

# SHANGHAI: CITY FOR SALE

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China, the Bank of Communications. Their bank notes, henceforth, were the legal tender money of four hundred million people. Britain had preserved her China trade. China had preserved her financial order. The Bank of China, as the hub of the new system, held immense powers. T.V., at the controls, was mightier than ever before.

#### CHAPTER XII

##### Close-Up

IT was curious that death should be delivered to Shanghai in two installments. And it was curious that, between the first and the final installment, the city of the muddy flat should reach its greatest power. Shanghai had grown, had grown to be the fifth city of the world. It was rich and great and glamorous. And over-ripe.

You came to Shanghai for another visit, your last. It was in 1936, perhaps,—the year before the end. And you arrived there on a British ship, perhaps,—a mighty white ship with a remarkably well-fitting name: *Empress of Asia*. And the mud came streaming towards your ship hours before you saw land. Miles out in the open ocean, it polluted the Pacific blue, turned it into a brownish yellow. The ships of twenty nations, cargo and passenger ships, were pulled, by invisible strings, toward one point on the yellow horizon. And your fellow travelers went down to their staterooms to pack their things and to get ready for the landing.

The point on the yellow horizon was not a point at all. It was a bay of immense width, with short, quick, yellow waves: the Yangtze mouth. There were two faint bluish lines in the distant haze, and through your binoculars you could see that there were trees on those lines. A motor boat pierced the haze and your ship stopped for a few minutes, to let the pilot climb aboard. The faint bluish lines came closer now,

you could recognize a few houses. The wide bay had narrowed, had become the lazy current of the Yangtze. You passed some outgoing ships—a large black freighter with the British flag, an American tanker, a fast up-to-date Japanese passenger boat on its way up to Tsingtao and Dairen.

There was a turn, and right on the corner, there was your first Chinese village: Woosung. You remembered the *Nemesis*; and you remembered 1932. Your big white ship was crawling up the Whangpoo now, slowly, with the incoming tide. There were stretches of good green Chinese farmland on both sides, a few casual villages, with low houses and with willow trees. Those large mounds were ice houses. And those small mounds were graves. Your ship had difficulty dodging the junks by now. They were crowding the river, sturdy wooden vessels, with two painted eyes on the prow, and with their dark patched sails sagging in the still air. You passed by the properties of foreign oil firms, with their silvery tanks. You passed by the Shanghai Power Company, one of the largest electric plants in the world, bought by American interests for thirty-two million American dollars, seven years ago. And behind masts and sails and funnels, the ugliest and most imposing skyline of the world shoved itself into a grimy sky.

The last two miles of the trip you made by the shipping company's steam launch. You were low on the thick yellow water, and those steel gray cruisers, with their guns and turrets and airplanes, were looming big above you. They guarded the majestic front of the Bund, the white banking firms and insurance palaces and office buildings and hotels, the freak domes, Greek columns, top-heavy gables. There they stood, the white buildings, lined up along the Bund in bland arrogance, looking across the muddy river with the triumphant air of profits and investments.

You strolled along the Bund, perhaps, the first morning

in Shanghai, just to get acquainted. You started on its southern end, where it met the Ouai de France, and with slow gravity, the massive fronts filed past you. The Asiatic Petroleum Building, on the corner of Avenue Edward VII, led the parade. Next was the Shanghai Club, stodgy and imperial, housing the world's longest bar. There was the Japanese Nisshin Kisen Kaisha, the British P. & O. Banking Corporation; the Commercial Bank of China and the China Merchants' Steam Navigation, both Chinese. Then, with its dignified facade and its colossal white dome, the Hongkong & Shanghai Banking Corporation, compact manifestation of power. Two massive bronze lions flanked the gate. Their paws and tails were shiny; too many Chinamen had petted them as they passed by, to get the strength of lions. . . .

The "Hongkong Bank" almost touched with its left shoulder the tall Customs House which had lost, by now, all resemblance to the picturesque Chinese temple of bygone days. You saw the old-fashioned and serious-looking faces of the Bank of Communications and of the Central Bank of China, strangely contrasting with the smart marble front of the Japanese Bank of Formosa. Next came the narrow-chested "Old Lady of the Bund"—*North China Daily News*, the tai-pan paper par excellence, and the British Chartered Bank, ranging in power and influence next to the dome-crowned "Hongkong Bank." And, on the corner of Nanking Road, you saw the homey-looking Palace Hotel.

You had arrived at Shanghai's most important intersection, the great caesura in the front line of the Bund, Nanking Road. You crossed the street, dodging a dozen rickshaws and one or two tram cars. Your eyes rose along the towering structure of the Sassoon House, Shanghai's tallest building, with its modernistic architecture, and with the large sign over the entrance which said Cathay Hotel. You walked around the building, looked into the windows of its elegant

stores. Next was the old site of the German Club, which was the new site of T. V. Soong's Bank of China. After that, Japan's Yokohama Specie Bank, and Italy's Lloyd Triestino. Here was the famous Ewo Building, housing the rugged old firm of Jardine, Matheson & Co., and also the shipping offices of the Canadian Pacific Steamship Company. Next were the Glen Line Building, the French Banque de l'Indochine, the Japanese N.Y.K. And on its old luxurious grounds, reaching all the way to the bank of Soochow Creek, there was the British Consulate.

You did not go beyond this point. You did not cross that iron bridge that led over to Hongkew. You just had a glimpse of a maze of cabbage junks and open sampans, of the modern Broadway mansions, the old Astor House, and the Russian Consulate on the other side, and you turned back to the corner of Nanking Road. The hustle and the noise of a Chinese city sucked you in. There were a few blocks with Western offices and stores—Kelly and Walsh, the American Book Shop, Whiteway and Laidlaw, the American Drug Company, the Chocolate Shop. And then, this was China.

You were nudging your way through the crowd, a quickly moving, uninterrupted stream of Asiatic mankind, mankind in blue. They still wore their long blue cotton gowns, or their short blue jackets and black trousers, most of them, men, women, children. You could not help wondering why all these people should be pushing ahead, crowding the sidewalk, without any apparent purpose. You could not help remarking that they were the world's most orderly crowd, and extremely well behaved, except for their artful spitting. The shrill discordant sounds of a Chinese brass band came from an open window just above the traffic. A Chinaman's idea of advertising. No one paid any attention to it.

A strangely mixed traffic was milling along the winding road. There were the shining black automobiles of the tai-

pans and of the compradores. There were hundreds of primitive pushcarts and wheelbarrows, some of them pulled, on thick ropes, by a whole flock of sweating coolies—trucks were expensive and coolies were cheap, although the angle in which they bent their backs made you feel slightly uncomfortable, at first. (You would become used to it.) There were coolies who carried bales on bamboo poles across their narrow shoulders; sometimes there were eight or ten of them, carrying one immense burden with a clever criss-cross of strings and bamboo poles, stopping every twenty feet to breathe.

And there were rickshaws, many hundreds of them for hire, with their Municipal license plates. The pullers would pester you all along the way ("Rickshaw, master?") because white men were not supposed to walk. You saw those who had picked up a passenger weaving through the thick traffic with incredible skill. Swiftly they flew along, escaped miraculously the fender of an automobile, the shafts of another rickshaw. You stopped to look at some of their passengers. Few of them were white—an occasional griffin on his way home from the office, a Russian whore with well-shaped legs in silk stockings. Most of them were Chinese; there was a fat old man with a rooster . . . the rooster's feet were tied together and the poor thing was beating the air with his wings. There were others with carefully wrapped boxes and bundles that seemed to hold mysterious contents. There were two young girls in black pajamas, one sitting on the other's lap, both of them shaking with laughter. The rickshaws moved ahead, disappeared in the traffic. New ones came shooting out of the alleys.

Some of them were private rickshaws, to be sure. You could tell them from the public ones, at a glance. They were better kept, more carefully polished, more stylish. Well-dressed gentlemen with tight-fitting black silk caps and spec-

tacles sat ensconced on their cushions, and their pullers seemed to look down, with condescending grins, upon their less fortunate brethren. You might have been surprised to see some of them dressed up in exquisite jackets of diaphanous Canton silk; you did not know, of course, that it was the master's jacket, lent to the puller for a very distinct purpose: this type of silk was more pleasing to the skin after it had received its first soaking in human sweat. And the gentlemen with the tight-fitting black silk caps and spectacles never perspired.

Slowly you moved on, not quite certain whether you were the one who pushed or who was being pushed. You were one white man in the midst of Asia, hemmed in by the ten thousand blank and hairless faces that seemed to be only so many facets of one big unknown face. You saw the ten thousand faces and you saw their dark eyes and you were wondering. But the ten thousand were not wondering. Not a bit. No one would give you so much as a look.

