Review Essay

Shanghai in the Long Run

Christopher Howe

Histoire de Shanghai. By MARIE-CLAIRE BERGÈRE. [Paris: Fayard, 2002. 520 pp. €25.00. ISBN 2-21360-955-1.]

Marie-Claire Bergère has written a remarkable and much needed history of modern Shanghai. Modern in this context is defined as the period that began with the arrival of foreigners in Shanghai after the Treaty of Nanjing (1842). The study concludes with the 1990s and China's imminent entry into the WTO.

This book is the result of more than forty years of research and thought. The author first encountered Shanghai in 1957, on a visit described as being on a "fishbowl" basis. That is to say she saw what her hosts wished her to see, but remained totally unaware of the violent anti-rightist struggle then raging around her. She was, however, drawn to the fascination of this extraordinary city, "submerged by the storms of history."[1]

The author's first important publication in Shanghai scholarship was a monograph on the 1911 financial crisis. This was based mainly on the volume of materials on the history of the native banks published in 1960, a time when collecting materials for the economic history of China was one of the few risk-free occupations for scholars in China.[2] She then developed her core work: an analysis of the city's development during the "Golden Age of Chinese Capitalism." This she defines as starting in the First World War boom, ending its first stage in the counter-revolutionary coup of 1927, but extending until the Japanese invasion of 1937. She has held consistently to this "Golden Age" image and framework, but has now extended her researches back into the 19th century and forward into the 1930s and 1940s.

In developing this new book she has been able to draw on and integrate into the narrative many sources. These include new research done in China and some outstanding projects completed in the west during the past two to three decades.[3] By drawing on the many disciplines represented by these efforts, in addition to the central themes of diplomatic, political and business history, this new book includes major excursions into literary, intellectual and cultural topics as well.

1. "… cette cité engloutie par les tempêtes de l'histoire."

2. Marie-Claire Bergère, *Une crise financière à Shanghai à la fin de l'Ancien Régime* (Paris-La Haye: Mouton, 1964). The source was *Shanghai qianzhuang shiliao* (Historical materials for the history of the native banks) (Shanghai: Shanghai Peoples Publishing House, 1960).

3. An incomplete list of notable contributors would include Parks Coble, Sherman Cochran, Bryna Goodman, Emily H*FF01FF51*nig, Leo Ou-fan Lee, Linda Johnson, Alain Roux, Françoise Ged, Brian Martin, Frederic Wakeman Jr., Kerrie Mcpherson and Lynn T. Whyte III.

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The fundamental viewpoint of the book is that Shanghai has been a unique, "Other China." This "other" China was formed by the interaction between foreigners and a complex local Chinese society, and able to flourish and influence the broader stream of Chinese history as a result of peculiar and transitory political circumstances. The author emphasises throughout the importance of the fact that before the Treaty Port was designated local Chinese society was highly developed and also well established in the wider East-Asian trading framework, as conceptualised and described by Takeshi Hamashita and his followers.

The key characteristic of the city has been its combination of a cosmopolitan outlook and an entrepreneurial spirit. As these elements unfold, Shanghai pioneers not only new industrial and commercial technologies and new standards of physical infrastructure, but also modern forms of local government, democracy, nationalism and revolutionary activity. Shanghai thus became the birthplace not only of the Communist Party, but also of that symbol of 20th-century capitalism, the modern Department Store. In the process of fulfilling all these roles Shanghai becomes a natural battleground on which neo-Confucian values struggled against a tidal wave of new, exciting and distinctively sinified forms of contemporary western culture.

One other theme emphasized throughout the study is that Chinese society in Shanghai from the Treaty Port days down to the present, has been beset with fractures and tensions. Before 1949 these fractures frequently had a strong regional basis. Since 1949 the economic class divide has been much more important reflecting – often in extreme forms – the gap between those in the large-scale sectors on the one side and, on the other, the immigrants and late arrivals who struggle to survive on the margins of the labour market with no formal safety nets to rely on. For most of this period the privileged were those in state-sector economic and bureaucratic organisations, but to these (now reforming structures) have been added the new opportunities and advantages of employment in the foreign and private sectors.

The narrative of the book falls into four broad periods. These are: 'The Open Port" (1842–1911); "The metropolitan city" (1912–1937); "End of a world" (1937–1952); and, Shanghai under Communism. The latter effectively divides into "Maoism" (1952–1980s) and "The Renaissance" under reform (1990–2000).

