Terror In Island Shanghai (1937-1941)

Understanding Anti-Japanese Violence in Wartime-Shanghai Using Modern Frameworks of Terrorism

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Introduction

In the Summer of 1937, the international population of Shanghai spent their time betting on horse races and playing golf from within their safeguarded settlements in the center of Shanghai. That same Autumn, they watched in horror as hundreds of thousands of Japanese troops descended upon the city, met by equally numerous Chinese defenders. The three-month Battle of Shanghai left the foreign settlements intact, the foreign inhabitants traumatized, and the Japanese invaders in control. The idea of another urban battle, complete with Japanese artillery barrages and flattened city blocks, was unthinkable for foreign settlers. Their neutral status was their only protection. [1]

Such a battle never came. Instead, for the next four years, from 1937-1941, the city devolved into a lawless zone of Japanese puppet police forces, opportunistic organized crime, and Chinese Nationalist assassins. The characterization of this violence as "terrorism" rather

[1] Peter Harmsen, "Stalingrad on the Yangtze," *Casemate Publishers* (2013): 9–11.

than "warfare" allowed the Japanese and foreign powers to maintain a twisted version of peace. The Shanghai case emphasizes the political complexity inherent in attempts to define and classify terrorism. The Japanese exploited this complexity to tighten their control over Shanghai by encroaching upon the International Settlements. The International Settlements exploited it to maintain their neutrality and avoid getting sucked into an all-out war with Japan. While modern academic understandings of terrorism agree with the classification, the Shanghai case demonstrates that the classification of violence as terrorism—or as something else—has immediate political significance and can be used to prevent the outbreak of genuine war.

Gangsters; Revolutionaries; Soldiers; Terrorists

The study of terrorism emerged as a formal subject in the late 1960s, and today researchers still do not agree on a common definition.[2] Academic studies take different stances on how to distinguish between the motivations, victims, and the actions of violent actors. However, three characteristics are generally required for violence to be considered terrorism: (1) the violence must be carried out by non-state, subnational, or individual actors, (2) it must be done to obtain some political or social objective, and (3) there must be a distinction between the victims and the true audience whom the actors seek to influence.[3] Although these characteristics are foundational to academic classifications of violence, the use of the term "terrorism" is not limited to academic discourse. The meaning of the term, and its political significance, is complex and is used for different motivations

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[2] Leonard Weinberg, Ami Pedahzur, and Sivan Hirsch-Hoefler, "The Challenges of Conceptualizing Terrorism," *Terrorism and Political Violence* 16, no. 4 (2004): 777–794.

[3] James Lutz & Brenda Lutz, "Democracy and Terrorism," *Perspectives on Terrorism* 4, no. 1 (2010): 63-74; Lutz, "Historical Approaches to Terrorism,"; Todd Sandler, "The analytical study of terrorism: Taking stock," *Journal of Peace Research* 51, no. 2 (2013) 257-271; Jacob Shapiro, "Formal Approaches to the Study of Terrorism," *The Oxford Handbook of Terrorism* (2019); Weinberg et al. "The Challenges of Conceptualizing Terrorism," 777–794.

by different groups. The body of literature analyzing terrorism grew rapidly following September 11th, 2001. Most studies of terrorism are overwhelmingly limited to modern conflicts, and databases of terrorist incidents (RAND, ITERATE, GTD) do not go further back than 1968.[4] However, despite the skewed literature, terrorism is not a modern phenomenon. While historical approaches to terrorism are limited, serious case studies have been done on terrorism in Ancient Rome, the Assassins, the American Revolution, and several other periods.[5] The Shanghai case, from 1937-1941, is another example of terrorism in history that can be used to help understand how terrorism is, and ought to be, characterized.

Generally, the period from 1937-1941 is considered a subset of other ongoing conflicts, namely the Chinese Civil War, the Second Sino-Japan War, and the Second World War. Grice provides a concise overview of these interwoven struggles,

> The War in China began as a local struggle between the nationalist Kuomintang party and the Communist Party of China, became part of a regional conflict after the Japanese invasion of China in 1937, grew into an important part of the global Second World War following the outbreak of hostilities between Japan and America (and to a lesser extent Britain and Holland) in 1941, and then collapsed back into a primarily local civil conflict after the surrender of Japan in 1945.[6]

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[4] Sandler, "The analytical study of terrorism: Taking stock," 257-271; RAND (2012) RAND Database of Worldwide Terrorism Incidents (http://www.rand.org/nsrd/projects/terrorism- incidents.html); Mickolus, Edward F; Todd Sandler, Jean M Murdock & Peter Flemming (2012) International Terrorism: Attributes of Terrorism Events (ITERATE), 1968–2011. Dunn Loring, VA: Vinyard Software; LaFree, Gary & Laura Dugan (2007) Introducing the Global Terrorism Database (GTD). Terrorism and Political Violence 19(2): 181–204.

