

**CONSUMING SCIENCE:
A HISTORY OF SOFT DRINKS IN MODERN CHINA**

A Dissertation
Presented to
The Academic Faculty

by

Liang Yao

In Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy in the
School of History and Sociology

Georgia Institute of Technology
May 2016

COPYRIGHT © 2015 BY LIANG YAO

**CONSUMING SCIENCE: A HISTORY OF SOFT DRINKS IN
MODERN CHINA**

Approved by:

Dr. Hanchao Lu, Advisor
School of History and Sociology
Georgia Institute of Technology

Dr. John Krige
School of History and Sociology
Georgia Institute of Technology

Dr. Steven Usselman
School of History and Sociology
Georgia Institute of Technology

Dr. Laura Bier
School of History and Sociology
Georgia Institute of Technology

Dr. Kristin Stapleton
History Department
University at Buffalo

Date Approved: December 2, 2015

ACKNOWLEDGEMENTS

I would never have finished my dissertation without the guidance, help, and support from my committee members, friends, and family. Firstly, I would like to express my deepest gratitude to my advisor Professor Hanchao Lu for his caring, continuous support, and excellent intellectual guidance in all the time of research and writing of this dissertation. During my graduate study at Georgia Tech, Professor Lu guided me where and how to find dissertation sources, taught me how to express ideas and write articles like a historian. He provided me opportunities to teach history courses on my own. He also encouraged me to participate in conferences and publish articles on journals in the field. His patience and endless support helped me overcome numerous difficulties and I could not have imagined having a better advisor and mentor for my doctoral study.

I would like to thank my dissertation committee: Professor John Krige, Steve Usselman, Laura Bier, and Professor Kristin Stapleton for their constructive questions and comments. I am extremely grateful to Professor John Krige, who gave me continuous support both intellectually and financially in the past few years when he was the graduate director. Special thanks go to Professor Steve Usselman and Professor Laura Bier. Their courses make me get interested in business history and consumer culture, which finally led me to start the research on the topic of this dissertation. Particular thanks go to Professor Kristin Stapleton of University of Buffalo for taking time from her busy schedule to serve the external examiner of my dissertation.

My sincere thanks also go to the rest of the HTS faculty, all my colleagues, and friends who offered generous support in these years. I am greatly indebted to Professor Kristie Macrakis, who brought us to the Coca-Cola Archive located in the Coca-Cola

Company at Atlanta in her course, which greatly influenced my research. I would like to thank Professor Jenny Smith for her comments on my research. She was the scholar who for the first time introduced me to the field of food studies. Many thanks go to Professor Bill Winders and Ms. La Donna Bowen for all the help they had provided to me during my time at Georgia Tech. I want to particularly thank Dr. Song Zuanyou and Dr. Xiong Yuezhi at the Shanghai Academy of Social Sciences and Dr. Dong Qian from Fudan University. They warmly hosted me when I did my archive research in Shanghai and provided extremely important help.

Last but not the least, I would like to express my deepest appreciation to my family: my parents and my husband, Huang Jinghui. They were always supportive and cheering me up throughout my Ph.D. study and my life in general.

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	iii
LIST OF TABLES	vi
LIST OF FIGURES	vii
SUMMARY	ix
<u>CHAPTER</u>	
1 Introduction	1
2 Encountering the Exotics	26
3 Cultivating Desire: Advertisement, Modernity, and Consumption	60
4 Ambitious State, Unruly People: State Regulations and Social Violations	121
5 Nationalism Revisited: The National Products Movement in the Soft Drink Industry	162
6 Coca-Cola versus Salty Soda, How Summer Became Cooler under Socialism, 1949-1978	214
7 When Coke Knocked on the Door: China's Reform and the Return of Coca-Cola, 1979-1990	262
8 Conclusion	307
BIBLIOGRAPHY	321

LIST OF TABLES

	Page
Table 2.1:	53
Table 2.2:	53
Table 4.1:	151
Table 6.1:	249
Table 6.2:	254
Table 7.1:	297

LIST OF FIGURES

	Page
Figure 2.1:	34
Figure 2.2:	37
Figure 2.3:	41
Figure 2.4:	45
Figure 3.1:	73
Figure 3.2:	73
Figure 3.3:	76
Figure 3.4:	77
Figure 3.5:	90
Figure 3.6:	93
Figure 3.7:	98
Figure 3.8:	100
Figure 3.9:	100
Figure 3.10:	101
Figure 3.11:	101
Figure 3.12:	104
Figure 3.13:	104
Figure 3.14:	107
Figure 3.15:	111
Figure 4.1:	123
Figure 4.2:	125
Figure 4.3:	132

Figure 5.1:	171
Figure 5.2:	179
Figure 5.3:	179
Figure 5.4:	181
Figure 7.1:	281
Figure 7.2:	292
Figure 7.3:	294
Figure 7.4:	299

SUMMARY

This dissertation investigates the development of the soft drink market in China from the late nineteenth century to the early twenty-first century, with particular attention to the rise of Coca-Cola. It examines how soft drinks competed with traditional Chinese summer food and beverage such as watermelons, herbal tea, plum juice, and nutriments which were believed to have medical properties for people's summer health, and eventually became one of the most popular types of beverages in the country. Over one hundred years in the Chinese minds, soft drinks changed from an exotic but unsavory beverage to a popular drink and a symbol of modernity. This dissertation argues that western science competing with traditional Chinese medicine has been a driving force in shaping beverage consumption in modern China. There were constant politics played by the state, businesses, and consumers on production, marketing, and consumption of soft drinks, making a bottle of drink not merely a commodity but one that embodied science, modernity, and identity in Chinese society.

Following the introduction chapter, chapter 2 of the dissertation delineates the clash between Chinese and western food culture in the late nineteenth century. It shows how traditional Chinese medicine (TCM) including the *yin-yang* theory and the concept of medicine-food homology played a role in shaping Chinese food culture for centuries. By analyzing advertisement, chapter 3 examines how soft drinks, which were considered by Chinese people as an unpleasant and unhealthy drink according to TCM, were marketed and gradually accepted as a hygienic and healthy drink under the rhetoric of modernization. Since foreign-brands such as Coca-Cola were luxuries, cheap imitations provided ordinary Chinese people, especially urbanites, opportunities to experience

“modernity.” Chapter 4 discusses the culture of imitation in modern China in regard of soft drinks. In the first half of the twentieth century, consumption were politicized in National Products Movements, in which soft drink brands were categorized into either Chinese or foreign and people’s loyalty to the nation was, to some extent, judged by their brand choice. However, there was something far more than nationalism that played a role in the picture. Taking the Shanghai Coca-Cola protest of 1947 as a case study, chapter 5 reveals that Chinese nationalism in National Products Movements in the late forties was used by Chinese businessmen to advance themselves in business competition. When political conflicts became a major theme in Maoist China, Coca-Cola was criticized as a symbol of imperialism and driven out of China. Nevertheless, science-driven consumption did not fade away. Chapter 6 shows that instead of promoting Coca-Cola, the People’s Republic of China “invented” salty soda as a prevention and treatment of heat stroke and widely distributed it among workers as a socialist welfare in summer. The final chapter discusses the return of Coca-Cola in the post-Mao era. It shows that science and modernity was a consistent subject in production and consumption in China, where the state promoted it cautiously due to political sensibility while ordinary Chinese people embraced it enthusiastically with little resistance.

CHAPTER 1

INTRODUCTION

When I was a child in China (in the 1980s), my happiest moment in summer was following my father to the roadside fruit stall watching him picking watermelons. Each summer, my father bought watermelons in lots of hundredweights and stored them in our living room. Every day, I patrolled in my “melon field,” imitating my father in thumping each melon to pick the ripest one. Father told me that there is a proverb, “have watermelons in summer, keep the doctor away.”¹ If there were no ripe melons, my mother would force me to drink mung bean and lily soup, which tasted a little bit bitter. Although I disliked it and refused to drink every time, my mother once and again told me that it was good for health and it was known as “an elixir in summer” in traditional Chinese medicine (TCM).

These summer foods are not special in my family diets. For centuries, watermelons, mung bean soups, herbal tea, and sour plum juice, foods and drinks that were believed to contain certain medical properties, were favorite summer refreshments in China. Many of them even became summer necessities for Chinese families. Food and food-related proverbs derived from TCM were passed down from one generation to the next. Adages such as “having mung bean soup in *sanfu* (hot summer) days, you will be

¹ “Re tian liang kuai gua, yao wu bu yong zhua.” (热天两块瓜，药物不用抓) Shui, *Thousands of Proverbs about Health*, 45.

fine even if you were in the oven;”² and “having radishes in winter and ginger in summer, you don’t need doctors anymore”³ were widely spread in the Chinese society. Although not every Chinese was a physician nor was an expert in TCM, ordinary Chinese people were familiar with these proverbs and basic TCM concepts, which were used as guidelines for everyday diets and healthcare in traditional Chinese families.

The food-related folk knowledge, which largely came from TCM, dominated Chinese food culture for thousands of years until the modern times when they were challenged by western competitors. After 1840 when the late Qing government was forced to open treaty ports, numerous western products were introduced. Chinese people marveled at and welcomed many of modern products such as bicycles, cars, trains, running water, electricity, telephone, and telegraph, which were carriers of modern science and technology and dramatically changed the ways of people’s living and thinking. Chinese food and foodways, though highly resilient in culture, were also significantly impacted. No matter how incompatible between the West and the East in regard of food culture, western food such as chocolate, bread, and coffee became new desires of the Chinese. Among them, soft drinks, Coca-Cola in particular, competed with traditional summer refreshments, becoming a symbol of modernity and progressiveness in twentieth-century China.

² *Sanfu* is the hottest period in summer. It usually begins in mid-July and ends in mid-August. “San fu bu li lv dou tang, tou ding huo pen shen wu yang.” (三伏不离绿豆汤，头顶火盆身无恙) Shui, *Thousands of Proverbs about Health*, 58.

³ “dong chi luobo xia chi jiang, bu yong yisheng kai yaofang.” (冬吃萝卜夏吃姜，不用医生开药方) Zhao, *Kexue yangsheng*. Vol. 8 (2005): 40.

However, the change of food culture in China was long and complex. Since the Opium Wars in the 1840s, China was commonly recognized as lagging far behind the western world in heavy industries such as transportation, mining, chemistry, and military, whereas Chinese food culture has been viewed as the pride and the treasure of Chinese civilization. Supported by sophisticated medical philosophies, Chinese food and foodways were regarded as more than something to eat and drink, but a belief, a culture, and more importantly an alternative medication that help families stay healthy. Although western medicine gradually became compelling in Chinese society since the late nineteenth century, the notion that “foods has more tonic effect than medicine”⁴ and what is known as “medicine food homology”⁵ remained dominating in people’s minds. As to soft drinks, its cold and fizzy taste, which was unacceptable in traditional Chinese medicine, made people believe that these beverages were neither tasty nor healthy. In the light of the reputable position of traditional Chinese medicine in Chinese food culture, why and how soft drinks became a desire in modern China becomes an interesting question. After all, what made Chinese people turn their back on their rich food culture and instead pursue something expensive and incompatible to their tradition? Put it more broadly, what was the driving force behind the change of consumption in modern China? These are central questions that this research is trying to explore.

Currently, there is an increasing scholarly interest in food studies and consumption in the western world. Questions like how food and foodways were changing

⁴ “yao bu bu ru shi bu.” (药补不如食补) Shui, *Thousands of Proverbs about Health*, 1.

⁵ Hou and Jiang, “Origin and Concept of Medicine food Homology and Its Application in Modern Functional Foods,” 1727-1741.

and how food was socially and culturally constructed become what most scholars are interested. When exploring the answers, the relationship between food and identity is the most frequent issue addressed in food studies. It is often said “we are what we eat.” This notion has been widely recognized by scholars in academia. Historian Sidney Mintz said that “in the modern western world, we are made more and more into what we eat, whenever forces we have no control over persuade us that our consumption and our identity are linked.”⁶ Mintz’s work has been significantly influenced by Immanuel Wallerstein’s world system theory. Mintz revealed that sugar consumption in modern Europe was largely shaped by market prices determined by the global economic system, during which sugar was used as an emblem identifying consumers’ social status. Pat Caplan’s edited book, *Food, Health, and Identity*, also highlights the idea that food becomes a marker of identity and difference in the western world. Allison James’s paper in this collection argues that French food consumption marked the middle-class identity in Britain, which enabled the middle class “recreating, reordering and sustaining old social divisions along class and educational lines.”⁷ Lynn Harbottle’s article in the collection, however, points out that food produced by Iranian immigrants was not used to strengthen their Iranian identity, but to disguise their nationality by selling non-Iranian food in British society.

How political environment influenced food and food consumption is another important subject in food studies in the English-speaking world. Several articles in Pat Caplan’s book reveal that healthy eating became a political issue in twentieth-century

⁶ Mintz, *Sweetness and Power*, 211.

⁷ Caplan, *Food, Health and Identity*, 81.

Britain. One argument goes that in the twentieth century “the government’s commitment to promoting healthy eating policies has clearly been shaped by the interests of the food industry and the responsibility for healthy eating has been placed on the consumer.”⁸ This argument resonates with Harvey A. Levenstein’s research on American diet. Levenstein’s books: *Paradox of Plenty, A Social History of Eating in Modern America* *Revolution at the Table* and *The Transformation of the American Diet*, show how science became the lever of transformation of American diet in the modern era, and how institutions such as universities, research centers, government, and big corporations played a significant role in shaping American diet.

Comparing to the rich and dynamic literature of food studies on the western world, there are fewer book-length academic researches on Chinese food and culture, despite the fact that Chinese cuisine is widely seen as one of the richest culinary traditions in the world. For a long time, most people believed that Chinese food culture as its 4000-year uninterrupted history was somehow static. This argument had not been challenged until the 1970s when anthropologists such as K.C. Chang and E.N Anderson pointed out that Chinese food has always been a part of global culinary tradition, deeply affected by international trade and by the dissemination of foodstuffs across the world. History shows many Chinese foods have a foreign origin; some of them could be even told from their names. For instances, one of the major foods in China—sweet potato—is known as “*fanshu*” in which “fan” literally means “foreign.” Sources indicate that the

⁸ Ibid, 176.

date for the introduction of the sweet potato is the late 16th century mainly via the sea.⁹ Likewise, cabbages and onions have the Chinese prefix “yang,” known as “yang bai cai” and “yang cong,” which indicate their foreign origins.

However, it is a blessing that currently there is a growing body of research on Chinese food and foodways, though a significant portion of it has been done by anthropologists who conducted a large number of interviews and presented unique perspectives. Their topics on Chinese food and culture cover a wide range of realms including: how are Chinese foods traditionally produced, prepared, preserved, and consumed; globalization and localization of food culture; food and identities in Asian societies, and so on.¹⁰ Like any high-quality research on food culture in the western world, these works successfully present Chinese food culture into a dynamic dialogue, bringing out fresh perspectives to China Studies. In the history field, research on Chinese food studies is also growing. As with works done by food anthropologists, historians in food studies are particularly interested in social and cultural meanings of Chinese food and foodways. Recent works in this field include: Yong Chen’s *Chop Suey, USA: The Story of Chinese Food in America*, which discusses the rise of Chinese food in the United States and how Chinese food played an important role in defining community, social class and identity; Mark Swislocki’s *Culinary Nostalgia: Regional Food Culture and the*

⁹ Ho, “The Introduction of American Food Plants into China,” 191-201.

¹⁰ On Chinese food production, preparation, preservation, and consumption, see Frederick Simoons, *Food in China: A Cultural and Historical Inquiry*. On globalization, localization and identities, see David Y. H. Wu and Sidney C. H. Cheung ed., *The Globalization of Chinese Food*. The book discusses how Chinese foodways changed over time and how it provided a lens for understanding contemporary identities throughout Asia. David Y. H. Wu’s another book coedited with Tan Chee-beng, titled *Changing Chinese Foodways in Asian*, also investigates the impact of globalization on Chinese food. James Watson, *Golden Arches East: McDonald's in East Asia*, instead, discusses how western fast food localized on Asian soil. It also examines how fast food becomes a symbol of social and cultural identities.

Urban Experience in Shanghai, which shows how Shanghainese used regional food and foodways to differentiate themselves and the city from other people and places; and Q. Edward Wang's *Chopsticks: A Cultural and Culinary History*, which illustrates the role of chopsticks in the development of Asian cuisine.

Food as a Cultural and Political Symbol and an Insignia of Science and Technology

Food is the key to help people stay healthy. It provides calories and nutrition according to western science, while maintains yin-yang balance according to Chinese science. The purpose of my research is to examine the diverse roles that soft drinks played in modern China: soft drinks as a commodity and a business, as a political symbol, and finally as an insignia of science and technology marked by nationalities. Focusing on the development of the soft drink market in China from the late nineteenth century to the early twenty-first century, this research has a particular attention to Coca-Cola. As China more and more integrating into the global market, Chinese consumers associated brand-name soft drinks with social status and turned them into a sort of insignia of identity.

This study can also be seen as a business history of soft drinks in modern China. It examines how Chinese businessmen, who frequently organized into a sort of civil society, which sometimes collaborated and sometimes negotiated and confronted with the state. For nearly half a century after 1949, the communist state regulated beverage consumption with implicit economic and political intentions. As China growing into the second largest economy in the contemporary world in recent years, many scholars become interested in Chinese business history. William C. Kirby focuses his research on

the development of China's state-owned enterprises, Chinese corporate laws and company structure.¹¹ Sherman Cochran emphasizes the role played by Chinese businessmen, pointing out that Chinese entrepreneurs already had the capacity to shape consumer culture in the early twentieth century.¹² Parks Coble, who is interested in business and government relations, argues that the flourish of Chinese businesses in the nationalist era was due to the weakness of the government.¹³ Karl Gerth, who studies the development of Chinese consumer culture in modern times, points out that Chinese nationalism had significant impact on consumption in modern China.¹⁴ Most of these thought-provoking researches studied companies marked with clear national identities and treated the Chinese business history as a part of regional and national history. This dissertation, however, tries to place the history of Chinese soft drinks into a globalizing context. When multinational Corporations and the franchising system were gradually becoming popular in the global economy, the structure of a company became complicated and the nationality of a company and its products became blurred. This new business environment in the modern times leaves us more room—as what will be partially revealed in this dissertation—to further examine the agency of Chinese businessmen: their pragmatism and business acumen in the globalizing world.

Finally, this research aims to offer a fresh perspective on history of science and technology in modern China. Eating properly was particularly important in China, since

¹¹ Kirby, *State and Economy in Republican China*.

¹² Cochran, *Chinese Medicine Men*.

¹³ Coble, *The Shanghai Capitalists and Nationalist Government and Chinese Capitalists in Japan's New Order*.

¹⁴ Gerth, *China Made*.

according to traditional Chinese medicine “diet was closely linked to health and was seen as the most reliable path to good health and longevity.”¹⁵ As in the modern western world where calories and vitamins are buzzwords in food consumption and food policies,¹⁶ when studying food culture in China, how science and medicine relate to food cannot be ignored. This research examines how soft drinks, which were regarded as neither healthy nor palatable in the Chinese minds, competed with traditional Chinese foods such as watermelons and herbal tea, foods that were believed to have medical properties in traditional Chinese medicine, and eventually became one of the most popular drinks in the society. I must point out that science here is not merely defined as modern western science, but includes all kinds of human knowledge regarding nature. Alternative science and local science, which is traditional Chinese medicine in this case, significantly influenced how people view and behave in the world as well as in consumption.

Although traditional China is commonly considered as lacking behind the Western world in science and technology, there are a few path-breaking works that have challenged the notion. Joseph Needham is one of the most renowned forerunners in the field, who for the first time, put history of science and technology in China into the academic research.¹⁷ His famous question “the Needham riddle,”¹⁸ which is “why modern science had not developed in the Chinese civilization but only in Europe,”¹⁹ has been profoundly influencing future scholars. Historians such as Benjamin A. Elman,

¹⁵ Waley-Cohen, “Taste and Gastronomy in China,” 103.

¹⁶ Caplan, *Food, Health and Identity*. Levenstein, *Paradox of Plenty* and *Revolution at the Table*.

¹⁷ Needham, *Science and Civilization in China* (book series 1954-2008).

¹⁸ Amelung, “Historiography of Science and Technology in China,” 57.

¹⁹ Needham, “Science and Society in East and West,” 385-408.

Francisca Bray, and Charlotte Furth have offered fresh look of the role that Chinese science and technology played in late imperial China. Others like Ruth Rogaski and Zuoye Wang focus on how western science and technology impacted modern Chinese society.²⁰ *Science and Technology in Modern China, 1880s-1940s*, a conference volume edited by Jing Tsu and Benjamin Elman presents new approaches in the field by addressing intraregional and global histories, encouraging people to “rethink the impact of nationalism, the ways in which ideas and technology interact and circulate, and new intersections between local episteme and global knowledge.”²¹

Inspired by the above-mentioned researches, this dissertation studies the flow of knowledge through the history of beverage in China, in which eastern science and western science interacted and conflicted. It also shows science in general has been a concept and an ideology, helping to shape business, consumption, and the building of a nation-state. In other words, this research sees science in modern times as a commodity, which could be promoted, marketed, and consumed. Embedded in concrete products such as soft drinks, “science” was consumed by various social groups in everyday life: consumers saw science consumption as a way to identify social status, the government encouraged consumption of “Chinese science” to build a consolidated nation-state, and pragmatic entrepreneurs integrated science in the language of marketing to promote business.

²⁰ Rogaski’s book *Hygienic Modernity: Meanings of Health and Disease in Treaty-Port China* illustrates how the western concept of hygiene was accepted then became popular in modern China. Zuoye Wang focuses on how western-trained Chinese scientists and engineers help to shape China’s modernization. See Wang, “The Cold War and the Reshaping of Transnational Science in China” in *Science and Technology in the Global Cold War*, The MIT Press, 2014.

²¹ Tsu and Elman, *Science and Technology in Modern China*, 1.

Consuming Science for Modernity

Science and technology have played a crucial role in history of the modern world. It has been recognized in the English world as the lever of the riches that replaced religion, drove economic progress, and therefore became a measure of human society in the modern times.²² Western societies represented by the United States developed them into modernization theories and ideologies, placing them at the center of state policies at home and abroad.²³ Science, technology, and modernity were particularly manifested in material culture, the flow of which across national borders carried the idea of modernity from one place to the other. On the path of search for modernity, Chinese people underwent a process from building machines and learning technologies to studying scientific theories. The search started with the Self-strengthening Movement in the 1860s after China's humiliation in the Opium War. Confucian scholars like Li Hongzhang in the Qing government paid particular attention to advancing military facilities, though they remained believing the Chinese Confucian order was superior and should be kept intact and carefully maintained. When the movement was proven as a failure in the first Sino-Japanese war, Chinese intellectuals launched more comprehensive reforms, since they realized what need to be changed in China was not merely armaments and machinery, but social ideas and values. Yan Fu, an influential scholar in the late imperial China, pointed out that "armaments and machinery are external forms, whereas the essence lies in

²² Mokyř, *The Lever of Riches*. Adas, *Machines as the Measure of Men*.

²³ Latham, *Modernization as Ideology*.

science.”²⁴ He suggested one of the best ways to revitalize China was physics, because he believed science was accurate and rigorous and it could change people’s values.²⁵

Similarly, Liang Qichao (1873-1929), one of the activists in the late Qing reforms, also saw science as one of the fundamental ways to save China. He chanted the coming of the modern era: “with the considerate improvement of machine power, human beings could conquer nature.”²⁶ In a public speech, Liang enthusiastically elaborated the issue of modernity. “Where is the root of modern culture?” he asked, and his answer was “without question, everybody knows it is science.”²⁷

Although the destruction that modern science brought to human societies in the First World War prompted Liang Qichao and some other Chinese intellectuals to rethink the meaning of science and restored Chinese tradition to some extent,²⁸ science as an ideology still prevailed in Chinese society. In the May Fourth Movement of 1919 after the war, Chen Duxiu and his colleagues championed “Mr. Science” and “Mr. Democracy,” both of which, to Chen, derived from the western world. In the *New Youth* journal, the center of the New Cultural Movement, Chen vigorously supported the western ideas of science and democracy; thereby he persuaded the public that “we have

²⁴ Yan, “lun shi bian zhi ji,” (论世变之亟) in Wang, *Yan fu Ji*, 2.

²⁵ Yan, “lun jin ri jiaoyu ying yi wuli kexue wei dang wu zhi ji,” (论今日教育应以物理科学为当务之急) in Wang, *Yan fu ji*, 282. 欲变吾人心习，则一事最宜勤治：物理学是已。夫不佞所谓科学，其区别至为谨严，苟非其物，不得妄加其目。

²⁶ Liang, *Yin bing shi zhuan ji*, 113.

²⁷ Liang, *Liang ren gong xueshu yanjiang ji*, 53-61.

²⁸ Liang Qichao traveled to Europe after WWI, during which he witnessed the destruction of the war and the depression of Europe. When he came back, he wrote a travelogue titled *Ou you xin yin lu* 欧游心影录, in which he provided a critical view to science and argued that traditional culture should not be completely discarded. Many China scholars saw this book reflecting Liang’s conservative attitude toward western science and reforms, though the statement is still controversial in the academia.

to oppose Confucianism, traditional ethics and politics, old arts and religion,”²⁹ which of course included traditional Chinese medicine. Like Chen Duxiu, many Chinese intellectuals at that time such as Liang Qichao, Liang Shumin, Sun Yat-sen, Hu shi, and so forth criticized traditional Chinese medicine as lacking scientific support. Among them Lu Xu called it “an intentional or unintentional cheater”³⁰ and in his early age he decided to go to Japan and study western medicine. Comparing to these active intellectuals in the Republican era, Mao Zedong was much tolerant to Chinese medicine and even, perhaps jokingly, listed it along with the classic novel, *Dream of the Red Chamber*, and the Chinese game—Mah-jongg—as the three greatest contributions that China has made to the world.³¹ However, he still placed science and technology at the center of the CCP’s policy, among which Maoist “mass science and technology”³² fundamentally influenced modern Chinese history.

What was notable in modern China is the influence of science as an ideology has gone beyond the political level and profoundly impacted everyday consumption. Consumption is a complicated human behavior that engages with multiple factors. Besides economic calculation, desire probably plays the most important role when people choosing one product over the other. Karl Marx pointed out that desire comes from fetishism of a commodity, which reflects the social relations of people, institutions, and

²⁹ Chen, “Xin qing nian zui Zhuang zhi da bian shu,” 10.

³⁰ Luxun, *Na han*, 6.

³¹ Li, *The Private Life of Chairman Mao*, 82.

³² Paltemaa and Juha A, “Regime Transition and the Chinese Politics of Technology: From Mass Science to the Controlled Internet,” 1-23.

discourses that are manifested in capitalism.³³ Accordingly, researchers studying on the globalization of Coca-Cola pointed out that American cultural imperialism and advertisement were the driving force.³⁴ Comparing to other countries, the biggest obstacle of Coca-Cola in China was probably the traditional Chinese medical ideas: food and medicine homology. Therefore, science was one of the important issues that one must consider when discussing changes in Chinese food culture.

By exploring the development of the soft drink market in China, one of the main arguments of this research is that science and technology has become used as an ideology for consumption in modern China. This is not to say that science and technology was the only force that shaped consumption. Other factors such as economics, politics, tradition and so forth still played a role. Rather, it indicates that science as a concept was often consciously or unconsciously consumed when people were choosing between commodities. This was especially apparent in food consumption and in fact has been familiar to Chinese people for hundreds of years. Besides taste preferences, Chinese people's food choice was largely influenced by folk knowledge and TCM theories. To stay healthy and achieve longevity, people carefully kept the balance of diet: eating certain food in certain season, cooking certain food in a certain way, and choosing appropriate food for appropriate gender and age. In food history of China, exotic foods adopted by Chinese cuisine were all somehow compatible to the "local science." For example, the previously mentioned sweet potato which was introduced in the late 16th

³³ Marx, "The fetishism of the commodity and its secret," in Schor, *The Consumer Society Reader*, 331-342.

³⁴ Wagnleitner, *Coca-Colonization and the Cold War*. Kroes, "American empire and cultural imperialism," 463-477.

century was listed in a Chinese medical classic, *Ben Cao Gang Mu*, as: “sweet potato could increase strength, improve digestive system, and nourish kidneys.” Cabbage was also recommended to eat by Chinese medicine because “it increases vitality and improves eyesight.”³⁵

In contrast, soft drinks, when introduced, were regarded as unhealthy based on traditional Chinese medical knowledge. Chinese medical classics warn people to keep away from coldness, as “exogenous cold and cold drinks impairs the lungs, which make people sick.”³⁶ While Chinese people were hesitant to drink soft drinks, western science as a vital component of modernization educated them that soft drinks were healthy and good summer refreshments. Consumption thereby transformed from choosing between foods to choosing between sciences. The confrontation between Chinese food culture and the West thus became a clash between indigenous Chinese science and newly introduced western science. During the process food was labeled as either “traditional” or “modern,” and consumption, a previously neutralized concept, as what happened to science, was politicized. People’s choice implicitly indicated consumers’ state of mind: whether he or she stubbornly sticking with “tradition” or actively searching for modernity. In this sense, what was consumed here was not simply the product per se, but science. In other words, replacing traditional Chinese science, western science embedded in commodities was consumed as a form of modernity in China.

Consuming Science and Nationalism

³⁵ Li, *Ben Cao Gang Mu*.

³⁶ Huangdi and Qibo, *Huangdi Nei Jing—Ling Shu*, 19.

In modern China, modernization was developing in tandem with nationalism. James Townsend once pointed out that “the history of modern China is one in which nationalism replaces culturalism as the dominant Chinese view of their identity and place in the world.”³⁷ Zuoyue Wang also proposed a concept called “scientific nationalism,” which he referred science entangling with Chinese nationalism has been viewed as a way to modernize China.³⁸ From the Self-Strengthening Movement in the 1860s to China’s human spaceflight project in the twenty-first century,³⁹ Chinese government vigorously sponsored scientific research and modern industries, in which “Chineseness” or “made in China” was particularly high-lightened. In consumption, the state has offered such a strong support on national products that in surging National Products Movements in the first half of the twentieth century every commodity was labeled as either “Chinese” or “foreign” and Chinese nationalism became a category of consumption. According to Karl Gerth, all social forces including state apparatuses and consumers worked together to define and regulate consumerism, channeling consumption into acceptable nationalistic pleasures.⁴⁰ One nationalistic consumer who was highly praised as a national hero at that time was China’s well-known writer, Zhu Ziqing (1898-1948), who refused to eat American flour despite the fact that it was cheaper and better in quality than Chinese flour.⁴¹

³⁷ Townsend, “Chinese Nationalism,” 97-130.

³⁸ Wang, “Saving China through Science: the Science Society of China, Scientific Nationalism, and Civil Society in Republican China,” 291-322.

³⁹ Yao, “National Prestige and Human Spaceflight: A Chinese Perspective,” 18-30.

⁴⁰ Gerth, *China Made*, 366.

⁴¹ Wu, “About Zhu Ziqing refused to eat American relief food,” *Renmin ribao*, Nov. 20, 1960.

Given that nationalism has played an important role in everyday consumption, when joined with modernity, nationalism became even more influential. Comparing to flour, soft drinks in modern China, as I have discussed earlier, was not only an exotic commodity, but a symbol of modernity, upon which modern technology trampled over tradition, western science smashed TCM. Believing modern soft drink industries shouldered the rise of the nation, Chinese entrepreneurs opened a number of national soft drink companies across the country. Facing intense competition on the beverage market, they on the one hand industriously advertised health merits of soft drinks in the language of science and modernity; on the other hand they integrated nationalism in marketing by urging people to buy national products. Chinese businessmen fulfilled their nationalistic ambition by adopting western science and technology to modernize their industries. Meanwhile, they aroused and extended nationalism by encouraging the public to buy only national products. The Chinese businesses, as Robert J. Foster put it, became “a distinctively non-democratic though not always negative form of contested governance in which corporations use their resources to act like states while consumers use their market role to act as citizens.”⁴²

Foster’s statement resonates with Park Coble and Sherman Cochran’s arguments on the role of Chinese entrepreneurs in business history. In *National Products Movements*, Chinese businessmen played a critical role in shaping nationalistic consumer culture in modern China. However, given that some pragmatic consumers bought foreign products regardless of nationalism, we cannot help pondering whether businessmen who

⁴² Foster, *Coca-Globalization*, xviii.

vigorously promoting national products were real nationalists? In history studies, nationalism has been a very popular topic. Many researches adopt a linear model of nation-state history, in which they saw nationalism as a natural product as history progresses into the stage of colonization and it was essential for a nation's modernity and independence. Nevertheless, Prasenjit Duara reminded us that there is a "bifurcated history" and "the study of nationalism should include more than overtly national movements. Its scope must be broadened so as to include nation-views and other narratives of the nation."⁴³ In the first half of the twentieth century, Chinese National Products Movements powerfully epitomized Chinese nationalism. The movements were exuberant and on such a large-scale that Karl Gerth claimed that nationalism even has become a category of consumption. Yet, Duara's theory suggests that Gerth's story was just one of many narratives about Chinese nationalism and consumption, one which ignores how each social class visualized nationalism differently.

To demonstrate the "bifurcated history" of Chinese nationalism, Duara presented conflicting narratives of nationalism between repressed subjects and statist nationalists. My research, by contrast, tries to reveal the utilitarian narrative of Chinese nationalism. By exploring the history of Coca-Cola business in China and Coca-Cola boycotts in the late forties, this study shows that in free market nationalism became a pretext and a toll in business competition. Much like the yellow press had done to Americans during the Spanish-American war in the late nineteenth century, nationalism was used by Chinese businessmen to incite Chinese people's nationalist sensation and thus eliminate

⁴³ Duara, *Rescuing History from the Nation*, 10.

competitors. Here, I must point out that I do not mean that Chinese nationalists were hypocritical and National Products Movements had hidden commercial agenda or were simply fictitious; rather, I suggest that nationalism as an analytical mode must not be overgeneralized, but should be carefully scrutinized in different circumstances.

Consuming Science for Identities

The relationship between food and identities has been widely discussed in academia, which has long acknowledged food as a maker to identify gender, region, ethnicity, class, and so forth. In food history of China, prices and availability usually determined the popularity of a particular food in the society. Expensive and rare foods such as bird's nest, ganoderma, and ginseng were favorites to the elites who considered them as a symbol of their social status. Similarly, when soft drinks were introduced to China, they were first welcomed by the upper class. Gradually soft drinks were accepted and desired by ordinary people due to the copy culture which in Frank Dikötter's words "allowed price demand and luxury demand to exist side by side, transforming the extravagant into the ordinary over time, gradually turning the luxury surplus into a daily necessity: a market dominated by a large number of relatively poor people forced producers to come up with cheap goods."⁴⁴ Copy culture, as Dikötter argues, "produced a two-tier economy, in which the rich and cost-conscious acquired imported goods to signify wealth and status, while the poor and cost-conscious were restricted to buying

⁴⁴ Dikötter, *Exotic Commodities*, 46.

local imitations.”⁴⁵ Although copy culture satisfied the grassroots’ desire, most cheap soft drink imitations were unsanitary and some of them were even toxic. They became a serious sanitary problem that the Republican Government could hardly regulate. This leads to questions about whether class identity and the grassroots imitation culture were the only reason for the popularity of soft drinks in modern China. Did the symbolic meanings of soft drinks stay the same over time?

This research shows that the relationship between soft drinks and identities was complicate one. It was more than a linear correlation between social class and commodities, but was multiply associated with education, politics, gender, age, and so forth and it changed over time. In addition to the upper-class identity, soft drinks in modern China also represented consumer’s educational identity, indicating whether one had accepted modern education or at least understood science and modernity. Educational capital, a concept underlying soft drinks, has long been the focus of study by sociologists and anthropologists such as Pierre Bourdieu and Arjun Appadurai. They commented that “commodities represent very complex social forms and distributions of knowledge.”⁴⁶ Although advertisement in the modern times played an important role in producing knowledge, as Timothy Burke argued, “this knowledge is always produced from something already known, that acts as a guarantee, in its anteriority, for the ‘truth’ in the advertisement itself.”⁴⁷ Only when people had the knowledge, i.e. understanding soft drinks were good and not as unhealthy as what has been described by traditional Chinese

⁴⁵ Dikötter, *Exotic Commodities*, 47.

⁴⁶ Appadurai, *The Social Life of Things*, 41.

⁴⁷ Burke, *Lifebuoy Men, Lux Women*, 3.

medicine, could they resonate with soft drink advertisement and consume. Taking soft drinks therefore meant abandoning traditional notions on science while welcoming and consuming modern science. Although poor people who imitated the upper-class to take soft drink as a common beverage did not really understand modern science, they entertained the idea that they became modernized and educated when consuming soft drinks.

The symbolic meanings of soft drinks kept changing in modern China. While Coca-Cola was considered as a life style of the elites in the first half of the twentieth century, it became a symbol of a corrupted capitalist life style and imperialism in the Mao era. In the meantime, cheap imitations, especially the one with slight changes in the recipe called salty soda, was vigorously promoted by the Communist Government. In the challenging food situation from the sixties through seventies, salty soda served as a medical prevention of heat strokes for factory workers in summer, which reflected the continuous science-driven mentality on consumption. What's more important, however, was this mentality entangled with Marxist theory of social classes, generating a new symbolic meaning for salty soda, that is, it became an emblem for proletariat identity. Taken as a social welfare, consuming salty soda, the cheap imitation that used to be banned on the market in Republican China, became a privilege and an honor for the working class.

Chapter Outlines

This is the first book-length history of soft drinks in China. Centering on the history of Coca-Cola, this research investigates the development of the soft drink market

in China from the late nineteenth century to the early twenty-first century, exploring how soft drinks competed with traditional Chinese foods and eventually became one of the most popular drinks and a new representation of social identity in the country. It treats commodities as representation of science, technology, and modernity, which played an important role not only in everyday social life but also in state-building. Consumption, in this sense, was stimulated not only by practical needs but also by the desire for a fulfillment of modernity.

In modern China, science and modernity in the soft drink industry was manipulated in various ways by three parties: the state, businesses, and ordinary consumers. The state tried to channel the beverage consumption with certain political agenda in the name of modernization, nationalism, and socialism. Pragmatic consumers associated soft drinks with social status and turned it into a symbol of identity. The business community, which was in the middle of this spectrum, was the third major force shaping the consumer culture. Based on their interest, they sometimes collaboratively implemented government policies, but sometimes organized as a civil society challenged the authority. The following is a chapter-by-chapter outline of the dissertation.

Chapter 2 “Encountering the Exotics” delineates the clash between Chinese and western food culture in summer in the late nineteenth century. The first half of this chapter introduces some basic theories of Chinese medicine such as *yin-yang* and homology of medicine and food, based on which Chinese people carefully and rationally chose their everyday food. In summer they drank plum juice, herbal tea, and had watermelons, foods which were considered as “cold” in TCM knowledge, to relieve

summer heat. The second half of the chapter traces the genealogy of soft drinks, also known as “Dutch water,” in China. It depicts Chinese people’s initial responses toward the exotics and briefly describes the early development of soft drink business at turn of the twentieth century.

Chapter 3 “Cultivating Desire: Advertisement, Modernity, and Consumption” explores how soft drinks became gradually acceptable and then popular in China. By analyzing advertisements, education articles in journals and newspapers, this chapter reveals how science and technology as ideology of consumption remade subjectivity and shaped people’s consumption in the modern times. During this period, soft drinks companies extensively expanded their market and collaboratively created a “scientific drinking” culture. Efforts of Chinese companies were especially apparent and influential. Through advertising, they not only educated the public about medical merits as well as sanitary advantages of soft drinks but also demonstrated modernity by using assembly lines, bottling machines, and modern transportations.

While brand-name soft drinks, which were considered as luxury, were largely consumed by the elites, the copy culture in China allowed Chinese grassroots to have opportunities to experience “modernity,” though it usually ended with unexpected consequences. Chapter 4 “Ambitious State, Unruly People: State Regulations and Social Violations” shows how cheap imitations, which were perfectly integrated into local culture, on the one hand provided business opportunities for street peddlers and quenched the thirst of the Chinese poor, while on the other hand led to serious social problems such as brand infringements and public health issues.

Chapter 5 “Nationalism Revisited: The National Products Movement in the Soft Drink Industry” uses Shanghai Coca-Cola protest in the late forties as a case study to rethink the relationship of the state, businesses, and nationalism. It sketches out the changing identity of Watson’s Mineral Water Company depicted by the Chinese Business Association in National Products Movements in the first half of the twentieth century: from a patriotic Chinese company to a “traitor” who jeopardized the national economy. The chapter reveals that political activities participated by businesses such as National Products Movements did not necessarily reflect nationalism. The meaning of nationalism embedded in political movements has been constantly defined and redefined by the society where different representations of the nation contested and negotiated with each other. Nationalism in the business domain was not merely spontaneous nationalistic-consciousness; instead it contains contests, negotiations, compromises, and sometimes became a means of business competition.

Chapter 6 “Coca-Cola Versus Salty Soda, How Summer Became Cooler under Socialism, 1949-1978” extends the analysis of nationalism to the communist society, in which Coca-Cola was criticized as a symbol of “capitalism in bottle” and was driven out of the country. At the same time, a variety of local-made soft drinks generally known as “salty soda” (*yanqishui*) were produced with very simple and crude equipment. This Chinese “invention” was used as a socialist welfare and widely rationed among factory workers working in high temperatures in hot summer. In a small but concrete way, it served as an effective tool for socialist nation-building. By delineating the transition from the Coca-Cola fever to the salty soda frenzy in China from 1949 to 1978, this chapter shows how production, distribution, and consumption of salty soda cooled off the

Chinese in summer; however, it was also a unique, creative response to a challenging food situation. Comparing with Coca-Cola, a symbol of capitalism, imperialism, and colonial power, this chapter discusses how salty soda provided by the state played an important role in the socialist construction during the Cold War era.

As a perceived symbol of capitalism, Coca-Cola, had completely disappeared in the Chinese market for over two decades since the establishment of the People's Republican of China, but the Coca-Cola Company never gave up its China dream. However, its efforts to reenter Chinese market were fruitless until 1978, when Deng Xiaoping came to power and opened the door to western countries again. Through long and difficult negotiations, in 1981 Coca-Cola finally became the first foreign company entering Communist China. Focusing on the tortuous process of Coca-Cola's return after China's opening up, chapter 7 "When Coke Knocked on the Door: China's Reform and the Return of Coca-Cola, 1979-1990" reveals the pain in Sino-US cooperation even after China's reform and shows how the state and Chinese intellectuals actively participated in shaping China's consumer market. By shifting the perspective from the state to the masses, the second part of this chapter reveals a huge disparity between the state's intention and grassroots' interpretation on consumption. Rather than being politically sensitive, ordinary consumers were pragmatic. They placed importance on the social function of Coca-Cola rather than any political symbolism of the soft drink, which departed significantly from what the state had originally envisioned.

CHAPTER 2

ENCOUNTERING THE EXOTICS

To stay healthy, westerners are used to calculating calories of every meal. According to western medicine, people believe appropriate amount of calories and balanced nutrition in diets are the essence of keeping a healthy life. Modern western medicine developed in the Renaissance. The development of theories on calories and nutrition was even later. “The thermal calorie was not fully defined until the 20th century, by which time the nutritional Calorie was embedded in U.S. popular culture and nutritional policy.”⁴⁸ In contrast, for thousands of years in China, people have already known how to eat scientifically. There are two basic concepts in traditional Chinese medicine (TCM): the holistic concept and “medicine and food homology.” The first notion indicates that human body cannot be separated from the outside world, but is an integrated part of it, constantly interacting with its surrounding environment. The second theory teaches people that foods contain medical values and are able to fight diseases. Accordingly, Chinese people consciously adjusted diets based on their body conditions, environment, and climate change. Each season, there are certain foods and drinks that must be eaten to prevent from seasonal diseases.

Summer is a time when people easily get sick due to high temperatures and humidity. Traditional Chinese medicinal texts collect a series of foods that are highly recommended in summer. These foods categorized as “cold food,” having been beloved by Chinese people for thousands of years, generating a dynamic summer food culture.

⁴⁸ Hargrove, “History of the Calorie in Nutrition,” 2957-2961.

When western soft drinks known as the Dutch Water were introduced in the late Qing, it formed as a resistant force against the change. Meanwhile, however, nineteenth and twentieth century was a time of change in China. Under the rhetoric of modernization and out of curiosity as well, Chinese people began to imitate western life-styles and consume western products. In the eyes of western entrepreneurs, China was a huge potential market.

Heat and Food in Traditional Chinese Medicine

In traditional Chinese medical theory, human body is a microcosm of the universe. It possesses *qi*, a body's "vital energy" or "strength," which is reflected in the macrocosm and vice-versa. Internal *qi* is seen as pervading a person's body and enabling him to meet the needs of life and maintain good health.⁴⁹ It is changing with external *qi*—six distinct energies—found in the atmosphere, which are named after and reflected in climate: dampness, dryness, heat, wind, cold, and summer-heat (*shi* 湿, *zao* 燥, *huo* 火, *feng* 风, *han* 寒, *re/shu* 热/暑). Each of the six energies is a distinct influence that characterizes the environment that is surrounded by. One's internal *qi* may be enhanced or adversely affected by exchanging with external *qi*, and sometimes develops a malfunction on its own. If a malfunction occurs, a person must take action to set things right, but if possible "that condition should be prevented by constantly maintaining one's body in a state of balance among the forces, both internal and external, to which it is

⁴⁹ Simoons, *Food in China*, 22.

subjected.”⁵⁰ According to TCM, all illness is caused or exacerbated by imbalance of *qi*. To maintain health, qualities or valences of internal *qi* must be kept in balance.⁵¹

Essential in maintaining one’s balance are the opposing forces of *yin* and *yang*, which is understood by the Chinese as the basic elements of the universe. The concept originally indicates the shady and sunny side of a hill, respectively. By extension, *yin* stands for what is cool (or cooling), dark and moist, and generally associated with female qualities, while *yang* represents what is hot (or heating), bright and dry, qualities generally regarded as male. *Yin* and *yang* are not regarded as diametrical opposites but complementary poles on either end of a spectrum. Any given item, for example, food, would be defined as containing more *yin* or more *yang*. TCM believes that food provides energy for the body and plays a crucial role in keeping balance of *yin-yang* in the body. Different amounts of energy are contained in different foods, and the energy takes different forms. “Some foods are extremely strengthening; others are weakening, if eaten to excess.”⁵² In general, foods are divided into cooling and heating types according to their effect on the body, but not the temperature at which they are served.⁵³ There is no unanimity in China as to which foods are hot and which are cold. Most foods are regarded as neutral or only slightly hot or cold, with rice conspicuous among these. Foods commonly classified as hot are (1) fatty flesh, such as mutton and dog, and oily nuts, such as peanuts; (2) spices, among them chili peppers and ginger; and (3) strong alcoholic

⁵⁰ Simoons, *Food in China*, 22.

⁵¹ Anderson, *The Food of China*, 189.

⁵² Anderson, *The Food of China*, 188.

⁵³ Waley-Cohen, “Taste and Gastronomy in China,” 108-109.

drinks. Foods commonly classified as cold include most fruits and bland, low-calorie vegetables, especially water plants such as water cress and seaweed.⁵⁴

Believing in “medicine and food homology” as well as yin-yang theory, Chinese people were particularly cautious about their diets, especially when they were sick or seasons changed. They believed the internal imbalance in the body, which appeared in diseases, was triggered by external influence, weather evil/heteropathic *qi* (*xie qi*), or atmospheric emanations of an electrical nature.⁵⁵ Even westerners who stayed in China before the late nineteenth century blamed that diseases were caused by miasma, or a combination of miasma and invisible fermenting agents that rose from the soil or climate of a region.⁵⁶ Believing that foods have medical values, people carefully either ate or avoided certain food under certain conditions in order to maintain the internal balance in the body. For example, cold foods were used to treat fever, rash, sores, red places, and other over-hot or burn-like conditions, as well as constipation and other binding symptoms. Hot foods were used to treat low temperature (as from shock or chronic tuberculosis), pallor, frequent chills, wasting, weakness, and diarrhea.⁵⁷ When winter came, people, especially those who have the cold physiques,⁵⁸ were advertised to eat more hot food to enhance their *yang* side, while in summer when *yang* became strong, cold/cooling food was recommended by Chinese doctors to nourish *yin*.

⁵⁴ Simoons, *Food in China*, 24.

⁵⁵ Rogaski, *Hygienic Modernity*, 93.

⁵⁶ Rogaski, *Hygienic Modernity*, 82.

⁵⁷ Anderson, *The Food of China*, 191.

⁵⁸ People who have a cold physique refer to people who easily feel cold and chilly, having cold limbs, a pale face, etc. Women and old people tend to belong to this category.

