The Expansion of the Mandarin Mind

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The Expansion of the Mandarin Mind

By Tyler Okney

A master’s thesis submitted to the graduate faculty in Liberal Studies in partial fulfillment of the requirements for the degree of Master of Arts, The City of New York

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ABSTRACT

The Expansion of the Mandarin Mind

by

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Periods of cultural exchange are believed by many to have been generally beneficial in the lives of nations, encouraging both intellectual and economic growth. Countries that have shut themselves off from the outside world have frequently suffered first stagnation, and then decay. While this might appear a commonplace in the abstract, the application of this insight in the development of particular nations has been neither as thorough or as frequent as one might suspect. A close examination of the effects of openness in the history of China is of particular importance. This is because firstly, China today plays such an important role in the economic, political and military life of the world. Secondly, because the country has been subject to such violent oscillations between periods of acceptance and rejection of foreign influence.

China has frequently cut itself off from the rest of the world. Experience with most of its neighbors had led it to a not incomprehensible contempt for those it considered barbarians. Yet it has also been profoundly affected by outside forces. Chinese spiritual life was profoundly influenced by Buddhism imported from India. The country was forcibly made aware of the outside world during the rule of the Mongol Yuan dynasty. The last period of efficient Imperial rule in the eighteenth century was under another foreign (Manchu, or Qing) dynasty. In modern
times Mao’s dictatorship was deeply influenced by Stalinism as well as Marxism. However, despite assumptions about the advantages of openness to the world, most of the contacts cited above have not been beneficial. Buddhism created profound societal dislocation, the Yuan dynasty was maintained through terror, the Manchus encouraged the ossification of Chinese culture, and Mao’s rule was an unmitigated disaster.

This thesis therefore asks - where is the benefit of international contact. The answer I believe is in continuous participation in the market place of ideas. The Chinese problem was that even after new foreign influences were accepted, they did not encourage continuous growth, but only additional forms of unchanging and unchallenged orthodoxies. This study will examine and contrast two periods of xenophobia and stagnation, late Qing dynasty China, and the PRC under Mao, with a genuine market place of ideas, Shanghai and the other foreign treaty ports in the period 1849 to 1949, and explain how this period of cosmopolitan ferment has had beneficial effects on China today.
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1. Introduction

*It is a law of nature we overlook, that intellectual versatility is the compensation for change, danger, and trouble. Nature never appeals to intelligence until habit and instinct are useless. There is no intelligence where there is no change. Only those animals partake of intelligence that have to meet a huge variety of needs and dangers.*

- H.G. Wells, *The Time Machine*

The evolution of a species, according to Charles Darwin, begins with a singular change in an individual organism. That change can sometimes be an adaptation to a changing environment that allows it to increase its chance of survival. Every species evolves over time or dies. Nature, then, is a competition where different organisms vie for supremacy. The development of human civilization follows similar principles.

Like changes in the environment that force an individual organism to evolve, a society that is forced to confront new challenges must develop the means to overcome them or fade out of existence. It grows and develops according to the nature of its problems. In *Civilization: The West and The Rest* Niall Ferguson argues that competition between the many nations of Europe contributed to the supremacy of Western society over the rest of the world. The plethora of nations in Europe interacted without a titular authority figure entailed a constant struggle for power trade, diplomacy, and warfare. This competition drove exponential growth in every sector - economics, politics, the military, science, technology - for centuries, and eventually created an imbalance of power in the world that led to European dominance. It was because of the ferment and occasional chaos created by competing ideologies and worldviews that European societies flourished.²

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The spread of the Industrial Revolution is an example of this phenomenon. Ferguson notes that the first cotton mill was built in Britain in 1771. Within a mere seven years France had constructed a replica. The steam engine spread from England to Germany in less than ten years, and to America in less than thirty. Railways extended across Europe and America as quickly. Every nation that implemented these innovative technologies did so as rapidly as possible to gain as much power and influence as possible. As Ferguson observes, “the British Industrial Revolution spread across Europe. [But] the great innovators were largely unable to protect what would now be called their intellectual property rights. With remarkable speed, the new technology was therefore copied and replicated on the continent and across the Atlantic.”

But since each country had unique needs, predicated on weather patterns, geography or access to resources, there had to be adjustments to each new technology. This in turn allowed for further innovation, as competition for access to international markets meant that countries had to compete to produce the best designs. It was competition that spurred advancement.

Technological developments were not limited to transportation and textile production. The steam engine led to the invention of the steamship, and constant warfare between European nations encouraged the creation of better warships, with improvements in armaments and changes in naval tactics. On land, the improvement of ballistics led by the mid-nineteenth century to the replacement of muskets by rifles, while the eighteenth-century tactics of line infantry were replaced by more imaginative practices. Competition advocated for innovation.

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3 Ferguson, p. 140.
The eighteenth and nineteenth centuries were therefore a time of momentous change, not only because of the Industrial Revolution, but also because of rival colonial claims in Africa and Asia, all of it propelled by competition. The close and sustained cohabitation of nations on the small European continent, leading to an intermingling of intellectual, scientific, economic, financial, military, and even political life, produced an unprecedented cultural cross-fertilization unique in the world up to that time. Hybridization within the human community, as in the natural world, led to increased strength that benefitted all. Considering the bellicosity of European relations, this could hardly have been imagined. This is not to argue that war is not terribly destructive. It certainly is to be avoided whenever possible. But competition short of war was a remarkable spur to inventiveness, and so to progress.5

The same was true of China through much of the nineteenth and twentieth centuries. Its monarchical dynastic system relied on Confucian values that valued tradition over change and innovation in order to ensure political, economic and social stability. For centuries, the country had believed itself to be the center of the world. All was under heaven, and Chinese culture was the apex of human achievement. The Treaty of Nanking, ratified in 1842 after China’s crushing defeat at the hands of Britain in the First Opium War (1839-1842), was a painful shock to this complacent belief. It seemed to demonstrate that British civilization was not only worthy of respect, but was in some ways clearly and irrefutably superior. It was not only militarily stronger. It was also more creative. That was the most devastating revelation. There seemed to be another civilization, far to the West, that ultimately had more to offer than China. Coming to terms with this was one of China’s greatest modern challenges. Traditional belief held that the

5 “Progress” can be a dangerous word at times. I do not use “progress” to disparage or demean the achievements of a civilization as somehow unsatisfactory. Instead, I use it to delineate a marked increase in safety, efficiency, standard of living, and/or power due to a specific development in one sector of society. We only come to view our previous methodologies as flawed when we have realized that something else is better.
farther away a civilization was from China, the more barbaric it must be, yet a barbarian had soundly defeated them. More immediately, they had to learn that if they did not respond to British demands, the Westerners would use their technological and military superiority to enforce submission. That lesson of Western dominance was driven home repeatedly throughout the 19th and early-20th centuries: The Second Opium War (1856-1860), the first Sino-Japanese War (1894-1895), the failure of the Boxer Rebellion (1899-1901), Japanese colonization (1931-1945). Importantly, the result of the First Opium War was the creation of two European inspired cities, Hong Kong and Shanghai, and the opening of additional Chinese towns dedicated to foreign settlement and trade.

Since the Treaty of Nanking, perceived as one of the lowest points in contemporary Chinese history, China has risen to once again become a remarkable economic success. It has even begun to regain its sense of cultural superiority. But it took 175 years. During that span, as indeed throughout its very long history, there have been periods when China seemed to be on the brink of disaster. Each of these periodic collapses, this thesis argues, occurred when Chinese society was its most culturally homogenous, and least interested in the outside world. This is not simply coincidence. Following the argument of Ferguson and using Shanghai as its case study, this thesis contends that an “open” society develops and thrives, while a “closed” society stagnates and fails.

“Openness” is here defined as the level to which a society is willing to allow open and public discussion of ideas and philosophies that challenge mainstream or traditional belief. An open society considers the arguments for a way of life different from its own. It does not necessarily accept those arguments, but allows their sincere consideration in public forums. To
do this, it must allow foreign ideas to penetrate its cultural borders. A “closed” society is one that does not allow such a transfer, or even a consideration of ideas. Spain during the height of its Inquisition was a closed society because it did not allow dissenting ideas any public expression, which of course largely prevented them from being examined and debated by an enlightened public. The inquisition actively and violently repressed all such activity. Japan physically closed its borders and ports to foreigners for over 200 years. When they were forcibly opened in 1853, Japan was still much the same feudal society that it had been in 1650. Yet within a decade the reforms of the Meiji Restoration had begun and the Japanese rapidly assimilated foreign technology (and some ideas) into their society. Within forty years the country had become a world power that handily defeated Russia during the Russo-Japanese War of 1904 (while also becoming a terror to most of its neighbors). In Europe, Nazi Germany destroyed any community that did not reflect its worldview. So did Stalinist Russia, thus planting the seeds that eventually led to the failure of the Soviet Union. Throughout global history, it appears that closed societies have tended to collapse, either because of their own folly or because of irresistible external pressure.

This study focuses on China because of its long history. It centers specifically on Shanghai because during the treaty port era it was a prime example of openness and social development. What transformed Shanghai into a unique cosmopolitan metropolis, so out of keeping in a country that still largely refused to accept anything foreign, was not only the unusually large presence of foreign trading firms, but a diverse population as different as White Russian refugees from the Bolshevik Revolution, Jews escaping Nazi Germany, and Americans looking to capitalize on the Chinese market.
Treaty port-era Shanghai is an interesting case study for this phenomenon because of its distinctive place in Chinese history and its unparalleled economic success. Prior to the treaty port era, all of China was extremely closed to foreigners. During the treaty port era, however, Shanghai and a select other few cities were open to foreigners while the rest of China remained forbidden. The immediate aftermath of the treaty port era was the rise of Mao, which resulted in the immediate and extreme closure of Chinese society once again. In recent history, however, China has partially opened once again and become a world power. The contrasting degrees of openness and closedness within Shanghai and China over the past 200 years provides an illustrative example their effects on social development. Treaty port-era Shanghai represents a unique opportunity to study the effects of openness and closedness on society.

