

The Shanghai Rubber Stock Market Bubble and Crisis (1910-1911)

Dr. Jiajia Liu

PhD in International History and Politics

Graduate Institute of International and Development Studies, Geneva

 **jiajia.liu@iheid.ch or liuj.academia@gmail.com**

Presentation Outline

- 1. Research Motivation**
- 2. Research Context**
- 3. Literature Summary**
- 4. Main Findings**
- 5. Conclusion**

1. Research Motivation

Economic historians' call for

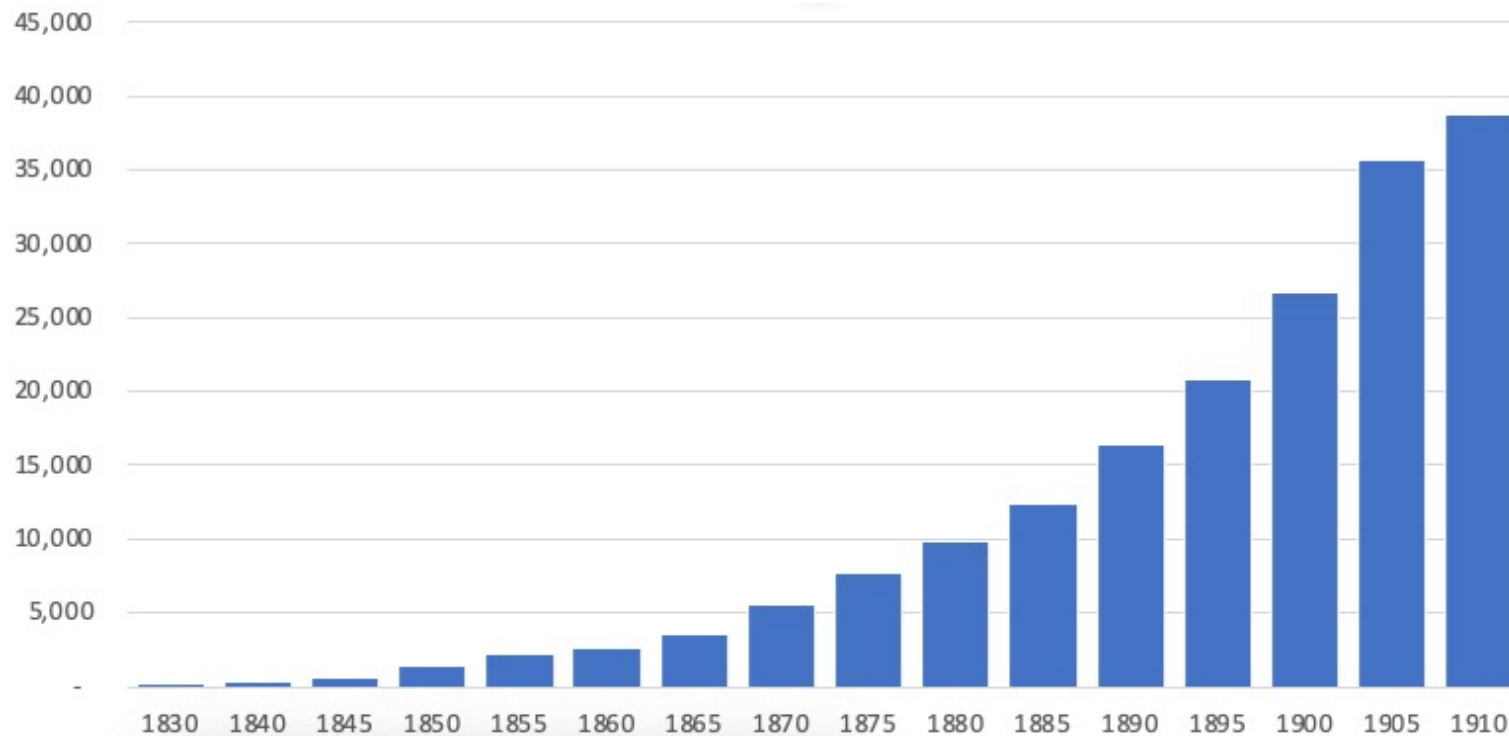
- **Investigation of core-periphery dynamics**
- **Lesser-known financial bubbles in the periphery**