[5] James Lutz & Brenda Lutz, "Political Violence in the Republic of Rome: Nothing New under the Sun," *Government and Opposition* 41, no. 4 (2006) 491-511; Lutz, "Historical Approaches to Terrorism."

[6] Francis Grice, "The Sea and the Second World War" Chapter: *Naval Power, Mao*

Grice speaks in terms of the “War with Japan: 1937–1945,” lumping all types of violence under the umbrella of war. He makes no distinction, for instance, between terrorist assassinations in Shanghai and naval bombardments in Nanking. Grice is not alone in this rhetoric that lumps all violence under the umbrella of war. Dixon describes this period similarly, explaining that “The Second Sino- Japanese War was fought within the context of the Asia Pacific War,”[7] and Gordon describes the conflict between Japan and China as beginning in 1931 with the Japanese invasion of Manchuria, using military terms like “soldiers,” “armies,” and “troops,” only briefly describing the situation in Shanghai as “a confusing history of local gangsters and agents who mixed occasional anti-Japanese activities with opium.”[8]

These descriptions of the conflict are too broad but not entirely inaccurate. The “War with Japan” was certainly a war, complete with soldiers, armies, and troops. However, when looking at sources that deal exclusively or extensively with Shanghai, the shift in language away from military rhetoric is clear. Gordon described actors in Shanghai as “gangsters and agents,” and, similarly, Hsu describes the tension between Japan and Shanghai largely in terms of police and criminal activity[9]. Fu, who is concerned with intellectuals in Shanghai during the war, explicitly uses the term “terrorism” when referring to resistance against Japan in Shanghai.[10] In Wakeman’s book *The Shanghai Badlands* (1996) he refers to Nationalists in Shanghai as “Shanghai’s wartime terrorists.”[11] Barnett’s book *Economic Shanghai: Hostage To Politics 1937-1941*, written in 1941, describes violence in

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Zedong, and the War in China, University Press of Kentucky (2019).

7 Jennifer M. Dixon, “Dark Pasts,” Cornell University Press (2006).

8 David M. Gordon, “Historiographical Essay: The China-Japan War, 1931-1945,” *The Journal of Military History* 70, no. 1 (2006): 137-182.

9 Shuhsi Hsu, “Japan and Shanghai,” Prepared under the auspices of the Council of international affairs (1979).

10 Po-shek Fu, “Wang Tongzhao and The Ideal of Resistance Enlightenment: Symbolic Resistance in Occupied Shanghai, 1937-45,” *Modern Chinese Literature* 5, no. 2 (1989): 219-246.

11 Frederic Wakeman, “Shanghai Badlands,” Cambridge University Press (1996).

Shanghai as terrorism, paraphrasing a 1938 warning from Japanese officials against "Chinese Nationalists committing any act of terrorism."[12] Only months before this warning Japan had captured the city of Wuhan, and at the time of its release, they were actively bombing Canton.[13] How is it that Nationalists in Shanghai were considered "terrorists" while at the same time Nationalist "armies" fought in other Chinese cities? The distinction can only be understood in the context of the peculiar status of Shanghai from 1937-1941. The foreign settlements in Shanghai had become an "island" where a commitment to neutrality by a diverse thriving international population created a unique microcosm of the larger international situation within the city limits.

Neutrality In "Island Shanghai"

Before the Japanese invasion of China, Shanghai was called the "Paris of the East" in reference to its cosmopolitan population and the "paradise of adventures" in reference to its rampant underground crime and its hospitality to revolutionaries.[14] This version of Shanghai was only possible because of the existence of three distinct sections of Shanghai, the International Settlement, the French Concession, and the Chinese Municipality. As Johnstone described the situation in 1937,

> Foreign settlements in China are of two types. International Settlements are those areas set aside by agreement between foreign consuls and the local Chinese officials within which foreigners may rent land from the Chinese owner. […] National concessions, on the other hand, are areas directly granted on a perpetual lease by their Chinese government to a single foreign

[12] Robert W. Barnett, "Economic Shanghai: Hostage to Politics 1937-1941" *Institute of Pacific* Relations, (1941) 24.
[13] Gordon, "Historiographical Essay: The China-Japan War, 1931-1945," 137-182.
[14] Pan Ling, "In Search of Old Shanghai," *Joint* (1983).

nation. […][15]

