

THE EARLY STAGE OF THE MODERNIZATION PROCESS IN CHINA: ITS PROMOTIVE AND OBSTRUCTIVE FORCES

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I.

Had the modernization drive conducted in the late Ch'ing period achieved its expected goal, a modernized China with a monarchy would have emerged. Of course, the fall of the monarchy is not something to be regretted. Nevertheless, China's failure to realize modernization has been the cause of much poverty among her people. In the study of China's modernization, many scholars have compared the modernization process in China and Japan and have asked why Japan achieved its goal more rapidly. Looking at the question from a political point of view, some scholars have emphasized the inadequate leadership of the Manchu government. Others, from an economic point of view, have maintained that it was because China failed to develop rational bourgeois capitalism. Still others have viewed the question from the angle of cultural heritage and said that it was because traditional Confucian doctrines lacked the impetus for any progressive change in society. Actually, progression and retrogression in a society should not be attributed just to one cause. The reasons for the Manchu government's failure to speed up its modernization drive were complicated. In this article, the author will try to examine this question from a historical point of view, emphasizing cultural and economic factors and China's relations with the Western powers.

Historians have picked the year 1840 as marking the beginning of China's modern history, on the grounds that in that year China ended its policy of seclusion and joined the world system. In that new historical period, China suffered repeated defeats in her battles with foreign intruders and was forced to open her

door to the outside world. Why was such a large country with 5,000 years of civilization continually defeated by the Western powers? The generally agreed reason is that the Western countries were modernized while China had failed to make any progressive change in its traditional agricultural society. Yet after the Opium War, it was the common aspiration of many Chinese intellectuals to realize modernization and in the last fifty years of the Ch'ing Dynasty, they exerted great efforts to that end. It can be said that China's modern history is replete with instances of their dedication to modernization.

During the last fifty years of the Ch'ing dynasty, primary emphasis was put on the renovation of military technology in China and then on the reform of political institutions. The Self-Strengthening Movement (1860–1894) which was aimed at the renovation of the military was suspended when the Manchu government lost the Sino-Japanese War. After that war, intellectuals began to realize that the reform of political institutions was essential. This led to the Reform Movement (1895–1898), which called for the imitation of Western military, political and parliamentary systems. Nevertheless, the Reform Movement was quickly suppressed by the conservative elite controlled by the Empress Dowager. The call for political reform sounded again in 1905 when the modernizing elite initiated the Constitutional Movement. The goal of the Constitutional Movement was the establishment of a parliamentary system, plus political and educational reform and economic reconstruction. Later, when China adapted itself to world trends in making a revolution and finally overthrew the Manchu monarchy in 1911, the modernization drive entered into a new era.

The period under discussion in this article is the last fifty years of the Ch'ing Dynasty. During that time, China had a unified government and the stable political situation needed for modernization. Her three modernization movements could have attained remarkable achievements if they had not come to an end as a result of the Japanese war provocation, the opposition of the conservatives and finally, the revolution headed by Dr. Sun Yat-sen. Yet in terms of real modernization very little was achieved. In this article, the author will focus on the causes of this failure.

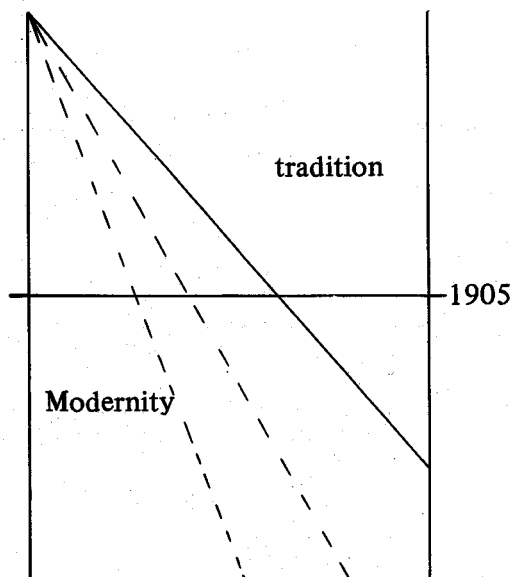
II.

A prerequisite of modernization is to have talented people work out plans and for them to have sufficient financial resources to support these plans. Compara-

tively speaking, however, people are more important than money because people can make money, but with money alone, a modernization program cannot necessarily be realized. Here, therefore, we shall first discuss the question of men. In other words, we want to take a look at the leaders of the modernization movements in the late Ch'ing period.

