

Pro-British apologists seek to revive 19th-century colonial China

by Michael O. Billington

EIR's coverage of the Chinese reforms of the past 15 years has repeatedly pointed to the close parallel between the "coastal development zones" of today and the 19th-century "treaty ports," established by force as concessions to the British following the Opium Wars of the 1840s through the 1860s.

The apologists for today's "coastal development zone" policy, both East and West, generally go to great lengths to argue that there is no similarity to the imperialist outposts of the 19th century. However, one leading China scholar, MIT's Lucian W. Pye, has dropped all pretense by crudely *praising* the old colonial treaty ports as the shining light of the 19th century. He asserts that China's backwardness and misery of the past 150 years are not due to the colonial looting or the forced inundation with drugs under the auspices of British gunboats, but rather to the Chinese failure to appreciate and adapt to the "superior culture" displayed in colonial Hongkong and Shanghai. His intention is clear: China must today adopt as national policy the extension of the free trade economy and libertarian culture of the "free trade zones"—the Hongkong-modeled foreign treaty ports of the present era.

Pye follows in the tradition of Max Weber, who in the early 1900s extended his sociological gibberish to an "analysis" of China. Although Weber had only the most superficial knowledge of China, he nonetheless concluded that China's backwardness was unrelated to the British rape of the nation, but was entirely the result of the Confucian world view and the *negative impact* of the high degree of unity and peace that prevailed over the millennia under Confucian moral leadership. Only by divisiveness and war, said Weber, can the competitive juices be released that bring about modern capitalist development. Weber's perverse view became the standard of China scholarship even today.

Pye proves himself a proponent of Weber's world view in his article "How China's Nationalism was Shanghaied," published in the January 1993 issue of the *Australian Journal of Chinese Affairs*. Pye states:

"Put bluntly, the fundamental problem in China's modernization is that China is really a civilization pretending to

be a nation-state. . . . China today is what Europe would have been if the unity of the Roman Empire had lasted until now, and there had not been the emergence of the separate entities of England, France, Germany, and the like. But, of course, it was precisely the breaking up of Europe into separate nation-states that not only gave birth to the distinct phenomenon of nationalism but which produced the phenomenon we call modernization."

China, unlike Europe, shares a common language-culture, which is the basis for the existence of a single national entity. However, despite Pye's strained comparisons to Rome, the fact is that China's unity was often broken in the course of the past 2,500 years, and the history of the British role in China reveals repeated use of the Roman "divide and conquer" techniques by the British themselves. Two examples will demonstrate the method of those who sponsor the likes of Professor Pye.

The British strategy

Following the First Opium War in 1842, the British seized Hongkong as booty, along with the agreement to establish several other "treaty ports" along the coast (it should be noted that precisely the same cities have been designated as the Special Economic Zones in the current reform era), and the right to "free trade" in Indian opium and other commodities in those ports. One effect of the rapid spread of opium and the general economic crisis which ensued was the outbreak of peasant revolts. In the 1850s, when the British decided they needed further concessions—in particular, the right to sell their opium directly in the interior of the country rather than through Chinese middlemen in the treaty ports—they decided to support the largest of these peasant revolts, the Taiping, a messianic Taoist cult with pseudo-Christian aspects, which eventually took over much of southern China. The British threatened Beijing with full British backing for the Taiping if the central government failed to make every concession demanded of them. As it turned out, British Prime Minister Lord Palmerston organized a second direct Opium War against Beijing, and, only after burning the Summer Palace, occupying Beijing,

and forcing a change in government, did the British then reverse their support for the Taiping Rebellion and help the government armies crush them. The total cost was over 50 million Chinese lives.

In the 20th century, a similar divide-and-conquer tactic was used in an effort to destroy Dr. Sun Yat-sen's republican movement and prevent it from replacing the collapsed Qing Dynasty following the 1911 revolution. From their command centers in the treaty ports, the British controlled the customs income and much of the domestic taxation services for the Chinese government—some of the “concessions” of the Opium Wars. They used this power to sponsor and manipulate various warlords, including the commander of the old Qing Imperial Army, Yuan Shi-Kai, successfully dividing the country into numerous competing military fiefdoms. Also, at the 1919 Versailles Conference, the sovereignty of China was brutally ignored as the British chopped up their supposed Chinese “ally” of World War I, handing out the pieces to the other, more powerful allies. Only when Sun Yat-sen and his leading general Chiang Kai-shek built an army and a movement strong enough to defeat the warlords in 1927 was the era of anarchy ended, and a decade of dramatic economic and social progress unleashed.

