


RESEARCH ARTICLE

Chen Mengzhao's storeroom in Park Street, Calcutta. Wartime India-China smuggling, 1942–1945

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Abstract

This article is about the experiences of three Chinese men who were involved in smuggling between India and China during the Second World War. Chen Mengzhao's rise as a leading figure in India-China smuggling in Calcutta uncovers the hidden links between the black markets in India and China during the Second World War. Gao Wenjie disguised himself as a Chinese army officer and utilized this fake identity to facilitate his smuggling business. Wang Li-an was sent to Calcutta to undertake smuggling for a Chinese government department. In telling these stories, this article argues that most smuggling in modern India and China was undertaken in transnational contexts that resulted in transnational effects. Ironically, the Nationalist government's state-building project to contain India-China smuggling ended by facilitating it. This project was further perceived by the British authorities as a Chinese conspiracy against India's sovereignty. The misunderstanding between the Chinese and British authorities led to the end of Chinese immigration to India in 1945. Overall, this article provides a new perspective to make sense of the tensions between the Chinese, Indian, and British governments during the Second World War.

Keywords: Smuggling; the Second World War; India; China

Introduction

On the afternoon of 5 January 1943, a dozen policemen broke into a shophouse on Park Street, Calcutta. Their target was Chen Mengzhao, a Chinese businessman who had been accused of raking in tremendous profits by smuggling contraband from India to China. When the policemen entered the second floor of the shophouse, they found Chen Mengzhao and two other Chinese, Gao Wenjie and Wang Li-an, as well as large quantities of medicines, jewels, and clothing, which the police believed would be smuggled

to China.¹ Later investigations indicated that all three men were involved in India-China smuggling in different ways. Chen Mengzhao ran his smuggling enterprise through a collaboration with an American pilot who flew the contraband into China. Gao Wenjie evaded customs checks by disguising himself as a Chinese army officer. Wang Li-an was authorized by a Chinese government department to travel to India for the purpose of smuggling medicines back to China. Although Chen Mengzhao, Gao Wenjie, and Wang Li-an were not well known to one another and their smuggling businesses were unrelated, the uncovering of their experiences in Calcutta sheds new light on our understanding of smuggling in modern China and India.

Taking Chen Mengzhao's smuggling enterprise as a case study, this article argues that most smuggling in modern India and China was undertaken in transnational contexts and had transnational effects. Scholarship on smuggling in both modern China and India has largely been confined within the boundaries of the two countries. Since most smuggling took place across the border, however, its influence was transnational instead of merely national. Eric Tagliacozzo convincingly demonstrates how the interplay between colonial states and smugglers in Southeast Asia contributed to the formation and construction of borders in British Malaya and the Dutch East Indies. In this case, the British Malayan government's measures and regulations against smuggling along the Straits of Malacca led to a response by the Dutch colonial authorities in the East Indies, which was determined to build up its own authority against underground trades and tax evasion. Therefore, smuggling in colonial Southeast Asia not only gave rise to the colonial state's border construction programmes of mapping, lighting, surveillance, and patrolling, but also sowed the seeds for the decades-long competition, negotiation, and collaboration between the Dutch and British colonial authorities around the containment of smuggling.² Nisha Mathew's study of gold smuggling between Dubai and Bombay before and after partition further elaborates that cross-boundary smuggling impacted not only on local/regional economic activities, but the broader context of international monetary politics of the time.³

Although numerous scholars have already pointed out that those involved in smuggling in modern Asia could be any nationality, most studies have paid specific attention to Chinese smugglers in modern Chinese smuggling and Indians in modern Indian smuggling. Westerners, whether they were

¹ AH (Academia Historica, Taipei), 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Bao Junjian to Waijiaobu, 6 January 1943.

² Eric Tagliacozzo, *Secret Trades, Porous Borders: Smuggling and States Along a Southeast Asian Frontier, 1865-1915* (New Haven: Yale University Press, 2009). For further discussions on relations between the state-building project and smuggling in insular Southeast Asia, see Rudolf Mrazek, 'From Darkness to Light: The Optics of Policing in Late-Colonial Netherlands East-Indies', in *Figures of Criminality in Indonesia, the Philippines, and Colonial Vietnam*, (ed.) Vicente Rafael (Ithaca: Cornell University Southeast Asia Program, 1999), pp. 23-46; Eric Tagliacozzo, 'The Lit Archipelago: Coast Lighting and the Imperial Optics in Insular Southeast Asia, 1860-1910', *Technology and Culture* 46:2 (2005), pp. 306-328.

³ Nisha Mathew, 'At the Crossroads of Empire and Nation-State: Partition, Gold Smuggling, and Port Cities in the Western Indian Ocean', *Modern Asian Studies* 54:3 (2020), pp. 898-929.

colonial customs officials in India or staff of the Chinese Maritime Customs Service in China, are most likely to be described as anti-smuggling policy-makers.⁴ This article, instead, investigates a smuggling gang that was composed of Chinese businessmen and an American pilot, and suggests that it was this transnational collaboration that facilitated India-China smuggling. Additionally, previous studies have largely set state-building projects in opposition to smuggling activities. In other words, by suppressing smuggling, the state centralized its power and expanded its authority to almost all aspects of socio-economic life. Nevertheless, this article shows that through its effort to promote its army officers' privileges abroad, the Nationalist government's state-building project ended up facilitating smuggling.⁵ Finally, as Nisha Mathew points out, the discursive and analytic framework surrounding the debate on smuggling has been divided into an oversimplified dichotomy, with the smuggler on one side and the state on the other.⁶ This article shows that the state was sometimes also trapped by its own restrictions and regulations and had to resort to smuggling.

Meanwhile, a growing number of studies have been produced recently to explore the interaction between modern state-building and smuggling in China.⁷ The Chinese government under Nationalist rule tried hard to build a

⁴ For the Chinese Maritime Customs Service, see Robert Bickers, 'Revisiting the Chinese Maritime Customs Service, 1854–1950', *Journal of Imperial and Commonwealth History* 36:2 (2008), pp. 221–226; Hans van de Ven, *Breaking with the Past: The Maritime Customs Service and the Global Origins of Modernity in China* (New York: Columbia University Press, 2014).

⁵ Scholarship on smuggling in post-colonial India has already noted that flawed economic policies and corrupt bureaucratic machinery did more to facilitate, rather than prevent, smuggling. See Jagdish Bhagwati and Bent Hansen, 'A Theoretical Analysis of Smuggling', *The Quarterly Journal of Economics* 87:2 (1973), pp. 172–187; A. Vaidyanathan, 'Consumption of Gold in India: Trends and Determinants', *Economic and Political Weekly* 34:8 (1999), pp. 471–476.

⁶ Through analysing smuggling in occupied China during the Second Sino-Japanese War, Lloyd Eastman demonstrates that relations between ordinary Chinese and their state were by no means clear and coherent. Although the Nationalist government tried hard to label the trade with the Japanese-occupied areas as 'smuggling' and a betrayal to the Chinese nation, a large number of Chinese traders crossed into the occupied areas to do business with the Japanese and the puppet regime alike. Eastman attributes the ambivalent attitude of ordinary Chinese during the war to the lack of a political organization in modern China that was able to enlist the political participation of the people. See Lloyd Eastman, 'Facets of an Ambivalent Relationship: Smuggling, Puppets, and Atrocities during the War, 1937–1945', in *The Chinese and the Japanese: Essays in Political and Cultural Interactions*, (ed.) Akira Iriye (Princeton: Princeton University Press, 1980), pp. 275–303.

⁷ This article understands that the term 'smuggling' is a product of state construction. It is the state authorities that determined what kind of activities comprised smuggling, what kind of commodities were contraband, and who were designated as 'smugglers'. In this article, both 'smuggling' and 'smugglers' were defined as such by either the Chinese or British authorities for pursuing their respective interests. For smuggling and modern nation-building in a wider context, see Christopher Bayly, *The Birth of the Modern World, 1780–1914: Global Connections and Comparisons* (Oxford: Blackwell, 2004); Cyrus Schayegh, 'The Many Worlds of Abud Yasin: or, What Narcotics Trafficking in the Interwar Middle East Can Tell Us about Territorialization', *American Historical Review* 116:2 (2011), pp. 273–306; Peter Andreas, *Smuggler Nation: How Illicit Trade Made America* (Oxford: Oxford University Press, 2013); Michael Kwass, *Contraband: Louis Mandrin and the Making of a Global Underground* (Cambridge, MA: Harvard University Press, 2014); Andrew Cohen, *Contraband: Smuggling and the Birth of the American Century* (New York: Norton, 2015). For the specific relations

strong central state through regulating and taxing foreign trade.⁸ Ordinary people, however, had to pay higher prices for their daily commodities due to increased regulations and taxes.⁹ To evade state control, smuggling through China's coastal areas had become widespread by the 1920s and 1930s. The Nationalist government saw smuggling not only as a menace to its revenues, but also as a challenge to its state-building project. In fighting against smuggling, the Nationalist government progressively expanded the capacity of the state by centralizing its legal authority and advancing its reach over almost all aspects of economic life. Ironically, as Philip Thai observes, smuggling in modern China did not undermine state authority but instead dramatically strengthened it.¹⁰

Scholars studying smuggling in colonial India, however, have paid less attention to the state-building aspect. In fact, British colonial authorities in India were more concerned with their own security, both internal (threat from Indian nationalists) and external (threat largely from Russia), than with building India into a centralized modern state.¹¹ Amar Farooqui argues that smuggling in western India conducted by indigenous groups was a

between smuggling and the state in modern China, see Samuel Adshead, *The Modernization of the Chinese Salt Administration, 1900-1920* (Cambridge, MA: Harvard University Press, 1970); Susan Mann, *Local Merchants and the Chinese Bureaucracy, 1750-1950* (Stanford: Stanford University Press, 1987); Alan Baumler, *The Chinese and Opium under the Republic: Worse than Floods and Wild Beasts* (Albany: State University of New York, 2007).