Except the beggars. Horribly disfigured people would stretch their rotting limbs toward you. Half-starved mothers would hold up their half-starved babies, miserable, crying little bundles. Groups of three or four filthy children would descend upon you, demanding their kumshah. Old men would follow you for two or three blocks, murmuring pleas in the first block, obscenities in the second, curses in the third. And you were wise to drop your dragon coppers into their hollow hands. You did not know, of course, that in the fourth block they were likely to transfer some of their lice to your coat. You did not know that begging, as every other racket in this wide-open town, was organized as a monopoly. You did not know that those half-grown children were working for an unseen overlord; and that the half-starved mother had driven a pin into her half-starved baby to make it cry when you were passing her. You had not heard

of His Heinous Majesty, the King of Beggars, who was ruling this mendicant army from behind the scenes. For all his hollow hands, His Majesty might have extended a helping hand to you, at times: if you had left a brief case in a public rickshaw, for example, he was the person to see. His observant subjects had watched you hailing that rickshaw on the corner of Nanking Road and Thibet Road, had watched you on your way along the Race Course, had seen you getting off on Bubbling Well. They knew the rickshaw and they knew the puller, and you would have your brief case back in a few hours, for a moderate contribution to His Majesty's treasury. You did not know, of course, and you dropped your dragon coppers into big and little hands.

Up here, a mile away from the Bund, Shanghai's three great emporiums were flanking the street: Sun Sun, Sincere, Wing On—easily the world's most entertaining department stores. You stepped into one of them, found the place just as crowded as the sidewalk outside, although it was a somewhat more wealthy-looking crowd that clustered around the displays. There were no coolies among them. The coolies, in fact, were waiting outside, with their rickshaws, or just with their hands, ready to carry their masters' parcels. You looked around, drifted from counter to counter. The wares of Asia, Europe, and America were spread out before your eyes. French perfumes, Scotch whiskies, German cameras, English leather goods, and a bewildering mass of things Chinese: cotton shirts, cigarette cases, toys, pajamas, artificial flowers, ladies' slippers, rings and bracelets, silks.

On the third floor, where they sold material for women's dresses, you saw your first Chinese beauty. She was the daughter of a compradore, expensively dressed, neatly made up, very, very pretty. She wore a tight, ankle-length dress of light green silk, slit above the knee, with short sleeves and with a stiff little collar around her porcelain neck. It was the

Shanghai dress, in the style of 1936—she as well as every other fashionable young lady in China had to wear it. Shanghai, the metropolis by the Yangtze mouth, dictated China's fashions. So powerful was its command, that it overruled official Nanking. This lady wore her hair in a permanent wave—officially prohibited by the "New Life" prescriptions of the Government. She was slim and tender and aristocratic, and she made you think of Li Po, in a Chinese department store. But you would see more of them, later, at the tea dance at the Astor.

They were the noisiest things on earth, those department stores. Somebody was playing records, all the time, and the tunes were amplified through loudspeakers of super strength. The Chinese loved noise, went crazy about it, and Shanghai offered its noises, as it offered everything else a Chinaman could ask for. It produced a great, grotesquely cacophonous rhapsody. It was in the department stores and in the open shops, in the factories and in the workshops. It was on the Bund.

All day long, the sweating stevedores of the Bund were shouting their somber tunes. All day long, they were singing that same thing—hai-yo hai-yo. It was a rhythmic, monotonous song, and they were singing it when they carried their burdens from the junks to the foreshore, or from the foreshore to the junks. Perhaps the rhythmic singing regulated their breath and made the work a little easier. It did not look easy, though.

There were no large piers on the foreshore; the Municipal Council had thwarted all attempts of shipping firms to build their wharves in front of the Bund. The taipans had not liked the idea of spoiling the beauty of their waterfront. Or was it fear lest the presence of large liners might interfere with the protective activities of the cruisers? There were

no large piers, and junks brought the cargo up to the Bund when it had been taken off the steamers further downstream. And from the junks, the singing coolies carried the bales and crates and barrels to the foreshore.

They carried their loads hooked to bamboo poles and they came jogging over the gangplank, in pairs, one behind the other. The heavy yoke weighed both of them down with equal pressure. Both of them were dripping with sweat. They dumped their load on the hard mud of the foreshore and ran jogging back to the junk, dodging the next pair that came singing over the gangplank, with its heavy load, dripping with sweat. They went jogging back and forth, all day long, howling their songs with hoarse animal voices, dripping with sweat. A hundred thousand coolies, dripping with sweat.

You could walk along there, in the boiling heat of an early afternoon, and see the crates and bales and sacks and barrels pile up on the foreshore of the Bund, between the white front of the banks and office buildings and the gray front of the cruisers and destroyers. The Whangpoo was at low tide and the sampans were stuck in the mud—so many of them that their wooden bellies touched one another. It was like a large parking space crowded with cars. And that is more or less what it was: they were Shanghai's water taxis; you could hire them for a few cents and go across to Pootung, or downstream to Yangtzepoo. But now, while they were lying idle, they were not dead. Tiny as they were, they were crammed with life. The sampan people were living on them and from your vantage point on the foreshore, you could look right into their "homes." You could see old women, with ankle-tied trousers, wash the tattered family laundry, or cook the family meal. You could see little girls with neatly braided pigtailed hang the laundry over the oar to dry, or climb out of the boat to fetch some drinking water.



And a little later, you might watch the whole family quietly assembled around the rice pot, each helping himself with his chopsticks. They were peaceful and contented and stuck in the mud. On their tiny craft, with their ducks and bugs and children, they lived, ate, procreated, slept, were ill, died . . . the sampan nomads of Shanghai.

Shanghai was a Chinese city, there was no doubt about it. Four million Chinese had settled down in the city of the muddy flat which had become far and away the largest human settlement on the continent of Asia. They were living their Asiatic lives, in dingy tenement houses, on river sampans, on the sidewalks. A million of them were living in the Settlement, and another half million in Frenchtown. Their world and the world of those sixty thousand foreign devils in their midst were light-years apart. The White Man and the Chinaman had different names even for the streets and buildings in the heart of the Settlement. On your map of Shanghai, you would not find the "Throwing Ball Field," the "Chessboard Street," the "Beat Dog" and "Stealing Hen" bridges, "Iron Street," "Big Street," or the "Rising Sun House."

In the crooked side streets and alleys, a stone's throw away from Nanking Road, Shanghai was as Asiatic as Tibet. In noisy workshops, open to the street, the essentials of a Chinaman's life were manufactured before his eyes. In some shops, they only carved mahjong pieces. Next door, they made hats; or they filed brassware; or finished cotton gowns; or umbrellas; or twenty gray-faced youngsters were hunched over sewing machines; half a dozen nearsighted girls were embroidering handkerchiefs. Outside, on the sidewalk, people who had nothing else to do were watching. They liked, especially, the silver shops where weighty vessels, miniature pagodas, and vases were hammered and polished into shiny perfection, were carefully put on the shelves—

good investments for anyone who had to give a little "squeeze" present to his friend, the government official.

In Chinese drugstores, uncanny things were on display. Baby-shaped roots, for miraculous purposes, were looking out of attractive little boxes. Dried frogs were piled up in heaps. There were herbs and fish bladders and preserved animal parts and patent medicines and a thousand jars and flasks and bowls. In cotton and silk stores, small armies of clerks were waiting for their customers: far too many employees for the size of the store, you thought; you did not think of all the cousins, nephews, brothers-in-law, that had to be taken care of. In his cage on the corner, safe from sudden attack, the corpulent money changer did a thriving business in lottery tickets and coppers. There were roughly three hundred and twenty coppers to the dollar; but the actual rate of "exchange" was rising and falling every day. If the dollar bought three hundred and twenty coppers to-day, it might be worth three hundred and twenty-two tomorrow. And the money changer, in his cage on the corner, grew a little more corpulent.

The noises and the sights and the smells of Asia were Shanghai, a stone's throw from Nanking Road. There were those cheap Chinese kitchens and restaurants with their fried ducks hung up as decoys, glossy with vermilion varnish, irresistible. Their smudgy counters were crowded, for the better part of the day, with customers, holding the rice bowls in their left, long wooden chopsticks in their right, most of them standing up, some sitting down. And even the coolie who had left his load on the curb, became a gourmet and relished the bits of seasoned meat or fish dished out with his rice. There were professional letter writers, sitting at shaky tables, handling their brushes with a scholarly air. They always had their customers, had to compose a girl's love letter and a shopkeeper's dun, all in the same flourishing char-

acters. There were, finally, those religious stores with their mystic smell, where you could buy incense sticks or loads of paper *cash*, the joss money that you would burn at funerals—little paper shoes, shaped like the old tael, strung up by the hundreds.