This description, while not perfect, loosely describes the International Settlement and French Concession in Shanghai, but fundamentally their legal position was never entirely clear. While both areas were created in the 19th Century by foreign powers to exploit economic opportunities[16], by 1937 these settlements had taken on entirely new meaning. Even before the Battle of Shanghai in 1937—where Nationalist troops were forced to retreat from the Japanese—the international settlements had maintained a status of neutrality. Their right to protect their citizens within their Shanghai settlements was recognized as international law, and as such, they had excluded all armed Chinese forces and remained neutral in both civil wars and international wars involving China.[17] These International Settlements had a true tradition of armed neutrality that persisted through the Taiping Rebellion, the Boxer Rebellions, and the 1911 Revolution. Similarly, during the Sino-French War (1884-1885), the First Sino-Japanese war (1894-1895), and the Russo-Japanese War (1904-1905), Shanghai was excluded from being an area of possible hostility. Even during WWI, the Settlements were considered neutral until China directly declared war on Germany in 1917.[18]

By 1932, the Settlements had returned to neutrality, but with increasing Japanese hostility they had to consider, as Johnstone writes, "the possibility that one of the Treaty Powers might engage in hostilities with the Chinese while also cooperating in the protection of the foreign settlements." Indeed, this soon happened with Japan's 1932 invasion of Shanghai. During these hostilities, both the Japanese and Chinese claimed to only be defending their territory, neither wanting to be seen as breaking the tradition of neutrality. This was essentially the

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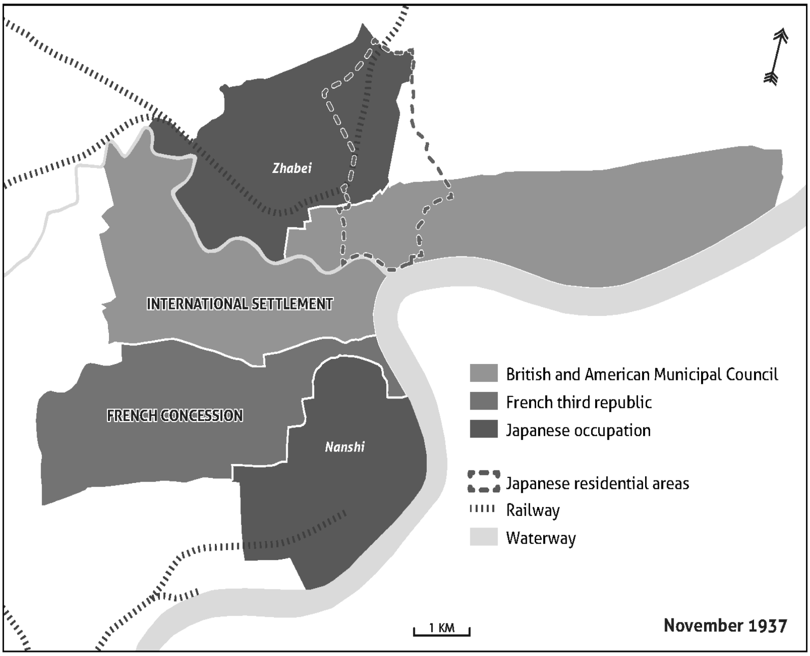
[15] William Crane Johnstone, "The Shanghai Problem," Stanford University Press (1937), 100-101
[16] Ibid., 249.
[17] Ibid.
[18] Ibid., 253-261.

status of the International Settlements by 1937, with Japan in conflicts with China and both sides still trying to maintain their neutrality with the foreign settlements.[19]



Map of Shanghai: November 1937[20]

With this neutrality established even in the face of Japanese hostility, The Battle of Shanghai in 1937 failed to end the status of the International Settlements. Refugees seeking to take advantage of this neutrality rushed into the settlements and in only four weeks the population of The French Concession and the International Settlement grew from 1.5 to 4 million. As the Japanese solidified their control of the Chinese Municipality, installing Chinese-led puppet governments, the International Settlements became the only safe place for Chinese Nationalists to safely reside in Shanghai. Almost immediately, the

[19] Ibid., 280-289.
[20] Henriot, Christian. "Regimes of Occupation." *Blog Virtual Shanghai*, 20 Nov. 2012, https://virtualshanghai.hypotheses.org/959.

Japanese began exerting pressure on the Municipal Police to crackdown against Nationalists, and almost immediately the sheltered Nationalists began to launch attacks on the Japanese. [21]

It is important to understand this setup to fully understand the nature of subsequent violence. "Island Shanghai," the collection of International Settlements during this period, remained neutral until the attack on Pearl Harbor in December of 1941. The neutrality of Island Shanghai persisted despite being at the center of a violent war and despite these settlements housing combatants. Even when the Japanese were aggressors in Shanghai in both 1932 and 1937, they claimed that they were acting in defense. It signifies a deep dedication to the neutrality of these settlements recognized by all sides. To Japan, advancing on the American Settlement for example, even though they were entirely capable of doing so, would have been seen as a declaration of war.