The treaty ports, and Shanghai in particular, represented a crucible in which thoughtful Chinese could begin to learn from and about the West, and to seriously reconsider the place of their country, and their culture, in the world. To begin with, they had to realize they could no longer believe that traditional Chinese ways were at the summit of human achievement. Even more terribly, they began to realize that not only Britain, but much of the West, regarded China as culturally backwards, and frankly, inferior. They were therefore forced to confront new global realities that challenged their very way of life, and to either adapt or decay.

All of this obscures an alternative example forgotten in a history of war and revolution: how institutions are spread and reconstituted. Shanghai embodied China’s nearest approximation of Western capitalist enterprise, science and technology. Chinese merchants sought to copy the steam-powered barges of Europe to increase maritime trade efficiency. The collection of duty and import taxes was “completely reorganized” in 1854 by the foreign-
managed Imperial Maritime Customs. The introduction of the telegraph and railroads revolutionized communication and transportation. Although hardly practiced in the treaty ports, it contained the seeds of multi-party democracy, limited government and individual rights. And, China was finally able to emerge triumphant through the remarkable Deng Xiao-ping reforms, begun in 1980, which have since transformed China into an industrial and economic superpower. The practicality of Western institutions and achievements was undeniable, but it was the competition spurred by constant cohabitation and communication that forced China’s recognition of their value.

For every alienating element operating in the treaty ports, there were others that brought locals and foreigners into close, continuous and frequently harmonious contact. Trade with China meant that foreign merchants and firms had to work hard at maintaining friendly relations with Chinese customers. This study makes no claim to the quantification of the relative openness and closedness of Chinese attitudes in the treaty ports. It is in fact difficult to imagine how any such study could be undertaken. Instead, by focusing on the weakness of the Qing Dynasty during the nineteenth century and its ultimate failure in the early twentieth, and contrasting this with the growing strength of Shanghai, far and away China’s most open city from 1842-1946, this thesis will illustrate the power and importance of openness.

There is one important caveat to the argument about the strength of multiculturalism. Societies and communities almost instinctively resist the dilution of cultural hegemony that is the

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7 Nield, *China’s Foreign Places*, p. 10.

8 I do not include Hong Kong or Macau as “open” Chinese cities because their territory had been ceded to foreign entities. They were not Chinese property.
product of social heterogeneity. No group wants to cede any of its supremacy to another, and
indeed frequently actively works to prevent it. Histories of racism, slavery, and general
international conflict provide many examples of this characteristic. The United States embraced
equality for some during its foundation, but struggled to expand that privilege to others, as
witness by the Civil War and protests against the Civil Rights Movement. Multiculturalism,
while noticeably beneficial in many civilizations, is perhaps one of humanity’s most difficult and
costly accomplishments.

Furthermore, no society can ever be completely open. To be open and accepting of all
foreign ideas would mean that a society has no defined structure of its own. If such a society
existed, it would not have any collective identity and therefore would hardly exist at all. An
open society allows the dissemination of information that questions mainstream and traditional
thought, even though access can lead to a national crisis of identity, and individual anxiety and
frustration. But just as war directly leads to the development of military capabilities, so does the
competition between ideas through the spread of information facilitate methods of
communication. More importantly, it produces creativity and adaptation that increases a
society’s chances of survival.

This thesis is not, however, an argument for Social Darwinism. Instead, it follows the
theoretical footsteps of Francisco Varela in arguing that there are multiple “correct” paths of
evolution for a society and civilization to take. Varela theorizes that there exists a “coupling”
between the environment and the specific internal traits of an organism. This allows it to have a
symbiotic relationship with its surroundings. He uses the example of color perception to illustrate
this point, stating that “We can safely conclude that since our biological lineage has continued,
(the ways we perceive color) are viable or effective.” We cannot, however, conclude simply from our own survival that our particular trait is optimal. He continues, “Other species have evolved different perceived worlds of color on the basis of different neuronal operations. Most vertebrates (fishes, amphibians, and birds) have quite different and intricate color vision mechanisms. Insects have evolved radically different constitutions associated with their compound eyes.” The way humans perceive color can thus be perceived as “one possible and viable” development among others “realized in the evolutionary history of living beings.”

Similarly, no single society can be more “correct” than another as long as it is surviving and its members are thriving. It is therefore the aim of this thesis to discover how exposure to alien concepts can strengthen the chances of survival in changing and perilous times. As in the natural world, it equates superiority with survival. Juxtaposed against the rest of China during the treaty port era, Shanghai in this regard became a paragon of economic and social success that provided a useful lesson for the rest of the nation. And just as the evolution of an organism can be traced by how singular cellular components change over time, changes within a single city can eventually have the profoundest effect on an entire country. A society open to incorporating new ways of doing things in order to adapt to new environmental conditions has a greater likelihood of survival when compared to one that is closed and uncomprehending. The adaptations first developed and accepted in Shanghai would eventually become the model for the transformation of the entire Chinese nation at the end of the twentieth century.

The first section of this work addresses the fifty years of Chinese history prior to the outbreak of the First Opium War in 1839. Qianlong, generally accepted as the last great emperor

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of the Qing Dynasty, retired in 1796 when the empire was flourishing. Over the next few decades, China was drastically weakened by internal turmoil and rebellion. The treaty port era between 1840 and 1943 was thus a period of transition. Over these hundred years China struggled with how to adapt to balance its incorporation of Western ways while concomitantly keeping its cultural heritage intact. Shanghai, as the leading treaty port, was at the forefront of this struggle. The majority of this thesis will highlight how Shanghai developed so rapidly and how multiculturalism precipitated its success. Finally, it will discuss contemporary China under Mao Zedong and contrast it with the enormous effects of reform under Deng Xiaoping. Mao ushered in a return to monoculturalism that had catastrophic consequences for Chinese society. Deng did the opposite. This work demonstrates how and why openness led to the success of first a city, and later an entire nation, in a relatively brief period of time.
2. Pre-Treaty Port Era China

Before 1840 traditional Chinese had believed that there was a dynastic cycle that had run undisturbed from the time of the Qin Dynasty (221 – 206 BCE). Summarized briefly, the cycle proceeds as follows:

1. A new ruler unites China, founds a dynasty, and gains the Mandate of Heaven
2. China, under the new dynasty, achieves prosperity and the population increases.
3. Corruption grows in the imperial court, and the empire begins to enter a decline and a period of instability.
4. Natural disasters wipe out farm land. The disaster normally would not have been a problem; however, together with corruption and overpopulation, it causes famine
5. The famine spurs the population to rebel and a civil war ensues.
6. The ruler loses the Mandate of Heaven.
7. The population decreases because of the violence.
8. China disintegrates and goes through a period of rival warring kingdoms.
9. One state emerges victorious.
10. That state starts a new empire.
11. The empire gains the Mandate of Heaven.\(^\text{10}\)

This process as listed does not delineate or define the length of each step. The Qing dynasty, for instance, had one of China’s longest continuous reigns, lasting from the late seventeenth century until the beginning of the twentieth. Its period of greatest strength was during the three emperors that ruled for nearly 150 years, beginning with Kangxi in 1662 and ending with the death of Qianlong in 1799. This was a period of relative peace and remarkable population growth. The following fifty years from 1796 to 1850 saw a reversion to steps three through eight.\(^\text{11}\)


\(^{11}\) 1850 was the beginning of the Taiping Rebellion. The rebellion lasted over ten years and was one of the bloodiest uprisings in recent history, costing upwards of 30 million lives. Shuji Cao, *Zhongguo Renkou Shi [A History of China's Population]* (Fudan Daxue Chubanshe, 2001), pp. 455. and 509.)
The successes of the Qing dynasty during this time were connected to the relative openness of Chinese society. Joanna Waley-Cohen observes that while Manchu rulers have traditionally been viewed as “having assimilated to Chinese civilization by 1800, the situation was in fact just the opposite . . . it was precisely Qing difference that accounted for [their] success.” The Qing Empire rose to prominence as a conglomeration of Muslim, Mongol, Manchurian and Han Chinese citizenry. While maintaining their own very distinct cultures, they were all able to interact within the expanded borders of China. Muslims were in the west, Manchu in the northeast, Han in the center and south (but sprinkled everywhere), and Mongol in the northwest. “This embrace of heterogeneity,” she continues, “marked another distinguishing feature of Qing rule.” Not since the short-lived Mongol (Yuan) dynasty had the Chinese been so forcibly tied to other peoples.

Qing emperors sought to retain control through a mingling of cultures. They opened their Banner System to the Han Chinese. The Eight Banner System was originally the military organization of the seventeenth century Manchu invaders. After their victory in 1644 it also became the foundation of their administrative control of the country. All Manchu households had to belong. Eventually an additional eight Mongolian and eight Han Banners were also created. Membership became hereditary, and was associated with garrisoning of certain strategically important cities. It also brought with it ownership of some land and a fixed rice ration. The emperors allowed Tibetans to continue to select their own Dalai Lama, but also fostered the

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12 While outside the scope of this thesis, I believe that this dynastic cycle can also be reinterpreted under the tenets of openness and closedness for nearly every Chinese dynasty. The golden ages of iconic dynasties like Han and T’ang, for example, reigned during periods of concomitant exposure to nearby foreign civilizations.
spread of Tibetan Buddhism in Mongol territory.\textsuperscript{15} Western Muslims were similarly granted autonomy, “reading their prayers in Arabic,” and abstaining from pork, tobacco, and alcohol.\textsuperscript{16} Each distinct community could practice its own traditions with relative autonomy until the nineteenth century.