And right on Nanking Road, not so very far from Wing On's, behind a shabby stone wall with a wooden gate, there was a temple. A regular Chinese temple, not very luxurious, not very big, but just as sacred and remote as it would have been in the Western Hills whose far blue silhouette you could see from the city of Peking. You entered through that wooden gate, and the roaring traffic died away behind you. In this square, open courtyard, there was eternity. You smelled incense, you laid your hands on the bulging metal of the huge urn in the center, you saw that crouching old man who had not moved, you realized, for the last five hundred years. You dropped, maybe, a copper coin into that dust-covered receptacle, and as it disappeared with a clatter, you heard the minutes and hours and centuries trickle away in the same sound.

When you emerged, it was almost dark. In the stores and workshops of the side streets, the hammering, rasping, and screeching had stopped. A smoother, more melodic noise had replaced them: the click of the counting machines. A day's meager income was recorded.

In the cotton shops and silver shops and hat shops, in all the Chinese stores open to the street, they were having their evening meal. They were sitting around their big tables, the cousins, nephews, brothers-in-law; the nearsighted girls, the gray-faced youngsters, the clerks and sewers and hammerers and filers. They were sitting around their tables, with the big rice bowl in the center, and with little rice bowls in their hands. And with their long chopsticks, they took the rice out of the big bowl and put it into their little bowls. It was

dark outside and their stores, open to the street, were ablaze with light. For the Chinese loved light just as they loved noise. They were crazy about it.

On the 8.66 square miles of the International Settlement, a million Chinese were living their Asiatic lives. Still, this was not Asia. There were no floods and famines. There were no war lords. Thirteen different foreign flags protected a million Chinamen, protected them against their own government. Chinese policemen and Chinese tax collectors were kept out. Chinese prosecutors could not arrest Chinese subjects living in the Settlement; they had to ask the Municipal police to carry out the arrest. And the Municipal Council did not extradite a Chinaman without a preliminary hearing at which the Council was represented. Modern Chinese courts had taken the place of the old Mixed Court, and Chinese subjects were judged by Chinese judges, according to Chinese law. That the Chinese judges had to respect the Shanghai constitution and the Municipal ordinances above the Chinese law was understood.

Not all the Chinese were poor. In the precarious safety of the Settlement, large chunks of capital were held by Chinese interests. There was, for example, the old China Merchants' Steam Navigation Company, now controlled by the Nanking Government, and worth some seventy million Mexican dollars. There were the Chinese banks that had floated, by this time, about a billion dollars in loans for the Soong Government. There were a thousand Chinese pawnshops, most important links in the fast-moving circuit of money and goods. (All of them were on street corners, and all of them had two exits. If Mr. Chen ran into his old friend Liang, who was just stepping out of a pawnshop, friend Liang could explain that he had only walked through the shop to avoid the detour around the crowded corner.) And



there were Shanghai's three thousand factories, eighty per cent of which were owned and operated by Chinese. Some thirty cotton mills, some forty rubber shoe factories, some forty canneries, some sixty tobacco plants and some ninety hat factories were the most prominent Chinese enterprises. There were the rich Chinese department stores, with their hotels, restaurants, and theaters. Their owners had their well-manicured fingers in a great many pies: Wing On's was interested in a cotton mill, a bank, in life insurance and in other branches of underwriting. There were plenty of Chinese restaurants and amusement places, motion picture houses, and a hundred or so radio stations.

Much Chinese property was registered with foreign consulates, under foreign names. The British alone held more than a hundred million Mex dollars' worth of Chinese property. This "beneficial ownership" was meant to make the safety of the Settlement doubly safe: the Chinese proprietor enjoyed the full privilege of extrajurisdiction, was to be sued before the foreign consul.

But the bulk of Shanghai's "big money" was to remain in the hands of the taipans, to the very last. In terms of municipal voting strength, Chinese compradore capital counted but little. Out of the million Chinese who lived in the Settlement, only a few thousand were wealthy enough to vote under the plutocratic system of the Shanghai constitution. The death rate of the Chinese in the Settlement was 15.41, compared to a death rate of 14.27 per thousand among its foreign residents. Five out of a hundred dead Chinese had died from tuberculosis—one out of two bodies that were picked up in the streets was a victim of consumption.

And the well-groomed gentlemen of the Shanghai silver clique, the compradores and bankers, were not too safe—even in the Settlement. Thirteen foreign flags could well

protect them from Chinese tax collectors and district attorneys. But not even the British Consul General or the Chairman of the Municipal Council could protect them from the quick and merciless moves of the Shanghai underworld. They would ride to the office in the morning and they would open their mail and they would find a note asking for thirty thousand dollars. And this note would frighten the well-groomed gentlemen very much indeed.

In their palatial homes in Frenchtown sat Mr. Dou Yu Seng and Mr. Wang Hsiao-lai and knew nothing. They knew nothing about that thirty thousand dollars, nothing about the "Greens" and the "Reds," were entirely unaware of the world's largest, most powerful, most efficient underworld organization of which they were the leaders.

It was one of the oldest Chinese institutions. Its history went back to the Boxers, the Redhead Bandits, the Red Towel society. Age-old superstitions had been refined and blended, had been flavored with a dash of Taoism and adapted to a modern age. Before the Revolution of 1911, the two large secret societies which had crystallized from the mass of outlaw groups and bands had held sway in the interior. The "Greens" were all powerful in the provinces of the Yangtze Valley; the "Reds" haunted the rich districts along the banks of the Yellow River. Members of the two gangs recognized each other by subtle and inconspicuous gestures—you could tell a "Red" from a "Green" by the way he held his cigarette.

The two organizations had kept fighting against each other as well as against their southern rival, the "Three Spot Party." The spectacular growth of Shanghai, its safety, and its treasures, had attracted all of the big gangs. One by one they had transferred their headquarters to the city of the muddy flat. This transaction had been costly to both the "Reds" and the "Three Spots." They had their followers in

the distant interior and they were losing contact with them. Their power began to shrink; the "Three Spots" disappeared and the "Reds" carried on without much influence. But the "Greens," who were firmly entrenched in the Yangtze Valley, were able to use Shanghai as a base without sacrificing their old hunting grounds. They settled down in Frenchtown and became China's, and probably the world's, most powerful illegal organization.

Their activities were amazingly manifold. They ranged from opium smuggling, the management of gambling houses, robberies, kidnapping and murder, to the supervision of the detective section of the French police, the cornering of the gold bar market, and a variety of ordinary business dealings. Yet the fundamental idea of the organization was protection. It was not easy to join the gang; but everyone who had taken the oath was sure of the gang's support for the rest of his life. They would not let him starve. As he had sworn to sacrifice everything he owned for the sake of the others, so the others would do everything in their power to help him. An iron discipline ruled the gang; anyone who violated the rules, who acted without authority or against his leader's command, was punished with swift precision. Execution, preferably by ax, was the supreme punishment dealt out by the high command.

There was hardly a restaurant owner, a hotel manager, a banker, who had not bought his protection by either joining the "Greens" or by simply paying his protection fee! Woe to anyone who tried to remain outside. He might double the number of his bodyguards every year and still not be safe. There was no authority powerful enough to check the "Greens." And people willingly paid to buy their protection from the "Greens" against the "Greens." Flaring headlines telling of the latest kidnapping, front page stories presenting all the shocking details, served as impressive warn-

ings to every prominent Chinese in the Settlement. Foreigners were not approached directly. They had their dealings with either the International or the French police which, in turn, would settle the account with the "Greens." Money was passing back and forth quite freely, between the "Greens" and the police.

These facts are not set forth merely for the entertainment of the reader. They are important for the understanding of the inner mechanics of the Shanghai scheme. Without the tight monopoly of the "Greens," Shanghai would not have been Shanghai. These gangs were not societies of outlaws; they were the law. Everybody with a name, including the Municipal Council, had to knuckle under. The generalissimo himself, who had taken the oath as a youngster, was bound, for life, to obey their orders. There was a good deal of genuine idealism connected with membership in the gang. Some of China's best brains were members, among them several prominent lawyers who acted as legal advisers.

The intimate relationship connecting the "Greens" with the executive branches of the Shanghai government, especially with the French police, were advantageous for both partners. In criminal cases which baffled the detectives, the help of the "Greens" was frequently enlisted. Police headquarters would simply call up Mr. Dou or Mr. Wang, and the case would be "solved" within a few hours. If Mr. Dou and Mr. Wang found that the culprit had acted without their authority, they would see to it that he received his punishment. This method was so highly practical that at one time Dou himself was made head of the detective section of Frenchtown.

The actual power wielded by the "Greens" far surpassed the influence of "gang" systems known in other parts of the world. Al Capone or Dutch Schultz, the classic bosses of American gangs, were small fry compared to Dou or Wang.

No one ever knew the number of their retainers. An army of approximately one million men, scattered in the towns and villages of the Yangtze Valley, with their western outposts as far inland as Szechwan, would be a conservative estimate. In metropolitan Shanghai, roughly one hundred thousand members were actually enlisted. Among them were rickshaw coolies, shopkeepers, policemen, bankers, and practically all the operators and managers of gambling houses, restaurants, cabarets, hotels. To open a new restaurant or gambling house without the blessing of the "Greens" was utterly impossible.

