

## Shanghai History and the Grays

My Gray cousins lived in Shanghai from 1919 until about 1950. During that time their lives were interrupted several times by war. The Second Sino-Japanese War forced them to relocate their business to Hong Kong. The Korean War compelled them to relocate to Japan. Their stories are a source of wonder to me as I knew nothing about the Far East in this time frame. This document is an attempt to understand what happened in Shanghai.

Shanghai was a small and insignificant town until the British got hooked on Chinese tea. In order to break China's insistence on getting paid in silver, a practice that would quickly beggar the British Empire, the Brits began the Opium Wars. In 1842 they successfully negotiated open markets with the Treaty of Nanking, and proceeded to set up shop in China. Shanghai became their largest outpost. The British, followed by other Europeans and Americans soon established a commercial and cultural center to rival the West. Modern Shanghai was born.

The city flourished as a center of commerce between east and west, became the most important city in China, and by the end of the 19th century it was the world's third most important banking capital after New York and London, and, as such, the undisputed financial center of East Asia. Shanghai was known as "The Paris of the East, the New York of the West."

All was well until (1) the Kuomintang (KMT) emerged and began a program of internal violence that was interrupted after 10 years by (2) Japan, impelled by economic necessity for markets to invade China. The KMT was encouraged in their civil war by foreigners, including the Japanese, seeking economic and political advantages. At some point the Japanese turned on them in search of direct gain—and the Sino-Japanese War was on again in earnest in 1937. After 1941 it became subsumed in the Second World War and ended in 1945. Foreign business in Shanghai came to an end in early 1942, and the businesses were moved out in 1949.

### The British Foothold

Direct maritime trade between Europe and China began in the 16th century. At that time European traders were restricted to a small enclave at the port of Canton.

As a result of high demand for tea, silk, and porcelain in Britain and the low demand for British commodities in China, Britain had a large trade deficit with China and had to pay for these goods with silver. Britain began exporting opium to China from British India in the 18th century to counter its deficit. The Chinese emperor prohibited the sale and smoking of opium more than once, but could not stop its entrance or use; opium addiction became a serious national issue. In 1839 the Qing government confiscated British opium in Canton. The British Indian Army arrived in June 1840 and retaliated with open warfare. Two years later the Qing authorities sued for peace and ended what became known as the First Opium War.

The Treaty of Nanking was signed August 29, 1842. The treaty opened five Chinese ports for trade, including Shanghai. The treaty also ceded the island of Hong Kong to the British Queen "in perpetuity" in order to provide British traders with a harbor where they could unload their goods.

The supplementary Treaty of the Bogue was concluded in October 1843. This treaty is mostly known for the fact that it granted extraterritoriality (whereby nationals of treaty nations were subject to the laws of their home nation rather than the laws of China) and most favored nation status to Britain. It also specified the terms under which Britons could reside in the newly opened ports. In 1845, local Qing

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authorities and the British authorities promulgated the Shanghai Land regulations, which paved the way for the foundation of the International Settlement.

The US determined to gain the same advantages, but peacefully. Caleb Cushing was dispatched to secure a similar treaty, which he did. The Treaty of Wanghsia was signed July 3, 1844. As in the British treaty, five ports were opened to the trade of Americans and the residence of consuls, most favored nation and extraterritoriality provisions were included, and, in contrast to the Anglo-Chinese agreement, the trading of opium was specifically prohibited.

Later that year (October 24, 1844), the Treaty of Whampoa was signed with France. Treaties with Belgium (July 25, 1845), Russia (1858), Holland, Prussia (1861), Spain, Portugal (1887), and Sweden and Norway (March 20, 1847) followed.

The Second Opium War broke out in October 1856 and continued until 1860 when the Treaty of Tianjin, created in July 1858, was finally ratified by China. The treaty granted the opening of ten new port cities, allowed foreigners to travel in all parts of China, allowed Protestant and Catholic missionaries freedom of movement within the country, legalized the opium trade, and established an indemnity of three million ounces of silver to be paid to Britain and two million ounces of silver to be paid to France.