Summer heat (*re/shu* 热/暑), one of the six energies in TCM texts, is particularly strong in summer and thus has the biggest influence on people's health. Although the six energies are natural components of macrocosm, when excess, they become evil *qi* (weather evil, which known as *xie qi* in Chinese) that break the internal balance of the body and cause diseases. Summer heat is a *yang* pernicious influence that typically occurs in hot and humid summer, which is also known as *shu xie* (暑邪). It is uprising and spreading out, affecting head, causing thirst, red face, and headache. Sweating, which is considered the fluid of the heart, cools down the body, but in the meantime it consumes a large amount of vital *qi* and *yin* fluids. Excessive sweating leads to dark, concentrated urine and depletion of *yin* can occur. On the other hand, extreme heat also affects the heart, leading to restlessness, coma, or heatstroke. Summer heat usually combines with dampness in humid weather. Too much dampness will disturb digestion and elimination, which leads to a loss of appetite, nausea, vomiting, diarrhea, and fatigue.⁵⁹ Generally speaking, the most common summer disease—heatstroke—could be divided into two categories: *yang shu* (yang heatstroke) and *yin shu* (yin heatstroke). *Yang shu* is usually seen among manual workers who are exposed under the sun for a long time. Patients may feel dizzy, thirsty, and hot. If they do not have a rest and drink water promptly, they will go into heat exhaustion and shock, which are life-threatening symptoms. *Yin shu*, however, refers to the condition that the body contains summer heat inside but gets dampness outside. A typical example of getting *yin shu* is a person working in the hot sun

⁵⁹ Schoenbart and Shefi, "Traditional Chinese Medicine Causes of Illness."

suddenly gets wet in a rainstorm or takes a cold shower. The rain cools the body down but meanwhile blocks summer heat inside the body.

Summer heat, a *yang* pernicious influence, is extremely strong in hot weather, during which *qi* is easily weakened and *yin* is impaired due to sweltering. It can affect spleen and stomach, decreasing of people's appetite and disturbing digestive functions. To keep balance of *yin-yang* and nourish the body in summer, people are suggested to eat cold/cooling foods, which are believed to relieve summer heat, tranquilize the body, and nourish *qi* and *yin*. Cold foods like winter melons, gorgon fruit, lotus root, lotus seeds, herbal tea, green tea, and so on are the best summer food therapies, among which watermelons, mung bean soup (绿豆汤), and sour plum juice (*suanmeitang* 酸梅汤), are the most popular foods across the country.

Traditional Ways to Stay Cool in summer

Today people's favorite food in summer is ice. So did the ancient Chinese, though ice was considered as a luxury of the day. Three thousand years ago, Chinese people already tried to store ice in winter for the coming summer. However, consuming ice in ancient China was a privilege of elites and rich people. In the Zhou Dynasty, there were government positions which were in charge of cutting and storing ice. The officials were called "ice man" (冰人)⁶⁰, who were responsible for cutting ice from frozen rivers in December on the lunar calendar and storing them in icehouses in January.⁶¹ Ice, for

⁶⁰ Yang, *Zhou Li*, 80.

⁶¹ *Shi jin*, chapter bing feng, "qi yue," 70.

thousands of years, was a court food in summer and was used as a reward from the emperor. *Annual Customs and Festivals in Peking* records that every summer the Qing emperor awarded court officials different amount of ice according to their ranks.⁶² Later, businessmen opened private icehouses and started to sell ice on market. As ice business was growing, prices decreased and more and more people could afford ice. In the late Qing, it became very common that in summer children from poor families were peddling ice in the streets in big cities like Beijing.⁶³

The most common use of ice was to ice food and drinks. Qu Yuan, a poet and a minister who lived during the Warring States period of ancient China, commented in his famous masterpiece—*Chu Ci, Zhao Hun*—that the iced rice wine was particularly cool and delicious.⁶⁴ Since the late Qing, there were four popular iced foods, watermelon juice, sour plum juice, almond tofu, and assorted fruits. They were particularly popular when people treated guests in summer.⁶⁵ In addition, iced plum wine⁶⁶ 雪泡梅花酒, iced litchi cakes⁶⁷ 凉水荔枝膏, mung bean soup mixed with ice 雪泡豆儿水, and lotus root slices mixed with ice shavings⁶⁸ 冰调雪藕丝 were also people's favorites. In fact, ice cream in China appeared much earlier than westerners came in the nineteenth century. In the Yuan Dynasty, there was a court food known as “bing lao”冰酪, which probably was the earliest ice cream in China. A poet and an official named Chen Ji 陈基 of the Yuan

⁶² Pan and Fucha, *di jing sui shi ji sheng, yan jing sui shi ji* (annual customs and festivals in Peking), 73.

⁶³ *Ibid.*, 75.

⁶⁴ Lin, *chu ci*, 205-224.

⁶⁵ Yan, “yi jing du ci,” in Zhang Shanpei, *Lao Beijing de ji yi*, 95.

⁶⁶ Wu, *Meng Liang Lu*, 140.

⁶⁷ Meng, *dong jing meng hua lu*, 44-46.

⁶⁸ Du Fu, *Qian zhu du shi*, 307.

dynasty was once awarded a piece of “*bing lao*” by the emperor. In his poem, Chen said “*bing lao* was served on a gold plate; the white and golden colors match each other, showing emperor’s great grace.”⁶⁹

Since the Ming dynasty ice cream for ordinary people was called *Xue Hua Lao* 雪花酪, which perhaps was a variation of “*bing lao*,” and in fact, it was equivalent to today’s shave ice. When recalled summer in old Beijing, a renowned Chinese writer, Xiao Qian, compared *Xue Hua Lao*, a children’s favorite, as a symbol of summer.⁷⁰ When hawkers were peddling *Xue Hua Lao* in alleyways, children begged adults for several coins and rushed out with a big bowl in their hands. Their eyes were widely open, looking at the ice crystals shaved from the ice chunk, on the top of which were dressed with red, yellow, or green syrup. While watching the hawker making *Xue Hua Lao*, children stood near the ice bucket as close as possible in order to feel the cold from the ice, as if they had already tasted *Xue Hua Lao*. Sometimes hawkers were teenagers. They carried a big insulated bucket swinging at the side and sang in alleyways to attract customers.⁷¹

⁶⁹ Chen, “Ji Ge Zixi Yang Jimin,” in Qian Qianyi, ed. *Lie chao shi ji*, 1514.

⁷⁰ Xiao, *Beijing chen za yi*, 10.

⁷¹ For more description on ice peddling, see Hanchao Lu, *Beyond the Neon Lights*, 203.



Figure 2.1: A peddler is selling *Xue Hua Lao*. The outside wooden bucket is filled with ice, inside of which is a smaller iron bucket filled with boiled water, juice, and dried fruits, etc. The seller constantly rotates the smaller bucket to make the inside water freeze into ice crystals. Source: Wang Luping. *Hua shuo lao Beijing*. P. 51.

Although ice was the most effective way to stay cool in summer, few people ate ice or iced food frequently. One reason was the high prices. Even though since the late Qing, ice became cheaper than earlier times, ordinary families still could not afford ice every day. In poor families, occasionally six or seven children in the family shared one bowl of *Xue Hua Lao* together, which, of course, was the happiest moment for them. The other reason, which was even more important, was the medical knowledge about iced food. TCM texts point out that iced food was very harmful to people's health. Medical cases showed that many emperors who over-ate iced food were attacked by serious illness and some of them even died. The chapter "Biography of Shi Shidian" in *History of the Song*, records that during the conversation with Shi Shidian, Xiaozong of the Song

(eleventh emperor of the Song) suddenly passed out after drinking several cups of iced water.⁷² *Ben Cao Gang Mu* also records that Huizong of the Song (the eighth emperor of the Song) got a series stomach ache because of eating too much ice.⁷³ Therefore, to most of the Chinese, ice and iced food were lovely but dangerous. People should eat with special care.

Comparing to ice, a more common, affordable, and safer food for the ancient Chinese in summer was watermelons. It is not only delicious, but also healthy. In *Ben Jing Feng Yuan* 《本经逢原》, watermelon is listed as an herb that helps to clear summer heat and generate fluids. Watermelon in classical Chinese medical texts is also called the natural *baihu* decoction (also known as Gypsum Combination),⁷⁴ because it extracts heat in the body and leads heat out through the intestines and the bladder; therefore watermelons are perfect medicine for treating and preventing heat stroke or heat exhaustion in summer.⁷⁵ Its sweet taste and juicy texture is loved by people of all ages. In summer, every family bought and stored over a hundred pounds of watermelons at home. To make the melon taste cool and fresh, people soaked it in well water for hours, sometimes a whole day, before cut. In hot days when people are easily losing appetite,

⁷² Tuotuo, *Song shi*, vol 385, chapter 144 “Shi Shidian zhuan,” 11836-11839.

⁷³ Li Shizhen, *Ben cao gang mu*, 11.

⁷⁴ Baihu decoction (白虎汤, BH) is a traditional Chinese medical prescription, documented in the “Shang Han Lun” (伤寒论, Treatise on Febrile Disease). It composed of Rhizoma Anemarrhenae (Windweed Rhizome), Gypsum Fibrosum (Gypsum), Prepared Radix Glycyrrhiae (Prepared Licorice Root), and Semen Oryzae Nonglutinosae (Polished Round-grained Nonglutinous Rice). It is a curative for the syndrome with interior excessive heat. The typical symptoms that BH treats are high fever and big and strong pulse. The following symptoms and signs are also often seen in the syndromes, which can be eliminated by BH: flushed face, fear of heat, great thirst for water, restlessness, profuse perspiration, and parched tongue. For detailed information, see Fang Yang and Chen Hou, “the Effect of Baihu Decoction on Blood Glucose Levels in Treating Systemic Inflammatory Response Syndrome,” *Chinese Journal of Integrative Medicine*, 2010 Oct. 16(5): 472-479.

⁷⁵ Zhang, *Ben Jing Feng Yuan*, 153-154.

watermelons became the main food. Instead of eating regular meals consisting of rice and dishes, some people just ate watermelons for the whole day. More people ate watermelons as a snack or a dessert after dinner, during which the whole family gathers together, talking and enjoying the cool breeze after a day's heat. As the market demand increased in summer, the whole food market became dominated by watermelons. They were sold in grocery stores located in virtually every block of residential areas where shrewd dealers seasonally shifted their business to watermelon selling. Street vendors probably were the main watermelons sellers in summer. They set up stalls along streets, selling watermelons either by pound or by slice. Hanchao Lu depicts these vendors in Shanghai as "great masters of the art of slicing the melons into uniform pieces of the smallest actual size with the biggest appearance." "They sliced watermelon on a crude collapsible table under the shade of a tree or a huge parasol. As he did the cutting, the hawker sang at fortissimo: 'Fresh, cold, and sweet! Ten-cash apiece!'"⁷⁶

⁷⁶ Lu, *Beyond the Neon Lights*, 204.



Figure 2.2: Watermelon stall in the early Republican era.

On the top there is a poem saying: street peddlers are peddling watermelons which are as round as the globe. It is very shocking that watermelons are cut into pieces very quickly. I hope traitors do not dividing our country as cutting watermelon.

Source: *Yin Ye Xie Zhen Bai Tu*, vol. 2, 1919. P. 1.

Mung bean is another highly recommended summer therapy in TCM. Mung beans in TMC were commonly used to treat prickly heat rash, heatstroke, and summer heat syndromes including restlessness, irritability, and thirst. It was also a widely known antidote for food and drug poisoning. It was particularly effective for arsenic poisoning. TCM indicates that *yang* pernicious influence in hot days generates excessive toxic heat in the body, which usually reflects in erysipelas, carbuncles, boils, swellings, and sores.

Ben Cao Gang Mu advises people to eat cool-natured mung beans every day in summer, as it accelerates metabolism and helps the body to excrete the toxicants.

There are a variety of foods in China made of mung beans. A common one is mung bean soup (绿豆汤), a favorite refreshing summer treat in hot seasons. “Combine 1 ½ cups washed and drained mung beans, 1 ½ gallons water, and ½ cup sugar (or brown sugar) and bring to a boil on high heat for 15 minutes. Turn heat to low and simmer for 1 hour, or until the beans are very soft. It is ready to serve when it gets cold.”⁷⁷ To improve the taste, southern people add lotus seeds or tremella fuciformis, both of which are nutritious and commonly used to “clear heat.” Since it is sweet, cool, and easy to prepare, mung bean soup was widely sold in restaurants and street stalls. In summer, many families prepared the soup by themselves. Every morning, mothers and wives made the soup for the whole family. In the afternoon when family members waked up from a nap, the soup had cooled down and ready to serve. During extremely hot days, some pharmacies, temples, and big companies distributed mung bean soup to the public for free. Philanthropists put a big bucket filled with the soup in the front of their gates. There were several bowls and spoons and pedestrians could use as they wish.

If add rice into the mung bean soup, it becomes mung bean congee, which is a common breakfast and supper across China. The cooking process of congee is slightly different from making a soup. “Combine ½ cup washed and drained mung beans, ½ cup short grain rice, ½ cup very coarse cracked wheat, 10 cups water and bring to a boil. Cook it for 10 minutes on high heat, then turn to medium-low heat and cook for 1 ½

⁷⁷ Hu, *Food Plants of China*, 112.

hours until the mung beans are split in the middle. To avoid burning, stir occasionally and reduce the heat as the mixture thickens. In North China, people often add sweet potato and cut it into 1-2 cm cubes. Rice is usually replaced with millet.”⁷⁸

While mung bean congee was a common food in ordinary Chinese families, sour plum juice (*suanmeitang*), another popular summer drink, was often recognized as a beverage of noble birth. It is made from sour plums (specifically, smoked Chinese plums/black plum 乌梅), brown sugar, and sweet osmanthus. Producing process is simple: first soak sour plums in water, then add brown sugar and sweet osmanthus and boil them together. After the beverage is cooled off, it is ready for serve.⁷⁹ For better taste, people add rose or iced water.⁸⁰ Smoked Chinese plum is an herbal medicine in *Ben Cao Gang Mu*, which has long been used in China. It contains sour and neutral properties, and is good for spleen, lung, and large intestine meridians. In TCM, black plums are used to stop prolonged, phlegmy coughs, restrain the intestines, clear heat, help digestion, and promote production of body fluids.⁸¹ Sour plum juice was once very popular at the Qing court. In the famous Qing novel, *Dream of the Red Chamber*, the main protagonist, Jia Baoyu, the heir of the wealthy and aristocratic Jia family whose ancestors were made Dukes and given imperial titles, craved for sour plum juice after he was beaten by his strict Confucian father.⁸²

⁷⁸ Hu, *Food Plants of China*, 113-114.

⁷⁹ Liang, “the secret of the Zhengfuji’s *suanmeitang*,” Q275-1-1947, the Shanghai Archive, 1.

⁸⁰ Pan and Fucha, *di jing sui shi shi sheng, yan jing sui shi ji*, 75.

⁸¹ Li, *Ben Cao Gang Mu*, 297-298.

⁸² Cao, *Dream of the Red Chamber*, 120.

Many people believed that sour plum juice was invented by Zhu Yuanzhang, the first emperor of the Ming dynasty. It was said that at the end of the Yuan dynasty Zhu Yuanzhang survived a plague because he accidentally ate sour plums. Later he boiled plums in water and distributed the juice to the public. Although there were many loopholes in this story and there were no historical evidence, to commemorate the inventor, Zhu Yuanzhang, who grew up in a Buddhist temple, peddlers often put a monk's spade (月牙铲) in front of their booths when selling sour plum juice (fig. 2.3). What's unique of the spade was the character “日” (the sun) engraved in the center, which indicated the Ming dynasty.⁸³ Street criers also used two small copper bowls and struck them against each other to attract customers. The two copper bowls were called “bing zhan”⁸⁴ (冰盏, ice bowls), which were derived from the Buddhist instrument—prayer singing bowls.⁸⁵ Every summer when people heard the sound of “bing zhan” and songs like “sour plum juice is delicious; the water is from Yu Quan spring; the juice is iced by the ice from Shi Cha Lake, clean and healthy...,”⁸⁶ they knew that the sour plum juice peddler was coming. From the Ming dynasty to Republican of China, striking “bing zhan” was a unique advertisement for cold and iced food, which was especially common in north China.

⁸³ The Chinese character Ming (明) consists of two parts: the sun (日) and the moon (月). Therefore, the character the sun (日) engraved on the monk's spade indicates the Ming dynasty.

⁸⁴ “Bing zhan” looks like a brass bowl, the diameter of which is about 10 cm. It was not used as a container, but an instrument for advertising, which was especially popular in north China.

⁸⁵ Beijing Local History Committee ed. *Beijing zhi, History of Beijing, Business volume, food and service*, Beijing Press, July, 2008.

⁸⁶ It is a song from Beijing. The Yu Quan Mountain is located in the suburb of Beijing, which is famous for its spring. Shi Cha Lake is one of the largest water areas in the city of Beijing. This song is quoted from Zhang, Shanpei, *Beijing Daily*, page 17 “Shen Du Zhou Kan,” June 12, 2012.



Figure 2.3: A peddler is selling sour plum juice. There is a monk's spade standing next to the booth. The peddler is singing and meanwhile his right hand is playing "bing zhan."
Source: Wang Luping. *Hua shuo lao Beijing*. P. 52.

Other people argued that the inventor of the sour plum juice was Qian Long, the sixth emperor of the Qing Dynasty. Before came to Beijing, Manchus were nomads and used to eat sour food such as fermented cornmeal to help digestion. But fermented cornmeal could not be eaten too much after meals. After Manchus conquered China proper, Qian Long asked court chefs to develop new products of better taste. One invention was sour plum juice and it was Qian Long's favorite drink. However, historical documents show that black plums, which were produced in south China, had been a common food since the Ming Dynasty. In fact, for food security, court chefs barely made bold innovations. Instead, they made some changes on folk foods and turned them into

new products. Plum juice in Beijing was especially well-known was because the Qing court made the juice with the best spring in China—Yu Quan spring.⁸⁷

In China there were two famous sour plum juice brands: *Xin Yuan Zhai* 信远斋 in Beijing and *Zheng Fu Ji* 郑福记 in Shanghai. Among all of cold foods in Beijing, sour plum juice was the most popular one in summer, during which a variety of signboards marked with “iced sour plum juice” were seen everywhere. The best-known place was *Xin Yuan Zhai*, located at Liu Li Chang 琉璃厂, a flourishing cultural center in Beijing for scholars, painters, and calligraphers, who gathered together to write, compile, and purchase books and antiques. They, of course, were the main customers. The secret of *Xin Yuan Zhai*'s success was their juice was sweet, rich, and cool, tasted like rich wine. After drinking a small bowl, few people could resist a second one.⁸⁸ It was said that at *Xin Yuan Zhai* people drinking eight or ten bowls of sour plum juice was very common. Once upon a time, two well-known Peking opera amateurs in the early twentieth century named Zhang Rennian 张稔年 and Zhang Zepu 张泽圃 came to *Xin Yuan Zhai*, and made a bet on how much sour plum juice they could drink. Finally, Zhang Zepu drank fourteen bowls, whereas Zhang Rennian drank twenty-six bowls.⁸⁹

Initially, sour plum juice was a northern drink and popular in Beijing. Later, it was then introduced to Shanghai by four Peking opera singers, one of whom was Zheng Faxiang 郑法祥(1892-1965), who was born in Zhi Li 直隶 (today's Hebei province). In

⁸⁷ Beijing Local History Committee ed., *Beijing zhi, History of Beijing, Business volume, food and service*, Beijing Press, July, 2008.

⁸⁸ Liang, *Ya She Tan Chi*, 229-230.

⁸⁹ Tang, *Zhongguo chi*, 36-48.

the Republic era, Zheng was known as the southern Monkey King because he was good at playing Sun Wu Kong 孙悟空, the most popular figure in *Journey to the West*.⁹⁰ 西游记 With other three northerners, Zheng opened *Zheng Fu Zhai* next to the Shanghai Great World 大世界, the biggest entertainment center in China. At the beginning, the store served for Peking opera singers, who worked very late in the evening. Since most singers were northerners, in addition to sour plum juice, *Zheng Fu Zhai* also sold well-known Beijing snacks such as pea cakes 豌豆黄. Shortly, the store became popular among local Shanghainese. When people came to the Great World to watch Peking operas or movies, they would like to stop by *Zheng Fu Zhai* and have a bowl of sour plum juice and some snacks. *Zheng Fu Zhai*, therefore, became a must-see place in old Shanghai.⁹¹

Sour plum juice was an alternative to tea. In further south of China including Guangdong, Guangxi, and Fujian province, herbal tea (*liang cha* 凉茶) was more popular among the public. It was a decoction infused from 18 or more kinds of wild plants collected locally and used for removing minor physical defects and correcting physiological irregularities. Herbal tea contains multiple ingredients including plants with laxative properties, with stomachic actions, with diuretic and antipyretic effects, and so forth. People had to boil small amounts of many ingredients in large quantity of water for many hours until the decoction creates certain chemical changes. Summer of South China is very long, hot and humid, during which epidemics prevail and people are easily

⁹⁰ Liang, "The secret of sour plum juice at Zheng Fu Ji," Q275-1-1947, the Shanghai Archive, 1.

⁹¹ Shen, *Shanghai Lao Wei Dao*, 177-179.

attacked by heat strokes. For protection, southern people regularly drank herbal tea to keep healthy.⁹²

In summer, almost every southern family prepared herbal tea. People bought herbal tea bags from pharmacies or nearby herbal tea houses and boiled at home. In addition to home-made drinks, there were numerous herbal tea houses on market. They were family business and had particular recipes and brands which were passed down from one generation to the next. Today's well-known brand *Wang Lao Ji* 王老吉, one of the most powerful competitors to Coca-Cola in contemporary China, was one of them. It was opened in the Qing dynasty. Like Coca-Cola's secret recipe, recipes of brand herbal tea were also a secret, only known by the key family members.⁹³ Unlike ordinary teahouses, herbal tea houses were very simple and small. There were no tables and chairs, but a large front desk, on which placed huge teapots, the symbol of herbal tea business, and several bowls covered by a piece of glass that kept flies away. When people passed by, they dropped several copper coins, drank one bowl and left. Cheaper herbal tea was sold by street peddlers who changed their business seasonally. In summer, they carried boiled herbal tea in big ceramic jars and peddled in streets.

⁹² Hu, *Food Plants of China*, 231-232.

⁹³ Hu, "Hong Kong Herbal Tea: A Study of Intangible Cultural Heritage," 91-104.



Figure 2.4: Liang cha pu ji shi (Story of Herbal Tea House).

“Da You Yi” was one of the oldest brands in herbal tea business opened in Guangdong in the Qing. It was a pharmacy, but selling boiled herbal tea as well. In the picture, a customer is drinking while standing in front of the stall. On his left, a mother is feeding her son with herbal tea.

Source: Zhongshan Daily, Oversea Edition, vol. 203, page A5, March 15, 2009. Also see on-line <http://www.zsnews.cn/backup/2009/04/23/1088534.shtml>, accessed by July 9, 2014.

Herbal tea was a regional drink, tasted a little bit bitter and smelled like medical decoction. In contrast, ordinary tea, which also possesses cooling properties, was more widely accepted across the country. Tea promotes body fluid production, quenches the thirst, clears heat and phlegm, and promotes digestion and urination. In traditional Chinese medicine, tea is used as a beverage to relieve indigestion and smooth bowel

movements. It is known as an antidote to clear toxic heat and used to relieve headaches, dizziness, heat stroke and sleepiness. Chinese people from north to south drank tea all around the year. They not only drank at home but also in teahouses, which generated a dynamic Chinese tea culture that has been fully studied by many scholars.⁹⁴

Dutch Water

Compared to thousands of years of tea culture as well as traditional Chinese summer foods and drinks, soft drinks were new to the Chinese. Soft drinks can trace their history back to mineral water found in natural springs, which had long been considered to have curative powers in many civilizations. In the sixteenth century when Europeans were exploring for mineral resources, geologists found the naturally effervescent waters from springs were extremely cool and thirst-quenching. Scientists soon discovered it is gas carbonium or carbon dioxide helps to create bubbles in the water. In the seventeenth century, interested in mineral water's therapeutic values, European scientists began to develop carbonated beverages. The first drinkable, man-made glass of carbonated water was created by an Englishmen, Doctor Joseph Priestely in the late eighteenth century by infusing water with carbon dioxide by a pump. Because of its pleasant taste, carbonated water soon became very popular in Europe. Later on in the century, flavors were added to the water. By 1833, carbonated lemonade was sold in England. Forty years later, ginger

⁹⁴ There is tons of research on Chinese tea culture. See Wang Di, *The Teahouse: Small Business, Everyday Culture, and Public Politics in Chengdu, 190-1950*, Stanford University Press, 2008. Shao Qin, "Tempest over Teapots: The Vilification of Teahouse Culture in Early Republican China," *Journal of Asian Studies*, vol.57, no. 4, November 1998, 1009-1041.

ale became a popular drink.⁹⁵ In May, 1886, Coca-Cola, which was conceived of as a headache remedy at that time, was invented by Doctor John Pemberton, a pharmacist from Atlanta, Georgia. Within decades, with successful advertisement campaigns, Coca-Cola became the most popular soft drink in the world.

In the late nineteenth century, aerated water was introduced to China by foreign merchants. It was sold at the price of four silver dollars per dozen and two silver dollars afterwards in foreign restaurants in treaty-port cities along the southeast coast.⁹⁶ At first, the Chinese called it Dutch water (He Lan shui), because they believed it was invented by the Dutch and was imported from Holland.⁹⁷ A second explanation for the name was the Chinese at that time called most western products “Dutch something,” so soft drinks as an exotic commodity were also named after Dutch.⁹⁸ There was a third legend, saying the name was introduced by the oversea Chinese in Southeast Asia where most soft drink businessmen were Dutch. In Southeast Asia, soft drinks were called “Air Blanda.” In Malay, “Air” means water, and “Blanda” means Dutch.⁹⁹ However, other people disagreed with the Southeast Asian interpretation, arguing that the name of Dutch water came from Japan. In the early nineteenth century when Japan was opened by western imperialists, Dutch merchant ship appeared in Osaka. Japanese people at that time were short and small. When they saw the tall and blond Dutch, they were astonished and curious about their commodities. Thereafter, the Japanese named everything western after

⁹⁵ *St. John Daily*, Sunday, January 4, 1904, 3.

⁹⁶ Wenqi, “History of soft drinks,” *Xinming Evening News*, August 4, 1960, 6.

⁹⁷ Zhenzi, “*He Lan Shui*,” *Xinming Evening News*, July 16, 1983, 6.

⁹⁸ Wenqi, “History of soft drinks,” *Xinming Evening News*, August 4, 1960, 6.

⁹⁹ Xiazhiqiu, “Soft drinks in Shanghai,” *Xining Evening News*, September 5, 1996, 15.

Dutch, and even called western learning “Dutch learning.” After the Japanese government established formal diplomatic relation with China in 1862, Sino-Japanese trade began to grow. The earliest Dutch water appeared in China was mainly imported by Japanese businessmen and they were only sold in Japanese stores.¹⁰⁰ Regardless the various versions of explanation on the name, soft drinks became familiar to the Chinese in the early twentieth century, while the name—Dutch water—retained and was continuously used by Chinese people for several decades.

The major soft drink consumers in the early period were foreigners. They dominated China’s soft drink market until the early twentieth century. In summer when the sun was scorching and the whole world felt like a big oven, the Chinese refreshed themselves by eating watermelons and lotus roots, which had been soaked in the cool well water, while the westerners preferred drinking Dutch water.¹⁰¹ In the late imperial China when worship of things western was prevailing, some Chinese, especially the elites, saw drinking Dutch water as a symbol of social identity that distinguished themselves from the masses. It was said that Li Hongzhang 李鸿章, the leading statesman of the late Qing, who was best known for his generally pro-modern stance and importance as a negotiator with western countries after wars, treated his guests with Dutch water at home.¹⁰² Kailong Ou, who used to be the servant of Sun Yat-sen, recalled that Sun Yat-sen liked Dutch water, too: Mr. Sun was a westernized person. In Yue Xiu Lou, the former residence of Sun Yat-sen in Guangzhou, there was an electricity

¹⁰⁰ Weng, “Dutch water and Dutch beans,” *food and life*, vol. 1 (1998): 62.

¹⁰¹ Huang, *Song Nan Meng Ying Lu*, 134.

¹⁰² Yuan, *Li Hongzhang zhuan*, 378.

refrigerator. Every day when Sun was taking a walk with his wife Song Qingling, he always carried a bottle of Dutch water.¹⁰³

However, for ordinary Chinese at the turn of the century, Dutch water was still mysterious. Although people knew that Dutch water could drive away impurities and prevent heat stroke in summer, they believed according to TCM knowledge it would weaken strength and vitality in the body because of its strong gas and coldness. The phenomenon that gas comes out from the stomach after hiccups after drinking was understood by the Chinese as a process of losing the inside vigor, which was extremely dangerous for physically weak people such as children and seniors.¹⁰⁴ In addition, Dutch water was characterized by Chinese people as cold food and harmful. Deeply impacted by the *yin-yang* theory, which argued cold drinks upset the digestive system, the Chinese “did not care for, or rather dared to take too much cold drink. Even wine, observed by foreigners, was drunk warm in winter in China.”¹⁰⁵

Besides the medical harms, more dangers lurked in the bottle. A Confucian scholar in the Qing named Ge Yuanxu noted in 1877, “When opened the bottle, the lid flies off, and care should be taken not to be hit in the face or eyes.”¹⁰⁶ Similar scenario was also seen in Li Boyuan’s *Nan Ting Bi Ji*, a collection of anecdotes in the late Qing Dynasty, in which the flying-off lid totally broke the traditional social etiquette in the public. The accident happened in the imperial civil service examination supervised by the

¹⁰³ Ou, “yue xiu lou wan jian da zong tong” (just like meet the President in Yue Xiu Lou), *Xinming Evening News*, April 7, 1986, 2.

¹⁰⁴ Zhu, “Guangxu chu nian de Shanghai zhi xia” (summer of Shanghai in the early years of Guanxu), *Xinming Evening News*, June 30, 1959, 6. Also see Huang, *Song Nan Meng Ying Lu*, 134.

¹⁰⁵ Y.T. Sun, “Cosmopolitan Shanghai,” *Coca-Cola Overseas*, August 1948, 19.

¹⁰⁶ Ge, *hu you za ji*, 2009. Also see shiyu, “qishui he shi you?” (when did soft drinks appear?), *Shanghai Life*, issue 4, 1939.

Prime Minister Wang, who was an outstanding talent and well-known for his elegance. During the exam, one examinee opened a bottle of Dutch water, the lid of which flew off and hit right in the face of Prime Minister Wang. The examinee was so intimidated, but Wang remained calm, just wiping his face with a handkerchief.¹⁰⁷ Urban legends about dangers of Dutch water were very vivid and real, surviving well into the twentieth century. For instance a story circulated in the late Qing saying that a shop owner died after being hit by the flying cork of a bottle that broke in an accident.¹⁰⁸ Explosions of soft drink bottles were much more frequent in soft drink factories, which made the jobs in soft drink industry one of the most dangerous occupations. Workers in the factories all wore safety masks made from thick iron wires in order to protect from physical injuries. To ensure the safety during the transportation, soft drink bottles were placed upside down.

In the early time, Dutch water was neither palatable nor healthy for most Chinese people who were deeply rooted in their traditions. People believed that Dutch water was from the foreign devils and could not be drunk. In 1930 when worship of everything foreign became common in Chinese society, many people were still not quite comfortable with soft drinks. When explaining the ingredients in soft drinks, the description in an article published in an education magazine made people feel sick. It says “Put it bluntly,

¹⁰⁷ Li, *Nan Ting Bi Ji*, 8.

¹⁰⁸ Speakman, *Beyond Shanghai*, 79.

maybe you will be unhappy, what you drink every day is what you breathe out... The gas in the bottle is not the usual air but carbonic acid gas.”¹⁰⁹

Perhaps because of the unpalatable and unfriendly taste, the Chinese phrase—drinking *He Lan Shui*—in traditional China became a synonym of a cruel punishment. It referred to hanging a person upside down and pouring pepper water mixed with kerosene and ammonia into his nose. It was widely seen in many literature works and often mentioned with other punishments such as the torture rack and whipping. Particularly when describing how brutal the ruthless landlords, the greedy capitalists, and the Japanese invaders were, drinking *He Lan Shui*, sitting on the rack, and whipping were the most frequent phrases that were used. In addition, the bottle of Dutch water became a symbol of evilness, too. After Zhang Xun, a Qing-loyalist general, failed to restore the abdicated emperor Puyi, a cartoon created by Ma Xingchi vividly and sarcastically portrayed the scenario that Zhang took refuge in the Dutch legation. In the Cartoon, a man who wore a Qing official headwear and a court robe awkwardly covered in a bottle of Dutch water, with his long braid exposed outside the bottle.¹¹⁰

The Early Soft Drink Business

As the name—Dutch water—indicated, soft drinks in the early period were all imported from foreign countries, among which Japan, France, and Hong Kong were the top-three exporters. The amount of the imports was still large even in the twenties when

¹⁰⁹ Zhibai, “qishui de renshi” (understanding soft drinks), *Min Zhong Jiao Yu (People Education)*, Semiweekly, May 22, 1930.

¹¹⁰ Zhang, “xin hai geming qian hou xinwen manhua chuanbo de shehui gongneng,” *Dang Dai Chuan Bo*, vol. 5, 2009, 85-86.

Chinese soft drink industry started. The net imports in 1925, 1926, and 1927 were 1,878,696 bottles, 1,755,096 bottles, and 1,701,780 bottles respectively and Japan was the largest exporting country (See table 1.1). Soft drinks were imported through treaty ports, port cities that were opened to foreign trade by unequal treaties since the Opium War. Dalian (Dairen), Shanghai, and Tianjin (Tientsin) were three customs that imported the largest amount of soft drinks in the 1920s. From 1925 to 1927, the annual import through Dalian custom was over 480,000 bottles, which ranked the first among all port cities in China. Shanghai was the second largest port with an annual soft drink imports around 456,000 bottles. Tianjin ranked the third place in the country, importing over 120,000 bottles every year. (See table 1.2) One decade later when domestic soft drink industry began to expand, the imports decreased dramatically. In 1935 there were only 417,696 bottles imported to China. In the following year the number further decreased to 192,804 bottles. In the thirties Shanghai replaced Dalian, becoming the largest importing port across the country, counting for over sixty percent of the national imports.¹¹¹

¹¹¹ *shen shi jing ji qing bao (Economic report on Shanghai)*, August 4, 1937, Q275-1-1947, The Shanghai Archive, 121.

Table 2.1: Analysis of Foreign Trade: Imports on Aerated and Mineral Water¹¹²

Analysis of Foreign Trade: Imports (Aerated and Mineral Water)				
	Japan (dozens)	France (dozens)	Hong Kong (dozens)	net imports from all foreign countries (dozens)
1925	65,120	34,085	34,559	156,558
1926	72,373	42,407	18,163	146,258
1927	68,759	32,594	22,225	141,815

Table 2.2: Analysis of Foreign Trade: Net Import Information on Aerated and Mineral Water¹¹³

	Dalian (dozens)	Tianjin	Shanghai	Kowloon	Swatow	Canton	Hankow	Newchwang (Niuzhuang)	Kiaochow (Jiaozhou)	Amoy (Xiamen)
1925	41,737	13,929	37,869	14,937	5,361	3,094	4,565	2,485	2,833	2,798
1926	41,676	15,257	39,172	1,828	693	12,785	4,838	2,564	6,188	2,294
1927	47,362	10,859	38,399	3,183	7,442	2,480	3,104	376	4,386	188

The considerable decreasing of soft drink imports over the early twentieth century was largely due to the rapid development of soft drink industry in China. Seeing soft drinks as a potential lucrative business opportunity, foreigners began to open soft drink factories on the Chinese territory (most of them were in treaty-port cities along the coastline), though the development of the new business varied across regions. In South China, the earliest soft drink business was run by an American merchant who opened Guangzhou Pharmacy in Guangzhou in 1828. Thirteenth years later, it was sold to an Englishmen, Dr. Alexander Skirving Watson, and was renamed as Watson & Co. Ltd. after moving to Hong Kong.

¹¹² Mao et al., *Zhongguo jiu hai guan shi liao* (1859-1948), 174-175, 341-342.

¹¹³ *Ibid.*

In North China, history of soft drinks began with the establishment of the British-owned International Mineral Water Company in Tianjin in 1902. It was registered in Hong Kong and a year later merged with a soft drink workshop near the Shanhaiguan Railroad Station run by Jing Feng Railway Bureau (京奉铁路局). Although registered in Hong Kong, the Company had all its business in Tianjin, supplying soft drinks to British railroads. After mergence, the whole Company was moved to Shanhanguan where the Railroad Bureau provided space, invested 5,000 *liang* of silver, and assigned the representative of the Railroad Bureau, J. Burton, as the honorary chairman to the Company. The Company also got discounts on rail freights. In 1906, the Company merged with Tangshan Beer and Soda Company and changed its name to Crystal Mineral Water Co. ltd, and meanwhile established branches at Tianjin, Shanhaiguan, and Beijing. The contract between the Company and the Railroad Bureau was not renewed after expiration in 1918. Instead, this British soft drink company started to import Coca-Cola concentration and produce Coca-Cola between 1927 and 1930. The production was suspended between 1931 and 1945 due to the Japanese occupation. After the surrender of Japan, the Company resumed Coca-Cola business, starting to supply Coke to U.S. Army in Tianjin.¹¹⁴ Qingdao was another city in North China where early soft drink business emerged. The Laoshan Iltis Mineral Water Company opened by German businessmen in 1905 was the first soft drink company in the Shandong Province.

The earliest and the most rapidly growing soft drink business in China was in Shanghai, the largest metropolis in twentieth-century China and one of the five or six

¹¹⁴ “Ying shang Tianjin Shanhaiguan qi shui gong si ji quan zong qing kuang jian jie” (Information on the British Tianjin Crystal Mineral Water Co. ltd.), X0283-C-000790-002, The Tianjin Archive.

biggest cities in the world. The British pharmacy—J. Llewellyn and Co. Ltd—established in 1853 was the first company starting aerating water business in Shanghai.¹¹⁵ It was one of the three pharmacies in Shanghai under the name of the British Chemists (China) Ltd. registered in Hong Kong.¹¹⁶ It started with small startup capital, but soon grew into one of the biggest soft drink suppliers in the city. The second influential soft drink company was also initiated by a British merchant, J. Macgregor, who later became the chair of the municipal committee. In 1871, J. Macgregor built a brewing house in *Tilanqiao* where he started soft drink production. In 1923, under the assistance of HSBC Bank, J. Macgregor imported soda producing equipment, a bottling line with a capacity of bottling 25 bottles per minute, and built a soft drink plant—Aquarius Mineral Water Company, which later became well-known in the Jiangnan area (mainly refers to Zhejiang and Jiangsu provinces).¹¹⁷ About the same time, the British firm Watson & Co. Ltd. in Hong Kong opened a soft drink branch—Watson’s Mineral Water Company—in Shanghai, the scale of which was smaller than Aquarius but its products were equally competitive in Shanghai.

Soft drinks were highly seasonal products. Except big companies, most soft drink companies only opened in summer. Usually soft drink companies sold their products to local wholesale dealers who then distributed the drinks to retailers. In general, every dealer had contracts with specific suppliers. Take the biggest soft drink market—

¹¹⁵ *shen shi jing ji qing bao (Economic report on Shanghai)*, June 14, 1935, Q275-1-1947, The Shanghai Archive, 117.

¹¹⁶ The other two pharmacies were Madavish & Co., Ltd. (da ying yao fang) and P. O’Brien Twigg. Ltd. (pu ji yao fang).

¹¹⁷ Xietiansha, “ni zhidao helanshui ma?” (Do you know Dutch water?), *Xinming Evening News*, July 11, 1982, 5.

Shanghai—for example, *De He Hao* (德和号) located in the British concession was a Chinese dealer contracted with Llewellyn and Co. Ltd. The dealer rented a store in Dagu Street, which served as an office as well as a warehouse. *Tong He Hao* (同和号), having two stores and twenty employees in Ningbo Street, was a dealer for Aquarius. *Fu Tai Ban Zhuang* (福泰办莊), running business on soft drinks, wines, and beers, was a contractor with Watson's. It, in the meantime, was also searching for cooperation with Aquarius. Dealers bought soft drinks from soft drink companies, and then sold to retailers such as restaurants, cold drink shops, cafés, and grocery stores (Tobacco-Paper Stores 烟纸店).¹¹⁸

In early twentieth-century China where modern industry including glass industry was just starting, soft drink bottles, many of which were imported from overseas, were the largest asset in the industry. Therefore, bottle recycling became very important in the business. To make sure that production would not be interrupted, soft drink companies required all dealers and retailers to return bottles before purchasing more drinks. If there was any breakage, penalties would apply. In most cases, soft drink companies calculated the cost of bottles into retailing prices and then refunded customers when bottles were returned. Since glass bottles were heavy and fragile and the frequency of bottle recycling directly affected productivity, most soft drink companies and dealers restricted their business in a local area. Take *Tong He Hao*, for example, over half of its business was in Shanghai, while the rest was in Jiangsu and Zhejiang, two provinces that were closed to Shanghai. Their main target cities outside of Shanghai were Nanjing, Hankou, Ningbo,

¹¹⁸ “Investigation on Soft Drink Business by the Bank of Shanghai, 1936-1939,” Q275-1-1947, The Shanghai Archive, 33, 71, 77.

and Wuxi.¹¹⁹ Except Hankou, the other three cities were no more than 200 miles from Shanghai.

Generally, soft drink companies produced all kinds of soft drinks, but big companies always had their flagship products. In Shanghai where big soft drink companies clustered, flagship brands were well-known among the local people. Aquarius Mineral Water Company was known for its lemonade soda; Watson's Mineral Water Company was good at producing sarsaparilla (its taste was closed to Coca-Cola, which did not come to China until 1927) and soda water; and Llewellyn was famous for ginger ale.¹²⁰ Compared to prices of food, soft drinks were pricy commodities in the early twentieth century and the prices varied among manufacturers. In 1937 Shanghai, Coca-Cola was sold at 2 *yuan* a bottle and the rest soft drinks produced by Watson's were 1.40 *yuan* a bottle. Products of Llewellyn were sold at 0.90 *yuan* a bottle. Products of Yili Soft Drink Company, the fourth biggest soft drink company in Shanghai, were 1.00 *yuan* per bottle.¹²¹ As reference, 1 *yuan* in 1936 Shanghai could buy any one of the following products: 14 pounds of rice, 3.5 pounds of pork, 2 pounds of cotton, 7.5 pounds of kerosene, 20 soaps (Guben brand), 21 boxes of cigarettes (jinshu brand), almost 3 pounds of tea, 42 eggs, 4 pounds of bean oil, 2.5 pounds of lard, 9 pounds of salt, or 4.9 pounds of sugar.¹²²

¹¹⁹ "Investigation on Soft Drink Business by the Bank of Shanghai," Q275-1-1947, The Shanghai Archive, 1936-1939, 77.

¹²⁰ Xiazhiqiu, "Soft drinks in Shanghai," *Xinming Evening News*, September 5, 1996, 15.

¹²¹ *shen shi jing ji qing bao (Economic report on Shanghai)*, August 4, 1937, Q275-1-1947, The Shanghai Archive, 119.

¹²² Shanghai Academy of Social Sciences, *Shanghai jie fang qian hou wu jia zi liao hui bian*, 345.

Soft drink business developed especially fast in vibrant cities like Shanghai. After the establishment of the three big soft drink companies—Llewellyn, Aquarius, and Watson’s, soft drink companies mushroomed in Shanghai. Within a few decades, many new soft drink companies including Yili, Meihua, and Zhongyang opened one after another, leading to a fierce competition in the industry. Companies that were poor in management or lacked capital investment faced particularly severe challenges. Even the founding father of Shanghai soft drink industry—Llewellyn—could not survive easily. Without appropriate marketing strategies, Llewellyn’s products were not welcomed by the public. The Company only had less than 180,000 bottles, which impeded efficient circulation and thus led to an ultimate failure.¹²³ In July 1933, the British owner of Llewellyn felt himself too old to manage the business under such a harsh condition and declared bankruptcy. Although the Company shortly was taken over by a Chinese technician who was used to work in the Company, Llewellyn never regained its previous glory. By the late thirties, the leading soft drink company in Shanghai was Aquarius, whose influence extended to the whole Jiangnan area. It was followed by Watson’s, Yili, Llewellyn, Zhongyang, and Meihua.¹²⁴

Conclusion

TCM was a well-established indigenous science in traditional China. It was not only used in treating diseases but also closely associated with traditional Chinese food

¹²³ “Llewellyn’s Mineral Water Company: an investigation done by the Bank of Shanghai,” January 25, 1933. Q275-1-1947, The Shanghai Archive, 41.

¹²⁴ *shen shi jing ji qing bao (Economic report on Shanghai)*, June 4, 1935, Q275-1-1947, The Shanghai Archive, 117.

culture. When soft drinks were introduced, the majority of the Chinese chose to stick to their own belief, whereas a very small group of people—the intellectuals—dared to try the exotics. The pioneer Chinese consumers like Li Hongzhang and Sun Yat-sen were all western-educated and familiar with western products, but most Chinese people in the nineteenth and the early twentieth century knew nothing about the western world. When an exotic product came, Chinese consumers were less influenced by product descriptions; they made their choices based on their knowledge. Every season, ordinary Chinese people, most of whom knew Chinese medical theories very well, adjusted their diets according to their body conditions and climate. Their consumer behavior indicated that Chinese people were rational consumers who did not blindly imitate others. When purchasing a product, they not only considered economic values but also scientific and social merits. The split between common Chinese people and the intellectuals, however, revealed the stratification of the society. China was not only stratified by class or wealth, but also by knowledge and education, which was one of the important guidelines for consumption.

CHAPTER 3

CULTIVATING DESIRE: ADVERTISEMENT, MODERNITY, AND CONSUMPTION

Soft drinks were introduced to China in the nineteenth century, but they were not well received by the Chinese until half a century later. After 1911, fizzy drinks rapidly spread in large coastal cities. In the 1940s, soft drinks, especially Coca-Cola, became so popular that they were not only summer necessities but also symbolized people's social status. With regard to the growing number of Chinese soft drink customers, Frank Dikötter argues "the availability of raw materials, including sugar and fruit, the improvement in transportation, the use of advertisements and the advent of new forms of leisure account for the popularity of soft drinks."¹²⁵ However, if the Chinese were not interested in the beverage in the first place, even there were abundant raw materials and excellent distribution networks, the result would be completely different. Yet Frank Dikötter was right that when encountering exotic commodities, Chinese people "marveled at mechanical objects as if they were animate, whether the wonderful sight of running water or the simple switching on of a light: exuberance and enchantment in technological devices was widespread, leading to low levels of resistance against novelty."¹²⁶ This lack of resistance and craving for modernity was also apparent in the change of foodways.

¹²⁵ Dikötter, *Exotic Commodities*, 237.

¹²⁶ *Ibid.*, 152.

After the Opium War, Chinese people were awakened from the dream of the Celestial Empire and realized that they significantly lagged behind the western world in weaponry, especially in science and technology. Domestic and international crises forced Qing courtiers to launch the Self-strengthening Movement to safeguard the ruling. They began to examine and translate “Western Learning,” in which science and technology were given a particular attention. During the movement, western science and languages were studied, modern schools were opened in big cities, arsenals, factories, and shipyards were established based on Western models, and students were sent abroad by the government in hope that national regeneration could be achieved through application of Western practical methods. Although the movement did not save the Qing Empire, science and technology as an ideology deeply influenced the history of modern China.

The collapse of the Qing Empire ended the entire millennia-old framework of dynastic rule, but did not save China from imperialism. Japan’s Twenty-One Demand and the Versailles Peace Treaty, in which China lost not only territory sovereign but also economic right, infuriated Chinese people. Some intellectuals realized that China’s tragedy was not merely due to the backward political system, but more importantly was caused by the “backwardness” of the traditional values. Chen Duxiu, the founder of the journal *New Youth*, a leading forum for debating China’s politics, led a revolt against Confucianism in the early twentieth century. They called for creation of new Chinese culture based on western standards, with a particular emphasis on democracy and science. Democracy soon became a vital tool for intellectuals who were frustrated with the

unstable condition of China, whereas science became a crucial instrument to discard the “darkness of ignorance and superstition.”¹²⁷

Encouraged by these new ideas, TCM, a representative of Chinese traditional culture, was treated as a symbol of China’s backwardness by many western-educated intellectuals and was under fierce attack in the early twentieth century. Intellectuals such as Yu Yunxiu 余云岫 and Wang Qizhang 汪企张 suggested that TCM, also known as old medicine, was fraudulent and should be abolished. In 1929 Yu’s proposal on abolishing TCM was presented and discussed in the Guomindang Government. Although the radical proposition was not implemented due to protests from traditional Chinese doctors, the debate had a tremendous impact on people’s general attitude toward TCM. Even though not directly related, the criticism on TCM also influenced people’s diets, especially Chinese people’s views to soft drinks, a product which was regarded as unhealthy according to TCM. As Chinese intellectuals were vigorously questioning the old way of doing things and advocating science and modernity, western life style, which was regarded as scientific and modern, became what people imitated and desired. Accordingly, western products including soft drinks transformed from something bizarre and mysterious to something modern and superior.