The "Greens" were ruled by an exclusive hierarchy. There were several strata or "generations" of members; members of the same "generation" called each other brothers. Members of the next higher "generation" were their "uncles." There were innumerable ranks among the leaders, the highest being Da, Tung, Woo, Sho. Mr. Dou and Mr. Wang, the two supreme leaders, had divided the burden of responsibility between themselves: Dou attended to organizational, Wang to financial matters. Wang, in his capacity as financial boss, boasted the title "King of the Golden Mountain." The two Grand Viziers lived in regal splendor. There was nothing that they could not have for the asking. They had their sumptuous homes, their ever-increasing bank accounts, their hordes of servants, their legions of concubines. They were so safe in their own metropolis that they could do with very small bodyguards. They were not afraid of anyone. And so great was their power that, in their personal careers, they could afford to "go straight."

Dou was one of the few great men of Shanghai who was actually born there. He hailed from Pootung, on the other side of the Whangpoo. He had received no education whatsoever. And he had worked his way up to the presidency of the Chung Wai Bank and the presidency of the Tung Wai

Bank, to the directorship of the Commercial Bank of China, the Industrial Bank of China, the Kiangsu and Chekiang Bank. He had become prominent as director of the Great China University, as president of the Jen Chi Hospital in "Ningpo More Far," as director of the Chinese Cotton Goods Exchange and the China Merchants' Steam Navigation Company in Shanghai. He had quit opium smoking (although he retained that withered look) and, under the guidance of a young and beautiful actress, devoted himself to the more pleasant aspects of life.

Wang was even more successful than Dou in accumulating respectable offices. As most people in Shanghai, he was a native of Chekiang. At one time or another, he was chairman of the influential Chekiang Provincial Guild, chairman of the Provisional Government of Greater Shanghai, high adviser to the Ministry of Finance, and finally chairman of the Chinese Chamber of Commerce in Shanghai. "Smallpox" Wang had become the "Million Dollar" Wang. Everybody who has seen him will agree that he was the most formidable looking creature ever to blight an Asiatic landscape.

To what extent the phenomenal success of the two Grand Viziers was due to the generalissimo's gratitude it is hard to say. Chiang Kai-shek went into conference with them at various times and, in 1927, the "Greens" had been the ones to butcher stubborn Communists. It stands to reason that the generalissimo, somehow, showed his appreciation. Whoever might have been the power behind their thrones: the two bosses of Shanghai were riding high until the end. When they arrived, late in the evening, at one of the more expensive cabarets in Frenchtown, the guests, the waiters, and the girls would nudge each other. And you could hear the manager whisper to the Number One waiter: "No chit for this table."

## CHAPTER XIII

### Shanghai Gentleman

THE city of the taipans was a city that bought and sold; it had been founded for this purpose, and buying and selling had remained its essential stuff. The lives of its hong, big and small, were the life of Shanghai. And if one or the other firm had dropped out during all those years, it did not matter as long as the ranks closed in again, as long as the pageant of taipan firms marched on.

The taipan firms were as alive as ever. True, the silver boom had left the taipans somewhat breathless. Too much of China's actual money had been sent away, and the purchasing power of the Chinese masses was greatly diminished. But most of the hong stood up remarkably well under the strain of rapidly changing conditions.

Jardine's was among those that had become heavily involved. A great many of their investments were frozen, and their large importing business was drastically curtailed. The necessary remedies, however, were produced by the "Hongkong Bank." The "Hongkong Bank" was the financial arm of the British Government, out here, and the "Hongkong Bank" would not let anything happen to Jardine's. Any damage to this great house, which was one of the offspring of the old East India Company, and whose taipan belonged to one of the most distinguished British merchant families in the Orient, would have cost the British too much "face." Hence

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the firm of Jardine, Matheson and Co., Ltd., merchants, steamship agents, general insurance agents, was still there, at No. 27, The Bund. It was still there with its intricate commercial apparatus, and with all its departments: the correspondence department, the property and estate department, the import department, the tea, the China produce, the silk and waste silk, the ocean shipping departments. It still owned the Ewo Brewery, and Ewo Cold Storage, its cotton mills and its Indo-China Steam Navigation Company. It still had its comprador: Mr. Pan Tse Chuen.

The younger firm of Butterfield and Swire was still competing with Jardine's at close quarters. Their sugar business was most substantial, and they had actually outstripped Jardine's in coastwise and Yangtze River navigation. They were extremely efficient in conducting their affairs; one of the Swire brothers would come out and look after things personally, once in a while. "Butterswire's" offices were on the French Bund.

At No. 1, The Bund, were the offices of the Asiatic Petroleum Company, the oriental sales division of the powerful Anglo-Dutch Shell group. Besides its gasoline department, it had an important aviation section, sections for the sale of lubricants, candles, technical products. It had its own engineering department, its statistical and advertising divisions, its shipping department and its workshop. It owned wharves and had a large "floating staff." Its comprador was Mr. Dow Ding Yao.

Other British firms of importance were the Shanghai Gas Company, incorporated in Hong Kong, and the Shanghai Water Works, incorporated in England. They were key units of the Shanghai scheme: Britain's grip on Shanghai's strategic utilities was a political, not a commercial, fact.

There was the British-American Tobacco Company, founded in 1902, which owned factories in Shanghai, Han-

kow and Tientsin, and which dominated the tobacco trade of China. Shanghai had become the center of China's cigarette industry, and the B.A.T. produced roughly one-third of Shanghai's total cigarette shipments. There was the ancient silk and tea firm of Gibb, Livingston and Co., the trading firm of Whiteway, Laidlaw and Co., and many others. And behind each British firm, there was the mighty "Hongkong Bank," at No. 12, The Bund, incorporated in the crown colony of Hongkong. Its taipan was Mr. A. S. Henchman, the name under which it conducted business with its Chinese customers: Way foong ning hong. It was still true to its original purpose, that of financing British business out here, and it was probably the most solid asset of the British trading community in Shanghai.

American firms, like others, had been struck by the depression that followed the silver boom. Moreover, despite their physical distance from Wall Street, American taipans had taken much interest in the American stock market during the prosperity years and had been hit, consequently, by the crash of 1929. Some were still trying to recover.

Standard Oil was in the van of the American trading community. As early as in the 1890's, John D. Rockefeller had begun to tap the vast Chinese market. The lamps of China burned brighter with his kerosene, and his company, under the hong name of Mei Foo, was doing a brisk business. China, by now, consumed 6,500,000 barrels of oil every year, and Standard Vacuum shared the control of the market with Shell's Asiatic Petroleum Company. Lubricating oil still accounted for the bulk of its sales.

Other American firms were the China National Aviation Corporation at 51 Canton Road (its stocks were owned, to the extent of 45 per cent, by Pan American Air Lines; the Chinese Government had the controlling influence), Eastman Kodak, Western Electric of Asia, Metro-Goldwyn-

Mayer, Paramount. The Shanghai Power Company, controlled by American interests, had a monopoly in supplying the Settlement with electricity. The Shanghai Mutual Telephone Company had been bought, in 1930, by the International Telephone and Telegraph Corporation. American automobile firms had their branch offices in Shanghai. The National City Bank, at 41 Kiukiang Road, was the financial power behind a large part of the American Shanghai trade, although it lacked the political strength of the "Hongkong Bank." The American *Shanghai Evening Post and Mercury* carried, for the entertainment of the American community, Ripley's "Believe It or Not," Dorothy Dix's column, and all sorts of syndicated nonsense.

The rest of the foreign nations were represented with their firms of international standing. The Japanese had their Mitsui and Mitsubishi, their N.Y.K. and O.S.K., their Yokohama Specie Bank and their Bank of Formosa. The Germans, who had flocked back to Shanghai soon after their wholesale deportation, were represented by Carlowitz & Co., the Deutsche Farben Handelsgesellschaft, the Siemens China Company, and Siemssen & Co. The French had their Messageries Maritimes, the Scandinavians and Dutch their big international shipping firms. And in the well-burnished brass plates with the names of all these firms, big and little, old and new, there was the soul of Shanghai. Shanghai—eight square miles of mud that had absorbed much blood and much sweat.

The gates with those well-burnished brass plates were guarded by Indian Sikhs, ferocious with beards and turbans. Upstairs, behind large windows, were white men in shirt-sleeves. They were working a little harder than their forebears, the taipans of the nineteenth century. Their office hours were a little longer, and there were always a few things that had to be taken care of today—not the day after tomorrow.



row. Air mail connections, via Hong Kong, with Britain, France, and America, had begun to interfere with their traditional leisure. But the spirit of Shanghai's early age still lingered on. The White Man, behind his desk, was still king. He had more light and more elbow room than his colleagues in the city of London, and the big boss would hardly ever talk down to him. The White Man, even in the office of Standard Oil or "Butterswire," was the White Man's equal. And the Chinese staff, shroffs and clerks and bookkeepers, were way below the wildest griffin.