On the Huangpu River, Shanghai, 1938

Driving off, Shanghai, 1938

The girls' relay race, (Collège municipal français) 1938

Images from the Shanghai International Settlements, 1938[22]

[21] Wakeman, "Shanghai Badlands," 6-17.

[22] Images retrieved from Virtual Shanghai, Virtual Shanghai Project,

In this sense, the international settlements ought to be treated as if they were the country they represented, especially in regard to questions of International Relations. As we shall see, Japan operated via puppet officials, governments, and police forces instead of directly threatening the interests of the International Settlements. From 1937 until 1941, when Japan openly declared war against the allies, Shanghai thus existed as an isolated environment. When Nationalist guerrillas staged an assassination from the International Settlements, they were not doing it from Chinese soil, but rather from neutral grounds. This is paramount to explaining how the subsequent political violence can be understood as terrorism, and why actors during the time understood it as such. Because of the implicit neutrality that Island Shanghai embodied, the Second Sino-Japan War within Shanghai was fundamentally different from the War outside. Within this controlled environment, distinctions between the terms “terrorism”, “crime”, and “war“ could mean the difference between the realities of neutrality versus warfare.

Japanese Assassination & Japanese Retaliation

In Shanghai from 1937 to 1941 assassinations and attempted assassinations occurred regularly. During the four years before Pearl Harbor, there were hundreds of cases. An exhaustive list and description of all Shanghai assassinations during the war would be impractical. A few representative examples of assassinations targeted at the Japanese will suffice to illustrate the nature of the phenomenon. To apply models of terrorism to these assassinations, it is important to clearly understand the nature of the attacks, including the actors involved, the political motivations, and the consequences of the attacks.

Modern analysis of terrorist attacks has revealed that, at least since

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https://www.virtualshanghai.net/.

1968, attacks occur in cycles or waves, with peaks and troughs.[23] The assassinations in Shanghai seem to follow this pattern. The first wave of attacks occurred in the Summer of 1938. Several minor puppet officials or Chinese placed in power by Japan were assassinated. In this first wave, it was unclear who exactly carried out the attacks, but the consensus was that they were nationalist in motive. Specifically, people attribute the attacks to a Nationalist organization known as the "Blue Shirts," which was a disbanded organization that supported Chiang Kai-seek in the early 1930s against the Japanese in North China. The term had taken on new meaning, and as Wakeman describes,[24]

> The truth of the matter was simply that the term "Blue Shirts" had become common usage for two different sorts of anti-Japans activities in the Shanghai area after the Occupation began: suburban guerrilla resistance movements and urban political terrorism. Both were, to a degree, organized by Chiang Kai-shek's military secret police chief, Dai Li.[25]

In reality, the Shanghai Blue Shirts were unrelated to the original Blue Shirts, but throughout the period from 1937-1941, and across the estimated 150 assassinations led by Dai Li, the police and populace continued to refer to the attackers as Blue Shirts.

One of the first significant attacks was led by Sun Yaxing, a 27-year-old shop owner who received military training from the Nationalists. Yaxing spent months gathering weapons and forming a small group of conspirators, using the French Concession as a sanctuary. Eventually, this small group began receiving orders from the Nationalists and carrying out minor assassinations. On July 7th, 1938, Yaxing's group carried out their most major attack, where they

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[23] Sandler, "The analytical study of terrorism: Taking stock," 257-271.
[24] Wakeman, "Shanghai Badlands," 17-18.
[25] Ibid.

indiscriminately threw five bombs into Japanese occupied locations, including a restaurant and a city street, killing several Chinese and Japanese.[26] Yaxing's collaborator Jiang Haisheng was captured, and his confession revealed the existence of Nationalist rings within the international settlements. There was an immediate reaction from the Japanese calling for greater Japanese-run policing within the Settlements. The Shanghai Municipal Police, the non-Japanese police, responded by creating a terrorist focus task force. However, due to sympathetic judges within the settlements. the Japanese called for captured terrorists to be handed over rather than tried within the Settlements. This demand caused tension between the Japanese and US and British governments who worried that handing a suspect over would result in mistreatment and unfair trials.[27]

Being the first major attack, Sun Yaxing's bombing also resulted in the first major response by the Japanese to such an attack. It heightened the tensions between the Japanese and the International Settlements even though neither the Japanese nor foreign powers were directly involved. Instead, there was a non-state group of Chinese Nationalists attacking pro-Japan Chinese. However, the consequences of the attack we most apparent in the weakening relations between Japan and the international settlements. Whether or not this outcome was intentional is unclear, but the effect of such attacks had been established.

