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Semi-Colonialism and Informal Empire in Twentieth-Century China: Towards a Framework of Analysis

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Historians studying colonialism in a comparative perspective would be well advised not to neglect modern East Asia. The case of Japanese-dominated Manchuria from 1931 to 1945 provides an almost unique example of large-scale industrial development under colonial rule,[1] whereas the British Crown Colony of Hong Kong embodies a special type of 'peripheral capitalism' flourishing under a free-trade regime.[2] The eighteen provinces that form China proper were, of course, never subjected to alien domination. China by and large maintained its own currencies, conducted its own foreign affairs and received recognition as a sovereign member of the international community. It was even elevated to the rank of one of the four 'big policemen' in Franklin D. Roosevelt's vision of the postwar global order.[3] Unlike the average colonized people which, according to David Fieldhouse, 'lost whatever collective identity it might previously have possessed',[4] the overwhelming majority of the Chinese held on to their time-honoured little traditions, while the 'modern' élites, however eagerly they embraced Western ways of life and thought, never abandoned their native language and a cultural frame of reference which remained genuinely Chinese.

Still, China provides a most variegated assortment of historical phenomena which have been subsumed under the heading of 'imperialism' by writers of widely differing theoretical persuasions:[5]

- foreign territorial enclaves, other than colonies, beyond the jurisdiction and effective control of the Chinese government (leased territories, concessions, settlements);
- extraterritoriality and consular jurisdiction which placed nationals of the treaty powers out of reach of Chinese law throughout the country;
- sizeable expatriate communities maintaining their own socio-cultural infrastructures;
- discrimination, often with a racist tinge, against the local population in areas of foreign settlement;
- foreign naval forces plying freely in China's coastal and inland waters;

- foreign troops stationed in the national capital and guarding other major concentrations of foreign property;
- repeated forcible intervention in Chinese domestic affairs ranging from the casual deployment of a gunboat to underscore a point made by foreign diplomacy to war-like 'punitive' expeditions;
- the most atrocious war for colonial subjugation fought in modern history (1937–45);
- infringements upon the ability of the Chinese government to implement economic and financial policies of its own (absence of tariff autonomy until 1930, monopoly clauses in the treaties, and so on);
- far-reaching control over foreign trade by expatriate business houses;
- direct foreign investments in mining, manufacturing, transport, public utilities, and so on, in some cases leading to foreign domination of particular sectors and branches of the indigenous economy;
- operations of transnational corporations via their own subsidiaries;
- control by foreign banks over vital foreign-exchange transactions;
- large-scale loans, given under conditions unfavourable to China, many of which were never applied to productive uses and whose repayment constituted a drain on national wealth;
- massive indemnity obligations imposed as a result of China's military defeats;
- *de facto* foreign control over some of the most important revenue-collecting agencies (maritime customs, salt administration);
- railway construction with foreign capital, according to foreign plans and under foreign technical supervision;
- foreign railway property on Chinese soil (Chinese Eastern Railway, South Manchurian Railway, Yunnan Railway);
- a pattern of foreign trade whereby agricultural and mineral products were exchanged for manufactured goods (mainly consumer goods);
- sporadic dislocation and destruction of indigenous handicraft production and rural industries through imports of manufactured goods and marketing of the output of foreign factories located in the Chinese treaty ports;
- development of export-oriented sectors highly dependent on the vicissitudes of overseas demand (tea, silk, soya beans, tungsten, antimony, tin, and so on);
- emergence of indigenous collaborating élites ('comprador bourgeoisie', puppet regimes in the 1930s and 1940s);
- disruption of the local socio-cultural fabric by the proselytizing activities of foreign missionaries;
- institutions of higher education funded and run by foreigners (mainly missionaries);
- presence of foreign military and economic advisers in positions which allowed them to influence the Chinese government and put pressure on it;
- large-scale emigration of surplus labour, often suffering exploitation in metropolitan (United States) and peripheral (South-East Asian, Latin American) economies.

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Some of these individual aspects have been carefully studied, others remain virtually unresearched. Generally speaking, work on imperialism and China falls into two distinct categories. On the one hand, scholars have devoted much attention to China as an object of great power politics. The guiding questions have been: What were the subjective motives of policy-makers and the objective driving forces in the metropolitan countries (or rather, a particular metropolitan country) that spurred them on to the path of expansion to the Far East? What inter-power rivalries resulted in the East Asian region and how were they resolved? How did the powers acquire their possessions, privileges and interests in China and how did they attempt (more or less successfully) to assert political, economic and cultural influence and control? While the Chinese side has by no means been neglected, its behaviour has mainly been discussed in terms of the Chinese 'response to the West' which tends to be seen as determined by the cultural traditions of 'Confucian' China. Only recently have attempts been made to break away from the action-response paradigm and to link the various levels of interaction between China and the imperialist powers.[6]

On the other hand, historians and social scientists have addressed themselves to the effects of China's piecemeal incorporation into the modern world system on the country's socio-economic structures. The principal concern has been with the reasons for China's decline into relative economic backwardness during the nineteenth and twentieth centuries. It is now widely accepted that China, as late as in the second half of the eighteenth century, 'stood out as a prosperous looking giant among the multitude of premodern societies',[7] well endowed with many of the natural and human resources that economists have identified as prerequisites of sustained economic growth. Why then, by the early twentieth century, should it be a poor and manifestly underdeveloped country?[8] Most of the answers given so far[9] emphasize intrinsic impediments to economic development and social change, but at least for the time since the Opium War (1839–42) nearly all of them in some way also take account of extrinsic influences. Broadly speaking, the current debate is dominated by three basic lines of argument.

(1) The *oppression argument*,[10] mainly expounded by Marxists in China and elsewhere,[11] but also stock-in-trade of Chinese non-Marxist nationalism since Sun Yat-sen advanced his view of China as a 'hypo-colony',[12] has lately received fresh support from dependency and world system theorists.[13] Roughly, it runs like this: imperialist intrusion unbalanced the traditional economy and stifled its inherent developmental potentials (on the nature of which the authors disagree); genuine capitalism was not allowed to unfold; the Chinese state was weakened to the extent that it could not behave in a Gerschenkronian manner, that is, take the lead in economic development; the Chinese economy was partially reshaped to suit the needs of the metropolitan economies; a lopsided or even dualistic structure emerged with a foreign-dominated modern sector existing alongside a stagnant traditional sector that was not only exploited to provide

cheap export commodities, but was also penetrated and partly ruined by foreign manufactured goods. The class structure of Chinese society was deformed with a nascent bourgeoisie vacillating uneasily between 'national' and 'comprador' attitudes. Imperialism allied itself with indigenous landlord, merchant and usury capital and, in general, propped up the most backward and oppressive elements in Chinese society.

(2) Directly pitted against the oppressionists' denunciation of imperialism is the *modernization argument*. It had its heyday in the 1960s and early 1970s.[14] Although none of the writers associated with this argument would deny some deleterious effects of imperialism – such as wounding China's national pride – they generally believe that the 'input' of Western capital, Western technology and, above all, Western values was necessary, perhaps historically inevitable and at any rate beneficial to China. Late traditional China had reached a stage where a highly efficient but technologically stagnant economy was operating under increasingly severe demographic constraints, unable to achieve on its own strength a breakthrough into sustained growth. The Chinese had to be awakened from their slumber and imbued with the virtues of a dynamic West. The major problem with this argument is that it is very difficult to speak of thorough-going modernization during the century of intense involvement with the industrializing countries. To this, modernization theorists offer two answers. According to the cruder version, progress towards modernity was largely wiped out by 'extraneous' forces such as war and revolution; China allegedly was on the brink of a great leap forward when war broke out in July 1937.[15] According to the more refined version, it was all a matter of missed opportunities: had China possessed a vigorous and enlightened leadership comparable to that of Meiji Japan, it might have taken modernization into its own hands. As it was, however, the West offered a challenge which the Chinese élites failed to take up.[16]