There is a nice symmetry in this arrangement of rise, fall, and rise again, but the details are much more complex and it is impossible in the space of a review to do justice to the riches of a 500-page narrative. Highlights, however, include the following:

The account of the French dimension is naturally full. For this the author has used French diplomatic archives, studies of the key French participants, memoirs (including the immensely informative and beautifully written volume by Jacques Guillermaz) and, most recently, interviews with old Shanghaiese once attached to the French Consulate.[4]

4. Last edition, Jacques Guillermaz, *Une Vie pour la Chine. Mémoires 1937–1993* (Paris: Robert Laffont, 1993).

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The chapters on the 19th century bring out with much important detail the way in which foreigners interacted with an initial settlement embedded in a regional framework already complex in terms of production, exchange, and collective institutions of various kinds. It was the strength of these hinterland networks of social support, credit, and co-operation that made possible the rise of an intensive and successful sino-foreign collaboration around the port of Shanghai itself.

Although not partitioned as a major era in the book, the Treaty of Shimonoseki (1895) which provided the legal basis for foreign direct investment in China was clearly an important watershed. Thus by the beginning of the 20th century the legal-institutional evolution of Shanghai was sufficiently advanced and, almost as a chance of history, its de facto insulation from the chaotic dynastic decline in China sufficiently secure, that it had the basis on which it could take advantage of the extraordinarily favourable circumstances of the First World War to initiate their "Golden Age."[5] By the inter-war years, however, the emerging business class in Shanghai found itself besieged by anti-capitalist sentiments and movements coming from both the right (the Kuomintang) and the left (the Communists).

Parallel to the economic story, the author explores the changing worlds of culture in the widest sense. Poetry, novels, films, advertising, photography, interior decoration, bar girls, all come in to the wide-ranging picture as incomes at first boom and the rich seem to become irreversibly rich. This is a dimension of Shanghai with interesting echoes in the history of Hong Kong after 1950. It is also a story with many threads that were picked up again in the Shanghai of the 1980s and 1990s.

Finally, the dark terrors of the Japanese occupation (1937–1945) and then of the renewed Kuomintang entry into the city are graphically described. Of special interest in the wartime period is the French dimension since this involved the interaction of two puppet regimes: Wang Jingwei aligned with the Japanese and Vichy aligned with the Axis powers in France. This worked quite well for the comfort of the French, at least until 1943 when the French Concession was suppressed.[6]

The treatment of the Communist period occupies only two and a half of the book's fourteen chapters. Based almost entirely on secondary sources this obviously does not have the depth of the earlier narrative. These chapters do, nonetheless, provide a framework for understanding the complete overview and a platform for the author's final reflections. These chapters include discussion of economic development, population policy and the rise of political radicalism in the Cultural Revolution. The

5. The First World War created demands for many goods in Europe and America, while cutting off western exports to Asia. These circumstances were extraordinarily favourable to industrialisation in Asia, and most especially to Japan, which emerged from the war as a modern industrial power in both the light and heavy sectors of industry.

6. For example a French police inspector was put in charge of the 8th Arrondissement that included the old French Concession, and over one hundred French officials went to work for the urban administration of Wang Jingwei who, otherwise, largely recruited from the ranks of mobsters and criminals, see pp. 335–337.

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decisive break in the post-war history comes not in 1978, but after the rise of Jiang Zemin and Deng's conversion to a more Shanghai-oriented reform strategy in 1990. In the account of the lobbying and preparation for this delayed change, even an abbreviated account should have mentioned the significance of the economist Mayor of Shanghai, Wang Daohan.[7]

The author's conclusion is that Shanghai remains a strange hybrid. Before 1937 the complex sino-foreign relationship formed an entity distinct from the mandarin-based society of Beijing and from the comprador mentality of Canton and the south. Today, the tensions and creativity arise in the context of an ongoing struggle between the city's traditional entrepreneurialism and the incubus of bureaucratic inflexibility and a still dominant public sector. Indeed, the private element in the Shanghai economy remains extremely small, and foreigners and overseas Chinese are the principal sources of dynamism. Only a thorough political reform is seen as the solution to these contradictions.[8]

Many reflections arise from reading such a far-reaching study. The main ones that occur to me are the following:

The book is illustrated by numerous maps and photographs, all of which are very illuminating although the reproduction quality of the latter is rather basic. It does, however, seem surprising that a study in which economic history and development loom so large does not have tables or diagrams. The reader might easily take the implication that data sets (series or cross-sections) are too unreliable for such treatment. But this is simply not the case, even for the pre-war years when D.K. Lieu and others did so much to assemble basic information. For the post-1949 chapters there is an abundance of usable data.