In traditional Chinese society, people were classified into two strata. The upper layer consisted of the gentry, and below them were the common people. Admission to the gentry class depended on passing the civil service examinations. After passing examinations at different levels, people were awarded the scholarly honors of *Sheng-yüan* (government student), *Kung-sheng* (imperial student), *Chü-jen* (provincial graduate) and *Chin-shih* (metropolitan graduate); they were then qualified for recruitment to the civil service. Any male could take the examination provided they were versed in the Confucian classics, although family background was sometimes taken into consideration. As a result, the leading stratum in traditional Chinese society was composed of gentry who were versed in Confucian ethics. That examination system lasted for more than 1,200 years and was not abolished until 1905¹ when it was singled out as the root cause of the lack of social progress in China.²

With the abolition of the imperial examination system and the establishment of a new style system of education, China began to walk along the road of educational modernization, and this in turn helped China to modernize its society. When a new system is established, it takes some time for people to get accustomed to it. For example, although the civil service examination system was abolished, the gentry class continued to exist for about thirty of forty years before it gradually withered away. On the other hand, although a new educational system was established in 1905, some institutions for the learning of Western knowledge had already been established long before that. For example, as early as 1861, the *T'ung Wen Kuan*, the first Western-style college, had been set up. Subsequently many other Western-style schools were established by missionaries. In other words, modern education was available in some parts of the country before 1905. It was in this way that the leading class gradually became modernized, while the influence of traditional society declined. The interweaving of tradition and modernity is shown by the following diagram:



From the above diagram, it can be seen that although the year of 1905 is the visible watershed, the obliquelines mark the real demarcation. Although tradition has been on the decline while modernity has gained momentum the former has not withered away totally.

Educational background inevitably has a great influence on a person's thought and personality. As the social elite in the late Ch'ing Dynasty were drilled mainly in the traditional Chinese classics and had little knowledge of Western things, their handling of the modernization drive was inevitably influenced by traditional ethical values. For example, during the Self-Strengthening Movement members of the modernizing elite like Prince Kung, Tseng Kuo-fan and Li Hung-chang all emphasized the renovation of military technology, because their educational background was mainly traditional and their knowledge of Western things was limited to the guns and cannon they had seen during the foreign invasions. In their minds, therefore, China would be able to defend itself from outside intrusion and quell internal rebellions as long as it improved its military technology. In other words, they believed that traditional Chinese culture could be safeguarded as long as China possessed advanced military technology. A slogan prevalent at that time was "Chinese learning for the foundation. Western learning for application". This indicates that their ideology was traditional.

The social elite became more conscious of the need for modernization during the period of the Reform Movement. They began to realize that it was necessary

to learn from the Western countries not only about technological development but also about the reform of political institutions. K'ang Yu-wei, the leader of the movement, believed that the power of Western countries was rooted not only in their advanced military technology but also in other things. In the process of political reform advocated by K'ang, there was a call vigorously to reform the political system. Although K'ang and his supporters were also members of the gentry class, many of them had travelled abroad and had read Western books about political, social and economic sciences in translation. Compared with the leaders of the Self-Strengthening Movement, they had a better understanding of the Western world. As a result, the Reform Movement was richer in content than the Self-Strengthening Movement. Nevertheless, because K'ang's reform program was too vast in scope and the measures adopted by him were too drastic, he was finally forced into exile by his conservative opponents.

The establishment of a parliamentary system was the central concern of the Constitutional Movement, also initiated by K'ang Yu-wei. The Constitutionlists were convinced that once a parliament was established, people throughout the country would unite and the country would become rich and strong within a short period of time. They failed to understand the fact that it was not easy for China to implement a constitutional system in the late Ch'ing Dynasty. Take for instance the establishment of a parliament. Before elections could take place, a country-wide census would have to be conducted to gather information about voters. Besides, it would take a long time to make people understand the importance of elections, especially at a time when about 80% of the Chinese population was illiterate.

Although most of the leaders of the Constitutional Movement came from the traditional gentry class, not a few of them had received a modern education either in China, Japan, Europe, or the United States.³ Obviously the Constitutional leaders were more modern in outlook than the leaders of the previous modernization movements. Nevertheless, the Constitutional leaders still heavily emphasized traditional ethical values.

III

From the above, it is clear that the leaders of the modernization movements in the late Ch'ing period were on the whole profoundly influenced by traditional, that is Confucian, culture. It is therefore imperative to examine the impact of the

Confucian ethic, on the modernization of China.

Whether Confucian culture facilitated or hindered modernization has long been a controversial subject. In the 1950s and the 1960s, not a few scholars followed Max Weber's theory of "this worldly tension" and said that Confucianism had an adverse effect on modernization because it lacked sufficient motive force for change. This kind of judgment was most clearly elucidated in the writings of Mary and Arthur Wright of Yale University. Arthur Wright said that the Chinese people tended to immerse themselves in the memories of past glory but scarcely made any plans for progress.⁴ His wife Mary Wright said that the failure of the Self-Strengthening Movement during the reign of Emperor T'ung-chih should be attributed to Confucianism's conservative bent.⁵ On the other hand, the rapid economic development of Confucian societies such as Taiwan, Hong Kong, Singapore and South Korea since the 1970s has caused many scholars to doubt Weber's theory. Some of them, such as Wm. Theodore de Bary and Thomas Metzger, even believe that Confucianism has furthered modernization.⁶ Recently, Professor Metzger even expressed the opinion that the tension in the father-son relationship in the Confucian ethic might further modernization.⁷ What, then, is the real reason for the lack of progress in modernization in the late Ch'ing period? The lack of correct leadership is considered by some as a basic reason.⁸