Mao Zedong said “a new world will be created by condemning the old world.”¹²⁸ Acceptance of soft drinks in modern China was also based on smashing people’s bias on soft drinks and the bias was largely acquired from China’s indigenous science, TCM. This chapter, first of all, discusses the debate between TCM and western medicine, which

¹²⁷ Schoppa, *Revolution and Its Past*, 170.

¹²⁸ Schoenhals, *China's Cultural Revolution, 1966-69: Not a Dinner Party (East Gate Reader)*, 212.

fundamentally shook people's epistemology on cold and fizzy drinks. The second part of the chapter discusses when sanitation of drinking water in summer was a problem in many Chinese cities in early twentieth-century China, soft drinks, which were advertised as healthy, clean, and modern drinks, served as an alternative choice of summer refreshments for Chinese consumers. Besides medical merits, soft drinks in the early twentieth century were regarded as an epitome of modern science and technology. Driven by the desire for modernity, Chinese people not only accepted soft drinks, but warmly welcomed soft drinks. The final part of this chapter shows under the banner of modernization in twentieth-century China, how soft drinks, with a particular focus on Coca-Cola, became a new symbol of summer.

Debates over TCM and Western Medicine in the Early Twentieth Century

As western science, technology, and medicine were introduced after the Opium War, TCM was regarded by many Chinese intellectuals as one of the biggest obstacles on the way of modernization. Believing his father's death was caused by misdiagnoses by TCM, Lu Xun at his early age devoted himself to studying western medicine in Japan. Another active intellectual, Fu Sinian 傅斯年, who received higher education in Europe, agreed with Lu Xu that TCM was backward and not scientific. Fu's articles such as "the so-called national medicine" (suo wei guo yi) and "talk about the so-called national medicine again" (zai lun suo wei guo yi) clearly demonstrated his opposition to

TCM.¹²⁹¹³⁰ Fu said “I would rather die than ask TCM, because otherwise my western education would be totally a waste.”¹³¹

Fu’s statement somehow was later proved by Liang Qichao. In 1926, Liang was diagnosed with a kidney tumor by Peking Union Medical College Hospital, one of the earliest modern hospitals and medical research centers founded by Rockefeller Foundation in modern China. Doctors in the hospital suggested Liang removing the left kidney, while doctors trained in TCM suggested him drinking decoctions. Many Liang’s friends opposed surgery since surgery was scary to most Chinese people at that time, but Liang firmly trusted western medicine and decided to follow doctor’s advice. After the surgery, Liang did not recover. Rather his health became worse and worse, and he finally died in January, 1929. Rumors said Liang’s death was due to a failed surgery, during which the doctor removed the wrong kidney: the right one not the left. After the surgery, Liang’s brother Liang Qixun 梁启勋 published an article entitled “hospital notes” recorded the surgery: “when the bad kidney was taken out, we could not see any tumor and the kidney seemed as good as a healthy one...”¹³² Although no one could prove whether the surgery was successful or failed and Liang’s medical case remains to be a myth today, the surgery provoked a controversy on western medicine in the society in the late 1920s. As a believer and promoter of western science, Liang Qichao firmly defended western medicine, even though his health became even worse after the surgery. He said

¹²⁹ Fu, “Suo wei guo yi” (so-called national medicine), *Da gong bao*, August 5, 1934.

¹³⁰ Fu, “Zai lun suo wei guo yi” (talk about the so-called national medicine again), *Du li ping lun*, August 26, 1934.

¹³¹ Fu, *Fu Sinian quan ji*, 60.

¹³² Liang, “Hospital notes,” *Chen bao fu kan*, May 29, 1926.

“we cannot question science just because we know very little. Although the result of my surgery is worse than what doctors expected, it might be an exception. I believe that each medical case must be strictly inspected by western medicine, rather than be randomly guessed by the yin-yang theory in TCM. I hope people do not use my medical case as a pretext to obstruct modernization of our country.”¹³³

Debates over TCM and western medicine initially were between radical intellectuals and conservatives. Later on, the Republic Government leaders took the individual bias into legislation. In 1929, Yu Yunxiu and Wang Qizhang presented a radical proposal in the first session of the Central Health Committee meeting: “A Case for the Abolishment of Old Medicine to Thoroughly Eliminate Public Health Obstacles.”¹³⁴ The proposal argued that “the theories of yin and yang, the five elemental phases, the six atmospheric influences, the zang-fu systems, and the acupuncture channels are all illusions that have no basis in reality” and warned that “old medicine is still conning the people with its charlatan, shamanic, and geomancing ways.”¹³⁵ The proposal aggressively suggested the Government banning TCM: “severely limited the advertising and practice of Chinese medicine and prohibit the establishment of Chinese medicine schools.”¹³⁶

Yu Yunxiu’s radical proposal aroused fierce protests from Chinese medicine practitioners who saw the proposal as a highly political-sensitive action. TCM practitioners united with TCM pharmacists, claiming that TCM advocated Sun Yat-sen’s

¹³³ Liang, “My medical case and Peking Union Medical College Hospital,” *Chen bao fu kan*, June 2, 1926.

¹³⁴ Zhen, *Zhongguo Yixue Shi* (A History of Chinese Medicine), 278.

¹³⁵ *ibid.*, 489.

¹³⁶ *ibid.*, 288.

three people's principles and whether abolished TCM or not directly related to whether supported the three people's principles. They believed the proposal was "an imperialists' new approach to invade China,"¹³⁷ and Yu and Wang were imperialists' lackeys who must be overthrown. To save TCM, practitioners and pharmacists argued that the purpose of promoting TCM was "to promote health and strengthen the nation." Their slogan "promoting TCM practice to prevent from cultural imperialism and supporting TCM pharmacy to prevent from economic imperialism" were widely circulated in the society, which imposed a heavy pressure on the Guomindang Government.¹³⁸

Thanks to thousands of protesting TCM practitioners and pharmacists' endless effort, the proposition was not implemented in the 1920s. However, the production of anti-TCM sentiment in an official document exerted a tremendous impact on the image of TCM in the society. As the debate over TCM and western medicine continued in the following decades, TCM as a fundamental guide in having a balanced diet and keeping healthy was shaken. When people drank cold and fizzy drinks, they no longer felt as uncomfortable as they were in the past, because the TCM knowledge became controversial and western science showed that diseases were caused by bacteria rather than imbalance of yin-yang. Victory of western science and medicine over TCM in the early twentieth century solved the epistemological problem that soft drinks encountered in China, which provided soft drinks with possibilities to further explore market in China.

Drinking modernity: soft drinks and health

¹³⁷ "Yi yao tuan ti dui zhong wei hui qu di an zhi tong dian," (医药团体对中卫会取缔案之通电 续) *Sheng bao*, March 14, 1929.

¹³⁸ "Tichang zhongyi zhongyao yundong te kan," (提倡中医中药运动特刊) *Xin wen bao*, March 17, 1929.

In traditional China, water-borne epidemics frequently took place in cities. In most treaty-port cities such as Shanghai and Tianjin, where migration kept population increasing, epidemics appeared almost every year and mortality was high. Cholera was one of the most serious fatal diseases that frequently broke out in the early twentieth century. *The History of Shanghai Epidemic Prevention* shows since the establishment of the Republic of China, cholera in Shanghai first occurred in 1912, and frequently appeared after 1918. In year 1903, 1907, 1912, 1914, and 1919, mortality caused by cholera were 162, 655, 1307, 350, and 648 respectively.¹³⁹ In 1932, cholera evolved into a nationwide epidemic, influencing 157 counties in 18 provinces.¹⁴⁰

Generally, epidemics were seasonal, often occurred in summer, especially in high-temperature years. Summer of 1934 was the hottest season in the meteorological history of Shanghai in the twentieth century. The average high daytime temperature of that summer was 35 Degrees Celsius (95 Degrees Fahrenheit), lasting from June 25th to August 31st, fifty-five days in total. The highest temperature in that year reached 41.2 Degrees Celsius (106.16 Degrees Fahrenheit) in July 12. In summer 1934, the number of people who had cholera was huge. *Da Gong Bao* reported “the road surface temperature reached nearly 140 Degrees Fahrenheit on June 27th. Many people who caught cholera were found. Hundreds of rickshaw drivers were found faint on the road.” *Sheng Bao* reported on June 29th that because of the increasing number of patients attacked by seasonal epidemics and heat strokes, hospitals set up prevention stations earlier than

¹³⁹ Zhu, *Shanghai fang yi shi jian*, 10-11, 79-99.

¹⁴⁰ Yu, *wen yi xia de she hui zheng jiu*, 283.

previous years. Everyday immunization shots were given to more than one million people including factory workers, students, and citizens.¹⁴¹

European advancements in bacteriology, which were introduced by foreigners and translated by Chinese intellectuals, taught people that cholera was transmitted through impure drinking water and the quality of water was essential for health. Threatened by high mortality every season, foreigners in treaty-port cities took a series of measures including providing running water and managing night soil to ensure clean water. However, in the condition of continuously expansion of urban population in the early twentieth century, clean water could be hard to access in big cities. Well water was clean but tasted salty, whereas river water was turbid, containing bacteria that caused diseases.¹⁴² Cities like Tianjin whose particular geography made the water quality even worse. Lying close to the sea in a major salt-producing region, Tianjin's wells produced a brackish, saline brew.¹⁴³ Most Chinese cities were surrounded by rivers, but most of them served as the dumping ground for the region's millions, which turned into a breeding place for bacteria. In general, entire provinces in China lacked adequate drinking water: in Guizhou most water was stagnant, and drinking from wells was considered as particularly unhealthy.¹⁴⁴ Sources of drinking water could be contaminated in Shanghai, leading to a wide spread of diseases.¹⁴⁵ According to Wang Tao (1828-87), local water

¹⁴¹ Qian, *er shi shi ji zhong guo zhong zai bai lu*, 271.

¹⁴² *Jia ting chang shi*, 1918 (1): 39.

¹⁴³ Rogaski, *Hygienic Modernity*, 209.

¹⁴⁴ Ferdinand P. W. von Richthofen, *Baron Richthofen's letter, 1870-1872*, Shanghai: North-China Herald Office, 1903, 201. Cited from Dikötter, *Exotic Commodities*, 145.

¹⁴⁵ Ge, *hu you za ji*, 41.

there tasted so bad that it spoiled the tea.¹⁴⁶ Teahouses put a premium on pure water. It was not for health concerns, but because pure water enhanced the taste of the beverage they served. Teahouses in Suzhou particularly collected rain water or obtained water from selected wells and unpolluted canals outside the city, where boats were forbidden specifically for water quality purpose.¹⁴⁷

To prevent diseases, western-educated scientists suggested the public distilling or boiling water before drink. However, distilled and boiled water was stagnant and insipid. The best drinking water was mountain spring, clean, natural, but rare. It tasted fresh and sweet because it contained air. In numerous Chinese educational journals, Chinese scientists defined ideal drinking water as clean, transparent, colorless, and carbonated. It tasted fresh, cool, and bacteria-free. The ideal water could completely dissolve soap without leaving any sediment or scum, and was perfect for cooking.¹⁴⁸ Drinking this kind of water not only quenched thirst, but was also good for health. There were two sorts of waters according to the journals were considered ideal: natural spring water and artificial carbonated water, also known as Dutch water. Having different juices and essences, Dutch water included lemonade soda, ginger water, orange soda, banana soda, etc., all of which were effervescent when bottles were opened.¹⁴⁹

According to educational journals and magazines at that time, carbon dioxide gas in water could inhibit bacterial growth, so the quantity of bacteria in soft drinks was much less than bacteria numbers in any other cold drinks and foods. Therefore, soft

¹⁴⁶ Wang, *Ying ruan za zhi*, 21, in Dikötter, *Exotic Commodities*, 145.

¹⁴⁷ K.H.Li, "Public health in Soochow," *zhong hua yi xue za zhi*, 9, No. 2, June 1923, 124.

¹⁴⁸ Nongyin, "Beverage at home," *fun nv za zhi*, vol. 13, issue 1, 1927 (1): 90.

¹⁴⁹ *Ibid.*, 91.

drinks could be preserved for a long time.¹⁵⁰ By adding carbon dioxide gas into distilled or treated water, soft drinks became as good as natural spring water, much more superior to ordinary water. Its plentiful gas, which was considered harmful to health according to TCM, was in fact good for digestive system according to modern science and medicine. Particularly in summer when gastrointestinal motility slowed down due to lack of exercises, indigestion became common. Studies showed overdrinking water or tea sometimes would harm stomach. One explanation was *shu pi zhi* (树皮质), a composition in tea leaves which would be fully dissolved in water after long-time soak, would cause diseases.¹⁵¹ In contrast, western-educated scientists suggested in journals that soft drinks containing carbonic acid could not only quench thirst but stimulate bowel movements, and improve appetite.¹⁵²

Soft drinks were also considered superior to watermelons by modern scientists. Some Chinese intellectuals and doctors who were open-minded did not take sides in the TCM vs. western medicine debates, but they somehow mixed the two different scientific theories into a hybrid system. In a children's magazine of 1924, they suggested drinking soft drinks instead of eating watermelons to clear summer heat, because watermelons could not relieve summer heat according to western medicine; instead they easily made people sick. What's interesting was they also adopted cold and hot concepts from TCM, stating that eating watermelons was dangerous after the beginning of autumn based on

¹⁵⁰ Shao, "qishui de zhang gu ji qi ta," (anecdotes about soft drinks), *Xinming Evening News*, August 11, 1956, 6.

¹⁵¹ Dr. Saleeby, "yinliao zhi yan jiu" (Studies on beverages), *fun nv za zhi* (women's magazine) vol. 5, issue 4, 1919, 1.

¹⁵² "drink moderately," *jian kang sheng huo* (healthy life), 1(2), 1934: 50. Microfilm, J-5282/01-0042. The Shanghai Library.

the lunar calendar. They recommended soft drinks as an ideal summer drink, because inside heat could be taken away by belches, making the body feel cool and refreshing.¹⁵³ They believed soft drinks were superior to ice-creams, too, because soft drinks were neither too cold nor too cloying¹⁵⁴ and more refreshing and cleaner. Chinese scientists and entrepreneurs pointed out that the modern and scientific producing process ensured soft drinks containing less *Escherichia coli*. Unlike ice-cream made of milk and eggs absorbing saliva to burn protein, carbonic acid in soft drinks stimulated saliva and facilitated sweating and digestion, and therefore made the body feel cooler.¹⁵⁵

Combined with various additives such as fruit juice, not only the taste of soft drinks improved, but soft drinks' medical values were broadened. Natural fruit juice, lactic acid, and invert sugar would improve gastrointestinal function, stimulate appetite, and accelerate recovery from fatigue.¹⁵⁶ Soft drinks containing potassium sulfate (K_2SO_4) and sodium bicarbonate ($NaHCO_3$) had more medical merits. Spring water having calcium (calcium carbonate) and ordinary water containing magnesium ions (magnesium chloride) could not be directly used to produce soft drinks, because calcium and magnesium ions produce precipitation when they are mixed with acid. Sodium carbonate (Na_2CO_3) was the common chemical applied to remove calcium and magnesium ions, after which there were only a small amount of sodium (Na_2SO_4) and sodium chloride ($NaCl$) left in water and a part of them became potassium sulfate and

¹⁵³ Xia, *shao nian* (Juvenile), issue 7, 1924.

¹⁵⁴ Shuyun, *bei yang hua bao* (the Beiyang Pictorial), May 1932 (781).

¹⁵⁵ Yü, "yin bingqilin yu qishui you lie bi jiao" (a comparison between ice-cream and soft drinks), *she hui yi bao*, 1933 (191): 3984-3989. Microfilm J-3214/02:1176. The Shanghai library.

¹⁵⁶ Lao, *xin sheng lu monthly*, 1937 (1): 31.

sodium bicarbonate after mixed with potassium bicarbonate (KHCO₃), one of additives in soft drink production. After the processing, soft drinks have the same compositions as those in natural spring in Europe (加尔尔斯泉水). In real industrial production, citric acid and sodium bicarbonate were the two common additives in soft drinks. To improve flavor, soft drink companies sometimes replaced with gluconic acid and potassium bicarbonate. Potassium and sodium ions left in water made the drink the same as the natural spring. According to western science, Chinese journals pointed out that soft drinks could help to treat gastroparesis, constipation, jaundice, beriberi, stroke, hyperemia, and hemorrhoids.¹⁵⁷

Thanks to these educational journals, magazines, and programs, soft drinks' medical values soon became a selling point for the emerging business. In a society where clean water was hardly guaranteed in urban areas, hygiene was the biggest consideration of the public. Soft drink companies advertised the sanitation of their products in various ways. Some declared that their products were made from distilled water. Take Aquarius Mineral Company for example. One of their well-known advertising slogans in Shanghai since the early twentieth century was “pure water, good taste, and every drop is distilled.”¹⁵⁸ Words like “clean” and “distilled” frequently appeared on the Company's advertising souvenirs. (Figure 3.1) Similar advertising language could also be seen in other companies' advertisement across China. Shanghai *Qing Lian* soft drinks' advertising slogan was “every drop is distilled and good for health.”¹⁵⁹ *Mei Hua* Mineral

¹⁵⁷ Tianxuwosheng, “xiao zhi qishui zhi yan jiu” (study on making soft drinks), *ji lian hui kan*, 1934 (100).

¹⁵⁸ Wang, *gong ye yue kan (industrial monthly)*, 2004 (7): 45.

¹⁵⁹ *Shang Bao* (business daily), July 21, 1947, 6.

Water Company in Qingdao used exactly the same words in the advertisement of their *Xian Guo* Soda, saying “every drop is distilled, refreshing and tasty. It invigorates the spleen and increases appetite. It is popular around the world.”(Figure 3.2)



Figure 3.1

This is a souvenir produced by Shanghai Aquarius Soft Drink Company in the 1930s. It is a plate, on which prints the company’s trade mark and an advertising slogan—Aquarius’ soft drinks: distilled and pure.”

Source: Zuo Xuchu, *History of Chinese trademarks*. P. 279.



Figure 3.2

This is a piece of advertisement on *Xian Guo* soda by *Mei Hua* Soft Drink Company from Qingdao. From the right to left, it says: every drop is distilled, refresh and delicious, invigorating the spleen and increasing the appetite, popular around the world.

Source: “Mei hua qi shui chang ye wu guang gao,” *Min yan bao*, Jul 29, 1947, the Qingdao Archive, D000068/00057.

In China's soft drink industry, not every company afforded to distill water; instead many of them produced soft drinks with running water. In beverage market where hygiene was the biggest consideration, these companies also tried every effort to demonstrate the quality of their drinks. One of the most effective approaches of demonstration was to display their scientific water treatment process. In the 1920s and 1930s, introduction articles and investigation reports on soft drink companies were widely seen in scientific, industrial, and business journals and magazines. Watson's Mineral Water Company, one of the leading companies in Shanghai, reported in 1926 that they had a very complicated scientific water treatment process to guarantee every bottle of their product was sanitary. There was a huge water filtration room on the second floor of the plant, in which three large cylinders equipped with a power-driven ultraviolet sterilizer. It was the most advanced technology at that time, killing all bacteria in water that flowed through, but in the meantime, preserving all nutritional composition.¹⁶⁰ Watson's advertised their products as "the most sanitary drinks produced by the most advanced ultraviolet sterilizer." (Figure 3.4) This language shortly became the buzzwords in the whole soft drink industry.

Small soft drink companies did not have machinery as advanced as Watson's were, but they still tried their best to prove that their products were as sanitary as those produced by big companies. Instead of using complicated and dazzling scientific and technical terms, they repeatedly mentioned "sanitary" and "clean" in their advertisement. Shanghai *Guo Hua* soft drink company's advertisement emphasized that they used clean,

¹⁶⁰ "Investigation on the Chinese-owned Shanghai Watson's Mineral Water Company," *shang ye za zhi* (*business journal*) November 1, 1926, 2-3.

pure, and sanitary materials, which had good smell and were good for quenching thirst and helping digestion. *Da Mei* Soft Drink Company stressed that their products were sanitary and noble, which effectively relieved summer heat.¹⁶¹

Soft drink's medical values were another marketing focus that the companies highlighted. Since western science suggested that carbon dioxide was good for refreshment, Chinese intellectuals saw soft drinks as a symbol in summer, which could be equivalent to watermelons, ice, and plum juice. (Figure 3.3) In every May or April, shopkeepers put soft drink bottles outside retailing stores for advertising, as if to remind people that summer was coming and it was the time to drink soft drinks.¹⁶² This symbolic connection between soft drinks and summer largely attributed to advertisement, in which "relieve summer heat" emerged as the other buzzword followed after "clean" and "sanitary." As soft drinks were increasingly popular among the elites, some Chinese intellectuals began to challenge the traditional view on cold food in TCM. They argued that cold drinks and ice would not hurt health; rather they effectively reduced body heat in summer. In response to intellectuals, soft drink companies incorporated the idea of summer heat from TCM into their advertisement. *Da Mei* and *Qing Lian* soft drink companies, for example, said their products relieved summer heat and quenched thirst. *Ma Ti* soda's advertisement on *Da Gong Bao* in 1911 pointed out that "*Ma Ti* soda made of special natural mineral water could relieve summer heat, remove weather evil, and is a necessity in everyday life."¹⁶³

¹⁶¹ *Shang Bao* (business daily), July 21, 1947, 6.

¹⁶² Lili, *Xinming Evening News*, July 21, 1988, 7.

¹⁶³ *Da Gong Bao*, Tianjin, June 24, 1911.

In addition to clean and refreshing, some companies broke down soft drinks' medical merits into several categories by adding various additives. Take Watson's for example. Its lemonade soda quenched thirst and helped digestion; orange soda strengthened stomach and stimulated appetite; sarsaparilla removed dampness and smoothed *qi*; grape soda moisturized body and nourished lungs; ginger ale warmed stomach and strengthened *qi*; and cola soda refreshed body. (Figure 3.4) These medical values were either supported by TCM or western medicine. However, medical values of other soft drinks seemed too exaggerated to be true. One article appeared in women's magazine in 1919 indicated that orange juice or orange soda could bring dead people back to life. If feeding babies with boiled milk mixed with a spoon of lemon juice, all diseases could be cured.¹⁶⁴



Figure 3.3: A cartoon made in the 1940s titled expression of hot weather. A man is lying on a summer sleeping mat with a cattail leaf fan in the hand. A watermelon, a bottle of soft drink, a cup of water, and a piece of ice were on his side. Source: *Yong an monthly*, vol. 1, National Library Microfilm Center, 2006.

¹⁶⁴ Xie, *funnv zazhi*, (women's magazine) vol. 5, issue 4, 1919, 2.



Figure 3.4 This is a piece of advertisement made by Watson's Mineral Water Company in Shanghai posted on *The Young Companion* in 1926. On the right, it lists all kinds of Watson's products with different medical merits. In the middle of the advertisement, it says the company used the most advanced and modern equipment to sterilize water. Source: *The Young Companion*, No. 6, July 15, 1926. P. 2.

Although innumerable advertisements made every effort to teach the public that soft drinks were good for health, it still took time to fully convince the majority of the Chinese. Yet, science and modernity was not just an abstract idea, a theory, or something invisible, but also were manifested in artifacts. In early twentieth-century China where glass manufacture was just started, soft drink bottles which withstood pressure became an exquisite artifact that represented and demonstrated modernity. When soft drinks were just introduced to China, frequent explosions were one of the reasons that the Chinese disliked soft drinks. However, as technology improved, soft drink bottles, especially the imported ones, became safer and some of them were interesting to open. One of the common bottles on the market was ramune soda bottles or marble soda bottles, a Japanese product that was introduced to China around 1902. The bottle, also known as the Codd-neck bottle, was named after the inventor, an English engineer, Hiram Codd. It

was made of glass and sealed with a marble in the codd head, which was held in place by the pressure of carbonation in the drink. To open the bottle, push the marble inward and it sank to the bottom of the bottle.¹⁶⁵ This design allows the bottle standing upright and meanwhile preventing carbon dioxide from escaping upwards. Because of the interesting design, marble soda became children's favorite. After enjoying the drink, children often smashed the bottle to get the beautiful marble for fun. The other type of soft drink bottles was also made of glass, but replaced the marble with a cork for sealing. To prevent carbon dioxide from escaping and prevent the cork from flying out, the bottle had to be placed upside down, which seemed strange but scientific to the Chinese.

To withstand certain pressure, soft drink bottles required high-quality glass, but Chinese bottles could hardly meet the standard. Even Japanese bottles were disliked by mineral water producers, because the bottles were often full of bubbles which easily burst when pressure was put into the bottle, leaving bits of broken glass in the bottle.¹⁶⁶ Soft drink companies agreed that the most economical way with bottles was to buy the best ones only, from the first rate manufactures in Europe and America. As the business grew, bottles were the biggest assets in soft drink companies. In a company sometimes the value of empty bottles in stock was equivalent to the value of the total machinery. Considering the cost, soft drink companies recycled bottles from the market and bottle circulation became a rule in the industry. When a thing is scarce, it is precious, let alone a high-tech product that could not be produced in China where science and technology was

¹⁶⁵ Xiazhiqiu, *Xinming Evening News*, September 5, 1996, 15.

¹⁶⁶ "Surveys on Watson's Mineral Water Company conducted by the Bank of Shanghai," June 2, 1932, Q275-1-1947. The Shanghai Archive, 32.

particularly valued and pursued. Therefore, what made soft drinks special to Chinese consumers was not only the magical liquid but also the bottle, an emblem of science and modernity. To save money, some Chinese people kept the bottle after drinking and then filled it with homemade drinks. Although homemade drinks tasted not as pleasant as brand-name soft drinks, drinking with a soft drink bottle in hand still satisfied people's psychological needs.

As western science and technology overtook Confucianism, becoming a central ideology in Chinese society in the modern times, soft drinks transformed from mysterious exotics, which used to be considered having a potential danger to health, to a modern and healthy beverage which was indispensable in summer. In the words of Frank Dikötter, with the advent of aerated water, new opportunities for refreshment presented themselves to a thirsty public keen to avoid contaminated water and eager to display status.¹⁶⁷ In the first half of the twentieth century, Chinese people, especially the elites, were reconstructing their knowledge with modern science and modernity. In their eyes, soft drinks were sweet and refreshing, neither as bland as water nor as bitter as tea. The drink was no longer simply a beverage, a commodity, or a luxury, but the most suitable and ideal drink to quench thirst, reduce summer heat, and more importantly represent social status.¹⁶⁸ Every year soft drinks were the best-selling product among all cold beverages and foods in summer. It was sold at retailing stores, cold drink shops, ball rooms, movie theaters, and cafés. Its business even overtook watermelons in big cities like Shanghai as

¹⁶⁷ Dikötter, *Exotic Commodities*, 235.

¹⁶⁸ “Shanghai qi shui jie de zhan wang” (prospect of Shanghai soft drink industry), *Shang Bao (business daily)*, July 21, 1947.

what a folk song pathetically described: “watermelons come after peaches and plums; business should be done in seasons. Watermelons are big, sweet, and cheap, but when foreign soft drinks came, they became outdated.”¹⁶⁹

Since the thirties, cold drink shops mushroomed and became the most common places where people drank soft drinks and socialized in summer. In Shanghai cold drink shops were painted with snow and icicles in blue and white. Green bamboo curtains were hanging on the front door, on the other side of which tables covered with white tablecloths were neatly placed. Two to three o’clock in the afternoon was the busiest time, as it was cool in the morning and was too hot at noon.¹⁷⁰ Young people from middle and upper classes gathered together with friends in cold drink shops, drinking, talking, and enjoying the coolness in summer. Ballrooms were another place where soft drinks were popular. Perhaps people easily got thirsty after dance and men usually dancing with women, especially with girlfriends, so order something to drink in ballrooms was custom. Soft drinks were expensive in ballrooms. The prices were several times higher than those on the market and often higher than a ballroom ticket. However, customers still bought soft drinks, because as men were usually willing to spend money on women.¹⁷¹

Some rich people came to ballrooms for drinking soft drinks rather than dancing. If they happened to be a good drinker, their names and legends would be known by everyone in the ballrooms as if they were well-known heavy alcohol drinkers. Newspaper in 1938 used to publish a legendary story about a man who drank twelve bottles of soft

¹⁶⁹ Zhu, *Xinming Evening News*, August 2, 1947, 3.

¹⁷⁰ Yang, *Wen Hui Bao*, May 13, 1939, 12.

¹⁷¹ “beverage prices in ballroom,” *dian sheng*, 1937, 6(4), -666, Microfilm J-0378/02:0538. The Shanghai Library.

drinks at one time in the ballroom: “he wore a pair of glasses and had his hair permed. Whenever came to the ballroom, he always ordered three to five bottles of sarsaparilla. What was even more surprising is he opened bottles with teeth instead of using an opener, leaving the same teeth marks on every bottle cap. Adding some ice, he drained all bottles and then ordered another several bottles. His highest record is drinking forty bottles a day.”¹⁷²

Because of high prices, soft drinks were luxury and only elites pursuing modernity could afford it. When soft drinks were rare and had not been fully accepted by the Chinese society, the founding father Sun Yat-sen already began to drink. After more and more soft drink companies opened business and extended advertising, soft drinks gradually became an identity for the upper class. Some celebrities even developed drinking soft drinks as a hobby. Song Ziwen’s sister-in-law, Zhang Yiru, who was a college student in the 1930s, was known for her addiction to soft drinks. As if addicted to drugs, Zhang drank six to seven bottles of soft drinks every day in a fixed schedule. If she missed the drinking time, the amount would be increased. Zhang only drank soda produced by big companies, even if it meant spending more money on shipping. Since there were no brand-name soft drinks in the canteens of her university, she asked the school staff to purchase for her from the market. Every Monday or Thursday, a truck of brand-name soft drinks were delivered to the campus, providing Zhang with a week’s supply.¹⁷³

¹⁷² “a strange person in the ballroom,” *dian sheng*, August 19, 1938, 7(26).

¹⁷³ “song bu zhang xiaoyi zhi qishui pi”(soft drink hobby of Minister Song’s sister-in-law), *jing hua*, 1946 (2). Microfilm J-1465:0145. The Shanghai Library.

As Chinese market was growing, soft drink industry expanded dramatically in the first half of the twentieth century. Soft drink companies mushroomed in big cities, where big companies endeavored to build up their reputation and brands. Drinks produced by Crystal Mineral Water Company were well known products in Tianjin. Drinks from Laoshan Iltis Mineral Water Co. Ltd were famous in Qingdao. J. Llewellyn and Co. Ltd, Aquarius Mineral Water Company, and Watson's Mineral Water Company were the big three in Shanghai. Aquarius was known for its lemonade soda; Watson's Mineral Water Company was good at producing sarsaparilla and soda water; and Llewellyn was famous for its ginger ale.¹⁷⁴ Their business was booming rapidly, but when Coca-Cola came, all of the other brands were overshadowed. Although there were many difficulties in the first decade of operation, Coca-Cola gradually became popular and grew into the most favorite soft drink in the late 1940s.

The advent of Coca-Cola

Since Robert Winship Woodruff, who envisioned Coca-Cola as an international product, inaugurated the presidency of the Coca-Cola Company in 1923, the business of Coca-Cola began to expand worldwide. In 1926, Woodruff established a Foreign Department, which in 1930 became a subsidiary known as the Coca-Cola Export Corporation. It was a corporation which had acquired from the Coca-Cola Company the exclusive right to sell products of the Coca-Cola Company in a large part of the world including China. This corporation in New York received collaboration requests from all

¹⁷⁴ Xiazhiqiu, *Xinming Evening News*, September 5, 1996, 15.

parts of the world including China. Later on, a bottlers' agreement was signed between the Coca-Cola Company, the owner of the trade mark "Coca-Cola," the Coca-Cola Export Corporation, and bottlers who authorized to bottle, distribute and sell Coca-Cola in the territory defined in the agreement.¹⁷⁵

In the earlier time, bottled Coca-Cola were imported in a small amount by foreign firms such as Shanghai Mustard & Co. Ltd. Shortly, the Coca-Cola Export Corporation opened the first bottling plants in Shanghai in 1927 and Tianjin in 1929, two large treaty-port cities in South and North China where a large number of foreigners resided in the concessions. The British-owned Crystal Mineral Water Company located in the British concession of Tianjin became Coca-Cola's bottler who was responsible for producing and distributing Coca-Cola products in North China. Territories that the service of the Tianjin plant covered included all of the province of Chihli (Hebei 直隶), lying south of an imaginary line, beginning at the most southern point of Chahar (察哈尔) province and running eastward to the city of Tanggu. Ten years later, the plant got extra-territorial shipping privileges. The market covered Peking (Beijing) and its environs, all coast line territory, and northeast of Tanggu, embracing towns including Tangshan, Beidaihe, Qinghuangdao, and intermediate points up to the city of Shanghaiguan. These markets could be quickly and easily reached by rail from Tianjin and at each town the Coca-Cola Company had resident agents who were fully capable of handling distribution and sale of

¹⁷⁵ "The Coca-Cola Export Corporation, business plan in China," Q90-2-537, The Shanghai Archive, 7.

Coke.¹⁷⁶ In the South, the partner was Watson's Mineral Water Company in Shanghai, a Chinese-owned company. The southern bottler was responsible for the market in South China and had a similar agent system as that in Tianjin. In 1932, a third bottling plant was built in Qingdao, where the bottler was Laoshan Iltis Mineral Water Co. Ltd owned by a German firm, Melchers & Co. The bottlers purchased Coca-Cola concentration, Coca-Cola bottles, corks, crowns, and machinery from the Coca-Cola Company in the United States, and aerated and bottled in the local plants.

Having a high expectation on the Chinese market, the Coca-Cola Company registered the "Coca-Cola" trademark in the Bureau of Trademark of China in 1925, a newborn institution that was imposed by western countries after the Opium War to protect foreign trademarks. However, to the Company's surprise, not only no Chinese recognized the brand, but few of them were interested in it. For the first couple of years, major consumers of Coca-Cola in China were Americans. Other foreigners were influenced by local social customs which had long been set by the colonial British who preferred Scotch, gin, and black tea. The Chinese, on the other hand, noticed by the representative from the Coca-Cola Company, had been accustomed to drinking their own delightful green tea—hot and straight for ages.¹⁷⁷ As to Coca-Cola, some Chinese felt it tasted a little bit sour and unpalatable;¹⁷⁸ others said it looked and tasted like Chinese herbal medicine. They said if a vulgar countryman drank Coca-Cola, he/she must believe it is a

¹⁷⁶ "Correspondence between the Coca-Cola Export Co. and the Crystal Mineral Water Co," July 12, 1939, W0026-1-000132. The Tianjin Archive, 70.

¹⁷⁷ N. F. Allman, *Coca-Cola Overseas*, (June, 1957): 10-11.

¹⁷⁸ Hairen, *Saturday*, issue 88, 1947, 8.

kind of fever syrup!¹⁷⁹ Full of disappointment, the Coca-Cola representative commented that at the beginning of their business in China, “‘Red’ had no delusions that all of these people would suddenly become customers for Coca-Cola.”¹⁸⁰

Seeing the stagnation of Coca-Cola market in China, there were no Chinese businessmen in the thirties were willing to run a Coca-Cola retailing business.¹⁸¹

Consequently, the Coca-Cola bottling companies suffered a serious hardship and some of them had a huge deficit for a long time. For example, Watson’s Mineral Water Company was in deficit almost every year after 1927. Its business was fair at the beginning, but was pressured by the growing competition in soft drink industry and subsequent wars, which finally led to a severe business downturn over the thirties. What’s more, the history of Watson’s in Shanghai was younger than Aquarius’, while prices were higher than Yili’s. Without any advantage, Watson’s almost fell into a plight. The increasing popularity of orange juice produced by *Meiguo* and *Meihua* Juice companies further jeopardized soft drink business.¹⁸² In 1931, because of the war, the revenue of Watson’s Mineral Water Company was only 330,000 *yuan*. It increased to 380,000 *yuan* in the following year. In 1933, thanks to the unusual hot weather and the stable political situation, the revenue climbed to 460,000 *yuan*. However, the annual return in these three years was still far less than the past. Deducting employee’s bonus and depreciation, the net balance was less than 20,000 *yuan* in 1931 and a little bit over 20,000 *yuan* in 1932. Even in good years

¹⁷⁹ Xiaochun, *Haichao*, issue 44, April 13, 1947.

¹⁸⁰ N. F. Allman, *Coca-Cola Overseas*, (June, 1957): 10-11.

¹⁸¹ *Ibid.*

¹⁸² “Surveys on Watson’s Mineral Water Co. conducted by Shanghai Bank,” Q275-1-1947, 1934, The Shanghai Archive, 22.

like 1933, the net balance, which was around 36,000 *yuan*, was not very impressive, either.¹⁸³ When the weather returned to normal after 1934, Watson's business dropped again. In 1935, Watson's had a deficit of 15,628.489 *yuan*. To save the business, Watson's mobilized employees to market products from door to door: from grocery stores, restaurants to stadiums and entertainment places.¹⁸⁴ After hard work, Coca-Cola became one of the top-selling products of the Company and its revenue in 1936 reached 310,000 *yuan*, but the overall situation was not promising. After taking debts and depreciation into account, the final balance of the company remained in a deficit of 27,000 *yuan*. By 1936, Watson's was heavily indebted, owing the Bank of Guangdong 120,000 *yuan*. Every year, it had to pay over 30,000 *yuan* for the interest.¹⁸⁵

Coca-Cola business of Crystal Mineral Water Company in Tianjin was not very satisfactory, either. In the thirties, the Company launched a series of marketing campaigns to introduce the new beverage to the territory. In a campaign called the premium prize crown in March 1931, the company made big advertising canvases for beverage shops.¹⁸⁶ In the following year, students from Nankai University were invited to visit the Coca-Cola factory. During the visit, the Company patiently explained the details of manufacturing process, stressed the purity and health merits, and offered free Coca-Cola samples to the students.¹⁸⁷ Although every endeavor was made to attract Chinese people, the progress was very slow. In the thirties, the major consumers of Coca-Cola

¹⁸³ Ibid., 17.

¹⁸⁴ Song, *Xinming Evening News*, November 28, 1999, 20.

¹⁸⁵ "Surveys on Watson's Mineral Water Co. conducted by Shanghai Bank," 1934. Q275-1-1947. The Shanghai Archive, 10.

¹⁸⁶ "Coca-Cola weekly report," March 14, 1931, W0026-1-000573. The Tianjin Archive.

¹⁸⁷ Ibid. April 23, 1932.

remained to be Americans. For example, Shengyang and Qinghuangdao were two important marketing sites of the Company, and the latter port was the site of the summer camp for American troops stationed in North China.¹⁸⁸ In addition, Coca-Cola's sales were frequently impacted by abnormal weather and political instability. In summer 1932, extremely adverse weather conditions seriously affected Coca-Cola's market. Coca-Cola sales were further reduced when the Chinese authorities in Tianjin banned ice cold drinks on market because of the rapid spread of cholera.¹⁸⁹ Even when weather was perfect for the business, Coca-Cola's sales were not promising. In 1931, Martial Law enforced in Tianjin restricted attendance at all amusement resorts, during which the Japanese Concession, the most prolific sale spot of Coca-Cola, was closed entirely. All amusement centers reported no business, and Coca-Cola had a severe drop in sales.¹⁹⁰

From ke ke ken la to Ke kou ke le: Advertising by Translation

The odd translation of the name made Coca-Cola less attractive to the Chinese. Because of the tongue twister-like sound, a number of Chinese shopkeepers created Chinese phonetic equivalents for Coca-Cola but with weird results. "Some had made crude signs that were absurd in the extreme, adopting any old group of characters that sounded remotely like Coca-Cola without giving a thought as to the meaning of the characters used. One of these homemade signs sounded like Coca-Cola, but the meaning of the characters came out something like 'female horse fastened with wax' and another

¹⁸⁸ Ibid., March 22, 1930.

¹⁸⁹ Ibid., July 2, 1932.

¹⁹⁰ Ibid., November 21, 26, December 5, 1931.

‘bite the wax tadpole.’ The character for wax, pronounced La, appeared in both signs because that was the sound these untutored sign makers were looking for. Any Chinese reading the signs would recognize them as a crude attempt to make up an arbitrary phonetic combination.”¹⁹¹ And the character wax (La pronounced in Chinese) might also remind Chinese the Chinese idiom “taste like chewing wax,” which means unpleasant and insipid.

Seeing the stagnant market, the Coca-Cola Company believed a good Chinese name might bring market for them. In 1936, they posted an announcement on a British newspaper, calling for a good Chinese trademark translation competition with an award of 350 British pounds. A Qing official and a scholar named Jiang Yi (蒋彝), who was visiting Europe at that time, won the competition. Inspired by the sentences from *Zhuangzi*, “tastes of pears and oranges are different, yet both of them are delicious,” (相梨橘柚，其味相反而皆可于口) and the verses in Liu Ji’s poem, “cymbidium smells sweet, but what makes people much happier is the beauty of a woman,” (兰独闻国香，姱丽最可乐),¹⁹² Jiang Yi translated Coca-Cola into four Chinese characters *Ke Kou Ke Le*, which means to permit mouth to be able to rejoice – or something palatable from which one derives pleasure.¹⁹³ This translation sounds nice, elegant, and more importantly was easy to remember. Thanks to the beautiful name, since 1936 the annual surveys on Watson’s conducted by the Bank of Shanghai showed that sales of Coca-Cola were very

¹⁹¹ N. F. Allman, *Coca-Cola Overseas*, (June, 1957): 11.

¹⁹² Xue, *Wen Hui Bao*, April 11, 1998, 10.

¹⁹³ N. F. Allman, *Coca-Cola Overseas*, (June, 1957): 11.

good. The bank reported that Coca-Cola's sales in 1936 was over 310,000 *yuan*, three times more than the previous years.¹⁹⁴

However, the prosperity of Coca-Cola business did not last very long. Since the taste of sarsaparilla was very close to that of Coca-Cola but sarsaparilla's price was much cheaper, many firms chose to reduce Coca-Cola imports.¹⁹⁵ The Sino-Japanese War further paralyzed the budding Coca-Cola business. Since the inception of the Pacific War in winter of 1941, Northeast China was occupied by the Japanese Army, while Shanghai was virtually under the dominant influence of Japanese Authorities. Following their entry, American and British firms compelled by force majeure shut down all their businesses. Crystal Mineral Water Company in Tianjin was confiscated by the Japanese, who looted the company and interrupted Coca-Cola production.¹⁹⁶ In Shanghai, Coca-Cola business was forced to stop because of the lack of Coca-Cola concentration, raw materials that needed to be imported from the United States.¹⁹⁷ Fortunately, shutdown of foreign firms left room for national brands to thrive. In summer 1942, national soft drink companies mushroomed in big cities, intending to replace foreign companies for the summer market. The most popular Chinese brands included Ginko, Vita Folo, Green Spot, Blue Spot and Red Top.¹⁹⁸

¹⁹⁴ Survey on Watson's Mineral Water Co. conducted by Shanghai Bank, May, 1937.

¹⁹⁵ Xue, *Xinming Evening News*, April 11, 1998, 10.

¹⁹⁶ "Crystal Mineral Water Company, a Coca-Cola bottler," *Industrial Monthly*, July 1, 1948, 20.

¹⁹⁷ "The first white-collar in Shanghai, a record on the celebration of an old Coca-Cola employee's 100 year-old birthday," *Xinming Evening News*, Nov 28, 1999, 20.

¹⁹⁸ "Correspondence between Shu-Lun Pan & Co. and the Coca-Cola Export Corporation," July, 1947, Q90-2-619. The Shanghai Archive, 123.



Figure 3.5 Watson's Coca-Cola advertisement

This picture shows nationalist forces were fighting against the Japanese Army in the battle of Shanghai, 1937. The large poster behind the soldiers was a Coca-Cola advertisement, which was destroyed during the war.

Source: http://m.tiexue.net/3g/thread_3714332_1.html, accessed by 2014-4-9

Coca-Cola Advertisement

The Sino-Japanese War interrupted the Coca-Cola business in China; however, World War II provided a great opportunity for the Coca-Cola Company to expand internationally. During the war, Robert Winship Woodruff successfully attached politics to Coca-Cola, seeing it as important military goods that boosted troops' morale. Just as the Swastika reminded people of Nazis and the rising sun (that set) represented Japan, Woodruff tried to make Coca-Cola into a symbol of freedom and democracy.¹⁹⁹ In spring 1941, Woodruff received a wire sent by an American reporter in London reading: "We, members of the Associated Press, cannot get Coca-Cola anymore; terrible situation for

¹⁹⁹ "Off Duke's Desk," *Coca-Cola Overseas*, June 1948, 29.

Americans was covering the battle of Britain; know you can help.” Woodruff decided even if the Company lost money, Coca-Cola should be available to American armed forces. After the Pearl Harbor Incident in December 1941, Woodruff declared Coca-Cola’s wartime policy: “We will see that every man in uniform gets a bottle of Coca-Cola for five cents wherever he is and whatever it costs.”²⁰⁰ Collaborated with the Coca-Cola Export Corporation, Coca-Cola expanded hand in hand with U.S. army.

In the Second World War, American volunteer pilots known as the “flying tigers” came to aid the Chinese in the war against Japan. Coca-Cola, as military goods, came along with the U.S. army, too. To supply American soldiers in China, the Coca-Cola Company resumed its business in China. In addition to restarting their three bottling plants—Shanghai, Tianjin, and Qingdao, the Company sent its representatives, who rented an office next to the U.S. embassy on Fuzhou Road in Shanghai, to supervise production and thus to assure that American soldiers in China could drink the same Coca-Cola as what they drank at home. In the North, since September 1946, Crystal Mineral Water Company was arranged for bottling Coca-Cola for the U.S. Navy in Tianjin,²⁰¹ in which about one third of the products were consumed by American soldiers. Meanwhile, the factory of Laoshan-Iltis Mineral Water Co., Ltd situated at No.42 Great Chanshan Road in Qingdao, also began to import raw materials through the U.S. armed forces and supply bottled Coca-Cola for American army exclusively.²⁰² In South U.S. ships anchored in Shanghai’s harbor. The *Xinmin Evening News*, a local newspaper, observed

²⁰⁰ <http://xroads.virginia.edu/~class/coke/coke1.html>, accessed by 2011-5-6

²⁰¹ “Tientsin Regional Office Export-Import Board for registration of import oil fats, waxes, and essences, 1946.3.26-1948.10.20,” August 12, 1947, W0026-1-000189, The Tianjin Archive.

²⁰² B0049-0010618, September 10, 1946. The Qingdao Archive.

that a navy ship-based U.S. mobile hospital stored hundreds of Coca-Cola boxes on-board. American sailors and soldiers drank Coca-Cola every day and the bottles were piled up like a hill on the deck.²⁰³

Thanks to U.S. armed forces, the name of Coca-Cola was known by the Chinese from Tianjin to Shanghai, from Hong Kong to Qingdao. More than a commodity or a military supply, Coca-Cola, in the eyes of Americans, represented a universal motif by saying “We are friends” to the Chinese. Having a Coke in China, as the poster demonstrated (Figure 3.6), indicated “good winds had blown you here.” When Coca-Cola was in hand, friendship between American soldiers and Chinese fighting men cemented, as to the Chinese “Coke” was the welcome word symbolizing friendliness and freedom. From Atlanta to the Seven Seas, Coca-Cola standing for peace and refresher—has become a symbol of good will among the friendly minds.²⁰⁴ Accepting friendliness and admiring American modern science and technologies, Chinese armed forces emulated American friends to drink Coca-Cola. In the late forties, Coca-Cola was almost the only beverage that American army and the Chinese Air Force drank.²⁰⁵ After the victory of the war, the worship and emulation to Americans grew stronger and extended to the whole Chinese society. Since there was a surplus, Coca-Cola bottlers tried to explore civilian market.

²⁰³ Mang, *Xinmin Evening News*, October 7, 1945, 1.

²⁰⁴ *The Spartanburg Herald*, Spartanburg, SC, Thursday Morning, November 4, 1943.

²⁰⁵ Eryi, “Coca-Cola,” *Qiu Hai Tang* (Begonias), 1946 (10).