The bibliography and index could have been much more usefully presented if they are intended to be helpful to other scholars. The bibliography lists only selectively the material cited in the footnotes. Even a monograph by the author is omitted – a quite uncalled for reticence! Also, more description of archival materials and key Chinese sources would have been useful. The index is another problem. It is a minimal personal name index and although there is a fairly full *Table des matières* there is no *Table analytique* (so often a strength of the older generation of French historians). In other words one cannot look up the Green Gang, the May the Fourth Movement, boycotts, population or other major subject areas. In a large and comprehensive book that should draw readers with very diverse interests, this is a pity.

One source that is hardly used at all (except occasional quotes from other authors) is *The North China Herald*. This seems very strange. The

7. Wang Daohan became Mayor in 1981. On retirement in 1985 he supported the promotion of Jiang Zemin. He actively encouraged foreign investment and joint ventures in Shanghai and had very detailed plans for Shanghai's development fully in place in the late 1980s. (Personal meeting.)

8. Only 8.2% of Shanghai's GDP and 7.2% of its industrial output came from the private sector in 2000, *Rushi hou Shanghai de zhanlue diwei* (Shanghai's strategic stance after WTO entry), Shanghai: Shanghai renmin chubanshe, 2002.

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paper ran for nearly a century and must have more detail on the foreign concessions in Shanghai than any other publication. Had it been used, for example, the early industrialisation of Shanghai and especially the role of silver and the story of the extraordinary Bimetallic League could have been analysed much more clearly.[9]

There are two dimensions of Shanghai on which some further emphasis would have been justified. One is the ecclesiastical. The French were particularly concerned with this sphere partly through specific Treaty obligations, partly through the origins of their Settlement, and even through links with various orders – especially the Missions étrangères de Paris. By 1930 there were at least eleven missionary orders in Shanghai. These were running a famous university, eight schools and six hospitals. On the educational side alone these institutions were teaching 9,000 students, the majority of whom, remarkably enough, were girls.[10] At Zikawei, the Jesuits not only engaged in and published much research, but through their observatory laid the foundations for our knowledge of climate in East China. This community also built a French-style gothic cathedral whose stained glass, destroyed in the Cultural Revolution, is currently being renewed by a Chinese artist trained in this medieval craft in Europe.[11] In the Chapter on the 1950s, although the author used the valuable near-contemporary source by Jean Lefeuvre, she does not make the basic point that the arrest of Bishop Kiung Pin-mei in Shanghai on 8 September 1955 set the framework for Sino-Vatican relations for several decades.[12]

The other under-developed dimension is the Japanese one. Shanghai was enormously important to Japan. It was after all the Japanese who secured the right of foreign direct investment in China and they used it vigorously in Shanghai to invest in industry and services. At its peak in the mid-1920s, nearly half of all Japanese cotton investment (i.e. domestic *and* foreign) was going into spinning mills in China, particularly Shanghai.[13] This was probably the first large-scale *délocalisation* of manufacturing industry in history and the beginnings of globalisation as we see it today. This investment effectively destroyed the British and American competition in Shanghai, but failed to stop the steady rise of the Chinese textile entrepreneurs who learned so much from it. This story has to be a crucial part of our understanding of the inter-war development of Shanghai. Further, when the Shanghai textile men decamped to Hong

9. As the author points out, the silver story was crucial in the "Golden Age." However, prior to that, the debate over silver and gold standards and their importance for Shanghai were hotly debated in the NCH and elsewhere. In the event, India and Japan went on the Gold Standard giving the Shanghai producers a crucial cost advantage as early as the 1890s.

10. Bureau Sinologique de Zi-ka-wei, *Missions, séminaires, Œuvres catholiques en Chine* (Shanghai, 1930) pp. 51–2, 63–4.

11. The artist is Wo Ye. She has now put in place 56 panels of glass and has a further 865 panels to complete this extraordinary and historically significant task. *Far East*, December 2004.

12. Jean Lefeuvre, *Shanghai: Les Enfants dans la ville* (Paris: Casterman, 1961).

13. Takamura Naosuke, *Kindai Nihon mengyo to Chugoku* (The modern Japanese cotton industry and China) (Tokyo: University of Tokyo Press, 1982).

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Kong after 1950, they took their Japanese learned technologies with them, thereby laying the foundation for arguably the fastest of all post-war industrialisations.[14]

There is one further aspect of the French connection with Shanghai which this book does not clarify for me. This is the question: what exactly were the French doing in Shanghai at all? In discussing the initial western involvement in Shanghai the author argues for a pragmatic, incremental story, with the French mainly interested in a diplomatic presence and protection of missionaries. She particularly emphasises the *gung ho*, gunboat-based style of Consul Rutherford Alcock and the background of British experience in India. Alcock was indeed a remarkable person, so impressed with Chinese craftsmanship that he submitted a Chinese bed to the Crystal Palace Exhibition of 1851. The bed won a prize, but Alcock's political significance was that he came to believe that localised Treaty Port control – reinforced by distant but generally *unimplemented* threats of force – was far superior to the "Indian system" of geographically comprehensive direct rule.