Obviously, no final conclusion has yet been reached on the question as to whether Confucianism is advantageous to modernization, and discussions of this matter continue to be very lively.⁹ As we can see, historical research in the past has to some extent been influenced by prevailing academic trends. In the years before 1960, academic trends favored the theory that traditional ethical values are disadvantageous to the realization of modernization and that a non-Western society would inevitably be confronted with numerous difficulties in the course of modernization if it did not relinquish its tradition.¹⁰ Since the 1960s, however, this theory has come to be discredited. There has been a swing to the opposite extreme. Instead of being an obstacle, tradition has been regarded as helpful to the promotion of modernization.¹¹ Japan has sometimes been used as an example for justifying the new theory. Of course, we do not condone the practice blindly following prevailing academic trends in research work. Independent thinking based on independent study is important.

Confucianism is represented mainly by the *Analects* and the *Mencius*. Since the T'ang and the Sung Dynasties, these two classics have not only been read by the gentry class but have also been regarded by the common people as the guiding principles governing an individual's conduct. Nevertheless, it is strange for us to

find that there are arguments both for and against economic development in these two works. In the *Analects*, for example, the following passage advocates economic development:

When the Master went to Wei, Zan Yû [Jan Yu] acted as a driver of his carriage. The Master observed, "How numerous are the people!" Yû said, "Since they are thus numerous, what more shall be done for them?" "Enrich them," was the reply. "And when they have been enriched, what more shall be done?" The Master said, "Teach them."¹²

In *Mencius*, there are also passages calling for economic growth, for example:

The duke Wan [Wen] of T'ang [T'eng] asked Mencius about the proper way of governing a kingdom. Mencius said, "The business of the people may not be remissly attended to.

Mencius also quoted the *book of Poetry* as saying:

In the day-light go and gather the grass,
and at night twist your ropes;
Then get up quickly on the roofs;—
Soon must we begin sowing again the grain.¹³

Moreover, he also said:

The way of the people is this: — If they have a certain livelihood, they will have a fixed heart; if they have not a certain livelihood, they will not have a fixed heart.¹⁴

What he has said is an indication that there is a close relationship between wealth and incentive. Mencius wanted all the people to be well off.

In their writings, both Confucius and Mencius had the understanding as we have today that the growth of industry and commerce will bring wealth to society. Confucius said: "The mechanic, who wishes to do his work well, must first sharpen his tools."¹⁵ Indeed, the improvement of tools and instruments is the key to enhance industrial and commercial development. Mencius had the following to say: "A great artificer does not, for the sake of a stupid workman, alter or do away with the marking-line. I [Hou I, name of a legendary archer] did not, for the

sake of a stupid archer, change his rule for drawing the bow.”¹⁶ To secure a standard of excellence is important in an industrialized society.

Despite the above statements advocating economic development, contrary views can also be found in both Confucius and Mencius. The most well-known example is the statement made by Mencius when he went to see King Hui of Liang:

The king said: “Venerable sir, since you have not counted it far to come here, a distance of a thousand *li* [one *li* is about one third of a mile], may I presume that you are provided with counsels to profit my kingdom?” Mencius replied, “Why must your Majesty use that word ‘profit?’ What I am provided with, are counsels to benevolence and righteousness, and these are my only topics.”¹⁷

Judging by current standards, King Hui is a good ruler. There seems to have been no reason for Mencius to discourage him. On other occasions also, Mencius shows his dislike of profit-seeking. For example:

He who rises at cock-crowing, and addresses himself earnestly to the practice of virtue, is a disciple of Shun [a legendary ruler said to have ruled around 2200 B.C., under his reign, the country was noted for peace and order]. He who rises at cock-crowing, and addresses himself earnestly to the pursuit of gain, is a disciple of Chih [a robber].¹⁸

It is strange for Mencius to refer to those who seek material gain as robbers. Although there is no such reference in the *Analects*, one can be found in another important Confucianist work — the *Great Learning*:

Virtue is the root; wealth is the result Hence, the accumulation of wealth is the way to scatter the people; and the letting it be scattered among them is the way to collect the people When he who presides over a State or a family makes his revenues his chief business, he must be under the influence of some small, mean man In a State, gain is not to be considered prosperity, but its prosperity will be found in righteousness.¹⁹

Obviously, in the above paragraph, material gain and righteousness are considered as incompatible with each other. In the *Analects*, there are plenty of exhortations to endure poverty:

The object of the superior man is truth. Food is not his object . . . The superior man is anxious lest he should not get truth; he is not anxious lest poverty should come upon him.²⁰