Figure 3.6 Chinese soldiers were having Coke with American air force.
 Source: *The Spartanburg Herald*, Spartanburg, SC, Thursday Morning, Nov 4, 1943.

Republican period was an era when the worship of foreign goods was widespread.²⁰⁶ Luxury imports were used by elites as visual evidence of social status, while cheap imitations satisfied the demand for new products among ordinary people. It is called a two-tier society by Frank Dikötter, by which he meant that there was “a luxury demand from the well-to-do who required greater quality than local industries could offer, and a price demand from the poor for whom durability was a primary

²⁰⁶ Pan, *Zhong guo jin dai guo huo yun dong*, 179-82.

consideration.”²⁰⁷ In most cases, foreign goods were regarded as high quality and reliable, whereas national goods were seen as inferior in quality and were frequently discarded. History of National Products Movements, which will be discussed in chapter 5, was replete with examples of producers who went bankrupt because their products failed to compete with imports and were judged by consumers as inferior.²⁰⁸ Thus, social hierarchy was materially expressed not only in where people live, what people wear, and what people eat, but also in subtle variations in the quality of what people drink.

Success of the Sino-Japanese War under the help of American allies made the worship of foreign goods grow stronger and stronger, extending to everything American, including Coca-Cola.²⁰⁹ In Shanghai, people from the upper class became fascinated with Coca-Cola. Coca-Cola’s secret concentration was directly imported from the United States in huge iron barrels. It was distinct because instead of using fruit essences, Coca-Cola concentration contained twelve kinds of fruit juices including banana, apple, orange, and cola etc., all of which were known to be good for health.²¹⁰ Mixing one ounce of the brown nugget concentration with six ounces of water and forty pounds (pounds per square inch) of carbon dioxide gas, a bottle of Coca-Cola came out. The drink was regarded as the cleanest and safest beverage in Republican China where waterborne epidemics were widely spread. Chinese people did not trust running water unless it was fully boiled. They did not trust national soft drinks either, because they believed all

²⁰⁷ Dikötter, *Exotic Commodities*, 45.

²⁰⁸ *Ibid.*, 42.

²⁰⁹ Hairen, “The secret of Coca-Cola,” *Libailiu* (Saturday), 1947(88), 8.

²¹⁰ “A Coca-Cola bottler: laoshan Iltis Mineral Eater Co. Ltd,” *Ping min bao she*, January 11, 1948. D00149/00014, The Qingdao Archive,

Chinese beverages were made of unprocessed running water. However, Chinese consumers trusted Coca-Cola, for they believed Americans would not carelessly produce drinks with unhygienic running water for American soldiers and officers in China who consumed thousands of bottles of Coca-Cola every day.²¹¹

In addition to the growing western worship after the war, advertising after 1945 also largely promoted Coca-Cola business. Under the aid of U.S. Army Exchange Service, a large amount of Coca-Cola advertising materials were imported to China, though there was a restriction on imports. According to the Revised Interim Measures of Import and Export Trade announced in March 1946, all foreign products except the banned goods and products with value less than 25 U.S. dollars must acquire an import permit. Imports by qualified companies must be restricted within the annual rations that were assigned by the regional office of the Export and Import Board. To procure an import license for Coca-Cola advertising materials, the bottlers and Coca-Cola Export Corporation actively collaborated under the assistance of the U.S. Army Advisory Group of Army Exchange Service. The group suggested that instead of asking the bottlers to arrange remittance, the Coca-Cola Export Corporation should substitute with a note stating that “this advertising is being shipped to you free of charge, please arrange import license and advise” in the telegram.²¹² Following the instruction, the Shanghai and Tianjin bottlers procured import permits based on the fact that the advertising materials and the cost, insurance, freight (C.I.F.) valuation were stated only for customs purposes. The Qingdao bottler procured the permit for their order of Dealer Help material on a

²¹¹ Hairen, “The secret of Coca-Cola,” *Libailiu* (Saturday), 1947(88), 8.

²¹² “advertising materials of Coca-Cola,” July 25, 1947, W0026-1-000334. The Tianjin Archive.

different basis: they applied for an import permit based only on the insurance and freight.²¹³ No matter what basis was followed, the Coca-Cola Export Company was instructed to omit descriptive data of the materials, F.O.B. (free on board) values and freight charges should not be shown separately but included in C.I.F. values. The later figures were required as the Coca-Cola Export Company endeavored to get the local Customs to pass the whole, or, at least, part of the material free of import duty; otherwise it was quite likely that a blanket duty would be imposed on the total shipment. The Company was also instructed that quantities and prices, without any marked deviation, could be less but not more than permitted amounts.²¹⁴

As sales of Coca-Cola were increasing after the war and the import permit issue was settled, bottlers put more efforts in advertising. Every season they ordered a large number of advertising materials from the United States, usually with specific requirement and descriptions that fit the local needs. The materials were in various forms, ranging from large outdoor posters, billboards, and media including films to souvenirs and articles for daily use marked with Coca-Cola trademarks (Figure 3.7). For example, Crystal Mineral Water Company, Coca-Cola's Tianjin bottler, ordered fifty pencil tablets, ten score pads, two thousand blotters, and fifty thousand coasters on April 21, 1948.²¹⁵ Four months later, the Company again ordered dozens of upright Coca-Cola metal signs and 100 gross of pencils marked with Coca-Cola trademarks. The metal signs were 20 inches by 28 inches, which were used to fit prewar sidewalk frames in main streets of

²¹³ "advertising materials of Coca-Cola," November 17, 1947, W0026-1-000334. The Tianjin Archive.

²¹⁴ Ibid. July 17, 1948.

²¹⁵ Ibid. April 21, 1948.

Tianjin. One of the most impressive advertisements was a poster in which a half of the Coca-Cola bottle was buried in snow while the other half covered with drops of dew. This image was so tempting in summer that every pedestrian who passed by and sweated under the scorching sun was irresistibly eager to drink even if it was toxic.²¹⁶ The pencils, on the other hand, had considerable value in the Plant's marketing approach to schools and companies. They were presented and distributed to student groups who visited the plant.²¹⁷ The advertising expenditure of the bottlers was considerable. The Tianjin bottler used to plan to spend a minimum of 10,000 U.S. dollars on advertising in 1948 based on 200,000 cases sales.²¹⁸

²¹⁶ "Shanghai guangao lie qu"(Advertisement in Shanghai), *Xingmin Evening News*, September 23, 1948, 4.

²¹⁷ "advertising materials of Coca-Cola," August 27, 1948, W0026-1-000334. The Tianjin Archive.

²¹⁸ "The Coca-Cola Export Corporation Correspondences," June 19, 1947, W0026-1-000127. The Tianjin Archive, 11.



Figure 3.7 Coca-Cola's advertising artifacts in Republic of China.

The first picture is an ice awl with the Coca-Cola trademark on its handle. The second is a bottle opener marked with Coca-Cola. The third is a thermometer used in the Coca-Cola bottling Companies. The fourth is a pencil marked by both English and Chinese Coca-Cola trademarks.

Source: <http://www.ccctrip.net/bbs/viewthread.php?tid=65183&extra=page%3D1> accessed by 12-3-2012.

Although worship of things foreign predominated in Chinese society, foreign products that fit into Chinese culture were even more welcomed by Chinese consumers. Understanding the importance of localizing, shrewd Chinese Coca-Cola bottlers incorporated Chinese elements into advertisement. When ordering advertising materials from the United States, the bottlers requested specific features. For example, in an order

of 1939, the Tianjin bottler particularly pointed out that no steel-workers, Negroes, messenger boys, and other types inapplicable to this territory were required.²¹⁹ Young and modern Chinese ladies instead became advertising spokesmen on Coca-Cola posters. They usually wore cheongsams and had their hair permed, constituting a classical image of a combination of Chinese and western, tradition and modern. On the posts, some of the ladies were playing tennis (Figure 3.8); some were swimming (Figure 3.9); some were having a picnic with friends and the loved ones (Figure 3.10); and others were playing mahjong (Figure 3.11), a traditional and popular Chinese game, while drinking Coca-Cola. Coca-Cola advertising artifacts were accommodated to the local culture, too. To promote the business, Tianjin Crystal Mineral Water Company ordered 4,000 lunar calendar backs from New York in 1947. In the following year, another 2,500 Chinese calendar backs were ordered. The calendar backs were in Chinese and very popular across the country.²²⁰

²¹⁹ W0026-1-000474, April 12, 1939. The Tianjin Archive, 22.

²²⁰ “advertising materials of Coca-Cola,” June 29, 1948, W0026-1-000334. The Tianjin Archive.



Figure 3.8 A piece of advertisement made by the Qingdao Coca-Cola bottler, in which a couple is playing tennis, and Coca-Cola is their sport drink. At the bottom, it says “after workout, please drink Coca-Cola. It is delicious, refreshing, quenching thirst, and relieving fatigue.”

Source: *Xin Min Bao*, Jul 3, 1947, The Qingdao Archive, D000311/00011



Figure 3.9 produced by Qingdao Coca-Cola bottler. Three modern girls are drinking Coca-Cola after swimming. The advertisement says “please drink Coca-Cola after swimming: delicious, refreshing, and increasing the happiness of swimming.”

Source: *Xin Min Bao*, Jul 14, 1947, The Qingdao Archive, D000311/00114



Figure 3.10 Produced by Qingdao Coca-Cola bottler. A young couple brings Coca-Cola to picnic. They are very modern and westernized. They are drinking Coke and eating sandwiches. At the bottom of the advertisement, it says “please bring Coca-Cola to picnic: delicious, refreshing, and endless happiness.”

Source: *Xin Min Bao*, Jul 21, 1940, The Qingdao Archive, D000311/00084



Figure 3.11 Four modern women are playing mahjong while drinking Coca-Cola. It says “please treat your guests with Coca-Cola.”

Source: *Xin Min Bao*, Jul 14, 1947, The Qingdao Archive, D000311/00054

Advertising materials were widely distributed in every possible public site where a certain market was targeted. Schools, universities, parties, and sport events were the youth market that Coca-Cola bottlers endeavored to explore. In Tianjin area, there were 200 schools and universities, of which the Crystal Mineral Water Co. planned to cover 50% in 1948. Transportation sites such as railroad stations, bus stations, boats, and airports were the second place that Coca-Cola advertising materials congested. The bottlers diligently tried to obtain complete coverage of the transportation market on distribution, advertising, and retailing.²²¹ Trains were one of the most ideal places for advertising. Even when all advertising spots in trains on the Zhejiang-Jiangxi railway had been taken, Watson's Mineral Water Company still persuaded the railroad to save some place for Coca-Cola posters. The advertisement on trains was 12 inches by 12 inches, posting on the doors of each carriage and the walls between carriages.²²² Traffic centers such as department stores and theatres were the third place that Coca-Cola advertisement concentrated. In 1948, a piece of Coca-Cola advertisement, in which a hand was holding a bottle of Coke with Chinese characters "having a rest" on the top and "please drink Coca-Cola" on the right side, was set up in almost every theater in Tianjin, including *Mingxing*, *Tianhuaqing*, *Tiangong*, *Guangming*, *Hua'an*, and *Meiqi*.²²³ Crystal Mineral Water Company claimed that they would use "Minitoons" at theaters when they arrived

²²¹ "The Coca-Cola Export Corporation Correspondences," June 19, 1947, W0026-1-000127. The Tianjin Archive, 9.

²²² "posting Coca-Cola advertisement on Zhejiang-Jiangxi railroad," S356-1-9. The Shanghai Archive, 2.

²²³ J0084-1-000910-007, 1948. The Tianjin Archive.

together with special booths, and large department stores would be the focal point of the Company's efforts.²²⁴

Although Coca-Cola advertisement in China was not as widespread as it was in the United States, it was rampant in big cities where none of other products could compare with. The red Coca-Cola trademark and the slogan "please drink Coca-Cola" could be seen everywhere and usually was the largest advertisement in the streets. The classic outdoor Coca-Cola advertisement in which a hand holding a bottle of Coca-Cola was six meters in length and three meters in height (Figure 3.12). Another advertisement was simpler in design but even larger in size: seventeen meters in length and nearly five meters in width (Figure 3.13). In Qingdao, Coca-Cola advertisement became a part of people's life, as if nothing but Coke was the only drink available there. Filled with American advertisement, people who visited Qingdao could not stop wondering if they were in a city of the United States.²²⁵

²²⁴ "The Coca-Cola Export Corporation Correspondences," June 19, 1947, W0026-1-000127. The Tianjin Archive, 9.

²²⁵ Zidan, "Qingdao zhi xia"(Summer of Qingdao), *Xinmin Evening News*, August 7, 1948, 3.



Figure 3.12 This is a Coca-Cola advertisement found in corner street in Shanghai in the 1940s. It is larger than any other advertisement surrounding it. It uses both Chinese and English saying “please drink Coca-Cola.”
Source: *Coca-Cola Overseas*, Aug 1948. P. 21.



Figure 3.13 This is one of the largest Coca-Cola advertisement in Shanghai. Three posts set up side by side. The left one is the classical English Coca-Cola trademark. The middle post is a foreigner introducing a bottle of Coke. The right one is the Chinese Coca-Cola translation.
Source: *Coca-Cola Overseas*, Oct 1948. P. 22.

Besides fixed advertising locations, the bottlers actively sponsored various special events such as sports, picnics, outings, fairs, exhibitions, and carnivals, at which Coca-Cola was sold with profits going to the sponsoring organization. One of the most remarkable events that Coca-Cola sponsored was the seventh national track and field meeting held in Shanghai in 1948, during which the most conspicuous object in the stadium was the huge red Coca-Cola advertising flags flying in the four corners. They seemed as if four guardian warriors standing in a Buddhist temple,²²⁶ higher than everything else in the stadium. They were even higher than the Kuomintang (Guomingdang) party flag and the flag of the game.²²⁷ In the game, Coca-Cola was the only drink supplied to referees and administrators. At the end of each volleyball game, the Police Chief shouted at his assistants “deliver Coca-Cola immediately!”²²⁸ When the game was broadcasted, each program was followed by the advertising slogan—this program was sponsored by the Coca-Cola Company. One audience commented that this game seemed to be given by Coca-Cola.²²⁹

Nevertheless, no matter how dense the advertising bombardment was, for a nation that was eager for modernization, the most tempting seduction was modern science and technology, the core of the modernization process. Yet, the Coca-Cola bottlers accurately grasped it. To demonstrate Coca-Cola’s modernity and hygiene, bottlers made their plants a show place and maintained all prescribed standards in building designs,

²²⁶ “shun xi fan hua, quan yun shuijiao” (fleeting prosperity, quietness of the national sport competition), *Xingmin Evening News*, May 10, 1948, 4.

²²⁷ Afen, “wei wang de yin xiang”(Memory cannot be forgotten), *Xingmin Evening News*, October 11, 1957, 6.

²²⁸ Ibid.

²²⁹ “Di qi jie quan guo yun dong hui xin wen, quan yun hua xu” (News about the seventh national track and field meet), *Xingmin Evening News*, May 16, 1948, 4

uniforms, sanitation, etc. Crystal Mineral Water Company, for example, had their soda machines exposed behind giant glass windows along the streets, through which pedestrians could have a good view on the equipment. Its factory buildings were modern and high with extremely clean condition inside.²³⁰ To ensure the sanitation of each bottle, each worker had to pass a physical examination before being hired and all of them must wear white uniforms and hats in the factory (Figure 3.14). Every year, the bottlers promoted plant visits by school groups, doctors, teachers, and government officials, the number of which increased yearly. In 1947, there were 1,000 people visited Crystal Mineral Water Company, while the number increased to 5,000 in the following year.²³¹

²³⁰ Jie, “zhi zao Coca-Cola de shanghaiguan qishui gongsi” (The Coca-Cola bottler—Crystal Mineral Water Company), *gong ye yue kan* (industrial Monthly), vol. 5, no.7, Jul 1, 1948, 20.

²³¹ “The Coca-Cola Export Corporation Correspondences,” June 19, 1947, W0026-1-000127. The Tianjin Archive, 11.



Figure 3.14: How to make Coca-Cola?

Filling and sealing-up processes in Watson's Mineral Water Company. A worker wearing a white gown and a hat for sanitation was checking the bottles.

Source: "zen yang zhi zao Coca-Cola?" (How to make Coca-Cola?) *Yi Wen Hua Bao*, issue 1, 1947.

During the visit, Chinese visitors were astonished by the scientific production, management, and the modern technology that the Coca-Cola plants presented. Scientific, modern, sanitary, and efficient were the frequently compliments heard from visitors. The high visibility of the Coca-Cola production process made the three plants examples of modern industry in China. Industrial and business journals and newspapers diligently introduced the scientific process of producing Coca-Cola to the public. One article published in *the Industrial Monthly* of 1948 used two and a half pages to elaborate how Coca-Cola was produced in Crystal Mineral Water Company:

“There were three crucial processes in producing a bottle of high-quality Coca-Cola: water treatment, syrup preparation, and bottling. Water, which constituted 5/6 of a bottle of Coca-Cola, was crucial to the quality. Surface water and well water was either unsanitary and unhealthy or too hard to produce Coca-Cola. The unique water treatment facility in Crystal Mineral Water Company, however, could automatically disinfect and demineralize water before use. This machine was fully automatic, requiring no operating all the time but periodically adding chemical reagent, and processing 550 gallons per hour. It uses chlorine to kill bacteria and uses Aluminum sulfate and lime to soften the water. The suspended solids in water were then filtered by sand and the remaining chlorine and organic pigments were absorbed by activated carbon. The water treatment part was supervised by a Chemical Engineering Graduate from Beiyang University named Shao Changfu, who was proficient in water treatment. Syrup was the second important component for a bottle of good Coca-Cola. Coca-Cola concentration, known as the seven mysterious X, was imported from the United States, and for the past sixty years no one could duplicate it. The final step—filling and sealing-up—was important, too. Before filling, each recycled bottle must be carefully washed. Automatic bottler washer in the Coca-Cola plants could accomplish the job perfectly. After bottles were bottom-up put on the conveyor lines, they were automatically delivered to a metal box equipped with nozzles, in which surface dust was washed off by warm running water. They were then automatically delivered to a container filled with 3.5% sodium hydroxide solution in the temperature of 135 degrees Fahrenheit. After 10 minutes of washing and

disinfecting, the bottles were transferred to a third container and rinsed by processed water. Finally, the belt brought the bottles to the inspection machine which examined the cleanness of bottles under fluorescent light. Meanwhile, to fully carbonate the water, carbon dioxide and water must be mixed to a proportion of 3.5 to 4 percent in a very low temperature. Any excess or insufficiency of carbon dioxide would affect the taste and the quality of Coca-Cola. After filling and capping, each bottle of Coca-Cola would be examined under fluorescent light again. Only bottles with clear liquid were finally packed and put on the market.”²³²

The Coca-Cola bottling plants impressed the public with a scientific, automatic, and mechanized image. From bottle washing to packing, hand touch was completely avoided. Some visitors praised that “Coca-Cola bottles in Watson’s Mineral Water Company looked like disciplined soldiers that neatly lined up and moved automatically. Watson’s bottling equipment, which was once used by U.S. military forces during the war and then was imported from the other side of the Pacific, was unique in China, producing 150 bottles of Coca-Cola every minute.”²³³ To ensure high-quality products, the plant’s inspection system was very strict. It was said that 2% of bottled Coca-Cola were discarded every day because of minor defects. Based on a daily output of 60,000 bottles in 1934, the total waste of Coca-Cola was 1,200 bottles every day.²³⁴ If compared

²³² Jie, “zhi zao Coca-Cola de shanghaiguan qishui gongsi” (The Coca-Cola bottler—Crystal Mineral Water Company), *gong ye yue kan* (industrial Monthly), vol. 5, no.7, Jul 1, 1948, 20-22.

²³³ Zhikun, “kekoukele de niang jia men: quchengshi qishui gongsi”(Coca-Cola’s home: Watson’s Mineral Water Co.), *Shi Shi Xin Bao* (Current Daily News), August 23, 1947.

²³⁴ “A gift in summer,” *Young Companion Pictorial* (*Liang You Hua Bao*), issue 92, 1934, 18.

the Coca-Cola plants to the museum of modern science and technology, Coca-Cola's modern distribution system—Coca-Cola trucks—became a mobile exhibition that delivered the modern and scientific image to every street in the cities. The Coca-Cola bottling plants were the first companies in China that used trucks in distribution. Watson's Mineral Water Company had six garages in the plant and six big Coca-Cola trucks driving back and forth across the town for delivery.²³⁵ The trucks with rack type body together containing 2000 pieces of ½ depth cases were imported from the United States. All trucks had a standard painting, yellow for the truck bodies with red trademarks on the doors. Advertising slogans, “every bottle sterilized” and “delicious and refreshing,” were posted on the top of selected trucks. Every morning, Coca-Cola trucks stopped by ballrooms, coffee shops, and restaurants. In Republican China where rickshaws were the major means of transportation, modern Coca-Cola trucks became distinguish and beautiful scenery in the cities, delivering fresh Coca-Cola door to door every morning.²³⁶

²³⁵ “inspection on Watson's Mineral Water Company,” *shang ye za zhi* (Business journal) November 1, 1926, 2.

²³⁶ Zhikun, “kekoukele de niang jia men: quchengshi qishui gongsi”(Coca-Cola's home: Watson's Mineral Water Co.), *Shi Shi Xin Bao* (Current Daily News), August 23, 1947.



Figure 3.15 Coca-Cola trucks in Watson's Mineral Water Company
All of the trucks were imported from the United States and responsible for delivery Coca-Cola in Shanghai every day.
Source: <http://www.ccctrip.net/bbs/viewthread.php?tid=65183&extra=page%3D1>
accessed by 12-3-2012.

The boom of the Coca-Cola business since 1945

With the aid of advertising campaigns, Coca-Cola's sales skyrocketed. By the late forties, Coca-Cola dominated the beverage market in Shanghai. Its popularity not only exceeded beers and orange juices, but also beat the once popular ice-cream named Beauty, produced by Henningsen Produce Company, Ltd (海宁洋行). Even Aquarius' soft drinks, people's favorite beverage in the past, could not compete with Coca-Cola.²³⁷ In 1947, the daily sale of Coca-Cola in Shanghai increased to 180,000 bottles.²³⁸ From

²³⁷ "The secret of Coca-Cola," *Saturday*, issue 88, 1947, 8.

²³⁸ Zhikun, "kekoukele de niang jia men: quchengshi qishui gongsi"(Coca-Cola's home: Watson's Mineral Water Co.), *Shi Shi Xin Bao (Current Daily News)*, August 23, 1947.

June to August, the average monthly tax paid by Shanghai Coca-Cola bottler was one billion *yuan*.²³⁹ By 1948 Shanghai became the first market outside of the United States to post annual sales of more than one million cases of Coca-Cola.

Although Coca-Cola did not change its formula, within decades it transformed from a drink that tasted like a cough syrup in Chinese people's minds into popular summer refreshment. In contrast to the negative comments on Coca-Cola's flavor in the twentieth, people started to compliment the Coca-Cola's flavor after the war. One Shanghainese told a journalist that he loved Coca-Cola because of its special flavor: "the brown drink (Coca-Cola) looks like *Wu Jia Pi* (五加皮), a Chinese medical wine; it also like a kind of beer with the brand name called the Sun. I love Coca-Cola's special aroma, sweetness and astringent, which remind me the smell of herbal medicine I took when I was sick. Coca-Cola is neither as cold as ice-cream that makes teeth trembling, nor as sparkling water full of bubbles that cause burps. Coca-Cola is an excellent refreshing drink to reduce heat in summer, even better than a cup of *Longjing* tea.²⁴⁰ In the sultry dusk, a sip of Coca-Cola from the goblet instantly refreshes the body and drives away sultriness and loneliness."²⁴¹ The other Shanghainese described how wonderful he felt after drinking a bottle of Coca-Cola. "After drinking Coca-Cola, your body feels cool, refreshing, comfortable, and sweet. One bottle is nothing more and nothing less. The 3,000 *yuan* is worth, since you are perfectly satisfied after drinking."²⁴² In addition to the

²³⁹ Zhang, *Xingmin Evening News*, Oct 7, 1947, 4.

²⁴⁰ Longjing tea, growing in Zhejiang province, is one of the best green tea in China.

²⁴¹ "I love Coca-Cola," *Xingmin Evening News*, August 10, 1947, 3.

²⁴² "Coca-Cola's home: Watson's Mineral Water Co.," *Current Daily News (Shi Shi Xin Bao)*, August 23, 1947. There was a huge inflation in the late 1940s. The money value changed rapidly, sometimes even

flavor, Coca-Cola bottles were also loved by Chinese people. They commented that the bottle's beautiful curve with a slim waist looked like a young woman's sexy body, charming and adorable.²⁴³ Coca-Cola bottles had an elegant shape and an exquisite design, which reflected the taste of the upper-class in society.

Besides the issue of taste, Coca-Cola's high prices further confined Coca-Cola consumption within Chinese middle and upper classes. The market price of a bottle of Coca-Cola in Shanghai in 1947 was 3,500 *yuan*, and the price doubled at cold drink shops and restaurants.²⁴⁴ Coca-Cola's price increased dramatically when a huge inflation took place in 1948. In April 1948, a bottle of Coca-Cola in Shanghai Bund Park was sold at 86,000 *yuan*. Three months later it increased to over 300,000 *yuan*, which equaled to a half price of a big watermelon sufficient for a family of three. In those years, prices of Coca-Cola drinks in a dinner party usually exceeded the cost of the meal.²⁴⁵ 300,000 *yuan*, the cost of a bottle of Coke in summer 1948, was equivalent to a bowl of beef noodles, or 4 flatbreads and fried bread sticks, or two magazines.²⁴⁶ In other cities where no Coca-Cola bottling plants located, Coca-Cola was more expensive. Since Shanghainese were fascinated about Coca-Cola, there was almost no surplus to supply cities outside of Shanghai. Take Nanjing for example, Coca-Cola was so rare in the local market that its price increased to 5,000 *yuan* in 1946, which was eight times higher than

changing every day. A bottle of Coca-Cola in 1947 cost 3,000 *yuan*, while in 1948 the price increased to 300,000 *yuan*.

²⁴³ Ibid.

²⁴⁴ "Shanghai Dian Di" (Shanghai stories), *Xinmin Evening News*, August 22, 1947, 4.

²⁴⁵ "Shanghai Dian Di" (Shanghai stories), *Xinmin Evening News*, April 22, 1948, 4.

²⁴⁶ "Shanghai Dian Di" (Shanghai stories), *Xinmin Evening News*, July 20, 1948, 4.

prices of other brands.²⁴⁷ In Qingdao, Coca-Cola as a luxury became one of favorite targets of thieves. Local newspaper reported that in the midnight of August 9, 1948, four thieves who were stealing Coca-Cola from the U.S. military club in Hubei Road were caught by the patrol police, and six cases of Coca-Cola were seized.²⁴⁸

In all big cities, Coca-Cola was rich people's favorite. Celebrities were particularly crazy about Coca-Cola. A movie star named Yin Xiucen (殷秀岑), who was probably the fattest actor in China and famous for the role he played as the second son of a local tyrant in the movie called "A Peasant's Tragedy," drank more than twelve bottles of Coca-Cola every day in summer. He often patted his protruding stomach, joking with his colleagues that "most my salary was here."²⁴⁹ Yin Xiucen's case might be rare and extreme, but to a great extent, it reflected Chinese people's preference on drinks. For people in middle and upper classes, Coca-Cola somehow was integrated into unspeakable social customs. For example, Coca-Cola was a must-drink beverage when dating a girl. Especially when girlfriends had a temper and Coca-Cola was the best therapy to calm her down. Sick in bed was another situation when patients could ask for special care. A steamed egg was a special treatment for the sick poor, while Coca-Cola was the desirable food for sick people of the middle class.

In the late forties, the Broadway of Shanghai, *Da Ming* Road at *Hongkou* district where bars, cafes, and ballrooms clustered, was decorated by neon lights and filled with aroma of Coca-Cola. In hot days of summer, Coca-Cola was especially popular. In

²⁴⁷ Eryi, "Coca-Cola," *Qiu Hai Tang* (Begonias), 1946 (10).

²⁴⁸ "Stealing Coca-Cola in the midnight," *Qingbao*, August 11, 1948. D000021/00021. The Qingdao Archive.

²⁴⁹ "Xianggang ying xun," (Hong Kong movie newsletter) *Xinmin Evening News*, August 1, 1948, 4.

summer 1946, Watson's produced 36,000 bottles of Coca-Cola every day, but it hardly met the demand in Shanghai. More than a half of bars, cafes, and western restaurants asked Watson's to increase their rations.²⁵⁰ In 1947, Watson's increased its productivity to 240,000 bottles a day, but still could not satisfactorily meet the demand. A worker in the Company made a joke that "Shanghai was a big Coca-Cola drinking pool, no matter how many drinks are produced, they will be gone immediately."²⁵¹

Encouraged by the rapid expanding market, Coca-Cola Export Corporation began to take active measures to their Chinese business. After sporadic cooperation with Shu-Lun Pan Company, a well-known accounting firm in Shanghai, over the past decades, the Coca-Cola Export Corporation in the late forties formally asked for a retainer service. The service included "first, to obtain data and information, financial and otherwise, on positive applicants for Coca-Cola operations; second, to have Shu-Lun Pan's local branches in Nanjing and Chongqing collect and send information and data at such time as Coca-Cola Company may need some; third, to make use of any correspondents which Shu-Lun Pan may have in other cities in China with regard to legal representation; forth, to discuss with China's Government regulations on Import Licenses, Customs duties, etc., concerning the business of authorized bottlers in China, and the like."²⁵² Except item 3, as there were no correspondents in other cities in China, Shu-Lun Pan Company began to be responsible for giving general advice in matters relating to taxation, registration,

²⁵⁰ Malasong, "kekoukele feiji yun hu"(Coca-Cola arrived at Shanghai), *Hai Tao*, 1946(26).

²⁵¹ "Coca-Cola was sold well in Shanghai, the daily sale reached 14000 dozens," *Qing Bao* (evening edition), August 17, 1947, D000029/00034. The Qingdao Archive.

²⁵² "Correspondence between Shu-Lun Pan Company and Coca-Cola Export Corporation," April, 1947, Q90-2-619. The Shanghai Archive, 6.

trademark, auditing and accounting, and also in things concerning Chinese Business Laws and Regulations.

Assisted by Shu-Lun Pan Company, Coca-Cola Export Corporation registered their trademark “Coca-Cola” with the National Government. After the first registration in 1925, their abbreviation trademark “Coke” was also registered in 1943 under the Aerated Water Group of Class 39 and the Fruit Juice Group of Class 39 from the Bureau of the Trademarks in Chongqing. When the trademark was expired in 1944, the Corporation renewed it for another ten years.²⁵³ As the business kept flourishing in China, besides registration the Corporation in 1948 decided to replace the previous informal individual inspection officer with a formal Company branch in Shanghai for maintaining qualified representatives and experts to supervise preparation and bottling by the authorized bottlers. The branch was in the charge of John Bingham Sherwood, who was given a power of attorney by the Coca-Cola Export Corporation as its representative to act upon all matters relating to the registration of the branch of the Corporation in China, and with ample powers to manage the operation of the branch of the Corporation after it was established.²⁵⁴ The responsibility of the Shanghai office included:

“First, supervise bottlers. Second, undertake such work as may be necessary to assist in protecting the trade mark rights belonging to the Coca-Cola Export Corporation, and make surveys and collect information pertaining to the business of bottling and promoting the sale of Coca-Cola in China. Third, it is

²⁵³ “Correspondence between Shu-Lun Pan Company and Coca-Cola Export Corporation,” Q90-2-133. The Shanghai Archive.

²⁵⁴ “Correspondence between Shu-Lun Pan Company and Coca-Cola Export Corporation,” April, 1948. Q90-2-537. The Shanghai Archive, 10.

also intended, when conditions permit, that this office may engage in the manufacture, importation and sale of Coca-Cola Concentrate and Coca-Cola Syrup in China, and to carry out any other business objects mentioned in the Certificate of Incorporation of the Coca-Cola Export Corporation.”²⁵⁵

As Coca-Cola business continuously expanded, some Chinese businessmen wanted to become Coca-Cola bottlers. Since 1947, the Coca-Cola Shanghai office received a number of applications across the country. The office asked Shu-Lun Pan Company to investigate their financial background and resources, the types of business the applicants were engaged and their various connections, business standing in the community and political connections, etc.. One application for a Coca-Cola bottler in Nanjing was from a man named Benjamin K.Y. Wang, a native of Anhui province who came from a well-to-do merchant family. Wang’s father was the proprietor of two retail stores in Shanghai. Before the war, Wang worked for two foreign firms in Shanghai for a short while. During the wartime he remained helping run family business. By the time of application, he was serving as a Managing Director for the China National Development Corporation, a new firm working with the business of commission agents to deal with import and export issues. Wang had experience in soft drink business. During the Japanese occupation when foreign firms were forced to close down, Wang and his colleagues used to sell “blue spot,” a local soft drink brand. Their products were sold to theatres, restaurants, and retailers at a competitive price in 1943. But because of lacking raw materials and facilities during the wartime, their business did not survive. Wang and

²⁵⁵ “Correspondence between Shu-Lun Pan Company and Coca-Cola Export Corporation,” October 19, 1948. Q90-2-537. The Shanghai Archive, 7.

his friends were interested in re-establishing soft drink business, hoping the Coca-Cola Export Corporation give them a privilege of being the exclusive representative in Nanjing. To convince the Corporation that Nanjing was a good location, he listed four reasons:

“First, we have a vacant piece of land at factory district (outside of Water West Gate). The size is about 2-3 *mu*, feasible for building any factory building, cold storage, or Coca-Cola Plant with supplied equipment. Second, we have an office at the best residential quarter at 514 *Hunan* Road, which is airy and ideal for the Coca-Cola head office. Third, there is a large four storied building at the busiest corner i.e. *Xin Jie Kou*, which can be well furnished and used as the distributing center, because orders from downtown areas can be quickly processed. Forth, in Nanjing social connections are obtainable through high social personages who conduct and serve cocktail parties and other social functions.”²⁵⁶

Considering Wang having limited liability to his firm and that Wang’s bank information was insufficient, Coca-Cola Shanghai office rejected his application.

In the following year, another five Chinese businessmen, Sun Zhaoming, Xu Datong, Dong Hefu, Dai Xiaoti, and Qian Peirong applied for Coca-Cola bottling franchise in Taiwan. Although all of them were considerably wealthy and successful in their respective lines of business, none of them had any experience in cold drinks. They had no established business interests in Taiwan, except for China Merchants Import & Export Company, Ltd. run by Sun Zhaoming, who had already filed application for

²⁵⁶ “Correspondence between Shu-Lun Pan Company and Coca-Cola Export Corporation,” August 8, 1947, Q90-2-619. The Shanghai Archive, 109-137.

registration of its Taiwan Branch.²⁵⁷ Therefore, these people's applications were not approved, either.

Comparing to the condition in the early thirties, Chinese retailers were also interested in Coca-Cola business. In 1948, a Shanghai shopkeeper named Y. T. Sun sent a letter to the Coca-Cola Company, in which he showed a big interest in Coca-Cola. He told the Coca-Cola Company that his store had all kinds of cold drinks except Coca-Cola. He was extremely interested in starting business with the Coca-Cola Company, so that his cold drink business could be more completed than his peers' in Shanghai. In the letter, Sun also asked for some Coca-Cola signs, posters, and souvenirs to attract customers.²⁵⁸

Conclusion

Science, technology, and medicine as a cultural configuration have become a new social order in twentieth-century China. "Included in the configuration are not only capitalism and colonialism, but also certain ways of thinking and relating."²⁵⁹ Since the Opium War, science, technology, and medicine were considered as an important approach in China's modernization. Its influence extended beyond intellectual levels and national politics, impacting the realm of everyday life including consumption. When science and technology became a category in commodification, western products which were undesirable in the past turned into something modern and indispensable. With the

²⁵⁷ "Correspondence between Shu-Lun Pan Company and Coca-Cola Export Corporation," August 8, 1947. Q90-2-619. The Shanghai Archive, 86-108.

²⁵⁸ *Coca-Cola Overseas*, June 1957, 12.

²⁵⁹ S. Ravi Rajan, "Science, state, and violence: an Indian critique reconsidered," *Science as Culture*, 14:3 (2005): 265-281.

help of advertisement and education, soft drinks not only became an alternative choice for hygienic drinking, safe and tasty, they also developed into a symbol of summer. Since bottled soft drinks were easy to carry around than tea or sour plum juice, they were popular in various social occasions such as dancing, workout, and picnics. As what Kopytoff suggests commodity has biography, soft drinks attached with multiple meanings and powers had its history in China, too.²⁶⁰ While Winship Woodruff endeavored to turn Coca-Cola into a synonym of democracy and friendliness, Chinese elites made Coca-Cola into an insignia of taste, identity, and modernity. At the same time, ordinary Chinese people at the other tier of the society were equally influenced by modernization frenzy. When could not afford luxuries, they resorted to cheap imitations to satisfy their desire for modernity.

²⁶⁰ Kopytoff, "The cultural biography of things: commoditization as process," in Appadurai, *The Social Life of Things*, 64-91.

CHAPTER 4

AMBITIOUS STATE, UNRULY PEOPLE: STATE REGULATIONS AND SOCIAL VIOLATIONS

Science and technology as a category of consumption had an equal influence on the other tier of the Chinese society—the masses, though it often ended with twisted results. Admiring the lifestyle of the elites but being poor, ordinary Chinese people produced a grassroots culture of imitation. Culture of imitation existed at both upper-class and grassroots levels. At the upper-class level, Chinese elites directly transplanted western products and lifestyle onto the Chinese soil in order to facilitate modernity, whereas ordinary Chinese people creatively and perfectly integrated foreign elements into their local culture. The integration was so seamless that sometimes it was hard to distinguish one from the other. However, the integration often led to serious and unexpected social problems. These problems on the one hand forced the state to reexamine the meaning of modernity and thus facilitated the building of a modern state; on the other hand the state's ambition was frequently challenged and disturbed by the unruly masses.

After discovering the secret of soft drink manufacturing, cheap imitations appeared wildly on Chinese market. They were sold in unsanitary bottles or buckets, which were used to store plum juice or herbal tea at street drinking booths. Cheap soft drink imitations, though by no means was a modern business, provided ordinary Chinese urbanities with opportunities to meet their desire for exotics and modernity. However, brand infringements and sanitation problems caused by the grassroots copy culture mobilized the state to improve the legal system and enforce regulations. This chapter

focuses on the culture of imitation on soft drinks at a grassroots level in Chinese cities. It investigates the intricate relations and tensions among street peddlers, soft drink companies, and the government. Finally, it shows how technological innovations became an alternative solution for the sanitation problem, though they did not work perfectly due to the complicated state-public relations.

Copy Culture and Brand Infringements

While brand-name soft drinks were used by elites as a visual evidence of social status, cheap imitations satisfied the demand for modern commodities among ordinary people who constituted the other end of the two-tier economy. This copy culture, which produced the two-tier economy that was at the heart of social differentiation in China, allowed price demand and luxury demand to exist side by side, transforming the extravagant into the ordinary over time, gradually turning the luxury surplus into a daily necessity: a market dominated by a large number of relative poor people forced producers to come up with cheap goods.²⁶¹ Soft drinks, which had now been established as a daily necessity in summer, were expensive to ordinary people. Journals and magazines encouraged people to make the beverage at home. For families having children, cheap and easy-making soft drinks were particularly desirable. Every summer, children's and women's magazines published a series of articles teaching children and mothers to make soft drinks at home. Materials needed were simple: citric acid, soda, boiled water, sugar or fruit syrup, and a soft drink bottle with a preference for ramune soda bottles. Mix

²⁶¹ Dikötter, *Exotic Commodities*, 46.

syrup and water at a ratio of 1 to 2, and then add soda and citric acid and put the bottle upside down with a palm seal the mouth of the bottle. Affected by gravity, the marble falls down to the mouth and seals the bottle. When the bottle is standing upright, the marble still hold in place by the pressure of the carbonation in the drink.²⁶² (Fig. 4.1, image A to E)

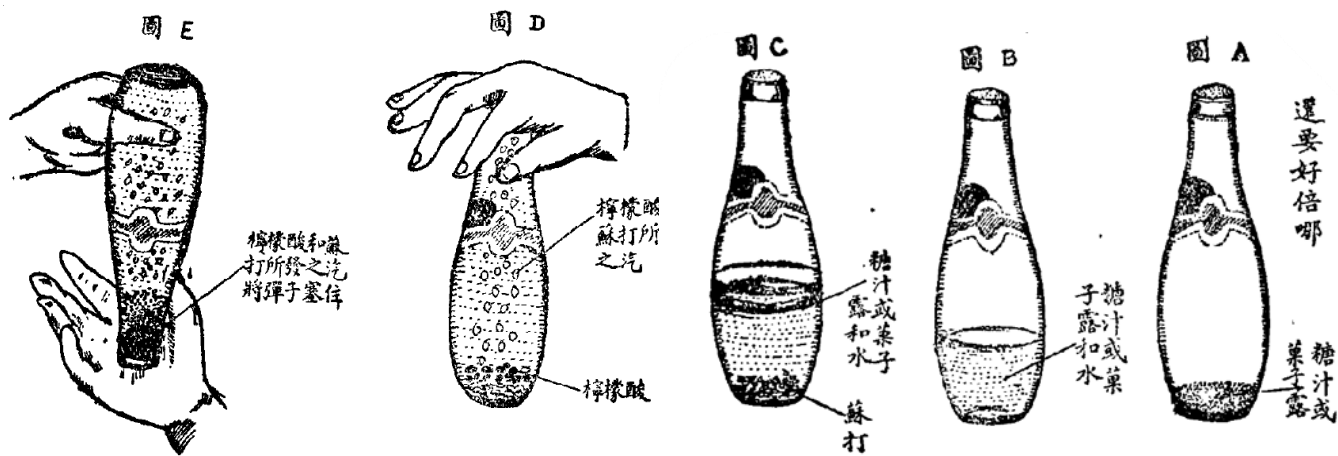


Figure 4.1 Process of making soft drinks at home. Pictures A to E teach people how to make soft drinks at home. Source: Xia, Xingshou, “qishui zi zhi fa” (make soft drinks at home), *shao nian* (Juvenile), issue 7, 1924. pp. 74-76.

Since home-made soft drinks were cheap and easy to produce, they were soon integrated into traditional Chinese drinking business (e.g. plum juice and tea booths along the streets. See chapter 2) and rapidly grew into a popular business for small peddlers in summer. Some peddlers collected used soft drink bottles and filled them with cheap drinks. Others skipped the carbonation process altogether, producing and storing the

²⁶² Xia, “qishui zi zhi fa,” (make soft drinks at home) *shao nian* (Juvenile), issue 7, 1924, 74-76.

water and juice mixture in a large iron bucket with a tap attached to the bottom as if they were making plum juice or herbal tea (Figure 4.2). To keep the drink cold, some buckets had two layers, the space between which was filled with ice. In summer especially in the afternoons, drinking booths began to spread out along the roads. Vendors set up a table with a large board and several stools, on which there were several glasses, bottled soft drinks, or a bucket. To attract more customers, some booths also sold shaved ice, placing their ice blocks on the table, covered with a piece of white cloth. When a customer came, vendors opened a bottle of soft drink and poured it into the glass. If they were using a bucket, they poured the drink into glasses and covered them by pieces of glass to keep flies away. The drinks had various colors: red, green, and yellow, which were particularly attractive to children. Prices were cheap. In 1930, when ice-suckers were eleven cents and ice-creams were forty to fifty cents at cold drink stores, soft drinks at street booths cost only three to five cents for one glass, which was just a little bit expensive than a cup of tea. The hotter the weather was, the better the business would be. All customers were the working class in cities such as rickshaw drivers and porters. Sweating and exhausted from heavy physical work, they stopped by the booths and had a cup of drinks to drive away heat and fatigue all day.²⁶³

²⁶³ Huang, “xia ji yinliao shi chang de jian yue”(Investigation on the soft drink market in Shanghai), *Shanghai sheng huo*, (*Shanghai life*), 1930(7): 30.

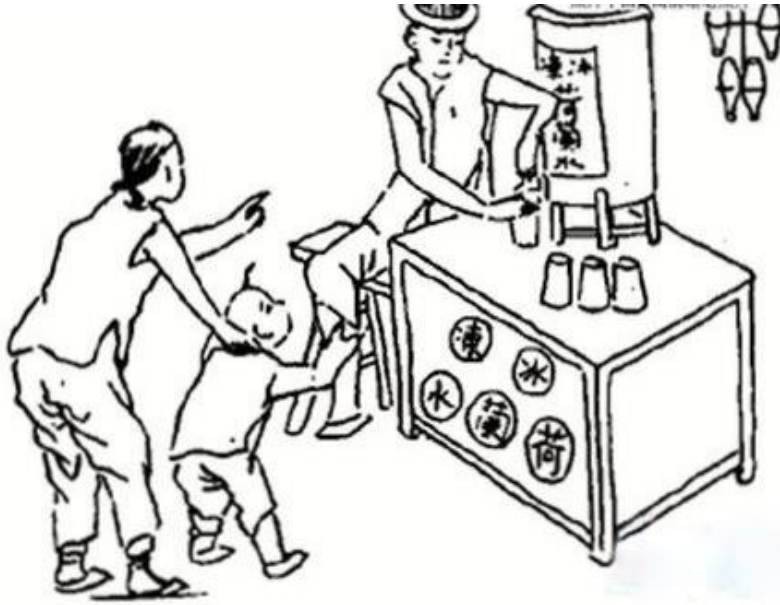


Figure 4.2: Cartoon: the Dutch water kiosk.

A kid is asking his mother to buy a cup of Dutch water from the kiosk.

Source: <http://www.picturechina.com.cn/bbs/thread-142229-5-1.html>, accessed by 1-12-2013.

Brand-name products always received higher recognition among consumers and were the favorites of the middle and upper class who were using them as a social identity. High prices of these products restricted the poor from consuming, but it could not constrain people from consuming fantasy, a fantasy that was not only about the goods but about improving social status attached to the commodities. Touching the goods, holding them for a while, or getting a fake one would easily cheer up the poor. The fantasy of the grassroots was a breeding ground of the Chinese copy culture, which was still vibrant in twentieth-first-century China. In soft drink business, the copy culture was prevalent since the early twentieth century. To promote business without extra cost, some vendors, small businessmen, sometimes even foreigners, either imitated well-recognized trademarks or bottled cheap drinks in brand-name soft drink bottles. In treaty-port cities where brand-

name soft drinks had the best sales, brand infringement was even worse, victims of which included both Chinese and foreign companies.

One serious soft drink brand infringement case took place in Tianjin in the first decade of the twentieth century. The trademark of *Hong Xing* Soft Drink Company, one of the well-known Chinese soft drink companies in Tianjin, was frequently infringed. The Company's trademark contained two dragons facing the Sun (*Shuang Long Chao Ri*), printed on every bottle owned by the Company. However, the Company later found their bottles were also used by other Tianjin soft drink companies *De Li* and *Chang Li Shun*, which bottled their drinks with Hong Xing's trademark. The infringement was soon reported to the municipal government and the two companies were punished, but in the following years more trademark infringements were found. In 1907, 177 bottles of poor-quality drinks marked with *Shuang Long Chao Ri* were found in sixty stalls, and the names of the suppliers were then forced to be disclosed and exposed to the public. Besides the illegal use of Hongxing's trademark bottles, the Company also discovered two soft drink companies, *Wei Sheng* (Sanitation) in the North Gate Street and *Chun He Shun* in the British Concession, were using counterfeit trademarks, which was similar to Hong Xing's "Two Dragons Facing the Sun." Although the colors and the fonts in the counterfeit trademarks were slightly different from that of Hongxing, the Company claimed the image of *Shuang Long Chao Ri* was designed and exclusively owned by Hongxing Soft Drink Company and no one else had the right to use or imitate. These

companies using similar trademarks were, in fact and apparently, trying to confuse and cheat consumers.²⁶⁴

To protect the interest of the Company, *Hong Xing* sent a letter to the Chamber of Commerce of Tianjin, asking for an immediate market regulation. They wrote “currently the Department of Commerce was emphasizing on industry and commerce promotion, while specialized provisions on commercial infringement and fraud became completed and clear. These companies which stole our bottles to bottle poor-quality drinks and copied our trademark not only hurt the interest of our Company, but more importantly broke the law of the state.”²⁶⁵ There were five companies listed in the letter including *Wei Sheng* in the North Gate Street, *Fu Kang* and *Chen Jing Chun* in the Japanese Concession, *Chun He Shun* and *Da Ping* in the British Concession, among which two of them were Japanese companies, while the other three were owned by Chinese merchants. According to *Hong Xing*’s investigation required by the Chamber of Commerce, two Japanese companies—*Chen Jing Chun* and *Da Ping*—frequently bottled their coarse drinks in *Hong Xing*’s bottles, while other three Chinese companies—*Fu Kang* run by Chunkui Wu, *Wei Sheng* managed by Runtian Li, and *Chun He Shun* operated by Fuqing Zhai and Chunpu Feng—either stole *Hong Xing*’s bottles or copied the trademark. Some of them did the two simultaneously.