1. Research Motivation (cont.)

The significance of the Shanghai Stock Exchange

- **The largest stock market of its time in the Far East**
- **Interaction between Western and Chinese financial capitalism**

2. Research Context



Exports of Rubber from the Amazon 1830-1910 (Unit: tons)

Figure in Liu, Jiajia. "Financial Capitalism on the Periphery: The Rubber Boom and Bust in Shanghai." PhD Dissertation, Graduate Institute of International and Development Studies, Geneva, 2022.

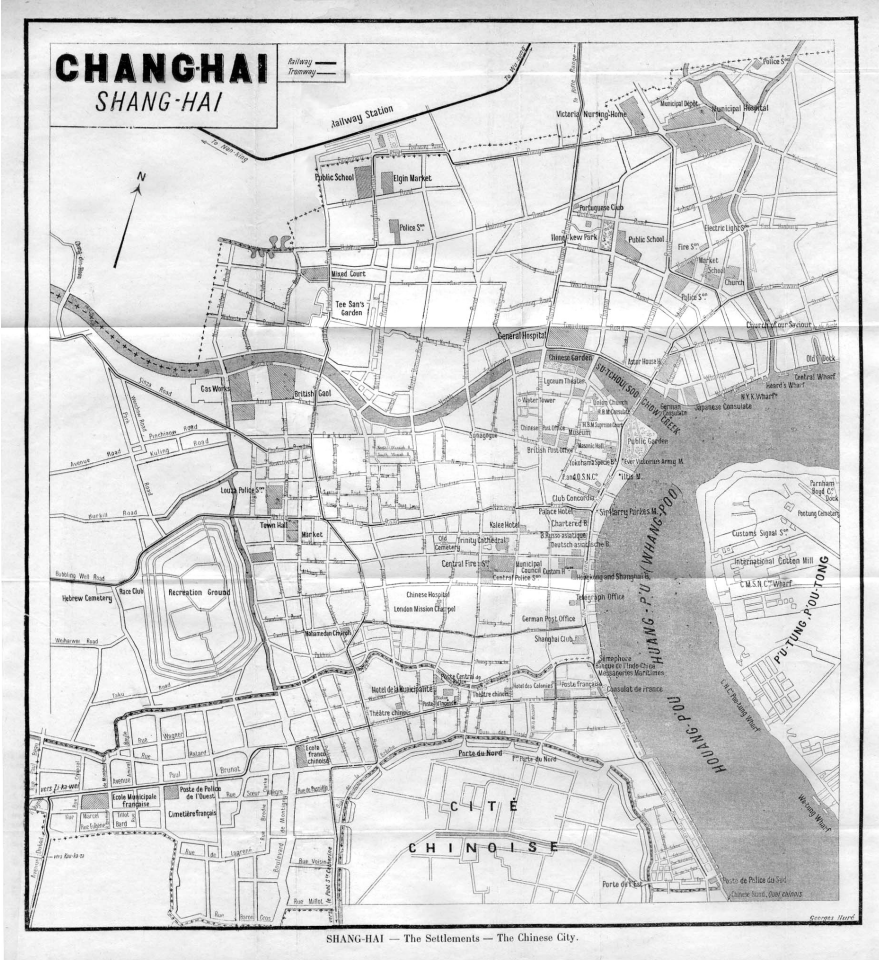
2. Research Context (cont.)



The Location of Shanghai and Southeast Asia

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2. Research Context (cont.)