A scholar, whose mind is set on truth, and who is ashamed of bad clothes and bad food, is not fit to be discoursed with.²¹ Extravagance leads to insubordination, and parsimony to meanness. It is better to be mean than to be insubordinate.²² Admirable indeed was the virtue of Hûi [Yen Hui, the favorite disciple of Confucius]! With a single bamboo dish of rice, a single gourd of drink, and living in his mean narrow lane. While others could not have endured the distress, he did not allow his joy to be affected by it. Admirable indeed was the virtue of Hûi!²³

With coarse rice to eat, with water to drink, and my bended arm for a pillow; — I have still joy in the midst of these things. Riches and honours acquired by unrighteousness are to me as floating clouds.²⁴

In short, Confucius slighted material gain, just as his disciples said that the Master “seldom spoke of profit.”²⁵

To sum up, there are arguments both for and against economic development in the *Analects* and *Mencius*. Nevertheless, if the question is viewed as a whole, the central idea of the Confucian and Mencian canon is the cultivation of ethical and moral principles. And of all these principles, “benevolence” is given top priority. Before the middle of the Ch’ing Dynasty, the Chinese population had always remained about 100 million. With an abundance of natural resources, the Chinese people could lead a life of relative ease and comfort. Although not all of them were rich, few of them were in abject poverty. It was not strange therefore for the social elite to advocate a spiritual life, considering the fact that they enjoyed an even better life than the ordinary people. It was because of this reason that in the 2,000 years up to then, people accepted the Confucian idea of advocating ethics and morality while discouraging the pursuit of material gain. The whole situation changed, however, with the sudden increase of population to 400 million during the middle of the Ch’ing Dynasty. It was not until then that people begin to experience difficulties.

Both the *Analects* and *Mencius* consist mainly of the sayings of these two sages. In these two works, there are many admonitions concerning ethics and morality, although they are not systematically arranged. Different interpretations of these two classics have been made at different times. For example, Wang An-shih (1012–1086) who was prime minister during the reign of Emperor Shen

Tsung of the Northern Sung Dynasty, interpreted the conversation between Mencius and King Hui of Liang referred to above in a different way in order to facilitate his political reforms through economic construction. He said:

To Mencius, the word profit means to bring profit to our country and people In handling government affairs, he upheld the principle of righteousness.²⁶

Wang An-shih was one of the few scholars who interpreted the ideas of Confucius and Mencius as being in favor of economic development. After the Sung Dynasty which ended in 1279 A.D., Confucian scholars tended to focus their attention on moral discipline at the expense of practical issues. The situation has remained unchanged even up to modern times.²⁷ It is therefore no wonder that some people accuse Confucianism of lacking the motive force for modernization.

IV.

To cope with China's changing situation, the leaders of the Self-Strengthening Movement tried to find a theoretical basis for their reform projects in the Confucian classics. When Li Hung-chang and Prince Kung urged that China adopt foreign technology to ward off foreign attacks, their idea was obviously based on the theory of progress propounded in the Confucian classics. Scholars quoted the ideas of Confucius and Mencius to justify the need for social change. For example, Cheng Kuan-ying said: "A man of virtue would make proper accommodations according to the times" (*Doctrine of the Mean*); "Confucius was the timeous among all the sages, and it is righteous to make proper accommodations to the times" (*mencius*); and "Impasse is followed by change and change will lead to solution. Perpetuation can be guaranteed after solution" (*Book of Changes*).²⁸ Echoing the afore-mentioned theory of the *Book of Changes* about "impasse, change, and solution," Wang T'ao maintained that "there is nothing in the world that will remain 'unchanged forever.'"²⁹ He also said: "Confucius. . . after taking into consideration the merits and demerits of the policies adopted in the four dynasties, formulated a policy that could best suit his time. . . . If Confucius lived today, we may be certain that he would learn from Western countries in making transportation facilities, arms, ammunition and machinery."³⁰ On the need for change, Hsüeh Fu-ch'eng said: "A sage may sometimes take other sages as a model,

but in other times he may also change the systems adopted by other sages.”³¹ These are only a few examples to show that scholars were trying to justify the need for change with the sayings of Confucius and Mencius.

On the other hand, some other Confucian scholars took a rather conservative attitude toward the modernization drive. For example, the Grand Secretary Wo Jen said:

I have learned that the way to establish a nation is to lay emphasis on propriety and righteousness, not on power and plotting. The fundamental effort lies in the minds of people, not in techniques.³²

He insisted that it was no use to learn Western technology:

Only people of loyalty and sincerity can help us to subdue foreigners, and only people with propriety and righteousness can help us to strengthen ourselves. This is a thing understandable not only to the wise. While studying the Confucian classics, some people take foreigners as their teacher. From this, we can almost read their minds. It is certain that they will not be able to master what they have learned. Even if they have a good command of what they have learned, how can we be sure that they are honest and have dedicated themselves to the country?³³

Many other scholars shared Wo Jen's viewpoint.³⁴

In the late Ch'ing Dynasty, scholars in favor of Westernization as well as those opposed to it all tried to use Confucian ethics to support their arguments. Nevertheless, under the threat of Western technology, especially military technology, it seemed inevitable that China should learn from the West. Despite their opposition to this, Wo Jen and his supporters could find no better way to subdue foreigners. Consequently they ceased their opposition to the Westernization program.