(3) The *marginality argument*, a fairly recent addition to the debate, derives from an insight into the dilemmas of the modernization school of thought. Its exponents claim that foreign observers have allowed themselves either to be hoodwinked by the noisy lamentations of Chinese nationalists or to be deluded by an inflated and over-optimistic idea of the West's modernizing achievements at the periphery. By arguing that imperialism made no significant impact on China proper, the marginalists leave the debate between oppressionists and modernizationists suspended in mid-air. If the effects of imperialism were slight or even negligible, the entire issue is much reduced in importance and attention turns to the question of why China managed so successfully to withstand foreign advances.[17] It is fascinating to see how one and the same historical phenomenon is adduced to support mutually exclusive readings of the evidence. The treaty ports have always been regarded by adherents of the oppressionist argument as the commanding heights of imperialist invasion, as funnels for goods and capital and as bridgeheads of metropolitan capitalism.[18] The marginalists turn this interpretation upside down. The existence of the treaty port system, the very confinement of foreign influence to selected areas, proves to them that China succeeded in throwing up dikes against the

imperialist tide. As Albert Feuerwerker concludes, 'very little of China was drawn into the pattern of development set by the Western-dominated treaty ports. The tenacity of the traditional economy and society, which reflected strength and integration within the constraints of the indigenous technology, that is, "development", left no vacuum for the foreigners to fill.'[19] One of the attractive features of the marginalist argument is its insistence on the uniqueness of China's historical experience – before 1949 and since. No attempt is made here to fit China into universal modernization patterns, nor to squeeze it into the moulds of Frankian or Wallersteinian global theory. Yet, the marginalist view is marred by a somewhat restricted understanding of imperialism and by its lack of answers to the questions of why such a supposedly highly sophisticated traditional society failed so signally to provide for the livelihood of a large part of its population, and why the Chinese since the turn of the century should have responded with a fierce, anti-imperialistic nationalism.[20]

At the present stage, the debate about the effects of imperialism on China cannot be expected to yield generally accepted results. One obvious methodological reason is that the contentious issues are bound up with value judgements which are unlikely to be brought into harmony by plain logic and scrupulous handling of the historical record. A second reason is that we simply do not know enough about the foreign presence in China. Much current theorizing merely consists in rearranging a limited number of facts and figures, sometimes culled from a handful of well-established secondary works, in the light of preconceived theories. As long as the authors of theoretical treatises do not claim to do more than suggest some general thoughts from which testable hypotheses can be derived, their efforts are helpful and welcome. If, however, they allow their works to be read as substantive answers to one of the most intriguing questions in modern history, many of them expose themselves to methodological criticism on at least four counts.

First, quite a number of contributions, mostly from the oppression and modernization schools of thought, are flawed by fallacious analogies. It is true, for example, that a significant amount of foreign capital was invested in mining in China proper. Yet, the foreign-dominated part of Chinese coal mining was by no means 'extraverted' toward the world market, while those mining sectors that were (tin, antimony, tungsten) had hardly any foreign capital invested in them. This has been widely misunderstood because it does not fit into the familiar pattern of mineral-exporting economies found elsewhere in the Third World. The inclination to dip into modern Chinese history and emerge with the results that theory has led one to expect has blinded some observers to the fact that, as Ulrich Menzel has pointed out, 'the penetration of China during the 19th and 20th centuries followed a pattern different from that of most other countries in the Third World'.[21]

Secondly, only very few authors take note of the diversity which characterized the foreign presence in, and the foreign impact on, China. Hence, hardly any interpretative work is as comprehensive as it purports to be. Rhoads Murphey, for instance, in his brilliant presentation of the marginalist argument, has a few pages on the relationship between foreign and native banks,[22] but is surprisingly reticent about the entire issue of foreign loans and indemnities which had a considerable influence on Chinese domestic finance and, consequently, on the stability and capability of the peripheral state.[23] Frances Moulder, advocating the oppression argument in a Wallersteinian guise, neglects, among other things, the spatial dimension of market penetration and the organization of Chinese domestic commerce, both of which would have alerted her to powerful impediments to penetration.[24]

Thirdly, a weak spot of much of the interpretative literature on imperialism in China is the failure to spell out specific connections between individual pieces of evidence. Arguments of the *post hoc ergo propter hoc* type abound, and temporal coincidence is often taken to indicate causation. Such cavalier treatment of explanatory problems pervades all lines of argument, but the oppressionist school is particularly susceptible to it. There is, indeed, abundant evidence of China's poverty and backwardness, of economic exploitation and political repression, of industrial stagnation and agrarian collapse. There is also, in spite of marginalist disclaimers, the fact of a very considerable foreign presence in China during the first half of the twentieth century. Yet, causal connections – or non-connections – between these two sets of data are more often than not asserted rather than proven. What remains to be shown is *where, when, how* and to what *effect* did *which* extraneous forces impinge upon the indigenous socio-economic system? Through what *mechanisms* were world market influences transmitted to the Chinese economy, and so on? The way to answer such questions would be, as Peter Robb has argued with regard to India, 'first to examine individual cases, asking in particular whether impediments were extrinsic or intrinsic, and second to assess the function and importance of each individual case to overall economic performance'.[25]

Fourthly, very few attempts have been made to link 'metropolis-oriented' to 'periphery-oriented' approaches. The imperialism of the diplomatic historians seems to be worlds apart from that of the sociologists and economic historians. While the former usually limit themselves to vague references to economic interests as perceived by policy-makers in chancelleries and foreign offices, the latter tend to treat politics and diplomacy as a given framework with some structural influences (effects of the treaty system) but hardly any operational ones on economy and society at the periphery.

Models

In order to avoid these pitfalls and deficiencies, conceptualizing work should be devoted to the elaboration of models on an intermediate level of abstraction between empirical research and grand theory. Such models – a model being 'a more or less schematic conceptional representation of a complex system'[26] – would

- help to identify the elements that made up the foreign establishment in China and to establish hypothetical connections between them;
- help to pinpoint areas on the Chinese side where an impact of extrinsic forces could be expected, and to establish hypothetical cause-and-effect relationships;
- serve the heuristic task of loosely structuring a field of study so as to provide a flexible framework for detailed research;
- like James N. Rosenau's 'pre-theories' of international relations, allow for a 'preliminary processing' of empirical material;[27]
- be open to be modified by the results of empirical investigation;
- be primarily descriptive, but would indicate crucial connections between factors that might be suitable for explanatory treatment;
- use categories wide enough to be applicable to historical cases basically similar to that of China (especially 'semi-colonies' like Persia, Siam, or the Ottoman Empire), thus preparing the ground for comparative analysis.

The classic theories of imperialism offer the notion of 'semi-colonialism', a label that has been applied to China ever since without much regard for its potential theoretical implications. For Lenin, semi-colonialism is not a clearly defined mode of imperialist control, but a 'transitional form'[28] on the way towards outright colonial takeover. Semi-colonialism, in this sense, is a somewhat deficient colonialism, short of overt political domination but, under certain circumstances, opening outlets for metropolitan capital which might exceed those provided by straightforward colonies.[29] In discussing the prospects for China, J. A. Hobson went into more speculative detail than Lenin. In one of several scenarios, he anticipated a *joint* invasion of China by the financiers of the great powers.[30] Writing at a time when China seemed to be on the brink of partition, Hobson prophetically envisaged the possibility of a co-operative *mise en valeur* of China's resources under conditions of formal sovereignty. Semi-colonialism in this sense would be an enduring state of affairs rather than a prelude to colonialization. Hobson, however, was more concerned with the repercussions of informal control over the periphery on the metropolitan countries than with its effects on the target areas.