### **The Port of Shanghai**

The geography of Shanghai was a player in its growth. It is located on the Huangpu River close to its confluence with the Yangtze River and just upriver from the mouth of the Yangtze River on the East China Sea. Trading ships docked in the commercial heart of town.

The extraterritoriality granted to the British in 1843 (and to other nations in subsequent years) paved the way for the concessions—areas of the city recognized as being under foreign jurisdiction, independent leased property. Initially each foreign power administered their own concession. Within these concessions, the citizens of each foreign power were given the right to freely inhabit, trade, and travel. They built a town to reflect their own culture with clubs, racecourses, and churches.

In 1854 the British and American concessions merged with 11 other foreign concessions, forming what became known as the Shanghai International Settlement; it was situated on the western bank of the Huangpu River. During the late 1800s to early 1900s, the Shanghai International Settlement was a major trading and financial center, occupied mainly by foreign businessmen and expats from America, Australia, Britain, Denmark, Japan, and New Zealand. The International Settlement was governed by the Shanghai Municipal Council, or SMC. The International Settlement was politically autonomous from both China and the British Empire. The SMC limited itself primarily to three functions: administration of justice; police protection of individual liberty and property; and the undertaking of certain public works like road construction and traffic control; it maintained its own volunteer army corps and police force.

The Westernized downtown area of the International Settlement overlooked the western bank of the Huangpu River and was known as The Bund. The Bund was the Wall Street of Asia.

A unit of the United States Marine Corps, the Fourth Marines, sailed from San Diego to Shanghai in 1927. By 1932 they had become a permanent garrison within the International Settlement.

The International Settlement, the largest single foreign settlement in China, was approximately 8.73 square miles (5,583 acres) in size.

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The French maintained their own French Concession located to the south of the International Settlement. Their French Municipal Council differed from that of the SMC in that all its decisions were subject to the approval or veto of the French Consul.

Shanghai was essentially two cities, one a Chinese city under the authority of the weak Chinese government, the other an international zone.

In 1932 Shanghai was the sixth largest city in the world. The following table shows the population distribution:

Zone	Chinese	Foreigners	Total
greater Shanghai	1,571,089	9,347	1,580,436
International Settlement	1,030,554	44,240	1,074,794
French Concession	462,342	16,210	478,552
<i>Grand Total Population</i>	3,063,985	69,797	3,133,782

### Regional Conflict

China, Japan, and Korea have alternately fought, ignored, and cooperated with each other for perhaps seven hundred years. They are not comfortable with their economic interdependence. When the discomfort becomes too much, they resort to war to seek control over each other.

Maneuvered by Japan, Korea declared independence from Qing China's suzerainty in 1894. This action instigated the First Sino-Japanese War (1894–1895), which resulted in the Qing Dynasty's cession of both Korea and Taiwan to Japan.

The last Qing emperor, six-year old Puyi, abdicated in 1912; the decree was signed by the regent, Empress Dowager Longyu. The Republic of China was established on January 1, 1912. In 1927 the Kuomintang (or Chinese Nationalist Party), led by Chiang Kai-shek, came to power and began a program of massacres, civil war, and terror which lasted until 1937 when the Japanese attacked in earnest.

The foreign interests, which so completely dominated the political and economic life of the Chinese bourgeoisie, participated directly and indirectly in the incessant war against the Chinese masses by the KMT. The Japanese in particular expanded their participation “in a new effort to secure a larger portion of the prey for itself. . . . and to subject all of Chinese economy to its needs by systematically driving out its imperialist rivals, Great Britain and the United States.” (Harold R. Isaacs, *The Tragedy of the Chinese Revolution*)

### War in Shanghai

“Workers at the Chinese Wing On Cotton Mills, which had profited heavily from the boycott of Japanese goods, struck for wage increases in December [1931]. Several workers were killed in clashes with Kuomintang police before the strike was smashed. On January 7 [1932] a general walk-out occurred of the 60,000 workers in Shanghai’s thirty-four Japanese-owned cotton mills. The strike was called on purely economic grounds against wage cuts and lay-offs. By the end of two weeks all but 7,000 had been forced back to work or to seek jobs elsewhere.” (Isaacs)