Although the leaders of the Self-Strengthening Movement seemed to have gained the upper hand, they were afraid that they might be attacked by the conservatives if they made radical changes. On the other hand, however, they were also restricted by Confucian doctrines, and this probably was the root cause of the slow progress of the modernization drive. For example, although they realized the importance of building railways and exploring underground resources, they did not dare to take action. As a result, the Self-Strengthening Movement was limited to the renovation of the ordnance industry.

Up to the period of the Reform Movement, the modernizing elite and the conservative elite continued to hold diametrically opposite attitudes toward modernization, although both of them had been educated along traditional lines. While K'ang Yu-wei was able to justify his reform program with examples from the classics, his opponents attacked him with the same classics.

Some have asked whether the leaders of the Constitutional Movement and the 1911 Revolution also were influenced by Confucian ethics. The answer should be positive, although they had been opposed to each other before the abolition of the imperial examination system. Leaders of the Constitutional Reform Movement like Liang Ch'i-ch'ao and Chang Ch'ien had won scholarly honors in the imperial examinations, and the leader of the 1911 revolution, Dr. Sun Yat-sen, emphatically indicated that he had been influenced by the Confucian ethic. But it should be made clear here that although the elite became increasingly modern in the early years of the twentieth century, the revolutionaries were more determined than the constitutionalists to cast away the bondage of traditional ideas.

Leaders of the Constitutional Movement and the 1911 Revolution stood opposed to each other. The former believed that the country could be saved through the enforcement of a constitutional monarchy, that is, through a reform that would keep the original social and political structure intact. The latter insisted on overthrowing monarchical rule and establishing a republican form of government and considered this as a prerequisite for thorough-going reform. In the years before the 1911 Revolution, these two groups within the pro-modernization elite criticized each other. After the revolution, however, the constitutionalists boycotted the revolutionary cause, thus undermining part of the revolutionary efforts to reorganize the country.³⁵

In each stages of the late Ch'ing modernization drive, the leading class was divided into modernizing and conservative groups. Both groups believed in the value of the Confucian ethic and tried to support their opinions with regard to China's modernization with examples from the Confucian classics. The modernizing elite argued that it was a Confucian theory that society should change according to the times, while the conservatives pledged to safeguard the Confucian tradition. Consequently, the two contending parties criticized and boycotted each other. Although this culminated in social progress, in some respects it weakened both sides. It is now difficult for us to ascertain whether the traditional Confucian ethic really obstructed the modernization process, but it is true that under the leadership of the Confucian traditionalists, the tempo of the modernization drive in China tended to be rather slow. Of course, the slow progress can also be attri-

buted to many other factors, and this is a question we will now examine.

V.

As we have mentioned before, the financial condition of a country is also a determining factor in its modernization. If it lacks sufficient capital, it will be impossible for a country to develop the industry important to the realization of modernization. Did the Ch'ing government have enough money to carry out the modernization program?

If a country wants to change from an agricultural society into a capitalist one, it has to support its industrial construction with agriculture. Industrial growth in Taiwan is a result of the implementation of this kind of policy in the 1950s and the 1960s. Farmers really suffered a loss at that time as their profits were used for industrial development. Nevertheless, had they not endured that loss, it would have been impossible for us to enjoy today's remarkable industrial growth.

At the turn of the century, the Chinese government failed to realize the importance of having agriculture support industry. Moreover, the traditional government paid little attention to the economic activities of the people and collected as few taxes from them as possible. Traditionally, the taxes collected by the government fell mainly into two categories: poll tax and land tax. Poll tax was paid according to the number of adult males between 16 and 60 years of age in a family, and the land tax was paid according to the acreage of land that a household owned. It is part of the traditional Confucian ethic that "there are three major offences against filial piety" (failure to support parents when they are alive, failure to give them a decent burial upon their death, and failure to produce an heir), and of the three, the last is the gravest offence. Under the influence of this ethical value, each couple hoped to be able to give birth to five sons and two daughters. Nevertheless, despite their aspiration to have more sons, people declined to pay the required amount of tax. As a result, evasions and omissions in population registration were common through out the country. This was more evident after the reign of the Emperor K'ang-hsi, that is, after the seventeenth century. To overcome this malpractice and, at the same time, get a clear idea of the actual population, Emperor K'ang Hsi decided in 1713 to convert the poll tax to a fixed amount for each district, regardless of the number of adult males.³⁶ This decision had a great impact on China as it resulted in an immoderate increase in the population which in turn led to the exhaustion of natural resources.

To have a better understanding of the relation between the consumption of natural resources and the population, it is necessary for us to examine the population growth rate over the past 300 years. According to the studies of Ho Ping-ti and Dwight Perkins,³⁷ the Chinese population increased from five to seven times in the period from 1400 to 1913. During the same period of time, the total acreage of arable land increased three times, and the yield per *mu* of arable land (one *mu* is equivalent to one sixth of an acre) was doubled (see the diagram below).