Chinese Marxism adopted the Leninist term, but gave it a different twist. During the 'debate on Chinese social history' in the 1930s[31] it was made an integral part of a comprehensive theory of China's 'semi-feudal semi-colonial society'. The theory tried to make sense of a historical process in which 'feudalism' obviously disintegrated, but no significant transition to capitalism took place. A feudal system was penetrated, but not superseded, by colonialism, thus giving rise to a hybrid social formation that had not been anticipated by classical historical materialism. In a sustained attempt at original analysis, the economist Wang Yanan elaborated a kind of Chinese dependency theory which has so far not been duly appreciated by theorists in the West.[32] Wang neither used a crude impact-response model, nor did he set out from an analysis of individual sectors of the Chinese economy. Instead, he focused on the central categories of classical political economy – commodity value, price, capital, interest, profit, wage and rent – and attempted to trace their form under conditions of a traditional economy partly invaded by world market forces. His work, the fibre of which is oppressionist, is, of course, riddled with problems of attributing causes to effects. Yet, within the context of our present discussion, it is important to be aware of two of Wang's major contributions. First, he rejects the notion of a neatly demarcated 'foreign' or 'modern' sector, pointing instead to the numerous linkages that existed between foreign and domestic elements, to their tight concatenation and their frequent merging together.[33] Secondly, he takes up in a systematic way an argument widespread in the 1930s and 1940s: not only was indigenous collaboration essential for informal political control by the great powers to be successful, it was also a necessary concomitant of economic penetration. Indigenous collaboration is not just perceived as a type of political behaviour resulting from deliberate choice,[34] but as a structural element of China's interaction with the advanced capitalist countries. It is thus part of the very definition of a 'semi-feudal semi-colonial society'. The interests of its ruling classes – the big landlords, compradors and bureaucrats – are not in every instance necessarily identical with those of the foreigners, but these classes still base their political power and economic prosperity on imperialism.[35]

Next to Marxist reflections on 'semi-colonialism', the other significant stepping stone towards a model of China's interaction with the advanced capitalist countries is the concept of 'informal empire'. It owes much of its appeal to its inherent ambiguity. At least two readings of it are possible. According to the first one, informal empire, or rather informal imperialism, marks a mode of expansion: free trade plus the more or less forcible opening up of secluded agrarian societies. In this sense, the notion lies at the heart of Ronald Robinson's and John Gallagher's famous continuity thesis.[36] In other words, it is part of an evolutionary model of imperialism. The second reading, towards which Ronald Robinson himself seems to shift in his most recent contributions,[37] emphasizes informal empire – as opposed to formal empire – as an ideal type, that is, as a conceptual tool of, potentially, universal applicability. It thus describes a specific manner of exercising superiority in asymmetrical relationships between societies or nations.

Following Robinson and building upon his suggestions, some basic features of the ideal type of informal empire can be discerned:

(1) A power differential exists between two countries[38] and is exploited by the stronger country (henceforth *S*) in pursuit of its own real or perceived interests in the weaker country (henceforth *W*).
(2) *S* avoids direct rule over *W*, but possesses effective veto power over its domestic policy-making, intervening against any attempt to infringe upon its real or perceived interests in that particular country.
(3) *S* has the capability to impose basic guidelines for foreign-policy orientation on *W*, ideally including it in asymmetrical alliances which are controlled by the hegemonial centre.
(4) *S* maintains some sort of military establishment in *W* and/or is in a

position to bring influence to bear on *W*'s armed forces (through military aid, advisers, and so on).

(5) Nationals of *S* maintain a substantial economic establishment in *W*, consisting of various types of businesses ranging from agency houses to subsidiaries of multinational corporations.

(6) Foreign actors are monopolistically or quasi-monopolistically entrenched in those sectors of *W*'s economy that show above-average rates of growth; the basic economic decisions concerning the allocation of resources in these sectors are taken by foreigners.

(7) Public finance in *W* is to a significant extent controlled by foreign private and/or government banks; this control may be used to enforce political compliance.

(8) *W* is a net recipient of capital (business and portfolio investment).

(9) *S*'s hold over the inferior nation is supported by the collaboration of indigenous rulers and comprador groups; 'big brother' reserves the right to intervene in struggles for power, supporting contenders of his choice.

(10) Indigenous collaborators partly or completely share a common 'cosmology' with the political and economic élites of the superior nation.

Admittedly, this is a fairly restrictive definition of informal empire as an ideal type, and historians and theorists of international relations should consider carefully whether or not all of the ten conditions suggested above are of equal importance and have to be met for any one individual case to be classified as a concrete manifestation of informal empire. It may well be that the ten conditions can be understood as constituting a sliding scale which would allow special features of particular historic cases to be pinpointed and contrasted with similar or related ones. It may also be possible to arrive at a sub-typology of various forms of informal empire. In any case, an ideal type does not claim to describe empirical reality; rather it is a heuristic instrument constructed with the deliberate intention of representing as precisely as possible those aspects of empirical phenomena which seem to be the most significant in the light of the analyst's intention. Therefore, informal empire as defined above will be encountered in a pure and complete form only under exceptional circumstances. What is of interest to the historian is the degree of approximation towards the ideal type which can be detected through a careful examination of the empirical evidence in any individual case.

So far, this discussion has concentrated on the relationship between two countries or nations within a dyadic structure characterized by fundamental asymmetries. To this vertical dimension must be added the horizontal one. From the perspective of the theory of imperialism the emphasis falls on *informal*, and the basic contrast is that with formal empire. Yet, from the point of view of the theory of international relations, 'imperial' relationships must be distinguished from other types of asymmetry, above all from hegemonial structures.[39] In what sense is it justifiable to speak of informal *empire*? Part of the answer seems to lie in the idea of economic dependency, defined mainly in terms of the locus of decision-making. As Peter Winn has written, reflecting on the case of Uruguay in the nineteenth century, informal empire means 'the integration of a peripheral area into the economy of an industrial power in a relationship of dependence, one in which the strategic decisions governing the direction and rate of growth of the "informal colony" are made by the imperial power and governed by its own interests'.[40] Ronald Robinson's idea of 'unequal contracts' which secure monopolies of political and economic decision-making points in the same direction. To this, a second condition should be added: informal empire should be viewed not only in functional, but also in institutional terms. It involves the existence in the peripheral area of a foreign establishment, a 'bridgehead' in Johan Galtung's term,[41] consisting of a differentiated system of business firms *and* political-military agencies (the proconsul-type of diplomat, a naval squadron, troops or police forces under foreign command, and so on) capable of translating potential superiority into effective influence and control. In contrast to theories of dependency and unequal development, which are chiefly concerned with structures, the concept of informal empire, having grown from historiographical concerns, gives equal weight to actors. The 'men on the spot', so often adduced in explaining imperial takeovers, should not be omitted from an analysis of the actual working of empire, formal and informal alike.

There are numerous cases that are suitable to illustrate the theoretical ideas outlined so far. That of China can, at this particular point, be approached in two different ways.

First, the ideal type of informal empire can be confronted with reality as it presents itself to the historian, the degree of approximation of reality to the various features of the ideal type can be assessed and the question answered whether or not it is possible to apply the concept of 'informal empire' to the historical phenomenon under consideration. Proceeding in this way, Britten Dean, for instance, has argued that there was no British informal empire in China before 1870,[42] while David McLean and Peter J. Cain claim there was one in the two decades leading up to the First World War.[43] Secondly, it is possible to take up the suggestion made earlier and build a model on an intermediate level of abstraction that takes important features from the ideal type of informal empire but, at the same time, already incorporates basic characteristics of the Chinese situation. The purpose of such a model is heuristic; it is partly a research programme, partly a general framework that helps to interconnect results of empirical research in a systematic way. It will be open to interpretation in the light of several 'grand theories'.

