

Lesson 8

Question for the Lesson/What you need to know in this lesson:

Defining “modern China”

What were Treaty Ports? Which were the Treaty Ports?

What roles did Treaty Ports play for the birth and development of modern China?

Were Treaty Ports boon or bane for China?

IB Questions

Role of Treaty Ports in the birth of Modern China

1. “Modern China was born in the Treaty Ports.” How far do you agree with this statement for the period 1860 to 1900? (N03, Q9)
2. “The new China was born in the treaty ports.” How true is this of the period 1860 to 1912? (M08, Q7)

Role of Treaty ports for rise of nationalism and modernization in China

3. “During the period 1860 to 1912 the treaty ports in China became centres for Chinese nationalism and modernization.” To what extent do you agree with this statement? (M06, Q7)

1. What is “modern China”?

Although the meeting of Western and Chinese history began in the 16th century, its effect did not become significant until the middle of the 19th century, when the intensified activities of the West led to radical changes in China

Thus, mostly the Western historians, western trained Chinese scholars and Marxist scholars, tend to regard the 19th century as the beginning of modern China

2. What were ‘Treaty Ports’?

At the turn of the century China was beginning to understand imperialism as a growing web that threatened to smother them. The forms of imperialism were many and various. After Britain’s victory in the Opium War, extraterritoriality protect foreigners from Chinese law everywhere, and treaty ports fell under foreign administration.

The post-Opium War treaties of the 1840s first opened five ports to foreign merchants and diplomats. Over the following decades, more coastal and riverine cities were opened (refer to attached map). In some of these cities, “concessions” were established where foreigners were essentially self-governing beyond the laws of the Qing and later Republic of China. As well, less formal but much broader “spheres of influence” were guaranteed by the right to send warships and armies into the interior. The most important spheres of influence were those of Britain in Hong Kong and Kwangzhou (Canton) and especially Shanghai, Hankow and Yangtze Valley, France in Kwangchow (Canton) Bay and Fujian, Russian and Japan in the northeast and Germany and Japan in Shantung.

By 1890 thirty-three cities were open to foreign trade and residence, and between 1894 and 1917. 59 more were added to the list and missionaries could legally set up missions anywhere after 1860s, while businessmen were supposed to get a passport to travel inland.

Not all the treaty ports housed sizeable foreign populations, but sixteen cities contained concessions which foreigners and their home government directly administered: mini-colonies in effect beyond the jurisdiction of the Chinese government. The largest concessions were in Shanghai.

In 1898 China granted 5 leaseholds or more extensive territories:

- (i) to Germany, Jiaozhou Bay in Shandong and over 500 square kilometres of the surrounding region, plus the right to build railroad lines and quarry mines for 99 years
- (ii) to Russia, the Liaodig peninsula in southern Manchuria, for 25 years plus the right to build a railroad line from Port Arthur to Harbin and exploit timber and mines along it
- (iii) to France, Guangzhouwan port in the southeast for 99 years
- (iv) to Britain, the New Territories opposite Hong Kong (already made a supposedly permanent British colony after the Opium War)
- (v) to Britain, Weihaiwei port "for as long as Port Arthur shall remain in the occupation of Russia"

The role of great power rivalry is obvious here. This rivalry ensured that no single-power would colonize China. Naturally enough, Chinese grew afraid that foreigners would simply carve up their land. The Powers also lay loose claim to spheres of influence: areas dominated by one of the Powers through a combination of treaty rights and de facto military presence. Spheres of influence coincided with economic penetration.

It was Britain, however, that held the system together, at least until WW1. Britain's domination of the lower Yangzi gave it the key to inland China, and Britain's economic confidence was the basis of a policy that tolerated the presence of the other powers in China. In other words, Britain opposed any nation claiming exclusive economic rights in a given port of China and supported a unified Chinese state.

Some tens of thousands of foreigners were living in China by 1900; over 400 000 by 1920, including Japanese, Korean and the Russian civilians moving into Manchuria to mine, log and farm. Missionaries made their way into most of China's countries. In the wake of the Boxer Uprising, the number of foreign and Chinese Roman Catholics priests and nuns climbed to over 5000 and the total number of Catholics rose from 721000 at the turn of the century to 2 million by 1920.

The number of Protestant missionaries also climbed, to over 6600, claiming 345, 853 followers. Various Protestant denominations maintained over 1000 mission stations; both Catholics and Protestants founded schools. By 1920, the Americans replaced the British in dominating Protestant missions while the French dominated the Catholic missions. But by 1920 too, the Protestant missions were paying less attention to saving the heathen from Hell and were more concerned with the "social gospel" of improving people's lives on earth: medical work, famine relief, recreational programs and schools and literacy.