Surely, not every white man was a taipan, in the Shanghai of 1936. Most of them had come out here as simple employees, on commercial contracts. The terms were five years' work and six to ten months' paid furlough in most British houses, a little less in many American firms. After the end of the first term, another equally long term would begin, and so on. Salaries were far higher than those paid for civil jobs at home, and they were paid in American dollars or in sterling. Anybody who made more than 25,000 Shanghai dollars a year, was a taipan. The average taipan income was seventy-five thousand dollars.

Western firms had their offices all over downtown Shanghai—along the streets with the city names: Nanking Road, Peking Road, Canton Road; and along the streets with the names of provinces: Kiukiang Road, Szechwan Road, Kiangsi Road. (The city streets and the provincial streets crossed each other at right angles, warp and woof fashion.) But the Bund had remained Shanghai's favored location throughout these ninety years, and the offices in the big white Bund buildings were still superior to all others. Some of them were air-conditioned, by now. And out of their windows the Shanghai gentlemen overlooked the shimmering river below, saw the low gray silhouettes of their warships, and

the flat Chinese country behind Pootung. They were proud of Shanghai.

At four-thirty in the afternoon the white man left the office. If he was a taipan with seventy-five thousand a year, his big black automobile was waiting for him. Otherwise—he just took a rickshaw. One did not get much pleasure out of a motor car, anyway. Only one or two good roads were leading out of Shanghai into the countryside, and those were bandit-infested most of the time. So the white man took a rickshaw: one of those rickshaws that came shooting over from at least five different directions as soon as he emerged from the gate with the well-burnished brass plates. The puller lowered the shafts three inches from the tips of the white man's shoes. The white man stepped in.

He remembered the first time he had taken a rickshaw, the day he had arrived in Shanghai. The humanitarian misgivings he had had about being pulled by a fellow man. It had worried him a good deal, at that time, that his puller would inevitably die from consumption within a few years. It had troubled him to think of the puller's feet, swift and tireless feet, which had been running without shoes at first to get that leathery skin, and which now had a pair of straw sandals tied to them—insufficient protection from glass splinters, rusty nails, from the boiling asphalt. It had bothered him, at that time, to watch the naked brown back between the shafts slowly get wet. He had not liked it. And he had been a little afraid, that first time, that the puller might loosen his grip on the shafts, in which case he, the white man, might tip over backwards and break his neck.

It was different now. He had forgotten his misgivings and he had come to enjoy his daily rickshaw ride. He knew, now, that the dripping back in front of his feet did not consider his job as humiliating. He knew that this half-naked coolie



was a good sport, with his own, highly developed sense of humor; that he soaked his twelve-copper sandals in water to make them softer even at the risk of making them less durable. He realized that he was not afraid of consumption, but very much afraid of the heavy blackjack with which the Sikh policeman would beat him over head and shoulders if he forgot to stop for a red light.

The white man enjoyed the soft rhythm that came from the coolie's feet, through the shafts, rocking the rickshaw as it rolled along. No other vehicle was so relaxing. Gray houses, green trees, men and women in blue cotton, passed by—a slowly moving film. It was soothing to the nerves, after a day in the office. And the light breeze of a late Shanghai afternoon caressed the white man's face as he rode from the office to his home. He was not even afraid that the puller might loosen his grip on the shafts and that he might tip over backwards and break his neck.

The white man lived on Avenue Haig, or Hungjao Road, or Bubbling Well, or Great Western. Many of the seventy-five-thousand-a-year taipans still had their villas, out there. But the majority of the Shanghai gentlemen had moved into those modern, ten- or fifteen-story apartment houses that had been put up, by Sir Victor Sassoon and others, during the last few years. Some of them had been built on downtown lots, not too far from the offices, and the flats were cheaper, and just as comfortable as the pretentious villas. They had large windows, good ventilation, much air and much light. They had electric refrigerators and electric fans, and there were large bottles with drinking water in every room—Shanghai water had to be boiled before it could be drunk, and the bottles had narrow necks so that the "boys" could not throw pieces of ice into the disinfected water.

There, in his well-furnished apartment, the white man would have dinner with his wife or, if he was a bachelor,

with the other bachelors that shared his "mess." And, if he was a bachelor, he would go out shortly after dinner to have his fun. Shanghai was the place to give a bachelor all the fun he could possibly ask for. Throughout those turbulent years, through revolutions and civil wars, through crises and depressions, Shanghai had gone on with the world's most glamorous, most sparkling night life. Beneath a million brilliant lights, the cabarets and gambling houses, the theaters, tea houses, dance halls, singsong places, were jammed with customers. There was the jai-alai, up on Avenue du Roi Albert, where thousands of white and yellow men were winning slow and losing fast, every night. There was the Canidrome, where they had dog races and where they doped the greyhounds so persistently that one of the poor animals collapsed right on the track one evening. But Shanghai's greatest attraction was still its "cabarets," where the Shanghai gentlemen could dance with the girls for as little as ten cents or as much as one dollar a dance—according to the cabaret's class and reputation.

You drifted into one of those cabarets, an hour or so before midnight, you chose your table not too far from the floor, and you looked them over: the pretty Chinese girls with their slit silk dresses and with too much rouge on their soft cheeks; the glorious Russians with their décolleté evening gowns—Chanel and Molineux models, if you did not look too closely; the stupid and touchingly attractive Koreans; the slightly simian half-castes; the quick and clever Japanese. They were all sitting there, in a row, smoking their cigarettes, some of them giggling. And you bought your ticket and danced with them, and if you invited one of them to your table, you had to pay something extra and the girl had apple cider that turned into champagne on your chit. But if you wanted to go home with her, she would have to ask the management first.

And so you made your rounds through the Ambassador, the Casanova, the Venus Cafe. You had a few highballs at the St. Anne Ballroom, on Love Lane, where the Filipino orchestra grinned, across the moving crowd, with shining white teeth. You had a couple of absinthes at the French Club, 290 Rue Cardinal Mercier, where the bar was a huge semicircle and where they admitted women—what women! You had beer or brandy at one of those cheap places over in Hongkew where you could pet a fourteen-year-old Chinese girl behind a filthy curtain. And you might wind up in "Blood Alley," where you went to get as much local color as possible, among the drunken soldiers and sailors of the armies and navies of the world.

You could have other, less stormy amusements if you were more discriminating or married. Shanghai did not offer much along the line of sophisticated entertainment. There was still no opera, no lectures to speak of, no Western stage. The first showing of a Hollywood movie, under these circumstances, assumed the proportions of a major event on the social calendar, with all the consuls and taipans attending, in full evening dress. Or you might have ventured to one of those dreadful performances given by amateur actors and actresses at the Lyceum Theatre. You might, perchance, hear the nephew of the Chairman of the Municipal Council sing.

On those hot summer evenings when Shanghai's asphalt streets were radiating the heat that they had absorbed during the day, Shanghailanders would go out to Jessfield Park to listen to the Municipal Orchestra. All the taipans would be there, and they would bring their wives. They would recline in deck chairs and look up to a dark ultramarine sky where scores of comets drew their gleaming paths. The Municipal Orchestra would play Mozart's *Eine Kleine Nachtmusik* and the faint suggestion of a breeze would comb the lawn.

Behold, beneath exploding stars, the taipans and their wives.

Some sixty thousand foreigners were living on the twelve square miles of the two foreign municipalities and on the few "outside roads" under their control. Nearly twenty thousand of them were refugee Russians who did not "count." Another twenty thousand were Japanese who kept to themselves. Of the remaining twenty thousand, nine thousand were British, four thousand Americans, two and a half thousand Frenchmen. The rest were Germans, Scandinavians, South Americans, and half-caste Portuguese. There was, in other words, a white community of less than twenty thousand people which played society. And this limitation gave Shanghai's social life a peculiarly intimate touch. In a metropolis of four million—small town rivalries and gossip.

The taipans and griffins, behind their desks, did not feel it so much. Their very jobs linked them with the great world. But the "tai-tai," the taipan's wife, felt it doubly, every day. Everybody, in this small community, knew everybody else. Everything was standardized. Four or five thousand other tai-tais were looking in through the window, and the remotest home on one of the outside roads was still on Main Street. There were certain things that had to be done and certain things that were taboo.

Shanghai's colonial character, of course, introduced accents that made the outward appearance of life look different from Main Street. Society was practically classless. Besides, there was much money. And the methods of spending that money were limited. Finally, the white tai-tai was not allowed to run her own household. The sacred imperial tradition forced her to leave this to a host of servants, and woe to the enterprising tai-tai who tried to cook her own stew. She would soon burn her fingers.