Returning to the French, there are two levels at which one would like to know more. First, at the "high" level we need to know whether Shanghai fitted into some broader French conception of itself in the world. The national mood in France swings quite widely. After Napoleon's defeat by Wellington and Blücher in 1815 the mood went sharply down and was not alleviated by an unsuccessful Bourbon Restoration. But matters changed dramatically after the popular Revolution of 1830. For the celebrated historian Michelet this was "L'éclair de Juillet". So inspired was Michelet by the new turn of events (which he likened to the emergence of Dante from the tunnels of Hell to the clear light of Purgatory) that he developed a new theory of universal history. This proclaimed France "… my glorious country, henceforward to be the pilot of the vessel of humanity."[15] Supported by a long economic upswing this national mood lasted until defeat in the Franco-Prussian War (1870) but revived again for the Paris Exposition of 1900. During these decades French colonial interests expanded markedly, notably in Indo-China. Did none of this count for anything in Shanghai? Further aspirations for a world role persisted through the 1930s (there was a grande Exposition coloniale in 1931). And, even as late as 1941, when the French were certainly hanging on in Shanghai, a new history proclaimed that a "thousand years" of colonial experience now provided the basis for a glorious future of worldwide Franco-foreign development.[16]

14. Judith Mary Nishida, *The Japanese Influence on the Shanghainese Textile Industry and Implications for Hong Kong*, MA Dissertation, University of Hong Kong, 1990, esp. pp. 107–175.

15. "… l'auteur arrivait, et par logique et par l'histoire, à une même conclusion: c'est que sa glorieuse patrie est désormais le pilote du vaisseau du l'humanité." Quotation from the 1831 *Préface* to J. Michelet, *Introduction à l'Histoire universelle* (Paris: Calman Lévy, 1879) and discussion in Jean Guéhenno, *L'Évangile éternel (Étude sur Michelet)* (Paris: Bernard Crasset, 1927), Chap. 4.

16. "Toutes nos colonies apparaissent comme une suite d'expériences, déroulée depuis mille ans … pour construire un monde nouveau." Publisher's introduction to Robert

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The other level of question is: what kind of Frenchmen actually went to Shanghai and for what purposes? Clearly missionaries went to preach, diplomats to govern and intrigue, and French policemen to make their fortunes with kickbacks from mobsters and drug dealers. But what of the rest – especially businessmen? There are some interesting parallels with Japan here. The French held high hopes for their role in Japan in the 1870s and 1880s; at one time staking a claim "to become in Japan what the British are in China." However, even though there were very direct economic incentives to this relationship (the problems of the Lyonnais silk trade) the French initiatives had disappointing results. One analysis of the French business failure in the Far East blamed social and educational factors. The young French bourgeois it was claimed, knew nothing of "overseas," had a comfortable life in France, and if he tried to make a career abroad would not find a nice wife to go with him. In this respect a French author compared his compatriots unfavourably with the British, Americans, Germans and others.[17] How far does the evidence from Shanghai support this viewpoint?

This is all Shanghai's past, what of the future? The author believes that the Shanghai model is the one that "more than a billion" Chinese would like to emulate. This is a fine notion, but it remains an assertion without evidence. Whether the Chinese regions will converge in their socio-institutional patterns is too important a point to be left to the last page of a long book. It may be that Beijing and Canton models will co-exist with a Shanghai one. Also, insofar as popular preferences determine the outcome, it is clear that many of the Jiangnan residents one talks to much prefer the quieter, more cultivated lives they can lead to the turmoil of traffic, money, power shortages and corruption that they see in contemporary Shanghai. Thus the uniqueness of Shanghai may prove a more lasting phenomenon than the author of this important book proposes.

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footnote continued

Delavignette, *Petite histoire des colonies françaises* (Paris: PUF, 1941). The thousand years began with the Frankish Kingdom of Jerusalem, established by Godfrey of Lorraine at the end of the First Crusade.

17. See Leo Byram, "Why we are defeated," in *Petit Jap deviendra grand!* (Paris: Berger-Levrault, 1908), Chap. X. Byram underlies his analysis with many statistics of the poor foreign trade performance of France in the Far East, especially in comparison with the British and others. On the question of wives and lifestyles, the Japanese believed that their devoted and frugal wives were a secret weapon of Japanese business competitiveness in Shanghai and China generally. See also, Richard Sims, *French Policy towards the Bakafu and Meiji Japan, 1854–1894. A Case of Misjudgement and Missed Opportunities* (Folkestone: The Japan Library, 1998).

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