The next major wave of attacks began in February of 1939 with a series of attacks on Japan's puppet police forces occurred. The most significant attack during this period was against the minister of foreign affairs for the Reform Government, Chen Lu. Organized by Dai Li's group, this assassination was much more targeted and politically charged than Sun Yaxing's bombing. Over Chen Lu's body, the assassins left a scroll that said "Death to the Collaborators. Long Live

[26] Ibid., 27-40.
[27] Ibid.

Generalissimo Chiang Kai-Shek!"[28] The Japanese reacted more extremely to this attack. Some Japanese newspapers called for the total seizure of the French Concession and the International Settlements. The US State Department directly commented that "the Chinese, utilizing organized terrorism, apparently sought not only to intimidate Chinese serving the Japanese but also to embroil the foreign powers with the Japanese," also saying that they believed the Japanese were happy to use the terrorism as a pretext for further aggression.[29]

This cycle of assassination followed by demands for stricter measures against nationalists from Japan resulted in escalating appeasement of Japan. Tensions continued to build over disagreements such as the extradition of terrorists and censorship of the Chinese National Flag, both actions that the international community refused to accept. The status of these settlements was further challenged in the summer of 1939 when British and Japanese negotiations fell apart over Tianjin, and the British were forced to recognize Japan's right to be responsible for the security of areas occupied by its troops.[30] The US responded to this by terminating the commercial treaty of 1911 with Japan. This was a critical shift in US policy and was seen by the US as a warning to Japan considering the deteriorating status of US Settlements, or "American interests," in China.[31]

These economic sanctions were the beginnings of the tension that ultimately led to Japan's attack on Pearl Harbor and the US involvement in the War. However, assassinations in Shanghai continued to contribute to strained relations beyond economic disagreements. The Japanese were constantly pushing for an increased police presence to curb the anti-Japanese attacks. At the same time, Japan continued to set up puppet organizations. By the end of 1939,

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[28] Ibid., 59-64.
[29] Ibid., 66.
[30] Ibid., 74-79.
[31] Ibid., 78; Foreign Affairs Article 1939.

they were beginning to form a new pro-Japanese Nationalist government, headed by Wang Jingwei, a former Chinese Nationalist Premier. Ingrained in the values of Wang's new regime was the idea that China ought to take back sovereignty over the International Concessions. [32]

In October 1939, the shooting of Chinese constables on traffic duty in the Huxi sector finally pushed the Japanese and their puppet regime to take over full control over Huxi. These shootings were an example of the growing rates of crime spurred by Nationalist terrorism. While assassinations were at first only politically inspired, they had become more and more indiscriminate by 1940. While targets were still for the most part "Chinese personages having some connection with Japanese enterprises," there were more and more examples of things like robbery, committed under the name of Nationalist fervor.[33] As Wakeman describes, "to a degree, political assassinations provided a kind of mask for criminal homicides. Businessmen were killed much more casually for purposes of extortion; bombs were hurled into shops much more indifferently for failing to buy protection."[34] Especially under the Wang regime, criminal activity flourished, bankers were extorted, women were robbed on the street, the Chinese Stock Exchange was attacked, copper was stolen from US stores, casino owners were attacked, and many other examples, none of which could be construed as entirely politically motivated.[35]

Political assassinations did not stop during this time. As the conflict between Nationalist China and Japan grew, so did the rate of attacks within Island Shanghai. Most politically motivated attacks were targeted at Japanese soldiers, Chinese collaborators, tax authorities, or Sino-Japanese companies. These attacks peaked in the

[32] Ibid., 82-92; Taylor 2020.
[33] Ibid., 80-82.
[34] Ibid., 99.
[35] Ibid., 109.

Spring of 1941. Examples include Tong Yui a lawyer who helped the Wang Regime, Gimitsu Shozo, the Japanese supervisor of a cotton mill, and Pan Tse-tung, the head of Wang Jingwei's bodyguards. The typical Japanese response was to retaliate through similar means, by attacking foreign published newspapers, foreign courts, and banks.[36]

From the beginning, the Nationalist attacks had succeeded in escalating tensions in Shanghai. What started as patriotic violence stemming from Dai Li's Blue Shirts had resulted in Japanese retaliation and the proliferation of indiscriminate crime as the structure of Shanghai fell apart. The International Settlements were, in a sense, only bystanders driven to weariness as both Nationalist and Japanese agents pursued their interests indirectly. The Japanese used the Settlements as the rationalization for further strengthening of puppet governments and puppet police forces. The Blue Shirts used them as a safe haven from which to stage attacks. The situation was only calmed after Pearl Harbor opened the door for Japan to fully occupy, and thus control, the International Settlements.