Shanghai International Settlement and the Chinese City

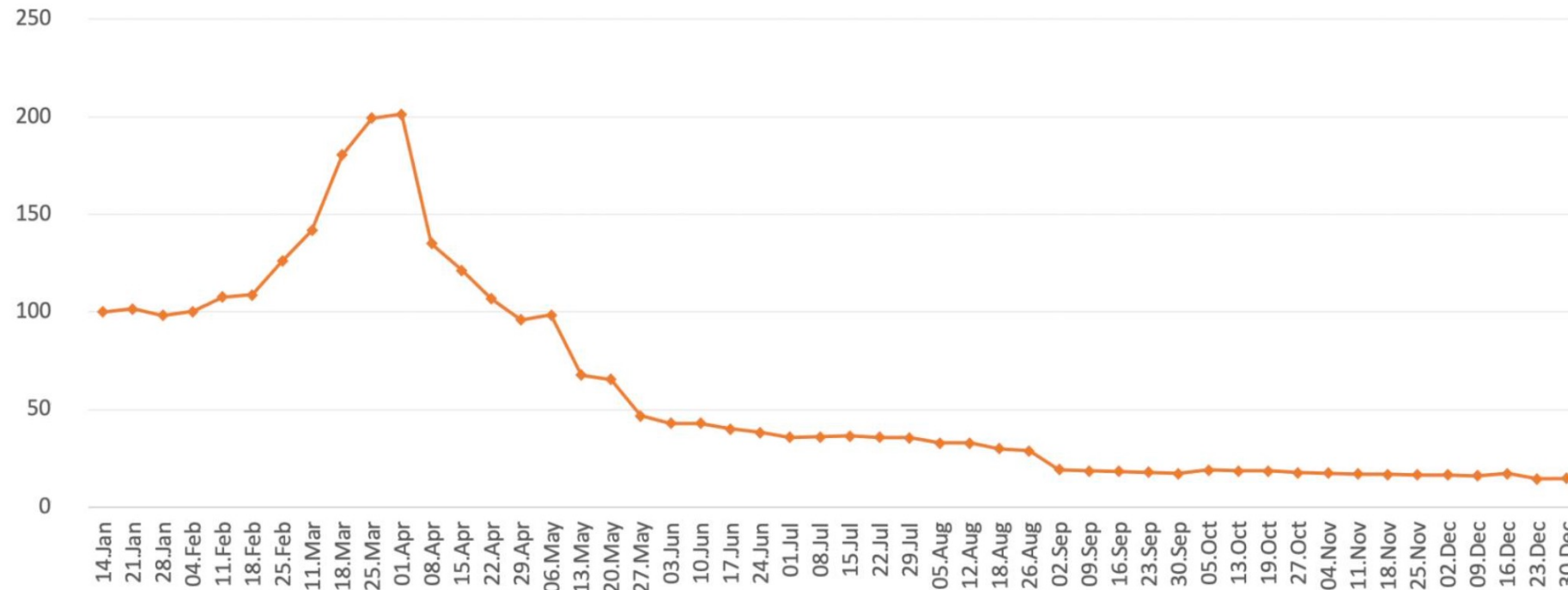
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3. Literature Summary

- **In Chinese: blaming Western businessmen**
- **In English: blaming the fragility of the periphery**