**China's Population, Arable Land and Food Yield
in the Period from 1400 to 1982**

Year	Population (Million)	Arable Land (Million <i>Mu</i>)	Per <i>Mu</i> Yield (Catty)
1400	65-85	370	139
1600	120-150	670	---
1650	100-150	600	---
1685	---	740	---
1750	200-250	900	---
1770	270	950	203
1850	410	1210	243
1873	350	1210	---
1893	388	1240	---
1913	410	1360	---
1933	503	1534	242
1957	647	1678	276
1982	1000	---	---

Sources: Yeh-chien Wang, *Land Taxation in Imperial China, 1730-1911* (Cambridge, Mass. Harvard University Press, 1973), p. 7.

Remarks: The figure for population in 1982 is based on a recent census. Consequently, the increase in population cancelled out the increase in agricultural output which was made possible by increased acreage of arable land and improved productivity. Commenting on this situation, Mark Elvin used the theory of the high-level equilibrium trap to explain why China was unable to make a breakthrough in economic and social development.³⁸ What Elvin meant was that although China's agricultural technology reached a high level of development, enabling the peasants

to increase their productivity, the rapid increase in population meant that the people were only able to make a bare living. In other words, the peasants' output was almost all consumed, with only very limited surplus being left for economic development.

Nevertheless, from the diagram above, we can see that there was still a food surplus in the late Ch'ing period. In 1873, for example, there were 1210 million *mu* of land and the yield per *mu* was some 243 catties of grain. Under normal conditions, gross output should have been 294,030 million catties. Since the average Chinese consumes about one catty of grain per day and the total Chinese population at that time was 410 million, the annual grain consumption should have been 149,650 million catties, only about half of the total output. Of course, this was what could be expected under normal conditions. The actual output was probably decreased by 30 percent or so, due to the incessant natural disasters and wars of the late Ch'ing period. Even with this annual output (about 205,821 million catties), there should have been a surplus of at least 50,000 million catties each year, and this could have been converted into a remarkable amount of capital for industrial development.

The failure to use the agricultural surplus for industrial development was partly a result of the lack of understanding of modernization among the social elite and partly a result of the policy of light taxation. Emperor K'ang hsi's decision not to levy tax according to the number of adult males in a family was lauded as a benevolent policy in the early years of the eighteenth century. This policy, however, became a hindrance to China's progress after the mid-nineteenth century. In the 200 years after Emperor K'ang Hsi's tax policy was enforced, that is, in the period from 1713 to 1913, the sources of government revenue remained largely the same, except for some additional taxes. Meanwhile, commodity prices tripled. Let us take the years 1750 and 1910 as an example. Annual government revenues in 1910 were only 54 percent of the 1750 figure if you take inflation into consideration.³⁹ In other words, government revenues decreased by one half instead of increasing.

As a result of the light taxation policy, government revenues were not sufficient to support an overall industrialization program in the mid-nineteenth century. According to Chang Chung-li's estimate, the gross national product in 1880 was 2,780 million taels, and the government financial budget in 1910 was 208 million taels. Supposing that the GNP in 1910 was the same as that in 1880, only about 7.5 percent of the 1910 GNP was used by the government.⁴⁰ This is a rather low percentage compared with the 10 percent recorded in Japan in 1880. Without a

strong financial basis, the Chinese government was unable to undertake modernization projects on any large scale. The Kiangnan Arsenal, for example, which was established during the Self-Strengthening Movement as the leading manufacturer of advanced weaponry failed to turn out large quantities of modern arms and ammunition of a uniformly high quality or to conduct systematic research into ordnance production because its annual operating capital fluctuated wildly from year to year.⁴¹ The effort to establish a constitutional system in China was also frustrated by financial problems. It was only then that the Ch'ing government began to feel hard-pressed for money. Through constant extortions by the central government, the local authorities also became exhausted, and some of them even had to bear financial deficits.⁴²

However, it was not the case that China was unable to raise capital for modernization. As we have already mentioned, there were formidable agricultural surpluses that could have been used for industrialization. In traditional China, however, wealth was not equally distributed, and money was amassed in the hands of the gentry class. Of the total GNP of 2,780 million taels in 1880, 675 million taels (or 24 percent) was in the hands of the gentry which numbered only 800,000 (about 2 percent of the total population).⁴³ It was of course impossible for them to consume their part of the GNP. Had they invested 10 percent of their income in industrial development, China would have been a country with a high rate of investment.⁴⁴ China's ability to invest can be seen from the high rate of industrial growth (9.4 percent) between 1912 and 1936 under the Nationalist government.⁴⁵ This rapid industrial growth should be seen as resulting from a grasp of the significance of capital investment.