Pye dismisses Sun's extraordinary statesmanship and leadership with a single flippant comment: “It is true that Sun Yat-sen was western trained and members of the Soong family [influential leaders in the Nationalist government under Chiang Kai-shek] were politically influential in the 1940s, but these and a few others were the odd exceptions to the general rule.”

It is a return to the anarchy and division which Professor Pye and his British allies are proposing as an option in the crisis unfolding in China today.

The ‘maligned treaty ports’

It is instructive to hear Pye's words in defense of the “maligned treaty ports,” as he calls them. He ignores the fact that it was just this system which was laying waste to the interior economy, while controlling the primary sources of income to the Chinese government, diverting them to meet the outrageous reparations imposed after the Opium Wars. Pye writes: “The fundamental and lasting effect of the treaty port system was that it provided vivid and all-too-concrete evidence of the weakness of Chinese political rule and the apparent merits of foreign rule. The huge mass population of interior China were cursed with the incompetence, inefficiency, and corruption of governments by warlords, while in the enclaves there was an environment where Chinese could prosper and realize the spirit of modern life.” This, of course, is precisely the view of the International Monetary Fund crowd today toward the “lessons” to be learned from the free trade zones. Pye warns that China must show more respect for the foreign-dominated trade zones this time around, and claims that the hatred of the

unequal treaties and the colonial power represented by the old treaty ports “rested upon a serious misunderstanding about the realities of Chinese life in the enclaves.”

He then proceeds to paint a glowing portrait of Shanghai and Hongkong, claiming that they do not deserve their reputation as “sordid, immoral cities.” They were really not foreign cities, he reports, since “in 1865, there were 55,465 Chinese and only 460 foreigners living in the French Concession,” and “by the 1930s, Shanghai had less than 500 British administrators and police officials who presided over a civil service that was essentially Chinese.”

Pye concludes with a straight face, that “anyone who knows Hongkong, knows that it is a product of Chinese efforts.”

This is not to deny that Shanghai became the center of extraordinary cultural and intellectual development, primarily during the “Development Decade” from 1927-37. This was the brief flowering of the Chinese economy and culture under Chiang Kai-shek's National government, which was brought to a close by the Japanese invasion. But this was achieved *in spite of* continued British presence and lingering control. While Chiang Kai-shek was trying to overturn the unequal treaties, his only significant western support came from Germany, which was also cut off when Hitler came to power and allied with Imperial Japan.

Pye, sounding every bit like a British colonial governor, is looking to the present when he writes: “In retrospect, it is surprising that it could once have been said that what took place in Shanghai was the exploitation of China. If that was exploitation, it is a pity that there was not more of it throughout China.” What Pye is ignoring is that the bubble economies of the old treaty ports *and* the new free trade zones today are *dependent* upon the impoverishment of the vast interior of the nation. The drugging of the population and the stealing of the national income to pay “reparations” for the Opium Wars sustained the luxury of the treaty ports, just as today the flow of 150-200 million desperate, unemployed peasants from the collapsing interior, fighting for the few million jobs in the coolie labor sweatshops of the trade zones, is the actual source of the “China miracle.”

Pye has previously prided himself in his Weberian thesis on why Mao failed to modernize China. “The process of modernization,” he writes, “has usually involved a transition from legitimacy based on a moral order to a political order based on law and responsive to the interactions of political processes composed of competing interests. Unfortunately, the evolution of China did not include such a transition. Instead there was an attempt to reestablish a moral order, this time based on Marxism-Leninism-Mao Zedong Thought. Again China was to be ruled by people who claimed to be morally superior people.”

By this sleight of hand, Pye places the Maoist nightmare of the past half-century on a par with the Confucian moral tradition, which governed China for 2,500 years and created

one of the great cultures in human history. The exact opposite is the case: Mao's ideology was explicitly based on the Legalist Qin Dynasty of Emperor Qin Shi-huang during the 3rd century B.C., most famous for burning the Confucian classics and killing or silencing the intelligentsia—an approach which Mao repeated in the massacre of the intelligentsia during the Cultural Revolution.