The Qing dynasty reached its peak during an era that can clearly be described as more open than closed. Qianlong strove to “create an all-new hybrid Qing culture . . . a new shared consciousness . . . would help mute the chauvinism of Chinese culture, at the same time counteract the partial Sinification of the Manchu.” He wanted “to bring together diverse traditions within a single polity . . . to unite as well as rule his multicultural empire.”\textsuperscript{17} Initially foreigners themselves, the Qing had to be open to a certain degree of sinicization to justify carrying the mandate of heaven and rule over China. Qianlong’s dream would however be short-live.

Within half a century the dynasty was being torn asunder by internal rebellion, in large part because the Qing government had unintentionally closed itself off from any multiculturalism. As the reign of his successor Jiaqing began, Richard Smith notes that “superficially the Qing regime . . . was at an unsurpassed height of power . . . (but in fact) would prove to be a hollow colossus.”\textsuperscript{18} The empire fell apart for two main reasons. Firstly, the Han Chinese population experienced massive growth, effectively doubling during the nineteenth century. This directly caused a Han migration from the center and south into other previously

\textsuperscript{15} Granted, there were several instances of Qing emperors attempting to impose their own selection on Tibet, but they were generally ignored.


\textsuperscript{17} Waley-Cohen, p. 90.

\textsuperscript{18} Richard Joseph Smith, \textit{The Qing Dynasty and Traditional Chinese Culture} (Rowman & Littlefield Publishers, New York, 2015), p. 34.
distinct cultural regions across Qing territory. Secondly, the sheer size of Chinese territory meant that maintaining control was difficult. Corruption among officials, which had grown exponentially under the maleficent influence of He Shen during the final years of Qianlong’s reign (and Qianlong’s favorite official) was rampant. The relative autonomy that had been granted to China’s many distinct cultural groups gradually eroded as Han Chinese came to dominate everywhere. As more Han Chinese moved a community they sought a greater proportion of government office. The Qing dynasty had built an empire by politically unifying a vastly expanded nation while tolerating a good measure of cultural diversity. The growing Han presence, however, quickly disrupted the tenuous equilibrium of the different peoples. 

Ironically, as cultural borders re-hardened and local administration everywhere became increasingly dominated by ossified Chinese Confucian elites, a return to Han monocultural rule contributed to internal and external weakness. The initial success and progress of the Qing Dynasty slowly eroded away as China became increasingly closed throughout the 19th century.

A striking example of the stultifying effects of monocultural domination was the way the government reacted to the problem of transportation of the nation’s grain supplies. Chinese dynasties had long relied on taxation in the form of rice shipped from the south to feed the north, and transport vessels for centuries had traveled across a specific route on the Yangtze River and Grand Canal. The Canal ran from Hangzhou in the rice rich lower Yangtze to Beijing. With the rapid advance of seafaring vessels because of imported European technology, several ministers suggested a changed route following China’s eastern coast. These proposals were soundly

19 Smith, p. 35.
21 Fairbanks, 90. This section demonstrates the seeds of discord that began to grow and fester in Muslim China by 1814, if not earlier.
rejected largely for two reasons. Firstly, because the tariff system mandated grain barges pay fees as they passed through cities along the Canal. Local communities depended on them, and corrupt officials regularly extorted additional money for themselves. There was therefore a considerable disincentive for officials to approve a change that would cost them. Secondly, there was sentiment within the government that something that was working had no need to be changed. This, in effect, proved that “government lacked the strength, the ideas and the impulse to shatter tradition and lead toward (more efficient) economic development.” Even though better methods existed, there was no impetus to develop and improve upon a working system. It took two cataclysmic events, a drastic food shortage beginning in 1845 and the outbreak of the Taiping Rebellion in 1853, for any permanent reform to be seriously considered.

All of this highlights the argument that a monocultural society has no desire to change, if for no other reason than it has great difficulty in imagining alternatives. In the natural world, a key element of the evolution of individual organisms is the development of the most efficient way to utilize energy. The body wants to use as little as possible so that food may be stored to insure future survival. It is only when confronted with a new environmental threat that it adapts and changes its habits. This same concept applies to societies, and is revealed in China’s difficulty with grain transport. It was only irresistible pressure that the government was forced to expend resources and shake itself from its torpor. European technology was already there to improve the situation, but it went mostly unperceived. Confucian elites would have none of it.

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22 Smith, p. 19.
23 Fairbanks, p. 125.
When no single culture dominates in a society, there is constant impetus to explore new opportunities to develop and innovate. It may be uncomfortable, but it ensures survival.  

When the Qing lost their most fateful battle, however, it was not to an internal foe. They lost to Britain. The British introduced the irrepressible glamor of modern science, industry and technology, and behind these the empiricism and skepticism of the scientific method that have always been the most implacable slayers of traditional belief systems. China had no time to weather the oncoming storm and allow the dynastic cycle to complete its “natural” course. The sudden appearance of Western armies, with their vastly superior naval and military strength, upended the entire process.

Britain initially sought to trade with China only to be rebuffed by the Qing. The European Industrial Revolution created a problematic surplus of tradeable goods while China’s population was growing massively. British imperialism was largely predicated on a need to find markets to avoid the periodic economic crises of overproduction, and the massive size of Chinese society created an irresistible desire to tap into it. The English quickly discovered, however, that China had long had enough domestic production to fill its needs. They also found out that Chinese society largely disdained foreign goods.  

Emperor Qianlong succinctly stated Chinese interest in British trade to George Macartney during the first British diplomatic mission to China in 1793: “Our Celestial Empire possesses all things in prolific abundance and lacks no product within its borders. There is therefore no need to import the manufactures of outside

24 Smith discusses on page 21 the rigidity of the late Qing government. This rigidity greatly hampered the ability for China to solve unfamiliar problems as they arose.  
barbarians in exchange for our own produce.”26 The British were determined to overcome this obstacle.

Eventually, illegal drug trading spurred China to initiate the First Opium War, in which British forces resoundingly defeated their Chinese counterparts. The preceding centuries of openness and warfare within Europe had greatly strengthened the British military. After its victory, Britain was uninterested in sweeping in, seizing the Mandate of Heaven, and establishing a new dynasty. Instead, they disregarded Chinese tradition and demanded the establishment of bases of operation where they could foster trade and gain a foothold in the Chinese market. They wanted no throne. They wanted new customers. Openness was not a conscious goal, but a by-product of the desire to sell their foreign-made goods in a new land.

For the Chinese, their traditional worldview of all under heaven, with China at the center, came crashing down as a result of the First Opium War. The most perceptive Chinese scholars believed the rest of the world was ready to take advantage of the Qing Empire at its weakest. The War therefore demanded revolutionary change, and the moment for change would develop over the next hundred years. It would be led by those Chinese most open to new and foreign ideas. Most of these were found in Shanghai.

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3. The Treaty Port Era (1842-1946)

The treaty port era, which ran from 1840 until World War II, was a particularly turbulent time for China. Begrudgingly accepting the foreign residents in the treaty ports, China sought to limit prohibit their expansion inland as much as possible. With rebellion shocking the countryside, however, scores of Chinese nationals flocked to the safety of the treaty ports. The success of these cities, particularly Shanghai, was a source of constant embarrassment for China. They proved the credibility of Western thought. Eventually, the Qing government came to resent and detest colonialism. The most obvious cause was the Japanese invasion, first of Manchuria in 1931, and then of the rest of China in 1937, but anti-foreigner sentiments erupted in protests throughout the era. There was in addition an important Communist insurgency that had begun in the 1920s. Chiang Kai-shek was not alone in believing that this was a far more dangerous threat to traditional Chinese values. “The Japanese are a disease of the skin, but Communism is a disease of the heart,” he had famously said. The reason, although he could hardly have been expected to admit it, was that unlike the Japanese occupation, Communist dictatorship promised much that was attractive to very many of the rural poor – an egalitarian society free of Nationalist corruption. The treaty port era coincides with China’s struggle to understand and situate itself within global modernity.

Two specific periods of transition emerge in Shanghai during the treaty port era. The first was a period of transference, when traditional Chinese society prepared to transform itself in order to survive in a new culturally competitive environment. Social values had to adapt and shift to meet the needs of the moment. This era lasted roughly from the ratification of the Nanking Treaty until the end of the nineteenth century. As Shanghai opened to competition, daily life, influential occupations, and the legal order changed to cope with its new set of
problems. The second period began roughly from 1900 until World War II and the Japanese occupation of much of the country until 1946. The Treaty of Shimonoseki, signed after being defeated by Japan in the First Sino-Japanese War in 1895, violently threw open Shanghai’s door towards openness. It drastically altered the economic landscape of Shanghai and forced Chinese citizens to either embrace a new set of social values or fade into obscurity. This second period was defined by a Chinese population that had adopted new social values and consciously joined the open ideological competition in an effort to save their Chinese roots.

The reason for this distinction is two-fold. Cultural heritage is passed down between generations, so it was by Shanghai’s children that social changes were most intensely felt. It was they who demonstrated the most striking changes in behavior and attitudes. Nineteenth century Shanghai was a place where several worlds intermingled. Adults coming from different continents as well as from all over China converged on treaty port Shanghai, bringing their distinct cultures with them. From 1840 until the end of the nineteenth century the demographics of Shanghai was constantly changing. Relatively few Chinese initially lived in Shanghai, and even fewer foreigners, but as tens of thousands fled to the safety of the city following the Taiping Rebellion in 1850 the population grew rapidly. By 1854, there were already over 20,000 Chinese residents in Shanghai, but still only around 300 foreigners of British, American, and French nationality. These, however, would have an enormous effect on the municipal culture.27

_Treaty of Nanking – Treaty of Shimonoseki (1842-1895)_

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27 According to Nield, there were 170 foreign men and only 14 foreign women living in Shanghai in 1853. Ten years after the Treaty of Nanking, foreigners still constituted an extremely small proportion of Shanghai residents.
The Treaty of Nanking had signaled a new epoch in diplomacy when nations were able (at least officially) to deal with China on an equal basis. Formerly, China demanded tribute from surrounding societies as a symbol of deference. Openness had been forced by the British, and that meant that “what used to be (for the Chinese merely) maritime activities had now been transformed into international trade . . . the Chinese state [had to] look beyond its own system and answer to other states in its dealing with its own merchants.”