⁸ Parks Coble, *The Shanghai Capitalists and the Nationalist Government, 1927-1937* (Cambridge, MA: Harvard University Press, 1980); Edward Slack, *Opium, State, and Society: China's Narco-Economy and the Guomindang, 1924-1937* (Honolulu: University of Hawai'i Press, 2001); Toru Kubo, 'The Tariff Policy of the Nationalist Government, 1929-36: A Historical Assessment', in *Japan, China, and the Growth of the Asian International Economy, 1850-1949*, (ed.) Kaoru Sugihara (Oxford: Oxford University Press, 2005), pp. 145-176; Margherita Zanasi, *Saving the Nation: Economic Modernity in Republican China* (Chicago: University of Chicago Press, 2006); Felix Bocking, *No Great Wall: Trade, Tariffs and Nationalism in Republican China, 1927-1945* (Cambridge, MA: Harvard University Asia Center, 2017).

⁹ Marie-Claire Bergere, *The Golden Age of the Chinese Bourgeoisie, 1911-1937* (Cambridge: Cambridge University Press, 1989).

¹⁰ Philip Thai, *China's War on Smuggling: Law, Economic Life, and the Making of the Modern State, 1842-1965* (New York: Columbia University Press, 2018), p. 26.

¹¹ Regarding the internal threat, the Government of India's primary concern was the Indian nationalist movement, in particular, revolutionary terrorism. Durba Ghosh's study of Indian revolutionary terrorists is a good entry point for understanding how the internal threat shaped the modern nation-state in India: see Durba Ghosh, *Gentlemanly Terrorists: Political Violence and the Colonial State in India, 1919-1947* (New York: Cambridge University Press, 2017). To counter the emerging internal threat, the British Raj developed a sophisticated network of intelligence: see James Hevia, *The Imperial Security State: British Colonial Knowledge and Empire-Building in Asia* (Cambridge: Cambridge University Press, 2015). Regarding the external threat, British authorities were specifically worried about Russian expansion in central Asia and actively participated in the 'Great Game': see Richard Popplewell, *Intelligence and Imperial Defence: British Intelligence and the Defence of the Indian Empire 1904-1924* (London: Frank Cass, 1995); Evgeny Sergeev, *The Great Game, 1856-1907: Russo-British Relations in Central and East Asia* (Baltimore: Johns Hopkins University Press, 2014).

systematic and organized effort to undermine the colonial monopoly of India's economy and challenge the colonial regime.¹² While Kate Boehme does not agree that smuggling in colonial India was a planned subversion against the Raj, she persuasively demonstrates how the Government of India imagined and constructed smuggling as a subversive enterprise, which not only damaged the colonial economy but was designed to overthrow British rule altogether.¹³ Jonathan Hyslop's study of Indian sailors' gun-smuggling in the 1920s further shows that although sailors' motivation for smuggling weapons was largely to make profits, colonial officials tended to correlate their activities with nationalist and revolutionary movements.¹⁴ In other words, while the Chinese Nationalist government's concern about smuggling was largely due to its state-building project, the Indian colonial authorities' fight against smuggling can be attributed to its anxiety about the survival of British colonial rule.

Overall, this article is a story of the trajectories of three men who were involved in wartime India-China smuggling who were coincidentally living under the same roof, in a shophouse in Calcutta, until they were arrested on the afternoon of 5 January 1943. In telling the story, this article argues that the Chinese Nationalist government's effort to obtain privileges for its army officers in India facilitated India-China smuggling. The Nationalist government, in its turn, saw smuggling as a blemish on its international status and tried to set up checkpoints in India to contain the illegal trade. The British authorities, in contrast, regarded both Chinese smuggling and the Chinese government's efforts to control it as a grand conspiracy that would eventually harm the security and sovereignty of the Raj. The different considerations of the Chinese and British authorities and their mutual misunderstandings led to the end of Chinese immigration in India in 1945.

By elaborating on the interactions between state and smugglers, and the Chinese and British authorities, this article contributes an alternative understanding of wartime Sino-British relations. Previous studies have highlighted that the tensions between Chinese and British authorities in India during the Second World War can largely be attributed to Chiang Kai-shek's vocal support for the Indian nationalist movement and rampant Chinese smuggling activities in India.¹⁵ This article contends that it was not the smuggling itself

¹² Amar Farooqui, *Smuggling as Subversion: Colonialism, Indian Merchants, and the Politics of Opium, 1790-1843* (Washington DC: Lexington Books, 2005). Farooqui's argument was later challenged by Claude Markovits who contends that Indian smuggling was the result of opportunism and residual leakage instead of organized Indian resistance: see Claude Markovits, 'The Political Economy of Opium Smuggling in Early Nineteenth Century India: Leakage or Resistance', *Modern Asian Studies* 43:1 (2009), pp. 89-111.

¹³ Kate Boehme, 'Smuggling India: Deconstructing Western India's Illicit Export Trade, 1818-1870', *Journal of the Royal Asiatic Society* 25:4 (2015), pp. 685-704.

¹⁴ Jonathan Hyslop, 'Guns, Drugs and Revolutionary Propaganda: Indian Sailors and Smuggling in the 1920s', *South African Historical Journal* 61:4 (2009), pp. 838-846.

¹⁵ Aron Shai, 'Britain, China and the End of Empire', *Journal of Contemporary History* 15:2 (1980), pp. 287-297; Lin Hsiao-ting, 'Erzhanshiqi zhongyingguanzixaitantao: yinanyawentiweizhongxin' (Reconsidering Sino-British Relations during World War II: Centered on the South Asia Problem), *Jindaishiyanjie* 4 (2005), pp. 32-56; Christopher Murphy, "'Constituting a Problem in Themselves":

that concerned the British authorities and pushed them to take action against Chinese immigration to India, but rather the Chinese Nationalist government's effort to control smuggling in India. In other words, the British authorities were less worried about Chinese smuggling activities in India than they were about the Chinese government's attempts to discipline the Chinese in India, which they believed was a Chinese conspiracy to encroach on British interests.

Chen Mengzhao in Calcutta

For a long time, historians of modern China have accepted the viewpoint that the home front of the Nationalist government during the Second World War lay in southwest China. Few have considered India as China's home front during its war against the Japanese, even though most of China's war materials and essential commodities were imported through India. Meanwhile, few historians of modern India have taken note of Chinese activities in wartime Raj. Through relating the rise of Chen Mengzhao's business in Calcutta in 1942, this section tries to uncover how the black markets in India and China were connected during the war and how people of different nationalities and backgrounds were involved in the booming India-China smuggling trade.

Chen Mengzhao (Chen Mou Chou as shown in his passport) was born in Sichuan province, China, in 1908. In January 1940, he applied for a passport in Yunnan in order to do business trading watches and medicines in Annam and Burma. While he was still in Burma in early 1942, the Japanese army overwhelmed the Allies and cut off the Burma Road that was used to transport supplies to the Chinese Nationalist government. As Burma fell into the hands of the Japanese, refugees, mostly Indians and Chinese who had migrated to Burma during the colonial period, fled into India.¹⁶ Since returning to China was impossible, Chen Mengzhao decided to follow the refugees to India and had settled down in Calcutta by April of 1942.¹⁷

After the outbreak of the Second World War in 1939, India was transformed into an industrial hub that provided the British war effort with all necessary materials such as guns, uniforms, paper, steel, and leather boots. Factories were preoccupied with fulfilling government contracts to supply manufactured goods to the expanding Indian Army and the wider British war cause. In addition to the big factories under contract to the government, small-scale workshops run by locals were subcontracted to produce chemicals, paint, paper, metal alloys, spare parts for the railways, small machinery, and

Countering Covert Chinese Activity in India: The Life and Death of the Chinese Intelligence Section, 1944–46', *Journal of Imperial and Commonwealth History* 44:6 (2016), pp. 928–951.

¹⁶ For the refugees from Burma after the Allied defeat in 1942, see Hugh Tinker, 'A Forgotten Long March: The Indian Exodus from Burma, 1942', *Journal of Southeast Asian Studies* 6:1 (1975), pp. 1–15.

¹⁷ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Bao Junjian to Waijiaobu, 7 January 1943.

tools.¹⁸ The boom in all industrial sectors demanded a large number of workers. Attracted by the relatively high and stable wages offered by factories in the cities, tens of thousands of Indians migrated from the countryside to Calcutta, Bombay, and Madras for jobs. The growing urban population further stimulated commercial activities as various sorts of commodities were widely circulated in the market.¹⁹

Resources in India, therefore, were under tremendous pressure as a result of the government's war effort and the growing urban population. Consequently, inflation hit India in the early 1940s and the Indian government began to ration certain commodities and impose restrictions on large-scale purchases. Black markets and smuggling became rampant across the country to meet the daily demands of British residents, Indian landowners, princes, and the middle class.²⁰

By the time Chen Mengzhao arrived in Calcutta, the city was witnessing a boom in the black-market economy. On the one hand, since the Allies designated Calcutta as one of the most important forward bases in Asia, supplies, equipment, and personnel from North America and Australia had poured in and stimulated local consumption.²¹ On the other hand, wartime shortages and rations restricted and disrupted the local market.²² As a result, residents in Calcutta, whether they were British or Indians, had to turn to the black market and smugglers for necessary goods.

Chen Mengzhao was not unfamiliar with a black-market economy and smuggling. In fact, wartime shortages, the collapse of the state, hyperinflation, and ever-changing government policies in China at the time led most Chinese merchants to engage in some form of 'illegal trade' and turned them into 'smugglers'. As Philip Thai argues, the definition of smuggling in wartime China was so confusing and ambiguous that this term somehow became empty and even meaningless.²³

While in Calcutta, Chen Mengzhao immediately found that he could continue his business trading in watches and medicines. The loss of Burma made airborne transportation between India and China essential for the Nationalist government and ordinary Chinese alike so as to obtain materials and commodities from the outside world.²⁴ Since wartime hyperinflation

¹⁸ M. Mukerjee, *Churchill's Secret War: The British Empire and the Ravaging of India during World War II* (New York: Basic Books, 2010).