It was common in Shanghai after 1941 to say, "it was tough to live in peace for so long."[37] The irony is that, before 1941, there was an obvious lack of peace in Shanghai, and after 1941, Shanghai was under wartime occupation by the Japanese. It was only "peaceful" in the sense that neither the Japanese nor the International Settlements had declared war on each other; before 1941, both were able to maintain official neutrality. The foreign powers did not want to be pulled into the war. Japan did not want to pull them in. Despite the constant assassinations enabled by the neutral status of the Settlements, the Nationalists were never officially classified as enemy soldiers—at least within the city. Both Japan and the foreign powers were better off classifying the Nationalists as "terrorists" or "criminals" to avoid direct conflict. With terrorism and crime as an

[36] Ibid., 113-120.
[37] Ibid., 135.

excuse, Japan was able to further its control of Shanghai without provoking an international response. Similarly, until war broke out, the foreign powers were able to maintain their neutral status and, with it, the economic value of the Settlements. The classification of the political violence as "terror" meant that the violence was seen as illegitimate, and thus not a legitimate cause for true military action. In 1937-1941, whether a war would break out depended upon this distinction.

A Formal Model of Terrorism in Shanghai

Understanding the nature and consequence of the violence during this period, it is possible to create a model of this violence understood as terrorism. However, such a model should not be confused with how the attacks were interpreted at the time, or even how modern readers may conceptualize terrorism. The negative connotations and political implication surrounding the term "terrorism" can muddle its clarity. As Weinberg remembers while discussing the challenges surrounding definitions of terrorism, "one writer, Walter Laqueur, simply threw up his hands, arguing that terrorism had appeared in so many different forms and under so many different circumstances that a comprehensive definition was impossible." Weinberg suggests that instead of a comprehensive definition, discussions of terrorism ought to be separated into Alex Schmid's non-mutually exclusive "arenas of discourse." As Weinberg describes,

> First, there is the academic arena where scholars struggle to stipulate a definition useful for conducting research on the topic. Second, there are the state's statements about 'terrorism' including those expressed in the form of laws, judicial rulings and regulations. Next, for Schmid, is the public debate on the subject. By this he means the various ways the mass media choose to label and interpret the concept. Fourth, we may be exposed to "(t)he discussion of those who

> oppose many of our societies' values and support or perform acts of violence and terrorism against what they consider repressive states.''[38]

To place the Shanghai case within the academic discipline of terrorism studies, a model in the "academic arena," relying heavily on hindsight, must come before the discussion of the use of the term in 1937-1941.

To understand how the Shanghai case relates to terrorism, the core actors and interests must be clear. In simple terms, there were five main actors in Shanghai: Japan, the International Settlements, the Chinese Collaborators, the Chinese Nationalists, and the Criminal Rackets. Japan was interested in winning the Second Sino-Japan War while preventing foreign governments from becoming involved. The International Settlements were interested in maintaining neutrality while also maintaining sovereignty over themselves. The Chinese Collaborators were largely part of Japanese puppet organizations and ought to be seen as tools for Japan to indirectly pursue its objectives. The Chinese Nationalists (Blue Shirts) were, like Japan, interested in winning the Second Sino-Japan War and fomenting tension between Japan and the International Settlements. The Rackets were purely interested in financial gain.

Should the numerous assassinations carried out by the Chinese Nationalists be considered acts of terrorism? In other words, do the assassinations fit the three basic criteria defined in the introduction? First, were the perpetrators non-state, subnational, or individual actors? In Island Shanghai, the answer is clearly yes. Nationalists, after their defeat in 1937, were no longer State actors. They were operating from within the International Settlement, in essence, an international territory, and not as their own state. Second, were the attacks done to obtain some political or social objective? Yes. Nationalists acted to

[38] Weinberg et al. "The Challenges of Conceptualizing Terrorism," 777–794.

disrupt an enemy and were motivated by anti-Japanese politics.

So, while the Blue Shirts' actions clearly satisfy the first two characteristics of terrorism, deciding whether the assassinations meet the third criterion is more complicated. It requires that terrorist actors make a distinction between the victims and the true audience whom the actors seek to influence. Three possible interpretations follow. The Nationalists certainly attacked Japanese officials to directly hinder Japanese operations in the ongoing war. Thus, the assassinations might not be considered terrorism, but rather a direct military action. This interpretation, however, ignores the lack of strategic value of many targets. For example, in the Sun Yaxing bombing, an explosive was randomly thrown into a restaurant, making it hard to argue that the target had a narrow military purpose. Killing civilians sent a message to multiple audiences. The Nationalists also targeted Chinese collaborators, which was meant to weaken Japanese control and discourage other collaborators. Finally, by creating chaos generally, Blue Shirts sought to provoke the Japanese military and political leaders to exert further control over Shanghai, thereby forcing international powers to get involved. It becomes clear that individual acts of assassination rarely carried a message meant for a single audience. Instead, a wider political agenda drove the violence, enough so that it should be considered terrorism.