Despite the petition and the criticism from *Hong Xing*, the Chinese Government barely took any action, especially when foreign merchants were involved. One reason

²⁶⁴ The Tianjin Archive, *Tianjin shanghai dang'an huibian* (*Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1903-1911*), 1192.

²⁶⁵ *Ibid.*

was the Chinese government was so weak after the Opium War that the Chamber of Commerce did not have the right to summon foreigners for interrogation. The Hongxing trademark dispute, therefore, had to be submitted to the consulate, where a hearing informing the Japanese embassy to forbid the commercial delinquencies. The other reason for the rampant brand infringements was China's incomplete trademark laws. Although trademarks were used in common practice for an unknown date for distinguishing industrial products, the importance of their protection by the government was never thought of. The conclusion of commercial treaties by China since 1904 with foreign nations drew the attention of Chinese government for the first time to the question of trademark protection. A provision was invariably made in the treaties that foreign trademarks should be registered and protected by the Chinese government in accordance with regulations promulgated by it. The demand of protection was, therefore, initiated by foreign merchants and pressed on the Chinese government through their respective ministers.²⁶⁶

The first Provisional Regulations for registration of trademarks was framed up in 1905 and approved by the Qing Emperor to be put into effect. The articles calling for registration and protection of trademarks, provided that the Chinese Maritime Customs at Shanghai and Tianjin were to be the branch offices of the Ministry of Commerce, which should receive applications, assign each of them a particular number and date of its deposit, and transfer them to the Trademark Department for Provisional Registration. However, in the following eighteen years after 1905, many attempts were made in vain to

²⁶⁶ "The Chinese trademark law and its enforcement," *The Shanghai Evening Post and Mercury*, October 16, 1933.

enact a trademark law either because of the failure in negotiating its acceptance with foreign countries or the internal troubles.²⁶⁷ Yet the changes in the eighteen years paved the way to the final enactment of the first Chinese trademark law.

Following the end of the European War of 1914, China's diplomatic relations with foreign countries improved. The tremendous expansion of import trade brought with it an immense number of foreign trademarks, about 30,000 in round number, which were only filed in the Chinese Maritime Customs with registration that could give them the necessary legal protection, according to commercial treaties. In the meantime, the remarkable growth of the Chinese industries also gave rise to the demand of protection on the part of the Chinese manufacturers as well. Thus in the year 1923 the first Chinese Trademark Law was duly enacted by the national Assembly and promulgated by the Government on the third day of May of the same year. On the 15th, the first Chinese Trademark Bureau was inaugurated by the Beiping (Peiping) Government. The bureau was first placed under the Ministry of Agriculture and Commerce but later transferred to the Ministry of Industry.²⁶⁸

Although the Chinese trademark system improved after 1923, trademark infringements never disappeared. As Coca-Cola was growing into the most popular soft drink in China, it became the most frequently infringed brand. In the forties, cheap drinks bottled in Coca-Cola bottles were often seen in the streets, which significantly harmed the interest of the Company. Seeing the situation deteriorating from bad to worse, the Coca-Cola Company made a serious announcement in newspapers, claiming that the Company

²⁶⁷ Ibid.

²⁶⁸ Ibid.

had the exclusive right on the trademark as well as the bottles. Anyone who was illegally using Coca-Cola bottles must return the bottles to the Company; otherwise the Company would resort to laws.²⁶⁹

If bottling cheap drinks in Coca-Cola bottles was an obvious violation to the trademark law, using similar brand names was a hidden and smart way to evade the fledgling trademark system. After the end of the Second World War, the market of Coca-Cola was so flourishing that many businessmen wanted to have a share. In addition to the increasing applications for Coca-Cola retailers and bottlers, there was a growing number of various cola products appeared on the Chinese market and many of them had similar logo images as the logo of Coca-Cola. Just in Qingdao, there were five soft drinks registered under the name of cola and all of them were produced by Chinese companies. They used very similar brand names as Coca-Cola with only slight changes in spellings. For example, the Long Quan (Lung Chuan) Mineral Water Company, a small Chinese company operated by a fifty-year-old man from Yantai and fourteenth workers since 1946, started to produce Long Quan Coca-Cola in 1947.²⁷⁰ Their English logo was similar to the logo of Coca-Cola, except replacing “C” with “h” in the word “cola,” but their Chinese trademark characters were exactly the same as Coca-Cola’s Chinese translation (Figure 4.3 second row right). Some companies kept the word “cola” but merely rephrased the first part in their brand names. For example, Mei Hua (American China) Mineral Water Factory named their product Vita Cola, the log of which had a similar design as it was in American Coca-Cola Company. Imitating the spencerian

²⁶⁹ *Da Gong Bao*, May 1, 1948, 1.

²⁷⁰ “Long Quan Mineral Water Company,” B0038-001-01494. The Qingdao Archive.

cursive script of American Coca-Cola logo, in which a tail extending from the first letter “C” went underneath the word Coca, Vita Cola designed a long tail derived from the first letter “V” and flied underneath the word Vita. The cola part, however, had no changes at all. The other three cola products in Qingdao took a conservative approach in trademark designs, but Coca-Cola’s elements were still easy to tell. Wusing Cola (Five-star cola) was produced by China Cider Company, which was opened in April 1947, whereas Alfa Kola was produced by Lu Dong Miner Water Company, which was started in July 1946.²⁷¹ All of them were new, small-scale, Chinese companies that shifted to make cola products after the Second World War when Coca-Cola became popular in China.



²⁷¹ “Lu Dong Mineral Water Company,” “China Cider Company,” B0038-001-01496:0025, B0038-001-01495:0105. The Qingdao Archive.

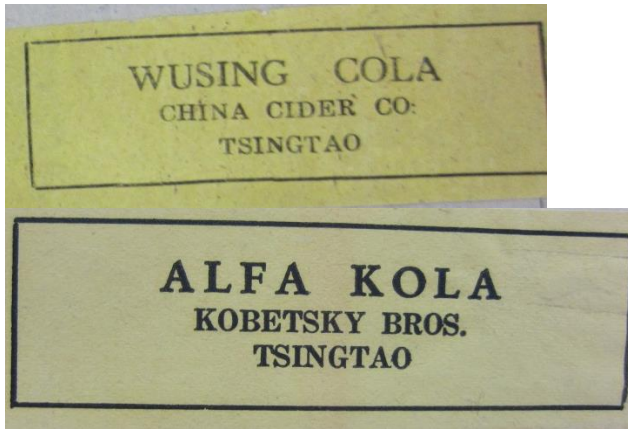


Figure 4.3 Trademarks of cola products in Qingdao. The first line left is the authentic American Coca-Cola trademark in the 1940s. The rest of the trademarks in this group were all Chinese imitations found in Qingdao. Source: “Trademark registration forms,” The Qingdao Archive, B0049-001-00612:0022.

Epidemics and Sanitation

To save costs, vendors and small businessmen produced soft drinks in poor conditions and took every opportunity in summer to sell cold drinks to the public without any regard to sanitation. They did not use the proper ingredients and no steps were taken by the health authorities to test the drinking qualities of these refreshments.²⁷² The manufacturers were given a free hand in their activities: either bottled shoddy drinks with

²⁷² “Poor quality of summer drinks Hil; quick investigation urged.” *Shanghai Times* 1940, U1-16-2031:866. The Shanghai Archive.

fake trademarks, or produced soft drinks with unboiled water, pigment, and saccharin, and sold them under attractive brand names at very cheap prices. What's worse, some vendors themselves were carriers of diseases, but still run the business for their livelihood. Hot seasons were especially dangerous because of the breeding of mosquitoes and flies, dreaded carriers of diseases, through which unregulated cold drinks were easily contaminated and thus became the breeding bed of bacteria. Although many better known companies did take pains in giving their customers the best for their money, few establishments that sprung up in hot weather, offering drinking refreshments to the public, were strictly sterilized.

An inspection on the Shanghai cold drink market conducted by the Bureau of Shanghai Public Health in 1937 reported that 71.4% of soda drinks failed to meet the certain standard. This percentage was 96.5% for orange juice and 100% for plum juice. Although the number of bacteria in soda drinks was less than the other two because of different ingredients and the special producing process, many soda drinks contained 59.5% of saccharin, 24% of blowing agent (起泡剂) and salicylic acid (水杨酸), and 80% of pigment in colored drinks, which were not good for health.²⁷³ The test on drinks produced by soft drink companies was not perfectly satisfactory as well. The analysis revealed that thirty-seven soft drink manufacturers including Watson's Mineral Water Company, Aquarius Company, the Kwan Sun Yuen, Eddie Aerated Water Company, and California Fruit Drinks Company, submitted one hundred and eleven samples of aerated water, orange squash, fresh syrups, etc. for examination, and no samples had been found

²⁷³ Shen, "Shanghai shi qing liang yinliao diaocha" (Inspections on Shanghai soft drink market), *she hui yi yao (Social medicine)*, 1937, 4(9), -812. Microfilm J-3211:1505. The Shanghai Library.

up to standard, which requires: 1. That the drinks shall contain no mineral acids; 2. That no saccharin shall be employed; 3. That no effervescent shall be employed; 4. That preservatives shall not exceed 0.1; 5. That there shall be no more than 100 organisms in every milliliter and 1 organism of the B. coil group in every deciliter of water.²⁷⁴

More than a decade later, the situation of Shanghai soft drink market did not improve at all. A lab test conducted by Shanghai Municipal Laboratory in 1948 showed that among eighteen tested ice-cream and soft drink brands, fourteen of them contained E. Coil, three had salmonella paratyphi A, and most of them carried dysentery bacteria.²⁷⁵ Although drinking insanitary cold drinks might be fine for people who are physically strong, it would be fatal if the body is in a poor health condition. Human's immune system is especially weak in summer, thus few people who drank insanitary cold drinks could escape from tragedy. One newspaper article pointed out that compared to any other civilized society, China had more hawkers and uneducated consumers were usually careless on drinking sanitation, so China's mortality in summer was extremely high. The fact is it was not a natural disaster, but a man-made tragedy, which could have been avoided.²⁷⁶ In addition to suggesting not drinking cold beverages and overeating, this article made an urgent appeal to the authorities to take an immediate action to put an end

²⁷⁴ "Result of analysis of summer beverages in Shanghai." precise translation of extract from *China Times*, December 18th, 1934, U1-16-2033:1148. The Shanghai Archive.

²⁷⁵ "cong xia ling weisheng kan lengying" (cold drinks from a hygienic view in summer), *Wen Hui Bao*, June 26, 1950.

²⁷⁶ Gu, "yinliao yu shimin zhi jiangkang guanxi" (Relationship between beverage and civil health), *Xin Sheng Lu Monthly*, 1937 (1): 36-37.

once for all to the promiscuous selling of cold drinks far from being property distilled by hawkers.²⁷⁷

The growing number of unsanitary drinks and rapid spreading of epidemics forced the government to take actions for the sake of public health. In the 1940s, local government in almost all cities in China had to set up the cold beverage standard for soft drink industry. It was mandatory before drinks were put into the market. Brand-named soft drink companies were very cooperative. They launched a series of campaigns focusing on healthy drinking and disease prevention and grounded their marketing concepts to cleanness and safety. One of the biggest campaigns was initiated by Shanghai Aquarius Mineral Water Company in 1938, whose slogan “choose your drinks carefully—Aquarius soft drinks” was widely appeared in a variety of newspapers, magazines, and posters.²⁷⁸ In June, the “market news” column in *Wen Hui Bao* highly praised the cleanness of Aquarius soft drinks and recommended them as the safest drink on the market:

“Big epidemics often came after the war. Widespread epidemic usually occurred in summer and at the beginning of fall. This year, the population in Shanghai was continually growing, which was a hundred million more than that of last year. People drank beverage carelessly only for the sake of momentary pleasure, resulting in disastrous epidemics. In everyday life, healthy diet was crucial to prevent diseases. With regard to soft drinks, products from Aquarius Mineral Water Company were the best choice, because every drop of Aquarius’s

²⁷⁷ “FDA urge to stop street hawing here,” U1-16-2031:862. The Shanghai Archive.

²⁷⁸ One advertisement was on *Wen Hui Bao*, July 26, 1938.

drinks was carefully distilled and rigorously tested by the Central Health Laboratory, which guaranteed no cholera, typhoid, and other bacteria. It is also noteworthy that people who have vaccinated, in fact, could not completely immune to the diseases. They should remain to pay attention to their daily diet, and they were recommended to only drink the distilled Aquarius's soft drinks.²⁷⁹

Through efforts of beverage companies and the government, the quality of soft drinks made a significant improvement. Products from the big, well-known companies in particular were growing as examples for the whole soft drink industry in China. For instance, a market survey in 1932 showed that among all four soda water brands selling in Nanjing, only three brands from Shanghai including Aquarius, Watson, and Yili met the sanitation standard. Their bottles were well sealed by iron caps with corks inside and none of them contained saccharine, pigment, and preservative, etc. Aquarius's soda drinks were sealed better than other brand products. They were made up of an appropriate percentage of sugar and acid and the aftertaste was just right. Watson's contained more sugar, so it tasted a little bit sweeter. Yili's had more acid, which became tasteless after drink. Therefore, people preferred Aquarius to Yili. But in fact the high percentage of carbonic acid in Yili's products was especially good for digestion.²⁸⁰ The only local soft drink brand in Nanjing in 1932 was *Pu Tai He*. The drink was bottled in a glass bottle sealed by a glass ball in the mouth and was very cheap. However, after lab tests it was discovered that *Pu Tai He*'s soda water contained E. coli, so it was forbidden to sell by

²⁷⁹ "Market news," *Wen Hui Bao*, June 20, 1938, 11.

²⁸⁰ Yü, D.T, "qishui zong ping"(Comments on soft drinks), *she hui yi bao (Social Medicine)*, issue 190, May 5th, 1934, 3945.

the Nanjing Municipal Government.²⁸¹ Besides market regulations, consumers' awareness of self-protection was equally important. In addition to the strict inspections on soft drinks companies, the local government encouraged the public to purchase beverages only from reliable firms, the products of which were properly labeled, sealed, and capped. For example, in 1927, No. 3621 Shanghai Municipal Notification officially suggested the public not to drink iced drinks unless contained in mechanically filled bottles from licensed factories, and cooled by machine-made ice.

No matter how seamless and strict the regulations were and how cooperative the brand-name soft drink companies were, cheap soft drinks continuously mushroomed on the market, of which unscrupulous hawkers were the major causes. To make a living in cities, hawkers, many of whom were migrants from poor provinces, sold food, drinks, and clothes along the streets. Every day they brought goods to the town, carefully looked around to find places that were considered safe and appropriate, and set up booths to solicit business from pedestrians. In summer when people are easily getting thirsty, drinking booths were one of the major businesses along streets. Some hawkers who sold meat, buns, and cakes in the rest of the seasons shifted to summer refreshments business. To reduce cost, they either made drinks with crude equipment by themselves or bought cheap drinks from small and unlicensed companies or underground workshops. As they required little start-up capital, these businesses flourishing in cities frequently overcrowded sidewalks. Sometimes the unlicensed hawkers were bold enough to venture forth onto the street, obstructing the progress of traffic and jamming pedestrians.

²⁸¹ *Nanjing zhengfu gong bao* (Nanjing Government Gazette), issue 116, 1932.

However, what was more dangerous was their unhygienic products seriously threatened the health of the public.²⁸² Hawkers, many of whom were illiterate and had no sense toward sanitation, sold soft drinks produced with pigment and unboiled water, shaved ice made directly from running water, and fruits and salad placed in an open air with no fly-proof covers. Some drinks were even found dead flies in the bottles, while others were found to be bottled in kerosene bottles.²⁸³ These unsanitary drinks became vehicles for the transmission of diseases, which significantly threatened the public health.

For the sake of the public interest, the municipal administrations announced a series of provisions to regulate the cold drink market and strictly prohibited hawking of any of insanitary article of food and drinks. According to the provisions, all soft drink retailers including hawkers and shoulder pole carriers must acquire the yearly-renewed license from the Public Health Department before opening businesses.²⁸⁴ Anyone who carried infectious diseases such as tuberculosis, leprosy, and scabies was forbidden to produce or sell cold drinks. Manufacturers must use boiled water and clean, well-capped containers/bottles, on which the trademark and production dates should be clearly marked. Containers used for producing soft drinks must have covers and have to be washed every day. If they were made of lead or copper, they must be tinned. Sealed bottles of soft drinks could not be opened until drinking, and selling soft drinks in open

²⁸² “FDA urge to stop street hawking here,” U1-16-2031:862. The Shanghai Archive.

²⁸³ “ningmeng yin,” (flies in soda) *Xinmin Evening News*, Sep 21, 1946, 4.

²⁸⁴ The license fee has to be paid every year. Usually hawkers and should pole carriers paid less than a half of the fee.

bottles or glasses were forbidden. Any drink that contains toxic pigment, essence, preservative, and sediment was also strictly forbidden.²⁸⁵

To enforce the provisions, street cleansing campaigns were widely launched every summer across the country. Officials in the Public Health Bureau (PHB), who were sometimes teamed up with police, patrolled city's streets and confiscated all unlicensed and unsanitary products that they found. In summer 1930, Guangzhou Public Health Department confiscated a large number of cheap and unhygienic bottled Dutch water, which was particularly beloved by children, and heavily penalized retailers if they sold the drinks again.²⁸⁶ In Shanghai the Public Health Bureau and the Police Department were authorized to seize all unqualified articles as well as receptacles in which they were concerned.²⁸⁷ In summer 1942, the staff of Public Health Department and Shanghai Municipal Council had, in a ten day period, seized and destroyed a total of 365 lbs. of peeled water chestnut and sugar cane, 35 lbs. of colored water, and 30 lbs. of *Liang Feng* (jellies), which were being sold by hawkers on the street.²⁸⁸ In summer 1943, the cleansing street campaign also made a great achievement: on June 16th, from a hawker named *Shing Yo Bin*, on the Kwanghsin (*Guangxin*) Jetty, approximately 25 lbs. of iced drinks were seized and destroyed;²⁸⁹ July 15, approximately 10 gallons of colored drinks were confiscated;²⁹⁰ and August 5th, from a hawker named *A San*, on kwanghsin Road

²⁸⁵ See *Nanjing Municipal Administration Gazette*, 1928; *Guangzhou Municipal Administration Gazette*, 1928, issue 3; *Municipal Monthly* (Anqing), 1928, issue 4-5; and *Qingdao Municipal Administration Gazette*, 1946, issue 12.

²⁸⁶ *Guangzhou Municipal Administration Gazette*, issue 35, 1930.

²⁸⁷ "Municipal Notification No. 3621," May 27, 1927. U1-16-2031:730. The Shanghai Archive.

²⁸⁸ "SMC destroys large quantity of disease carrying foodstuffs," U1-16-2031:0759. The Shanghai Archive.

²⁸⁹ U1-16-2031:765, June 16th, 1943. The Shanghai Archive.

²⁹⁰ U1-16-2031:781, July 15th, 1943. The Shanghai Archive.

near jetty, 6 lbs. of iced drinks and 2 glass receptacles placed in the BHO's store room were seized.²⁹¹ In July 1949, officials of the Shanghai Public Health Bureau and the Police patrolled in the streets during day and night hours, finding unlicensed self-made soft drinks including brand names of O.K, Hong Xing, Guo Zi, Lu Tou, and Di Qiu, and confiscating hundreds of pounds of insanitary beverages. Education on health and sanitation usually followed after penalties, for most hawkers moved from countryside and were illiterate.²⁹²

In railroad stations where hawkers congested, the cleansing campaign was in full swing, too. In response to the move of the Public Health Bureau, the Railroad Bureau played an important role in eliminating illegal hawkers in stations and trains. Regardless of the PHB's regulations, the Shanghai Railroad Bureau announced all hawkers and small shop keepers who were running businesses in Beijing, Shanghai, Suzhou, Wuxi, Changzhou, and Zhenjiang Stations must be licensed by the Railroad Bureau, otherwise penalties would apply. In Shanghai North Station, for example, punishment for an unlicensed cold drink hawker was forcing him to either drink or empty all his beverages. Since spring 1949, the Bureau decided to force illegal hawkers doing business in Shanghai North Station to buy tickets and send those who were selling drinks in trains without tickets to the police office.²⁹³

²⁹¹ U1-16-2031:792, August 5th, 1943. The Shanghai Archive.

²⁹² "bu jie lengyin tan zuo qu di 200 duo chu," (Closing down over 200 unsanitary cold drink booths yesterday) *Xinmin Evening News*, Jul 13, 1949.

²⁹³ "Cleansing hawkers in the railroad station, the decision by the Railroad Bureau," *Wen Hui Bao*, July 30th, 1949.

In the meantime, vaccination campaigns and disinfection campaigns went neck-and-neck with the cleansing campaigns. Clinics and hospitals offered cholera vaccines to the public. Mobile clinic stations set up by the Public Health Bureau were travelling in the city to give shots. In summer 1946, fifty-eight medical teams composed by participants from *Ren Ji Hospital*, *Fu Ru Hospital*, *Nan Yang Hospital*, and Shanghai Hospital were sent to factories, schools, and residential areas to give free shots. By June 20, over 62,000 people had been vaccinated.²⁹⁴ Only on one day, July 12 of 1949, there were 96,479 people got vaccinated in Shanghai, among which 23,109 were vaccinated by the mobile clinic station at *Ti Lan Qiao*. By July 13, the total amount of vaccinated population over the summer of 1949 in Shanghai reached 2,517,785. The disinfection campaigns made significant achievements as well. To prevent cholera spread by mosquitoes and flies, hygiene teams made up by medical people and policemen sprayed DDT at every slum in summer. From July 5 to 12 of 1949, 1,004,000 square feet of slum was disinfected.²⁹⁵

After intense campaigns, sanitation of the cold food and drinking business was improved, but complete eradication of hawkers could never been fulfilled. When sanitation movements subsided, hawkers who made a living on the small business returned to the streets right away and they were sprouting out faster than the campaigns could eradicate. When they were peddling, their eyes kept looking around and staring nervously into the distance. As soon as seeing policemen in yellow uniforms came from

²⁹⁴ “weisheng ju fangzhi huoluan liuxing” (the Public Health Bureau prevented the spread of cholera), *Wen Hui Bao*, June 20, 1946, 3.

²⁹⁵ “bu jie lengyin tan zuo qu di 200 duo chu” (Closing down over 200 unsanitary cold drink booths yesterday), *Xinmin Evening News*, Jul 13, 1949.

afar, the hawkers hastily packed their goods and fled away. Hawkers who were too late to escape prudentially bowed and apologized to the police. If lucky, they could survive; otherwise, not only they were put in jail but their goods were confiscated.²⁹⁶

To eliminate illegal hawkers and protect the public health, frequent and strict inspections must be maintained. However, in addition to the rapid growing number of hawkers, neither the Public Health Bureau nor the Police Department in cities like Shanghai claimed to take a full responsibility to the issue. For years, the Health Department usually took the lead in coping with the situation and gained some achievements, but because of staff shortage, the Food Division in the Health Department became helpless to take an active part in the yearly campaigns as the number of illegal hawkers kept increasing. The sporadic actions merely relying on the Department hardly led to any long-standing success. The *Shanghai Times* on July 12th, 1944 commented that the whole matter on the cold drink market reflected unfavorableness to the Administration and especially on the Health Department as far as the display of food stuffs was concerned. On May 21st, 1944, the Public Health Bureau issued notification No. 262 titled “Hawking of Foodstuffs, Prohibited Foods and Drinks,” in which sales of seasonable dangerous and unsound foodstuffs were prohibited. In reality, however, not only the number of illegal hawkers kept increasing rapidly, the hawkers even set up their flimsy stalls and sheds along the main streets, which became a menace to pedestrians and shop-owners, not to talk about the obstruction they caused from the air-raid-precaution point of view.

²⁹⁶ Wu, “tou sheng,” (drag out an ignoble existence) *Xinmin Evening News*, July 15, 1946, 2.

The *Shanghai Times* suggested the difficulty could have been fixed by a collaborative endeavor, because there was a lack of cooperation between the Public Health Bureau and the Police Department, the lower level of the administrative hierarchy. The duty police work was not only protecting life and property through the enforcement of laws and ordinances but included maintaining social orders as well. Facing the deplorable situation, especially when the outbreak of a cholera epidemic was expected, the *Shanghai Times* felt that the Health Bureau with all their sub-branches was not in a position to deal with it. It suggested the Administrator in the Health Bureau to search help and assistance from other bodies of the administration, especially from the Police Department, which was contemplating a formation of the “sanitary police” who were specialized to manage hawkers to offer a good assistance to the Public Health Bureau. In this way, the Health Bureau, the only authority that should be in charge of this body of men, could make them a useful instrument of giving the city a better aspect than an occasional street cleansing campaign could do, and last but not the least, be of valuable help to enforce health restrictions to the benefit for the inhabitants in the city.²⁹⁷

Indeed, participating of the Police resolved the staff shortage problem, but the action of the Police still could not eliminate unlicensed hawkers once for all. After the failure of the PHB, high expectations were placed to the Police. The municipal police outdoor members who have been ignoring the influx of a large number of itinerants and food hawkers and who have not restricted the activities of many unlicensed stall owners, was urge to be replaced by firmer disciplining police authorities. Chow Fu-Hai, the

²⁹⁷ *Shanghai Times* July 12th, 1944, U1-16-2031:855-857. The Shanghai Archive.

director of the Police, who had improved local police work in one aspect in which he launched several successful campaigns and had mitigated the street obstruction, became the person on whom the high expectation laid by the public and the municipal administration. Under Chow's rigid and frequent inspections, the number of hawkers reduced and traffic congestions caused by hawkers were significantly relieved. Nevertheless, Police's actions in a long run did not solve soft drink's sanitation problem, either, which was largely due to police's dereliction of duty. A lack of official reprimand in the police system encouraged certain corrupt members in recommending bribery when performing official duties. When checking unlicensed stall owners and other itinerant dealers, some policemen were bribed for granting privilege to the undesirable.²⁹⁸ For example, a piece of news in 1944 reported that there was an unlicensed hawker selling unhygienic plum juice in front of the Shanghai *Hong Kou* Park. The business was quite good especially in the weekends. The drink was made from smashed plums, saccharine, and water, most consumers of which were ignorant children who were playing in the park with friends. Although a police notification had been there for years, policemen never drove him because of bribery.²⁹⁹

Referring to the unceasing sanitation problems, neither the Public Health Bureau nor the Police Department claimed to shoulder the full responsibility; instead they rebutted that the accusation of their irresponsibility was a deliberate slander. The tension between the public and the two institutions was particularly apparent in the "orange squash" crisis took place in summer 1934, in which certain beverages labeled "orange

²⁹⁸ "Police asked to clamp down on food hawkers as PHB fails," U1-16-2031:879. The Shanghai Archive.

²⁹⁹ U1-16-2031:807, 1944. The Shanghai Archive.

squash” were found to be unhygienic and dangerous. Without knowing the producers, the editor of *Spectator* harshly criticized the dereliction of duty of the PHB in the issue dated August 3, suspecting that there was a hidden secret behind the event and the Administration deliberately concealed the name of the condemned manufacturers at the expense of the public health. In response, the Commissioner of the Public Health Bureau commented that the criticism “passed the bounds of fair-play, which means such a statement could only emanate either from a person lacking of knowledge or from a policy of deliberate misrepresentation.”³⁰⁰ The Commissioner explained that “the reason the names were not given is very simple: the manufacturers of such contaminated beverages were usually small nomadic hawkers who manufacture their material in obscure alleyways not infrequently in areas outside our jurisdiction, and as soon as we condemn their stock they disappear into the air.”³⁰¹ The Commissioner felt that they have given the public as clear a warning as they could and that their statement was perfectly logical inasmuch as the notification states: “the public are hereby warned that certain beverages labeled Orange Squash etc., which have been found on the bacteriological examination to be unfit for human consumption, are being offered for sale throughout certain parts of the Settlement. In order to prevent intestinal infections, the Public are advised to purchase beverage only from reliable firms, the product of which are properly capped, sealed, and labeled.”³⁰²

³⁰⁰ “the spectator: orange squash,” August 11, 1934, U1-16-2033. The Shanghai Archive.

³⁰¹ *Ibid.*

³⁰² “Municipal Notification by the PHB,” U1-16-2033:1115. The Shanghai Archive.

In this way, the PHB shirked its responsibility to the masses. The Commissioner claimed that the names of reliable manufacturers, which were licensed by the council, might be changed from day to day, it was therefore impossible for the PHB to be more explicit without being accused of advertising the product of certain establishments. Thus, it was necessary for the public in Shanghai to take some interest and responsibilities in health matters themselves. The logic behind the PHB's argument was the reputable and brand-name soft drink companies were well-known to the public. Although occasionally a few companies were found to produce unsatisfactory articles, in most cases they were reliable and the appearance of their products was sufficient for consumers to distinguish the good from the shoddy. In the meantime, prosecutions both taken and pending would be published in the usual way when the matter was no longer sub-judice. The action of the PHB, claimed by the Commissioner, was, in the main, directed against the worst and more dangerous samples produced surreptitiously and sold in unlabeled bottles, and which at the time of warning were flooding the Settlement.³⁰³

As to the fact that under rigid inspections from the PHB, there were still a great amount of samples of ice cream and drinks were discovered below the standard, another denouncement raised by *Spectator*, the Commissioner explained:

“The samples are mostly taken for the purpose of licensing various establishments, and it naturally follows that when samples are below standard these establishments are not licensed. Again in other areas where establishments have been licensed, there are occasional bad samples, in which event the

³⁰³ “the spectator: orange squash,” August 11, 1934, U1-16-2033. The Shanghai Archive.

necessary steps are taken to immediately improve the product, and confiscation of such stocks are considered unfit for the public consumption that takes place under the due and the correct legal procedure. Hence, the accusation that the department is afraid to bring forward the names of those that fail to rise to standard is quite unwarranted, and could only originate in the mind of a person ignorant both of procedure, and with a tendency towards believing in crooked procedures.”³⁰⁴

As unsanitary drinks were carriers of infectious diseases, the sanitation issue of soft drinks drew wide attention from the public. Forbidding such drinks expressly stipulated in state laws and ordinances. Administrations such as the PHB and the Police Department endeavored, at least seemed, to strive for implementing the laws for the public good. However, the market was still flooded with a large number of unsanitary soft drinks, which caused various versions of rumors on corruption that were circulated in the society. Intolerant to the repetitive health issues, a newspaper article published in 1947 sharply criticized the bureaucratic corruption in the government which refused to disclose the names of the illegal manufacturers. It said “there were various rumors going on in the society, but whether there was a hidden secret was still unknown. Nevertheless, government’s dereliction of duty was undeniable. Someone said China’s bureaucracy was made by paper, which was absolutely true. Recently, several soft drink companies that violated the laws were punished, but the punishment was lenient under the name of showing solicitude for Chinese businessmen and protecting Chinese economic rights, propagandas vigorously advocated by the government and intellectuals in the National

³⁰⁴ Ibid.

Products Movements. By doing so, the government hoped the Chinese companies to improve rather than simply eliminating them, which was very considerate. However, we hoped the policies were not made of paper, because this kind of social networks in bureaucracy would be built at the expense of millions of people's lives."³⁰⁵

Soda Fountains

In the Republican era, anyone wishing to start a summer drink refreshment stall could put on sale whatever solution he himself had prepared without any knowledge or regard for public health, and the government was incapable of fully enforcing the sanitation laws. With this insecure cold drink market, rich people could always protect their rights by consuming brand-name and high-quality products, whereas the poor, the major consumers of the cheap imitations, were the victims of the market disorder. Yet, technological innovations brought a hope to the masses. When big soft drink companies strived for maintaining the quality of bottled drinks, they tried to expand their business to the masses as well. As for the dilemma that the machine-capped bottled drinks were too expensive to the poor (because bottles per se were expensive and the collection and cleaning process of bottles were time consuming and costly) while the home-made drinks were unhealthy, since 1930s some companies introduced mechanical soda fountains in soda business, which were not only cheaper than bottled drinks but also more hygienic than drinks sold by peddlers. The whole idea of soda fountains in the minds of those soft

³⁰⁵ “qi shui wen ti”(problems of soft drinks), *Chun Feng (Spring Breeze)*, Ningbo, 1947, 2(3), microfilm J-3835:0081. The Shanghai Library.

drinks companies, as claimed by the Sanitas Mineral Water Co. Ltd,³⁰⁶ one of the most important soda fountain producers in Shanghai, was to produce and sell cleaner and safer drink for the poorer classes, which was obtainable from the old fashioned native drink counters.³⁰⁷ The companies believed that if provided syrups come from reliable sources, Soda Fountains would considerably diminish the trade of street hawkers dealing in various kinds of cold drinks during the season, which were unhygienically prepared and directly threatened to the health of the public.³⁰⁸

To convince the public and market the soda fountains, soft drink companies actively searched for cooperation from the Public Health Bureau. The Sanitas Mineral Water Company, for example, collaborated closely with the Sanitation Division of the PHB since the very beginning. Their products and manufacturing process were under the jurisdiction of the PHB and samples were taken at regular intervals for analytical and bacteriological purposes. Soda containers of the soda fountains were fool proof and could only be refilled at the Sanitas Factory, whereas the fountains were mechanical in operation, hence possible contamination from soiled towels, dirty hands, flies etc. was reduced to minimum. In this way, the Company assumed that Soda Fountains would appeal to the public. If the price was good, to some extent, it would replace the sales of

³⁰⁶ Owned by Dodwell & Company, Limited.

³⁰⁷ "health management issues on soft drinks, 1933-1936," April 12, 1934, U1-16-1556. The Shanghai Archive, 26.

³⁰⁸ Ibid., 3.

plum juice (*Suan Mei Tang*) and shaved ice etc., which were sold in many instances under conditions insanitary and unsafe.³⁰⁹

Fountains were installed free of charge against guarantee and on conditions that all sodas and syrups were procured through the owners of the fountains, and that daily sales reached a given standard, which was calculated according to locality of fountain. Owners would check up frequently on sales and fountains, upon any breach of contract the fountain would be withdrawn.³¹⁰ Usually, Soda Fountain companies supplied kiosks including Soda Fountains, glass washing apparatus, ice boxes, and so forth on loan to dealers nominated and guaranteed by a distributor who would not be entitled to make any charge to the dealers such as rental etc. Each dealer must be guaranteed to the Soda Fountain Company by the name of the distributor on the safety, insurance, breakage and due return in good condition of the kiosk and/or equipment. In the event of loss or breakage from any cause whatsoever, the distributor should reimburse the Company at certain rates (see table 3.1).

³⁰⁹ “Health management issues on soft drinks, 1933-1936,” June 14, 1933, U1-16-1556:0384. The Shanghai Archive, 6.

³¹⁰ Ibid.

Table 4.1:³¹¹ rates of reimbursement provided by the Sanitas Mineral Water Co. Ltd. in 1934

Each Complete Kiosk	\$1200 (Chinese dollars)
Table with 6 glass panels	170
Two chromium Supports	25
Water tank with signboard	50
Chromium fountain	180
Four glass syrup containers with chromium taps and lids	35
One glass washing apparatus	65
One ice box	35
One block of the refrigerating coil	60
One copper / tin tank	350
...	...

When the kiosk and all the equipment were ready, the Soda Fountain Company supplied soda water and syrup to dealers, and paid the distributor for the liability. For example, the 1934 contract between the Sanitas Mineral Water Co. Ltd, the Soda Fountain owner, and Mr. Z.K. Woo, the distributor, states that the Company would supply one tank of soda water and seven bottles of syrup to dealers guaranteed by the distributor at a cost of seven dollars to be paid for in cash by the dealer at time of delivery which price included delivery and collection. The Company would also pay the distributor in the morning following the previous day's collections a sum of one Shanghai dollar per tank, which constituted the only liability from the Company to the distributor.³¹² For the distributor, in addition to delivery and collection, he had to submit a list of the names and addresses of his dealers to the Company which had the right to reject any dealer who might not be acceptable to the Public Health Bureau or police

³¹¹ "Health management issues on soft drinks, 1933-1936," April 12, 1934, U1-16-1556. The Shanghai Archive, 32.

³¹² Ibid.

Authorities of the Settlement or Concession. The distributor must keep constant supervision over the dealers. Their premises and any uncleanliness etc. should be reported in order to assist the Public Health Bureau or the Councils, and such dealer when so instructed should deliver up his kiosk and equipment without any claim legal or otherwise on the Fountain Company. In addition, the distributor also had the responsibility to instruct dealers in the most economical and hygienic method of handling. For example, the glasses should be kept under covers and lids kept on syrup containers to prevent access of flies and dirt etc.³¹³

Since the 1930s, with close collaboration between Soda Fountain companies and the Public Health Bureau, Soda Fountains were supplied to dealers in Chinese territory as well as the Settlement in Shanghai. Some were also placed on wheels for hawkers. In June 24, 1933, there were eleven Soda Fountains functioning in the Western District.³¹⁴ The Sanitas Company and its distributors planned to install at least 150 fountains in the international settlement and French Concession of Shanghai.³¹⁵

The increasing application of mechanical operated Soda Fountains significantly improved the sanitation condition of cold drink stalls, but possible contamination still remained by using of dirty lead pipes leading from soda container through ice box and on to service tap. In particular, insufficiently washed drinking glasses were the most serious

³¹³ Ibid.

³¹⁴ U1-16-1556:386. The Shanghai Archive.

³¹⁵ "Health management issues on soft drinks, 1933-1936," April 12, 1934, U1-16-1556. The Shanghai Archive, 32.

defect of the innovation. A chief health inspector found two unsanitary portable kiosks from which served fruit cordials on Muirhead Road in 1933.³¹⁶ He reported:

“One is located in a fruit shop and on my visit I found many large flies walking over the glass tumblers on the stand. The other is in a converted C. Eating Houses which had no license or facilities for the proper washing of glasses.

The stand looks well. This is about all one can say about it from a sanitary point of view. I observed the water tank on top being filled with cold water out of dirty bucket. This is a gravity flow with no pressure to speak of to the glass rinsing spray. I tested some and consider it would be far better to rinse the glasses in the dirty bucket. In such a method the whole glass would be immersed in water. With the rinsers at present this is far from being the case. In fact the syrup remains on the glasses to provide food for the flies.

The rinsing method in use on the kiosks cannot be said to be a ‘satisfactory method and proper washing up facilities.’ For a fruit shop to sell aerated waters sucked with a straw there’s no objection. There’s nothing to contaminate, nothing requires washing, so the Department never objected.

Overall, the soda kiosks are unsatisfactory. I suggest to restrict the manufacture, preparation, and storing of cold drinks and ice cream to places with special fly-proofed pantries and premises. Those without such were refused licenses. Besides, the soda kiosks might be improved by the dissembling of the

³¹⁶ The road is called *Hai Men* Road in Shanghai today.

tank rinsing outfit and fitting nearby of a proper washing up sink and provision of a cover on glass container.”³¹⁷

Receiving such report, the Public Health Bureau felt hesitate to license these places, especially kiosks with inadequate facilities for washing glasses, though many of them had installed Soda Fountains. As an improvement, Soda Fountain Companies adopted an idea of pressure soda, which included a plunger to clean the glasses. But public health inspectors still doubted the efficacy, because it only meant another handling for the syrup and it was doubtful if the glass holders could be cleaned satisfactory in average Chinese off-license cold drink stores or fruit shops. From the view of an inspector, the old idea of leaving the syrup in the original bottles was better but the old idea comparing to the new one did not have advertising values (because the new idea seemed more hygienic).³¹⁸ What’s worse is the soda fountain kiosks “allowed” vendors to install kiosks in any and every kind of premises, which would only give shop owners another chance to sell unhygienic green bean soup (*lv dou tang*), cold jellies (*liang feng*), plum juice (*suan mei tang*), and even ice cream, which were originally a big part of their business.³¹⁹ The insecure situation was also agreed by the Public Health Bureau. They pointed out that “the tank above the fountain might be filled with water which is not clean, and further, unless the glasses are pressed down very firmly on the plunger, the spray of water is inadequate to cleanse them properly and this defect will be worse during

³¹⁷ “Health management issues on soft drinks, 1933-1936,” June, 14 1933, U1-16-1556:0382. The Shanghai Archive, 4-5.

³¹⁸ The new idea refers to the pressure soda idea.

³¹⁹ “Health management issues on soft drinks, 1933-1936,” June, 14 1933, U1-16-1556:0382. The Shanghai Archive, 4-5.

a rush of business. The facilities for washing glasses will be even less easily remedied on the hawkers' barrows which you (the Sanitas Mineral Water Co. Ltd.) also propose to utilize."³²⁰ The Bureau thus asked for further improvements to reduce danger and suggested that "with regard to the fixed fountains, if arrangements could be made to connect the water tank of the fountain with the channel water supply we would then be prepared to agree to the issue of a license provided that the premises otherwise conform as regards construction and sanitary requirements of the Department."³²¹

To convince the government, Soda Fountain Companies actively cooperated with the Public Health Bureau in improving the innovation and did whatever they could to assist the sanitary maintenance. Sanitas Mineral Water Company, for example, put in force a series of system which they thought would eliminate the objections raised by the Public Health Bureau: first, the inspector who delivers a full tank of soda water would at the same time inspect the upper tank containing washing water; second, he would deliver each soda water tank a full supply of boiled water and would personally waited to see the washing tank filled; third, he would instruct the lessee of the kiosk in the proper manipulation of the glass cleaning plunger; four, he would collect any unclean cloths used by the lessee; five, he would warn lessee against the use of native ice in the refrigerator box; and finally the Company would themselves report any untoward action

³²⁰ Ibid. June 30, 1933.

³²¹ Ibid.

on the part of the lessee in their own protection and the Bureau's report of any delinquency after due warning would result in the Kiosk being removed.³²²

However, no matter how many efforts the soda fountain companies made, oppositions were still strong. One chief inspector in Shanghai doubted the real effectiveness of the measures taken by the companies. His report to the Acting Commissioner of Public Health in July 8, 1933 stated that "inspection of tanks by the Company's inspectors will not ensure the usage of boiled and uncontaminated water in their absence. I doubt very much the competency of the Company's Inspectors to judge of this sanitary standards required in all the arrangements in connection with the production and distribution of the beverage. Instruction of lessees of the kiosks in the proper manipulation of the glass cleaning plunger will not greatly improve the matter and remove the danger of glasses being contaminated. All the suggested improvements, with the exception of the fifth, are unsatisfactory and cannot be relied upon, hence, cannot be regarded as ensuring the required standard of cleanliness and safety."³²³

Even though oppositions never vanished and potential sanitary dangers in soda fountains were never eliminated, given the disorder on the cold drink market in the early twenties, soda fountains indeed made a breakthrough in soft drink hygiene. The Public Health Bureau acknowledged the merit of the innovation and admitted that the apparatus was sound, marking a big step forward. They claimed that the advantages were real, and

³²² "Health management issues on soft drinks, 1933-1936," July 4, 1933, U1-16-1556. The Shanghai Archive, 12.

³²³ "Health management issues on soft drinks, 1933-1936," July 8, 1933, U1-16-1556. The Shanghai Archive, 15.

the disadvantages were only possibilities, which could be reduced to a minimum with efforts. One inspector concluded that Soda Fountains, whether stationery or portable, had much to recommend and from a health point of view may be encouraged.

Fountain companies made some achievements in 1933. When the business season was coming in April 1934, fountain companies such as Sanitas Mineral Water Co., Ltd. contacted the Public Health Bureau for another round of cooperation, expressing their willingness to improve their device and make every effort to follow any requirement and suggestion proposed by the Bureau. The Company stated:

“Last year the Sanitas Mineral Water Co. Ltd., for whom we are General Managers, operated a large number of aerated soda water fountains, which were lent under guarantee to certain reputable Chinese. By far, the fountain was produced and it met with a certain amount of success. As the season is near at hand and before contracting with the dealers, we should be glad to again demonstrate these fountains to a representative of your Department, when any advice you can give us will be gone into carefully. We might mention that during the past season your Department did assist us materially and we shall be grateful for any further comment you may deem desirable.”³²⁴

Considering the improvement and efforts made by the company to ensure sanitation last year, the Public Health Bureau had no objection to Soda Fountain and was very glad to collaborate with the company again. However, they pointed out that it was very advisable that some methods hopefully could be evolved for improving the water

³²⁴ “Health management issues on soft drinks, 1933-1936,” April 12, 1934, U1-16-1556. The Shanghai Archive, 26.

sprays for cleansing the glasses. Considering the method—necessitated pressing the glasses on a plunger—in use last year was not satisfactory, the Bureau suggested that: First, intensive efforts be made to improve the method of cleansing these glasses. Second, if possible it would be an excellent thing if arrangements could be made to have waterworks' water supplied to the cleansing of water tank above the fountain. Third, it was essential that all the lessees of such fountains took out the requisite license (including ice cream and ice drinks).³²⁵ The Bureau also asked for a list of the proposed sites for those fountains from the Police Department in order to facilitate management and regulation on problems of sanitation and traffic congestion, especially those at certain extremely busy corners. Regarding to congestion, the Bureau decided no portable apparatus of this kind would be permitted in the Settlement or on outlying Municipal Roads.³²⁶

In respond to the suggestions, Sanitas Company claimed that they improved the plunger system, in which a greater force of water was used and a strong spray was directed to the outside and lip of the glass as well as the inside. As to the source of cleansing water, the Company guaranteed that the only water used for washing the glasses must be water produced by the Shanghai Waterworks and/or French Municipal Council.³²⁷ Although the chief public health inspector thought the improved plunger system's water pressure did not differ from that in the old system, he admitted that the improved system had more holes in the nozzle, the water from which was able to spray

³²⁵ "health management issues on soft drinks, 1933-1936," April 24, 1934, U1-16-1556. The Shanghai Archive, 34.

³²⁶ Ibid.

³²⁷ Ibid. April 25, 1934, 36.

the outside top of the glass. The inspector commented that the fountains were built with qualified materials and raw materials used in fountains were sanitary, so it only required the distributor to be kept up to his contract to keep the standard.³²⁸

Conclusion

When bottled soft drinks, a symbol of luxury, modernity, and social identity, became the favorite of the elites, imitations and self-made soft drinks helped to quench the thirst of the Chinese masses. Cheap soft drinks, at all once, appeared in traditional Chinese drinking booths, sometimes at teahouses, along streets where tea and plum juice were sold. Soft drinks in the cries of street peddlers were not so different from other traditional Chinese drinks, as if they were always a part of the Chinese drinking culture. Buckets stored with cheap soft drinks sit side by side with buckets stored with plum juice and tea. Only the colorful waters in glasses that sit on the table told customers that soft drinks were a sort of special. This hybridity of the Chinese business with western elements created a grassroots consumer culture which was hard to distinguish the origin at the first glance. Imitations not only provided new business opportunities for street peddlers who were struggling for a living, but also satisfied the desires of the masses who admired the lifestyle of the upper class who created an aura of social prestige for themselves mainly by producing and transmitting modern concepts and practices such as drinking soft drinks to China. In the early twentieth century, as Qin Shao argued in her paper “Tempest over Teapots: the Vilification of Teahouse Culture in Early Republican

³²⁸ “Health management issues on soft drinks, 1933-1936,” April 27, 1934, U1-16-1556: 412. The Shanghai Archive.

China,”³²⁹ the upper class, especially the new cultural elites, which refer to a segment of the May Fourth intellectuals, considered Chinese traditional leisure space such as teahouses inherently backward as opposed to the western-style leisure space including ballrooms, theaters, cafés, western restaurants, and cold drink bars. However, the traditional leisure space had few changes regardless the fierce criticism and attacks from the new cultural elites in the twentieth-century China. Yet, the Chinese grassroots copy culture acted as a bridge connecting the upper class and the masses, the western-style leisure space and the traditional Chinese consumer space. Although the lowbrow consumer culture in general, at least in terms of the business forms and consuming patterns, barely changed in Republican China, it sometimes nicely blended western ideas with Chinese elements rather than staying static.