The Treaty forced China to open itself to foreign influence. Successful trade had to be conducted with consideration of both Chinese and international customs, and the British insisted on as much trade as possible. This diplomatic competition forced China to enter a dynamically unfamiliar environment and fight for survival.

In the beginning of the treaty port era there was a small but powerful contingent of British citizens who created a settlement in the northern part of Shanghai. By the end of the 1840s, the French had forced China to concede the land that allowed them to create their own concession. Americans joined the British in the 1850s. Thus, an uneasy alliance was created between the representatives of these three nations. They all knew their main purpose was to penetrate local markets for the benefit of their own countries. British, French, and Americans citizens had not moved to Shanghai to create an international community. Coexistence was acceptable only so long as each settlement prospered. The international nature of the place was never an aim, but only a coincidence. Openness is typically a by-product of cross-cultural communication, yet it creates an environment ripe for social development. Later, during the early twentieth century, this prosperity would be on full display as competition between

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28 Yeh, p. 5.
29 As I believe is the case throughout most of history.
settlements to display their respective success led to ostentatious architecture that mixed Chinese, European, and American forms to create a modern style. Shanghai’s very bricks and stones, as well as the people and institutions that filled their halls, symbolized a hybridization of East and West.

Traditional Confucian values had disparaged merchants. They were not seen as morally righteous or as contributing in any positive or honorable way to the lives of individuals or the nation. Shifty and dishonest, their mere trading of goods (as opposed to the actual making of anything) suggested that they were *spiritually* debased. Held to be (at least theoretically) inferior to both peasant farmers and artisans, the only people two ranked below them were soldiers and bandits.

None of these values applied in Shanghai, which is why it seemed so very foreign to so many Chinese living elsewhere. Shanghai lived on trade. A very small and insignificant place before the British arrived, it had never had any large and well established Confucian scholar-gentry elite. It was the merchants who thrived on trade between China and the rest of the world, and it was they who were the true masters of the city. This was true not only of the great foreign *taipans* who worked in offices along the Bund and socialized in the Shanghai Club, but also the Chinese traders who were their invaluable assistants.

There were three important ways in which this latter group integrated themselves into this international market. Primarily, they acted as *compradors*. *Compradors* were cultural and linguistic intermediaries. They assisted British traders in forming agreements and contracts with Chinese businessmen. They translated both spoken language and unspoken cultural traditions, making sure that British patrons avoided needless transgressions due to their ignorance of
Chinese customs and manners.\textsuperscript{30} Secondly, they earned commission by negotiating contracts between vendors, squeezing both foreign and domestic parties. Thirdly, \textit{compradors} acted as a general cultural liaison and hired help, performing duties as a steward for whomever could afford their services.\textsuperscript{31}

These men were examples of how a multicultural (open) society operates. They “drew upon elements of East and West and forged a style . . . in unprecedented ways.”\textsuperscript{32} While wearing the traditional garb of a Chinese merchant, they lived in English-style houses. They created a pidgin language that was a hybrid of Chinese and English. \textit{Compradors} also followed both Chinese and European calendars, blending perceptions of the passage of time.\textsuperscript{33} They were among the first to recognize, and embrace, the new reality of internationalism. The openness of \textit{compradors} to experiment with different methodologies facilitated their quick rise to prominence. As they came to symbolize success in Shanghai, wealth, rather than official status that came with success on Imperial civil service examinations, became the true markers of social status. As their power grew, \textit{compradors} exercised their newfound influence to shape domestic policy, at least locally.

This represents a seismic shift in social values within Shanghai. \textit{Compradors} would have customarily been considered lower-class, but their massively successful careers upended social

\textsuperscript{30} In \textit{Building Shanghai: The Story of China’s Gateway}, Denison et al. detail a story about foreign merchants meeting Chinese government officials prior to the rise of compradors. Hugh Hamilton Lindsay, a member of the East India Company, arrived in Shanghai in 1831 to attempt to trade. Demanding and eventually forcing an audience with an official, he took the liberty of taking a seat as he made his requests. As a merchant, Chinese custom demanded that he remain standing even though those he was petitioning were permitted to sit. The Chinese official became incensed and refused to negotiate. The entire process took over two weeks as entreaties were made with Nanjing directly, but ultimately failed. \textit{Compradors} were not yet in service in Shanghai. If they had been, this misunderstanding could have been avoided. Denison, Edward; Ren Guang Yu, \textit{Building Shanghai: The Story of China’s Gateway} (John Wiley & Sons, Ltd., West Sussex, 2006), p. 31.

\textsuperscript{31} Yeh, p. 13.

\textsuperscript{32} Ibid., p. 13.

\textsuperscript{33} Ibid., p. 16.
convention and demanded recognition. Shanghai had been confronted with a new set of problems, namely how to survive and prosper as a treaty port catering to foreigners, and *compradors* thrived. The influence they eventually came to wield exemplifies how the ramifications of adaptation and openness can redistribute power. Due to the unparalleled achievements of the *comprador, realpolitik* demanded that they gain some of the authority traditionally allocated to Confucian values. *Compradors* were willing participants in the new and competitive Shanghai economy, and filled the market demand for cross-cultural communication. The openness of Shanghai directly contributed to its ability to confront and adapt to new global realities decades before inner China.

Over time, the people of Shanghai, and eventually all Chinese, had to rethink their views concerning both trade and foreigners. To survive in the international economy, China had to “suit the needs of mercantile enterprises . . . [which demanded] that both the state and the merchants conduct their old business in new ways.” These “new ways” had to conform to modern international norms, which in turn led to the adoption of “economism.” This was “a sweeping set of changes that reassigns social value (and prestige) . . . in accordance with the production of wealth.”34 As Shanghai merchants got richer, they also expected to exercise more power within society. For the traditional Confucian elites raised to believe in the primacy of the life of the mind, this really was a world turned upside down. And yet it was in Shanghai, driven as it was by gain, more than any other place in China, that almost everything that was modern and progressive - industrial manufacturing, science and the scientific method, technology,

34 Yeh, p. 12.
empiricism, the rule of law, women’s rights, trade unions and democracy – was nurtured. It was there that the love of money proved to be the root of much good.

With language and culture as clear boundaries between communication, disagreement and conflict between parties was inevitable and government bodies had to be established that set regulations and defined the legal system. Building a system that incorporated the many disparate communities of Shanghai was fraught with difficulty. The various foreign groups had never really been friendly. Indeed, each international community remained insular, one author noting that “the determination of foreigners to settle . . . was matched only by the scale of mutual cultural intolerance.”

As Edgar Snow observed:

New York, Paris, Berlin and Vienna can point to a medley of races, but in Shanghai there is for the most part no mixture. Here, generation after generation the British have stayed British, the Americans have remained ‘100 percenters.’ The British played cricket … and celebrated Empire Day and the British holidays. … The Americans picked up state-side newspaper at the American owned bookstore on Nanking Road, played gold at … the American Club, and sent their children to the American School … where the main building was designed to resemble Independence Hall in Philadelphia.

The White Russian community remained entirely apart, while the French remained in splendid isolation in their own Concession. There, following their national model of centralized administration, the French Consul General ruled autocratically, with only an occasional nod to the local Chamber of Commerce.

Despite such unforgiving circumstances, the multi-national Shanghai Municipal Council was founded in 1863. The SMC became the de facto governing body for Shanghai until the end of the treaty port era, and “although predominantly British . . . its members were drawn from the foreign community at large.” Voting rights were restricted to landed gentry, and a sizeable

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35 Denison et al., p. 42.
36 Dong, pp. 224-225.
portion of the initial registry was foreigners. Tolerance, however, did not extend as far as the Chinese, who even in the Settlement made up the overwhelming majority of the population. They were entirely excluded from the Council until 1926, when three Chinese representatives were admitted.  

The SMC set rules and regulations for Shanghai. It dealt with all issues of governorship, establishing business practice standards, issuing permits for land and construction, and even being responsible for forming the Mixed Court that settled legal disputes. The SMC, itself a unique cultural experiment in China, embodied the reluctant cultural mixing (at least on the political level) that each settlement had sought to curtail before succumbing to the inevitable. This also included the acceptance of Japanese representatives. Although the largest foreign presence in Shanghai, the Anglo-Americans had long resisted yielding to Japanese requests until January 1941, when the representative of the Japanese Rate Payers Association shot and almost killed William Keswick, managing director of Jardine Matheson and the SMC chairman.  

The creation of the Mixed Court was one of the Shanghai Municipal Council’s greatest achievements and emphasized how openness leads to innovation. There was a clear need for this body. All treaty ports benefited from extraterritoriality, which had been imposed by the foreign powers in the so-called unequal treaties with China that had begun with the Nanking Treaty. This had been in reaction to Chinese judicial practices that included confessions extracted by torture, and cruel and unusual punishments. It specified that all Westerners accused of crimes in treaty ports would be tried by European, American or Japanese judges. Chinese national would be

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39 I say that it is unique in China because no other treaty port had a similar governing entity until 1902. From the initial five treaty ports per the Treaty of Nanking there were over fifty by 1900. Even after 1902, only one other treaty port mimicked the SMC.
tried according to Chinese law. While welcomed by some reform-minded Chinese, who felt this was the only way to force their own government to reform its antiquated legal system, it was a doctrine deeply resented by most.

The traditional Qing law code was notoriously harsh, having five gradations of punishment according to the severity of the crime. The most terrible included the so-called death of a thousand cuts, or more accurately rendered by the Chinese as death by the slicing process. It was also excessively vague, giving local magistrates enormous leeway in the treatment of evidence and the assignment of penalties. Even more problematic was the fundamental difference between Chinese and Western notions of what law courts were for. In a Confucian society that emphasized moral righteousness as essential for harmonious living, “recourse to law should be unnecessary.”