Classifying the Chinese resistance in Island Shanghai as terrorism leads to another key question: Were the attacks domestic or transnational? Following Sandler's 2014 definitions,[39] all key actors in a domestic terrorist incident—perpetrators, victims, and targets—must all be from the same country. In Shanghai, none of these characteristics apply. While the Blue Shirts could be considered a domestic terrorist group because they were Chinese perpetrators attacking mostly Chinese collaborator victims, they did also attack the

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[39] Sandler, "The analytical study of terrorism: Taking stock," 257-271.

Japanese. And their "domestic" terrorist attacks involved several foreign nations, indirectly provoking both the US and Japan to enter WWII. Finally, their targets in part were international powers, specifically Japan and countries in the International Settlements. Thus, the transnational nature of violence in Island Shanghai is clear.

Based on this formulation, assassinations committed by Chinese Nationalists in Shanghai from 1937-1941 ought to be considered—in an academic sense informed by hindsight—transnational terrorist attacks that sought to aggravate relations between Japan and the International Settlements. Categorizing these attacks definitively as acts of terror allows further analysis into how the involved actors utilized terrorism for their own interests regardless of how they themselves characterize the violence. Japanese officials certainly did not follow such a rigorous method when they decided to characterize the Nationalists as terrorists in their 1938 warning against "Chinese Nationalists committing any act of terrorism."[40] Instead, the fact that they chose to characterize the terrorists as "terrorists", when they easily could have characterized them as "criminals" or "enemy soldiers," was of political importance. The same is true for the International Settlements' use of the term and for the Nationalists' view of themselves.

The Political Importance of "Terrorism"

The 1937-1941 characterization of the Blue Shirts as terrorists is best understood in its meaning relative to other possible characterizations—both criminal and military. Terrorism has been generally considered a crime by the international community.[41] The Blue Shirts were viewed officially by all sides both as criminals and as terrorists. It was the job of the police force to stop them, not the

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[40] Barnett, "Economic Shanghai: Hostage to politics, 1937–1941," 24

[41] Alex P. Schmid, "Frameworks For Conceptualising Terrorism," *Terrorism and Political Violence* 16, no. 2 (2010): 197-221.

military. They were tried in a court of law. This view of the Blue Shirts resulted in the Japanese conflating terrorism and non-political violence, such as robbery, gambling, and kidnapping. Because non-political violence was so rampant in Shanghai, the Japanese were able to easily justify more extreme policing across the city in the name of defense against terrorism.[42] In other words, by labeling all crime as "terrorist" behavior, Japan was able to react aggressively to crimes like robbery, not at all targeted against Japan. They were able to exert influence within International Settlements by demanding greater Japanese involvement in the Municipal Police forces rather than threatening military action. Despite obvious Japanese aggression—in 1937 hundreds of thousands of Chinese and Japanese troops fought in the Battle of Shanghai and hundreds of thousands of Chinese civilians and soldiers were massacred by Japanese forces in the Nanking Massacre of 1937[43]—Shanghai had returned to perceived peace, with Japanese "police" acting in professed self-defense against Chinese "terrorists."

At the same time, International Settlements readily accepted this terrorism rhetoric as it allowed them to maintain their neutrality. The alternative to "Nationalist Terrorists" would have been "Nationalist Soldiers," a much harder group to host while maintaining neutrality. Some scholars even debate that democratic political systems by nature promote the formation and success of terrorist groups. As Lutz & Lutz explain that "democracies are by definition more open politically, and there are protections that come with respect for civil liberties," which can make terrorism easier, and that "suspects are generally given fair trials."[44] Both of these issues arose in the International Settlements, the first due to their refusal to prevent the use of the Nationalist flag due to freedom of expression,[45] and their refusal to hand captured terrorists

[42] Wakeman, "Shanghai Badlands," 99.
[43] Harmsen, "Stalingrad on the Yangtze," 9–11.
[44] Lutz & Lutz, "Democracy and Terrorism," 63-74.
[45] Wakeman, "Shanghai Badlands," 75.

over to the Japanese for trial.[46] For the most part, however, the International Settlements cooperated with the Japanese in attempts to prevent assassinations. The foreign powers were actively supporting both sides of the Sino-Japanese conflict, but because their intervention was nominally "policing" or done for the sake of civil liberties, the International Settlements could avoid getting directly involved in the ongoing war.

