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NOTE DE L’ÉDITEUR

Translated from the French original by Jonathan Hall

1 To attempt a 260-page summary of the history of the Chinese and foreign banks in Shanghai over a whole century (1842-1952) is an extremely ambitious project. This was a historical epoch dominated by complex financial and monetary structures, and agitated by political developments—civil and foreign wars, imperialist penetration, nationalist reactions and revolutionary crises—, an epoch which appears as both a phase in China’s modernisation and an episode in the expansion of international capital.

2 As a work of synthesis, Li Zhaojin’s study successfully encompasses all the aspects of this history, which is narrated in a clear, but necessarily succinct form. There are nine chapters which start from the birth of the qianzhuang (traditional banks) in the eighteenth century, moving on to the establishment and rapid rise of the foreign banks (mostly British) after the Opium Wars, the efforts of the governments in Peking and Chinese entrepreneurs to meet the challenge by setting up modern banks of their own, the intervention of new players on the scene (the Japanese and the Americans) during the First World War, the Chiang Kai-shek government’s policy of control between 1937 and 1945, the collapse of the Nationalist financial system, and finally the nationalisation of the Chinese banks and the elimination of foreign institutions after the revolution of 1949.

3 This account is essentially chronological. It covers the institutions, the men behind them, official policies and the development of national and international crises. It is supported
by solid documentation, although this is slightly dated and contains occasional lacunae. It
relies mainly on Chinese sources, some of which go back to the 1950s and have often been
utilised. But the author also makes use of some fine studies and valuable records
published over the last twenty years. However, he makes only limited use of archival
material (the Shanghai municipal archives and the records of Chinese firms). The
bibliography of Western material is based on well-established but fifty-year-old works,
like those of Albert Feuerwerker, Hou Chi-ming, Stuart Kirby and Frank Tamagna. No
account is taken of more specifically focused studies like those of Mark Elvin (on the 1910
banking crisis), Marie-Claire Bergère (on the modern Shanghai Bankers’ Association), or
Brett Sheehan’s excellent monograph which, in the light of the “New Institutionalism”,
attempts an assessment of the influence of the Tianjin bankers on the emergence of
accepted “rules of the game”, seeing this as a forerunner of the rule of law 1.

The specialist will discover scarcely any new facts or insights here. But there are still
certain matters of detail which will interest him, such as the procedures followed by the
Bank of China in 1916, when it refused to implement the moratorium ordered by its
headquarters (p. 102); or the loans granted by the Shanghai bankers to Chiang Kai-shek in
the spring of 1927 to accomplish the repression of the trade unions and communist mass
organisations (pp. 166-170); or, again, the manoeuvres by the Hong Kong branch of the
Bank of China to prevent the Nationalist authorities from transferring its reserves to
Taiwan in 1949 (p. 242).

Ji Zhaojin provides a conventional analysis of the role played by the Shanghai banks in
the modernisation of China, lamenting the “imperfections” of the traditional banks as the
products of a “precapitalist economy”, as well as their weakness in the face of foreign
competition, while also stressing the achievements of the Chinese bankers of 1920. The
latter are represented as bearers of the ideals of laissez-faire and democratic politics (p.
257).

The author, who was educated in China but conducted his research in the United States,
has replaced his former Marxist dogma with a set of liberal beliefs. This has not
prevented his intellectual approach from retaining a certain rigidity, even though, thanks
to the experience of his family (his father and grandfather having been active in Shanghai
banking in the early twentieth century), he occasionally moderates his opposition of
tradition to modernity by acknowledging that the former can serve as a basis for the
latter. He concludes his analysis by turning to the familiar stock of clichés to borrow its
praise of Confucianism, claiming for it all the virtues of the spirit of enterprise: thrift, the
work ethic, etc.

The huge number of transcription errors in the notes and the bibliography might cause
the reader give up in despair. This would be a pity because, despite its lack of originality,
this book is the outcome of serious study. It brings together in an accessible manner
information hitherto scattered throughout numerous separate works, and it throws light
on a series of complex mechanisms and developments. It will serve as a useful
introduction to anybody who is interested in the modernisation of China, and who seeks
greater understanding of the forms which it is assuming nowadays.
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