¹⁹ Yasmin Khan, *The Raj at War: A People's History of India's Second World War* (London: The Bodley Head, 2015).

²⁰ Jyoti Bose, *The Man-Made Famine* (Cambridge: B. Rajan and D. Sen, 1943); Famine Inquiry Commission, *Report on Bengal* (Delhi: Government of India, 1945).

²¹ Information Department, India Office, *India at War, Rising Flood of Vast Resources* (London: Ministry of Information, 1941).

²² Janam Mukherji, *Hungry Bengal: War, Famine and the End of Empire* (London: Hurst, 2015).

²³ Philip Thai, *China's War on Smuggling: Law, Economic Life, and the Making of the Modern State, 1842-1965* (New York: Columbia University Press, 2018), pp. 365-368.

²⁴ Airborne transportation between India and China during the war was given the name 'the Hump'. This route over the Himalayas was largely used by the American Tenth Air Force and the Chinese National Aviation Corporation for transporting supplies into China and ferrying

and the blockade of China had made all sorts of goods either too expensive or inaccessible for most Chinese, merchants had been able to make great profits by exporting commodities from India to China.²⁵ Nevertheless, the export and import regulations of the Indian and Chinese authorities during the war left Chen Mengzhao with few options but to turn to illegal actions.

After the outbreak of the Second World War in 1939, the Indian government had activated Section 19 of the Sea Custom Act, 1878. According to the Act, 'commodities that were perceived to be crucial to India's economic stability and defense during the war were prohibited from exporting to any other destination outside India or Burma except on the authority of a license granted on the behalf of the Reserve Bank of India'.²⁶ All sorts of medicines, gold coins, and gold bullion were among those articles that were prohibited.²⁷

It was not only the Indian government that banned the export of certain commodities: the Chinese Nationalist government also promulgated rules and regulations to outlaw the import of commodities that it thought would impair its economy and war effort. In September 1941, Chaing Kai-shek issued a ban on the import of all luxuries. It was ruled that

a lot of luxuries that were brought from Hong Kong, Burma, and Central Asia were found recently by the customs. These luxuries would give rise to an extravagant culture that was harmful to our morale. From now on, all Chinese traders should not be allowed to import luxuries such as cigarette, watch, clothes, and jewels brought from abroad. Those who violated this rule would be taken as smugglers and seriously punished.²⁸

In this sense, the traffic of contraband that was either restricted by the Indian government for export or prohibited by the Chinese government for import was highly profitable. It was reported that if one spent Rs 16,000 to buy contraband goods in India and smuggle them into China for sale, one could make Rs 80,000.²⁹

personnel between China and India. For details of the Hump, see John Plating, *The Hump: American Strategy for Keeping China in World War II* (College Station: Texas A&M University Press, 2011).

²⁵ For the inflation in wartime China, see Chou Shun-hsin, *The Chinese Inflation, 1937-1949* (New York: Columbia University Press, 1963); Arthur Young, *China's Wartime Finance and Inflation, 1937-1945* (Cambridge, MA: Harvard University Press, 1965); Zhou Chun, *Zhongguokangrizhanchengshiqi wujiashi* (A history of the commodity prices in China during the War of Resistance) (Chengdu: Sichuandaxue chubanshe, 1998); Parks Coble, *Chinese Capitalists in Japan's New Order: The Occupied Lower Yangzi, 1937-1945* (Berkeley: University of California Press, 2003); Frederic Wakeman, 'Shanghai Smuggling', in *In the Shadow of the Rising Sun: Shanghai under Japanese Occupation*, (eds) Christian Henriot and Wen-hsin Yeh (Cambridge: Cambridge University Press, 2004), pp. 116-149.

²⁶ National Archives of India, New Delhi (hereafter NAI), Home Political_NA_1939_NA_F-41-29_39, 'Finance Department (Central Revenues), NOTIFICATION, Customs', 26 August 1939.

²⁷ NAI, Home Political_NA_1939_NA_F-41-30_39, 'Finance Department (Central Revenues), NOTIFICATION, Customs', 4 September 1939.

²⁸ AH, 002-060100-00156-001, Jiangzhongzheng zongtong wenwu, 1 September 1941.

²⁹ 'Zhongyinhangkongxian zhi zousizhe' (Smugglers in the Sino-India Air Route), *Minguoqiribao*, 28 January 1943.

Having learned of the opportunity to make extraordinary profits by bringing portable contraband such as cigarette, jewels, gold, clothes, and medicines from India to China, Chinese passengers of the Chinese National Aviation Corporation (CNAC), then in charge of civilian flights, enthusiastically took part in moving these goods. In June 1942, Lu Ken Chun, a Kunming resident, asked his friend Y. T. Hia in Calcutta to try his best to buy as many cigarette papers as possible and to bring them back to Kunming on the CNAC flights. Lu Ken Chun said that he had already bribed officials in the Chinese Finance Bureau and asked Y. T. Hia to write the name of the Chinese Financial Bureau on all goods to evade the customs checks in Calcutta and Kunming. Lu was confident that they would make a very good profit on these cigarette papers in Kunming.³⁰ In July 1942, Li Tingcai, a CNAC passenger who had travelled from Calcutta to Chongqing, was found in possession of six parcels of medicines, which he intended to sell on the black market in China. Two months later, another CNAC passenger was found guilty of smuggling more than 40 parcels of contraband goods from Dibrugarh to Kunming.³¹

The colossal extent of the smuggling trade from India to China drew the attention of both the Government of India and the Chinese Nationalist government.³² For the Government of India, the smuggling was not only a challenge to its wartime restrictions on exports, but also impacted on its tax income. For the Nationalist government, smuggling depleted China's already exhausted foreign exchange reserves and discredited its official image.³³ Both sides were determined to take action against the rampant smuggling that was taking place. The Government of India strengthened its customs checks in Calcutta and officials were required to check the luggage of all civilian passengers who travelled between India and China before they boarded the flight.³⁴ The Nationalist government, in turn, also tightened the inspection of commodities brought in by passengers from India. In late 1942 the Nationalist government even stopped issuing passports to private merchants who intended to go to India in an effort to crack down on smuggling.³⁵

³⁰ NAI, External Affairs 572-X/42 (Secret), from Lu Ken Chun, Kunming to Y. T. Hia, Calcutta, 25 June 1942.

³¹ AH, 020-991100-0024, Waijiaobu, Xianzhifuyin caigouwuzi 1, from Jiaotongbu to Waijiaobu, 5 October 1942.

³² In October 1942, the British military attaché in Chongqing reported that almost all Chinese passengers travelling between Calcutta and Kunming brought contraband goods with them. He also indicated that some of the smuggling was practised on a personal level, while others were guilty of gang smuggling. See Foreign Office Records, The National Archives, London (hereafter FO) 371/31627, from Major Winterborn to P. Broad, 27 September 1942. The British observation was credited by the US Army Criminal Investigation Department of the Theater Corps of Military Police. Between 1942 and 1944, 87 major smuggling cases and 213 minor smuggling cases, with a total value estimated at \$4,156,000, were reported. See 'Hump Smuggling Ring Exposed by Army', *Roundup*, 21 December 1944.

³³ FO 371/31679, from Sir H. Seymour to Mr Eden, 21 October 1942.

³⁴ *Ibid.*

³⁵ AH, 020-991100-0025, Waijiaobu, Xianzhi fuyin caigou wuzi 2, from Junshiweiyuanhui to Waijiaobu, 24 November 1942.

Chen Mengzhao was well informed about the Sino-India smuggling rush by the time he arrived in Calcutta and decided to join the lucrative business. In June 1942, he purchased some watches, a few ladies' dress pieces, and powder in local markets (all of which were prohibited from importation by the Nationalist government) and asked another Chinese man, Chang Tzu-tsai, to bring them to Kunming for sale. Although Chang Tzu-tsai hid the watches in his pocket and other items in a box, they were still found and confiscated by the Chinese customs officials in Kunming.³⁶

The loss of his goods, however, did not discourage Chen Mengzhao from continuing his business. He tried to find ways to evade the newly established regimes of customs control and inspection in both India and China. After the fall of Burma in May 1942, the CNAC was mainly responsible for civilian transportation between India and China. Due to the lack of qualified and experienced Chinese pilots, they hired American pilots.³⁷ The Government of India had long been aware that some of the American pilots who worked in India and China were active participants in smuggling.³⁸ In September 1942, J. A. Porter, an American pilot employed by the CNAC for the Calcutta-Kunming flight, was discovered smuggling 50 bars of gold on his aircraft.³⁹ In fact, the US Army Criminal Investigation Department of the Theater Corps of Military Police reported around 300 smuggling cases in the India-Burma-China Theatre from 1942 to 1944. They were valued at more than US\$ 4,000,000 and involved American pilots affiliated with the US Army, the CNAC, and the American Volunteer Group (the Flying Tigers).⁴⁰

Knowing that American pilots were exempt from customs checks in both Calcutta and Kunming, Chen Mengzhao decided to look to them to find partners for his business.⁴¹ Through a Calcutta-based Chinese merchant Kong Qingfu, Chen Mengzhao came to know a CNAC pilot, J. Curler, who agreed to join his smuggling business. Chen Mengzhao also involved his friend Ge Zunxian, who worked in the Kunming branch of the Chuankang Bank, as his agent. In August 1942, Curler brought the medicines Chen Mengzhao had purchased in Calcutta onto his flight destined for Kunming. The whole process went smoothly, and no customs officials checked Curler's luggage in the airports of Calcutta or Kunming. After Ge Zunxian sold these medicines on the local black market, the gang made a big profit. Inspired by the profits,

³⁶ NAI, External Affairs 572-X/42 (Secret), from Chang Tzu-tsai, Kunming to Mr M. C. Chen, Calcutta, 25 June 1942.

