berglas conceived of the plan as a Jewish settlement. In a memorandum on his conversations with Berglas in November 1939, Kahn reported: “I had several conversations with Mr. Berglas concerning his plan to bring 100,000 Jews to China.” The settlement which Berglas envisioned contained specifically Jewish refugees.
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The fact that Berglas declared that his settlement would be populated “by emigrants of the whole world, irrespective of nationality, creed or political affiliations” in a statement to the Chinese press but then framed it as a Jewish settlement in conversations with Jewish relief organizations might seem a shrewd bit of salesmanship. As discussed in my analysis of the Nationalists’ internal discussion of Sun’s Yunnan Plan, the Chinese government sought to emphasize the proposal’s humanitarian aspects when publicizing it, even when military and economic considerations motivated them to support it in the first place. Berglas, no doubt having read reports of Sun’s plan that were born out of this propaganda strategy, focused on universal, humanitarian concerns when promoting his own plan in China. In reality, selling the Yunnan Plans as a settlement designed for Jewish refugees in particular was crucial to the Nationalists’ goal of attracting military support from American and British leaders, whom they thought were at the mercy of influential Jews when it came to East Asia policy.

In his June press conference, Berglas also sought to portray his settlement as egalitarian. The Jewish refugees, once settled, would not be considered a class above local Chinese people, but “would enjoy the same rights of residence and work as the Chinese, enjoying governmental protection with the same rights and responsibilities as Chinese citizens.” Once again, Kahn’s record of his discussions with Berglas contradicted this framing. “His plan is that 100,000 people should be brought to China,” Kahn wrote, “to be established there in hundreds of industries of all kinds and in commercial enterprises. They should be the entrepreneurs and technical experts, the workers to be Chinese.”

Though Berglas’ promotion of an egalitarian settlement based on the principle of universal equality might appeal to 21st century sensibilities, neither Chinese Nationalist leaders nor prominent Jewish philanthropists had completely moved beyond a colonialist world view. To men like Bernard Kahn and Albert Einstein, it was clear that middle-class Jews from Europe should
not have to stoop to the level of rural peasants as they populated western China.

Nationalist leaders, many of them Western-educated, would not have openly advocated a policy of elevating foreigners over Chinese citizens, but they too clung to a colonialist outlook with respect to different regions within their own country. Chiang Kai-Shek’s wife observed the rapid economic development of western provinces like Guizhou and Sichuan with great enthusiasm. But it was only through the migration “of this trained, modern, progressive mass from the East” to the undeveloped hinterlands that such progress was possible. The same mindset that allowed her to celebrate the migration of China’s Westernized coastal elite allowed Sun and others to fully embrace the importation of a similar class of Jews from central Europe.

Berglas’ framing and promotion of his settlement plan were indicative of a less-than-intimate knowledge of Nationalist party politics. Berglas had no dealings with the Chinese government prior to 1938, and without knowing any better, seemed to have taken the Nationalists’ emphasis on humanitarian concerns in their promotion of Sun’s plan at face value. Though Berglas won verbal agreement from Yunnan’s provincial government, his plan did not win significant support at the top levels of the Nationalist government.

Later that month, Maurice William got word of Sun’s proposal and proposed his own settlement plan, appealing directly by letter to high-level officials like Wang Zhengting, Kong Xiangxi, and Sun Ke himself. William sought to explicitly distinguish his proposal from Berglas’ plan by emphasizing the assistance that Jewish refugees could offer China. “Instead of asking China for help,” William wrote, “I propose that we concentrate on China’s problem and use the help of German Jews to solve those problems. A home and employment in China awaits [sic] German Jews only as a by-product of their services in promoting China’s welfare.” The economic specifics of
William’s plan did not differ significantly from Berglas’. Indeed, since he first began exploring the idea of a Jewish settlement in China back in 1933, William had believed that the business expertise of Germany’s Jewish middle class would benefit China’s economic development.

The 1939 iteration of William’s plan also made explicit reference to Nationalist war aims. According to William, China was “locked in a life and death struggle . . . and should not be expected to assume additional burdens.” As Gao has shown in her analysis of correspondence between William and Nationalist leaders in 1939, William sought to reassure Chinese leaders that Jewish refugees would “carry with them the good-will of the Jews of every nation.” His language seemed like a clear reference to Sun’s argument that a Jewish settlement could help China attract Western support for its war with Japan. Former Chinese ambassador to the United States Wang Zhenting was immediately convinced, telling a colleague that adopting the plan would help China “win support from the Jews all over the world, particularly from those in America and England where the Jews exercise great influence not only in the financial field but also in the political field.

By foregrounding the technical expertise middle-class German Jews could bring to the Chinese economy while referencing the potential benefits for the Chinese war effort, William’s framing of his Jewish settlement plan appealed to the existing Chinese Nationalist outlook with uncanny precision. In fact, William’s correct reading of Nationalist leaders’ mindsets was no coincidence. William had been in contact with Wang Zhengting’s successor, Hu Shih, who kept him abreast of the Chinese government’s internal discussions. That William’s plan received greater support from the Chinese government than Berglas’ therefore had more to do with William’s connections within the Chinese government than it did with any substantive difference between the two plans.
Conclusion: The Territorialist Dream

Despite the Nationalist government’s enthusiastic acceptance of the Yunnan Plans, both William and Berglas found it difficult to attract the support of the Western community. Berglas was turned down by Jewish philanthropists in Europe, who felt that his plan was far-fetched. Bernard Kahn “told him that the settlement of 100,000 persons within one year, as he proposes, would seem a technical impossibility quite apart from other difficulties.” Kahn and his colleagues at the Joint Distribution Committee had been exploring options for a Jewish settlement in China, but on a much smaller scale. “We were of the opinion,” he wrote at the time, “based on expert’s findings, that possibilities for such settlements existed for groups of not more than 1000 or 2000 people and this included workingmen which are excluded in the Berglas plan.” William had also failed to attract American sponsors for his Yunnan Plan, as a preoccupation with the war in Europe and growing anti-immigrant sentiment at home discouraged the Roosevelt Administration from getting involved in international settlement schemes.