If the changes in grassroots consumer culture sort of reflected the grassroots’ desire for modernity, which resonated with the upper class and thus represented the overall social mentality of the Chinese in the twentieth century, the crises caused by the grassroots copy culture revealed an irony during the process of pursuing development. Except meeting the psychological desires of the masses, soft drink imitations did not bring any social good but caused serious legal disputes and sanitation problems that forced the society to reconsider the process of development. Yet, these crises, on the other hand, facilitated the modern state-building and development, during which modern systems such as trademark laws and sanitation ordinances were gradually established despite the continuous violations from the unruly masses. Although these social problems

³²⁹ Shao, “Tempest over Teapots: The Vilification of Teahouse Culture in Early Republican China,” 1009-1041.

caused by cheap soft drink imitations could never be completely settled, the modern systems with the help of the technological innovation—soda fountains—opened a new era for market regulations.

CHAPTER 5

NATIONALISM REVISITED: THE NATIONAL PRODUCTS

MOVEMENT IN THE SOFT DRINK INDUSTRY

Introduction

When imperial and colonial powers expanded in China in the twentieth century, Chinese people, from intellectuals, entrepreneurs, government officers to grassroots, called for building a nationalistic consumer culture. The nationalistic sentiment particularly reflected in National Products Movements, in which nationalism molded a burgeoning consumer culture by applying the categories “national” and “foreign” to all commodities. Soft drinks initially were foreign products, so the nationalistic battle was particularly intense in this fledgling industry. In the Movements, the state and Chinese soft drink businessmen actively participated in cultivating a nationalistic drinking culture. They endowed a nationalistic category to soft drink consumption, which Karl Gerth has been eloquently demonstrated in his book, *China Made: Consumer Culture and the Creation of the Nation*. By analyzing Chinese National Products Movements in the first half of the twentieth century, Gerth claimed that goods possess nationality and the pervasive tensions between consumerism and nationalism were central to the creation of China as a modern nation.³³⁰ Largely stimulated by modern business interests, the Movements enlisted student activists, local and national government, and many sectors of modern Chinese society to its cause while imbuing the general rhetoric of aggrieved Chinese nationalism. On the surface, the Movements were in a consensus and were

³³⁰ Gerth, *China Made*, 1.

pervasive in modern China, but Gerth left some room for discussing the conflicts behind the homogenous nationalistic veil.

In National Products Movements of the soft drink industry, the state actively involved in promoting national industries by organizing national goods exhibitions and rewarding outstanding Chinese soft drink companies. The state also imposed stamp taxes on soft drinks, which provoked fierce resistance from Chinese soft drink businessmen, who argued that imposing taxes actually meant a betrayal to the essence of the National Products Movement. In this state-businesses relation, Chinese businessmen formed as a dynamic civil society that resisted the state policies. Meanwhile, they also constantly shaped and revised the meanings of nationalism. If we further magnify our analytical subjects, the civil society became too broad to explain every conflict within the Movements. The Coca-Cola protest of 1947 was one of them. While many products had a clear-cut regarding to their nationality, Coca-Cola produced under the modern franchising system blurred the boundary between national and foreign products. Watson's Mineral Water Company, the bottling plant of Coca-Cola in Shanghai, was owned and run by Chinese people. The Company imported syrup, bottles, and machines, and sold finished products to both the Chinese and foreigners. During National Products Movements in the late forties, when American products were the major target of boycotts, Coca-Cola drew furious protest from Chinese soft drink businessmen, who claimed Coke not only was a luxury and a waste, but also severely inhibited the survival of the national soft drink industry. This event led to an intensive debate over what were national products and in what category Coke belonged to.

This chapter starts with a brief survey about National Products Movements in general since the beginning of the twentieth century, while putting particular emphasis on the boycotts against American products including Coca-Cola after 1945. Promoting production and consumption of Chinese soft drinks was one of the important compositions in National Products Movements, in which Chinese soft drink companies as well as the state collaborated with each other to cultivate a nationalistic drinking culture. Using soft drink industry as a lens, the rest of the chapter tries to challenge the consensus of National Products Movements. By analyzing two case studies: the stamp tax dispute and the Coca-Cola protest of 1947, this chapter shows how in real society, nationalism sometimes pathetically gave way to pragmatic rationality, and nationalism in consumption became harder and harder to practice as the pace of globalization accelerated.

National Products Movements

Since the Opium War in 1840, China's economy has changed dramatically. Western imperialists imposed a series of unequal treaties and exported a large amount of industrial products to the Chinese market. Influenced by the expanding foreign industry as well as the state policy of "business enterprises rescue the nation" (实业救国), Chinese national industries grew rapidly. In addition to the increasing mechanization of traditional industries, many new industries such as match, flour, and soft drinks also appeared on the Chinese market. However, imperial powers, by means of a large amount of direct investment and unequal treaties gradually controlled China's major economic fields such as finance, mining, and transportation. In everyday life, the influx of imports

and the desires that those modern products created threatened many people in China. Politicians worried about trade deficits and the new consumer lifestyles exemplified by opium dens and addicts. Intellectuals, who had begun to read works on western political economy, feared the loss of sovereignty in the growing foreign-dominance commercial economy. Manufactures, faced with cheap but superior imports, wondered how they would preserve and increase their market shares.³³¹ The threats were magnified by the rise of Chinese nationalism inflamed by Sino-Western political and military conflicts, which led to surges of nationalistic consumer culture, also known as National Products Movements in modern China.

The Movements popularized the meaning of material culture around the duality of “national products” and “foreign products,” and made consumption of national products a fundamental part of Chinese citizenship. Leading entrepreneurs, who were the major force of the Movements and whose economic interests were at stake, became living examples of two common expressions of the day: “Business enterprises rescue the nation” and “Establish factories for national self-preservation” (设厂自救).³³² Ordinary people also cried out for consuming national products to demonstrate patriotism, as nationalism intended to mold a burgeoning consumer culture by applying the categories “national” and “foreign” to all commodities had created the notion of “treasonous” and “patriotic” products.³³³

³³¹ Gerth, *China Made*, 3.

³³² *Ibid.*, 10.

³³³ *Ibid.*, 3.

Generally speaking, each National Product Movement was derived from political reasons, triggered by certain Sino-western political, diplomatic, and military conflicts. The movements usually had certain foreign countries as the target protest, which had infringed China's interest in the conflicts.³³⁴ Although the origin of the Movements could be traced back as far as the nineteenth century, the first truly National Products Movement started with the anti-American boycott of 1905. To protest discriminatory of U.S. immigration policies, Chinese merchants throughout China and overseas led a boycott of American products in summer of 1905.³³⁵ In the following decades, intensifying Sino-Japanese frictions and conflicts led to a prolonged boycott of Japanese goods. The humiliating Twenty-One Demands and Japanese invasion fueled anti-imperialist sentiment and brought National Products Movements into a climax. Chinese business communities as well as the Guomindang government actively participated in a collaboration to make effort to develop national industries and encourage Chinese people to consume Chinese products.

One large-scale "Buy Chinese" movement took place at the end of 1933. It was officially launched by the Chinese Chamber of Commerce and evolved in full swing in the Chinese quarters of Shanghai on October 13th. Exhibitions, slogans, and posters were frequently and widely seen in every corner of the region. Exhibitions in connection with the Chinese movement which was under way at the *Wen Miao* garden displayed a large amount of nationally produced goods. Meanwhile, some 350 Chinese business and public leaders attended the inauguration of the movement, which took place in the Chamber of

³³⁴ Pan, *jin dai zhong guo guo huo yun dong yan jiu*, 49.

³³⁵ Pan, *jin dai zhong guo guo huo yun dong yan jiu*, 2, 49.

Commerce Hall in North Sichuan Road. There were flags and poster decorations all about the hall, and banners bearing such phrase as “the more foreign goods imported, the poorer China will be!” “It is disgraceful for Chinese to patronize foreign goods.” During the conclave, a number of speeches were delivered by government officials such as the Chief of the Second Division in the Bureau of Social Affairs, who enthusiastically encouraged citizens to consume national products. Following the speeches, there were music and singing, and a broadsheet propagandizing the movement was distributed among those present.³³⁶

Japan’s defeat in 1945, however, did not end Chinese nationalistic sentiment on consumption; rather the United States replaced Japan as the target in the new round of National Products Movements. American troops as the allied fought shoulder by shoulder with the Guomindang army in the Pacific War, but what came along with the Sino-U.S. friendship was the deluge of American products. In the name of friendship with its ally the Nationalist Party, the United States signed a “Surplus Property Bulk Sale Agreement” with China in August, 1946. The agreement stated that its primary purpose was to “bring about the speedy turnover to China of war surplus for use by China in rehabilitating its economy, combating inflation, and acquiring foreign exchange through sales for export.”³³⁷ With the agreement in place, hundreds of American products which were high in quality but low in prices, such as canned food, nylon socks, and milk powder, poured into the Chinese market. In a large populous city like Shanghai, there was not a single

³³⁶ *Shanghai Evening Post and Mercury*, October 13, 1933.

³³⁷ Goodwin et al. *Foreign Relations of the United States, 1948, the Far East: China*. vol. vii. United States Department of States, 704.

person who never consumed U.S. products, especially America-made food. *Xinmin Evening News* of 1947 sarcastically commented that “thanks to our great friend, from now on a noble child—if he has the luck—is completely fed and raised by American products. From the moment when he is born with the assistance of a midwife who wears America-made gloves to his death, he doesn’t need to eat a grain of rice grown by Chinese farmers, nor wear a piece of cloth woven by Chinese peasants. What he eats are imported milk powder, fish oil, vitamin ABCD, and all kinds of canned food. What he wears are foreign wool sweaters, suits, and jackets.”³³⁸

After 1945 American products were sold in every store and department. Even street stalls, most of which were run by refugees, were filled with American commodities. In the Civil War, many people who fled and took refuge in Shanghai made a living by peddling American products in streets, which greatly obstructed traffic. The Shanghai Municipal Government banned street vendors by laws in 1946, but soon over two hundred street peddlers gathered together and opened a United World Store, specializing in selling foreign products in the *Nanshi* district (*Huangpu* district today). The so-called United World Store, which was very crowded every day, in fact, was a huge U.S. products stall where no national commodities could be seen. *Xinming Evening News* commented that American Products Store might be a more appropriate name for this place, since the only thing that was Chinese in the store were peddlers and

³³⁸ “The influx of canned food, western products have a good sale,” *Xinmin Evening News*, February 21, 1947, 4.

customers.³³⁹ In other districts of Shanghai where enforcement of the regulation was weak, street peddlers selling American products were rampant. American canned food was neatly piled along the streets. Sugar, coffee, and cookies were sold by weigh instead of cans to maximize the profit.³⁴⁰

Impacted by the deluge of American products, many national industries went bankrupt. When U.S. military canned food and milk powder entered Shanghai, Chinese Meilin Canned Food Company immediately lost the market. When repacked American Weishi monosodium glutamate appeared, Tianchu MSG Company felt the disaster right away. When American medicine came to China, Xinyi Pharmaceutical Factory spent ten thousand million *yuan* on advertisement, but still in vain. After Camel and Luck Strike cigarettes were sold in Shanghai, Chinese brands such as Lanjizi and Meili were driven away to Sichuan province—an inland province of China. Only nine months after victory of WWII, national industries either were bankrupt or stopped production. Chongqing, an industrial city during the war, turned into a barren land after victory. Shanghai, the industrial center after the war, was in a precarious situation under the impact of American goods. Factory owners were selling production machines and real estate, while a large number of workers were unemployed.³⁴¹ By 1946, Shanghai Socks Factory only operated three to four hours a day. Among eighty cigarette factories in Shanghai, only half of them were in operation. In Shanghai canned food industry, there were only 50 out of 180

³³⁹ Shen, “Mei huo tan fan qu di yi hou,” (After banning American products stalls) *Xinmin Evening News*, October 17, 1946, 2.

³⁴⁰ “The influx of canned food, western products have a good sale,” *Xinmin Evening News*, February 21, 1947, 4.

³⁴¹ “qing kan wo men de jingji xian Zhuang”(Look at our economic situation), *Xinmin Evening News*, May 28, 1946, 1.

factories survived.³⁴² Many Chinese said that the devastation of our national industry after the war was much more severe and fatal than the damage made by Japanese dumping a few years before.³⁴³

Moreover, the hyperinflation in the forties gave the struggling national industries a fatal blow. During the Sino-Japanese War, the Nationalist Government resorted to the printing press to finance the majority of its spending, covering 65 to 80 percent of its annual expenditures through money creation. During the civil war years of 1946-1949, monetary expansion covered 50-65 percent of the government's spending.³⁴⁴ The money printing and the civil war brought the worst inflation in the Chinese history. By the end of 1946, money supply increased to 9,181.6 billion *yuan*, and a more than six-fold increase to 60,965.5 billion by December 1947. Seven months later in July 1948, the money supply expanded to 399,091.6 billion *yuan*.³⁴⁵ Foreign exchange markets reflected the huge devaluation of the *yuan*. In June 1937, 3.41 *yuan* traded for one US Dollar. By December 1941, on the black market 18.93 *yuan* exchanged for a US Dollar. At the end of 1945, *yuan* had fallen to 1,222. By May 1949, one US Dollar fetched 23,280,000 *yuan* for anyone who cared to have some.³⁴⁶

³⁴² Tian, "gong shang jie ji yi you xin: mei huo fan lan cheng zai de gu shi," (Remain fresh in the memory of the business community, the story of the influx of American products) *Xinmin Evening News*, November 11, 1950, 2.

³⁴³ "American robbers in Shanghai," *Xinmin Evening News*, November 14, 1950, 2.

³⁴⁴ Ebeling, "The Great Chinese Inflation," *The Freeman: Ideas on Liberty*, Vol. 54, No. 12 (December 2004): 2-4.

³⁴⁵ *Ibid.*

³⁴⁶ Dollardaze, "Hyperinflation in China 1937-1949," March 6, 2007, <http://www.financialsensearchive.com/fsu/editorials/dollardaze/2007/0306.html>, accessed by 11-13-2012.

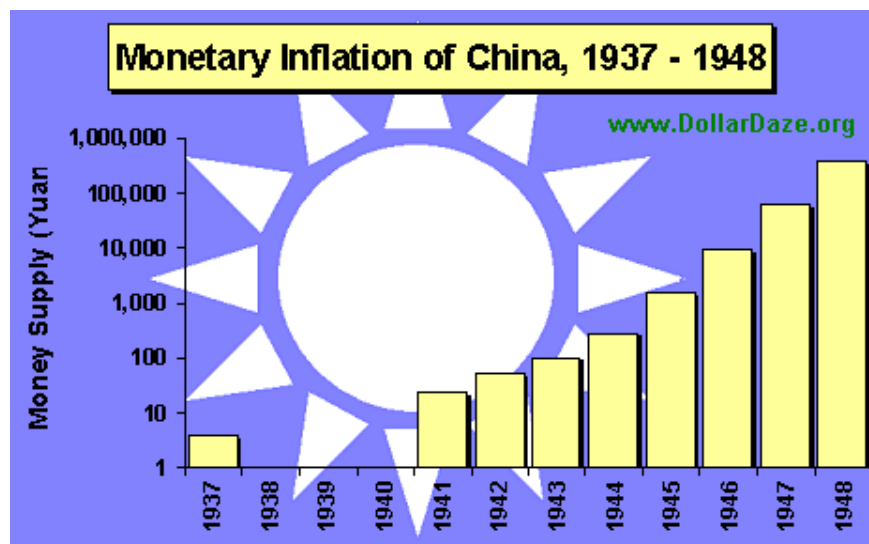


Figure 5.1: Money Inflation of China, 1937-1948
 Source: Dollardaze, “Hyperinflation in China 1937-1949,” March 6, 2007,
<http://www.financialsensearchive.com/fsu/editorials/dollardaze/2007/0306.html>, accessed
 by 11-13-2012.

Inflation caused a significant rise of living cost. Commodity prices rose almost four thousand times higher than those before the Sino-Japanese War.³⁴⁷ Within one year after the victory, prices in Nanjing increased seventeen fold, while goods prices in Shanghai increased thirteen fold. However, growth of people’s salaries was much lower than the price increase.³⁴⁸ High prices dramatically increased the cost of national industries, which led to high prices of the national products on the market. Facing the deluge of American products, expensive national products which were expensive but in low quality could not compete with foreign goods at all. While the cost in American products only accounted for twenty-five percent of the final price, the cost of most

³⁴⁷ Tian, “gong shang jie ji yi you xin: mei huo fan lan cheng zai de gu shi,” (Remain fresh in the memory of the business community, the story of the influx of American products) *Xinmin Evening News*, November 11, 1950, 2.

³⁴⁸ Meng, “nei zhan xia jingji, jingrong, caizheng de wei ji,” (The economic crisis in the Civil War) *Xinmin Evening News*, January 19, 1947, 3.

national products was seventy-seven percent of the price.³⁴⁹ For example, a box of China-made shoe-polish was 1,200 *yuan*, but imported American shoe-polish was only 700 *yuan*. A Chinese lipstick cost 1,500 *yuan*, whereas American lipstick was less than a half of the price, 600 *yuan*. National Angel milk powder was 4,000 *yuan* per pound, but American Klim was 2,000 *yuan*.³⁵⁰

For most Chinese people who worshiped things foreign, American products were regarded not only cheap but also better in quality than national goods. Even when prices of some national products were cheaper than those of American products, Chinese consumers still preferred the latter one. For example, a pair of China-made shoes cost 109,000 *yuan*, while the same style of American shoes was 145,000 *yuan*, but most the Chinese bought American shoes. With regard to other products such as crackers, which had a higher difference in prices, American products became much more popular. Sales of American crackers in Shanghai could reach 25 tins every day, but sadly sales of *Mabaoshan* crackers, a national brand, in 1946 were only one tin every two days.³⁵¹

Shocked by the pervasiveness of American goods and the waning national industries, the nationalistic Chinese started another surge of National Products Movement in the late forties, calling for consumption of Chinese products. In 1946, the Shanghai branch of China Association for Promoting Production opened a National Products Exhibition Mall to attract people to buy national products. The mall contained two

³⁴⁹ Xiaosheng, “yangzhong, yangzhong! Guo huo ye mian lin zhe shen yuan,” (Serious! Serious! The Crisis of the national products) *Xinmin Evening News*, September 15, 1946, 2.

³⁵⁰ “qiqicancan guo huo ye, pengpengbobo bo li tan,” (Poor national industry, flourishing foreign products) *Xinmin Evening News*, August 1, 1946, 2.

³⁵¹ Xiaosheng, “yangzhong, yangzhong! Guo huo ye mian lin zhe shen yuan,” (Serious! Serious! The Crisis of the national products) *Xinmin Evening News*, September 15, 1946, 2.

hundred and twenty-one exhibitions and one hundred and nineteen national companies participated. It gathered almost all national brands under the same roof in order to provide consumers convenience to compare and purchase, trying to change consumers' preference for foreign goods.³⁵² However, some patriotic Chinese felt the exhibition was not enough. They wrote to the editor of *Xinming Evening News*, suggesting the newspaper initiating a propaganda team to persuade people door by door to buy Chinese products which were either donated or loaned by Chinese companies. Participants could be anyone regardless of gender, as long as they were patriotic and eloquent. The proposers believed campaigning in this way could not only partially solve the unemployment issue, but also stressed the importance of consumption of national goods and made a contribution to save bankrupting Chinese industries and economy.³⁵³

The deluge of American products was considered not only a heavy blow to national industries, but also a political threat to social peace and stability. After the war, the Nationalist Party and the Communist Party returned to ongoing hostilities in the Chinese Civil War, even though negotiations were still in progress in 1945.³⁵⁴ When a full-scale civil war finally resumed after the Chongqing negotiations, the Communist Party started to support the National Products Movement. Communist Party mobilized patriotic intellectuals and young people to protest the bulk sale of American surplus property. The movement was vigorously supported by nationalist intellectuals such as

³⁵² Chen, "kai pi yi hou zen yang" (What happened after opening), *Xinmin Evening News*, October 26, 1946, 2.

³⁵³ Lu, "quan yong ben guo huo, qing cai qu xing dong," (Persuade to use Chinese products, action need immediately) *Xinmin Evening News*, October 17, 1946, 2.

³⁵⁴ Because of pressure from home and abroad asking for peace, on August 28, 1945 the Nationalist Party and the Communist Party started peace talks in Chongqing. The negotiations lasted 43 days and failed, which resulted in a full-scale civil war in 1946.

Guo Moruo (1892-1978) and Deng Chumin, (1889-1981) as well as hundreds of “patriotic entrepreneurs” and students.³⁵⁵ The activists argued that most American goods were not necessities in spite of the cheap prices and good qualities, but what made people buy them was people’s curiosity and conceit. In the boycott of 1946, a group of students criticized that many Chinese discarded their belts to buy a pair of nylon pants; discarded their beautiful leather handbags to buy American plastic bags; and discarded their modern silk cheongsam to buy nylon cheongsam. They were smoking American cigarettes and using American ball pens and fountain pens, but what did they smoke and write with before American goods came? The students warned consumers that together with the advent of these American products, the United States also sold a large amount of weapons to China, helping and prolonging the Chinese Civil War, killing hundreds and thousands of Chinese people. Anyone who bought American goods owed an apology to the brothers and sisters who died under American weapons.³⁵⁶ It was agreed that the long-standing Civil War gave no space for national economy to rehabilitate and American products further inhibited the tottering national industries. To save the country, there was no better way than forcing American army to withdraw from China and stopping the Civil War immediately. In this light, the boycott of American products was the most effective way to force American army to withdraw. Activists shouted slogans that “the Civil War should stop and peace and democracy should be achieved. American army must withdraw from China immediately. Chinese people would not buy American

³⁵⁵ *Wen hui bao*. Shanghai: February 10, 1947, 7-8.

³⁵⁶ “yi qun nian qing xue sheng fa qi bu mai mei huo” (A group of students launched a boycott movement against American products), *Xinmin Evening News*, October 13, 1946, 2.

products unless American troops get out of China.”³⁵⁷ Although the nationalistic emotion up-surged, activists pointed out that the boycott, which merely served for saving the dying national industries, did not mean unfriendliness to American allies. As long as American army withdrew from China and the Civil War ended, no one would oppose legal international trade when a democratic government was formed and fair international trade agreements were set.³⁵⁸

The National Products Movement in Soft Drink Industry

Soft drink business in China was an emerging but fast-growing industry in the first half of the twentieth century. Cities like Shanghai saw a fast expansion of both foreign and Chinese soft drink companies, but in most regions of China, particularly in treaty-port cities, soft drink market was generally dominated by foreign companies in the early 1900s. Take Tianjin for example, by 1915 the market was dominated by three big Japanese soft drink companies—*Da Ping*, *Chen Jing Chun*, and *Qiu Yuan*—with an annual sale over 10,000 dozens.³⁵⁹ In the eyes of most Chinese people, the domination of foreign business in soft drink industry significantly undermined the economic interest of the country. Competitions from foreign companies further suppressed the development of the newly formed industries. To save Chinese soft drink business and save the nation, Chinese soft drink companies made efforts to seek possible solutions. Through diligent

³⁵⁷ Hu, “meiguo bing tui chu zhi qian, da jia bu mai meiguo huo,” (Don’t buy American products unless American troops were withdrawn) *Xinmin Evening News*, October 16, 1946, 2.

³⁵⁸ “yi qun nian qing xue sheng fa qi bu mai mei huo,” (A group of students launched a boycott movement against American products) *Xinmin Evening News*, October 13, 1946, 2.

³⁵⁹ The Tianjin Archive, *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1912-1928*, Vol. 3, 2995.

investigation and research, Chinese merchants such as Yang Yijian and his colleagues, who were founders of Tianjin Hong Xing Soft Drink Company, finally found recipes that were comparable to foreign products. Their Company soon became the most well-known Chinese soft drink company in Tianjin.

Tianjin Hong Xing Soft Drink Company was opened with a raised fund of 8000 silver dollars in April 1902 by Yang Yijian, who was born in Hebei province. After several years of hard work, the Company produced various kinds of soft drinks with domestic materials. Its products were sold in many provinces across the country including Zhili (Tianjin and Beijing), Henan, Shandong, Shanxi, Shanxi, Jilin, Fengtian (Liaoning province), Hankou, Xiamen, etc. Over the decade, frequent political turmoil and different tax systems on national and foreign products, to some extent, impeded the Chinese beverage business, but Hong Xing Soft Drink Company continuously made a profit every year and its products gained a considerable share of the domestic market. Thanks to the Company's constant dedication to improve their products, its sales expanded rapidly and caused a big drop in sales of foreign soft drinks. By 1915, sales of Japanese soft drinks in Tianjin dropped more than a half, which was believed as a partial success in resisting foreign imperialist power and Chinese soft drink companies successfully saved some interests of the country.³⁶⁰

In addition to making every effort at improving qualities of national products, one of the most visible way in encouraging consumption of national products was advertisement, which in Karl Gerth's words, was the most portable institution in the

³⁶⁰ The Tianjin Archive. *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1912-1928*, Vol. 3, 2995.

exhibitionary complex. Despite the foreign origin of soft drinks, many Chinese soft drink companies integrated nationalistic elements in their trademarks and advertisement, which was known as nationalistic commodity spectacles.³⁶¹ It represented a more subtle way of nationalizing consumer culture than the violent anti-imperialist boycotts and ranged from fashion shows to parables about product-nationality that appeared in popular newspapers and magazines. The Chinese soft drink advertisement took nationalistic commodity spectacles outside controlled spaces to individual consumers, producing what could be called a micro-exhibition.³⁶²

To help consumers distinguish Chinese drinks from foreign and cultivate a nationalistic consuming culture, the most important thing was to identify the nationality of products. In the twentieth century, phrases like “national products,” “China-made,” and “Chinese” frequently appeared in all kinds of soft drink advertisement. In the advertisement of aeronautical soft drinks produced by the North China Soft Drink Company in Qingdao, the slogan “please drink Chinese-brand aeronautical soft drinks” was particularly highlighted in boldface at the top of the advertisement, striking and solemn compared with the joyful pictures at the bottom (Figure 5.2). The slogan implied that consuming Chinese-brand soft drinks was not only for leisure and health, but was a serious patriotic activity dedicated to save the tottering national economy. The nationalistic sentiment was more apparent and stronger in the advertisement of *Yixing* Soft Drink Company, in which patriotism was fully filled between the lines. It said “every patriotic personage agrees that Chinese-brand *Yixing* soft drinks are hygienic;

³⁶¹ Gerth, *China Made*, 204.

³⁶² Gerth, *China Made*, 204, 213.

please identify the registered trademark in order to distinguish it from shoddy products. Chinese consumers, please don't be tricked and cheated (by foreign products), but (should participate in) protecting and maintaining the interest and the right of China, so that our country will not fall into the hands of foreign imperialists. All patriotic people must make an agreement, advocating that business enterprises promote the nation."³⁶³

(Figure 5.3)

Besides the vigorous patriotic claim in the advertisement, the company's trademark name *Yixing* also revealed a strong nationalistic sentiment and Chinese cultural characteristics, which helped sharpen the distinction between Chinese and foreign. As Gerth argued the category of national products was always linked to nationalism, authenticity, and modernity, as well as to traditional concepts such as propriety 理, righteousness 义, integrity 廉, and shame 耻,³⁶⁴ national soft drinks also associated their brand names to traditional Confucian virtues. The character *Yi* in the brand name of *Yixing* means righteousness, indicating that the company and the brand were justice, which was in a contrast to foreign products which were commonly associated with imperialism, treason, inauthenticity, weakness, and immorality. The character *xing* means prosper, denoting that the Company was dedicated to the revival of the Chinese nation.

³⁶³ *Qingdao Times*, May 9, 1931, D000253/00033. The Qingdao Archive.

³⁶⁴ Gerth, *China Made*, 187.



Figure 5.2: Advertisement of aeronautical soft drinks produced by North China Soft Drink Company.

The big characters in the middle of the advertisement say “cool like frost, pure like a jade, good smell, and deep love.” The four lines between the two images describe the function and the features of the product: remove filth, sober up, clear heart fire and regulate qi, facilitate digestion and eliminate phlegm, good quality and cheap price.

Source: *Qingdao Morning News*, Nov 1, 1923. The Qingdao Archive, D000443/00005.

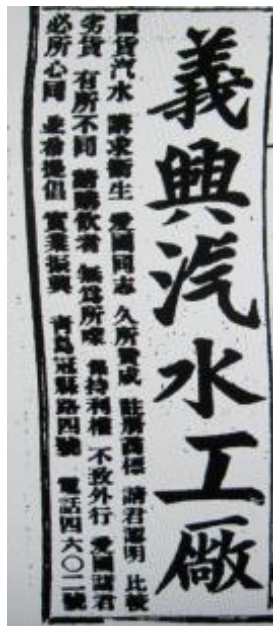


Figure 5.3: advertisement of Yixing Soft Drink Company

Source: *Qingdao Times*, May 9, 1931. The Qingdao Archive, D000253/00033.

The patriotic sentiment was widely seen in many Chinese-brand soft drinks, in which the word “China” (*Zhong Hua* or *Zhong Guo* in Chinese) as a large geographical identification that represents a sense of unity, solidarity, and identity became the brand that subsumed local and provincial items under the category of national product.³⁶⁵ Soft drinks’ trademark names such as *Rong Hua* (荣华 make China prosper), *Tian Hua* (Heaven China), *Guo Hua* (国华 China), and *Da Hua* (Great China) were frequently seen on the market. They were usually accompanied by distinctive trademark images that contain rich Chinese cultural elements. For example, the China Soft Drink Company identified its trademark with the Great Wall image which was not only a symbol of China but also a token of the big achievement and the greatness of the Chinese nation. Its advertising slogan “Chinese people should drink China Soft Drink” manifested the nationalistic sentiment even conspicuous. The Company demonstrated its patriotism by advertisement. More important was it captured the nationalistic sentiment of the Chinese masses and thus tried to encourage them to buy Chinese soft drinks.

³⁶⁵ Gerth, *China Made*, 217.



Figure 5.4: China Soft Drink advertisement in 1947.
 On the top right, it says Chinese people drink Chinese soft drinks.
 Source: *Shang Bao*, Jul 21, 1947

Soft drink companies were not the only participants in National Products Movements. The Government also played an important role in cultivating nationalistic consumption and promoting the fledgling national soft drink industry. In the surges of the Movements, any achievement accomplished by Chinese companies was well recognized and rewarded by the state. In National Products Promotion campaigns launched by the Qing Empire and later by the Government of Republic of China, Hongxing Soft Drink Company was nominated and honored numerous times as the outstanding example of national industries in the Beijing and Tianjin area. The company became a hero who made a big contribution to defend China's interests and national prestige. Over the decades, the company was granted numerous rewards and honors by the state. In the first exhibition of national goods in Tianjin held by the Qing Government in October 1906,

the Technology Department (工艺总局) awarded the first place to Hong Xing, praising with words like “good quality, fair price, and proper service.”³⁶⁶ In November of the same year, the Ministry of Commerce awarded a silver medal to the Company in the welcome exhibition during his inspection. In the second assessment organized by the Technology Department in November 1906, Hong Xing was awarded a gold medal with comments that “high-quality materials, clean distilled water, and refreshing and cool tastes. Hong Xing soft drinks are good summer beverages that benefit health and sanitation.”³⁶⁷ In the following year, Hong Xing Soft Drink Company once again received a gold medal due to its good performances in the successive three assessments. It was honored that “the taste is extremely cool and pure. If air is completely evacuated from the bottle, the product could be preserved for a longer time and its market will be expanded.”³⁶⁸ Among the four assessments in the year of 1908, Hong Xing Soft Drink Company won a silver medal from the Technology Department with a comment that “excellent in preparation, mellow and clear in taste, cheap in price, and beautiful in design, which is good enough to resist foreign products.”³⁶⁹ The Company continuously received two gold medals in 1910, one in the first national products exhibition held in Southeast Asia while the other was during the assessment conducted by the Ministry of Zhili Commerce. In 1911, it once again received a first place in the exhibition of local specialties.

³⁶⁶ The Tianjin Archive. *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1912-1928*, Vol. 3, 2995.

³⁶⁷ Ibid.

³⁶⁸ Ibid.

³⁶⁹ Ibid.

After the establishment of Republic of China, Hong Xing Soft Drink Company was continuously praised as the hero of the national industry, especially when the voice of promoting national industry in China grew louder and louder after the humiliated “Twenty-one Demands” was signed with Japan in 1915. In a series of state-organized national products promotion campaigns, Hong Xing Soft Drink Company, whose business tremendously undermined Japanese soft drinks in Tianjin, was particularly nominated and honored by the Government as one of the pioneer fighters in the boycott against the Japanese products which have flooded the Chinese market since the beginning of the twentieth century.

The Soft Drink Tax Crisis: Resistance from the Civil Society

On the surface, National Products Movements were nationwide patriotic activities involved consumers, business communities, and the state, which actively cooperated with each other. As a matter of the fact, the movements were so large in scale and so broad in concept that it concealed many conflicts. One of them was the dispute over the soft drink tax in the late 1920s. The voice of tax-cutting appeared very early among the Chinese soft drink businessmen. In 1915 when Tianjin Hongxing Soft Drink Company was honored by the state because of its achievement in boycotting of Japanese soft drinks, the Company had requested the state to cut the internal transit tolls (or *lijin* 厘金) and tariff, which were believed as two big obstacles inhibited the growth of Chinese soft drink business. The company suggested that if the Government cut the taxes, not only burdens of Chinese businessmen would be reduced but also the market of Chinese soft drinks would expand. In the views of soft drink companies, tax-cutting was the most effective

and practical measure in state-supported campaigns aimed for preservation and promotion of the national industry.³⁷⁰

However, before the *lijin* system³⁷¹ was completely abolished, the Ministry of Finance of the Republic of China enacted stamp tax in August 4, 1927, starting to impose taxes on soft drinks in the Chinese territory outside of concessions. According to the ordinance, every 1 lbs. bottle of imported soft drinks should pay two cents of stamp tax, every 0.5 lbs. bottle of imported soft drinks should pay one cent of stamp tax, and China-made soft drinks should pay a half of the tax of the imported.³⁷² Following the regulation, every province and city set up organizations such as stamp tax departments and stamp tax offices, and made specific and detailed rules for the local to carry out. The Tianjin branch of the Hebei Stamp Tax Department announced their provisional rules on April 1929, which then were distributed among all local offices, chamber of commerce in Tianjin, shops, and companies. The rules stipulated that each bottle of drink must pay the tax, marked by a stamp sticking on the cap of the bottle, before it was put on sale. Each soft drink company must purchase stamps from the local stamp tax office and stick them on bottles before packing. The tax office must check the stamps and issue a tax certificate attached on each package. If necessary, the local tax office could send inspectors permanently staying in the factory for inspection, during which the factory must not hide any tax-related information or reject investigation. Although drinks that shipped out of or through Hebei province did not require the stamp tax in Hebei, they had to be reported to

³⁷⁰ Ibid.

³⁷¹ The *lijin* system was abolished by the Nanjing National Government in 1931.

³⁷² The Second Historical Archive of China, *Comprehensive Collection of Archival Papers on History of Republic of China*, Vol. 1, Part 5, 404.

the stamp tax office as soon as they arrived and got a shipping license as a certificate which would be checked by tax offices along the way. Those drinks could not be sold during the trip, otherwise not only the stamp tax should be paid, but a heavy penalty would be imposed. Drinks shipped from other provinces, which hadn't got stamps, must purchase the stamps in Hebei before put on sale. It was illegal to sell any unstamped drink, otherwise punishment would be enforced.³⁷³ The regulation was soon delivered to and then distributed by the Chamber of Commerce in Tianjin, an organization which was responsible for communication between the government and local merchants. It decided to collect tax collectively for convenience of both companies and the organization, and called for several meetings with soft drink companies for persuasion and explanation.

In spite of patient persuasion, the act remained fiercely resisted by Tianjin soft drink companies as soon as the tax was announced. In the same month of the promulgation, a tax-cutting petition drafted and jointly signed by nine soft drink companies represented by Hongxing Soft Drink Company³⁷⁴ was sent to Hebei Stamp Tax Department. In the petition, the nine soft drink companies indignantly accused that the tax severely impeded the development of Chinese soft drink industry, which in fact led the state-organized National Products Promotion Movements to backfire. They claimed:

³⁷³ The Tianjin Archive, *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1928-1937*, vol. 2, 2028.

³⁷⁴ The petition was drafted by Haocheng Zhang, who was born in Zhaoyuan County, Shandong province, the manager of *Hong Xing* Soft Drink Company. The nine companies that jointly signed the petition include *Ming Xing*, *Guang Ming*, *Rong Shun*, *Quan Xing*, *Dao Sheng*, *HongXing*, *Xin Ming*, *Tian Xing*, etc.

“We are so scared by the recently released stamp tax provision. Soft drinks produced in our companies were imitations of foreign goods. Since 1900, most soft drinks sold in Tianjin were either produced by Japanese companies or imported from overseas.³⁷⁵ Since 1902, to promote national goods, we Chinese merchants have started to build soft drink companies and marketed our products in Tianjin and across the country, leading to a tremendous decline of the Japanese business in Tianjin. At the beginning of the political tutelage, Government of Republic of China took the opportunity to help people to develop national industry in order to resist imperial powers and improve ‘people’s livelihood.’ Will imported soft drinks be double taxed? If the tax aims for resisting foreign products, then why local products should be taxed? Considering the impoverishing situation in our country where livelihood became increasing difficult and the price of raw materials and labor force was increased dramatically, the profit of our products was too small to support our business. In addition, as our situation was further deteriorated by oppression and exploitation from warlords these years, how could we afford the stamp tax? Finally, soft drinks are popular beverage in summer, which are far different from luxury products. The government said the tax was ultimately paid by consumers but not merchants, but the fact is increased prices after the tax will result in difficulties in sales. Stagnation of our business is not important, but unemployment of our workers due to the depression is crucial, which contradicts to the teachings of Sun

³⁷⁵ Tianjin was a city of Hebei province.

Yat-sen—benevolent and respecting to labor. In short, our business not only relates to the livelihood of hundreds of workers, but also contains the meaning of promoting national industry. As to the stamp tax on soft drinks, we could hardly accept.”³⁷⁶

Although the petition appeared rational and sincere, the Hebei Stamp Tax Department denied the fact that the tax caused backlash against National Products Movements. Stamp Tax Department stated that according to the tax law, national soft drinks only paid a half of the tax compared with the imported, therefore the Government had already taken particular care of national soft drink companies and protected national goods.³⁷⁷ Since there was no formed custom on taxation since the opening of the Tianjin port, Stamp Tax Department believed there was inevitable misunderstanding between Tianjin businessmen and the government. Therefore, the Hebei Stamp Tax Department asked the Tianjin branch to patiently persuade and educate each company until they thoroughly understood the principle and follow the rule. On April 25th and 26th, cooperating with the Chamber of Commerce, the Tianjin branch called a meeting with representatives from soft drink and cosmetics industry, during which the officers explained to the representatives that stamp tax provisions, in fact, had well reflected the state’s intention on national products protection, and the provisions had been successfully implemented in every other province without any resistance and disadvantage. After the meeting, believing that the companies had understood the law and accepted, the branch

³⁷⁶ The Tianjin Archive, *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1928-1937*, vol. 2, 2032-2033.

³⁷⁷ *Ibid.*, 2033.

informed Hebei Stamp Tax Department that full implementation of the stamp tax would be started since the first day of May.

However, the later story showed that the Tianjin branch was over-confident on the tax issue. After two soft drink companies *Guang Ming* and *Dao Sheng* went bankrupt in May, Chinese soft drink companies became hostile to the stamp tax act. Their indignation grew stronger when the commissioner of the Tianjin Branch claimed in the meeting of May 14th that neither the Department nor the branch took the responsibility to the bankruptcy of the two companies, and the rest of the companies should continue to pay the tax. Full of anger, these companies jointly submitted another petition to Hebei Stamp Tax Department on May 18th. The petition indignantly accused the commissioner who did not have any compassion to people's livelihood, threatened and forced the companies to pay taxes by May 20th. The companies pointed out that other provinces, as far as they known, did not implement the stamp tax, and they could not afford it either. They complained their business was in an extremely difficult situation, which was first hit by the flux of foreign drinks and then exacerbated by the taxation:

“Concessions in Tianjin were rife with foreign soft drink companies that were currently producing and selling drinks in a great amount and at an extremely low price, while our Chinese soft drink business was in stagnation due to the taxation. If the government insisted to impose the stamp tax, China-made soft drinks with increased prices would not compete with the foreign ones, while the untaxed foreign drinks would continuously dominate the market in Concessions. We were trying our best in boycotting foreign goods, but in vain. Even worse is recently retailers and vendors were afraid of selling our products due to

intimidation from the stamp tax imposed by the Tianjin branch of the stamp tax department. As a result, our goods become unmarketable. Several Chinese soft drink companies have been closed for more than ten days. *Guang Ming* and *Dao Sheng* were two victims in this tragedy. They were forced to shut down because their small capital could not afford the large amount of debts, which was a loss of our community. However, considering *Guang Ming* and *Dao Sheng* did not completely blame the Branch for their bankruptcy, how could the branch compel us again?”³⁷⁸

Since the establishment of the National Government, the state actively participated in National Products Movements. It abolished the *lijin* system, achieved tariff autonomy, and organized numerous national products exhibitions across the country. The Government also included “advocate and protect national industries” into their policy agendas.³⁷⁹ However, with regard to the stamp tax on soft drinks, Tianjin Chinese soft drink companies argued that the policy contradicted to the essences of National Products Movements. In the petition letter, they wrote:

“According to the state policies, national industries will be largely encouraged and rewarded by the state, then how could the branch devastate rather than encourage it? To boycott of foreign goods and promote national industries, we have to keep our business running under pains. If the Tianjin branch is still care about promoting national products, they should understand our difficulties

³⁷⁸ The Tianjin Archive, *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1928-1937*, vol. 2, 2034.

³⁷⁹ Pan, *jin dai zhong guo guo huo yun dong yan jiu*, 325.

and report to the government. Affected by the move of the capital city, the domestic market stagnated and our business is almost dying.³⁸⁰ If the Tianjin branch understands our difficulties and stops taxing, we may survive, but if the branch insists to impose the stamp tax on us, we will all bankrupt very soon. We have made up our minds to reject the taxation, and thus further communication is unnecessary even if the branch calls for meetings in the future. It is apparent that the date of imposing the stamp tax will be the date of our bankruptcy, which is also the date of unemployment of workers. Even if foreign products are dominating the market in the future, we will never make efforts again.”³⁸¹

In the view of the Tianjin stamp tax branch, the accusations were so ridiculous that the Chinese businessmen made cases out of nothing. The branch denied that Tianjin was the only province implementing the stamp tax, as the stamp tax provisions were clearly included in the Acts of all other provinces such as Jiangsu, Anhui, Zhejiang, and Fujian. The statement that Tianjin was the only city implemented the stamp tax was merely a pretext of the businessmen who deliberately hid and concocted the fact to avoid taxation. The other statement that all retailers and vendors were refusing to sell Chinese soft drinks because of the tax was not true, either. After several rounds of persuasion and education that all ended in vain, the Tianjin Stamp Tax Branch had no patience any more. It complained that Chinese businessmen did not appreciate its efforts,

³⁸⁰ The capital of the Republic of China was initially set up in Guangzhou. It was changed to various cities during the course of the Northern Expedition, and finally was set up in Nanjing. During the Sino-Japanese War, the capital was moved to Chongqing. After the War, it was moved back to Nanjing.

³⁸¹ The Tianjin Archive, *Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin 1928-1937*, vol. 2, 2034.

but attributed the business stagnation and bankruptcy of *Guang Ming* and *Dao Guang* to the branch.³⁸² Without any hope, the Branch had to send a letter to the Chamber of Commerce of Tianjin, asking help for distributing the taxation message among the Chinese companies in order to urge them to pay the tax as soon as possible. In this way, the branch demonstrated its seriousness toward the state law and meanwhile would not overly infuriate the soft drink businessmen. The letter wrote:

“Since the opening of our branch, we have made every effort to educate and persuade all soft drink businessmen. We never sent our people to check or punish any company, as all notifications were conveyed and distributed to businessmen by the Chamber of Commerce. While the fact is very clear, how could those businessmen mislead the masses by making slanders and spreading rumors? The statement that the market of Chinese soft drinks was largely affected by the foreign ones was untenable, too. According to the Stamp Tax Act, when the foreign soft drinks enter into the Chinese territory, they have to pay the tax without exception, and their tax will be doubled, which explicitly reflects the Government’s encouragement and reward toward national products. While the Chinese businessmen clearly knew the command by the Republic of China, how dare they resist against the Government?”³⁸³

However, the explanations were not accepted by the businessmen who firmly believed their interest was considerably hurt by the taxation. They were not convinced that the different rates of taxation between Chinese soft drinks and foreign drinks

³⁸² Ibid., 2035.

³⁸³ Ibid., 2035.

reflected consideration from the state, because foreign drinks were sold within the concessions, the largest soft drink market in Tianjin where the stamp tax did not apply. Therefore, despite the Chamber of Commerce once again organized a meeting on May 31st, trying to clear the misunderstanding between the businessmen and the Government and thus enforce the new tax act, Chinese soft drink businessmen in Tianjin still kept resisting. Without any satisfactory progress at the end, the Tianjin Stamp Tax Branch and the Chamber of Commerce had to take an alternative measure: force vendors and retailers to pay the tax. They announced that “while we are continuously commanding soft drink companies to pay the tax, vendors and shops that were selling soft drinks had to pay the tax in the first place. All restaurants, hotels, fruit shops, and stalls are not allowed to sell any untaxed soft drink. Regular inspections would take place for enforcement.”³⁸⁴ As to Chinese soft drink companies, the branch denounced that “for several months’ persuasion and postponement in checking, we have been kind enough and patient enough, but the soft drink businessmen are still obdurate and resisting. By far, we have made enough compromise and have no patience any more. In order to carry out the state’s act, we could not allow them to delay any further.”³⁸⁵ The Branch urged the Chamber of Commerce to keep persuading and claimed that “if the businessmen persist in error and resist, they were far away from being good citizens.”³⁸⁶

This event caught a wide attention from the public who saw it as a political satire. One article titled “views about the soft drink stamp tax” published in *The Beiyang*

³⁸⁴ Ibid., 2036.

³⁸⁵ Ibid.

³⁸⁶ Ibid.

Pictorial News in May 1932 sarcastically compared the taxation as a way that the government encouraged people to lead a simple and hardworking life in the difficult period. It says:

“People easily get thirsty in hot seasons and they are eager to drink something to refresh the body. Water is too insipid whereas tea is too bitter, so it’s better to drink something cool and sweet, which quenches the thirst right after the body is drained. It is soft drinks, superior to ice-cream, as it is not too cold and fatty.

Sales of soft drink are best in summer, especially in cities, where people sometimes drink several bottles a day. It has been a long time since the tax office proposed to impose soft drink stamp tax to increase revenue. Although it has not been completely fulfilled, it is unavoidable in the light of the situation that the tax office once and again stressed the tax regulation regardless of petitions raised by soft drink businessmen.

As the state is dedicated to advocate national products consumption, it is improper to drink untaxed foreign soft drinks, though they are cheaper. However, in the hot weather, it is uncomfortable if there are no cool drinks available. A Chinese proverb says wool comes from sheep. Soft drinks are expensive, but the prices will increase again after the taxation. Consumers have to pay more to relieve the summer heat. They could not afford the high prices, but what could they do?

Therefore, I suggest Chinese people take this opportunity to, first of all, become abstentious. As cold water is good enough to refresh the body, why must

drink soft drinks? Second, our Chinese people have to actively avoid Europeanization, because soft drink, whose original name in China is Dutch water, is not an indigenous product. For the past four thousand years, people lived well without drinking soft drinks. Third, Chinese people should support national products. Since the ancient time, watermelon, plum juice, and jelly (Liangfen, Bolifeng) have been ordinary cooling foods in summer, which are untaxed and cheaper but tasted as good as soft drinks. Considering the current political and economic situation that requires every Chinese to endure hardships, how could we still consume expensive drinks? Instead, we should have the passion and the enthusiasm in construction of our nation, how could we addict to relaxation, self-indulgence, and cool drinks? Maybe it is the hidden meanings of the stamp tax considered by our government!”³⁸⁷

The Coca-Cola Protest: Conflicts within the business community

While the resentment on the stamp tax of soft drinks had not been fully appeased, the mixed identity of Coca-Cola once again challenged the meanings of National Products Movements. As the modern business franchising system adopted by the Coca-Cola Company came to China, questions such as who were the nationalists and what was nationalistic consumption became complicated. Especially when the flourishing new-form business impeded the development of traditional Chinese companies, disputes over the category of national products grew intense.

³⁸⁷ *The Beiyang Pictorial News*, May 1932, issue 781.