³⁷ For the activities of the CNAC during the war, see Yao Jun, *Zhongguo hangkongshi* (A History of China's Aviation) (Zhengzhou: Daxiangchubanshe, 1998); Jiang Changying, *Zhongguohangkongshi: Shihua, Shiliao, Shigao* (A History of Chinese Aviation: Stories, Primary Sources, and Drafts) (Beijing: Tsinghua University Press, 2000); Li Jun and Lin Minghua, *Zhongguo minyonghangkongshi* (A History of the Chinese Civil Aviation) (Beijing: Zhongguo minhanghang chubanshe, 2019).

³⁸ FO 371/46194, from Governor of Assam to Acting Viceroy, 19 April 1945.

³⁹ NAI, Home Political, E_1943_NA_F-3-11, from A. E. Porter to the Secretary, 15 January 1943.

⁴⁰ 'Hump Smuggling Ring Exposed by Army', *Roundup*, 21 December 1944.

⁴¹ The exemption from customs checks of Allied officers, including American pilots working for the CNAC, was recorded in the Indian Army Order No. 1816/42, dated 10 December 1942.

they carried out a second trial a month later, which, again, turned out to be successful.⁴²

By October 1942, Chen Mengzhao had earned around Rs 600,000 through his smuggling business. With such wealth in his possession, he rented a two-floor shophouse on 12 Stephen Court, 18 Park Street, Calcutta and established his own company, the M. C. Chen Trading Co. Indian Branch.⁴³ The first floor of the building was his company's office while the second floor was to be used as a storeroom for commodities.⁴⁴ In order to socialize with senior Chinese officials in Calcutta and court their protection, Chen Mengzhao bought two cars for their use.⁴⁵

In November 1942, Chen Mengzhao contacted Curler and Ge Zunxian to arrange further smuggling. This time, he prepared two packages of medicines and jewellery that were valued at around Rs 300,000. On 25 November 1942, Curler transported the two packages of goods destined for Kunming, with the expectation that they would reap a great profit.⁴⁶

A disguise as an army officer

In narratives of Chinese national history, the Second World War has often been described as the turning point in China's status in the world, as unequal treaties and extraterritoriality were put to an end. While the Nationalist government was working hard to obtain legal privileges for Chinese nationals overseas to strengthen its own legitimacy, some Chinese merchants manipulated these privileges to benefit their smuggling enterprise. The smuggling ultimately weakened the Nationalists' standing and gave rise to misunderstandings and disputes between the British and the Chinese authorities throughout the war. This section will introduce the business of Gao Wenjie, who disguised himself as a Chinese army officer in Calcutta to facilitate his smuggling.

After the fall of Burma, Chinese merchants became aware of the lucrative business of smuggling Indian commodities into China. Commodities that were portable and valuable in China such as gold, jewellery, watches, fountain

⁴² AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Waijiaobu to Bao Junjian, 11 March 1943.

⁴³ There were two Chinatowns in Calcutta in the 1940s, one in Bowbazar and the second in Tangra, both of which were far away from the Park Street. The reason why Chen Mengzhao chose to settle in Park Street is probably down to the fact that he tried to stay under the radar of the Chinese and Indian authorities, which had been focusing on the crime and unrest in the Chinatowns throughout the war.

⁴⁴ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Deputy Commissioner of Police, Security Control, Calcutta to Mrs M. S. Gregory, 22 February 1945.

⁴⁵ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Bao Junjian to Waijiaobu, 7 January 1943.

⁴⁶ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Chiang Kai-shek to T. V. Soong, 20 December 1942.

pens, medicines, and cloth were extremely popular.⁴⁷ As large numbers of Chinese merchants began participating in Sino-India smuggling, the Government of India became concerned that the stockpiles of certain commodities would be depleted and that the resulting increases in commodity prices would enrage ordinary Indians. To contain the smuggling, in October 1942, Indian customs authorities imposed strict rules to restrict the volume of goods a passenger could carry when leaving the country.⁴⁸ The tightened rules of Indian customs influenced the business of Gao Wenjie, who arrived in Calcutta from China in early 1942 and was involved in the Sino-India smuggling of medicines.⁴⁹ Realizing that he might lose a great deal of his profits due these changes, Gao Wenjie started to consider means of evasion.

When the Japanese invaded Burma in early 1942, the Chinese Expeditionary Force (CEF) was sent by the Nationalist government to Burma to help defend the British colony. The Allies, however, were defeated by the Japanese in mid-1942. While some units of the CEF retreated from Burma into India, the Chinese and American authorities reached an agreement to train and equip these Chinese troops in India through the American Lend-Lease aid. The two sides further proposed to bring more Chinese troops from China to India for training. Ramgarh, a small town in northeast India (in today's Jharkhand state), was selected by the Americans as the site of the training camp owing to its friendly climate and railway links.

The Chinese authorities regarded the training programme as an opportunity to modernize their troops through American equipment. President Roosevelt had long harboured a plan to support the Chinese Nationalist government as an important ally in Asia to counter the influence of the British empire and Soviet Union. To help the Chinese Nationalists build a modern and powerful military force would not only alleviate the pressure of fighting against the Japanese during the war but also expand American influence in post-war Asia.⁵⁰ The British authorities were well aware of the Americans' intentions and were worried that its imperial interests would be seriously weakened in the face of a strong China. Furthermore, the British were also concerned that the Chinese government would use its troops in India to interfere in India's internal politics.⁵¹

⁴⁷ AH, 020-991100-0024, Wajjiaobu, Xianzhifuyin caigouwuzi 1, from the British Embassy to Foo Ping-sheung, Vice Minister for Foreign Affairs, 28 August 1942. Portable commodities such as jewellery were popular in India-China smuggling because they were easy to carry on flights.

⁴⁸ FO 371/35753, from Secretary of the Government of India to Foreign Office, 10 November 1943. Details of the regulation can also be found in Section 19 of the Sea Custom Act, 1878.

⁴⁹ AH, 020-011904-0021, Wajjiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Wajjiaobu to Bao Junjian, 11 March 1943.

⁵⁰ For Sino-American relations before and during the Second World War, see Hans van de Ven, *China at War: Triumph and Tragedy in the Emergence of the New China, 1937-1952* (Cambridge, MA: Harvard University Press, 2017); Rana Mitter, *Forgotten Ally: China's World War II, 1937-1945* (Boston: Mariner Books, 2014).

⁵¹ For British concern over a Sino-American alliance in post-war Asia, see Andrew Whitfield, *Hong Kong, Empire and the Anglo-American Alliance at War, 1941-45* (New York: Palgrave Macmillan, 2001); Mark Stoler, *Allies and Adversaries: The Joint Chiefs of Staff, the Grand Alliance, and US Strategy in World War II* (Chapel Hill: University of North Carolina Press, 2000); Liu Xiaoyuan, A

Nevertheless, the American government put great pressure upon the British, and even threatened to reconsider Lend-Lease aid to the British war effort if their request to train the Chinese in India could not be properly met. As the British authorities accepted the proposal in May 1942, more than 60,000 Chinese soldiers were brought to the Ramgarh Training Center in the following three years.⁵²

For ordinary Chinese soldiers, being brought to India was a privilege. In Ramgarh, the Chinese were paid in Rupees, which were much more valuable than the hyperinflated Chinese currency.⁵³ Additionally, the food and living conditions in Ramgarh, which were all provided by the Americans to the same standard as the US army, were a lure for the Chinese soldiers. As a result, the recruitment process of Chinese soldiers for training in the Ramgarh Training Center was corrupt as most applicants bribed the recruiting officers for a place there.⁵⁴ Once they arrived in India, these soldiers found that they could easily abscond from the training camp, owing to the lack of management. Chinese officers even encouraged desertion in their units in order to keep the salaries that were supposed to be paid to the deserting soldiers.⁵⁵ Most deserters went to the Chinatowns in Calcutta where they established gangs to profit from black-market business.⁵⁶ For Chinese army officers and civil servants, who had more freedom to travel than ordinary soldiers, India was a heaven for shopping. Commodities that could not be found in China were purchased from black markets in Calcutta and brought back either for their own use or for sale at extremely high prices.

As more and more Chinese officers visited India, for reasons such as attending talks with their Allied counterparts, to study technologies, and to procure military equipment, they soon found that the application process to procure an Indian visa was complicated and the customs checks were strict and the customs staff, rude.⁵⁷ The Chinese Nationalist government regarded the resulting

Partnership for Disorder: China, the United States, and their Politics for the Postwar Disposition of the Japanese Empire, 1941-1945 (New York: Cambridge University Press, 1996); Xiang Lanxin, *Recasting the Imperial Far East: Britain and America in China, 1945-1950* (London: Routledge, 1995).

⁵² The Ramgarh Training Center had been a colonial internment camp that was used to house Italian and German citizens. After negotiations between both the Chinese and American authorities, the Government of India agreed to turn the internment camp into a training centre for the Chinese Expeditionary Force. See Yin Cao, 'Establishing the Ramgarh Training Center: The Burma Campaign, the Colonial Internment Camp, and the Wartime Sino-British Relations', *TRaNS: Trans-Regional and -National Studies of Southeast Asia* (2020), pp. 1-10; doi:10.1017/trn.2020.7.

⁵³ An ordinary Chinese soldier in India could earn Rs 15 to 30 each month: see Li Shoutong, 'Zhongguo yuanzhengjun zhuyinshenghuojianwen' (The daily life of the CEF in India), *Jianghuai Wenshi* 2 (1993), p. 75.