In traditional China, people regarded the land they owned as the only concrete property. Once they accumulated enough money, they would buy land. If they could not find the land they wanted, they would bury their money under the ground. Scarcely anyone wished to invest their money in business. Through contact with foreigners, however, they began to change their ideas. The 9.4 percent growth rate in industry was a result of this ideological change. Thomas Rawski noted that modern China's industrial development has a regional nature, most of the industry being concentrated in Shanghai and the Northeast. Since Northeast China entered the Japanese sphere of influence after 1931, we will not deal here with its experience in industrial development. Instead we are going to discuss the experience of Shanghai. In 1933, Shanghai's industrial production accounted for 41.1 percent of the Gross National Industrial Product.⁴⁶ Why was Shanghai able to become an industrialized city? The reason for this is partly because it is a city

where commercial activities already had been flourishing for several decades, and partly because the political stability in the Shanghai foreign concessions encouraged people to make investments.

VI.

Finally we shall examine the impact of China's encounter with the West on its modernization. It is John King Fairbank's opinion that the Chinese people's lethargy in responding to the western challenge gave rise to repeated battles in which China was always defeated, and that, under such circumstances, China was reluctant to absorb knowledge about modernization.⁴⁷ But why did the Chinese people not make a correct response? Discussing this matter from the viewpoint of the traditional culture and foreign relations, Fairbank maintained that the hostility between China and the West resulted from China's lack of understanding of the concept of modernization. Undoubtedly, his argument can answer only part of the question. A clearer picture may be obtained if we proceed from the study of the Chinese people's response to Western arms, ammunition, commodities and missionaries to the Westerners' requests for the opening of trading ports, territorial concessions and indemnities.

The Chinese are noted for being ethnocentric. Under the spell of their own great tradition, the Chinese were contemptuous of things foreign. When Western things like clocks, watches and toys were introduced into China, the Chinese despised them and had no intention of producing them themselves. With that mentality, China failed to realize the importance of science and therefore reacted slowly to the world trend of modernization. Nevertheless, the situation changed somewhat when Westerners arrived in large numbers after the mid-nineteenth century. With advanced ships and cannon, they forced China to accept their terms. Not until then did the Chinese people begin to admit that foreign things were superior to theirs. This can be seen from the following statements by Tseng Kuo-fan and Li Hung-chang. Tseng said:

Britain and France boasted of the superiority of their ships and the effectiveness of their cannon. These are really things that we have not seen in China before. If we can purchase them a few at a time and get hold of them, people in China will get accustomed to them and will no longer be astonished. Meanwhile, Britain and France will no longer be

able to use them to dominate China.⁴⁸

Li shared the same opinion:

I have been aboard the warships of the British and French admirals and I have seen that their cannon are ingenious and uniform, their ammunition is fine and cleverly made, their weapons are bright, and their troops have a martial appearance and are orderly. These things are actually superior to those of China. . . . Every day I warn and instruct my officers to be humble, to bear the humiliation, and to learn one or two secret methods from the Westerners in the hope that we may increase our knowledge.⁴⁹

The words of Tseng and Li clearly indicate that the Chinese leaders at that time already realized the superiority of foreign things. Moreover, they purchased foreign guns and cannon to suppress the Taipei rebellion. It was because of their increased knowledge of Western things that they later promoted the Self-Strengthening Movement.

Let us now take a look at the Chinese people's attitude toward foreign commodity goods. When foreign merchants first arrived in China, they were not welcomed. China did not open trading ports to foreigners until they were forced to by foreign troops. Even after the treaty ports were opened, it was some time that foreign merchants were not allowed to do business in the cities. This eventually made conflicts between Chinese and foreigners unavoidable.⁵⁰ But gradually, the Chinese people discovered that foreign commodities were superior to those produced in China and they began to use matches instead of flints, and to use foreign-made yarns and cloth instead of indigenous ones. In short, they first rejected foreign commodities before finally accepting them.⁵¹

Foreign missionaries also had a great influence on the modernization of China. Chinese people were as hostile to foreign missionaries as they were to foreign merchants. The Christian religion was criticized as superstitious and heterodox. People thought that it was aimed at "digging out people's eye-balls and hearts, emasculating infants, and removing the wombs of pregnant women."⁵² As a result, there was a strong anti-Christian sentiment among the people. In his study of attitudes toward Christianity, Lü Shih-ch'iang pointed out that the Chinese people disliked Christianity not because there was any disagreement between Confucian and Christian doctrines but simply because they hated foreign interference.⁵³ That sentiment was a natural outcome of China's first disastrous en-

counter with the West, the Opium War.

Actually, foreign missionaries conducted many other activities in addition to the preaching of Christianity. These included education and philanthropy, and the introduction of technology and Western medical science. Besides, through their contact with missionaries, leaders of the reform movements absorbed many new ideas which were of benefit to their reform program.

The wars against foreign invaders had both a positive and negative impact on China's modernization. In the period from 1840 to 1900, China was constantly forced to fight against foreign invasions and in each of these battles, China was defeated. This resulted in concessions of territory, the opening of treaty ports, and the payment of indemnities under the unequal treaties.