Informal Empire in Modern China: Sketch of a Model

The history of imperialism in China spans the eleven decades from the Opium War to the elimination of Western influence in 1949/50. It was a story that began with the imposition of the treaty system,[44] went through a phase of slow commercial and missionary encroachment, accelerated after 1895 with a multinational invasion, peaked in Japan's war of conquest and ended in an uneasy entanglement of the antagonists in a civil war with the two remaining world powers which were increasingly locked in global conflict. Within this history, the twenty years between the collapse of the monarchy in 1911 and Japan's take-over of the north-eastern provinces in 1931 marked the high point of foreign informal influence.[45]

In spite of frequent inter-power tensions, until the Manchurian Crisis of 1931/2, imperialism in China was fundamentally a co-operative venture. Most-favoured nation treatment spread the benefits of foreign acquisitions evenly among the treaty powers; financiers banded together in banking consortia; the International Settlement at Shanghai – the linchpin of the foreign establishment – was ruled by a cosmopolitan merchant oligarchy; intervention in Chinese domestic affairs was often undertaken jointly by the Diplomatic Body in Peking. Above all, the powers were unanimous in warding off Chinese resistance and Chinese nationalist aspirations, as happened in the Eight-Power Expedition against the Yihetuan (the 'Boxers') in 1900/1, at the Versailles Peace Conference in 1919, at the Washington Conference of 1921/2 and at the Peking Tariff Conference of 1926. Informal empires of the major powers coexisted within the borders of an unpartitioned China and were by no means as neatly delimited as the various agreements about spheres of interest seemed to suggest. Thus, a strong case can be made for grouping together, for analytical purposes, the various metropolitan countries into one 'centre' confronting an equally undifferentiated 'periphery'. Yet, China was an enormously variegated country in terms of social conditions and economic development even before extrinsic forces imposed some kind of 'structural heterogeneity'[46] on to it. On the other hand, each of the major imperialist countries was goaded into expansion by specific driving forces at a specific time following a specific schedule and using a specific mixture of methods of building its position of influence and domination. Though they frequently overlapped and interacted, the various foreign establishments displayed characteristic features of their own. After the First World War Britain and Japan were the only powers possessing formal colonies (Hong Kong, Taiwan), while Germany and the Soviet Union did not even enjoy the privileges accruing from the unequal treaties (above all extraterritoriality). France, the United States and Britain maintained a strong missionary presence, something totally absent from the Japanese set-up and almost absent from the Russian one even before the Revolution. Japan and France were in possession and control of substantial railways, while some of the other powers merely had a tenuous financial hold over Chinese lines. These and other factors can be taken together to form 'profiles of interest' for each nation having a stake in China.[47]

China being primarily important as a market for manufactured goods and as a source of primary commodities, economic interests, as a rule, took priority over strategic or cultural interests. Consequently, we can assume the existence of a *business system* to be the core of each of the major national foreign establishments. It comprised the firms operating in the China market from their own offices in the treaty ports. A business system can be perceived in four analytical dimensions:

(1) The sectoral dimension. It refers to the sectoral distribution of foreign investment. In the 1920s and early 1930s, for example, Britain and Japan maintained widely diversified business systems in China which included banking, export–import, manufacturing, mining, shipping and public utilities in areas of foreign settlement. By contrast, the United States and Germany – in the early 1930s the most dynamic trading nations in China – had geared their business investments almost exclusively to the requirements of commerce, with transport, manufacturing and mining ranking low. At the other end of the spectrum, France maintained an investment profile with a marked colouring of pre-1914 financial imperialism. While in 1931 it contributed only 5·8 per cent of the business investments in China (including Manchuria) and while the share of the entire French Empire in China's foreign trade was in 1936 no higher than 5·6 per cent, France held some 23 per cent of China's foreign loan obligations, all of which had been contracted before 1914.[48]

(2) The institutional dimension. This covers the types of enterprises involved and invites the application of the business historian's analytical tools. Some issues are of particular interest: the fate of the nineteenth-century agency houses, the growth of large multi-sector China firms (Jardine, Matheson & Company, Butterfield & Swire), the role of multinational corporations since the turn of the century (Standard Oil, Asiatic Petroleum, British-American Tobacco Corporation, Imperial Chemical Industries, Unilever, I. G. Farben, Siemens, the Japanese *zaibatsu*, and so on), the function of foreign banks in relation to the financing of trade and industry, the political leverage of different types of companies (largely dependent upon their standing in metropolitan politics and the efficiency of pressure groups), and so on.

(3) The spatial dimension. 'Oppressionists' claim to detect foreign economic activities almost everywhere, and 'marginalists' see them confined to an irrelevant fringe. But the actual geographical distribution of the various business systems is far from clear. At what places were foreign firms represented and how strongly in terms of staff and fixed assets? How important were the individual treaty ports for the operation of foreign enterprise? Which factors determined the location of business interests? The geography of penetration has still largely to be written.

(4) The diachronic dimension. Each business system had its own history of quantitative growth and qualitative change. The history of the British business system in China, for example, can roughly be divided into two major periods. Up to the 1890s the agency houses, the earliest form of British private enterprise in the Far East, underwent a process of functional differentiation: functions such as finance and insurance, that had originally been within the scope of a bigger agency house, were taken over by specialist institutions such as banks and insurance companies. During the same period the gradual opening of the interior provinces to foreign trade gave rise to foreign shipping companies, while the growth of Shanghai and a few other large treaty ports created a demand for services which public utility companies stepped in to satisfy. From the mid-1890s onwards, three new elements were incorporated into the British business system: factories, coal

mines and subsidiaries of multinational corporations.[49] By 1914, the system was complete as far as its basic pattern was concerned. Thereafter, no new element was added and growth took place largely within a given institutional framework. By contrast, Japanese expansion followed a different timetable. Japanese cotton manufacturing in China, for example, became prominent only after the end of the First World War, at first in Shanghai and Qingdao and by the mid-1930s attaining industrial hegemony in the Tianjin area, too.

Not all forms of commercial representation constitute a business system. The Belgians were heavily involved in railway financing and the Czechs in the arms trade; the Norwegians had a stake in Chinese shipping and the Italians in silk exports. But none of these countries maintained anything like a *system* of business interests in China, if by a system we mean an entity whose elements are more frequently engaged in relations with each other than with elements outside the system. In the British case, the system was integrated on three levels. First, there was a network of interlocking business transactions: coal of the semi-British Kailan Mining Administration in Hebei Province was shipped southwards in British vessels to be burnt in the furnaces of the Shanghai Power Company (British until 1930) which, in turn, sold electricity to British cotton mills and the British tramway company in Shanghai, and so on.[50] Secondly, British firms operated under British law, profited from the existence of British-controlled territories and enjoyed, in principle, though not always in practice, the active or tacit support of HM government. Thirdly, British firms in China organized themselves into interest groups and chambers of commerce. Socio-cultural affinity among the communities of expatriate Britons on the China coast was accompanied by a common representation of interests. In this sense of triple integration through the market, through imperial politics and through the articulation of interests, only Britain, Japan, France, the United States, Russia (before 1917) and Germany (except during the 1920s) can be said to have possessed business systems in China during the period from 1895 to 1937.

Relations between foreign business systems must be assessed in terms of competition and co-operation. In some cases, most notably that of the Western oil companies, which sold kerosene and gasolene to Chinese customers, cross-national co-operation amounted to an oligopolistic grip on the market. This became apparent during the Cantonese 'kerosene war' of 1933/4 when the companies used their combined economic strength to defeat an attempt by the province's government to exclude them from business in the south.[51] Market-sharing agreements existed, for example, between German and British chemical corporations. In other areas rivalry was tense. Thus in the early 1930s British companies faced stiff competition from Japan in the markets for sugar and cotton goods and from Germany in machines and railway equipment.

Foreign business systems have backward linkages to the world market and the respective metropolitan economy. This is a well-trodden path and it may suffice to make two preliminary points. First, international trade with East Asia, from the time of the shipments of Peruvian silver in exchange for luxuries demanded in Europe, has frequently followed a triangular or an even more complicated pattern. Hence, the analysis has to allow for cases other than that of simple bilateral exchange. Secondly, and partly resulting from this, a nation's trade *with* China, as documented in its foreign-trade statistics, is not identical with the commercial activities *in* China of that nation's business system. Up to the end of our period the major part of China's foreign trade was mediated through foreign firms, especially the internationally connected British, German and American houses. Although statistical corroboration is hard to find, circumstantial evidence suggests that at times the amount of foreign trade with third countries handled by British firms in Hong Kong and in the treaty ports at least equalled that of their transactions with the mother country.