There would be five to seven servants, padding around the house on cloth shoes, dressed in clean white gowns. There was a Number One boy, heading the list, burdened with much responsibility and drawing a salary of twenty-five Chinese dollars a month. He might have been a rickshaw puller before, or a Number Two boy in the household of one of your friends. He would take a personal interest in the family and he would love his work. He would save most of his salary and invest it in a few acres of riceland somewhere near his home village. Under him, there would be a Number Two boy with less responsibility, one or two cooks, a sew-sew amah (Number One's wife), an amah for the children, one or two coolies. They would live in the servants' quarters and would run the household smoothly and efficiently. Their combined salaries would hardly exceed the pay for one or two servants in Europe or America. And in addition to their official salaries, they would take their "squeeze" out of the money for groceries and household bills. The "squeeze" would vary with the social position of the boss; it would rise and fall automatically with his annual income.

In turn, the boys would perform miracles: the tai-tai came home at 6 P.M. from shopping (or, maybe, she had had tea with that handsome young vice-consul) and said to her Number One: "Five piecee people dinner. Can do?" "Can do," said Number One, and "Talkee cook," said the tai-tai. That was all.

Two hours later, when the guests arrived, Number One served the most perfect and the most complete dinner you could get anywhere in the Far East, starting with cocktails and ending with ice cream, cheese, and coffee. And if some of the guests should notice that Number One, in these two hours, had "borrowed" some of their silver or their tablecloth, they would politely overlook the fact. They were

sure to find it in their cupboard again the next morning.

Utmost care had to be exercised in planning the diet, however. One could buy a great many foreign dishes in cans, and the Settlement's meat industry was closely supervised by the Municipal health authorities. The problem arose when it came to local vegetables and fruit. It was easy to contract dysentery, typhoid fever, or even cholera—diseases to which most Chinese had become immune. Foreign-style hotels actually carried "American apples" and "imported lettuce" on their menus. Domestic brands had to be cooked or at least peeled. But when, in early spring, the first fresh strawberries appeared on the market, there were few who could resist the temptation.

Occasionally, an enterprising tai-tai would attempt to introduce a new note into Shanghai's social life. Some American ladies pioneered, although not too successfully, in inviting both Chinese and foreigners to their homes. One of them, Mrs. Chester Fritz, who gave parties every Sunday night, prided herself on presiding over Shanghai's only "salon." Foreigners mingled with prominent Chinese—Madame Chiang Kai-shek and the "Young Marshal," Chang Hsueh-liang, were among her guests. But the hostess was too extravagant (she always wore a turban) to be taken seriously. Malicious people insinuated that her personality might have gone far towards stimulating the business of her husband, Chester Fritz, of Swan, Culbertson & Fritz, brokers.

But exceptions like this did not change the picture. The British style of life prevailed. The British had constructed the Shanghai scheme, and it was only fair to let them set the pace for Shanghai's social life. Most of the "do's" and "don'ts" were British, and a good many Americans were ignominiously absorbed by Shanghai's British atmosphere. They were absorbed to the extent of taking their tea with

cream, of saying "I cawn't" and "rawther," and waving "Cheeriol" to their friends. They dressed for dinner.

Twenty-seven ships, commanded by two admirals, had pulled out of Vladivostok in 1923. They carried a pitiful cargo: the remnants of the Czarist cause. Most of them were young people, the sons and daughters of Russian soldiers who had fallen in their hopeless fight against the Communists. They had nothing that they could call their own, no country, no money, little food and little clothing. Some of the ships went up the Yangtze, put in at Shanghai. It was around Christmas time and the taipans took pity. Eleven hundred Russians were allowed to land; among them three hundred and fifty young cadets.

It was the beginning of Shanghai's vast Russian community which was so different from the taipan group. For the first time, white men were doing manual work, were selling newspapers, peddling soap, running elevators—drudging just like ordinary Chinamen. Some were begging in the streets. The taipans were worried about the White Man's "face" . . . something had to be done about it. They created a Russian Battalion, a permanent, paid unit of the Shanghai Volunteer Corps. And the cadets were happy to join up. Others found work in the Municipal Police Force. But many remained on the street or kept damaging the White Man's prestige by serving as a Chinese general's bodyguard or by strutting before the entrances of the new downtown apartment houses as uniformed watchmen.

More Russians had filtered into Shanghai from Manchuria. They had come down the coast, in those little Japanese passenger boats, and they had settled down in Frenchtown, along Avenue Joffre. You could see the miserable trinkets that they had sold, golden watches and silver rings with the double-headed eagle, in the windows of the jewelry stores.

Some had opened bakeries, Russian restaurants, flower shops, dress shops, beauty parlors. Some had entered the professions. Some were artists. But few of those Russian men were able to live by their wits. They were not business men, essentially, and they were lost in this money-making, fast-living community. They did not like to go after things, preferred just to sit and think. Besides, they lacked sufficient funds for large scale enterprise. Thus it was only natural that Russian women were to play more prominent a part in white Shanghai than Russian men. They went into business, heavily, with no more capital than their beauty and appeal.

They found a ready market. White women were still scarce, and Anglo-Saxon bachelors would risk their reputation if they were seen with Chinese girls or half-castes once too often. Old-timers still remembered those good old horse and buggy days when the few languorous blondes that had been imported all the way from Piccadilly were driving down the Maloo in their own cabs . . . and every gentleman had doffed his hat. But these days were gone. Practically every white woman in Shanghai was somebody's wife, and, although standards were not always rigid, love affairs would too easily deteriorate into scandals in this small town. The taipans' daughters were sent home, at the age of twelve or fourteen, to go to school.

The Russians went into the cabarets as taxi-dancers. Those who were less attractive had to be satisfied with a place in one of the brothels in Frenchtown. Those who were beautiful might have freelanced for a number of years, changed their men friends with the seasons, and been very much in demand. The Shanghai gentlemen would take them along to the Little Club to dance with them, under soft lights on the small and crowded floor; they would take them to the Paramount to see the silly floor show; or to the dog races;

or, once in a great while, to one of those stiff dinner dances at the Cathay. The Russian ladies would try to be glamorous and sparkling. And some of them succeeded very well, considering their petty bourgeois or Siberian peasant background.

It is, perhaps, safe to say that the immorality practiced at Shanghai was unique in the world. Somehow, it went with the atmosphere of the place, with its bold individualism, its greed. Somehow, it would have been illogical for the Shanghai gentleman to be what he was in business, and to be a plaster saint in his private life. It was the spirit of this wide-open city that took hold of the Shanghai gentleman and that made it often hard for the Shanghai lady to stay a lady.

Houses of prostitution were not tolerated in the International Settlement; in Frenchtown they were licensed. They had their shroffs and they sent their customers chits at the end of the month, like any other business establishment. The business in girls had come to be one of Shanghai's most flourishing rackets. A great many of them had come from Hangchow and Soochow. They had been bought at a rather tender age, cheaply; in flood or starvation districts, the agents could have them for a couple of dollars apiece. And if they were lucky, they could resell the choice ones for a thousand dollars in Shanghai. At the age of thirteen these children would spend their first night with one of the favorite Chinese customers of the house.

Shanghai boasted the highest figure of prostitutes, per capita, of any place in the world. There were more than twenty-five thousand of them, and most of them walked the streets. At night, when you came home from the movies, you could see them in pairs, all along Nanking Road: young, poorly dressed Chinese girls, strolling hand in hand with their elderly amahs. They were not a happy-looking lot, and one could not help thinking that some of them might have

found ways and means of going back to the village, if it had not been for those nasty amahs. The International Police did not take them very seriously. They were rounded up, at regular intervals, had to spend a night at the station, and got away with a trifling fine that was paid by their keepers: they could start in again the next evening. Nor did the police interfere with those hundreds of "girl guide agencies" that were scattered all over town and that had become an integral part of Shanghai's million-dollar vice industry.

Mrs. Lockhart, sister of Sir Harry Parkes and wife of Dr. Lockhart, the missionary, had been the first Western lady to set foot in the city of the muddy flat. Her first name was Catherine and she had spent most of her time in sedan chairs and in church. She had died in England in 1918, at the age of ninety-five. A good, old-fashioned type. And a far cry from the streamlined model of the Shanghai lady as she presented herself in 1936, a year before the end.

He was a rather complex specimen, the Shanghai man. The most important element in his mental set-up, perhaps, was fear. Out here, on the frontier of the White Man's empire, three generations of taipans had lived precarious lives. They had held their few square feet of mud against the four hundred million Chinamen. Every so often, the four hundred million had given drastic demonstrations of their hatred and of their power. It had been a short time between shots, always; and the intervals had become shorter of late. The Shanghai man was afraid.