Since 1945, under the bombardment of advertisement, Coca-Cola had become the top-selling soft drink on the Chinese market, especially in big cities like Shanghai. Yet Coca-Cola, known as a foreign brand, also became the top target for attacks in the surge of National Products Movements. Frustrated by the fierce competition from Coca-Cola, Chinese soft drink companies, whose business was significantly hurt, lamented that the huge gap on financial capabilities between American and Chinese companies determined the fiasco of the national industry in the commercial war. Chinese businessmen denied the taste of Coca-Cola was superior, believing that Coca-Cola's success was totally due to its excellent marketing strategy supported by the abundant foreign capital. They claimed in a newspaper in 1947 that Americans spared no expense in advertising, not only spending a huge amount of money in advertisement, but also giving away free beautiful coolers and servant training program videos to restaurants and Cafes to encourage them to sell Coca-Cola. In addition, modern and high-technological machinery which could produce a maximum of 120,000 bottles per day was also imported to China, and none of Chinese soft drink companies could compete with it. Chinese soft drink businessmen concluded that only foreigners had this capacity and boldness to do a business in this way, whereas the Chinese were short-sighted and incompetent, so the defeat was inevitable and the Chinese could only helplessly see foreigners invade China economically.³⁸⁸

Facing the criticism, American Coca-Cola Export Corporation denied it was doing any business in China. Although the Corporation admitted that their representatives

³⁸⁸ Xiaochun, "Coca-Cola shang zhan qi shu," (Coca-Cola's excellent strategy in the commercial war) *Hai Chao*, issue 44, April 13, 1947.

were occasionally sent to Shanghai, they were not official attorneys to Coca-Cola and the representatives' office did not belong to any department of the Coca-Cola Export Corporation. The representatives were merely functioning in a supervisory capacity and to survey the Chinese market with a view to future prospects. Charles T. Carroll, the representative who operated a small office at 101 Hamilton House, 170 Kiangse Road (Jiangxi Road) in Shanghai under the name of Coca-Cola Export Corporation in 1947, claimed that they did not carry on any business in China in the true sense of the word, nor did they have what they call a business establishment in China as a Corporation. They kept no books and handed no payments for merchandise, nor did they import goods for sale in the Chinese market. The bottlers bought direct from the United States, and effected payment for the merchandise direct to Coca-Cola's New York office. The Shanghai office did not intervene, in any way, in such transactions.³⁸⁹

With regards to the Shanghai office, Charles T. Carroll explained the office merely served as a place to write letters, keep files, and interview parties with whom they contacted in business. The office was rented in the name of "Charles T. Carroll, Jr., Representative of the Coca-Cola Export Corporation," which was marked on the door of the office. Except Carroll, the only office employee was a stenographer and an office boy, both of whom were hired by Carroll personally. The Shanghai office did not operate a bank account in the Coca-Cola Export Corporation's name. Instead, the bank account which was used in connection with the office was in the name of "Charles T. Carroll, Jr.—Special Account." In addition, the letters generally were signed "Charles T. Carroll,

³⁸⁹ "Correspondence between Shu-Lun Pan & Co. and the Coca-Cola Export Corporation," July 1947, Q90-2-619. The Shanghai Archive, 24.

Jr.” without any reference to the position. Occasionally, “Representative, the Coca-Cola Export Corporation” was signed in a letter.³⁹⁰

When referring to the duty of the representative, Carroll said he did not hold power of attorney for his Company, rather his job was to supervise the activities of their Authorized Bottlers in China, and to ascertain that they follow certain prescribed standards in connection with their own business and in pursuance of the ‘Bottlers’ Agreement,’ and covenanted of the bottlers there under. The representative did not import directly any products of the Coca-Cola Company and did not sell any products to the bottlers. On the other hand, the representative rendered to the bottlers general assistance in the promotion of their business and advised in a technical capacity in reference to production matters. Officially, the representative did not enter into the bottlers’ procedures for procuring import licenses and foreign exchange. As to the compelling advertising campaigns which were believed as the key of Coca-Cola’s success, Carroll explained all of the advertising was done by their bottlers with the exception of an occasional advertisement which he placed with trade magazines.³⁹¹

To protect the company’s brand, the Coca-Cola Export Corporation decided to register its Shanghai office and then the branch at once and had their English name and Chinese name properly recorded. The Company worried that under the Chinese Company Law in the late forties, it was possible and there were instances where infringement on trademark names had already taken place. For example, the Parker Pen Company who was late in registering its Company name and found that a Chinese company had already

³⁹⁰ Ibid., 25.

³⁹¹ Ibid., 26.

registered “The Parker Pen Co.” and was doing business under that name. There was nothing that Parker Pen could do about it under the interpretation of the Company Law.³⁹² Learning the Parker Pen Company’s experience as a lesson, in 1948 the Coca-Cola Export Corporation filed an application with the Bureau of Social Affairs for registration. When explaining the purpose of the Shanghai branch, the Company insisted that their main object in filing the application for permission to establish a branch was merely to protect their Company name against the registration of it by someone else. In the application, they asserted that even after the branch had been established; they would continue to operate as heretofore for some time to come, which meant that no income producing activities would be carried on in China by the branch. In other words, all sales would be consummated at points outside of China.³⁹³

Since 1948 sales of Coca-Cola had been skyrocketing, in the meantime, however, the worst inflation from 1948 to 1949 in the Chinese history as well as the bulk sale of American products after the War stirred up the Chinese businessmen’s hostility toward Coca-Cola. Increasing prices of raw materials during the inflation made the precarious national soft drink business even worse. Seeing the continuous expansion of Coca-Cola, the City Council, a public body established since 1938 and participated by representatives from all fields of society particularly from industries, proposed to restrict luxury imports in order to save foreign exchange and protect the foundation of the nation—the national industry. The proposal points out that the bulk sale of foreign luxury drinks significantly destroyed the national industry, which was far away from the purpose of austerity raised

³⁹² Ibid., 21.

³⁹³ Ibid., 62.

by the Government. Coca-Cola, the top-selling soft drinks in Shanghai, was an American brand, and thus was suggested to be categorized as a luxury, the import of which especially its raw materials had to be firmly restricted. The proposal was strongly welcomed by the Shanghai Chinese Soft Drink Association, which actively responded with a resolution:

“We opened soft drink companies to produce the best beverage in Shanghai.

However, recently the American Coca-Cola Company is dominating the market by virtue of massive investments. They export tons of Coca-Cola concentrated syrup, asking Watson’s Mineral Water Company to bottle and sell. Coca-Cola’s business has given the Chinese soft drink industry a heavy blow, resulting in the shutdown of hundreds of national companies. Our Chinese companies have been seriously threatened by the unfair competition. Since the City Council represents the interest of the Chinese public, it is urgent to forbid luxury imports and reduce foreign currency exchange to protect the economic foundation of the nation.

Therefore, we strongly support the proposal.”³⁹⁴

Soon after, the resolution was sent to the Shanghai Municipal Government for review. But before a decision was made, Watson’s Mineral Water Company wrote an open letter to the public explaining that Coca-Cola was not a wasteful luxury, but a widely known brand that was popular across the world except in the Soviet Union and its allies. The Company pointed out that Coca-Cola has been commonly recognized as an ordinary, daily drink in the world, which was increasingly how it was consumed in

³⁹⁴ *Gong Shang Fa Gui (Trade and Industry Regulations)*, June 5, 1948, 470.

Shanghai, so it could not be defined as a luxury. More importantly Watson's said, "raw materials" used in other soft drink brands were also imported from overseas. In this sense, any discrimination involving Coca-Cola was unfair and unjustified. In the letter, Watson's particularly emphasized that they had made large contributions to state revenue. Because of the prosperity of their Coca-Cola business, the Company paid the largest amount of commodity tax in the industry, which was up to 140 billion yuan in June 1948. Their partners, including distributors and retailers, also paid a considerable amount of business taxes and banquet taxes, which was estimated to be a total of 250 billion yuan in June 1948. As to foreign currency exchange, Watson's argued that only eight percent of annual income was invested in importing raw materials, such as concentrated syrup, which meant they spent a very small amount towards "foreign exchange" especially if it was compared with the amount of taxes they paid to the government every year.³⁹⁵

The Chinese Soft Drink Business Association could not deny that Watson's was the biggest tax payer in the industry, but they started to play another political card, accusing Watson's of causing the collapse of the national soft drink industry and the national economy. They said that Watson's Coca-Cola business significantly undermined nationalistic sentiment and weakened the National Products Movement across the country. However, in Watson's opinion, this accusation was completely unjustified. The Company pointed out that although Coca-Cola was an American brand, all assets including factory buildings, machinery, transportation facilities, coolers, bottles, and crates were investments made by Chinese shareholders. If the government forbade Coca-

³⁹⁵ "Forbidden Coca-Cola imports," July, 1948, U1-12-316. The Shanghai Archive. Also see *Xinmin Evening News*, July 3, 1948, 4.

Cola imports, the Company argued not only that the interest of its Chinese shareholders would be hurt but industries in their supply chain including glass, caps, sugar, coolers, and crates would be affected and thousands of Chinese workers would be unemployed. Last but not the least, the Company argued Coca-Cola was actually beneficial to the public's health, because the quality of drinking water in China was always a problem and the market was glutted with shoddy products.³⁹⁶

Behind these issues of foreign currency exchange and Coca-Cola being classified as a luxury were deeper concerns. The focus of the debate, in fact, was whether or not Watson's should be treated as a Chinese company, and where the boundary between national and foreign industry should be drawn. The National Products Movement as well as the concept of national products was nothing new in China. As early as in the 1930s, in order to show support for the national economy, the Republican Government promulgated detailed, official standards to identify products' nationality. These standards considered four basic components of any product: capital, management, raw materials, and labor. Based on those criteria, "national products" were categorized into seven official grades—from grade one, the purest—to grade seven, the least pure:

Grade 1: Chinese capital, management, materials, and labor.

Grade 2: Chinese capital, management, and labor, but the use of small amounts of non-Chinese raw materials or a few foreign technicians.

³⁹⁶ Ibid.

Grade 3: Chinese investment using capital borrowed from abroad, but Chinese management, materials, and workers; or the analogous situation with foreign technicians.

Grade 4: Chinese capital, management, labor, and primarily foreign materials; or the analogous situation with foreign technicians.

Grade 5: Chinese capital borrowed from abroad, Chinese management and labor, primarily foreign materials; or the analogous situation with foreign technicians.

Grade 6: Chinese capital borrowed from abroad, Chinese management and labor, and mainly foreign raw materials; or the analogous situation with foreign technicians.

Grade 7 (added within a few years): Chinese labor, management, and workers, but all foreign materials; or the analogous situation with foreign technicians.³⁹⁷

According to the seven official grades, Watson's Mineral Water Company, which was supported by Chinese capital and completely run by Chinese people, was neither the purest Chinese company nor the least pure. The Company was formerly British-owned and under the management of Watson & Co, A.S., a British firm in Hong Kong initially organized by chemists and druggists, wine and cigar merchants, and photo suppliers. In 1919 the company was separated from its Hong Kong connections, and four Chinese businessmen, all of whom were Cantonese, put it up by registering with the Chinese Government with a capital investment of \$140,000.³⁹⁸ By 1933 Watson's board of

³⁹⁷ Pan, *Zhong Guo Jin Dai Guo Huo Yun Dong*, 497-500.

³⁹⁸ "the investigation report by the Bank of Shanghai," July 23, 1923, Q275-1-1947. The Shanghai Archive.

trustees expanded to six members. The president of the board was a fifty-year-old Cantonese named Guo Weiyi who used to participate in the opium trade and later made a fortune with his inventories when opium prices soared after the trade was prohibited. With this money, Guo bought Shanghai Watson's Mineral Water Company from the hands of the British in 1919. He also invested in Chinese banks (钱庄) in Shanghai and became a shareholder of De Chang 德昶, Hong Xiang 鸿翔, and Hong Sheng 鸿胜.³⁹⁹

The second biggest shareholder of Watson's was a speculator named Shi Dezhi 施德之, who once ran a photo studio, and later earned a great fortune by inventing a medicine for heatstroke called "Shi Dezhi miracle syrup." 施德之神功济众水 Even though the efficacy of the syrup was questionable and Shi Dezhi was one of the widely-known "slippery fellows" in Shanghai, his invention somehow became very popular and his wealth increased to 1.5 million yuan. After investing in Watson's, Shi ran into legal difficulties. In 1933 Shi was summoned by the court because of his role in the morphine and heroin trade. His share of the Company stock was said to be transferred to Guo Weiyi. The rest of Watson's stockholders were Lu Weichang 卢炜昌, the president of the Shanghai Jiangwu Sports Society; Cui Pinxi 崔聘西, shareholder and manager of the Bank of Taihexing 泰和兴银号, manager of Heshen Cotton Mill 和生纱号, and Counselor of Wu Hua Bank of Industry and Trust 五华实业信托银行. Although Cui was not very wealthy, he was very competent and had a good reputation. Other stockholders included Zheng Zhuochen 郑灼臣, a famous dentist in Shanghai; Guo Jianxiao 郭健宵;

³⁹⁹ "the investigation report by the bank of Shanghai," June, 1934, Q275-2-1947. The Shanghai Archive.

and Shao Wenbing 邵文炳.⁴⁰⁰ Managers in the Company were all Chinese, too. For example, in 1933 the manager was a thirty-five-year-old Cantonese man named Weng Yaoheng 翁耀衡, a graduate from Shanghai Saint John's University. Weng was very talented and competent and ran a cotton business in his early years.⁴⁰¹

Since the establishment of the Company in Shanghai, no foreigners joined the board of trustees or managers. In 1924 Guo Weiyi was the president of the board while Lu Weichang and Hu De 胡德 were managers. In 1930 Wen Yaoheng became the manager. In 1933 Xuan Dezhi 旋德之 was elected as the president. Three years later Shao Wenbing replaced Xuan and in 1937 Guo Jinkun 郭锦坤 replaced Shao, during which Wen Yaoheng and Tang Dingxiang 唐鼎祥 were managers. In 1939, Liang Zhenqing 梁振卿 was appointed as the manager, who was replaced by Shi Dubi 施杜毕 one year later. Throughout the 1940s, before the Communists came to power, key positions in Watson's Mineral Water Company were all taken by Chinese people, without exception. In 1942, the president was Huang Zhaoshen 黄昭深 and the manager was Sun Yunzhong 孙允中. In 1946, they were Guo Jinkun, Sun Yunzhong, Zhang Jiayan 张家彦, and Xi Dequan 席德权. In 1949 the president was Zhang Rongpu 张荣溥

⁴⁰²

⁴⁰⁰ Ibid. December, 1933.

⁴⁰¹ Ibid.

⁴⁰² "The investigating report by Shanghai Municipal Government," August 25, 1954, B163-1-135-58. The Shanghai Archive.

Like most Chinese soft drink businesses, Watson's Mineral Water Company went through some very hard years at the beginning. Struggling to survive, Guo Weiyi and his friends moved the company a couple of times. After they bought the Company from the British, they moved it from its original site, Hen Bang Qian 横浜桥 to Huishan Road 汇山路 in 1924. At the new site, they purchased real estate of five mu (3333 square meters) and spent 100,000 yuan on factory buildings. In addition they rented two office rooms in Jiangxi Road, one of which was used as the delivery center where over ten workers were hired. After the Japanese army occupied Shanghai, the Company was moved twice and their Coca-Cola business encountered hardship because of difficulties in importing concentrated syrup. It was finally settled in Jiaozhou Road in 1940.⁴⁰³ During the First and the Second World Wars Watson's business was very unstable. Like other Chinese soft drink companies, Watson's had to face fierce competition from foreign businesses. Their biggest competitor was the British-owned Aquarius Mineral Water Company, whose facilities and financial strength was much better than Chinese counterparts. However, since its purchase through hard work, Watson's business was getting better and better. A golden time for the company came in 1929 when they contracted with the American Coca-Cola Company. Except for the period of Japanese occupation, the Company as a Coca-Cola bottler rapidly flourished and became one of the most competitive soft drink companies in Shanghai. Referring to this success, the Company's owners and managers proclaimed it was largely due to the indigenous makeup of the Company. They said the company's Chinese identity not only stimulated the enthusiasm

⁴⁰³ Ibid.

of factory workers but also encouraged patriotic consumers to choose national brands over foreign ones.⁴⁰⁴

As a member of the Chinese Soft Drink Business Association, Watson's actively participated in the National Products Movement by improving their products and building their brand. They invested a large amount of money in new machinery, bottles, and facilities. To solve the persistent ice shortage problem in Shanghai in the 1930s, the Company decided to open an ice manufacturing facility in the name of "promoting the national industry and protecting the interests of the Chinese people," a slogan that was vigorously used by nationalists in exhibitions, demonstrations, newspapers, and government documents. Watson's board of trustees believed that opening an ice-making company was necessary and urgent, because there was only one mechanized ice-making company in Shanghai—which hardly met the local summer demand. The other small ice-making companies, Watson's argued, were low in output and unsanitary, as their ice was made from natural ice saved from lakes in winter. Based on the established reputation of Watson's soft drink industry in the city, the board of trustees was optimistic about the future of their ice business. Shortly after, Watson's Ice Manufacturing Company was registered as a branch of Watson's in the Department of Commerce in Republic of China. It was categorized as a national company, which could only be invested in by Chinese citizens in Republic of China, as stated in the company brochure.⁴⁰⁵ All personnel including shareholders, managers, staffs, and laborers were Chinese.

⁴⁰⁴ "the origin of Watson's Ice Manufacturing Company," Q275-1-1947. The Shanghai Archive.

⁴⁰⁵ Ibid.

So far, according to the official standards, Watson's Mineral Water Company as well as its subsidiary—Watson's Ice Manufacturing Company—was pure Chinese company in terms of capital, management, and labor. The only controversial part of the identity was perhaps the imported machinery and raw materials, which became the main target of the petition. The Chinese soft drink Association pointed out that Watson's had three sets of aerated water processing machines, one capping machine, a pump, and one set of both syrup and filters—all of which were imported from the United States.⁴⁰⁶ Their Coca-Cola concentrated syrup was purchased from the American Coca-Cola Company through foreign firms in Shanghai like A. F. Deer.⁴⁰⁷ However, this was just one side of the story. The accounting books of Chinese soft drink companies reveal that depending on foreign materials for production was very common in the forties when the industry was still young in China. These companies were heavily reliant on foreign imports for machinery and many raw materials such as saccharin, sodium bicarbonate, citric acid, corks, and even bottles. For example, the aerated water processing machines at Shanghai Weisheng Soft Drink Company 卫生汽水厂 and Tianhe Soft Drink Company 天河汽水厂 were imported from Great Britain, filters at Siwei Orange Juice Company 四维鲜橘水厂 came from Japan, and machinery at the Meihua Mineral Water Company 美华汽水厂 was entirely imported from Japan.⁴⁰⁸

⁴⁰⁶ “Shanghai shi qi shui guo zhi ye gai kuang” (an overview on Shanghai soft drink industry), S117-3-1. The Shanghai Archive.

⁴⁰⁷ “The investigation report by the bank of Shanghai, 1937,” Q275-2-1947. The Shanghai Archive.

⁴⁰⁸ “Shanghai qi shui guo zhi ye zhi yan ge” (history of Shanghai soft drink industry), May 10, 1951, S117-3-1. The Shanghai Archive.

As Watson's vigorously fought back, the debate became more intense when the Chinese Soft Drink Association accused Watson's of attempting to confuse and fool the public by overstating their Chinese national identity and contribution to the nation. The Association responded:

“Although the American brand Coca-Cola was one of the popular beverages of the world, it was not a necessity in China. Since Chinese companies could produce similar tasting drinks to Coca-Cola, it was unnecessary to waste a large amount of currency in foreign exchange to import luxury products. As to the imported materials used by other Chinese soft drink companies, we have to point out that these were ordinary raw materials that were not typical for soft drink producing, but they were also needed in other industrial fields, so they were not a luxury and should not be criticized and prohibited. With regard to the national economy, we were confident that if Coca-Cola were to be forbidden, sales of Chinese drinks would definitely increase and thus tax payments, as well as government revenue, would not shrink. In contrast, if our government was merely interested in tax income without consideration on the drain of foreign currency exchange, it was tantamount to seeking temporary relief regardless of the severe consequences, which was, by quoting a Chinese proverb, “drinking poison to quench thirst.” Finally, we would like to point out that after Coca-Cola was forbidden, Watson's Mineral Water Company, as a Chinese company as they claimed, could continue to produce other kinds of beverages. Since the Ministry of Economic Affairs had decided to forbid luxury imports including cookies and

candies during the economic crisis, how could Coca-Cola, a foreign soft drink, make an exception?”⁴⁰⁹

China was one of the biggest oversea markets for Coca-Cola in the late 1940s and the Shanghai Coca-Cola crisis soon caught the attention of Americans. An American journalist criticized the petition in *Shanghai Evening Post and Mercury* that “it was a hasty and ill-considered action which played directly into the hands of those who wanted to eliminate the competition of Coca-Cola through political, instead of legitimate business, means.”⁴¹⁰ He argued all the concentrated flavor essences used in bottled drinks in China—including sarsaparilla, lemonade, cherry soda, and Coca-Cola—were imported, so if Coca-Cola were to be banned as an imported luxury, all aerated waters using foreign manufactured essences must be prohibited from sale. He also pointed out that Watson’s Mineral Water Company was a Chinese company and perhaps it was the Company’s success in business competition that caused its opponents to adopt political means to hamstring its sales. The journalist warned the Chinese government that there would be serious impacts on native Chinese industries if the proposal was approved, because aside from Coca-Cola concentrated syrup, Watson’s used all kinds of Chinese-made products for its entire process of manufacturing, sales, and distribution. In other words, a small amount of imported ingredients was helping create jobs and promote Chinese industries.⁴¹¹

⁴⁰⁹ *Gong Shang Fa Gui (Trade and Industry Regulations)*, June 5, 1948, 470.

⁴¹⁰ Sherwood, “Incident in Shanghai,” *Coca-Cola Overseas*, October, 1948.

⁴¹¹ *Ibid.*

Moreover, the journalist believed prohibiting Coca-Cola might even affect Sino-foreign business in general, for Coca-Cola was not the only commodity in China that had a foreign origin. Modern industrial products such as automobiles and electric light bulbs contained certain essential parts imported from overseas. If Coca-Cola was banned, “all local manufacture of finished goods with imported raw materials could be banned on the ground that it was hurting some kind of native industry. In the end, China would have to slam its doors to any kind of foreign trade and go back to the wheelbarrow age.”⁴¹² Regarding the Shanghai Coca-Cola crisis, he argued “the City Council would establish a dangerous precedent by the adoption of the proposal, because all Shanghai businessmen would forsake the ordinary methods of business operation and direct their most ardent appeals of salesmanship to the City Council. To eliminate competition, they would not have to think in terms of lowering costs and increasing efficiency, but they would maneuver for political favors from the City Council.”⁴¹³

Perhaps because the United States was allied with the Nationalist government, or perhaps because Watson’s defense was particularly convincing, the mayor of Shanghai was not very interested in the proposal raised by the Chinese Soft Drink Association. However, as calls for a boycott of Coca-Cola became overwhelming, the Shanghai Municipal Government finally decided that materials used in the production of Coca-Cola could be imported to China without interruption. The Government explained that the raw materials of Coca-Cola are “lipoid” 油脂腊类, which belongs to one sort of

⁴¹² Ibid.

⁴¹³ Ibid.

mixed essences 内混合香料, and Republican China had already imposed and subsequently reduced import quotas on this material. In May and June, the import quota for lipoid in the greater Shanghai area was \$489,907.22, which was \$244,953.61 for each month. This amount had been already reduced to less than one-third of the import quota in April, which had been \$690,180.00. In this sense, the import of Coca-Cola's concentrated syrup had already been restricted under the law and could not be separately categorized as a restricted item by itself nor could import restrictions be compounded on one particular item. Furthermore, according to an investigation by the Shanghai Administration for Industry and Commerce, this kind of "mixed essence could not successfully be produced by Chinese factories at the time, so Coca-Cola's concentrated syrup was temporarily allowed to be imported."⁴¹⁴

Conclusion

In the first half of the twentieth century, the state dedicated to start political reforms to save China from internal and external troubles, the influence also extended to business and consumption, domains that were directly related to people's everyday life. Collaborating with the businesses, the state endeavored to integrate politics—nationalism that aroused by assault of colonial powers—into consumption. National Products Movements channeling consumption in a language of nationalism were the most visible campaigns that prevailed in every field of industry and involved people in all social classes. The national goods exhibitions were splendid, the nationalistic slogans were

⁴¹⁴ "Announcement by the Shanghai Municipal Government," U1-16-316. The Shanghai Archive.

encouraging, and the advertisements filled with patriotic enthusiasm were impressive. When people were stunned by the incredible consensus in the Movements derived from patriotism, if there was something discordant, it was easily neglected. In most cases, words like nationalism were too big to characterize a society as dynamic and diverse as that in China, especially when characterization and categorization on commodities became complicated as the process of globalization accelerated in the modern times.

In a globalizing economy, not only who were the real nationalists became hard to tell, but the boundary of nationality of products became difficult to draw. While the Chinese soft drink companies were regarded as national heroes in National Products Movements in the early twentieth century, they suddenly were categorized as bad citizens when they were resisting the stamp tax. Perhaps the definition of Chinese nationalism was straightforward for most people especially for the outsiders, but it actually meant differently to different interest groups in China. The state saw National Products Movements as political campaigns that effectively raised national morale in the hard times, which could be used as a way to consolidate the political power. The stamp tax, a new tax policy replacing the traditional *lijin* system, was not only a part of the construction of a modern state, but also an important source for the state revenue to which every good Chinese citizen was obligated to contribute. However, for Chinese companies, National Products Movements were, more importantly, business campaigns that used special advertisement to promote business. When the political and business ideas coincided, the state and businessmen collaborated together, producing a magical and splendid outcome that disguised China as a homogenous entity. When conflicts inevitably came due to the originally different intentions, the homogeneity soon turned

into irreconcilable disputes. The stamp tax crisis forced us to ponder who were nationalists? Were there pure nationalists and faithful disciples on nationalistic consumption? What did National Products Movements really mean to Chinese people?

The riddle of nationalism became even complicated as globalization accelerated and new management model became involved, during which the nationality of products, an identity which was easy to tell in the past, became intricate. Was Coca-Cola, an American brand but bottled in Chinese plants using Chinese materials, Chinese capital, and Chinese workers, purely foreign? Were Chinese soft drinks used imported raw materials, bottles, and machines purely Chinese? After all, what was important for national products? What did nationalistic consumption mean to the Chinese? With these unsolved questions, disputes over nationalism went beyond the state and businesses relations, and haunted within the business community. Based on business interest, companies interpreted and shaped nationalism and nationalistic consumption variously. In the Coca-Cola protest of 1947, for example, the National Products Movement and nationalism was mobilized for new objectives, becoming a pretext for business competition. Therefore, the seemingly singular nationalism generated from the nation and the nation-state became multiple and layered.

CHAPTER 6

COCA-COLA VERSUS SALTY SODA, HOW SUMMER BECAME COOLER UNDER SOCIALISM, 1949-1978

Coca-Cola business in China entered a golden age after WWII. In the meantime, the golden age was ended abruptly by increasingly fierce political confrontations between Communism and Capitalism in the following Cold War. To prevent spread of communism, western countries led by the United States imposed economic sanctions against communist countries, which were then developed as China embargo policies after the establishment of the People's Republican of China in 1949. Restricted by embargo, Coca-Cola business was forced to retreat and disappeared from mainland China for almost thirty years. Meanwhile, driven by the ideological conflict in the Cold War, the communist state transformed Coca-Cola, the once modern and popular drink, into a symbol of capitalism. Known as "imperialism in a bottle," Coca-Cola became a politically sensitive word in Maoist China. To avoid political persecutions, especially in the Cultural Revolution, the Chinese public treated Coca-Cola as a plague and drew a clear boundary between Coca-Cola and themselves.

Absence of Coca-Cola made the rest of soft drinks, regardless of brands, luxuries in Maoist China where food situation was challenging. To ensure the majority of the population had food to eat, the state advocated a simple life-style, particularly opposing to conspicuous consumption. The state imposed cold food taxes on ice, ice-creams, and soft drinks, but meanwhile, it also encouraged a mass production and consumption of a "China-invented" soft drink named salty soda or *yanqishui*. In summer, salty soda regarded as a socialist welfare was widely distributed among factory workers across the

country in order to prevent heat stroke. Salty soda was highly advocated by the communist state as an example of superiority of socialism. For ordinary Chinese people, the drink was not tasted as good as brand-name drinks, but it recalled nostalgia for the happy moments at their young ages.

The China Embargo and withdrawal of Coca-Cola

To keep arms and strategic materials out of the hands of the cold war enemy, the United States began a campaign of economic sanctions against the Soviet Union in 1948. Juxtaposing with the Marshall Plan after the Second World War, the Export Control Act of 1949, under the name of restricting military supplies, announced a series of restrictions on exports to the Soviet Union and its European allies. In November 1949, the U.S. and other Western allies formed the Coordinating Committee (Cocom) to coordinate strategic control of trade with the Soviet bloc and make an agreement on the embargo list. The establishment of the People's Republic of China and the outbreak of the Korean War in 1950 made the Cold War more rigid and all the measures extended to China and North Korea as well.

When realized they lost China in the Cold War, the United States not only refused to recognize the PRC, preventing its representation in the U.N., it also sponsored and executed international economic sanctions against the Communist regime of China, which started with partial trade controls and ended up with a total economic embargo.⁴¹⁵ Initially, the China export control list categorized all strategic goods into I-A items

⁴¹⁵ Zhang, *Economic Cold War*, 17.

(goods of direct military utility) and the I-B items (multipurpose capital goods), both of which required licenses to be exported. Non-strategic goods could still be exported to China without government authorization. Licenses for I-A items were always denied and for I-B items were granted only after confirming that such goods would be used for civilian purpose. However, with the escalation of the Korean War, the Department of Commerce of the United States announced revocation of the general license for export to China, which meant that all persons and firms wishing to export any commodities to mainland China, Hong Kong, and Macao must submit applications for export license, and such licenses proved, practically, unavailable. On December 16, the U.S. government froze Chinese assets in the United States and prohibited all imports from trade dealing with China.⁴¹⁶

Although there were some China trade supporters, the American business community, in general, acquiesced a domestic atmosphere hostile to Communist China and willingly subscribed to and promptly complied with the government's embargo policy. They criticized the China trade supporters that not only themselves enmeshed with "naivete" and "obvious illusions," but America "had a good deal to lose when they ostensibly brandished their optimism about the possibilities of doing business with the Communists."⁴¹⁷ The China embargo, which mainly stemmed from Washington's frustration with the loss of China, became intensified in the 1950s and the 1960s because

⁴¹⁶ Huang, "American business and the China trade embargo in the 1950s," *Essays in Economic and Business History: the Journal of the Economic and Business Historical Society*, vol. 19, 2001, 33-48.

⁴¹⁷ "Trading with the Enemy," *Fortune*, November 1950, 70-71, in Huang. "American business and the China trade embargo in the 1950s." *Essays in Economic and Business History: the Journal of the Economic and Business Historical Society*, vol. 19, 2001, 33-48.

of China's military threat and aggression in East Asia, particularly its intervention in the Korean War, its military operations in Taiwan Strait area, and its continued aid to the North Vietnamese as well as its border conflicts with India. When public emotion was inflamed by increasing American casualties in Korea, the belief that trading with China was immoral and dangerous to American security was reinforced. Communist China expressed its desire to continue the economic exchange in order to benefit from American resources and technology. The majority of American business also hoped to keep the China market open as long as possible. However, it was hard for private interests to argue when what was at stake was magnified as not just a matter of a few dollars, but the nation's security. The American business community as a whole, therefore, did not show much interest in influencing the government's China policy; and the minorities who did were carried away by the tidal waves of the time.⁴¹⁸ In the following two decades, the United States implemented a complete embargo that forbade all financial transactions with communist China.

The U.S.-led embargo aroused great hostility in Beijing against the United States. China not only seized all American assets in the country as retaliation, but also published a large amount of critical articles in major newspapers, criticizing American imperialism. The articles pointed out that the United Nations had been dominated by the United States, which were hostile to PRC China as well as the world peace. However, the articles believed that "the China embargo did not impede the success of the Chinese justice

⁴¹⁸ Huang, "American business and the China trade embargo in the 1950s." *Essays in Economic and Business History: the Journal of the Economic and Business Historical Society*, vol. 19, 2001, 33-48.

revolution. The China embargo enraged Chinese people who were fighting for peace and invigorated them to fight and defeat American invaders as fast as possible.”⁴¹⁹

Nevertheless, China still believed that it was possible to resume and expand the Sino-U.S. trade in the future and the current trade interruption was unilaterally due to the hegemonism of the U.S. government. In response to the journalists in the international economic conference held in Moscow in 1952, the China deputy, Nan Hanchen (南汉宸), said there was a long history in the Sino-U.S. commercial relations. On the day of the establishment of the PRC, Chairman Mao announced to the world that China was willing to build foreign relationship with any country that respected China’s sovereignty, and the PRC always supported international peace and friendly international cooperation. At the earlier time of the PRC, Sino-U.S. trade used to develop quite well, during which the number of economic transactions exceeded the amount in the past. This trend showed that the commercial relations between the PRC and the United States could be resumed and might develop even better in the future.⁴²⁰ China was very confident on potential Sino-U.S. trade and believed that the international trade in the PRC must surpass that in the past. After the revolution, farmers got land and their enthusiasm on production increased. With the increasing purchasing power of China’s peasants, the Chinese market was expanding dramatically. To meet the demand of the growing market, China had to import a large amount of industrial facilities, raw materials, and industrial products. Meanwhile,

⁴¹⁹ “renmin ri bao duan ping: chi dui zhongguo shi xing jin yun de fei fa jue yi” (Commentary in *People’s Daily*: rebuke on the illegal solution of China embargo), *Wen Hui Bao*, May 23, 1951, 1.

⁴²⁰ “Nan Hanchen da mei gong ren ri bao ji zhe” (Nan Hanchen meets the journalists from *the Daily Worker*, Sino-U.S. trade could be possibly expanded in the future while the interruption was the result of China embargo), *Wen Hui Bao*, April 5, 1952, 1.

China could also export agricultural products, manufacturing products, and livestock.⁴²¹ When mentioned the interruption of the Sino-U.S. trade in the 1950s, Nan Hanchen argued it was the result of the China embargo policy implemented by the U.S. government, which intervened in the Korean War and seized Taiwan in disregard of the needs of American people. As a result, American industrialists, businessmen, and agriculturalists lost the big and reliable Chinese market that consisted of 500 million people. If the U.S. government canceled the embargo policy, Sino-U.S. trade could be resumed and developed immediately.⁴²²

The U.S. embargo policy broke the multi-relations in the world trade, forcing western countries to become more dependent on the United States on foreign trade and thus deepened the trade crises in those countries. Foreseeing the potential market in socialist countries and saving the economy, some western countries such as Great Britain began to expand trade with socialist countries and tried to get rid of the embargo policy. In fall 1952, Great Britain raised a slogan “trade not aid,” leading western countries to resist American embargo policy. Since 1952, western countries represented by the British Administration frequently requested the Washington to relax the policy, but it was either rejected or delayed by the United States, which claimed that the direct threat to the national security was not the World Wars but the competition on the export market.⁴²³ America’s opposition could not obstruct actions of western countries. In 1957, the British Ministry of Trade announced that 207 items were removed from the China embargo list

⁴²¹ Ibid.

⁴²² Ibid.

⁴²³ Weijuan, “meiguo jing yun tie mu de wa jie” (The collapse of American embargo policy), *Wen Hui Bao*, June 10, 1957, 4.

and Great Britain decided to follow their own way from then on.⁴²⁴ Thereafter, other western countries such as Norway, Denmark, Holland, Belgium, and France also followed the example of the United Kingdom, independently developing trade with China.

Despite China's protest and the international pressure, the United States still insisted the China embargo policy, which led to a complete disappearance of American business on the Chinese market for more than two decades. Since the beginning of the China embargo in 1949, Coca-Cola, listed as one of the strategic materials of the United States, was prohibited to be exported to the PRC. Having hope in minds, the Coca-Cola bottlers in China strived for survival in Communist China, but their business was hopelessly shrinking due to the lack of raw materials. In 1950, Thomas Liang, the director of Crystal Mineral Water Company in Tianjin, once tried to contact the Coca-Cola Export Corporation for purchasing Coca-Cola concentrate, but could not get any. He got a very disappointing message from the division manager of the Coca-Cola Export Corporation, Carl F. Faires Jr. saying that "it is with deep regret that I must inform you that under present condition our Company will not be able to provide you with Concentrate at this time. I am very sorry that it is necessary for us to make this decision, but I am sure that you will understand the circumstances which leave us no choice in the matter."⁴²⁵ As a result, the already pricy drink had to raise the price again, making the commodity even unaffordable for ordinary Chinese people. The situation became even

⁴²⁴ Ibid.

⁴²⁵ "Correspondences between Crystal Limited and The Coca-Cola Export Corporation," December 11, 1950, W0026-1-000129. The Tianjin Archive.

worse when Chinese street peddlers frequently infringing Coca-Cola's trademark, which was not registered with the People's Government. As imitation drinks bottled in Coca-Cola bottles had been sold openly with a lower price and there was no way of stopping such sales in the fact that the name of Coca-Cola and the bottle were not registered, Tianjin Crystal Mineral Water Company had sustained heavy losses.⁴²⁶ Forced by the shortage of raw materials and the shrinking market, in 1953 Tianjin Crystal Mineral Water Company decided to stop producing Coca-Cola and only produce soft drinks using local materials.⁴²⁷

Toxicity of Coca-Cola

In addition to the economic reasons, the Chinese Coca-Cola crisis was exacerbated by the ideology competition in the Cold War. Ever since the Communist came to power, everything foreign was put under a careful political scrutiny for its class category. Particularly, in the circumstance of the China embargo which widely incited the Chinese nationalist sentiment. American products became the national targets for imperialism, and Coca-Cola as the representative of Americanization was the biggest target of attack. The once popular beverage in China was suddenly criticized as a toxic that not only physically harmed people's health but also ideologically poisoned people's minds. State-controlled newspapers and magazines in the late 1940s and the 1950s educated Chinese masses in the term of science and medicine that Coca-Cola contained

⁴²⁶ "Correspondences between Crystal Limited and the Coca-Cola Export Corporation," November 27, 1950, W0026-1-000129. The Tianjin Archive.

⁴²⁷ X104-C-001229-004. The Tianjin Archive.

nothing good for health, but was a cauterant that damaged teeth and the digestive system. Although the Chinese translation of Coca-Cola means something palatable from which one derives pleasure, the journals pointed out that in fact Coca-Cola neither tasted good nor made people happy.⁴²⁸ An article published in *Xinmin Evening News* elaborated the argument from a scientific perspective:

“Among all useful tropical plants, there is a tree called cola tree (or kola tree), which is originally from Africa. Its fruit, known as cola nuts or kola nuts, contains chemical compositions such as theobromine and caffeine that could excite nerves and refresh minds. Cola nuts’ characteristics were known by blacks very early, and so far the plant is widely grown in many tropical countries such as Brazil. Many countries use cola nuts as the raw materials in producing chocolate and medicine. For example, the USSR’s pharmacies are selling one sort of chocolate called cola chocolate, which indeed could refresh people’s minds. Americans also use cola nuts to produce food and drinks, one of which is Coca-Cola, which becomes popular due to its large-scale advertisement campaigns. However, because of insufficiency of the raw materials, the company replaced cola nuts with all kinds of artificial substitutes which are all toxic to human beings according to scientific chemical analysis.”⁴²⁹

For communist China, Coca-Cola’s toxicity was much more dangerous and intimidating on the social scale. It had become an economic power that was juxtaposed to Ford and Rockefeller in the United States, and more important, it had grown up as a

⁴²⁸ “Coca-Cola hao xiao chang,” (The good sales of Coca-Cola) *Xinmin Evening News*, August 22, 1948, 4.

⁴²⁹ Zhiwei, “Coca-Cola,” *Xinmin Evening News*, August 29, 1957, 6.

strong political power that not only influenced American politics but also penetrated into the international arena.⁴³⁰ Coca-Cola's originality as well as its business success which were honored in the capitalist world was translated in communist China as class exploitation and oppression. Communists advocated that prosperity of the Coca-Cola Kingdom was built upon sweat and blood of the working class, and its success was merely based on gimmicks such as advertisement. State-controlled media commented that in the twentieth century, Coca-Cola, whose big shareholders were Woodruff's family and friends, represented the toughest reactionary force of the capitalist world, manipulating politics in American South where the working class was struggling for a living while Woodruff's family was leading a luxury life.⁴³¹

After the Second World War, Coca-Cola as an American life style expanded side by side with American imperialism. In streets of Paris, trucks painted with red and yellow Coca-Cola trademarks could be seen everywhere, providing the French at the amount of 840,000 bottles every day. Egypt with six bottling plants, was the biggest supply base in the world, producing 3,500,000 bottles each year. In the Philippines, the annual sale of Coca-Cola was 5,000,000 bottles before the war, but later it increased to 193 million, which meant on average each Philippine, including adults and children, consumed 12 bottles of Coke every year. In West Germany Coca-Cola reappeared on the market after large-scale advertising campaigns, and in Belgium Coca-Cola drinks were sold in every Cafe... Generally, the Coca-Cola Company sold 50,000,000 bottles every day across the

⁴³⁰ Zuowen, "huo shui: Coca-Cola" (The evilness—Coca-Cola) *Xinmin Evening News*, September 6, 1957, 6.

⁴³¹ *Ibid.*

world, which made a huge amount of profit that interested Capitalists in the Wall Street.⁴³²

The worldwide ubiquity of Coca-Cola suggested to the Chinese communist state that Coca-Cola had become the most important tool of the American imperialist to exploit the working class and anesthetize people's minds. Although young people in Shanghai loved Coca-Cola, it was portrayed by government media as far inferior to the Chinese traditional drink—plum juice. Either as a revenge against America's China embargo or as a result of ideological competition, words like toxics, Coca-Cola invasion, Coca-Colonization, and Coca-Cola dumping were widely seen in all kinds of Chinese newspapers, journals, and magazines in the 1950s. They compared Coca-Cola to quicksilver spilled on the ground, penetrating to every corner of the capitalist world, incurring numerous resistances across the world. For example, one piece of news in 1953 reported Americans were dumping Coca-Cola to Japan, which caused furious resistance from Japanese beverage merchants. The News says when American businessmen asked the Japanese Government to import Coca-Cola drinks of 200,000 US dollars, Japanese beverage merchants furiously resisted, as their business was severely hit by the imported American beverages a year ago. Considering the resistance and financial difficulties, the Japanese Government hesitated to accept, but American Coca-Cola businessmen still attempted to dump Coca-Cola to Japan.⁴³³ Another newspaper article lamented Coca-Colonization of Europe by pointing out that many well-known breweries and champagne houses in Belgium and France were sadly changed to Coca-Cola bottling plants because

⁴³² Feng, "Coca-Cola de mo zhang," (evil hands of Coca-Cola) *Wen Hui Bao*, November 8, 1950.

⁴³³ "Coca-Cola de qing xiao," (The dumping of Coca-Cola) *Xinmin Evening News*, June 17, 1953, 5.

of American dumping.⁴³⁴ But it was delightful that most of the Euro-Asia continent, extending from the Baltic Sea to the Hainan island,⁴³⁵ began to say no to the wholesalers on the other side of the Pacific.⁴³⁶

Sometimes in colonial countries Coca-Cola even became a powerful weapon to attack colonizers. In the 1950s when independence movements were in full swing in developing countries, Chinese Medias, the voice of the communist party which claimed itself brothers and sisters of the impoverished masses across the world, were interested in reporting the indomitable struggles for independence in the Third World. One piece of Chinese news, for example, highly praised a brave Lebanese child who gave an American sentinel a basket of Coca-Cola, one of which contained a bomb and later exploded. The newspaper commented at the end that “this news showed the power of Coca-Cola was much stronger than the power of Atomic and hydrogen bombs, since in the anti-imperialist struggles, everybody including children was strong soldiers and every object including Coca-Cola bottles was a weapon.”⁴³⁷ The communist China was amused by the sarcasm and they thought the news was very encouraging, for the fact that using Coca-Cola, the symbol of American imperialism and aggression, to attack American aggressors slapped hard in the face of U.S. imperialism.

Coca-Cola in China was once criticized as a waste of foreign exchange and a contrary to nationalism. Tthe critique became much shaper in the 1950s when the

⁴³⁴ Zhiwei, “Coca-Cola,” *Xinmin Evening News*, August 29, 1957, 6.

⁴³⁵ Located in the South China Sea. It is the smallest province of the People’s Republic of China.

⁴³⁶ “Coca-Cola bu ke le ye,” (Coca-Cola is not happy: 20000 dozens daily sale before the PRC while 800 dozens today, the luxury drink is dying) *Xinmin Evening News*, May 14, 1950, 2.

⁴³⁷ Yu, “yi ping Coca-Cola de wei li,” (The power of a bottle of Coca-Cola) *Xinmin Evening News*, July 26, 1958, 5.

ideological conflict played a role. Shanghai *Xinmin Evening News* in 1948 once commented that considering the huge allocation of foreign exchange limits on Coca-Cola concentrate in Shanghai, which was 5,599,215 US dollars,⁴³⁸ Coca-Cola was a luxury wasting much more foreign exchange than any other luxuries did.⁴³⁹ Two years later the same newspaper compared Coca-Cola—the brown liquid—to the blood of imperialism and colonialism, which penetrated into the capillaries of American economic system. The deeper the colonization was in a certain place, the more Coca-Cola advertisement could be seen. “Coca-Cola—imperialism in a bottle,” a term indicating the inherent and incurable corruption and exploitation characteristics of capitalism and imperialism,⁴⁴⁰ was widely spread in all kinds of Chinese newspapers and was even continuously seen in the 1980s after China’s opening up. When class conflicts became a dominating theme in the Mao era, Chinese media made every effort to construct Coca-Cola into a symbol of corrupted life style of capitalists who oppressed the working class in semi-colonialist China:

“The brown liquid, which was once honored as a noble beverage, flowed everywhere in semi-colonial Shanghai. It flowed onto officials’ and businessmen’s banquets in skyscrapers, into the securities buildings where stock markets wax and wane, onto the tables of bankers who were busy in calculating and counting money, and into the Café shops where bargains were going on in the

⁴³⁸ The allocation was divided into five seasons in a year. The allocation of the Coca-Cola concentrate in the first season was 1,424,615 US dollars. The second season’s was 2,444,000 US dollars; the third season’s was 895,000 US dollars; the fourth season’s was 682,000 US dollars; and the final season’s was 153,600 US dollars.

⁴³⁹ “Coca-Cola hao xiao chang” (The good sales of Coca-Cola), *Xinmin Evening News*, August 22, 1948, 4.

⁴³⁹ Zhiwei, “Coca-Cola,” *Xinmin Evening News*, August 29, 1957, 6.

⁴⁴⁰ Long, “Coca-Cola fa ji shi,” (History of Coca-Cola) *People’s Daily*, June 20, 1982.

dim light and decadent songs. Every day more than 20 Coca-Cola trucks shuttled back and forth across every road in Shanghai, which was a familiar scene to Shanghainese.”⁴⁴¹

After 1949, Coca-Cola’s sales and its advertisement fell dramatically. Compared to a daily sale of over 120,000 bottles in 1948, it declined to 24,000 bottles by the end of July in 1949 and the sale further decreased when a large amount of watermelons appeared on the market in August.⁴⁴² In 1950, Coca-Cola’s sales decreased to 9,600 bottles every day. Seeing these numbers, *Xinmin Evening News* confidently made a conclusion that before the PRC American capitalists earned a large amount of money through the brown liquid at the expense of the blood of massive Chinese people, whereas after the PRC, the brown liquid was dying, because the new Chinese society did not need the ‘westernized’ drink.⁴⁴³ While be proud of China’s independence from Coca-Cola imperialism, Chinese media entertained the public and promoted socialism by making sarcasms to the ongoing intensive cola war between Coca and Pepsi in the western world. In August 1961 *People’s Daily* published a long article deriding the cola war as a mirror reflecting greed and corruption of capitalism: “The Coca-Cola Company was not only a representative of the whole monopolistic enterprises in the United States, but also a symbol of American imperialist expansion in the free world. During the ‘golden era of Coca-Cola’ in 1949, one fourth of its profit came from overseas... The Coca-Cola Company exploited its

⁴⁴¹ “Coca-Cola bu ke le ye,” (Coca-Cola is not happy: 20000 dozens daily sale before the PRC while 800 dozens today, the luxury drink is dying) *Xinmin Evening News*, May 14, 1950, 2.

⁴⁴² “cong shechi langfei dao jieyue shengchan,” (From extravagance and waste to economical production: Coca-Cola plant shifts to produce soy sauce) *Xinmin Evening News*, August 5, 1949, 2.