Forward linkages from the foreign business systems to the indigenous socio-economic environment are to be analysed in terms of penetration. The notion is a tricky one, as it has frequently been used in a sloppy and undefined way to denote all sorts of foreign economic activities in a peripheral country, thereby glossing over significant differences. It does make a difference, for example, whether a market is supplied with imported goods through independent indigenous trading networks or through foreign-controlled distribution systems. In the latter case the chances for foreign firms to define the parameters of exchange are likely to be considerably higher. The term 'penetration' is sorely in need of theoretical precision and it should eventually be possible to distinguish between degrees and alternative patterns of penetration. There were, for example, three such patterns in the marketing of imported goods and of goods that originated in foreign factories and mines on Chinese territory:

(1) *Treaty port trade*. The goods were already taken up in the larger treaty ports by Chinese merchants who distributed them 'up-country' through their own sales networks. The foreign importers in the treaty ports typically acted upon orders taken from Chinese wholesalers, thus being hardly more than purchasing agents for Chinese merchants.[52]

(2) *Up-country distribution*. A number of big foreign companies maintained their own sales organizations, mainly for oil products, cigarettes, sugar, dyes and chemical fertilizers. Though these networks adapted to existing commercial channels rather than replaced them, they still gave the foreign company a much stronger influence on prices and quantities in local markets than would have been possible with treaty port trade.[53]

(3) *Government trade*. Chinese governments bought arms, railway equipment and machinery for state-run factories. Much of this business was not entirely private on the foreign side; it often involved loans to the Chinese government or at least guaranteed export credits. This type of trade was likely to carry a strong political accent.[54]

It is important to note the difference between penetration and dependency on the world market. While, for instance, the British business system did not significantly penetrate into Chinese export production, apart from the processing of eggs and tong oil,[55] through monopolistic purchasing arrangements it exercised a large measure of control over prices paid to the indigenous producers, as was the case with tea and tungsten (prior to the establishment of a government monopoly in 1936).[56] Another crucial element of outward dependency which cannot easily be conceptualized in terms of market penetration is the incorporation of a peripheral economy into international flows of bullion and money. China's main problem was its silver currency which remained one of the decisive influences on domestic economic conditions right up to the introduction, with British assistance, of a managed currency in November 1935.[57]

One special, but none the less significant form of penetration must not be obscured by a preoccupation with exogenous forces thrusting into the Chinese economy. It may be called, for want of a better term, symbiotic penetration. A foreign company establishes itself in the China market, building on an initial input of imported capital and technology. It then uses – or exploits – local factors of production (labour, land, raw materials). The output is then mainly marketed in the host country, and profits are partly ploughed back into local reinvestment. The classic case in China was the British-American Tobacco Corporation, whose Chinese subsidiary grew into the biggest capitalist organization on Chinese soil.[58] The two big Sino-British coal-mining companies (Kailan Mining Administration and Pekin Syndicate) operated in a similar fashion. All of them possessed fairly tenuous links with exterior markets, but interacted closely with the indigenous economic environment.

The actual degree of penetration of a particular market results from a combination of three groups of factors: push factors, pull factors and resisting factors. Market resistance refers to structural impediments to penetration. It is a very complex and difficult category and its real underpinnings have so far been little studied and less understood. If we knew how market resistance worked in practice we would be close to comprehending why China perennially failed to live up to the expectations of those who indulged in Utopian fantasies of 'the world's largest undeveloped market'. Some of the factors involved are: the inaccessibility of many parts of the country; the limited purchasing power of the rural masses; the tenacity of traditional patterns of consumer behaviour; the partial self-sufficiency of the Chinese economy; the continuing availability of substitutes for imported goods; the efficiency of traditional trading and transportation networks, and so on. While these factors would be classified as 'traditional' by modernization theorists, a certain amount of 'modern' market resistance should not be overlooked. The rise of modern Chinese banking in limited rivalry with foreign banks is the outstanding example, but in the 1920s and 1930s Western firms also met competition from modern Chinese industry in the markets for cigarettes, machinery and chemicals.[59]

A second form of resistance was official resistance, a term preferable to 'economic nationalism' since it is more formal and less ideologically charged. Official resistance to foreign encroachment runs through modern Chinese history from the introduction of the Canton system in the eighteenth century to the expropriation of foreign firms after 1949. In a sense, the Communists took up and radicalized a tradition that included not only Commissioner Lin Zexu's failed attempt to eradicate the opium trade, and the rights recovery movements of the late Qing period, but also the Nanjing government's effort, between 1928 and 1937, to reassert a limited measure of Chinese control over the modern sector of the economy, even if this endeavour was motivated as much by the selfish interests of 'bureaucratic capitalists' as by a genuine commitment to the liberation of the country.[60] The Communists could also build on another tradition, that of popular resistance. While 'official resistance' refers to actions undertaken by those in possession of state power, with control over the instruments at the disposal of a sovereign government (legislation, taxation, military coercion), 'popular resistance' is carried out by private citizens, the people (*min*) or the masses (*qunzhong*) in Chinese parlance. 'Traditional' resistance movements, defined as 'the forcible, instinctive attempt of an unmodified traditional structure to extrude a foreign body'[61] were typical of the nineteenth century. They ranged from the Sanyuanli Incident of 1841 through hundreds of 'missionary cases' during the second half of the century to the Boxer Rebellion which had been smouldering under the surface since about 1895 and broke out in 1899.[62] After the defeat of the Boxers and China's brutal punishment at the hands of the powers, the boycott and the strike became the principal weapons of Chinese popular anti-imperialism. The anti-American boycott of 1905 was followed by the May Fourth Movement of 1919, the May Thirtieth Movement of 1925 and the Hong Kong–Canton General Strike of 1925–6, the anti-Japanese boycott of 1931–4 and the December Ninth Movement of 1935.[63] After the Anti-Japanese War, in itself an instance of popular resistance on a massive scale,[64] student protests were aimed at American policy in China.[65]

Some of these movements were tacitly or overtly encouraged and supported by office-holders, popular resistance thus overlapping with official resistance. Most of them were not purely anti-imperialistic, but also directed against those members of China's ruling circles who, in the eyes of the protesters, failed to stand up to the foreigners or even openly collaborated with them, thus smoothing the way for penetration.

Since Ronald Robinson's and Johan Galtung's pioneering articles, it has become commonplace to regard 'indigenous collaboration' as a basic constituent of formal colonial rule and informal semi-colonial influence.[66] As was mentioned earlier, Chinese authors were aware of its significance from at least the 1920s onwards. It is helpful to distinguish between two levels on which collaboration occurred. Penetration was facilitated by comprador mechanisms of various kinds which were all the more important in China since Westerners – and to a lesser degree the Japanese – took a long time to get accustomed to a civilization which was much more alien and inscrutable than, for instance, the Latin American countries where Western informal empires had been established. These mechanisms not only included the institution of the compradore in the narrow definition of the term (a Chinese of good standing and a knowledge of Western languages commissioned by a foreign firm to look after its dealings with Chinese customers), but also a number of other arrangements on the market level, such as joint Sino-foreign ventures with foreigners in effective control, foreign firms camouflaged as Chinese enterprises, co-operation between foreign banks and the so-called 'native banks' (*qianzhuang*), the recruitment of labour through Chinese contractors, and so on.[67] It must be pointed out that these comprador mechanisms were ambiguous from a foreign point of view. On the one hand, they were indispensable for gaining a foothold in the Chinese economy, on the other, they kept the foreigner away from the primary markets for goods and services. In some cases, he might even be at the mercy of his comprador, while in others – British American Tobacco's involvement in tobacco cultivation is a case in point[68] – compradors were instrumental in carrying foreign penetration far into the domestic economy. Given this inherent ambiguity, comprador mechanisms were essential for linking foreign business systems with the indigenous economic environment. Even after the eclipse of the classical comprador during the 1920s they continued to exist under various names.[69] Collaboration remained a necessity for imperialism throughout its history in China.