He had all he wanted, out here. He had an apartment which he could hardly have afforded if he had stayed in Syracuse or Sheffield. He had servants. He had his clubs, his parties, his ponies, his golf. He had women. And plenty of money. And he looked out the window of his air-conditioned



office and saw that uninterrupted stream of mankind in blue, and was afraid.

He was riding in a rickshaw, and a sweating coolie who was about to die from consumption was holding the white gentleman's life in his very hands. He had his battleships, to be sure, and he had those husky, bearded Sikhs who beat the coolies with their heavy blackjacks, every hour of the day. Still, he was afraid.

For all his schemes and investments, the white man was a stranger here. He had not come to settle down for good, to raise a family, to build up something for his son and the son of his son to hold on to. This was not a colony, not Africa nor India. It was, by God, China. China was awful. The Shanghai gentleman had not come out with the idea of rooting himself in Shanghai's soil. How could he? It was all mud.

And even now, after all these years, the Shanghai gentleman was anxious to go home. After all these years, he would say the same thing that the first taipans had said to Sir Rutherford Alcock: "It is my business to make a fortune with the least possible loss of time. In two or three years at farthest I hope to realize a fortune and get away. And what can it matter to me if all Shanghai disappears afterwards in fire and flood?" Still, after so many years, the Shanghai gentleman had to "make haste," had to "snatch a fortune from the jaws of death."

In the city of the muddy flat, business was still adventure—adventure of the rough-and-tumble, cut-throat, glamorous kind. There was scarcely a business man who did not think of at least a dozen different schemes at the same time. The Shanghai gentleman was not interested merely in the sugar business, or the real estate business, or the tea business. He was interested in sugar, real estate, tea, silk, hides, submarines, copper, the stock market, railways, refrigerators,

airplanes, safety pins—all at the same time. As long as he cleared profits in nine of these things, it did not matter much if he failed in the tenth. He was open to new ideas, eager to venture into new schemes. He could learn much from those visitors who dropped in here on a quick trip from New York or Brussels, stopped at the Cathay, had a few conferences and left after three weeks, certainly not poorer than before.

The Shanghai scheme made things easy. There was no harsh authority. There was a benevolent committee of taipans who formed the Municipal Council, who had taken up the job of governing this town as an avocation. There were the consuls, whom the Shanghai gentlemen met at parties and at the bar and whom they patted on the back. There was no one to interfere with the individuality of their business, no one to force them to publish statements, even. If they were caught, the Shanghai gentlemen, their case would be attended to by the consul—their own consul. There might be a hearing some time next month. And there was plenty of time to book passage on a transoceanic liner in the meantime. The white man could go abroad . . . just as the Chinaman could go "Ningpo More Far" when things began to get hot.

The Shanghai gentlemen had new ideas all the time, and some of their ideas were clever. There was a man who wanted to build a bridge across the Whangpoo, to connect the Settlement with Pootung and to "develop" that section. There was a man who wanted to sell raisins and who told the Chinese women that raisins would give them boys (he could not be wrong by more than fifty per cent). There was, back in the nineteenth century, an American consul by the name of C. W. Le Gendre who wanted to be a general in the Japanese army and who told his friends in Tokyo to go ahead and take Formosa and to make him, Le Gendre, governor of the



island. He was actually put in prison in Shanghai. There was an Englishman, by the name of Mason, who wanted to become Emperor of China. He sailed a ship with grand pianos full of ammunition up the river, and he got nine months. These cases were exceptional—in that they ended with prison terms.

One of the unfortunate "exceptions" of later years was an American, Frank J. Raven, who had come to Shanghai in 1904, a very pious man. With four thousand dollars he went into the real estate business and soon became the head of the substantial "Raven interests." He owned the Asia Realty Company, and he had branched out into banking: his was the American-Oriental Banking Corporation which had become one of Shanghai's important financial establishments. Raven did not drink, and every Sunday morning, one could see him in his front pew in the American Community Church. He was pious and respectable, and all the missionaries deposited their money with the American-Oriental Banking Corporation. Some missionaries were even invited to join the board of directors and Raven, as head of Shanghai's "missionary bank," became one of the pillars of the American community. He was made a member of the Municipal Council and president of the board of the American School. He had an estate on Hungjao Road; the assets of his combined enterprises were said to amount to seventy million Mex dollars.

When it came out that Frank was crooked, there was much wailing in Shanghai. Hundreds of missionaries and refugee Russians, who were not rich anyway, had lost all they had ever owned. Raven had gambled it away, had paid himself fantastic dividends, had opened bank accounts in Europe and America under assumed names; he had speculated and had failed. In May, 1935, he applied to the American court in Shanghai for a liquidation. Raven got

five years in the Federal Penitentiary at McNeil Island. "Considerable responsibility for his misdeeds," said the *North China Daily News*, "rests with the community as a whole."

The most precious thing that Shanghai had, even now, was its own soil. The very mud on which the taipans had built this glorious city was worth its weight in gold. Within the last thirty years, the value of downtown lots had risen by exactly nine hundred and seventy-three per cent. Within the last seven years alone, their value had tripled. You had to pay more money for a piece of land along the Bund or lower Nanking Road than you would have to pay for the same piece of land in the heart of London or New York. The spectacular development of the Shanghai real estate business in those late years was due, largely, to the stimulating influence of Sir Victor Sassoon.

It had been one day in July, 1931, that Sir Victor had called the editor of the *Times of India* into his office to tell him that he was going to leave Bombay forever and settle down in China. This bit of news was flashed around the world and displayed on the front pages of the commercial sections of English, American, French, German, Italian newspapers. It was important—not only because Sir Victor was reputed to be the richest business man in Bombay at that time. He was known throughout the British Empire as one of the financial wizards of this age and his sudden decision was bound to create a stir. But, more than that, the world knew Sir Victor as one of the most eccentric Englishmen alive, and his horses had made as much history as his financial transactions.

Sir Victor's racing establishment, in fact, was the biggest in the East. Under the pseudonym of "Mr. Eve," he had raced his thoroughbreds over a number of years in Ireland,

India and China. Although his highest ambition, to win the British Derby, had not yet been fulfilled, he had come close to it in 1927 when his "Hot Night" came in second, and again in 1929. In that year, he had backed his "Gay Day" to the tune of ten thousand pounds sterling. Lately, Sir Victor had bought the famous English Kingsclere stables, and his "Minutmaster," in 1930, had won the Manchester Cup by a head.

Sir Victor was a golf champion, too; he had played the Prince of Wales and even Bobby Jones. During the World War, he had served as a captain in the Royal Air Force. A crash had made him limp for the rest of his life.

As for his millions, Sir Victor was known to be open-handed. Once, when Lady Irwin, the Viceroy's wife (later: Halifax) had mentioned her plans for a tuberculosis sanatorium in Sanavar, he had sent her a check for a hundred thousand rupees the next day.

And now, at the height of a great career, Sir Victor told the world that he was going to leave India. He had become an integral part of the British *raj* over there, and it seemed queer to think of India without Sir Victor. It was as if the Taj Mahal itself was walking off. What was the reason for his drastic step? In his interview with the *Times of India*, Sir Victor was tight lipped. "Unsettled conditions resulting from the Indian Nationalist campaign and the flight of capital" caused his decision. "The political situation does not encourage one to launch out in a big way for the time being," he complained. In China, he hoped to do business "on a large scale."

Intimate ties had linked the Sassoon family with the city of the muddy flat for a long time. Most of the immense Sassoon fortune, in fact, had been made in the opium trade. They had shipped the precious drug from India to Shanghai, and they had cleared millions of pounds. The old firm of

E. D. Sassoon had been prominent in Shanghai's famous opium combine. Shanghailanders were familiar with the name. The Sassoons had drawn much money out of Shanghai; if Sir Victor was to bring all that money back to the Settlement, there was a certain measure of retributive justice in his move. Moreover, Sir Victor was one of the world's most blue-blooded aristocrats. The Shanghai gentlemen were wondering what it would be like to have him in their midst.

The Sassoon pedigree went back to King David. But it was not till the twelfth century that the family, under the name of Ibn Shoshan, had stepped across the rims of a mythological past and settled down in Toledo. Spain was under the rule of the Moors, and Toledo was one of Europe's great metropolitan centers, great in commerce and art. The members of the Ibn Shoshan family soon became leaders of the town's highly respected and progressive Jewish community. They kept this position until, in the fifteenth century, the Moors were driven out of Spain and the Jews had to follow them into exile.

The Ibn Shoshans bounced clear across the Mediterranean and landed in Bagdad, on their feet. They had not broken anything. They were known as wealthy oriental traders, their name became Sassoon, and the head of the family was given the title "Nasi," meaning prince of the captivity and making him chief of Mesopotamia's Jewish communities. Three centuries later a Sassoon marched east through Persia into India. Anti-semitic riots had driven him out of Bagdad and, in 1832, he found an asylum in Bombay. He established a rug factory there, went into banking and trade. His name was David.