⁵⁴ The National Archives, London (TNA), WO 106/3547, 'Yunnan: Low Morale of the Chinese 5th Army', 1 December 1942.

⁵⁵ AH, 002-080200-00620-007, Jiangzhongzheng zongtong wenwu, from Chen Cheng to Chiang Kai-shek, 17 September 1943.

⁵⁶ AH, 020-011903-0015, Waijiaobu, Soubu Zhuyindu guojun taobing 1, from Waijiaobu to Chiang Kai-shek, 6 November 1944.

⁵⁷ AH, 020-011903-0003, Waijiaobu, Wozai yindu jiaergeda sheli hangjiansuo yujian huiguojun-min, from Bao Junjian to Junshiweiyuanhui, 9 May 1944.

complaints as symbolic of the discrimination long practised by British imperialists against the Chinese. In a letter of protest to Archibald Kerr, the British ambassador to China, Chiang Kai-shek claimed

mentally speaking, some British officials did not want to admit that China and Britain were equal allies. As a result, their discriminations not only harmed the heart of the Chinese who resisted the Japanese invasion alone for more than four years, but also helped the Japanese propaganda, which acclaimed that the British imperialists were treating Asians badly. Only if the British authorities could correct its wrongdoings and respect the Chinese as an equal ally, the British could earn the hearty support of the Chinese people and win the war.⁵⁸

With the condition that British officers would also enjoy the same treatment in China, the British authorities agreed to facilitate the visa application procedures and exempt the luggage of Chinese officers in uniform from customs checks.⁵⁹

In wartime China, the Nationalist forces were heavily involved in the smuggling between Japanese-occupied regions and free China.⁶⁰ Army officers either took bribes from smugglers or engaged in the smuggling business themselves. Gu Zhutong, a senior general of the Nationalist government, warned in 1942, 'the army-involved smuggling among the Nationalist forces was so prevalent in recent months. If we failed to impose strict check and prosecute the smugglers, the discipline and morale of our army would soon collapse.'⁶¹ Since the China-India trade was extraordinarily profitable and army officers were exempt from customs checks, some Chinese officers began trying to find reasons to visit India and smuggle Indian commodities back to China.⁶²

On 15 March 1943, Captain Fu Zejun, a staff officer of the Chinese army, was boarding a CNAC flight to travel from Calcutta to Kunming. While passing Indian customs in the airport, the customs officials found that his luggage, which was a wooden box, exceeded the allowed maximum weight of 36 pounds. Despite Fu Zejun's protest that as a Chinese army officer he should be exempt from customs checks, Indian customs opened the box and found gold bullion to

⁵⁸ AH, 002-060100-00160-002, Jiangzhongzheng zongtongwenwu, shiluegaoben, 2 January 1942.

⁵⁹ AH, 020-011903-0021, Waijiaobu, Zhanshi wojun churu yinjing youguan shixiang, from Junzhengbu to Waijiaobu, 8 October 1942.

⁶⁰ For army involvement in smuggling in wartime China, see Qi Chunfeng, 'Kangzhanshiqi guotongquyu lunxianqujian zousimaoyi shulun' (A study of the smuggling between occupied China and the Nationalist rule areas during the War of Resistance), *Mingquodangan* 1 (1999), pp. 3-5; Qi Chunfeng, 'Kangzhanshiqi guotongqu de tongyouzousimaoyi' (The smuggling of tung oil in the Nationalist rule areas during the War of Resistance), *Kangrizhazhengyanjiu* 1 (2012), pp. 123-130; Chang Yunping and Zhang Ge, 'Lunzhuanmaishiqi kangzhandahoufangde shitangzousi: Yichuanjudiquweili de kaocha' (The sugar smuggling in the home front during the War of Resistance: A case study in Chongqing and Sichuan), *Lishijiaoxue* 6 (2016), pp. 40-46.

⁶¹ 'Guzhangguan gaojiegejiguanzuo yanjingzousiyingshang' (General Gu prohibited all officers from smuggling), *Fujianribao*, 3 December 1942.

⁶² AH, 002-090106-00016-007, Jiangzhongzheng zongtong wenwu, from Luo Zhouying to Chiang Kai-shek, 16 November 1942.

the value of around Rs 10,000. Since gold was not allowed to be exported from India at the time, the customs officials confiscated the golden bullion on the spot.⁶³ Four months later, Colonel Zhang Yongzhang of the Chinese army was stopped at the airport in Calcutta and again the customs officials found gold bullion in his luggage.⁶⁴

These smuggling cases were by no means exceptions. In a report to the Chinese Foreign Ministry in early 1943, Bao Junjian, the consul-general of Calcutta warned, 'the Indian customs had recently uncovered a large number of smuggling cases carried out by our army officers. The British even came to suspect that our government was behind these smugglings through exploitation of the mutual exemption agreement.'⁶⁵ It was not only the Chinese Foreign Ministry that had begun to keep an eye on the smuggling conducted by Chinese army officers, Chinese intelligence agents affiliated with the Kuomintang Central Bureau of Investigation and Statistics (CBIS), the Nationalist government's main intelligence unit, had also been paying attention to the scandal. From early 1942, intelligence agents had been sent by the CBIS to Calcutta to help stranded Chinese sailors there. They soon found that many unemployed sailors and deserters from Ramgarh were working with army officers to smuggle black-market commodities into China.⁶⁶ The reports of the Calcutta consul-general and the CBIS agents, however, failed to draw the attention of the army. In fact, the factions and conflicts between the Foreign Ministry, the CBIS, and the army led the army leadership to believe that the reports were fabricated by their enemies in the government to weaken their position.⁶⁷

Knowing that an army identity would be very helpful in evading the customs checks, Chinese merchants began to impersonate Chinese army officers. The constantly changing, and sometimes conflicting, policies and instructions of the Chinese authorities often confused the Government of India in its efforts to check the identities of the Chinese in India. In a report by the External Affairs Department of the Government of India, it was claimed that the Chinese often entered into India as civilians and were later employed in India by the Chinese authorities as army officers. This move confused the Government of India to such an extent that it complained that it was almost impossible to distinguish the Chinese army officers from the imposters.⁶⁸ The Chinese Nationalist government also admitted that a growing number of

⁶³ AH, 020-011903-0018, Waijiaobu, Zhuyin yuanzhengjun canmo fuzejun an, from Bao Junjian to Waijiaobu, 16 March 1943.

⁶⁴ AH, 020-011904-0001, Waijiaobu, Zhangyongzhang an, from Bao Junjian to Waijiaobu, 30 July 1943.

⁶⁵ AH, 020-011903-0018, Waijiaobu, Zhuyin yuanzhengjun canmo fuzejun an, from Bao Junjian to Waijiaobu, 31 March 1943.

⁶⁶ Kuomintang Archives, Taipei (KMTA), Te 13/14.17, 'Wang Tianxiongzhi Wu Tiecheng dian' (Telegraph from Wang Tien-hsiung to Wu Tieh-cheng), 20 April 1943.

⁶⁷ *Ibid.*

⁶⁸ NAI, Home Political, E_1945_NA_F-16-49, from Lt. Col. A. Napier to External Affairs Department, New Delhi, 14 June 1945.

Chinese merchants engaged in the smuggling between Calcutta and Assam were disguising themselves as Chinese army personnel.⁶⁹

Back in Calcutta, Gao Wenjie learned about the new impersonation strategy. He began to introduce himself as a colonel of the Chinese Expeditionary Force who had come to India to execute a certain secret assignment. To make this identity more real, he even bought some fake documents in Calcutta's Chinatown at Bowbazar.⁷⁰ Under the cover of his new identity, Gao Wenjie's medicine business prospered as Indian customs exempted all of his luggage transported to China. In late 1942, while Gao Wenjie was looking for a store-room to pack a large quantity of medicines in preparation for the next trip, a friend told him that a Chinese merchant Chen Mengzhao had a large store-room in Park Street. After talking with Chen Mengzhao, Gao Wenjie rented the second floor of his shophouse for storing his medicines.⁷¹

In Chen Mengzhao's storeroom, Gao Wenjie encountered Wang Li-an, who introduced himself as a staff officer of the Aerospace Defense Command of Yunnan Province (ADCYP) in Kunming. Since Gao Wenjie was worried that his fake identity would be exposed if he met officers from the Chinese Expeditionary Force, who frequently paid visits to Calcutta, he decided to choose Wang Li-an's unit as his affiliated institution, which was rarely known in Calcutta at the time, and he secretly bought a new fake identity document which identified him as a colonel of the ADCYP.⁷²

Smuggling for the government

In addition to individuals who took part in the smuggling for profit, certain Chinese government departments were also involved in India-China smuggling in order to function properly. This section attempts to shed light on how the wartime shortage of medicines in Yunnan pushed the Aerospace Defense Command of Yunnan Province to send its staff to India to smuggle back certain essential medicines.

After the outbreak of the Second Sino-Japanese War in 1937, the Chinese Nationalist government had been in urgent need of almost all sorts of medicines. There was an extreme shortfall in the supply of medicines, however, after the loss of the Burma Road.⁷³ On the other side, the Government of

⁶⁹ AH, 020-011908-0001, Waijiaobu, Liuyiling bei yindu poling lijing, from Chiang Kai-shek to Bao Junjian, 10 July 1944.

⁷⁰ The business of producing fake identity documents for Chinese travellers was rampant in Calcutta during the war. See AH, 020-011903-0015, Waijiaobu, Soubu zhuyindu guojun taobing 1, from Waijiaobu to Junshiweiyuanhui Bangongting, 16 October 1945.

⁷¹ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Junshiweiyuanhui Bangongting to Waijiaobu, 19 April 1943.

⁷² AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Bao Junjian to Waijiaobu, 7 January 1943.