Whereas comprador mechanisms were operative on the level of market penetration, official collaboration led to the surrender of control over national resources in exchange for political, military and, above all, financial support from foreign governments and business interests. Again, this notion covers a very broad range of actions and attitudes. Only rarely did official collaboration reach the extreme of puppet-like submission to a foreign power. The role played by Emperor Puyi *alias* Kangde, in Manchukuo after 1932 is a good illustration of such a stance.[70] In most cases, as Ronald Robinson has argued,[71] collaboration involved 'bargaining' and often the Chinese used the threat of resistance to push up the price demanded for collaborative services. To what extent this was possible depended, of course, on the power gap between Chinese and foreigners at any given moment. Wang Jingwei's ill-fated government set up in Japanese-occupied Nanjing in March 1940 found itself in a position vastly different from that of Prince Gong and the other advocates of the 'co-operative policy' of the 1860s or the Guomindang in the early and mid-1930s. A second factor determining the proportions of collaboration and resistance within the behaviour of Chinese leaders towards foreigners was the availability of alternative sources of support. As Ernest P. Young has demonstrated with regard to the early Republic, the quest for foreign, and especially Japanese, assistance was, in many cases, a desperate last resort 'when other routes seemed closed or ineffective'.[72] Thirdly, the benefits deriving from collaboration could be partly or wholly offset by a loss of political legitimacy in the eyes of domestic public opinion. Chinese ruling circles were aware of this dilemma to a greater or lesser extent, especially after the emergence of mass nationalism during the May Fourth Movement of 1919. The Guomindang after 1928 tried to paper it over with a nationalistic and neo-traditionalist ideology, without however solving the problem, apart from the early years of the war against Japan. Chinese Marxists for a long time attempted to allocate certain types of political behaviour to specific social classes. But it has recently been doubted by eminent Chinese historians whether the line between a patriotic 'national bourgeoisie' and a treacherous 'comprador bourgeoisie' can be drawn as neatly as orthodoxy would have it.[73]

So far, the model has been built around economic interests. We must now try to fit in the political dimension. The system of 'unequal treaties' had been completed by the end of the nineteenth century, but it continued to be in force for Britain, the United States, France and a number of less important countries until the 1940s. The contents of the treaties have been described in most textbooks on modern Chinese history, but very few of them mention how the system worked in practice. The model must, therefore, allow for an analysis of the function of legal privilege. There are strong indications, for example, that its importance was declining in the early twentieth century. German trade in China prospered from the mid-1920s onwards, although German interests at that time were no longer protected by extraterritoriality.[74] The big foreign companies which penetrated the market far beyond the treaty ports increasingly preferred informal arrangements with the Chinese on local, provincial and even central government level to formal invocation of the treaties.[75]

The 'flag' took the lead over trade in times of heightened foreign aggressiveness towards China. During the quieter periods in between, however, the political-military establishment was largely concerned with the protection of existing interests. Three dimensions are worth analysing:

(1) Antagonism and co-operation between the diplomatic and military representatives of the major powers 'on the spot' (partly, but not totally a reflection of alignments on the wider international stage).

(2) The relationship between diplomacy and enterprise in the imperial centre (influence of commercial pressure groups on parliaments, Cabinets and foreign offices) and at the periphery (between consuls and diplomats, on the one hand, and the expatriate business communities on the other).[76]

(3) The behaviour of official representatives towards the indigenous environment, to be conceptualized in terms of mechanisms of intervention (gunboat diplomacy, 'advice' to Chinese governments, 'good offices' employed for the benefit of foreign business interests, and so on). The efficacy of the various means of intervention has to be assessed for each individual case, with the possible result that long-term trends become discernible (such as the decline of gunboat diplomacy since the early 1920s).

An analysis along these lines will reveal a complicated interplay of numerous factors. The political-military establishment not only carried out orders from its home government, but frequently took matters into its own hands. In some cases (the takeover of Manchuria by the Japanese Guandong Army in 1931/2 being the most notorious), this amounted to fully fledged 'sub-imperialism'. In others, forceful diplomats like Sir Rutherford Alcock, Sir John Jordan or, on the American side, William W. Rockhill, left a strong imprint on the China policies of their respective countries. Within the political-military establishment the diplomats and the soldiers did not always share the same opinion. The main structural cleavage, however, existed between the diplomats and the expatriate communities of the treaty ports which time and again clamoured for tough action against what were, in their view, unruly and devious natives. Behind the scenes, imperialism at the periphery rarely functioned as an integrated machine, even though the colonized and semi-colonized had some justification for regarding it as such.

The model, as outlined above, aims to provide a structural framework for an analysis of the actual working of imperialism at the periphery. It assumes the existence at the periphery of a bifurcated foreign establishment, consisting of a business segment and a political-military segment for each of the major foreign powers concerned. This foreign establishment mediates between the indigenous environment on the one hand, and the international environment on the other.

Several limitations as well as further potentials of the model should be borne in mind. First, it does not conceptualize the sources, motives and modes of imperial expansion, but the operations of foreign actors who are already entrenched at the periphery. Secondly, it is essentially static and allows, above all, the taking of 'snapshots' of a political-social-economic configuration at any given moment. It can, however, easily be dynamized in two related ways. The categories 'penetration', 'intervention' and 'resistance' are interactionist rather than structural; in other words, they refer to processes that occur within given institutional set-ups and may, in turn, modify them. Moreover, a business system evolves in time and the same may be said of a political-military establishment. Thirdly, the model refers to 'semi-colonial' conditions where a metropolitan country exerts power and influence within an asymmetrical relationship, but does not assume outright domination and formal sovereignty over the peripheral country. It might, however, be possible to modify the model to make it applicable to formal colonialism. Presumably, the concept of 'intervention' would have to be substituted by that of 'foreign rule' and the category of 'administrative penetration' incorporated alongside 'economic penetration'. The latter would then be the mode of operation of the colonial business system, the former that of the colonial state. Also, under colonial conditions, the coexistence of several national political-military establishments would have to be ruled out. Semi-colonies can – but need not – have more than one colonial master, formal colonies by definition have only one. Fourthly, the model does not take account of a foreign cultural and, in particular, missionary presence. This element, however, may be added as a third component to the foreign establishment. Fifthly, the model has been chiefly designed to fit the case of China from the full development of the unequal treaty system up to the national 'liberation', as the Chinese call it, in 1949. Nevertheless, its categories are broad enough to be applied, with some modifications, to parallel historical phenomena such as semi-colonial Latin America, Persia, or the Ottoman Empire. Modification can consist of deleting certain elements or adding new ones. For example, legal privileges as accruing from 'unequal' treaties continued to exist in China until 1943, whereas they had been removed in most of the Latin American countries by 1850. Modification can also mean an intrinsic refinement of the analytical categories themselves. Thus, to give but one example, the category of 'intervention' can be broken down into a typology which would account not only for the various forms of action taken by a peripheral political-military establishment, but also for direct intervention from the imperial centre; the deployment of naval and air-borne 'task forces' is a highly pertinent example. In any case, a flexible application of the model to comparable historical configurations might result in an empirically based theory of informal empire that would encompass differentiations in time and space and would, in the final analysis, relate various forms of expansion and reaction to different types of peripheral societies, on the one hand, and to the overall evolution of the global political and economic system on the other.