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Perhaps in retaliation the Japanese Navy bombed Shanghai on January 28, 1932. The Japanese and Chinese fought to a standstill and a ceasefire was brokered in May. Japan renewed its aggression on July 7, 1937 beginning the Second Sino-Japanese War which continued until September 9, 1945. Shanghai fell after the Battle of Shanghai in 1937 (which began September 18 and ended November 26), and was occupied until Japan's surrender in 1945. "Shanghai, chief centre of Chinese-owned industry, was reduced to ruins. What was not destroyed in the battle, the Japanese systematically razed afterward." (Isaacs)

The 1937 Battle of Shanghai resulted in the occupation of the Chinese administered parts of Shanghai outside of the International Settlement and the French Concession.

Initially, life for foreign nationals and stateless people (Jews who had fled the Nazis and White Russians who had fled the Bolshevik Revolution) went on under the occupation. Allied nationals slowly lost their privileges and had to wear a B, A, or N armband indicating their nationality when walking in public places, but restaurants, cinemas, and nightclubs carried on.

Shanghai became a center for European refugees and unconditionally took in Jews. In 1943 the thriving Jewish refugee community was forced into a riverside ghetto in the city's Hongkou district, the population reaching 20,000; the ghetto was not walled and the local Chinese residents did not leave. A few weeks before the end of the war in the Pacific, on July 17, 1945, the Americans bombed a radio station on the outskirts of the ghetto, killing 30 refugees and injuring many more.

In 1940 the British Government attempted to evacuate the women and children to Australia. The British boats were forced by Japanese planes to put in at Manila, the Philippines, where they stayed for about 18 months. Some Americans left Shanghai early, 300 on the *Anhui* and 300–400 (including the Fourth Marines) on the *President Harrison*; the latter left Shanghai on November 28, 1941. Both ships stopped in Manila to pick up more passengers and supplies and the refugees were trapped when the Philippines surrendered to the Japanese. On December 9, 1942, the Japanese attacked the Philippines, and by January 2, 1943, the Japanese occupied Manila and began moving foreign nationals into internment camps.

In November 1941 the Fourth Marines left Shanghai: The First Battalion and part of the Headquarters Staff departed aboard the USS *President Madison* on November 27. The remaining members of the Fourth Marines departed aboard the USS *President Harrison* the next day. Their military mission in Shanghai was considered a success and no Marine died in the fighting.

On December 7, 1941 Japan attacked Pearl Harbor and the next day occupied the International Settlement in Shanghai. By January 1943 the International Settlement was abolished, its Shanghai Municipal Council disbanded, and all foreign nationals with passports from the "Allied" countries were interned in concentration camps euphemistically called "Civil Assembly Centres." Many of the camps were in poor condition having been damaged by bombs and shelling during the Japanese attack.

- Ash Camp, a former British Army barracks, opened on March 1, 1943. Most of the 251 internees were former Shanghai Municipal Council employees.
- Chapei Camp, originally built as the Great China University, housed 1,536, mostly Americans. It was in operation from February 1943 to August 1945. My uncle William Newman Gray III was interned here.
- Great Western Road Camp was previously the American Columbia Country Club. During the fall and winter of 1942–1943 it housed enemy nationals from the outports awaiting repatriation. It became an internment camp in May 1943. 386 were interned there. In April 1945 internees were moved to the Yangtze Poo Camp and replaced by Japanese troops.