A Japanese Army band marches up Nanjing Xi Lu past the Park Hotel and the Grand Theatre during a large parade to celebrate their capture of the International Settlement in December 1941.[47]

After Island Shanghai's neutrality disappeared, and with it the International Settlements, any terrorist activity was rapidly suppressed. As Wakeman puts it, "The Occupation created bitter memories among

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[46] Ibid., 39.

[47] "Photos: Japanese Occupation of Shanghai, Then and Now." *That's Online*, 8 Dec. 2021, https://www.thatsmags.com/china/post/21709/photos-japanese-occupation-of-shanghai-then-and-now.

the Shanghainese, but there were, after all, virtually no urban uprisings, no overt confrontations, after the Japanese imposed their version of the New Order (Xin zhixu) on all of Shanghai."[48] The Japanese occupation was much more effective at suppressing terrorism than the International Settlements. Without the threat of international involvement, which had already become apparent, there was no longer a reason to maintain the facade that Japan viewed the Chinese as terrorists to control, rather than as enemies to dominate. The Japanese—far from the International Settlements' ideal of civil liberties—had no issue punishing and starving entire neighborhoods to suppress the Nationalists. Once engaged in direct war, the terrorist threat became a military threat, and its value as a patsy for neutrality disappeared.

As the Shanghai case demonstrates, the political use of the rhetoric of terrorism is not limited to the villainization of the freedom fighter. Japan used the term as an excuse to increase its police presence without invoking retaliation. The International Settlements used the term to protect their neutral status and avoid inflaming their relations with Japan. Gangsters benefited lack of martial law and instability that peacetime-violence created. The Nationalists, although they likely disapproved of their classification, benefitted from their status as "terrorists" by being able to operate safely from behind international lines. Defining violent acts as "terrorism" and violent actors as "terrorists" can be politically and militarily advantageous to state and non-state actors, and in many cases is logically, strategically, and tactically preferable to declaring war.

Conclusion

In Shanghai from 1937-1941, the relationship between terror and peace was symbiotic. While the International Settlements provided a Petri dish of neutrality in which Nationalist assassins could thrive, the

[48] Wakeman, "Shanghai Badlands," 135.

Nationalists provided a scapegoat at which Japan could direct its hostilities without inciting a war. It was a relationship made possible only through the understanding that the Nationalists were terrorists. In the context of modern academic constructions of terrorism, that understanding was correct. However, in the context of the Second Sino-Japanese War, the rampant crime in Shanghai, and the neutral status of the International Settlements, the characterization of political violence was used as a political tool. By nature, the distinctions between terrorism, crime, and war are tenuous. The actors involved used these thin distinctions to their advantage, with Japan justifying encroachment into Shanghai and the International Settlements seeking to maintain their neutrality. Ironically, the use of the term "terrorism" helped maintain peace in Shanghai.

These thin distinctions did not end with the war. As Weinberg et. al. state, "few terms or concepts in contemporary political discourse have proved as hard to define as terrorism."[49] Perhaps this is because, as the Shanghai case demonstrates, the characterization of violent actors can be key to defining civil and international responses. Contemporary examples mirror the motivations of both Japan and the International Settlements. The government of Pakistan has been sympathetic with the Taliban's cause while simultaneously recognizing them as terrorists to appease the international community.[50] In Afghanistan, US troops maintained their occupation for 20 years, declaring war on terrorists within Afghanistan, but never declared war on Afghanistan itself.[51] In fact, since WWII, the US Congress has never officially declared war[52], while at the same time, since 1937, the

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[49] Weinberg et al. "The Challenges of Conceptualizing Terrorism", 777–794

[50] Miller, Manjari Chatterjee. "Pakistan's Support for the Taliban: What to Know." Council on Foreign Relations, Council on Foreign Relations, 25 Aug. 2021, https://www.cfr.org/article/pakistans-support-taliban-what-know.

[51] Zucchino, David. "The U.S. War in Afghanistan: How It Started, and How It Ended." The New York Times, The New York Times, 22 Apr. 2021, https://www.nytimes.com/article/afghanistan-war-us.html.

[52] "About Declarations of War by Congress." U.S. Senate, U.S. Senate, 27 Oct. 2021,

use of the term "terrorism" has grown by over 26 times.[53] The issues surrounding the characterization of violence have only grown more prevalent in political discourse, and the Shanghai case is a clear example of the consequences of that characterization.

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https://www.senate.gov/about/powers-procedures/declarations-of-war.htm.

[53] Data from Google Books Ngram Viewer; Lin, Y., Michel, J.-B., Aiden, E. L., Orwant, J., Brockman, W., and Petrov, S. (2012). Syntactic annotations for the Google Books Ngram Corpus. Proceedings of the ACL 2012 system

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