Conclusion

This chapter started out from a seemingly simple and straightforward historical problem: that of making sense of the diversity of individual phenomena which, on the face of it, characterized imperialism in China before 1949. The various grand theories, ranging from world system to modernization approaches, were found wanting since none of them succeeds in grasping the systematic nature of imperialism as it operated at the periphery. Being mainly interested in developing broad explanations of imperial impact – in itself a perfectly legitimate enterprise – they nevertheless lack descriptive adequacy. The concept of informal empire, understood not as part of an evolutionary theory of imperialism, but as an ideal type of potentially universal applicability, is less well suited to dealing with general explanatory problems, while possessing a higher degree of descriptive power. An ideal type is a construct that brings out as sharply as possible those features of the empirical world that are considered significant in the light of a specific analytical purpose. It cannot be directly 'applied' to reality. In order to bridge the gap between the highly abstract ideal type and the mass of data unearthed by historical research, a model was suggested which structures rather than interprets the historical evidence and thus provides a guide and framework for detailed research. Interpretation appears at the other end of this epistemological strategy. It is there that the big guns of grand theory can be fired.

Notes: Chapter 19

1 See R. H. Myers, *The Japanese Economic Development of Manchuria, 1932 to 1945* (New York, 1980); K. C. Sun, with the assistance of R. W. Huenemann, *The Economic Development of Manchuria in the First Half of the Twentieth Century* (Cambridge, Mass., 1969).

2 E. Cooper, 'Karl Marx's other island: the evolution of peripheral capitalism in Hong Kong', *Bulletin of Concerned Asian Scholars*, vol. 14 (1982), pp. 25–31. There is no satisfactory overall account of Hong Kong's economic history. For the time being see T. N. Chiu, *The Port of Hong Kong: A Survey of its Development* (Hong Kong, 1973).

3 C. Thorne, *Allies of a Kind: The United States, Britain and the War against Japan, 1941–1945* (London 1978), pp. 175–6.

4 D. K. Fieldhouse, *Colonialism 1870–1945: An Introduction* (London, 1981), p. 12.

5 Much information on imperialism in China can be obtained from vols 10 to 12 of *The Cambridge History of China* (1978–83), espec. A. Feuerwerker, 'The foreign presence in China', in J. K. Fairbank (ed.), *The Cambridge History of China*, Vol. 12, pt 1 (Cambridge, 1983), pp. 128–207. A wide-ranging introduction is J. Ch'en, *China and the West: Society and Culture 1815–1937* (London, 1979). Still useful as a concise survey is the book

by a member of the British Consular Service: Sir Eric Teichman, *Affairs of China: A Survey of the Recent History and Present Circumstances of the Republic of China* (London, 1938).

6 See, for example, Michael H. Hunt's impressive *The Making of a Special Relationship: The United States and China to 1911* (New York, 1983).

7 G. Rozman *et al.*, *The Modernization of China* (New York and London, 1981), p. 141.

8 On the comparative economic position of China see I. Adelman and C. T. Morris, 'A typology of poverty in 1850', *Economic Development and Cultural Change*, vol. 25, supplement (1977), pp. 314–43, espec. 331–2, 335–40; A. Maddison, 'A comparison of levels of GDP per capita in developed and developing countries, 1700–1980', *Journal of Economic History*, vol. 43 (1983), pp. 27–41; P. Bairoch, 'International industrialization levels from 1750 to 1980', *Journal of European Economic History*, vol. 11 (1982), pp. 269-333, espec. 281, 283–4, 292–6, 302–4; also Chapters 13 and 14 by Paul Bairoch and J. Forbes Munro in this volume.

9 For a stimulating discussion see R. H. Myers, 'Society and economy in modern China: some historical interpretations', *Bulletin of the Institute of Modern History Academia Sinica*, vol. 11 (1982), pp. 197–224.

10 The term is borrowed from Hou Chi-ming, 'The oppression argument on foreign investment in China, 1895–1937', *Journal of Asian Studies*, vol. 20 (1960/1), pp. 435–48.

11 The *locus classicus* is Mao Tse-tung [Mao Zedong], 'The Chinese revolution and the Chinese Communist Party', in *Selected Works of Mao Tse-tung*, Vol. 2 (Peking, 1978), pp. 309 ff. See also Ma Yinchu, 'Bupingdeng tiaoyue yu wo guo jingji shang zhi yingxiang' [The impact of the unequal treaties on the Chinese economy], in *Ma Yinchu yanjiang ji* [Collection of Ma Yinchu's lectures], Vol. 3 (Peking, 1926), pp. 100–9; Qi Shufen, *Jingji qinlüe xia zhi Zhongguo* [China under economic aggression] (Shanghai, 1925), pp. 49 ff.; Zhou Gucheng, *Zhongguo shehui zhi xianzhuang* [The present social structure in China] (Shanghai, 1933), pp. 117 ff.; Shi Fuliang, *Zhongguo xiandai jingji shi* [Contemporary Chinese economic history] (Shanghai, 1932), pp. 1–14 and *passim*. A recent restatement is A. K. Bagchi, *The Political Economy of Underdevelopment* (Cambridge, 1982), pp. 94–111. See also J. Esherick, 'Harvard on China: the apologetics of imperialism', *Bulletin of Concerned Asian Scholars*, vol. 4 (1972), pp. 9–16, and for the opposite view, A. J. Nathan, 'Imperialism's effects on China', ibid., pp. 3–8.

12 In his second lecture on the Principle of Nationality, given on 3 February 1924: *Sun Zhongshan xuanji* [Selected works of Sun Yat-sen], Vol. 2 (Peking, 1956), p. 607. For a brief survey of Sun Yat-sen's view on imperialism see Liao Kuang-sheng, 'Dr. Sun Yat-sen and the nationalist policy of anti-imperialism', *Chu Hai Journal*, vol. 13 (1982), pp. 198–209. See also Ku Hung-ting, 'The emergence of the Kuomintang's anti-imperialism', *Journal of Oriental Studies*, vol. 16 (1978), pp. 87-97; Huang E'hui, 'Xinhai Geming hou Sun Zhongshan fan di sixiang de fazhan' [The development of Sun Yat-sen's anti-imperialist thinking after the Revolution of 1911], *Zhongshan Daxue xuebao* [Journal of Sun Yat-sen University, Canton], 1979, no. 4, pp. 33–42.

13 F. V. Moulder, *Japan, China, and the Modern World Economy: Toward a Reinterpretation of East Asian Development, ca. 1600 to ca. 1918* (Cambridge, 1977); V. D. Lippit, 'The development of underdevelopment in China', *Modern China*, vol. 4 (1978), pp. 251–328.

14 Hou Chi-ming, *Foreign Investment and Economic Development in China, 1840–1937* (Cambridge, Mass., 1965); M. Elvin, *The Pattern of the Chinese Past* (London, 1973), pp. 312–16; R. F. Dernberger, 'The role of the foreigner in China's economic development, 1840–1949', in D. H. Perkins (ed.), *China's Modern Economy in Historical Perspective* (Stanford, Calif., 1975), pp. 19–48. More recently, Mah Feng-hwa, 'External influence and Chinese economic development: a re-examination', in Hou Chi-ming and Yu Tzong-shian (eds), *Modern Chinese Economic History* (Taibei, 1979), pp. 273–98. Rozman *et al.*, *The Modernization of China*, occupies an intermediate position between the modernization and marginality arguments. For a critical discussion see J. Osterhammel, 'Modernisierungstheorie und die Transformation Chinas 1800–1949. Kritische Überlegungen zur historischen Soziologie', *Saeculum*, vol. 35 (1984), pp. 31–72.

15 A. N. Young, *China's Nation-Building Effort, 1927-1937: The Financial and Economic Record* (Stanford, Calif., 1971).

16 This is the central thesis in Rozman *et al.*, *The Modernization of China*, pp. 255, 343–4. See also D. H. Perkins, 'Government as an obstacle to industrialization: the case of nineteenth-century China', *Journal of Economic History*, vol. 27 (1967), pp. 478–92, espec. 491.