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- Haiphong Road Camp was the former barracks of the US Marine Fourth Regiment, Second Battalion. The camp's inmates, all men and considered political prisoners, were moved north to warehouses in Fengtai, near Peking, in June of 1945. They narrowly avoided being massacred there and were rescued by a US OSS mission which had parachuted into Peking soon after Hirohito broadcast his acceptance of the surrender.
- Franciscan House held 56 Catholic fathers.
- Lincoln Avenue Camp held 415 prisoners. It remained open, housing internees after the war, until February 1946, when the *Highland Chieftain* carrying repatriates sailed for Britain.
- Lunghwa Camp, the former Kiansu Middle School, held 1,988 internees—men, women, and children from the British, Russian, Dutch, and American communities of which the British predominated. It was a camp from January 1942 to August 1945. It is now Shanghai High School.
- Pootung Camp, previously the British American Tobacco Company warehouses, received the first intake of internees in late January 1943. The original group were only men—single men, men married to Asian women, or men who had followed their consulate's advice and sent their wives and families back to the UK, USA, or Australia before war broke out. It held as many as 1,519 internees. After the September 1943 repatriation of Americans and Canadians, many Pootung internees were transferred to other camps to provide manual labor there, while many women were transferred to Pootung from other camps, including two of the Yangchow camps (150 miles northwest of Shanghai) which the Japanese closed.
- Sacred Heart Camp housed nuns from eleven religious communities.
- Senmouyeu Nuns' Residence held 40 Catholic sisters in detention.
- Yangtzepoo Camp, originally the Sacred Heart Hospital and later used to quarter Japanese troops, received over 1300 internees in April 1945 transferred from the camps at Yu Yuen Road and Great Western Road. After the war it resumed operation as the Sacred Heart Hospital.
- Yu Yuen Road Camp, originally the Western District Public School and the Shanghai Public School for Girls, held 972 internees. In April 1945, as air raids became worse, the nationals were moved to Yangtzepoo Camp to make room for Japanese troops.
- Zikawei Camp held 96 Catholic fathers.

Conditions in the camps were awful. They were filthy, unsanitary, and crowded. The internees got little food and medicine. Some established schools for the children. Some were tortured. Aid from the Allied nations did not always reach its intended recipients. The British Government mailed parcels of food to each one in the Shanghai Middle School (Lunghwa?) camp during their three-year internment. Vera Griffiths, who was in the camp as a child, recalled "we each only received one of the parcels. The Japanese just took the rest." British people stayed in the camp until 1946.

Another survivor reported: "We were supposed to get Red Cross parcels once a month but we only got three in the whole time we were in the camp. It was discovered after the war that the Japanese had put the Red Cross parcels in warehouses and they were full of condensed milk and chocolate and spreading cheese. They didn't even open them for themselves."

In February 1943, the International Settlement was formally returned to the Republic of China, under the Sino-British Friendship Treaty between Britain and the Kuomintang leader Chiang Kai-shek.

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After the end of the war in Europe in May 1945 Allied air raids began over Shanghai, in particular the Japanese positions at the Shanghai docks. Several thousand Chinese and “foreign” internees in the area were killed.

The end of the war: Emperor Hirohito officially capitulated to the Allies on August 15, 1945 and the official surrender was signed on September 2. The Japanese troops in China formally surrendered on September 9, 1945.

### Repatriation

A few fortunate internees were repatriated early. Three repatriations took place. The first, on June 18, 1942 was between the Japanese and Americans. The second, on August 17, 1942 involved 908 British citizens who were exchanged for Japanese prisoners from British colonies; it is not clear that this applied to Shanghai. The third repatriation began in September 1943. Those prisoners left behind waited another two years before they were released.<sup>1</sup>

During the war the American Association, a relief organization for Americans in the captured city, was active until internment began in early 1943. My uncle William Newman Gray III was the chairman of the repatriation committee—and responsible for determining who would be exchanged in 1942. Those Americans who weren’t exchanged that year ended up being interned. Some 1500<sup>2</sup> of them were exchanged in Fall 1943 from the camps. Exactly who got repatriated in September 1943 was based on eleven categories of US citizens, determined by the US State Department. The Swiss Consulate in Shanghai did the actual legwork at that point.

The 1942 repatriation<sup>3</sup> took repatriates from the Far East to Lourenco Marques, in Portuguese East Africa, where they transferred to the *MS Gripsholm*<sup>4</sup> in July. In 1943, the Japanese ship *Teia Maru*<sup>5</sup> took 1503 repatriates (1290 of them Americans) from the Far East, beginning on September 2nd in Shanghai, to Goa, a Portuguese colony on the west coast of India, arriving there on October 15th. The next day Japanese nationals arrived there on the *Gripsholm* (its second mercy voyage), which had collected them from America, Brazil, and Uruguay. On October 19th the Allied repatriates were exchanged for the Japanese nationals, the Japanese departed on the *Teia Maru* on October 21 while the Allies departed on the *Gripsholm* on the following day. (A good account of the *Teia Maru* and the prisoner exchange is on <http://www.derbysulzers.com/shiparamis.html> and [http://reced.org/dmenzi/wilders/A\\_Gripsholm\\_NY\\_Times.pdf](http://reced.org/dmenzi/wilders/A_Gripsholm_NY_Times.pdf)). William Newman Gray, repatriated in March 1943, followed this second path and disembarked in New York City shortly after the ship arrived on December 1, 1943. Of the American prisoners arriving in New York, 975 were from China exclusive