3. Was modern China born in the Treaty Ports?/Were Treaty Ports boon or bane for China?

BOON	BANE
<p>A. Self-Strengthening Movement</p> <p>Refer to Various Modernization Efforts that happened in Treaty Ports – Refer to SSM Lesson/Notes – Military, ships, arms, factories, financial institutions, western schools and learning</p> <p>Overview: The government sponsored Self-strengthening projects centred mostly along the coast and in the treaty ports where foreign assistance was most readily available. Foreigners and their establishments – such as banks, trading companies, and factories – also located mainly in these ports and leased territories. The greater safety of these places and the concentration of foreign capital therein induced Chinese businessmen to migrate there, while displaced peasants also came to the cities seeking employment, usually ending up in factories operated by foreigners or Chinese entrepreneurs. Increasingly the treaty ports became the financial, industrial and population centres of China. Such sites as Shanghai, Nanking, Canton, Hankow and Tientsin expanded into urban centres of considerable size and wealth.</p> <p>B. Hundred Day Reforms</p> <p>Overview: Role of Missionaries and Role of Chinese Reformers who were influenced by what they saw in Treaty Ports as well as what they learnt through Western learning (books/ideas/various subjects and etc) – refer to HDR Lesson/Notes</p> <p>C. Late-Qing Reforms</p> <p>D. 1911 Revolution Concept of Revolution, Nationalism..</p>	<p>A. Budget Deficit</p> <ul style="list-style-type: none"> Beginning with the 19th century, the situation deteriorated Domestic rebellion, foreign wars, drought, flood, opium importation and silver outflow reduced the treasury reserve to a mere 8 million taels by 1850. A total of 70 million taels was spent suppressing the Taiping, the Nien and the Muslim rebellions. During the Kuang-hsu period (1875-1908), its expenditure resulted from foreign wars (Military Expenses Sino-French war (30 million taels), and Sino-Japanese wars (60 million taels), indemnities (Japanese indemnity 230 million taels), cost of foreign loans (deficit was caused largely by the cost and payment of foreign loans – 24 million taels, which amounted to 30% of the revenue The practice of borrowing money to pay former debts plunged the government into a hopeless mire, leaving the new Republican government a tremendous financial burden at its birth in 1912) and new Self-strengthening projects.
	<p>Trade Imbalance</p> <ul style="list-style-type: none"> Foreign imports continuously exceeded exports, causing a steady flow of capital Within the short period of half-a-century, imports rose nearly 9 times from 55 million taels to 471 million taels

	<ul style="list-style-type: none"> The entire late Qing period suffered from trade imbalance
Foreign Investment and Domination <ul style="list-style-type: none"> Development in late Qing economy was the dominating role exercised by foreigners in modern Chinese industries and enterprises Banking: Foreign banks and their branches in the treaty ports monopolized the financing of imports and exports in China To compete with the foreign banks, The Qing court approved, in 1898 of the opening of the first modern Chinese bank, the Commercial bank of China Shipping: To protect national interests, in 1872 Li Hung-chnag sponsored the creation of the China Merchants' Steam Navigation Company 	Foreign Investment and Domination <ul style="list-style-type: none"> Banking: Chartered Banks of India, Australia and China and the Hong Kong (1853) and Shanghai Banking Corporations (1865-65) (2 British banks) exercised a virtual monopoly over China's foreign trade. These foreign banks issued their own bank notes without any explicit permission of China but the foreign banks insisted that their extraterritoriality entitled them to the right and the feeble Qing court was helpless in doing anything about it. Shipping: In conjunction with trade, foreign firms often established shipping companies (such as Shanghai Steam Navigation Company – 1862), which led to a rapidly expanding and highly competitive international industry in Chinese coastal and inland waters – a right usually denied to foreigners in an independent state, but forced upon China by the unequal treaties. The largest share of foreign shipping was British such as Butterfield and Swire Company invested about 970 000 taels in the China Navigation Company in 1872 The fast, large, efficient foreign ships quickly pre-empted the business of the slower, older Chinese junks But due to the increasing foreign competition which soon included Japanese and Germans, the Chinese share of shipping declined drastically from 30.4% in 1880 to 19.3% in 1900 Railways: The frenzied scramble for railway concessions after the Japanese was probably the most blatant form of economic imperialism. Unable to resist, the Qing court granted the French the right to construct a 289 mile line from Indo-China to Yunnan in 1895. In 1896,

	<p>Russia obtained rights for construction of the Chinese Eastern Railway across Manchuria, Germany too constructed rail-line between Kiaochow and Tsian in Shantung province in 1897 – Four major foreign railways alone totalled 41% of the entire railway mileage in China in 1911 and since many Chinese lines were built with foreign loans and were therefore not free from foreign control or influence</p> <ul style="list-style-type: none"> • Added to the insult of imperialism was the injury of economic loss – the foreign powers obtained their rights as concessions, hence paying nothing and permitting no Chinese government agency to collect taxes on their railway properties and income • Hence, not only did foreign-owned railways instruments of foreign imperialism but they were also political and military bludgeons to further foreign influence and facilitate troops movements in times of conflict
<p>Positive Impact (side effects?) of Foreign Imperialism</p> <ul style="list-style-type: none"> • Foreign investors introduced modern technology and the entrepreneurial spirit and financed many modern industries • Their success created an environment in which profit from industrial undertakings was demonstrably possible, thereby prompting the Chinese to follow their example • The employment and training of Chinese in foreign factories and business establishments produced a native pool of technical knowledge of production and managerial skills which later were to be profitably tapped by and for the Chinese (For instance, the compradores after having served and learnt foreign business and its methods and having accumulated considerable capital, invested in industry or served government-sponsored enterprise – eg Tong King-sing, the Director of the China Merchants' Steam Navigation Company) 	<p>Negative Impact of Foreign Imperialism</p> <ul style="list-style-type: none"> • The scope of foreign influence was as wide as the modern sector of the Chinese economy, which had been reduced to semi-colonial status • Nationalistic Chinese historians and economists, as well as Marxist scholars, point to such a high degree of foreign dominance as proof of naked imperialism. • They charge that foreigners stifled the native industries and exercised a depressant and oppressive effect on the Chinese economy. • They expostulate on the unfair advantages the foreigners had over their Chinese competitors due to their vast capital, technical knowhow, special privileges under unequal treaties, and immunity from Chinese laws, taxes and official interference. • The the foreigners invested in China to make money and they reaped profit to the extent of better than 10% annually