17 R. Murphey, 'The treaty ports and China's modernization', in M. Elvin and G. W. Skinner (eds), *The Chinese City between Two Worlds* (Stanford, Calif., 1974), pp. 17–72; idem, *The Outsiders: The Western Experience in India and China* (Ann Arbor, Mich., 1977); S. R. Brown, 'The partially opened door: limitation on economic change in China in the 1860s', *Modern Asian Studies*, vol. 12 (1978), pp. 177–92; idem, 'The transfer of technology to China in the nineteenth century: the role of direct foreign investment', *Journal of Economic History*, vol. 39 (1979), pp. 181–9. For an interpretation of maritime China as a 'minor tradition' see J. K. Fairbank, 'Maritime and continental in China's history', in idem (ed.), *The Cambridge History of China*, Vol. 12, pp. 1–27.

18 For example, Fei Hsiao-t'ung, *China's Gentry: Essays in Rural–Urban Relations* (Chicago, 1953), pp. 104–7.

19 A. Feuerwerker, 'Characteristics of the Chinese economic model specific to the Chinese environment', in R. F. Dernberger (ed.), *China's Development Experience in Comparative Perspective* (Cambridge, Mass., 1980), pp. 289–90.

20 On its origins and principal themes see M. C. Wright, 'Introduction: the rising tide of change', in idem (ed.), *China in Revolution: The First Phase, 1900–1913* (New Haven, Conn. and London, 1968), pp. 3–23.

21 U. Menzel, *Theorie und Praxis des chinesischen Entwicklungsmodells. Ein Beitrag zum Konzept autozentrierter Entwicklung* (Opladen, 1978), p. 635.

22 Murphey, *The Outsiders*, pp. 180–2, 187–8.

23 Research on finance imperialism in China is still in its infancy. Recent studies include R. A. Dayer, *Bankers and Diplomats in China 1917–1925: The Anglo-American Relationship* (London, 1981); F. H. H. King (ed.), *Eastern Banking: Essays on the History of the Hongkong and Shanghai Banking Corporation* (London, 1983); R. Quested, *The Russo-Chinese Bank: A Multi-National Financial Base of Tsarism in China* (Birmingham, 1977); G. Kurgan-van Hentenryk, *Léopold II et les groupes financiers belges en Chine: la politique royale et ses prolongements (1895– 1914)* (Brussels, 1972); idem, 'Un aspect de l'exportation des capitaux en Chine; les entreprises franco-belges, 1896–1914', in M. Lévy-Leboyer (ed.), *La Position internationale de la France* (Paris, 1977), pp. 203–13; A. B. Chan, 'The consortium system in Republican China, 1912–1913', *Journal of European Economic History*, vol. 6 (1977), pp. 597–640. K. C. Chan, 'British policy in the reorganization loan to China 1912–13', *Modern Asian Studies*, vol. 5 (1971), pp. 355–72; Xia Liangcai, 'Guoji yinhangtuan he Xinhai Geming' [International banking groups and the Revolution of 1911], *Jindai shi yanjiu* [Research on modern history] 1982, no. 1, pp. 188–215. Most of these and other studies deal with the foreigners' perspective; there is hardly anything on the effects of foreign financial operations on China's domestic finance.

24 Moulder, *Japan, China, and the Modern World Economy*. Murphey *The Outsiders*, (chs 7 and 9) is, in turn, particularly good on commercial organization.

25 P. Robb, 'British rule and Indian "improvement"', *Economic History Review*, vol. 34 (1981), p. 520.

26 M. Bunge, *Scientific Research*, Vol. 1: *The Search for System* (Berlin and Heidelberg, 1967), p. 470. Similarly the historian Peter Burke: 'Let us define a "model" in simple terms as an intellectual construct which simplifies reality in order to emphasise the recurrent, the constant and the typical, which it presents in the form of clusters of traits or attributes' (*Sociology and History* [London, 1980], p. 35). The philosophical and logical complexities of the concept of 'model' may be disregarded for the present limited purpose.

27 J. N. Rosenau, *The Scientific Study of Foreign Policy*, rev. edn (London and New York, 1980), pp. 123–4.

28 V. I. Lenin, 'Imperialism, the highest stage of capitalism', in idem, *Collected Works*, Vol. 22 (Moscow, 1964), p. 259.

29 See also W. J. Mommsen, *Der europäische Imperialismus. Aufsätze und Abhandlungen* (Göttingen, 1979), pp. 91 ff.

30 J. A. Hobson, *Imperialism: A Study*, 2nd edn (London, 1905), pp. 310–14. See also P. J. Cain, 'International trade and economic development in the work of J. A. Hobson before 1914', *History of Political Economy*, vol. 11 (1979), pp. 412–14; N. Etherington, 'Reconsidering theories of imperialism', *History and Theory*, vol. 21 (1982), pp. 23–4; H. Bley,

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32 Wang Yanan, *Zhongguo banfengjian banzhimindi jingji xingtai yanjiu* [Studies on the semifeudal-semicolonial economic formation in China], reprint of the 1957 edn (Peking, 1980). The first version of the book was published in 1946.

33 See, for example, Wang's discussion of the relationship between foreign and indigenous capital, ibid., pp. 123–6.

34 Hu Sheng, *Imperialism and Chinese Politics* (Peking, 1981), also puts strong emphasis on collaboration, but keeps closer to a conspiratorial interpretation than does Wang Yanan.

35 Wang Yanan, *Zhongguo banfengjian*, pp. 1–3. For an intellectual biography of Wang see Chen Kejian and Gan Minzhong, 'Wang Yanan jingji sixiang chutan' [Wang Yanan's economic thought], *Xiamen Daxue xuebao* [Journal of Amoy University], 1981, no. 1, pp. 1–11, no. 2, pp. 50–62, no. 3, pp. 94–102.

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44 For contrasting views on the treaty system see J. K. Fairbank, 'The creation of the treaty system', in idem (ed.), *The Cambridge History of China*, Vol. 10, pt 1 (Cambridge, 1978), pp. 213–63, and Tan Chung, 'The unequal treaty system: infrastructure of irresponsible imperialism', *China Report*, vol. 17, no. 5 (September–October 1981), pp. 3–33.

45 A. Feuerwerker, *The Foreign Establishment in China in the Early Twentieth Century* (Ann Arbor, Mich., 1976), p. ix. Similarly Fairbank ('Maritime and continental', p. 2): 'Truly, the early republic was moved by foreign influences that were almost as pervasive as the Japanese invasion was to become after 1931.'

46 See A. Córdova, *Strukturelle Heterogenität und wirtschaftliches Wachstum* (Frankfurt-on-Main, 1973). The concept is applied to China by Menzel, *Theorie und Praxis*, pp. 178 ff.

47 See J. Osterhammel, *Britischer Imperialismus im Fernen Osten. Strukturen der Durchdringung und einheimischer Widerstand auf dem chinesischen Markt 1932–1937* (Bochum, 1983), pp. 30–1.

48 Chinese Maritime Customs, *The Trade of China, 1936*, Vol. 1 (Shanghai, 1937), p. 55; R. Lévy *et al.*, *French Interests and Politics in the Far East* (New York, 1941), p. 27.

49 A certain number of foreign factories were illegally established already before 1895 when the Treaty of Shimonoseki legalized foreign industry in the treaty ports. Most of the coal mines were joint Sino-foreign enterprises with the foreigners, as a rule, being in effective control.

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51 See I. H. Anderson, Jr, *The Standard Vacuum Oil Company and United States East Asian Policy, 1933–1941* (Princeton, NJ, 1975), pp. 42–9; Osterhammel, *Britischer Imperialismus*, pp. 323–7.

52 The typical case is that of cotton goods. See Department of Overseas Trade, *Report of the Cotton Mission to the Far East* (London, 1931), pp. 61 ff.; H. D. Fong, *Cotton Industry and Trade in China*, Vol. 1 (Tianjin, 1932), pp. 262 ff.

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