If opposing parties had to appeal to a magistrate for adjudication, rather than settling things between themselves privately, Chinese opinion held both worthy of punishment, and Chinese judges were brilliant at making both sides unhappy. This was diametrically opposed to Western ideas about the importance of the courts in doing justice and keeping social order. Morality in the abstract was not the weight-bearing pillar that it was in China.

The resolution to the conundrum of how to apply law to citizens of different countries in extraterritorial Shanghai was to create a tripartite system. For Chinese citizens committing crimes against other Chinese, Qing law would apply. For British against British, British courts would judge. For those crimes occurring between those of different nationalities, a mixed court was created that consisted of representatives from the citizens of each country involved, as well

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41 Fairbanks, p. 24.
as select members of the Shanghai Municipal Council. It was the multiculturalism of Shanghai that demanded a new legal system that fit its unique demographics.

While Shanghai was growing and developing, the rest of China experienced turbulent years of internal war before recognizing their collective need for social development. The massive Taiping Rebellion began in the very rich lower Yangtze provinces in 1850 and was quickly followed by other revolts. Directed primarily against traditional Confucian beliefs and hierarchies, the Taiping Rebellion lasted over a decade and cost as many as twenty million lives. \(^\text{42}\) The Red Turban Rebellion, rising in the far south beginning in 1854, forced the Qing dynasty to massacre further millions, all of which debilitated the empire. \(^\text{43}\) As rebellions broke out against a static, backward and inward looking social order, Qing emperors were forced to physically suppress its citizens. Communities became both internally divided and severed from each other. The myriad distinct social groups within China had reacted against the growing closedness of Qing society and their resulting loss of power and influence. The overall effect would prove to be catastrophic. It was in this period too that the British government began to repeatedly use force to impose its demands on a bewildered Imperial government.

These uprisings were perhaps inevitable. Confucian social and political conservatism, with its fear and suspicion of anything new or foreign (its closedness), simply ran too deep among educated and peasants alike. At the same time, the Qing had always placed very distinct limits on how open they would be to novel ideas even in the days when some real effort was being made to integrate their many subjects in their multi-cultural empire. Being themselves part of a


small (albeit ruling) minority, the Qing were always ready to nervously profess boundless admiration for China’s greatest teacher and philosopher, Confucius. As Sterling Seagrave colorfully observes:

After washing off the lingering smell of horse sweat, the Manchu had cloaked themselves with borrowed Confucian virtue and styled themselves the saviors of Confucian civilization, which had been nearly extinguished - they said - by the corruption of the previous Ming dynasty. Since then Chinese scholars who had dared to criticize the Manchus had been ruthlessly purged … and beheaded. The Confucian system was turned … into an exercise in form and style without substance, and its practice became a ritual of survival.” As for the scholars themselves, they “had learned to avoid such dangerous subjects as politics and economics and fell into rhapsodies of textual criticism and philological study.”

44 After suppressing the Taiping and Red Turban Rebellions, but losing the Second Opium War (1856-1860), the impetus for some kind of modernization first manifested in the Qing government itself. This was the Self-Strengthening Movement that began in 1861. It was born out of the humiliation of successive military defeats and the imposition of unequal treaties. Chinese leaders worried over “how to balance the need to modernize against the desire to preserve national integrity and identity.”

45 Prince Gong, a member of the Imperial Aisen Gioro clan, had started by advocating for greater constructive engagement between China and the foreign powers by creating the first de facto Chinese foreign ministry. This, however, had not prevented him from also spearheading programs to modernize the armed forces. The bulk of this task soon fell to the provincial governors and viceroy in whose territories the new arsenals and ship yards lay. Foremost among these was Li Hongzhang, a Qing diplomat that shaped the bulk of Chinese foreign policy in the final decades of the 19th century. For the first time in centuries,

44 While Seagrave had been heavily in his treatment of such figures as the last Dowager Empress and the Soong family, his criticism of the late Qing dynasty is valid. See Sterling Seagrave, Dragon Lady: The Life and Legend of the Last Empress of China (Alfred A. Knopf, New York, 1992), pp. 198-199.

45 Nield, The China Coast, p. 10. He mentions further that scholars have gone so far as to call this era “the largest cultural transfer in human history.” Most foreigners had at least one Chinese servant. The servant-master relationship, however, typically meant that the cultural exchange was one-sided.
China was contemplating the best way to open itself to foreign influence and join the global competition for superiority.

Most of the modernization projects were eventually initiated by Hongzhang. He had risen to fame through his suppression of the Taiping Rebellion, was a staunch advocate of Chinese self-determinacy, and was governor of the province adjacent to Beijing. He was a staunch advocate of empowering China to compete in the global economy and encouraged a mentality of openness. His policies were labeled "government-supervised merchant undertakings," and while operated by merchants for profit, they were controlled by (frequently corrupt) government officials. Most importantly, the money for these companies came from private individuals. The largest of these were the China Merchants' Steam Navigation Company, created to compete with British companies that had almost monopolized modern coastal and river traffic the Kaiping Mines near Beijing and the Shanghai Cotton Mill. There was even some attempt to finance Chinese-built railroads, and a more important effort to buy back some of the roads already created by foreign nations. The importance of this would later become evident when Japanese control of the South Manchurian Railroad greatly facilitated the 1931 conquest of the North-East.46

It was not to last. The Dowager Empress Cixi, already opposed to all forms of Westernization and extremely closed, had begun to fear the power of the provincial governors in whose territories new concerns were being started. She allowed the conservative Confucian officials in her court to have their way, and Self-Strengthening was abandoned by the 1890s. This stop and go approach was typical of the divisions in Chinese opinion about the direction in

which the country should go. Li Hongzhang, had said that “if one is stationed in Shanghai for some time and yet unable to learn from the foreigners’ strengths, there will be many regrets.”

47 He had clearly demonstrated by his actions that he had meant what he said. But most influential opinion in China strongly disagreed.

Most Chinese were determined to prevent Western influence to spread unchecked. They strove to nurture a closed China. Foreign travel outside of the treaty ports was strictly forbidden to foreigners. Transgressors were severely punished. In one case, after someone assisted foreigners in exploring the interior of the country, not only did he receive capital punishment, but “his entire family was beheaded, his native village destroyed, and the countryside laid waste.”

48 While certainly excessive, the message was clear: foreigners were not welcome, and were to be tolerated as little as possible. Such action reinforces the notion of how far a society will go to retain as much cultural homogeny as possible. 49 This also illustrates the extent to which Shanghai existed in an entirely different environment. If modernization was to continue, it would have to be done in places like Shanghai by merchants acting entirely on their own and empowered by openness. 50

The shift in Confucian morality was a direct consequence of Shanghai’s necessity to adapt or fail, and altered centuries of precedent and custom. The success of the city’s compradors and their established political influence had of course flown in the face of the traditional ideas about merchants. Even more terrible was the lesson that not only profits, but

47 Nield, The China Coast, p. 10.
48 Ibid., p. 13.
49 Nor are such actions limited to China, obviously. As noted throughout this essay, every nation is guilty of heinous crimes in the name of sociocultural supremacy. Unfortunately, such actions are largely responsible for reinforcing sociocultural divisions instead of making them more permeable. Within Shanghai, this resulted in further justifying extraterritoriality, as international settlers thought Qing justice brutal and led to “foreigners . . . eliding their own legacy of violence and autocracy.”
50 Fairbanks, Late Ching, pp. 95--.
knowledge, could be had from dealing with foreigners. Previous generations and dynasties had been firmly convinced that a civilization was more barbarian the farther away it was from China, and China had no desire to conquer, or even to deal with, barbarians. Shanghai during the treaty port era was forced open by Britain and kept open by the rest of the world. The resulting competition between communities in Shanghai led to its Chinese inhabitants adopting new social attitudes that promoted their continued survival amidst a new and potentially dangerous environment. The extreme closedness of the traditional Chinese ethos directly contributed to mainland China being unable to rise to this same nineteenth century challenge.

*Treaty of Shimonoseki – End of Treaty Port Era (1895 – 1946):*

The Taiping Rebellion was not the only reason why Chinese fled into Shanghai. Following the collapse of the empire in 1911, and of the fledgling republic in 1916, many thousands poured in to escape the chaos created by the collapse of all central authority and the horrors of provincial warlordism. Foreigners poured in as well. Russians did not begin entering Shanghai in earnest until the 1870s, but became a minor flood following the 1917 revolutions. By the 1930s there were between 25 and 50,000 in the city.\(^51\) The Japanese had a very small presence until the 1880s. But the 1895 Treaty of Shimonoseki shook the very foundations of the Chinese state. Defeated by a nation long held in contempt, the Japanese added injury to insult by taking away a Chinese province, thus encouraging other nations to consider taking additional Chinese provinces. The Treaty also altered the Shanghai economy by allowing factories to be built and operated by foreign companies. It forced open yet another segment of Chinese society. This did not prevent them from also becoming the largest foreign presence in

the city. After 1933, they were joined by more than 14,000 German and Austrian Jewish refugees.52

A Chinese child born or brought to Shanghai in 1890 would thus have had an entirely dissimilar experience than one brought in 1850. Shanghai by the end of the nineteenth century had become China’s preeminent cosmopolitan center. It has even been suggested that “the modern Chinese understanding of the ‘modern city’ . . . was largely fashioned in Shanghai.”53 Like the Nanking Treaty more than fifty years before, the ratification of the 1895 Treaty of Shimonoseki spurred the Chinese to reluctantly embrace Western knowledge to an even greater extent. Nowhere was this more passionately felt than in Shanghai. Change was further encouraged by the return of the first wave of foreign-educated youth. Filled with new ideas and an appreciation for much that was foreign, the majority felt most at home in this city by the sea. It was during this period too that discussions about the need to modernize education that traditional Confucian instruction was deemed “no longer adequate preparation for merchants.”54 By the twentieth century the previous decades of openness had fashioned a generation that questioned everything: their Chinese roots, their education system, and their place in the new global world.