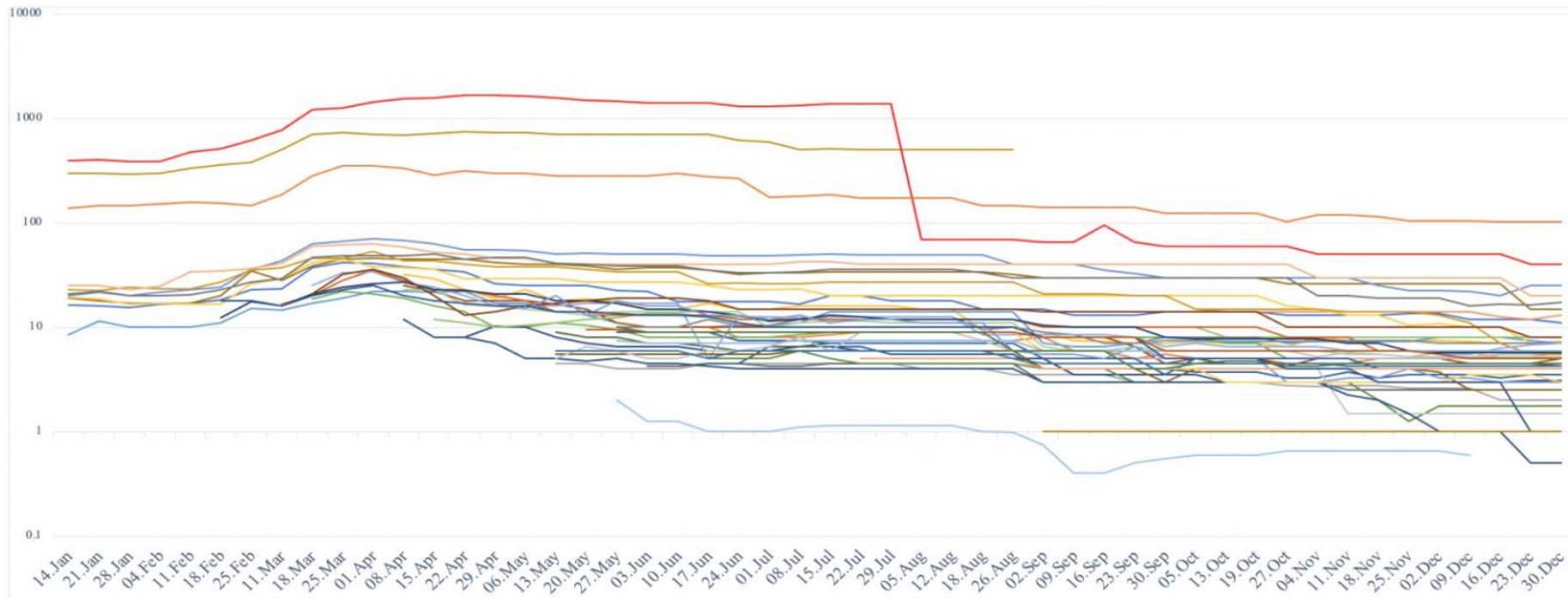
4. Main Findings



Share Price Index of Rubber Stocks on the Shanghai Stock Exchange in 1910

Figure in Liu, "Financial Capitalism on the Periphery."

4. Main Findings (cont.)



Share Prices (Tls.) of Rubber Stocks on the Shanghai Stock Exchange in 1910 (log10 scale)

Figure in Liu, "Financial Capitalism on the Periphery."

4. Main Findings (cont.)



Bank Runs of Chinese Native Banks

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Foreign Loans to Save the Shanghai Market 1910-1911

Provider	Recipient	Interest Rate
A total of Tls. 3.5 million by HSBC, Chartered Bank of India, Australia, and China, Deutsch-Asiatische Bank, Russo-Chinese Bank, Yokohama Specie Bank, Banque de l'Indo-Chine, International Banking Corporation, Netherlands Trading Society, and Banque Sino-Belge	Shanghai Daotai	4%
A total of Tls. 3 million by HSBC, Deutsch-Asiatische Bank, and Banque de l'Indo-Chine	Viceroy of the Liang Kiang Province	7%
Tls. 2 million by HSBC	Shanghai General Chamber of Commerce	7%

Table in Liu, “Financial Capitalism on the Periphery.”

5. Conclusion

- **Outcomes in the Shanghai periphery: bubble, over-speculation, and financial crisis**
- **Chinese native banks as sources of fragility while foreign banks as sources of stability**
- **The Shanghai periphery: weak but resilient**