⁷³ For the shortage of medicines in wartime China, see Zhang Wangqing, 'Luelunhuaqiao duizuguo kangzhan de yiyao zhiyuan' (The support of medicines from overseas Chinese during the War of Resistance), *Jiangxishehuikexue* 9 (2010), pp. 167–170; Yang Jing, 'Qianxikangzhan shiqi sichuanxiyao jinquede zhuyaoyuan yin' (A brief study of the shortage of medicines in Sichuan during the War of

India had also imposed strict restrictions on the export of medicines out of India.⁷⁴ By 1942, it was not only civilians who had to rely on the black markets to get medicines at very high prices, even the Nationalist government had difficulty in obtaining the necessary medicines for its troops.

At the urgent request of the Nationalist government, the Government of India agreed to supply the Chinese with certain medicines.⁷⁵ In July 1942, the Chinese Indian Medicine Consultation Committee (CIMCC) was set up in Chongqing to facilitate the export of medicines from India to China.⁷⁶ The regulation imposed was that the Chinese government departments should, in the first instance, draft a list of the specific medicines they needed and send the list to the CIMCC for review. If the application was approved by the CIMCC, the list would further be forwarded to the Indian Medical Department to investigate whether the required medicines were available for export from India. And if the feedback was positive, an export licence would be granted to the applicants. With this in hand, the applicants could then apply for a visa to enable its agents to come to India to purchase the medicines.⁷⁷

In May 1942, Kunming suffered an outbreak of cholera and malaria due to the inflow of refugees from Burma.⁷⁸ Although the Government of India donated around five million tablets of quinine to help the Chinese control the epidemic, local hospitals were still running out of stock.⁷⁹ The hospital of the ADCYP in Kunming was among those that did not have adequate medicines to treat its patients.

In October 1942, the ADCYP formally asked the Department of Health of the Nationalist government in Chongqing to help arrange the import of some necessary medicines from India. The Department of Health forwarded the list of the required medicines to the CIMCC for review. In early November, the CIMCC sanctioned the application of the ADCYP (except for anaesthetic, of which there were inadequate supplies in India) and forwarded the list to the Indian Medical Department in New Delhi for final approval.⁸⁰

Resistance), *Bianjiangjingjiyuwenhua* 2 (2016), pp. 126–127; Shi Xiaotong and Tao Xinxin, ‘Kangrizhanzhengqijian zhongguojundui de yaopinglaiyuantanjiu’ (A study of the supplies of the medicines for the Chinese troops during the War of Resistance), *Kejiaodaokan* 1 (2017), pp. 160–161.

⁷⁴ NAI, Home Political, EW_1939_NA_F-21-161, from Secretary to the Government of India to the Department of Commerce, 25 September 1939.

⁷⁵ Unlike the attitude of the Government of India, the Indian National Congress was keen to provide medical support to the Chinese during the war. A medical mission of five Indian doctors was despatched by the Indian Congress to China in 1938. For the story of the Indian medical mission to China, see B. K. Basu, *Call of Yanan: Story of the Indian Medical Mission to China, 1938–43* (Beijing: Foreign Language Press, 2003).

⁷⁶ ‘Yinduyaopingyuanhua’ (The supplies of Indian medicines to China), *Zhongyangribao*, 3 July 1942.

⁷⁷ AH, 020-991100-0026, Waijiaobu, Xianzhi fuyin caigou wuzi 3, from the British Embassy to Waijiaobu, 9 December 1944.

⁷⁸ ‘Kunmindahunluan: Eyimanyan’ (The chaos in Kunming: the epidemic spreading), *Dongyachengbao*, 24 May 1942; ‘Kunming eyimanyan’ (The epidemic is spreading in Kunming), *Dashubao*, 24 May 1942.

⁷⁹ ‘Yinduzengwokuiquining’ (The viceroy donated quinine to China), *Shengbao*, 1 August 1942.

⁸⁰ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Weishengshu to Waijiaobu, 22 June 1943.

Just as the ADCYP was ready to send its staff to India to procure the medicines, it found that the Indian Medical Department had failed to issue the appropriate export licence. Furthermore, the follow-up messages to the Indian Medical Department about the missing export licence received no response, probably due to the Indian authorities being overwhelmed by the large number of requests from China.⁸¹ Unable to procure a visa, the ADCYP's plan to purchase medicines from India was indefinitely delayed.

Losing patience, the ADCYP decided to send its staff to India to complete the procurement by themselves. Wang Li-an, a staff officer of the ADCYP, was selected to be in charge. To obtain a visa for India, Wang Li-an did not reveal to the British consul in Kunming the reason for his visit to India. Instead, his documents, signed by the director of the ADCYP, General Lu Guofan, stated that Wang Li-an was assigned to India to study that country's air defence system. Since there was no restriction on Chinese officers studying in India, the British consul issued him with a visa.⁸²

Wang Li-an arrived in Calcutta in early December 1942. In order to purchase as many medicines as possible as quickly as he could, he asked his friends to introduce him to someone who had channels and experience in Calcutta. His friends told him that there was a Chinese merchant who was doing large-scale medicine trade there. The name of that Chinese merchant was Chen Mengzhao.

After paying the commission fees and rent, Chen Mengzhao agreed to help Wang Li-an find medicines on the local black markets and let him stay in his shophouse on Park Street. By the end of the year, Wang Li-an had purchased approximately 500 pounds of medicines with a value of around Rs 80,000 and packed them in the storeroom of Chen Mengzhao's shophouse. This was the same storehouse that Gao Wenjie used for storing his medicines.⁸³

Saving the face of the Chinese nation

In recent decades, a large body of scholarship has been produced to investigate how the modern state regarded smuggling as a serious challenge to its socio-economic life and how it designed various regimes and institutions to try to exterminate the illegal trade. This section, however, shows that the Nationalist government was much more concerned over the damage the India-China smuggling caused to its international image than to its economy.

In November 1942, the commander of the Chinese Fifth Air Force Wang Shuming received intelligence that uncovered the activities of a smuggling

⁸¹ During the Pacific War, most Chinese government departments and organizations looked to India for resources and materials. Some of these institutions even had their own agents in India for procuring commodities. The Government of India, overwhelmed by the large numbers of procurement requests from the Chinese, repeatedly expressed its concern about addressing these in a timely manner. See AH, 020-991100-0024, Waijiaobu, Xianzhi fuyin caigou wuzi 1, from Shen Shihua to Waijiaobu, 4 March 1943.

⁸² AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Lu Guofan to Bao Junjian, 28 May 1943.

⁸³ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Wang Zhanqi to Waijiaobu, 9 August 1943.

ring. It was reported that certain Chinese merchants in India were smuggling medicines and jewels from India into China by collaborating with American pilots. Wang Shuming immediately forwarded the intelligence to Claire Chennault, the commander of the US Fourteenth Air Force that was based in China, and asked him to take action.⁸⁴ On the night of 25 November 1942, American military police checked a CNAC flight as it landed in the airport in Kunming and found two packages of medicines and jewels valued at more than Rs 300,000.⁸⁵

The interrogation of the pilot of the flight revealed that the packages were supposed to be given to Ge Zunxian, a staff member of Chuankang Bank in Kunming. The Chinese authorities later arrested him and searched his residence. Correspondence and letters found in his house indicated that he had a trading partner named Chen Mengzhao in Calcutta. The two had become deeply involved in India-China smuggling with the help of the American pilot, J. Curler.⁸⁶

The uncovering of a smuggling case that involved both overseas Chinese and Americans enraged Chiang Kai-shek. In a telegraph to T. V. Soong, the minister of Chinese Foreign Affairs, Chiang highlighted 'these actions (smugglings) conducted by Chinese profiteers not only harmed the national economy, but also seriously damaged the reputation of the Chinese nation ... they must be brought back to China and punished harshly'.⁸⁷ Under Chiang Kai-shek's personal instruction, the Chinese consul-general in Calcutta asked the Government of India to arrest Chen Mengzhao.⁸⁸ Since the local authorities had long suspected Chen Mengzhao of engaging in illegal trade, the Government of India agreed to take action against him.⁸⁹

On the afternoon of 5 January 1943, Calcutta police stormed Chen Mengzhao's shophouse on Park Street. At that time, Chen Mengzhao, Gao Wenjie, and Wang Li-an were all in the house. They were surprised by the police search and tried to flee. After a brief fight, the police took Chen Mengzhao into custody and confined the others to their rooms.⁹⁰ A large

⁸⁴ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Chiang Kai-shek to T. V. Soong, 20 December 1942.

⁸⁵ *Ibid.*

⁸⁶ 'Chen Mengzhao Ge Zunxian zousihuoli gechusixing' (Chen Mengzhao and Ge Zunxian were sentenced to death due to smuggling), *Zhongyangribao*, 20 October 1943.

⁸⁷ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Chiang Kai-shek to T. V. Soong, 20 December 1942.

⁸⁸ AH, 020-011904-0021, Lü Yindu qiaoshang Chen Mengzhao an, from Chiang Kai-shek to Waijiaobu, 12 December 1942.

⁸⁹ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Bao Junjian to Waijiaobu, 6 January 1943.