Modern citizens of Shanghai developed a kind of cultural schizophrenia common to “those who had taken part to the fullest extent [the] promises of modernity, while attempting to sustain . . . some vestiges of tradition and respectability.”55 The period of 1900-1940, especially

54 Yeh, p. 23.
55 Ibid., p. 4.
the 1920s, was characterized by an increasingly intense self-examination about how the modern Chinese citizen might fit in the contemporary world while still remaining connected to his traditional roots. The Boxer Rebellion (1899-1901) was an attempt to expel foreigners so that China could be in control of its own destiny. This rebellion also signified the ongoing tension between old China and new.

China was undergoing an identity crisis, and its epicenter was Shanghai. The city was turbulent for many reasons. There was the booming economy, and the massive influx of both Chinese and foreign immigrants. This was combined with an extraordinary hybridization of culture of East and West that was at once exciting, bewildering, liberating and frightening. All the old certitudes seemed to be swept away, without anything yet to replace them. Directionless energy and a swirling confluence of different cultures replaced old beliefs. Some found it intoxicating. As one perceptive refugee in the 1930s observed, “Shanghai was a fake, a phony – neither Occidental nor Oriental - but the most exciting and unique city in the world. She was poison, but Shanghailanders were addicted, and could not free themselves from being in love with her.”

For traditional rural China, Shanghai was an example of everything that was wrong with the world. It is not surprising that reactions were extreme. As author Stella Dong reports, “At its peak, the swamp-ridden metropolis … (was seen as) the most pleasure-mad, rapacious, corrupt, strife-ridden, licentious, squalid and decadent city in the world. … It was rapacious because greed was its driving force; …licentious because it catered to every depravity known to man; … and decadent because morality, as every Shanghai resident knew, was irrelevant.” One Christian

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missionary was more laconic. “If God lets Shanghai endure,” he said, “He owes an apology to Sodom and Gomorrah.” Even Chiang Kai-shek, the future leader of the Nationalist Party, called the city “a furnace for the making of men.” It was not meant as a compliment. Closed off to foreigners but open to the culture of Chinese living in Shanghai, inner China was struggling to understand and assimilate Shanghai’s radically new value system.

Chinese architects, either trained in the West or working as an apprentice in a Western company, had combined their Chinese cultural roots with their foreign education to create a style “wittily called ‘Eurasian.’” By the 1920s there was a burgeoning industry for locally-sourced construction resources and a Chinese labor force that could capitalize on this market. Many of the architects were trained in America, as a Chinese student exchange program had been established in 1911. They also took their newfound knowledge and developed the Chinese areas of Shanghai. Many of the buildings constructed after the turn of the 20th century were intended to showcase the strength of the community that issued its construction. By 1920, Nanjing Road, which stretched through the center of Chinese Shanghai, was regarded as “certainly one of the most interesting streets in the world.” Nanjing Road was a community of openness incarnate.

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57 Dong, p. 1.
58 Ibid., p. 75.
59 Denison et al., p. 70.
60 The establishment of the program was directly caused by the Boxer Rebellion (which I touch on later). America “agreed to return a portion of its share . . . in exchange for the education of Chinese in America.” Chinese were literally forced to receive an American education. While leading to an obvious shift in the cultural identity of Chinese youth, it also created a hatred for foreign ideas that would later manifest itself in the rise of Mao Zedong and Chinese isolationism.
61 Many of the buildings were social clubs, consulates, banks, and other projects that were associated with specific nations. They signified expressions of cultural power. See Building Shanghai, pp. 78-125.
62 Denison et al., p. 90.
Architecture was only one way to display financial success. The importation of cars and other modern amenities heralded a change in the moral culture of Shanghai elite. “The increasingly wealthy Chinese elite built houses and drove cars that matched those of the foreign taipans.” In other words, by the 1920s Shanghai culture had assimilated Western consumerism. That is not to say that grandiose projects did not exist prior to the treaty port era. Rather, Shanghai’s Chinese elite had adopted Western forms for how to produce ostentatious displays of grandeur and power.

Education was another way in which Western ideas were spread. Shanghai compradors competed with Western missionaries in establishing colleges and universities that offered degrees in business and science. Fu Dan University, today one of China’s most prestigious schools, is a perfect example of the product of openness and cross-cultural contacts. Founded by Ma Xiangbo, a French trained former Jesuit, the name is taken from Confucius’s Book of History, “brilliant are the sunshine and moonlight, again the morning glory after the night.” He also helped found the city’s Aurora University.

A competition between traditional and modern China began to unfold. Other Chinese scholars, “deeply impressed” by the commercial and military might of Britain, began to argue that modern wars were fought commercially as well as with arms. Such reasoning also had the effect of furthering the rising status of merchants, as “it was now in the self-interest of the nation to extend to the new merchants necessary protection to aid their competition against foreign traders.” Here is unmistakable evidence of Chinese society copying the culture of its

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63 Nield, The China Coast, p. 207.
65 Yeh, p. 18.
competitors to survive. It also highlights the fact that openness and multiculturalism do not necessarily preclude either friendly or hostile relations between parties. What they do make possible is the enabling of each separate community to assimilate what it views as useful from other communities. More importantly they, consciously or not, absorb the underlying causes of the traits they admire. Thus, in admiring the technology that is the product of scientific research, receptive cultures want to create technology of their own. But in adopting science, they also adopt the skepticism and empiricism that is at the heart of the scientific method. And that skepticism, once habitual, becomes the corrosive solvent to dissolve many traditional beliefs and customs. At that point the transformation of a traditional society becomes axiomatic and irresistible.

Chinese traditional education was supposed to impart both knowledge and moral rectitude to pupils. Chinese business schools had much more modest aims, and set out to teach “pragmatic skills” that prepared youth for the modern economy. In so doing, they drifted away from classic Confucian education that sought to teach virtuous conduct. The first university was founded in 1879 by Americans, and “a new breed of Chinese merchants appeared who sought the pragmatic value of the ‘learning of commerce.’” This sentiment precipitated a rise in schools that taught skills like mathematics, English, and accounting. At the thirty-year anniversary of the Chinese Society for Vocational Education, founded by Huang Yanpei in 1917 and emphasizing science as the basis of truth, its programs in Shanghai had granted over ten thousand degrees. Huang Yanpei and his society was by no means an outlier. Li Pan, a Qing government censor, noted that “Western nations regard the rise and fall of commerce as a matter

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66 Ibid., p. 36.
67 Ibid., p. 40.
of consequence for the fortunes of the state.”68 These were the same nations that had defeated China repeatedly. It made sense that Chinese scholars would learn from and mimic their Western counterparts. An open society like Shanghai encouraged such mimicry.

The 1895 Treaty of Shimonoseki had changed foreign attitudes towards China by initiating the actual territorial division of the country. But it was also a watershed in another, more far reaching way. It had allowed foreign entrepreneurs to build and operate manufacturing facilities in treaty ports. Japan’s industrial revolution, like the British, had been driven by the development of the cotton textile industry. Drawn by Shanghai’s cheap labor market, they soon began building textile factories that dwarfed earlier British efforts there. While the British had first introduced factory manufacturing, the Japanese within decades had built the largest foreign industrial base, thus shaking the economic life of the city to its core. By the 1930s the Japanese owned thirty cotton mills in the city, twenty-five more than the British.69 They thus threatened to overwhelm a nascent and less well organized Chinese textile revolution that had begun to spring up, not surprisingly, in Shanghai.

If Chinese merchants were to survive, they had to reap the advantage of their own native labor force before foreign businesses pushed them out. Drastically altering the economic landscape, the treaty therefore further entrenched Chinese enterprising industrial manufacturers as a rising social class. China had been forced to “reevaluate the status of the merchant in Chinese society,” and reform-minded scholars had argued that “Chinese poverty and military defeat were the results of a general Chinese ignorance of the ways of ‘civilized nations.’” The “methodical study of commerce as a new branch of ‘learning’ was therefore

68 Ibid., pp. 16-17.
69 Dong, p. 212.
necessary.°° Society was being obliged to accommodate a whole new class of previously unknown large scale manufacturers who in no ways resembled artisans who had ranked below peasant farmers. Chinese officials believed that Chinese economic backwardness was due to general ignorance, and this ignorance demanded rectification. Openness had once again spawned a competition that encouraged a reassessment of Chinese values, something that had not happened in earnest in centuries.°°

In Shanghai during the treaty port era, compradors consciously and intentionally, for one of the few times in China’s history, copied a foreign culture. They also closely collaborated with opium dealers. Profit and capitalism superseded concerns about morality. The opium trade, which had been pioneered by people like Scotsmen William Jardine and James Matheson (as well as the American Warren Delano, grandfather of FDR), had later been taken over by Baghdadi Jews like the Sassoons and Khadoories. They in turn had been supplanted by Chinese merchants centered in Shanghai. Each group had later definitively abandoned the trade. Jardine Matheson eventually became the largest legitimate trading firm in China, and a pioneer in the building of textile mills and railroads. Its managing director, William Keswick, was by the 1930s the undisputed leader of society in the foreign settlements. The Sassoons would later became the largest real estate owners in the city, and the owners of the Cathay Hotel, the most fashionable in town. The English branch of the family produced one of the greatest of the World War One poets, Siegfried Sassoon. Both they and the Khadoories also became the city’s leading

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°° Yeh, p. 22.
°° Examples of this restructuring are the creation of a minister of commercial treaties in 1899 and the establishment of a “merchant code” and “corporation code” in 1903. These pieces of legislation indicated a shift in Chinese law, which had long been a semi-static vestige of older Qing code, to adjust to changing social climate. If laws are somewhat reflective of social morals and values, the adoption of these codes emphasizes a shift towards commercial venture throughout China. Openness to foreign ideas, and the competition foreigners brought to the Chinese market, mandated a shift in Chinese policy.
philanthropists. By the 1930s the drug trade was dominated by unabashed gangsters operating out of the French Concession. By that time, too, Chinese merchants of the type who at one time had even supplied arms to the Taiping rebels in a brazen disregard to Confucian emphasis on peace and harmony had moved on to gentler pursuits. Legitimate trade had become too massive, and profitable, for any need to have recourse to anything else.

