

## Abstract

### “‘Empty Enterprise’: The Press, the Semi-Colonial City, and the Shanghai Stock Market Bubble of 1920-1922”

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In late fall 1921, between 136 and 150 stock exchanges were open for business in Shanghai, a quantity that certainly evokes Chen Duxiu’s description of the city as utterly corrupted “with the New York stink of money-worship-ism (*bai jin zhuyi*).” In a wave of unprecedented enthusiasm for this icon of modernity and economic prosperity, Shanghai residents established and invested in far more exchanges in that one city than existed in the rest of the world at that time. By early 1922, all but a handful of the exchanges had collapsed. The scope of this phenomenon entices me to look in a slightly different direction from other scholars of the early Shanghai stock market, who have focused on economic history. Rather than designate the early exchanges as symptomatic of a “sprout” era of modern capitalist finance, characterized by economic immaturity, my interest is in the political, social and cultural behavior and understandings that contributed to the extreme popularity and multiplication of stock markets in Shanghai, as well as the meanings attributed to their demise.

As an alternative to subscribing to generalized psychological approaches to popular stock market delusions and herd behavior, this paper traces cultural and political factors that help us understand this moment in Shanghai economic history. This paper presents three intertwined threads. Part One provides an overview of events and key players that led to the establishment of so many Shanghai exchanges. This serves as necessary background for the remainder of the paper, which emphasizes, not economic

history, but the ideological issues raised by these new economic formations, in light of older associations for the term *jingji*. The use in China of this 19thc Japanese contraction of the classical Chinese phrase *jing shi ji min* (to regulate the affairs of the world to succor the people) meant that classical notions of statecraft and morality haunted understandings of Western economics.<sup>1</sup> Part Two considers the semi-colonial environment and ramifications of nationalism, specifically the way in which the rhetoric of nationalism provided needed legitimation for stock exchange development, as well as evoked concern to maintain the national purity of Chinese capital. Part Three considers the moral and ideological quandaries raised in public discussions and analyses of economics that appeared in the Shanghai press, at the time of the bubble and after the market's subsequent crash. The collapse of the stock exchanges created a cultural crisis of sorts, raising questions about the moral purity of Chinese, whose deep contamination by monetary desire had produced such devastating results.

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<sup>1</sup> [in the 1920s, *jingji* also entailed political economy]