It was the time of the great opium trade. The poppy fields of India and the Near East yielded a golden harvest, and British ships brought the sweet-smelling product to China's distant ports. David Sassoon was rich and powerful. His

family seal meant safe conduct through the no-man's land around the Khyber Pass where British troops were fired at by rebellious Afridis. David became a British subject. He sent his sons to English schools. His drafts were cashed, with a bow, from Bombay to Calcutta, from Delhi to Madras. When he died, in 1864, the house of Sassoon was among the most powerful in India.

Albert Abdullah David Sassoon, his son, made a name for himself as a philanthropist. In 1890, he was knighted by Queen Victoria, the first Sassoon to be a baronet. He lived in London and they knew him well; the ladies and gentlemen of the gay nineties. Sir Edward Albert, the second baronet, married Aline, Baron Gustave de Rothschild's daughter. He was a friend of King Edward VII, and held his seat in the House of Commons until he died. His son inherited both the Parliament seat and the title, thus becoming the first Jew ever to hold a baronetcy in the third generation. With his combined Sassoon and Rothschild fortune, Sir Philip was well equipped to indulge his cultured, refined, and extravagant pleasures. His country estates were acres of fragrant flowers. His city home was stocked with art treasures. He started his political career as Britain's youngest M.P., and became Undersecretary for Air.

Although one of the branches of the Sassoon family had stretched into China, the center of gravity of the Sassoon enterprises had remained in India. For a long time there had been no member of the clan in Shanghai. Hence the flurry of excitement when, in 1931, the head of the firm announced his decision to transfer his fabulous wealth from India to China and to move into Shanghai, lock, stock and barrel.

Sir Ellice Victor Sassoon had to live up to a reputation. There was the well-publicized history of his family—well-publicized except for the opium. There were his horses.

There was his cousin Philip with his flower beds and his cousin Siegfried, the fox-hunting poet. There was his education: Harrow; Trinity College, Cambridge. There was his record as a member of India's legislative assembly, as member of the Royal Commission for investigation of labor conditions in India. There was his money.

No one knew how much money Sir Victor carried in his hip pocket when he landed in Shanghai. Some said eighty-five million; others: three hundred. Whatever it was, he made use of it in the most farseeing, ingenious fashion. He invested. He bought. He bought everything that could be had for money, and plenty could be had for money, in Shanghai. He bought real estate. The days of exclusive villas, of Victorian hotels, to Sir Victor's mind, had gone. He conceived the idea of a new skyline, of a Shanghai reaching up into the clouds, of taipan families living in lofty apartments with much light and with much air. And his ideas turned into steel and concrete. He bought the choice lots of Shanghai. He organized the Cathay Land Company and the Cathay Hotel Company. He took over the vast Nanking Road holdings of Silas Aaron Hardoon who had died the year Sir Victor arrived. He bought Arnhold & Co., with its extensive contracting interests. He accepted the chairmanship in his family's old establishment, E. D. Sassoon & Co., Ltd., bankers, merchants, industrialists. He controlled the Yangtze Finance Company and the International Investment Trust.

Sir Victor's companies were incorporated in British Hong Kong—he preferred the safety of the crown colony to the safety of the Settlement—but his tremendous store of ready cash was in Shanghai. He sowed his dollars all over the Shanghai mud and all he had to do was to haul in the harvest. He could not go wrong. Even the Shanghai War of 1932 (one year after his arrival) could not harm him: he had too much

money. He simply waited until those heavy clouds had blown over. Then, he went back to building Shanghai.

He built the Cathay Hotel, a twenty-story structure which threw a painful shadow upon the old-fashioned Astor House and the old-fashioned Palace, Shanghai's leading hotels heretofore. He put up the modernistic Embankment Buildings, with their comfortable flats, along Soochow Creek. His were the Metropole and Hamilton House, Cathay Mansions, and innumerable office buildings, theaters, stores and Chinese houses. He owned Shanghai.

What the taipans thought of Sir Victor and his activities is a delicate question to answer. Socially speaking, he was not altogether pukka. It was not only his Jewish blood—his intention to avoid British taxation by clearing out of India had been a bit too obvious. There were not a few among the taipans who held that the British Empire worked like a club and that it was unfair to enjoy all the privileges without paying the membership fee. Apart from that, however, there was a gap between Sir Victor and the taipans which was hard to overcome. He was not of them, had not grown up with all those traditions, prejudices and fears that made up the Shanghai mind. He had more money than anyone else and he could spend it in a new and bewildering fashion. He had come to Shanghai, six years before the end, a stranger; he had found a fertile field for new ideas and for new money. He embodied, perhaps, the highest perfection of the Shanghai scheme. There could be nothing after him—nothing except the deluge. Maybe that was why the taipans did not like Sir Victor.

Of course, you could not ignore him. You saw him, so to speak, from afar, before your ship dropped anchor at Shanghai. The pointed black tower of the Sassoon House, where he lived, had become the main accent on Shanghai's front. It was the only case, perhaps, in which any one man had become

almost identical with the skyline of his city. But not only in steel and concrete did Sir Victor cut a figure. With his mustache, his monocle, his characteristic limp, you could not overlook him. His features were Asiatic, somewhat Mesopotamian—a hangover, probably, from the times of his great-grandfather David. His parties were the talk of the town. He gave them at his villa "Eve," on Hungjao Road, one great formal affair every winter, and occasional fancy dress balls. Those who had not been invited said that some of the costumes had been shockingly indiscreet.

One thing that reconciled some of the die-hards was the fact that Sir Victor had style. His regal whims were something no Englishman could derogate. He had indulged them in India, before this. But now, in Shanghai, his eccentricity took on new aspects. It was, maybe, the unconscious urge to impress the taipans, who were not his equals, and who acted as if they were his superiors. If this was his intention, he certainly succeeded. The taipans were impressed.

After the silver boom, when the Shanghai money market suffered an unprecedented stringency, Sir Victor was the only man in Shanghai who had money. His millions were still there, undamaged, ready for new investments. And the Shanghai gentlemen came up to his office at No. 1 Nanking Road, trying to "interest" Sir Victor in some of their ideas. He always listened to them and, sometimes, he complied with their suggestions. But, in most cases, the ideas were not big enough to interest Sir Victor.

One afternoon, for instance, somebody brought him a scheme for the manufacture of leather shoes. He wanted to import American machinery and introduce the mechanical process in the Shanghai shoe industry. Five thousand pairs of men's leather shoes were made by hand in Shanghai every day; there ought to be money in this plan. Sir Victor listened to him, thought it over and called him back after a few

days. The idea was sound. But it would only interest Sir Victor if he could have his own cowherds for the leather, his own tanneries, his own factories for the manufacture of the shoes, and his own stores to sell them in Shanghai. For the time being, he was sorry. It was the way his mind worked.

The city of the muddy flat was a good hunting ground for giants. Sir Victor was one of them, the biggest. But it would hardly be fair to conceive of the average Shanghai business man as a person with gigantic passions and gigantic schemes. They were there, to be sure, the gigantic passions and the gigantic schemes. But there were thousands of people, in those late years, who fitted into the Shanghai scheme as the "little fellow," who had their plain little businesses to attend to, who were working hard for meager profits, who were satisfied with the life and the home and the pleasures of a petty bourgeois. They were averse to speculation, they disliked the idea of "making haste." All they wanted was peace and quiet to carry on their trade. They had come to stay here. They liked Shanghai.

In 1932, on the eve of new turmoil and excitement, a man rebelled against his fate and against the fate of Shanghai. He rebelled against it in a letter to the taipan-editors of the *North China Daily News*, and his outcry deserves to be quoted at length:

"Since I arrived in Shanghai some seventeen years ago I have been under arms as a member of the Volunteer Corps on probably a dozen different occasions—all, with the possible exception of 1925, in 'defense of the Settlement' because of some change in the politico-military control in the surrounding areas. Always these occasions have meant a cessation of business, a period of anxiety and possible danger, with no benefit whatever to us as a community, but involving much public expenditure and considerable financial loss to

many. 'Old stagers' of the mudflat days will smile when one talks to them on the subject and say they have got used to the idea, but are we content to see this sort of thing continue indefinitely through succeeding generations? Is there no desire to hand on something better to our children?

"We should organize ourselves as a community with a view to bringing about such a change in the present status that will enable us to live a more normal life with a measure of freedom and security far beyond that which we at present 'enjoy.' It is time the old idea that foreigners come to Shanghai for a few years and then go away with a fortune was entirely abandoned, if it still exists anywhere. It should be recognized that this is a place of permanent residence for most of us, and we have the right to demand that same degree of freedom and security which is the common possession of all civilized communities."

The letter was signed John England. The day after it was published, Japanese shells first exploded in Chapei.