Despite the Yunnan Plans’ failures, it is still worth considering why William and Berglas remained so consumed by the dream of a Jewish settlement in China. With William’s influence on Sun Yat-Sen, and Berglas’ immigration to China in 1938, both men felt a personal connection to the country. Both men also felt sincere concern for the fate of their co-religionists in Germany, but these emotional considerations alone cannot fully explain William and Berglas’ devotion to their Yunnan Plans.

According to historian Laura Almagor, the Jewish Territorialism underwent a transformation during World War II:

In this new world order the Freelanders continued to believe in the Territorialist cause: Jewish life, of infinite value to the betterment of humankind, could only be
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truly rebuilt outside Europe, where antisemitism had not yet polluted the general public opinion. This new life would work in a relatively unpopulated area, through concentrated colonization with cooperative methods, but without achieving statehood.87

Both William and Berglas found such a place in Yunnan province. After traveling to Yunnan's provincial capital, Kunming, in the summer of 1939, Berglas recalled that “the city of Kunming has nearly 300,000 inhabitants, eternal spring, beautiful landscape, [and] rich mineral resources.”88 Here was a place where anti-Semitism did not run rampant, which remained sparsely peopled despite the immense Chinese population, and where Jewish life could be truly rebuilt through concentrated colonization.

In her study of the relationship between Jewish Territorialism and mid-20th century geopolitics, Almagor argues that Territorialists “relied on accepted notions and practices such as colonialism and colonization, ‘whiteness’, race, biopolitics and agro-industrial science, as well as (empty) spaces and un(der)developed territories.”89 William and Berglas built their settlement plans around these same notions, with a particular focus on the contrast between the expertise of the Jewish race and underdeveloped territories of west China. By the late 1930s, the Nationalist government began to accept these Western notions of development, not as an imposition, but a means of building the state and asserting themselves internationally. Their embrace of the Yunnan Plans is perhaps the best evidence of this strategy. But the story of the Yunnan Plans also shows that in their efforts to build a new Chinese state, Nationalist leaders were no more immune than the Jewish Territorialists from the intellectual legacies of the Old World.
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Notes:
3. Ibid, 12.
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15 Ibid.
16 Ibid.
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20 Ibid.
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23 MWA, Maurice William to Albert Einstein, January 30, 1934, A7.001.
24 MWA, Albert Einstein to Maurice Willliam, March 28, 1934, A7.007.
25 Ibid.
26 A Statement from Kong Xiangxi to the National Government, April 22, 1939, in Jewish Refugees ed. Irene Eber, 131.
27 MWA, Maurice William to Albert Einstein, February 19, 1934, A7.004.
30 Ibid.
31 MWA, Maurice William to Albert Einstein, February 19, 1934, A7.004.
32 MWA, Maurice William to Albert Einstein, February 19, 1934, A7.004.
34 Official Dispatch from the National Defense Supreme Council to the National Government’s Civil Affairs Office, March 7, 1939, in Jewish Refugees, ed. Irene Eber, 123.
36 Ibid.
37 Ibid, 125.
38 Ibid.

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40 Ibid, 125.
41 A Statement from Kong Xiangxi to the National Government, April 22, 1939, in Jewish Refugees, ed. Irene Eber, 131.
45 Official Dispatch from the National Defense Supreme Council to the National Government’s Civil Affairs Office, March 7, 1939, in Jewish Refugees, ed. Irene Eber, 125.
46 Ibid.
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51 The Executive Branch of the Republic of China.
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56 Ibid, 131.
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59 A Statement from Kong Xiangxi to the National Government, April 22, 1939, in Jewish Refugees, ed. Irene Eber, 129.
60 Ibid, 130-1.
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63 Official Dispatch from the National Defense Supreme Council to the National Government’s Civil Affairs Office, March 7, 1939, in Jewish Refugees,
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64 Ibid.
65 Ibid.
66 A Statement from Kong Xiangxi to the National Government, April 22, 1939, in *Jewish Refugees*, ed. Irene Eber, 129.
67 Zanasi, “Exporting Development.”
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72 Bernhard Kahn, Memorandum on Conversations with Mr. Jacob Berglas of China, November 15, 1939 in *Jewish Refugees* ed. Irene Eber, 136.
73 “100,000 Emigrants to Settle in Yunnan Province,” June 21, 1939, *North-China Daily News* in *Jewish Refugees* ed. Irene Eber, 139.
74 Kahn, Memorandum, 136.
75 “100,000 Emigrants,” 139.
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81 Ibid.
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84 Kahn, Memorandum, 136.
85 Kahn, Memorandum, 136.
89 Almagor, “Zeitgeist,” 351.

Images (listed in order of appearance):