By the 1930s Shanghai had reached the peak of its prosperity. Its port had become the fifth largest in the world, receiving 51 percent of China’s imports, and handling 30 percent of her exports. Foreigners had by that time invested more than three billion dollars in the city, the largest foreign investment in any metropolis in the world. Chiang Kai-Shek’s Nationalist government had also decided to keep most of its silver reserves in the city’s four largest Chinese banks: The Bank of Communications, the Central Bank, the Farmers Bank and the Bank of China. This last now enjoyed a proud place on the Bund alongside the greatest foreign firms. With a population of over three million (including approximately 48,000 foreigners) Shanghai by the eve of the Second World War had never seemed so vibrant. Even the Great Depression had less of an effect there than almost any place on the planet.

The Chinese government had by that time also begun to modernize the administration of the sprawling Chinese parts of the city with the 1927 creation of the Greater Shanghai Municipality. It had in this regard learned much from the Western presence in the city, and the largely British administrative control of the International Settlement. It had not only adopted but embraced some Western traditions and prospered in a global context as a result.

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73 Dong, pp. 109-111.
74 Ibid., p. 209.
75 Ibid., p. 224.
76 Ibid., p. 209.
The extraterritoriality of Shanghai also allowed a freedom of speech otherwise unknown in China. Radicals of all kinds found a haven in the foreign controlled areas, and the educated youth of the twentieth century took full advantage of it. Political activists gathered in Shanghai to proselytize for government reform. It was in Shanghai that Sun Yat-Sen established his base, out of the reach of the Chinese authorities while urging the public “to both overthrow and murder the Qing.” Sun had had at least one close call. He had been kidnapped in London by Qing agents, and held prisoner in the embassy there until the British government demanded his release. He probably felt safer in his very comfortable house in the Rue Moliere in the French Concession. Chou Enlai, then a young Communist operative equally fond of his comforts but later the first Premier of the People’s Republic of China under Mao, also stayed for extended times in the Concession.

The rule of law was one of the things educated Chinese found most impressive about the International Settlement. The efficient administration of the concessions was another. They wanted similar courts in their own country. The foreign powers had promised to end extraterritoriality once a modern Chinese code was created. After the fall of the Qing in 1911, the Nationalist government acted quickly to do this. The changes in the Chinese legal system was another example of China adapting to the new global reality through interaction with foreign nations in Shanghai.

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77 Denison et al., p. 82. Robert Nield also noted the irony that “with its free Chinese press and general laissez-fair attitude, the International Settlement provided a safe base for people to meet and share grievances.” The only thing the SMC was more intolerant of than equality for ‘lesser’ Chinese in Shanghai was allowing China to enter the city to seize and arrest political dissidents. Shanghai refused to relinquish whatever sovereignty it had, making it a safe haven for radicalism.

78 Ma Lum Yansheng; Raymond Mun Kong Lum, Sun Yat-Sen in Hawaii: Activities and Supporters (University of Hawaii Press, 1999), pp. 38-39.

79 Dong, p. 239.

80 Dong, p. 89.
There were many other radicals who found safety among the foreigners, and a wide number of Chinese publications consistently attacked the Beijing government. One of the most prolific, Tsou Jung, was so persuasive, and the concomitant protests of the Qing government so insistent, that the Settlement government decided for once to act. Tried in 1904 before the Mixed Court, the young author was sentenced to two years in the Settlement jail. This, however, was more of a humiliation for the central Qing government than any repression of free speech. They had expected him to be executed.\(^{81}\)

This was hardly the whole story, or even that which was most important. As Dong also reports, the Shanghaiese were China’s most progressive people. She notes that “in contrast to Beijing, which deliberately pickled itself in the past, Shanghai had schools and universities teaching Western learning, a thriving urban press, and a politically informed citizenry. And where “bureaucrats ... shackled to the weight of tradition dominated the capital, Shanghai was full of innovators, iconoclasts and self-made men.” Unwittingly supporting the effects of openness, she went on further to state that “exposure to foreign influences had given them a worldliness and a receptivity to new ideas that their country cousins lacked.”\(^{82}\)

Despite, or perhaps because of, the freedoms enjoyed in the concessions, radical criticisms were also directed against the Settlement itself. There were many good reasons why this should be so. The British had developed many unhealthy habits in India. Racism was among the worst, and Chinese were frequently irritated by insults both great and small to their dignity. Until 1927 no Chinese, however wealthy or cultivated, could buy a first-class ticket on any of the British boats that dominated coastal and river traffic. They could not enter the

\(^{81}\) Ibid., pp. 80-81.
\(^{82}\) Ibid., pp 77-78.
Shanghai Public Gardens, and were always made to feel a little unwelcome on the Bund. Worst of all, they were entirely shut out of Settlement government until the mid-1920s, even though they made up 95 percent of the Settlement population, owned 90 percent of the property, and were taxed at the same rate as foreigners.\textsuperscript{83} Reversing the argument made by American revolutionaries, the Chinese demanded representation because of taxation. In the curious way of the British, they had conducted themselves so as to inspire admiration, and at the same time acted badly enough for the Chinese to wish them gone.

They did not have long to wait. The Japanese invasion of China in 1937, following the 1931 conquest of Manchuria, entirely destabilized the situation of foreigners in the country. The Settlement was overrun in 1941 following Japan’s declaration of war against both Britain and the United States. By 1945 China had been massively devastated. The civil war that soon followed ended in Communist victory. Chinese entrepreneurs who had been trained in Shanghai fled to British Hong Kong, where they would eventually make that small capitalist enclave richer than all the Peoples Republic of China.

\textsuperscript{83} Ibid., p. 78.
4. Mao and Modern China

If Shanghai during the treaty port era demonstrates how openness leads to innovation and general social improvement, the thirty years of Mao’s leadership attest to how lack of competition leads to social stagnation and disaster. Importantly, the reforms of Deng Xiaoping that immediately followed Mao’s departure opened China and it grew exponentially (and continues to). Mao launched two campaigns in his long and melancholy rule, the Great Leap Forward of 1958 to 62 and the Cultural Revolution from 1966 to 1976. The latter was supposed to work for the eradication ideas that were not in accordance with the ideology of the CCP. The cultural competition and hybridization that defined Shanghai in the nineteenth and early twentieth centuries was now replaced with closedness and monocultural domination of domestic policy.

Although Mao’s two great initiatives were equally disastrous, they in fact drew inspiration from very dissimilar sources. The Cultural Revolution was entirely inward looking, and centered on the glorification of Mao himself. The Great Leap Forward, however, had been largely inspired by foreign models. In conjunction, they both highlight how closedness does not necessarily mean insularity from all foreign influence. Closedness is instead typified by a lack of public debate and competition. Mao prohibited all criticism of socialism, and China suffered as a direct result.

Until the late 1920s the Chinese Communist Party had been tutored by the Soviet leadership in the Kremlin through the Comintern. Their instructions were largely to base the Chinese revolution on the Russian model. The only dependable revolutionary class was the urban proletariat. Revolution had therefore to be made in the cities. This proved a disastrous mistake, when in 1927 Chiang Kai-Shek was able to easily crush a workers’ rising in Shanghai,
the only Chinese city with a large factory work force. It was only after that that Mao could gain preeminence within the Party by advocating revolution in the countryside (and also ruthlessly eliminating all his rivals). Yet even after taking advantage of the chaos and Nationalist moral bankruptcy after 1945 to win control of the country, he still felt himself a thrall of Stalin. Terrified when summoned to Moscow in 1950, he had been certain he would never return alive. This did not prevent him eight years later from launching his Great Leap Forward, Russian-inspired plan for the collectivization of agriculture. Mao combined his own peculiar ideas about rural industrialization with socialist collectivization. Both efforts were catastrophic failures under his Great Leap Forward. The economy shrank to porous levels, and deaths caused by collectivization alone are estimated between 18 and 55 million people.\textsuperscript{84}

There was one brief moment during Mao’s time where he had allowed open political discussion, and even criticism of the government, but it resulted in a further entrenchment of Chinese closedness. Known as the Hundred Flowers Campaign, it immediately preceded the Great Leap Forward and characterized a dramatic policy shift under Mao. The reasoning behind it was that through encouraging an open dialogue the leadership believed socialism would be perceived as the best system of government. It had been proclaimed as “a policy of letting a hundred flowers bloom and a hundred schools of thought contend . . . to promote the flourishing of the arts and the progress of science.”\textsuperscript{85} It seemed to be a perfect expression of openness. But it only lasted until 1957, less than a year, when both national and global events convinced Mao and the Party that such a policy was untenable for the maintenance of dictatorship. The rapid


\textsuperscript{85} Harry Hongda Wu; George Vecsey, \textit{Troublemaker: One Man's Crusade Against China's Cruelty} (Times Books, 2002), p. 49.
extinction of this brief period of toleration highlights the reluctance of a socially dominate group to relinquish any power. It highlights social resistance to a policy of openness.