<p>was formerly a compradore with Jardine, Matheson and Company</p> <ul style="list-style-type: none"> • Foreign leased areas and treaty ports provided a certain degree of stability and order necessary for industrial growth and foreign establishments had already borne most of the cost of “social overhead” such as public utilities, roads and communication facilities, which eased the development • Clearly, foreign investment produced an <u>imitation effect on the Chinese</u> and <u>provided the conditions essential for economic modernization of China</u> 	<p>and controlled most of the modern sector of China's economy, which certainly made it difficult for the Chinese to make money and win their rightful place in business.</p>
<p>Consensus Building?</p> <p>Hsu Argument: <u>On one hand, imperialism inhibited the growth of native industry but on the other it stimulated patriotism – by inciting a desire for national economic protection and competitive equality and provided an incentive for economic modernization.</u> During the height of imperialism many Chinese factories and enterprises were born. In 1904-1908, 227 modern Chinese companies were registered with the government and by 1912 there were 20749 native factories in operations, although the majority were of small or medium size. While it is true that they had to struggle to survive in the shadow of giant foreign companies, the fact remains that they emerged under foreign stimulation.</p> <p>However, Hsu also argued, in as much as foreign influence was a major shaping force in late Qing China, foreign governments and their representatives, while they wished to see China move in the direction of progress, at while they impressed on the on imperial agency on the urgency of accepting Western institutions and products, they also implicitly shared the view that China should be kept dependent on the West for the interest of the West</p> <p>Peter Zarrow's Argument:</p> <ul style="list-style-type: none"> • The role of imperialism on the Chinese economy has been subject to considerable dispute, the terms of the debate ranging from the views that imperialism caused Chinese backwardness by preventing the natural development of the economy, to that it stimulated economic growth and progress. • The foreign presence was limited (to treaty ports), the vast majority of Chinese never saw a foreigner and only a tiny percentage of Chinese converted to Christianity and China was not anybody's full control – but so much of it was under the partial control of so many of the Powers, it became like a colony. Foreign Nationals had extra-territoriality and they were beyond Chinese law, civil and criminal. Foreign firms were free from Chinese taxes and foreign banks issued their own currencies. Foreign military forces (e.g. Opium War and Boxer Rebellion) and missionaries could move around at will. Virtually everyone felt the impact of the economic changes coming to China at the hands of the foreigners. But even the economic impact was mixed. Farming household suffered when the spinning skills of their wives and daughters were no longer needed but gained when daughter found jobs in the city. Kwangchow (Canton) porters lost their jobs when trade was funnelled through Shanghai after the Opium War, but 	

there were more jobs for the boys from Zhejiang. And **gradually thousands of Chinese learned (from the west) how to manage new industrial enterprises and financial institutions, run newspaper and in sum to build a modern economy- paradox of foreign presence in China**

- **But analytically, foreign economic penetration (trade and investment) should be distinguished from the economic impact of political decisions like indemnities on China or taking over customs collection. These political actions, whatever their economic impact, also weakened the Qing and the later Republican governments.** Such political consequences also affected the economy as physical, legal and even moral infrastructure was destroyed. It **thus seem fair to conclude that whether international trade disrupted or improved the economy or both, the overall impact of imperialism was disastrous.** Running a favourable balance of trade into the early 19th century, and with the government virtually debt-free before the Sino-Japanese War of 1894, by the time of the 1911 Revolution, China's foreign debt was a staggering 900 million taels. Anywhere from a quarter to a third of government revenue went to pay foreign debt and indemnities.

Consensus Building: So were the positive effects of foreign presence and imperialism (i.e. modernization of China) just side effects? Should we thus give agency to other factors that contributed to the modernization process of China?

Modern China was NOT born in the Treaty Ports

- A.** Role played by Chinese Provincial Leaders – e.g. Li-Hung-chang
- B.** Role played by Reformers – e.g. Kang Yuwei, Liang Chi-chao
- C.** Role played by Qing Court – e.g. Dowager Cixi, Emperor Kuang-hsu
- D.** China's modernisation hindered by Foreign Imperialism – economic imperialism, challenge to sovereignty