Decision Making Process of the Tariff Policy by the Chinese Nationalist Government, 1932-1934

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This paper, according to the basic materials preserved in the Diplomatic Record Office (Tokyo), the Public Record Office (Richmond), and the Hoover Institute Archives (Stanford), deals with the decision making process of the tariff policy of the Chinese Nationalist Government during 1932-1934. The results of our analysis are as follows.

(1) Intention of policy: Although public opinion formed a striking contrast between the estimate of the 1933 tariff and that of the 1934 tariff, the two tariffs had very similar intentions of policy. Both of them pursued protecting native industry as well as increasing revenue. There was, however, an important difference between the two. While the 1933 tariff was related to "anti-Japanese pro-British-American" course, the 1934 tariff was influenced by "pro-Japanese appeasement" course. Under such circumstances, the 1934 tariff included reducing rates of some Japanese goods.

(2) Makers of policy: The members of the National Tariff Commission in the Ministry of Finance played the most important role in decision making process. Their thoughts about tariff, that were to respect both revenue tariff and protective tariff, were reflected in the 1933 tariff and the 1934 tariff. Secondly, the Ministry of Industry took up the strong position that it was necessary to protect native industry by the tariff barriers. On the other hand, the Ministry of Foreign Affairs, yielding to Japanese demands of reducing rates, had only limited influence.

(3) Domestic factors: The two main considerations must be referred to. One
was to maintain a greater part of the revenue of the Nationalist Government and another was to obtain support from industrial capitalists who formed indispensable supporters of the Nationalist Government.

(4) International factors: Both Japanese and British Governments avoided to giving formal protest to the Nationalist Government. Particularly, latter afraid of attack by Chinese nationalism, tried only informal conversation with the Nationalist Government. A cooperative protest of the powers never came into existence. Those international circumstances gave an opportunity to China to promote her positive tariff policy.