⁹⁰ Since Gao Wenjie and Wang Li-an both claimed to be Chinese army officers, the Calcutta police did not arrest them but asked the Chinese consulate to check their identities. After checking with the ADCYP, the Chinese consulate found that Gao Wenjie's identity was fake and repatriated him back to China in March 1943 where he was arrested in Kunming on 5 March 1943; see AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Waijiaobu to Junshiweiyuanhui bangongting, 2 March 1943. Although Wang Li-an's identity and assignment in India were confirmed by the ADCYP, Chiang Kai-shek ordered a more detailed investigation into

quantity of commodities such as medicines, clothes, and jewels were also discovered at the site which was temporarily sealed.⁹¹

Even though it was the Chinese Nationalist government that had drawn specific attention to the case of Chen Mengzhao and highlighted its seriousness, the Government of India was particularly unimpressed by his conduct. International smuggling was rampant in India during the war due to wartime shortages and the government's restrictions on exports. In western India, Iraqi Jews dominated the smuggling business between India and the Middle East. They came to India under the cover of traders with business visas. Once they arrived in India, they purchased large quantities of commodities such as tea, sugar, silk, and cotton that were highly profitable in the Middle East on the local black markets. These commodities were then hidden in ships and smuggled out of India.⁹² To contain their smuggling, the Government of India imposed strict border checks. Once smuggling was uncovered, the smugglers would be immediately deported and would not be granted another visa.⁹³

What made the India-China smuggling different from other smuggling patterns in wartime India was the identities of the smugglers. Since the United States and China were wartime allies of the British, their army officers enjoyed privileges in India. American and Chinese officers were not only exempted from most regular customs checks but also enjoyed extraterritoriality.⁹⁴ Even when customs found these foreign officers were engaging in smuggling, the local Indian authorities had no right to prosecute them, but only to inform their governments. As a result, it was not just the Chinese and American officers who were exploiting the loophole to make profits, but many Chinese traders disguised themselves as army officers by wearing uniforms and presenting fake documents.

With no other means to establish the real identity of the Chinese, Indian customs tightened its checks over all Chinese passengers. More often than not, Chinese army officers who were supposed to be exempt from customs checks were forced to present their luggage to customs officials for inspection.⁹⁵ In response to the tightened inspection regime, the chief inspector of the Military Affairs Commission of the Nationalist government Li Xiaobai visited Calcutta in

his activities in India. It was not until September 1943 that Wang Li-an was repatriated to Kunming: see AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Waijiaobu to Zhuyunnan tepaiyuan gongshu, 8 September 1943.

⁹¹ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Bao Junjian to Waijiaobu, 6 January 1943.

⁹² NAI, Home Political, E_1943_NA_F-32KW, 'Summary of suspicious activities of Jewish traders in Bombay', 1943.

⁹³ NAI, Home Political, E_1944_NA_F-3-25, from H. T. Sorley to the Secretary to the Government of India, Home Department, 25 July 1944.

⁹⁴ Allied officers' exemption from customs checks were recorded in Indian Army Order No. 1816/42, dated 10 December 1942. The Allied Forces Ordinance 1942, dated 26 October 1942, ruled that the Allied officers enjoyed extraterritoriality in British India during the war. See AH, 020-011903-0017, Waijiaobu, Zhuyindu guojun faquan guanxia wenti, Government of India, Legislative Department, New Delhi, Ordinance No. LVI of 1942, 26 October 1942.

⁹⁵ AH, 020-011903-0003, Waijiaobu, Wozai yindu jiaergedashi hangjiansuo yujian huiguojunmin, from Junshiweiyuanhui bangongting to Waijiaobu, 29 May 1944.

May 1944 and had talks with the Chinese consul-general, Bao Junjian. The two agreed that the Indian customs' targeting of Chinese passengers, and Chinese officers in particular, was definitely a violation of the mutual exemption agreement.⁹⁶ Nevertheless, they also admitted that it was the rampant Chinese smuggling that had pushed the Government of India to tighten their checks.⁹⁷ The increasing number of newly discovered smuggling cases which involved Chinese army officers and imposters not only weakened the Chinese authorities' bargaining power in asking for privileges for its officers in India, but also damaged the image and reputation of the Chinese nation. This was of concern to Chiang Kai-shek who desperately wanted to present his government as a great, civilized, and responsible power to the other Allies.⁹⁸

To save the face of the Chinese nation, Li Xiaobai and Bao Junjian decided that it was necessary to subject all Chinese army officers to an inspection to be undertaken by Chinese law enforcement staff before they went through the Indian customs checks at the airport. In so doing, smugglers would be deterred, and the British would no longer be able to embarrass the Chinese authorities by disclosing the smuggling cases that involved Chinese army officers.⁹⁹

In late May 1944, the Government of Bengal received a proposal from the Chinese consulate to set up a Chinese checkpoint outside Calcutta airport. The checkpoint would be staffed by a group of around 20 Chinese military police, despatched from the Chinese Expeditionary Force and directed by the Chinese consul-general. All Chinese army officers who were about to depart Calcutta by air would first have to attend the checkpoint for their identity documents and luggage to be checked by the Chinese military police. If the checkpoint found any contraband goods, they would be forwarded to Indian customs and the smugglers would be prosecuted by the Chinese authorities.¹⁰⁰

The geopolitics of the Raj

The Government of Bengal, the Calcutta police, and the Calcutta customs authorities all found the Chinese proposal acceptable on the grounds that the checkpoint would not only address the India-China smuggling that had troubled them for years, but also save the cost of customs inspection

⁹⁶ The agreement was included in the Indian Army Order No. 1816/42, dated 10 December 1942, which ruled that Allied service personnel into or out of India were to be granted exemption from customs and censorship examination. See AH, 020-011903-0021, Waijiaobu, Zhanshi wojun churu yinjing youguan shixiang, from Waijiaobu to Junshiweiyuanhui waishiju, 29 April 1943.

⁹⁷ AH, 020-011903-0003, Waijiaobu, Wozai yindu jiaergeda sheli hangjiansuo yujian huiguojunmin, from Bao Junjian to Junshiweiyuanhui bangongting, 19 May 1944.

⁹⁸ Chiang Kai-shek's nationalist ideas have largely been summarized in his book, *China's Destiny*, in which he asserted that one of the most important tasks for China's nationalist revolution was to end the unequal treaties and rebuild China into a modern great power: Chiang Kai-shek, *China's Destiny* (Westport: Praeger Publisher, 1985).

⁹⁹ AH, 020-011903-0003, Waijiaobu, Wozai yindu jiaergeda sheli hangjiansuo yujian huiguojunmin, from Bao Junjian to Junshiweiyuanhui bangongting, 19 May 1944.

¹⁰⁰ AH, 020-011903-0003, Waijiaobu, Wozai yindu jiaergeda sheli hangjiansuo yujian huiguojunmin, from Bao Junjian to Waijiaobu, 26 May 1944.

staff.¹⁰¹ The Government of India, however, declined the Chinese proposal with the justification that a Chinese-run checkpoint in Calcutta was a violation of India's sovereignty. Checking smuggling, in the eyes of the British policy-makers in New Delhi and London, was much less important than containing Chinese expansion in India.

In fact, the Government of India and the British authorities behind it had long been concerned with the growing Chinese influence. When Chang Kai-shek paid a visit to India in February 1942 and met Mahatma Gandhi and Jawaharlal Nehru, he openly voiced his support for the Indian nationalist movement and called for an end to British colonial rule in South Asia. Months later, thousands of Chinese soldiers entered India and began their training at the Ramgarh Training Center. The existence of Chinese troops in Ramgarh was regarded by Lord Linlithgow as a potential threat to India's security.¹⁰² In addition to the Chinese military presence, a growing number of Chinese refugees, traders, sailors, and adventurers had settled in India to take advantage of war-time opportunities. From 1942 to 1944, the registered Chinese population in India increased from 14,930 to 24,820.¹⁰³

As the Chinese developed and expanded their communities in Chinatowns in Bombay, Calcutta, and Assam, Chinese schools, temples, clan associations, and commercial organizations prospered.¹⁰⁴ Almost all of these institutions were either directly administered by or subject to instructions from agents affiliated with the Kuomintang party machinery. From the perspective of the Nationalist government, the discipline and control of the Chinese communities in India was one of its state-building projects that aimed to promote the Nationalist government's international reputation and strengthen its legitimacy at home.

The long-held geopolitical concerns of the British authorities, however, tended to interpret the policies of the Nationalist government in a different way. The Intelligence Bureau of the Home Department of the Government of India warned in a memorandum that the expansion of Chinese communities in India would give the Chinese Nationalist government more excuses to

¹⁰¹ AH, 020-011903-0003, Wajjiaobu, Wozai yindu jiaergeda sheli hangjiansuo yujian huiguojunmin, from Junshiwaiyuanhui bangongting to Wajjiaobu, 24 June 1944.

¹⁰² IOR (India Office Records, British Library, London): L/ PS/ 12/ 2320, from Viceroy to the Secretary of State for India, 12 October 1942.

¹⁰³ NAI, Home Political, E_1945_NA_F-16-49, from Mr Lovatt to J. R. de Chazal, 23 March 1945.

¹⁰⁴ For the history and development of the Chinese communities in India, see Ellen Oxfeld, *Blood, Sweat, and Mahjong: Family and Enterprise in an Overseas Chinese Community* (Ithaca: Cornell University Press, 1993); Jennifer Liang, 'Migration Patterns and Occupational Specialisations of Kolkata Chinese: An Insider's History', *China Report* 4 (2007), pp. 397-410; Tansen Sen, 'Kolkata and China: Some Unexplored Links', *China Report* 4 (2007), pp. 393-396; Ellen Oxfeld, 'Still Guest People: The Reproduction of Hakka Identity in Kolkata, India', *China Report* 4 (2007), pp. 411-435; Jayani Bonnerjee, 'Neighborhood, City, Diaspora: Identity and Belonging for Calcutta's Anglo-Indian and Chinese Communities', PhD thesis, Queen Mary University of London, 2010; Zhang Xin, *Preserving Cultural Identity through Education: The Schools of the Chinese Community in Calcutta, India* (Singapore: Institute of Southeast Asian Studies, 2010); Zhang Xin and Tansen Sen, 'The Chinese in South Asia', in *Routledge Handbook of the Chinese Diaspora*, (ed.) Tan Chee-Beng (London: Routledge, 2013).

intervene in India's internal affairs. It explained that one of the main aims of the Nationalist government was to gain a certain kind of extraterritoriality for its nationals in India by supporting the establishment of Chinese enclaves, which were then administered by the Kuomintang party machinery directed from China while giving little more than nominal homage to India's legal system.¹⁰⁵ The assumption that the Nationalist government was systematically gathering information about India through these institutions and agents so as to weaken British interests in South Asia led the British authorities to set up the Chinese Intelligence Wing (under the direction of the Government of India in New Delhi) and the Chinese Intelligence Section (under the direction of the Special Operation Executive in London) to address covert Chinese activities in India.¹⁰⁶

To set up a Chinese-administered checkpoint in the airport of Calcutta was seen by the Government of India as more evidence of the Chinese conspiracy to increase its own influence in India. Even though the Government of India had been losing its battle against smuggling and the checkpoint was intended to be helpful in confirming the identity of Chinese army officers, the British authorities prioritized its grand policy of containing Chinese expansion in India against the relatively minor issue of addressing India-China smuggling and rejected the proposal.