The worst result of the unequal treaties, was that China had to bear the payment of enormous indemnities. After the 1900 Boxer Rebellion for example, The Eight-Power Allied Forces demanded an indemnity of 450,000,000 taels — in other words, at least one tael for each member of the population of 410,000,000, when one tael was about the income that an ordinary worker earned for two months' work. As it was too large a sum for China to pay at once, she finally agreed to pay it in instalments over a period of 39 years, with a total payment (including interest) of up to 982,000,000 taels. With the change in the international situation during the First World War China stopped payment after she had paid 660,000,000 taels,⁵⁴ but the Chinese economy was already exhausted.

Under the heavy pressure of that indemnity, each province was asked to help raise an average of over 1,000,000 taels. The amount assigned to each province was not the same, with the highest reaching 2,500,000 taels (Kiangsu) and the lowest, 200,000 taels (Kweichow). As the annual government revenue of each province averaged about 11,000,000 taels, each province had to pay as much as 9 percent of its income toward the indemnity. The following table shows the annual revenue of each province and the amount it contributed toward the Boxer Indemnity each year. Under this heavy burden, many provinces began to run budget deficits. This was especially serious after 1905, when the constitutional reforms led to increased government expenditure.⁵⁵

**Annual Provincial Revenues and
Contribution toward the Boxer Indemnity**

Province	Revenue (1,000 taels)	Indemnity (1,000 taels)	%
Hopei	21,568	800	3.7
Kiangsu	47,511	2,500	5.3
Anhwei	6,006	1,000	16.6
Shantung	11,311	900	12.6
Shansi	5,871	900	15.3
Honan	6,885	900	13.1
Shensi	3,963	600	15.1
Kansu	3,121	300	9.6
Sinkiang	3,172	400	12.6
Fuking	6,721	800	11.9
Chekiang	11,176	1,400	12.5
Kiangsi	7,569	1,400	18.5
Hupei	16,545	1,200	7.2
Hunan	6,339	700	11.0
Szechwan	15,320	2,200	14.4
Kwangtung	20,340	2,000	9.8
Kwangsi	4,890	300	6.1
Yunnan	6,011	300	5.0
Kweichow	1,533	200	13.1
Total	205,782	18,800	9.1

- Sources: 1. For the revenue see *The First China Yearbook* (first edition published 1912, photo-offset copy in 1973), p. 125.
2. For the indemnity see Yeh-chien Wang, *Land Taxation in Imperial China*, p. 63.

The Boxer Indemnity is the most significant among many examples. Had the sum paid for the Boxer Indemnity been used for national construction, China would have been more developed than it is today. From the case of the Boxer Indemnity, the damage done by imperialists to the developing countries can be clearly seen.

Of course, it cannot be denied that the concession of territory and opening of

treaty ports also gave some impetus to China's modernization. For example, in the fifty years after Hong Kong was ceded to Britain and Shanghai opened as a treaty port, the two places witnessed an industrial and commercial development equal to that of Western cities. Impressed with the orderliness and prosperity of western civilization during their visits to these two places, K'ang Yu-wei and others were fully convinced that it was not without reason that the West was so strong. The idea also came to them that China should follow the Western pattern in making reforms. Shanghai attained a high economic growth rate after it was opened as a treaty port, and Thomas Rawski is justified in saying that Shanghai was the leader of China's economic modernization.

VII.

A review of China's cultural background and financial conditions helps us to understand that there were both forces promoting and obstructing China's modernization drive in its early stages. Generally speaking, traditional Confucian doctrine contains both of these factors. In the late Ch'ing period, the Chinese elite were profoundly influenced by Confucian ideology. Those advocating modernization supported their rationale with examples from the Confucian classics, but so did those who opposed modernization. As the Confucianism calls for self-cultivation,⁵⁶ the modernizing elite in China who were mostly Confucian traditionalists were inevitably restricted by this doctrine and its tight social discipline; Under such circumstances, it was impossible to realize any large-scale social reforms.

From an economic point of view, it would not have been very difficult for China to transform itself from an agricultural society into an industrialized one, as China is a fertile country rich in natural resources. Nevertheless, the agricultural surplus was consumed as a result of the rapid increase in population and incessant natural disasters. Besides, the policy of light taxation and the payment of enormous sums in war indemnities caused serious financial problems for the Chinese government. In addition to the financial factors, the Manchu government's ineptitude in handling the modernization program also resulted in slow progress.

In short, some forces were working in favor of modernization and some were working against it in the early stage. The interaction of these two kinds of forces offset part of the efforts of the modernizers. Had members of the modernizing elite like Li Hung-chang and others not met with strong resistance from the con-

servatives and not been restricted by traditional Confucian values, their modernization efforts would have brought about achievements going beyond ordnance production. Were it not for overpopulation, there would have been a greater agricultural surplus available for industrial development. Were it not for of the policy of light taxation and the enormous war indemnities, the Manchu government would have been able to accumulate more capital for use in modernization.

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