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<sup>1</sup> *The Internment of Western Civilians Under the Japanese, 1941–1945* by Bernice Archer.

<sup>2</sup> This figure is at odds with the counts published in New York Times articles.

<sup>3</sup> Three Japanese ocean liners—*Asama Maru*, *Tatsuta Maru*, *Kamakura Maru*—as well as the Italian ocean liner *Conte Verde* rendezvoused in Africa with the *Gripsholm* in July 1942. The Japanese ships left Japan in June, they did not stop at Shanghai. The *Conte Verde* left Shanghai on June 29.

<sup>4</sup> The *MS Gripsholm* was an ocean liner built in 1925 for the Swedish American Line, it was the first transatlantic motorship. From 1942 to 1946, the United States Department of State chartered *Gripsholm* as an exchange and repatriation ship under the protection of the Red Cross; as such it made 12 round trips and carried a total of 27,712 repatriates.

<sup>5</sup> The *Teia Maru* was built as the *Aramis* for the Messageries Maritimes for their Far East service. It was launched on June 30th 1931 and first sailed, from Marseilles, in 1932; it had accommodations for 700–800 passengers in 1st, 2nd, and 3rd class. In 1939 it entered the service of the French Navy. On April 10th 1942 the ship was requisitioned by the Japanese in Saigon, taking possession of it by June 2nd and renaming it *Teia Maru*.

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of Hong Kong (according to a New York Times article). The actual exchange of prisoners in Goa was overseen mostly by Swiss Consular officials.

The Shanghai Jewish ghetto was officially liberated on September 3, 1945. With the establishment of the State of Israel in 1948 and the fall of Chiang Kai-shek in 1949, almost all the Shanghai ghetto Jews left.

The interned Europeans fared differently.

After August 1945 “most Allied civilians in the Shanghai area found it wiser to remain in their camps until liberation forces arrived. They were well looked after for food and money by the Swiss Consul. United States troops were flown in within a week, and those who chose to do so returned to their former work in Shanghai, while the others were evacuated to Hong Kong.” (*Prisoners of War* by W. Wynne Mason)

“The Americans looked after us [British nationals] and we stayed in the camp from August to November when we got on to a New Zealand boat ‘The Arana’ [sic, the ship was named the *SS Arrawa*] which took us back to the UK. We sailed to Southampton and then got a train to the North East of Scotland.” [This ship is mentioned in a novel, I can find no corroboration—nor dates.]

## Communist Government

Soon after the end of the war the power struggle between Nationalist Chinese and Communist Chinese renewed and grew into a full scale civil war.

On May 27, 1949 Shanghai came under Communist control when the People’s Liberation Army marched into the city. One of the first actions taken by the Communist Party was to clean up the portion of the population that were considered counter-revolutionaries: they slaughtered thousands in mass executions.

In 1949 most foreign firms moved their offices from Shanghai to Hong Kong. In particular, large numbers of emigrants settled in North Point, naming the new area in Hong Kong Eastern District as “Little Shanghai.”

## Sources

There are a number of books including: *Captives of Empire: The Japanese Internment of Allied Civilians in China and Hong Kong, 1941–1945* by Greg Leck.

For information about the camps on the internet, Google “Japanese concentration camps Shanghai.”

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<sup>6</sup> The ship, *SS Arrawa*, was registered in New Zealand and used originally to ferry refrigerated meat between NZ and China. This boat is mentioned in the semi-autobiographical writings of J. G. Ballard—*Empire of the Sun* and *The Kindness of Women*.