In fact, as I have shown elsewhere, every period of progress and development in China was achieved under the impetus of a renewed Confucianism, while every period of decay and collapse followed the ascendancy of the anti-Confucian influence of Taoism and the related Legalist forms of political tyranny. The Confucian world view ennobles man as uniquely capable of fulfilling the Mandate of Heaven through the exercise of reason, distinguishing man from beast, while the Taoist view reduces man to the level of a beast, to a "straw dog," which was a convenient ideology for tyrants such as Qin Shi-huang or Mao Zedong. It is precisely the *moral order*, which Pye denigrates, which gave rise to scientific and economic development, both in China and in the West (despite the sociological pretensions of Weber and other social Darwinists).

Hamilton's 'third way' ignored

The underlying assumption of Pye's work, and the actual message of virtually all British historiography since at least the days of Adam Smith's apology for British colonial looting, is that there exist only two choices for the form of government for any nation: dictatorship (identified today with communism) or the "free trade" regime proposed by the IMF and the Anglo-American financial cartels (identified with shock therapy in Russia and the free trade zones policy in China). As is becoming increasingly clear in eastern Europe, in the Third World, and in the western nations themselves, this second alternative is in fact a submission to the economic control of a bankrupt global financial apparatus which is bleeding the world to death to service the largest financial bubble in history. The "Third Way" of Hamiltonian economics, with National Bank control of credit generation in order to insure an expanding base of infrastructure development, scientific and technological progress, and expanding education and health services, is simply ignored or misrepresented.

Pye, in fact, makes a point of lying about the one effort to implement such a Hamiltonian system in 20th-century China—that of Dr. Sun Yat-sen. Dr. Sun's efforts of the 1910s, and Chiang Kai-shek's efforts to follow Dr. Sun's policies during the 1927-37 "Development Decade," were explicitly based on Sun's analysis of the superior policies of Alexander Hamilton and his followers, as opposed to the failed, fraudulent "free trade" policies of the British system.

Sun refused to accept "the West" as a single philosophical entity, but clearly differentiated between the moral, republican, Christian tradition which was the basis of the

Hamilton-Lincoln leadership in America, and the amoral, oligarchical world view of the British free trade colonialists. By the same standard, he rejected the iconoclastic, mindless denunciation of classical China as encouraged by the British and adopted by many of the angry young intellectuals of the May 4th movement (the nationalist upsurge which followed the sellout of China at Versailles in 1919). Sun recognized the value in the Confucian teachings which had generated the great Chinese civilization, and the coherence between Confucianism and Christianity as the basis for building a republican China capable of contributing to a revival of the world economy as a whole.

Pye, ignoring all this, simply lumps Sun Yat-sen's republican movement together with Maoism as failing to meet his Darwinian criteria for "modernism" (i.e., legalism and free trade). Pye writes: "Fundamentally, each Chinese regime since the fall of the Qing Dynasty [1911] has sought to reestablish the legitimacy of the Chinese state by formulating a new moral order to replace the Confucian order. In doing so, they have in effect tried to establish an essentially traditional political system rather than advance toward a modern one."

Hiding the unique and crucial role of Sun Yat-sen is a priority for such oligarchs today, in the tradition of Bertrand Russell's role in the 1920s in China, directing the youth away from Sun's republicanism and toward Taoism and the emerging Communist Party. Many of the intellectuals of the resistance movements of the 1970s and 1980s have fallen into an iconoclastic rejection of the "interior" culture of China, including the Confucian tradition, in favor of the "coastal" culture of the "westernized" free trade zones. What Pye's sponsors don't want these intellectuals to consider is that:

1) the IMF-based economies of the West are themselves collapsing under the weight of the massive bubble of derivatives and related speculative instruments; and

2) the fate of China itself depends on a massive emergency project to develop the infrastructure of the nation as a whole, like that proposed by Dr. Sun Yat-sen in 1919.

The proposals for China's development that were prepared by Dr. Jonathan Tennenbaum (see *EIR*, Feb. 11, 1994, "An Emergency Plan for China for the Next 100 Years") update Dr. Sun's proposals by calling for 1,000 new nuclear-powered cities to be constructed over the next 100 years. Although the coastal cities must continue to play a crucial role both in trade and in production, the emphasis is on *development corridors* which follow the rivers, canals, and the cross-country rail lines, both existing ones and new ones, deep into the interior. By this means, the interior and the population will be *transformed* through *universal* scientific methods, rather than relegated to poverty, sustained like livestock as a source of cheap, unskilled labor, recycled through Deng Xiaoping's—and Professor Pye's—new "treaty ports."