Prior to 1956, Chinese intellectuals and scholars had been afraid to express criticism or concern about government for fear of retribution. The Hundred Flowers Campaign was intended to promote socialist institutions, but the initially hesitant critical commentary quickly ballooned out of control. Simultaneously, the 1956 secret speech by the new Soviet First Secretary Nikita Khrushchev severely altered Chinese-Soviet relations. During the Chinese Civil War America had conspicuously assisted Chiang Kai-Shek. Mao saw China as one of the few bastions of socialism. He took a strong stance against capitalist societies like America and took his inspiration from Stalin, from whom he had adapted his hard-line doctrine. Khrushchev’s secret speech, however, revealed a very different global perspective from that of his predecessor. Khrushchev wanted to keep the peace through international diplomacy. Mao, interpreting such actions as a danger to his regime, wanted just the opposite. Mao sought to make China a paragon of socialist values, showcasing to the world its glory and strength. To do so, he thought it best to forcibly disallow any discussion of different ideologies.

Communism was the sole ideology espoused throughout China under Mao, but his interpretation of it had started to come under attack both domestically and abroad as the failures of his Great Leap Forward continued to mount. Criticism on his industrial policies were equally cogent, and hard-hitting. The drive to increase steel production through back yard furnaces had been absurd from its conception. The “scrap metal” local people were called upon to deliver for turning into steel were usually cooking utensils, farm implements and even bicycles. Melted down with wood fires that largely depleted whole regions of trees, the product was only pig iron
and had no practical industrial use.\textsuperscript{86} Any domestic criticism of his policies was met with swift retribution.

Mao’s policies in the countryside were equally destructive. One of the worst was the high demands he had placed on production and output by each commune. Determined to see the country prosper, he had experimented with controversial agricultural techniques and expected entirely unrealistic results. Within the communes themselves, anyone who criticized these innovations or advised other methods were reduced through psychological and physical violence into submission. Overall, the Great Leap Forward was an unmitigated disaster.\textsuperscript{87}

Mao’s reaction to well-merited criticism was to become more repressive. This change in policy from the days of the Hundred Flowers Movement highlights the marked difference between policies of openness and closedness. It also illustrates an intellectual intolerance that was both the inspiration for, and the product of, closedness. The deleterious effects on society were obvious. While the Hundred Flowers Campaign did not last long enough to see positive results, the Great Leap Forward killed millions in a few short years.\textsuperscript{88} The brutal way in which communist programs were instituted by force, regardless of their popularity, would characterize the dictatorship until Mao’s death.\textsuperscript{89}

The contrast between the hundred years of treaty port era Shanghai and the 30 years of Maoist China is striking. In one, the opening of society to an exchange of ideas, albeit tenuous and at times hostile, led to the development of a city that dwarfed any other place in China in productivity. Cultural exchange was one of the main pillars of Shanghai life, and it had

\textsuperscript{87} Dikötter, pp. 298-304.
\textsuperscript{88} Dikötter, p. 324.
\textsuperscript{89} Wu et al., pp. 68--.
contributed to unprecedented prosperity. Even Shanghai’s architecture reflected imaginative and ambitious “Eurasian” projects that explored the best qualities of Chinese and European aesthetics. Ironically, among the many things its freedom of expression had fostered was the Chinese Communist Party, founded in the city in 1921.90

It was only in the last decade of his life that Mao revealed the true extent of his madness. The so-called Great Proletarian Cultural Revolution mobilized millions of students and young people to attack the established Communist bureaucracy. Schools were closed for a decade. Libraries were burned, and ancient temples and antiquities routinely ransacked and destroyed. Even the decayed remains of the Ming emperors were dragged from their tombs, posthumously denounced, and burned. Mao’s Little Red Book containing his idioms were officially held to be everything anyone needed to know, a notion that reinforced a completely closed mindset. Pledging “bondless faith in Chairman Mao,” youthful Red Guards fought against the “Four Olds” - old customs, culture, habits and ideas. Mao seemed determined to erase all history before himself in order to magnify himself. Estimates of the numbers of those killed during the Cultural Revolution vary widely from 400,000 to almost ten million. What is very clear is that Mao turned China inward, away from the rest of the world, so that it could center on himself. There are few moments in Chinese history in which the country was so isolated from the rest of the world, and so rejecting of every element of foreign influence. Mao Zedong left the economy utterly broken and the country impoverished.91

90 Schram, Stuart, Mao Tse-Tung (Simon & Schuster, New York, 1966). At this time, it was known as the Kuomintang (KMT) and headed by revolutionary leader Sun Yat-Sen. After his death, Chiang Kai-Shek became its leader and reformed its constituency to remove its more communist elements.
Under Mao, a single and increasingly eccentric political vision enjoyed total control over public discourse and policy. Unchallenged in any way, it then developed in the most monstrous directions, reducing the population through famine and crippling the economy through the devastation of the country’s agricultural and industrial base. The reluctant tolerance of difference, the underlying openness that defined Shanghai life, was nonexistent. It would make a return, however, after Mao’s death. The limited shift to a policy of openness caused immediate and shocking levels of growth.

Thoughtful Chinese were well aware by the end of the 1970s of how low China had been brought. The existence of rule of law in the old treaty ports as well as extraterritoriality had worked to bring about major reforms of Qing judicial practice. Mao, headless of any law or foreign moderating influence, had been entirely unrestrained in his madness. But it was the very extremism of the Cultural Revolution that propelled Deng Xiaoping’s astonishing reforms after 1980. He was determined to bring about a capitalist revolution in China. How else can one interpret statements like this?

“We mustn't fear to adopt the advanced management methods applied in capitalist countries (...) The very essence of socialism is the liberation and development of the productive systems (...) Socialism and market economy are not incompatible (...) We should be concerned about right-wing deviations, but most of all, we must be concerned about left-wing deviations.”

Deng called for “socialism with a Chinese face.” This was not quite as disingenuous as it might have seemed. Shanghai had been the face of Chinese capitalism. And as it had been an example to China before, so it would be again. In a complete rejection of Mao’s policies of economic self-reliance, Deng opened China to the West. He actively sought foreign investments,

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and encouraged China’s engagement with the global marketplace. Instead of war on the Four Olds, Deng pursued the Four Modernizations - in agriculture, industry, defense and science and technology. For this he needed capital. Modern machinery was bought from the West and Japan, and Chinese who once again were permitted to study aboard brought back the latest Western technology and advanced business training. Special capitalist economic zones were created to attract foreign investors with the promise of cheap labor. A bonus system was introduced in factories, and farmers were allowed to sell most of what they produced for their own profit.\textsuperscript{93}

The realized growth of the Chinese economy under a policy of openness, especially when compared to one of closedness, speaks volumes of its efficacy. According to data from the World Economic Forum, China’s annual GDP ballooned from an average of six percent from 1953 until 1978 to over nine percent from 1978 through 2012.\textsuperscript{94} In other words, Chinese economic activity had an average growth rate 150% higher under openness than closedness, even keeping the form of government static throughout.

Perhaps the most remarkable symbol of the apotheosis of Shanghai and the economic system that it learned from the West and nurtured in itself was the career of Rong Yiren. The Rong family had, prior to 1949, built an industrial empire of twenty-four flour and cotton mills that had made them one of China’s richest families. Almost uniquely among the country’s capitalist elite, they had remained in China after the Communist revolution. Their cooperation with Mao’s regime had won them a comfortable place in the People’s Republic until the Cultural


Revolution, when they lost most of their property and almost lost their lives. But Rong Yiren came to new prominence under Deng. A graduate of Shanghai’s pre-revolutionary St. John’s University, he, astonishingly, eventually became the vice president of the People’s Republic. As such, he became heavily involved in opening the Chinese economy to western investment.95 A family that had made its fortune within open Shanghai had become instrumental to the reopening of all of China.

95 Borthwick, pp. 11-17.
5. Conclusion

The assertion that openness has a positive effect on social development, despite all the problems that arise within a conflict of civilizations, seems intuitively correct. There are so many adages that laud the importance and salutary effect of exposure to different worldviews. For the individual, something as modest as studying abroad in high school or college, or even mingling in a cosmopolitan city with individuals of diverse cultural backgrounds, is viewed as vital for personal growth. Why should this not be the same on the macro level for an entire society? Scholars like Ferguson take this assumption for granted. The aim of this work has been to examine and explore this dynamic inter-cultural relationship in the cradle of the future modern China - Shanghai.

Treaty port life provided *real opportunity* to synthesize something new by combining Eastern and Western ideologies in a relatively peaceful community. It is this latter that especially impressed educated Chinese of the period. At the most practical level, the ports provided a haven for the wealthy and well-educated during the dangerous and chaotic period stretching from the Taiping Rebellion in the 1850s through warlord rule in the 1920s. They were at times the only places where successful entrepreneurs were safe from extortion, kidnapping and murder. The extraterritoriality of the treaty ports, moreover, meant that experimentation with social order was necessary to maintain a peaceful equilibrium. The various disparate communities had to be open to change to survive. Cheaper than their European peers, Western-educated Chinese citizens were hired for architecture, construction, and business consultation, among other professions. Chinese skills were often employed to solve European problems. This led to treaty ports developing into hotbeds of creativity and ideological exploration.
The results speak for themselves. A policy of openness within Shanghai appears to have directly contributed to its transformation into a city of global success and renown. The viability of openness is further supported by the concomitant closedness of inner China and its inability to replicate the developments of Shanghai without looking outside of itself for inspiration. Over the past two hundred years of Chinese civilization, periods of growth and periods of decline appear to have coincided with moments of openness and closedness, respectively.

Difference can be synonymous with strength. Mankind is at an epoch in its history where global interaction occurs at unprecedented levels. Now more than ever the relationships of how we influence each other need to be better understood. There is ample opportunity for further research to explore this dynamic relationship. The institutions established in Shanghai assisted in fostering a community of relative tolerance and acceptance. It could be fruitful to explore the relationship between institutions and if they support openness. Studying the unique ability of humanity to witness an action and have it cause self-reflection, and potentially change as a result, is another useful avenue. The power dynamics of inter-relational communication, or how certain tactics empower some at the expense of others, is already a field rich with possible contributions to a theory of openness. Social borders are both reified and perforated daily through channels of cross-cultural communication. It is essential that we better understand the kinds of influences that encourage or inhibit healthy development to further elevate all of mankind.
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