As the Second World War was coming to an end and the Chinese problem in India was becoming increasingly urgent, the Government of India made a decision to reject almost all applications for the extension of visas of Chinese in India.¹⁰⁷ Chinese army officers intending to visit India found that their applications for visa were either ignored or rejected.¹⁰⁸ Furthermore, the Government of India began to use smuggling as justification for expelling Chinese immigrants and officials in India. The leader of the Chinese community in Assam, He Manyuan, and the general secretary of Kuomintang's Indian branch, Liu Yiling, were both expelled from India on the charge of taking part in smuggling.¹⁰⁹ The crackdown did not stop the India-China smuggling as civilian smugglers continued their cross-boundary trade well into the 1950s, but it did mark the end of the golden age of Chinese immigration to India.

¹⁰⁵ NAI, Home Political, E_1945_NA_F-16-49, 'Extracts of Notes from Home Department File No. 16/123/44-Poll. (EW), regarding grant of a visa for India to Mr. Chu Hung-Li, a Chinese national', 30 January 1945.

¹⁰⁶ Richard Aldrich, 'Britain's Secret Intelligence Service in Asia during the Second World War', *Modern Asian Studies* 32:1 (1998), pp. 179–217; Christopher Murphy, "'Constituting a Problem in Themselves": Countering Covert Chinese Activity in India: The Life and Death of the Chinese Intelligence Section, 1944–46', *Journal of Imperial and Commonwealth History* 44:6 (2016), pp. 928–951.

¹⁰⁷ NAI, Home Political, E_1945_NA_F-16-49, from A. Napier, Indian Agency-General, Chungking to External Affairs Department, New Delhi, 14 June 1945.

¹⁰⁸ NAI, Home Political, E_1945_NA_F-16-49, from A. Napier to H. E. Richardson, 7 April 1945.

¹⁰⁹ For the case of He Manyuan, see AH, 020-011908-0010, Waijiaobu, Yindu yasansheng magang qiaoling hemanyuan an, from Xianbing silingbu to Waijiaobu, 13 December 1944. For the case of Liu Yiling, see AH, 020-011908-0001, Waijiaobu, Liuyiling bei yindu poling lijing, from Cai Weiping to Waijiaobu, 1 November 1947.

Conclusion

After being arrested by the Indian police on 5 January 1943, Chen Mengzhao was transferred to the Chinese consulate in Calcutta. On the morning of 8 January, Chinese military police returned him to Chongqing for prosecution.¹¹⁰ During the trial, Chen Mengzhao defended himself, by maintaining that 'I am just a runner for other big bosses. I only played a minor role in the smuggling and got very few commission fees.'¹¹¹ The appeal, however, failed to save him. Chen Mengzhao and Ge Zunxian were executed in October 1943. Their execution was widely reported in contemporary Chinese newspapers.¹¹² In a report entitled 'Chen Mengzhao Ge Zunxian zousihuoli, gechusixing' (Chen Mengzhao and Ge Zunxian were sentenced to death due to smuggling) in *Zhongyangribao*, the case was described as follows:

Chen Mengzhao and Ge Zunxian collaborated with American pilot Curler to smuggle contrabands such as medicines and watches from India into China in August and November, 1942. Their conducts of evading tax seriously disrupted national economy. Both Chen and Ge had been executed and Curler was arrested.¹¹³

To sentence smugglers to death was not uncommon in wartime China. In December 1942, the chief inspector of the Kunming customs was sentenced to death after he was found guilty of taking bribes from smugglers and taking part in smuggling.¹¹⁴ Nevertheless, the death penalty was mostly reserved for army officers and civil servants. As ordinary civilian traders, the death penalty punishment for Chen Mengzhao and Ge Zunxian was likely due to the damage their smuggling had wrought on China's national reputation, rather than the smuggling itself.¹¹⁵

After the Kuomintang seized power in China and began the Nationalist rule in the 1920s, the Nationalist government had tried hard to strengthen its

¹¹⁰ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Waijiaobu to Junshiweiyuanhui Bangongting, 9 January 1943.

¹¹¹ AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Acting Consul-General, British Consulate-General, Chungking to General Ho Kuo-kuang, Commander of Gendarmes, Chungking, 16 January 1943.

¹¹² 'Kongzhongzousi' (Smuggling by air), *Xijingribao*, 20 October 1943; 'Toushuizousizhesi: Chen Mengzhaodeng fufa' (The smugglers should be executed: The death penalty of Chen Mengzhao and others), *Zhongyangribao*, 20 October 1943; 'Toulouguanshui zousimouli, Chen Mengzhao Ge Zunxian beichusixing' (To obtaining profit by smuggling: Chen Mengzhao and Ge Zunxian were executed), *Saodangbao*, 20 October 1943.

¹¹³ 'Chen Mengzhao Ge Zunxian zousihuoli gechusixing' (Chen Mengzhao and Ge Zunxian were sentenced to death due to smuggling), *Zhongyangribao*, 20 October 1943.

¹¹⁴ 'Qiankunmingjianchazhangzhang Zhujijishouhuichusi' (Ex-chief inspector of the Kunming customs, Zhu Jiyi was sentenced to death), *Zhongyanribao*, 30 December 1942.

¹¹⁵ To address the smuggling problem, Chiang Kai-shek instructed that any army officers and government officials found guilty should be executed at once, and civilian merchants and traders involved should be prosecuted by the court according to the law. See AH, 020-011904-0021, Waijiaobu, Lü Yindu qiaoshang Chen Mengzhao an, from Chiang Kai-shek to T. V Soong, 20 December 1942.

legitimacy by resorting to nationalist and anti-imperial policies and discourses. Its legitimacy was then directly linked to whether the Nationalist government could end the century-long national humiliation and lead the Chinese nation back to being a great power.¹¹⁶ The outbreak of the Pacific War gave the Nationalist government a golden opportunity to uplift its international status as the Allies needed China to stay in the war as a deterrent to the Japanese. The peak of the Nationalist government's effort to raise its international status came when the British and American authorities agreed to end their extraterritorial rights in China in early 1943 and Chiang Kai-shek's attendance at the Cairo Conference as the leader of one of the great powers.¹¹⁷

It was at this moment when the Nationalist government was most sensitive about its image that Chen Mengzhao's India-China smuggling enterprise and his collaboration with American pilots were exposed. The fact that Chinese merchants were running smuggling gangs in the Allied territories and bribing Allied pilots to participate in illegal conduct was in sharp contrast to the image the Nationalist government was desperately trying to build—that of a responsible and civilized great power. In this context, both Chen Mengzhao's execution and the ensuing proposal to establish a checkpoint at Calcutta airport were actually not aimed at combating the rampant India-China smuggling but to save the face of the Chinese authorities.

The attempt by the Chinese authorities to check Chinese smuggling in India, however, was seen by the British authorities as a Chinese conspiracy to encroach upon India's sovereignty and to establish a Chinese population in India. In response, the British authorities not only rejected the Chinese proposal to set up the checkpoint but also put an end to Chinese immigration to India.

In summary, this article relates how smuggling between India and China during the Second World War unfolded in a world that was full of border-crossings and state-evasions, and how the responses of both countries' governments to the smuggling deeply shaped wartime Sino-British relations. On the one hand, it demonstrates how smugglers of different nationalities and backgrounds exploited loopholes that were created by wartime chaos across the India-China borders to invent new identities and strategies to

¹¹⁶ Edmund Fung, 'The Chinese Nationalism and the Unequal Treaties, 1924–1931', *Modern Asian Studies* 21:4 (1987), pp. 793–819; Robert Bickers, *Britain in China: Community, Culture and Colonialism, 1900–1949* (Manchester: Manchester University Press, 1999); Dong Wang, *China's Unequal Treaties: Narrating National History* (Lanham, MD: Lexington Books, 2005). Anne Reinhardt argues that even local warlords in modern China harboured their own anti-imperialist agenda and took action to try to end foreign privileges: see Anne Reinhardt, "'Decolonisation' on the Periphery: Liu Xiang and Shipping Rights Recovery at Chongqing, 1926–38", *Journal of Imperial and Commonwealth History* 36:2 (2008), pp. 259–274. The national humiliation at the hands of Western powers became a powerful discourse for nationalists to initiate their state-building project across Asia: see Shane Strate, *The Lost Territories: Thailand's History of National Humiliation* (Honolulu: University of Hawai'i Press, 2015).

¹¹⁷ Wesley Fishel, *The End of Extraterritoriality in China* (Berkeley: University of California Press, 1952); Stephen Halsey, *Quest for Power: European Imperialism and the Making of Chinese Statecraft* (Cambridge, MA: Harvard University Press, 2015).

pursue their own interests at the cost of state sovereignty. On the other hand, this article highlights that the wartime India-China smuggling was facilitated by the Chinese Nationalist government's state-building project that was supposed to contain smuggling. Its interference in Chinese illegal business in India further activated the British mentality around geopolitics in South Asia. Overall, smuggling in modern India and China is by no means a national issue. Its causes, developments, and effects can be better understood in a transnational context.

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