⁴⁴³ “Coca-Cola bu ke le ye,” (Coca-Cola is not happy: 20000 dozens daily sale before the PRC while 800 dozens today, the luxury drink is dying) *Xinmin Evening News*, May 14, 1950, 2.

bottling plants and gained enormous profit simply by controlling the syrup patent. So did the Pepsi Company... Wasn't the ruthless war between Coca-Cola and Pepsi an epitome of the corruption of dying American imperialism?"⁴⁴⁴

The Socialist Transformation

Decades of wars and the U.S.-led embargo inflicted considerable damage on China's economy, but they were unsuccessful in undermining the Chinese Communist regime. The hostility from the western world inspired the enthusiasm of the socialist revolution. Before nation-wide victory of the Communist revolution, Mao Zedong announced and started implementing the new democratic economic program, an intermediate stage toward socialism, which aimed to overthrow feudalism and achieve China's national independence from colonialism. Mao's new democratic revolution sought to enter directly into socialism through a coalition of classes fighting the old ruling order, bypassing the rule of the capitalist class that Marx and Lenin predicted would usually follow such a struggle. During the new democratic period, a certain degree of capitalist elements would be allowed, but it would be finally replaced by the development of socialism. Generally, the revolution included three major economic policies: first, confiscation of the land of the feudal class and land distribution among the peasantry; second, confiscation of the capital of the comprador bourgeoisie; and third, protection to the industry and commerce of the national bourgeoisie.

⁴⁴⁴ Yu, "Coca-Cola zhan zheng" (Coca-Cola War), *Guangmin Ribao*, August 26, 1961.

The revolution did not succeed until the establishment of the People's Republic of China, which brought China into the second transitional stage—the socialist construction. After three years implement of economic recovery policies, which aimed to restore the economy to normal working order, the Central Committee of the Communist Party at the end of 1952 adopted what came to be known as the general line or general task for the socialist construction in the period of transition from capitalism to socialism. The basic aim set for the period was to accomplish industrialization and socialist transformation of agriculture, handicrafts and capitalist industry and commerce over a fairly long period of time.⁴⁴⁵ The socialist transformation of capitalist industry and commerce, which started between 1954 and 1956, consisted of two steps: the first was to transform capitalism into state capitalism, and the second was to transform the state capitalism into socialism.⁴⁴⁶

State capitalism was the transitional stage of the socialist transformation, during which the state allowed the national bourgeoisie a necessary period of time to gradually accept transformation. Under the leadership of the state and the working class, it was not an ordinary but a particular kind of capitalist economy, namely, a state-capitalist economy of a new type which took on a socialist character to a very great extent and benefited the workers and the state. It was new because it existed not chiefly to make profits for the capitalists but to meet the needs of people and the state. Although a share of the profits produced by workers, about one quarter of the total, went to the capitalists,

⁴⁴⁵ “The party’s general line for the transition period,” Aug., 1953, *Selected Works of Mao Tse-tung: Vol. V, The Period of the Socialist Revolution and Socialist Reconstruction (1)*, Foreign Languages Press, Peking, China. <http://www.marxists.org/reference/archive/mao/selected-works/index.htm>, accessed by 3-21-2012.

⁴⁴⁶ Fairbank, *Communist China 1955-1959: Policy Documents with Analysis*, vol. 1, 172.

the remaining three quarters were produced for the workers (in the form of the welfare fund), the state (in the form of income tax), and expanding productive capacity (a small part of which produces profits for the capitalists).⁴⁴⁷ In private-owned industry, there were three forms of state capitalism to be adopted in the PRC: joint state-private management; orders placed by the state with private enterprises to process materials or manufacture goods, with the state providing all the raw materials and taking all the finished products; and similarly placed orders, with the state taking not all but most of the finished products.⁴⁴⁸ Among the three forms, the latter two were the first and second stages of the state capitalism, whereas joint state-private management was the highest level that was pursued by the Communist party and the form that most big companies adopted.

During the transition, bourgeoisie sacrificed a part of their interest, but it was claimed that the change was voluntary. Since the very beginning of the campaign, Mao Zedong stressed that “not only must the implementation of state capitalism be based on what is necessary and feasible, but it must also be voluntary on the part of the capitalists, because it is a cooperative undertaking and cooperation admits of no coercion. This is different from the way we dealt with the landlords.”⁴⁴⁹ The most effective way in

⁴⁴⁷ “On State Capitalism,” Jul. 9, 1953, *Selected Works of Mao Tse-tung: Vol. V, The Period of the Socialist Revolution and Socialist Reconstruction (1)*, Foreign Languages Press, Peking, China.

<http://www.marxists.org/reference/archive/mao/selected-works/index.htm>, accessed by 3-21-2012.

⁴⁴⁷ “The plan for the Shanghai soft drink industry and its socialist transformation,” B163-1-234. The Shanghai Archive.

⁴⁴⁸ “The only road for the transformation of capitalist industry and commerce,” September 7, 1953, *Selected Works of Mao Tse-tung: Vol. V, The Period of the Socialist Revolution and Socialist Reconstruction (1)*, Foreign Languages Press, Peking, China. <http://www.marxists.org/reference/archive/mao/selected-works/index.htm>, accessed by 3-21-2012.

⁴⁴⁹ Ibid.

realizing the peaceful transition was educating the capitalists in patriotism. Mao suggested that the Communist Party “should systematically cultivate a number of capitalists who had a broader vision and were ready to lean towards the Communist Party and the People’s Government, so that most of the other capitalists may be convinced through them.”⁴⁵⁰ To further pacify the capitalists, the state adopted a policy of redemption by steps in nationalizing means of production privately owned by the bourgeoisie. Before bringing private enterprises into joint state-private management by whole trades, redemption took the form of distribution of profits, viz., portioning out to the capitalists part of the profit (say, one-fourth) according to the net earnings of the enterprises. After the conversion of private enterprises into joint state-private management by whole trades, redemption took the form of payment of a fixed rate of interest, i.e., for a certain period the state paid, through the special companies for whole trades, a fixed rate of interest on their investments to the capitalists. Furthermore, with regard to the capitalists and their representatives, work had been found by the government departments concerned for those who were able to work, and proper arrangements had been made or relief provided for those who could not, so as to ensure their livelihood.⁴⁵¹ By 1956, the PRC completed the socialist transformation of capitalist industry and commerce and joint state-private management dominated all industry fields in the society. After redemption was completed, joint state-private management companies became complete socialist state-owned enterprises and socialist economy was finally established.

⁴⁵⁰ Ibid.

⁴⁵¹ Fairbank, *Communist China 1955-1959: Policy Documents with Analysis*, vol. 1, 173.

Great Leap Forward of Coca-Cola

The success of the new democratic revolution and the following socialist transformation campaigns highly mobilized the nationalistic sentiment and enthusiasm on reconstruction. To develop China's economy, the Communist Party formulated a series of five-year economic plans, the second of which last from 1958 to 1961, known as the Great Leap Forward, making a bold claim that China would catch up with and surpass the United Kingdom within 15 years. On the basis of an exaggerated belief in the power of ideology on human consciousness, the radicals were convinced that by putting politics in command, the objective difficulties created by lagging industrialization and mechanization could be overcome in a relatively short time. The cause of the Great Leap Forward movement, as what Zhang Shuguang argued, was partly inspired by the China embargo. The sanctions fostered Chinese leaders' determination to "exceed" the British and "overtake" the Americans within a decade and to smash "blind faith" in foreign powers by drastically increasing the output of heavy industry.⁴⁵² Although officially the Great Leap Forward did not start until 1958, as a radical response to the embargo, Mao concluded very early that the Chinese people were capable of anything.

Inspired by the radical thoughts, bold and impractical attempts and claims appeared in the early fifties before the Great Leap Forward, especially in the fields that used to be dominated by foreign companies. In the soft drink industry, Coca-Cola, the foreign-brand drink, was regarded as unsurpassable in the past. However, when Coca-Cola's market was shrinking in China because of the embargo, the nationalistic Chinese

⁴⁵² Zhang, *Economic Cold War*, 218.

believed it was not a big deal. As retaliation, they confiscated all Coca-Cola machines and equipment, trying to produce soy sauce instead. In Shanghai, Watson's Mineral Water Company did not strive for saving its business but voluntarily changed its business, even though its daily sale was not terribly bad just after the establishment of the PRC. Watson's felt its business was obsolete and the factory workers were unwilling to be the agent of consumer products of American imperialists. In 1949, over 100 workers in Watson's Mineral Water Company collectively proposed to stop producing the luxurious drink and instead to make high-quality soy sauce. They thought this shift could not only solve the market problems on agricultural products, but also improve the quality of household food with the existing advanced technologies and skills as well as solve the employment issue. The manager of Watson's Mineral Water Company agreed that shifting to produce soy sauce was a good idea. He borrowed a book titled *Manufacturing Methods on vinegar and Condiments* and tried to figure out the solutions.⁴⁵³ However, after a series of attempts, reality disproved their hypothesis. The results showed that Coca-Cola equipment could not be used to produce soy sauce but was only suitable for making cola. Despite the failure, the idea was set up as an excellent example of transforming the world by farewell to the past, which was highly eulogized and advocated in all kinds of newspapers. By showcasing the "creative" attempts of Watson's, Chinese media encouraged other industries to shift from a consumption

⁴⁵³ "gui zu yinliao wu chu lu, Coca-Cola zan ting gong," (No market for luxury drinks, Coca-Cola Company was temporarily shut down) *Xinmin Evening News*, August 31, 1949, 2.

oriented business—producing luxury for bourgeois— to a production-centered business—making products for people’s livelihood.⁴⁵⁴

After the failure of the tests, Watson’s workers still bravely gave up the cola business, devoting themselves to other industries. The total number of workers in Watson’s before the PRC was over 240, but now it was only 70 in 1950. Even the remaining 70 employees refused to produce Coca-Cola from January to April in 1950. They only returned to the factory in May due to a large amount of the leftover raw materials. These workers only produced ordinary soft drinks in large bottles with an average daily sale at 9,600 bottles, which was sufficient to support their living for a while. They were not interested in making profit at all. Instead they were planning to exhaust soft drink raw materials as soon as possible in summer, so that the company could shift to produce useful products which were beneficial to people’s livelihood.⁴⁵⁵

An even bolder claim than using Coca-Cola equipment to produce soy sauce was probably the assertion that Chinese people had succeeded to produce drinks tasted exactly the same as Coca-Cola. Before the PRC when Coca-Cola was popular, it was widely reported in Chinese newspapers that the recipe of Coca-Cola was a big secret in American business. Coca-Cola contained seven raw materials including water, sugar, and coca leaves, which were known as “the seven X” (the seven unknowns). The recipe was patented and only two people knew it in the 1940s, Dr. W. Heath and B. Wells, who never took the same flight and never wrote the recipe on any piece of paper. When at

⁴⁵⁴ “cong shechi langfei dao jieyue shengchan,” (From extravagance and waste to economical production: Coca-Cola plant shifts to produce soy sauce) *Xinmin Evening News*, August 5, 1949, 2.

⁴⁵⁵ “Coca-Cola bu ke le,” (Coca-Cola is not happy: 20000 dozens daily sale before the PRC while 800 dozens today, the luxury drink is dying) *Xinmin Evening News*, May 14, 1950, 2.

work, they only used numbers instead of names, so even their assistants did not know the meanings. The original recipe document was safely kept in the Trust Company, now Sun Trust, for emergency.⁴⁵⁶ People in Shanghai, one of the largest international markets for Coca-Cola, once tried to replicate Coca-Cola, but all of them were intimidated by “the seven X.” However, in the first few months of the Big Leap Forward Movement, Chinese people claimed that they found “the seven X.”

Shanghai Aquarius Mineral Water Company announced in July of 1958 that they successfully produced Coca-Cola. While the secret document was still safely placed in the bank safe of the United States, Chinese technicians claimed that they solved “the seven X” merely based on a bottle of Coca-Cola sample and successful teamwork. By smelling, tasting, and chemical analysis, they quickly figured out the unknown “X” and developed a formula including twenty-five ingredients. It was reported that according to experts’ evaluations, the Chinese Coca-Cola was comparable to American Coca-Cola in color, flavor, and taste. Thus, Aquarius Mineral Water Company decided to mass produce this drink in July and tentatively named it *Dongfeng* Cola (East Wind Cola) or Shanghai Cola. The Company also published the news on newspapers, hoping readers to provide a better trademark name. Chinese newspapers vigorously celebrated the success, commenting that “the seven X” could not scare brave Chinese people and the east wind defeated American Yankees. The article concluded “Are the X really intimidating? No!

⁴⁵⁶ Yao, “Coca-Cola wai zhuan” (The legend of Coca-Cola), *the Police Monthly*, 1948, 3(1), or “The story of Coca-Cola,” *Nanqing*, vol.2, issue 6, November 20, 1948.

As long as liberating people's minds, the X could do nothing either."⁴⁵⁷ Not only "the seven X" in Coca-Cola was a small piece of cake, but "the sixteen X" in *Rendan*, a medicine used to treat heat stroke, was nothing to fear. Like Coca-Cola, Japanese *Rendan* monopolized the Chinese market and there were only four Japanese doctors knew the sixteen ingredients in the formula. When Aquarius Mineral Water Company announced their discovery of "the seven X" in Coca-Cola, Chinese pharmacists in *Ji Zhong Tang* Pharmacy also claimed that they successfully developed the Chinese *Rendan*. They said that the appearance and quality of the Chinese *Rendan* were superior to the Japanese product, and the flavor was much suitable for Chinese tastes. Using the two encouraging examples—*Dongfeng* Cola and Chinese *Rendan*, the *Xinmin Evening News* concluded that the disclosure of the secrets of Coca-Cola and *Rendan* demonstrated the truth that when the mystery was unveiled, western products were nothing but small tricks.⁴⁵⁸

Socialist transformation in the soft drink industry

In the 1950s, soft drink industry underwent a socialist transformation. After Coca-Cola was withdraw from China, former foreign-invested and Chinese-owned soft drink companies were shifted to the form of joint state-private management, in which all production facilities, equipment, and materials were either confiscated or redeemed by the state. Under China embargo, previously imported materials such as sodium benzoin, essence, citric acid, and corks were all replaced by local materials in order to maintain

⁴⁵⁷ Jin, "jie chuan Coca-Cola Rendān de X," (Expose the X of Coca-Cola and *Rendan*) *Xinmin Evening News*, July 3, 1958, 4.

⁴⁵⁸ *Ibid.*

production. The enthusiasm on production grew higher and higher as the increasing nationalistic sentiment and the socialist passion stimulated by independence, China embargo, and the Great Leap Forward movement. Unlike the former economic system in which profit was the ultimate goal in any given business, in socialist economy of the Mao period, what mattered to the joint state-private management companies was merely production, the level of output. Soft drinks in China were highly seasonal commodities that were mainly consumed in summer. For the rest months of the year, production in soft drink factories was almost stopped, leading to extremely low equipment utilization and a huge waste which was incompatible with China's underdeveloped economy as well as the communist ideology. In summer, however, as the production facility was unequally distributed among regions, poorly mechanized soft drink factories in majority cities hardly met the local demand, whereas several well-established factories in big cities such as Shanghai intensively competed for a market share.

Since the opening of treaty ports in the nineteenth century, Shanghai, the biggest economic centers of China, concentrated a majority of resources. With regard to soft drink industry, there were several well-established companies such as Watson's Mineral Water Company, Aquarius Mineral Water Company, and Yili Mineral Water Company, which were all well mechanized and able to produce high-quality drinks. Yet, most equipment in these companies was under a low rate of utilization over the whole year. For example, Watson's Mineral Water Company had the most advanced equipment, completely automatic and could produce 2,340 bottles per hour and 46,051,200 bottles

per year, but the actual annual equipment utilization was only 7.6%.⁴⁵⁹ Its highest monthly productivity could reach 4,056,000 bottles, but the monthly sale was only 860,532 bottles, 21.12% of its productivity.⁴⁶⁰ In contrast, other regions in China were not as lucky as Shanghai. They either did not have soft drink companies at all, or only had one or two small-sized soft drink factories, producing poor-quality drinks with crude facilities in a low efficiency. The state-owned soft drink company in Beijing, known as the Three Stars Mineral Water Company, was one of them. Although it was located in the capital city, it failed to import equipment from the Soviet Union, and its poor-quality drinks were far from meeting the demand in Beijing.⁴⁶¹ To balance supply and demand, the state first suggested shipping Shanghai soft drinks to Beijing, but glass-bottled soft drinks were too heavy and fragile to deliver and it was uneconomical to distribute such a low-value commodity across such a long distance.

A better solution was to reallocate resources, which could not only increase the equipment utilization but also solved the imbalanced regional development that contradicted the socialist proclamation. In 1955, the central Government decided to move Shanghai Watson's Mineral Water Company which had ten years of soft drink production experience to Beijing and joint-ventured with Beijing Three Star Mineral Water Company. The new factory was state-owned and renamed as Arctic Ocean Soft Drink Company (*Bei bing yang*). Its products later became the best memory for most

⁴⁵⁹ "The plan for the Shanghai soft drink industry and its socialist transformation," B163-1-234, The Shanghai Archive.

⁴⁶⁰ "The plan for the socialist reformation on Shanghai private-owned soft drink industries (Watson's Mineral Water Company)," A66-1-92. The Shanghai Archive.

⁴⁶¹ "Soft drink industry," B163-1-230. The Shanghai Archive.

Beijingers in the Mao period. This decision was made based on several considerations. First, Watson's advanced equipment could still be used for at least ten to fifteen years, which saved capital investment about 478,702 *yuan*. Second, Beijing had a large consumer market, nearly 3 million residents. Third, on the technological level, the advanced mode of production in the South could help and guide the backward industry in the North. Finally, Watson's cap-making machines could supply high-quality caps to other companies in the North who always purchased caps from Shanghai.⁴⁶² After the move-out of Watson's Mineral Water Company, Aquarius Mineral Water Company, a former British-invested company, became the only joint state-private managed soft drink company, also known as Shanghai Soft Drink Company, in Shanghai. The Government argued one soft drink company as big as Aquarius Mineral Water Company was sufficient enough to meet the local demand in Shanghai. As the ultimate goal of socialism was to achieve common prosperity, redistribution of resources could not only balanced the unequal development of the industrial structure across regions, but also could highly increase the equipment utilization.⁴⁶³

Salty Soda: a Socialist Welfare for the working class

Compared to other industrial products, bottled soft drinks usually acquired little attention from the state due to their relatively low value to people's livelihood and difficulties and cost in transportation. For a long time, soft drink production and

⁴⁶² "The plan for the Shanghai soft drink industry and its socialist transformation," B163-1-234. The Shanghai Archive.

⁴⁶³ Ibid.

consumption was highly restricted in the local area. When the Communists came to power, they merely controlled raw materials such as sugar and citric acid, but were barely interested in production, distribution, and consumption of soft drinks. In the first several years of the PRC, the percentage of the state acquisition in soft drink industry was very low: in 1953, the state acquisition from Watson's Mineral Water Company was 13.4% of its total annual sale; in 1954, before mid-August, it was 19.7%.⁴⁶⁴ However, when the national socialist revolution evolved in full swing in the mid of the 1950s, in addition to redistributing the sources of soft drinks, the state also attached political meanings to it. Under the propaganda of the state, soft drinks were not simply palatable refreshing drinks, more importantly it became a social welfare—a heat stroke prevention measure—for the working class in hot summers.

Before the revolution, the Communist Party claimed that the working class suffered from endless exploitation and oppression from capitalism, imperialism, and feudalism. Workers in private-owned factories worked in very harsh conditions: the working places were shabby, dirty, and narrow, extremely hot in summer while terribly cold in winter. Workers' rights, even their lives, could not be protected. Every day, textile workers in Shanghai, for example, had to work twelve hours in the noisy, humid, and polluted workshop, and seventy to eighty percent of them got pulmonary diseases. According to the medical report in 1929 from Shanghai, since 1919 *Yang Shu Pu* industrial hospital had treated 880 textile workers, a significant number of whom were

⁴⁶⁴ “The plan for the socialist reformation on Shanghai private-owned soft drink industries (Watson's Mineral Water Company),” A66-1-92. The Shanghai Archive.

permanent disabled.⁴⁶⁵ Working conditions in hot summers were even worse. In the tobacco factory, for example, the temperature in summer could be over 100 °C (212 °F). Before the PRC, only a few factories in Shanghai provided cooling equipment, while most industries including metallurgy, enamel, and glass industries where the working temperatures were extremely high, had no cooling measures at all. In summer, workers were constantly attacked by heat strokes, some of whom even died.

Compared to feudalism, capitalism, and imperialism, communism represented the interests of the working class. It was a social, political, and economic ideology that aimed at the establishment of a classless and revolutionary socialist society structured upon a state ownership of the means of production. When the Communist Party came to power, the state adopted various measures to improve the working condition in factories. With regard to the frequent summer stroke problem in factories in summer, the central ministry of the textile industry proposed summer-temperature-control standards in April 1951: the highest temperature for cloth factories in summer was 92°F, and yarn factories could not exceed 98°F.⁴⁶⁶ In 1952, state-owned textile factories in Shanghai added sixteen air coolers. Private-owned factories also adopted fans, blowers, and arbors to lower the temperature.⁴⁶⁷ In addition to setting up temperature control facilities, soft drinks that could cool bodies down also became an important measure in preventing summer strokes. By 1956, the state council, for the first time, included the summer cooling measures into

⁴⁶⁵ <http://www.shjcw.gov.cn/jiancha/node4420/node4465/node4470/userobject1ai75112.html>, 12-8-2011.

⁴⁶⁶ “Chronicles of Shanghai labor movement,” (*Shanghai gong yun zhi*) <http://www.shtong.gov.cn/node2/node2245/node4471/node56254/node56256/node56258/userobject1ai42814.html>, 12-8-2011.

⁴⁶⁷ *Ibid.*

the “Code of Safety and Health in Factories:” Clause 21, if the temperature in working places is higher than 35°C (95°F)⁴⁶⁸, factories should take cooling measures...; clause 27, factories should provide soft drinks such as salty sodas to workers who were working in high-temperature conditions.⁴⁶⁹

Heat stroke was understood by modern medicine as a symptom caused by dehydration and lack of salt. Ordinary sweet soft drinks were not only expensive in the food shortage period, but also could not supplement salt, though they could hydrate the body. When the demand of soft drinks in summer was enormously increasing after the promulgation of the summer factory regulation, mass producing ordinary soft drinks were even unrealistic and meaningless, because sugar, one of the most important ingredients in soft drinks, was a luxury commodity that was in short supply. Even brown sugar, also known as Cuban sugar because of the place of origin, sold at 49 cents per *jin* (500g) and was rationed. Ordinary people could get brown sugar only in certain circumstances such as after childbirth. In Chinese medicine, brown sugar was believed to enrich the blood for puerperae and help them recover quickly, so women could get doctor’s prescription on brown sugar after childbirth, though the ration was very small. For most families, eating white sugar and brown sugar was a fantasy. Instead they used a cheap sweet substitute, saccharin, which was 10 cents a bag (about 20g). Yet, in the fifties and the early sixties, saccharin, later known to be hazardous to health, was also rare. If a child could drink a cup of saccharin water, he/she immediately became the public person among the kids

⁴⁶⁸ This temperature was adjusted to 32°C (89.6°F) in the amendment on October 14, 1957.

⁴⁶⁹ “Code of Safety and Health in Factories,” May 25, 1956, <http://vip.chinalawinfo.com/Newlaw2002/Slc/slc.asp?db=chl&gid=117>, 12-8-2011.

who were full of jealousy. Wang Hexi, a man in his mid-fifties, still vividly remembered his jealousy in his second grade to one of his classmates who got saccharin water from his father who was working in Luoyang Bulb Factory. He said every kid in class competed to exchange a cup of saccharin water with pieces of paper in their notebooks. Later, saccharin became more common in the society, but its sweetness was still a good attraction to most people. In the Cultural Revolution, as an educated youth, Wang Hexi was sent to the countryside, where saccharin could be bought in production teams. Whenever his team leader rang the bell for work, as encouragement, he always cried that first one going to work would be awarded with a cup of saccharin water. In the seventies and thereafter, saccharin became a common commodity in local stores. Many families tried their best to save 10 cents to buy a bag of saccharin and hid it somewhere that children could not see. Occasionally, parents made a cup of saccharin water to satisfy children's watering mouths.⁴⁷⁰

Considering the medical theory as well as the challenging food situation, Aquarius Mineral Water Company, the only joint state-private owned soft drink company left in Shanghai at that time, creatively and independently developed a new product—salty soda, known as *yanqishui*—to meet the demand. In June 1956, Aquarius Mineral Water Company claimed that “in order to meet the demand of workers who worked in high-temperature conditions, we have successfully developed *yanqishui*, which cost only 1.0569 *yuan* per dozen (12 bottles), and would put into mass production soon. *Yanqishui*

⁴⁷⁰ Wang Xihe's blog, <http://hi.baidu.com/wanghexi58/item/ad357e18766ffa7e7b5f25ec>, accessed by 10/20/2012.

was only designed for labor protection but not for the populaces' everyday consumption, so we would only produce from June to September."⁴⁷¹ Instead of using a lot of sugar, *yanqishui* was made from salt, saccharin, pigment, citric acid, essence, and saleratus, some of which are very unhealthy from the modern perspective. Compared to sweet sodas at that time, the only difference of *yanqishui* was it reduced the proportion of sugar or saccharin while added salt. The producing process was simple: mix all the materials according to a proportion, pour into clean water which has been disinfected by ultraviolet rays in advance, and finally bottle it.

Since the mid-fifties, there were two kinds of soft drinks in Communist China: sweet soda and salty soda, which were both refreshing drinks in summer. The bottle size of sweet sodas was 240 ml, while the size of salty sodas was 650 ml, but the producing processes were almost the same: sweet sodas contained a little bit more syrup than salty soda. However, their prices varied widely. Considering one bottle of sweet soda cost 13 cents at least and 20 cents at most while one bottle of salty soda only cost 8 cents, the profit of sweet soda was much higher than that of salty soda. Aquarius Mineral Water Company, also known as the Shanghai Soft Drink Company in Maoist China, decided to produce more salty soda than sweet soda, because they saw salty soda as a product serving for the working class. They claimed since the production goal in the socialist society was to meet the demand of the working class, they should produce products for proletariats, even though the profit was small. In contrast, for those secondary commodities like sweet soda, they should restrict the production scale, though its profit

⁴⁷¹ "A petition on the exemption of soft drink tax, 1956," B5-2-120-82. The Shanghai Archive.

was large. This was the essential difference between socialist production and capitalist production.⁴⁷² The Company recalled when they were in the hands of foreigners before the PRC, they only produced sweet soda, because capitalists aimed to extract surplus value from the labor to turn into profit. However, the socialist public ownership in the PRC determined their production direction: producing low-profit salty soda. In summer, especially in high-temperature, open-air working conditions, workers particularly needed salty soda to replenish their consumed water and salt during the work. Supplying salty soda to workers stood in sharp contrast to workers eating salt in summer in capitalist countries, which reflected the superiority of the socialist system.⁴⁷³ Focusing on the interest of the working class, Aquarius Mineral Water Company decided two-thirds of their output should be salty soda and the rest was sweet soda.

While sweet soda and salty soda were both refreshing drinks in summer, in socialist China the former was labeled as the labor protection product and the latter was regarded as a secondary commodity that was not necessary. Salty soda symbolized the state's special care to workers, whereas sweet soda was just ordinary commodity which was even related to luxury. To increase revenue and channel consumption, the state issued the "special consumption tax" in 1950, which imposed cold food taxes on cold food shops, cafes, and restaurants where cold food was sold. Following the old tax system in the Republican era, the new released "special consumption taxes" generalized the seven existing regional consumption taxes such as taxes on ballrooms, banquets,

⁴⁷² Wu, "cong duo shengchan yanqishui kan shengchan mudi" (The goal of producing more salty soda), *Wen Hui Bao*, August 6, 1975, 3.

⁴⁷³ *Ibid.*

hotels, cold food, and entertainment activities into a single standard state regulation. The tax rates varied from 3% to 50%, and the collection target was consumers who consumed these products. With regard to cold food taxes, anyone who bought cold food in cold food shops and cafes had to pay the tax. However, cold food was diverse and each given cold food was assigned a certain class category in the early communist China. For example, soda drinks, ice lolly, cold noodles, and ice cream were all cold food, but the *Xinmin Evening Newspaper* commented the producing methods, meanings of consumption, and the identities of customers differed, and thus the boundary and the rate of taxation should be clarified.⁴⁷⁴ In addition to increasing revenue, one important goal of the consumption tax was to restrict over-consumption. Cold noodles and cold jellies were foods that satisfied hunger, so they should not be taxed, while other cold foods like soda drinks and ice cream were luxury that not ordinary people could consume, so these products should be imposed the tax. Although the “special consumption tax” was canceled in 1953, the cold drink tax was included into the business tax, the rates of which varied from 5% to 15%.

While the state made effort to restrict consumption on certain commodities in order to construct a socialist consumption style, it encouraged certain consumption that helped to reinforce the political ideology. Sweet sodas sold in stores were taxed to prevent over consumption, but meanwhile the state encouraged production of salty soda with the same ingredients but less syrup. Salty soda did not need to pay the tax. It was also listed as a necessity in labor protection regulations. To protect labor rights, the state

⁴⁷⁴ Hao, “tan leng shi shui” (The cold food tax), *Xinmin Evening News*, July 24, 1951, 3.

launched a series of educational campaigns every year to advertise the effectiveness of salty soda in preventing heat stroke in summer. Salty soda was welcomed by factories and soon became a standard and a mandatory labor protection measure to prevent heat stroke in hot summer. Heat stroke prevention measures were initially implemented in textile and steel industries where temperatures in working places were extremely high, but it quickly expanded to all sorts of industries. The government founded labor protection institutions and mobilized related institutions such as Bureau of Labor, Board of Health, and Labor Unions to cooperate together in educating, encouraging, and supervising the implementation of heat stroke prevention measures. Every year between 1955 and 1957, the Bureau of Labor in Shanghai not only held heat stroke prevention classes and exhibitions, but also showed related educational documentaries.

Related departments such as security offices and labor protection offices were also set up in factories to coordinate with the local and central government. At soft drink producers such as Aquarius Mineral Water Company, such departments with the special political agenda even intervened in the production process, besides protecting the labor right. Motivated by the socialist enthusiasm and the government's propaganda, Aquarius Mineral Water Company began to shift its production emphasis onto salty soda. However, as an economic entity, profit still mattered to the survival of the company. Some managers in Aquarius Mineral Water Company suggested producing a little bit more sweet sodas because they thought sweet soda and salty soda were equally important to people's life and it would benefit the Company, but the labor union and party members strongly disagreed. They argued the profit-centered ideology was wrong and people in the socialist country prohibited a focus on economic interest. Whenever salty soda was in

a short supply, the related departments and the party institutions began to warn the Company to focus on salty soda and supervise the production. They claimed that workers were the host in the socialist society, who had right to intervene and supervise production. The socialist theory study group organized by party members among the workers particularly emphasized the importance of mass production of salty soda. They pointed out mass production of salty soda fully reflected the state's care to the working class. More importantly, salty soda was the necessity for steelworkers who were working in high temperatures, which were essential to production of steel. Many group members voluntarily declared that they were willing to work hard and endure the hardship to support the state's steel industries and it was worth to earn less profit but made contributions to the welfare of high-temperature working workers.⁴⁷⁵

In the first few years after the invention of salty soda, Aquarius Mineral Water Company was the only supplier of *yanqishui* in Shanghai. Every summer, a large amount of orders were made, especially from textile and steel industries where heat stroke was frequently occurred. In 1959, No.4 national cotton mill in Shanghai, having 23 workers who were working in high temperature conditions, planned to order 46 bottles of *yanqishui* every day, and 4,608 bottles a year. The No. 5 national cotton mill, having 36 workers exposed to high temperatures, ordered 72 bottles a day, 6,552 bottles a year; the No. 7 national cotton mill had the numbers as 193 workers, 223 bottles a day, 22,380 bottles a year; the No. 10 national cotton mill: 191 workers, 192 bottles per day, 7,800 bottles per year...

⁴⁷⁵ Wu, "Cong duo shengchan yanqishui kan shengchan mudi," (The goal of producing more salty soda) *Wen Hui Bao*, August 6, 1975, 3.

Table 6.1⁴⁷⁶: Orders from Aquarius Mineral Water Company in 1959

National Cotton Mills	Numbers of workers who were working in high-temperature conditions	Amount of <i>yanqishui</i> needed every day (bottle)	Amount of <i>yanqishui</i> needed every year (dozen)
No.4	23	46	384
No.5	36	72	546
No.7	193	223	1865
No.10	191	192	650
No.11	256	314	2416
No.13	24	24	120
No.16	194	899	1297
No.17	2982	2982	29820
No.18	80	93	814
No.19	378	378	1894
No.20	20	12	40
...

Although Aquarius Mineral Water Company had operated at full capacity in producing salty soda, the output still could not meet the demand. To efficiently allocate the limited resources while also protecting the labor rights, in the 1960s, the Bureau of Shanghai textile industries set up summer drinking quotas in the provision for each industry: the first industry category including steel and iron should provide two bottles of *yanqishui* for each worker every day; the second category including glass, enamel, and heat treatment industries should supply one bottle of *yanqishui* per worker per day; the third category including industries whose workshops were unventilated or contained

⁴⁷⁶ “The amount of *yanqishui* that ordered by each cotton mill in Shanghai,” B134-6-290-7. The Shanghai Archive.

thermal radiation should offer a half bottle of *yanqishui* per worker per day.⁴⁷⁷ However, the summer demand for *yanqishui* was so large in Shanghai that in 1957 Aquarius Mineral Water Company could not meet it.

The popularity of *yanqishui* was not restricted in Shanghai. With the up-to-bottom implementation of the heat prevention and labor protection policy, *yanqishui* became well received by workers across the whole country, especially in cities on the east coast such as Beijing and Tianjin where heavy industries located. Like Aquarius Mineral Company, which led the soft drink industry in Shanghai after the national wide adjustment on industry structure, almost every big city had one well-known soft drink brand. For example, Beijing residents were familiar with soft drinks from *Bei Bing Yang* Soft Drink Company, which absorbed technologies, assembly lines, and technicians from Shanghai Watson's Mineral Water Company. People in Tianjin loved drinks from Crystal Mineral Water Company, which previously was the Coca-Cola bottling plant. During the Mao period, all of these companies served as the central supplier of *yanqishui* in their cities respectively in summer. Same as Aquarius Mineral Water Company, all of these soft drink companies felt stressful to meet the large demand.

As compromises, some factories set a supply priority to heavy manual workers who were working in extremely hot conditions.⁴⁷⁸ On the other hand, some big companies, whose major labor force were heavy manual workers, tried to produce

⁴⁷⁷ “Announcement on the quota of *yanqishui* in 1960 by the Bureau of Shanghai textile industry,” B134-6-440-15. The Shanghai Archive.

⁴⁷⁸ “Chronicles of Shanghai Labor,” (*Shanghai Lao Dong Zhi*), <http://www.shtong.gov.cn/node2/node2245/node67474/node67483/index.html>, 12-10-2011.

yanqishui on their own. In 1967, Shanghai No.5 Steel Plant sent a petition to the Bureau of Metallurgical Industry, stating that they wanted to produce *yanqishui* by themselves:

“*Yanqishui* that we consume in summer are all supplied by Aquarius Mineral Water Company. Because of the large labor force of our company and the wide range of high-temperature jobs, most of which are over 40°C (104°F), the demand of *yanqishui* is enormous. Every year conflicts on the supply are numerous and our workers are unhappy about it, so we decide to make *yanqishui* by ourselves. Our petition is based on following reasons: first, our company needs five to six trucks of *yanqishui* every day, while Aquarius Mineral Water Company could only supply three to four trucks, which are far less from our demand. Our company often has to adjust quotas among different jobs, making our work so passive. Second, Shanghai No.1, No.3 Steel Plant, and Shanghai Motor Company all produce their own *yanqishui*. Not only have they solved the supply problem, but also adapted to the taste of the masses by adding different essences or adjusting the sweetness, which are welcomed by factory workers. Third, the saving could be significant. Last year, the total cost of *yanqishui*—150,000 dozens— as well as the transportation fee was 263,500 *yuan*. If we produce *yanqishui* by ourselves this year, the unit cost per dozen would decrease 0.15 *yuan*. If the budget this year is same as that of last year, we could produce 400,000 dozens of *yanqishui*, whose amount would almost triple.”⁴⁷⁹

⁴⁷⁹ “The petition of self-producing *yanqishui* by Shanghai No.5 Steel Plant, September 12, 1967,” B112-5-39-147. The Shanghai Archive.

As more and more companies asking for self-producing *yanqishui*, to promote socialist welfare and relieve production pressure, in 1957 Aquarius Mineral Company shared their recipe with the public and encouraged companies to produce *yanqishui* by themselves. They expressed that they were willing to give any technical guidance or assistance to any company who needed help. They made the announcement on July 24, stating that “because of the hot weather, the demand of *yanqishui* is enormous. However, we could hardly meet the demand due to our limited production capability. For the sake of the health of factory workers, we now introduce the recipe of *yanqishui*, hoping every factory and industry could cooperate and try to produce on your own.”⁴⁸⁰ The recipe they provided was incredibly detailed:

“Granulated sugar is $\frac{100}{10000}$, sterilizing and purifying it by filtering after melt. Osmanthus sugar is $\frac{1.5}{10000}$; Citric acid is $\frac{1.5}{10000}$; salt is $\frac{34}{10000}$; essence is $\frac{5}{10000}$ (mint is optional); the volume of CO₂ is 3.5-3.7 (we use the CO₂ mixer). CO₂ could be manually added by mixing sodium bicarbonate and citric acid, but the effect is small. By far, our company hasn’t had any good experience on it. However, we think that although *yanqishui* that manually produced according to the above recipe contains little gas, it could replenish water and salt lost by sweating and prevent heat strokes. Finally, use glass, pottery, or porcelain containers instead of metal and enamel containers in order to prevent poisoning.”⁴⁸¹

⁴⁸⁰ “Introduction of the recipe of *yanqishui* by Aquarius Mineral Water Company, July 24, 1957,” B186-1-28. The Shanghai Archive.

⁴⁸¹ Ibid.

With the recipe, guidance, and technical help from Aquarius Mineral Company, many companies began to self-produce *yanqishui*. Usually they simplified the recipe and the producing process to reduce the cost. For example, some companies replaced sugar with saccharin and some companies ignored carbonation all together. Big companies who had a large amount of workers and drinking demand, and who had more funds, started to build workshops only designed for *yanqishui* production. They organized a special group of people to produce and distribute *yanqishui* as a full-time job. Shanghai No. 5 Steel Plant, for example, planned to build a 1,500 m² building and allocate 170,000 *yuan* to purchase related production apparatus. Since the 1960s, most large companies could be self-sufficient on *yanqishui*, some of whom even supplied nearby small- and middle-sized companies if they had surplus. Later on, many small- and middle-sized companies also organized workers to self-produce *yanqishui*. A former worker in Beijing recalled *yanqishui* in his on-line blog:

“Producing *yanqishui* was very simple. First, build a big basin with bricks. Then, place a large tank in the middle of the basin with natural ice stuffing the space in between. Pour water into the tank and add some alum to precipitate impurities. Finally, add saccharin, essence, and salt. At that time, *yanqishui* was the best summer cooling beverage provided by factories. The condition was not improved until the mid-seventies when our company purchased refrigeration equipment and built refrigeration plant to provide workers with high-qualified iced soft drinks and ice-lollies. Meanwhile, sugar began to replace saccharin and citric acid replace essence. Not only workers in high-temperature working conditions but all workers in

our company could get iced drinks by showing the certificate card issued by the department of labor protection in our company.”⁴⁸²

Table 6.2:⁴⁸³ budget on yanqishui apparatus from Shanghai No. 5 Steel Plant, September 12, 1967

Apparatus	Number	Budget (<i>yuan</i>)
Lye immerser	2	6,000
12-head bottle washer	2	1,500
Bottle rinser	1	2,500
Syrup machine	1	10,000
Capping machine	1	120,000
CO ₂ mixer	2	20,000
Conveyor belt		7,000
Roller of conveyor frame		3,000
Building	1500 m ²	60,000
Other		20,000
Total		250,000

Since the demand of *yanqishui* was huge and the method of production was easy, people in rural areas also built soft drink companies. Shanghai was one of the largest industrial centers in the PRC, in which the demand of *yanqishui* was enormous. By 1981, there were five small soft drink factories built in the suburban counties such as Songjiang, Chouming, Nanhui, and Jiading, which achieved an annual output of 96,000,000 bottles. Besides supplying their own counties, these small soft drink factories

⁴⁸² “Have you ever drunk *yanqishui*?” <http://bbs.qianlong.com/thread-1724917-1-1.html>, 12-11-2011.

⁴⁸³ “The petition of self-producing *yanqishui* by Shanghai No.5 Steel Plant, September 12, 1967,” B112-5-39-147. The Shanghai Archive.

delivered a part of their *yanqishui* as assistance to the state's key projects such as Shanghai Bao Steel Company. A big industrial city like Shanghai, the major supplier of *yanqishui* were first, big soft drink companies like Shanghai Aquarius Mineral Water Company with an annual output of 33,600,000 bottles that supplied middle- and small-size factories, second, suburban soft drink factories which mainly supplied local factories but also help the large factories as well, third, soft drink workshops inside big companies as the self-sufficient sources producing loose packed *yanqishui*. In Shanghai, for example, there were 204 companies built their own soft drink workshops by 1981, and the annual production, converting to the size of regular bottles, was 120 million bottles.⁴⁸⁴

Considering all the three supplying sources, the annual production of *yanqishui* was increasing every year. However, as the number of workers increased rapidly every year, especially after the Culture Revolution, and the *yanqishui* welfare gradually extended to most workers in factories, *yanqishui* was still in a short supply. Particularly for the middle- and small size factories merely relied on the big soft drink company like Aquarius, the shortage remained conspicuous. To get sufficient *yanqishui*, factories located far away from soft drink companies had to send people to soft drink factories to wait in lines since the mid-night.⁴⁸⁵ The lines were extremely long and had no shades at all. Sometimes people had to wait until the dusk and most likely the storage was insufficient for their purchase. Furthermore, during the long waiting hours, the purchasing people were exposed to the scorching sun and sometimes even got wet in the

⁴⁸⁴ “yanqishui gongying jiang you suo gai shan,” (The supply of yanqishui will be improved) *Wen Hui Bao*, July 23, 1981, 2.

⁴⁸⁵ “jin nian gao wen qi jian yanqishui que kou da” (Huge shortage of *yanqishui* this summer: the Municipal Government called for taking measures immediately), *Wen Hui Bao*, June 21, 1987, 4.

rain. Because of the supply shortage, some workers in some factories exposed to high temperatures could only get one bottle of *yanqishui* every two days.⁴⁸⁶

In soft drink workshops of big companies, work was not easy, either. Every summer, soft drink workshops probably became the busiest place in the factories. Delivering trucks lined up in front of the workshops, while the bottling machines were running around the clock inside of the buildings. An assistant engineer in the *yanqishui* workshop of Number 5 Steel Plant in Shanghai said the work in their workshop was very intense, where the bottling machines bottled more than 140 bottles of *yanqishui* every minute.⁴⁸⁷ In addition to supply their own workers, the workshop in Number 5 Steel Plant also tried their best to supply other 120 companies in Shanghai which asked for help. The 53 years old director of the workshop, Li Jiazhen, who was the first to go to work and the last to leave, slept in the factory to guarantee the production. Every day, workers in that workshop started to work at eight in the morning and did not leave until 2 or 3 a.m. next day. Inside the workshop, hot steam came out of the two large syrup caldrons, by which a woman was stirring and worked almost ten hours every day. On the other side of the room, the bottle washing machine was running in a full load, by which workers put 150 empty bottles on the conveyor belt every minute.⁴⁸⁸

Facing the production challenge, the government took a series of measures to expand the production of *yanqishui* in summer. In Shanghai, for example, the municipal

⁴⁸⁶ “yanqishui gongying jiang you suo gai shan” (Measures should be taken to relieve the shortage of yanqishui), *Wen Hui Bao*, July 23, 1981, 2.

⁴⁸⁷ Bao and Zhang, “han shi yi shan song qing liang” (Work hard for the coolness of workers: story of soft drink workshop in Shanghai number 5 steel plant), *Wen Hui Bao*, August 4, 1983, 2.

⁴⁸⁸ Ibid.

government encouraged the Aquarius Mineral Water Company to expand production on *yanqishui*. In addition to the two existing soda machines that only produced *yanqishui*, the government asked the Company to shift the other two machines that were originally used for producing other beverages to produce *yanqishui*. Meanwhile, they also encouraged the Company to update their facilities and extend the working hours. With regard to the self-sufficient soft drink workshops, the government not only encouraged them to increase production for their own workers but also urged them to support other middle- and small-size factories. In a planned economy, *yanqishui* was distributed in rations, which meant that theoretically people should not wait in lines. However, there were some problems in production and transportation and some factories only purchased *yanqishui* in hot weather, so the supply chain was frequently disturbed. To scientifically manage the imbalance between supply and demand, the government suggested all factories must register and order in advance and pick up sodas on time.⁴⁸⁹

Very year before summer, government and company leaders vigorously mobilized the heat stroke prevention campaigns in advance. They provided physical examinations to workers who were exposed to high temperatures and personally checked facilities such as soft drink machines, lounges, and ventilation equipment in the working places. On extremely hot days, to show concerns to workers, government leaders, company managers, and party members personally delivered towels, cold green bean soup, and

⁴⁸⁹ “yanqishui gongying jiang you suo gai shan” (The supply of yanqishui will be improved), *Wen Hui Bao*, July 23, 1981, 2.

yanqishui to the hands of front-line workers and warmly greeted them.⁴⁹⁰ This campaign was repeated year after year. Some people questioned, given the heavy duty of production, why the leaders bothered to pay such attention to the summer stroke prevention measures. Others complained that the measures had nothing new but were repeated every year. In response, the leaders emphasized that everything related to people's livelihood was the most important task for them. Leaders and party members were the representatives of the working class and were leaders and organizers of the revolution as well as people's livelihood. Therefore, they argued that heat stroke prevention was not only an issue of working methods, but also reflected the proletarian sentiment and attitude toward the masses.⁴⁹¹

Although *yanqishui* was propagandized as workers' welfare that reflected the meticulous care from the state, this does not necessarily mean that workers liked it. In fact, the taste of *yanqishui*, salty and bitter, was not as palatable as that of ordinary sweet sodas, especially the well-known brands. Han Shangyi, a man born in the early twenties, recalled that the Dutch water and soft drinks made by Aquarius Mineral Water Company were his favorite when he was young, but salty soda tasted terrible. Whenever his factory gave out heat stroke prevention drinks—salty soda—in summer, he always gave them away to others. However, when Han was labeled as the rightest in the Anti-Rightist

⁴⁹⁰ Xu, "lingdao qin lin di yi xian, fang shu jiang wenn zhua de jin" (Leaders went to the forefront of production, urging to take actions on heat stroke prevention), *Wen Hui Bao*, July 22, 1983, 1.

⁴⁹¹ "shang gang yi chang zhua jin zuo hao fang shu jiang wen gong zuo" (Summer stroke prevention measures in Shanghai No. 1 Steel Plant), *Wen Hui Bao*, July 23, 1970, 2.

Movement⁴⁹² and forced to get re-educated through labor, salty soda became his best memories in the difficult years. There were no soft drinks to drink in the hard time, so even the bitter and salty *yanqishui* became attractive to Han. Whenever Han was sent to deliver *yanqishui*, he was very happy because he could temporarily become a free man, confidently leaving the small room where he was forced to write the statement of repentance. One fully-load delivery tricycle with *yanqishui* was very heavy and the soda factory was far away from Han's factory, so everyday Han was allowed to take a rest twice and drink one bottle of *yanqishui* on the way, which was the most wonderful time that Han was still missing in the late eighties.⁴⁹³

Nostalgia of *yanqisui* was widely heard in the Chinese society. For most people who experienced the Mao period, *yanqishui* was not really a cold drink that prevented heat stroke or a drink that pleased taste buds, rather it reminded them of a pleasant interlude in the harsh economic and political conditions of the day. It was a placebo for the Rightists like Han Shangyi, it was also a proud identity for the working class. A worker in Beijing who once participated in *yanqishui* production said that it reminded him the most wonderful time in the factory:

“When we were young, *Bei Bing Yang* was the only soft drink brand in Beijing. Because everybody was poor at that time, it was a luxury to drink soft drinks in summer. Every summer, some big companies organized workers to self-

⁴⁹² The Anti-Rightist Movement in the PRC occurred in the 1950s and early 1960s, consisted of a series of campaigns to purge alleged “rightist” within the Communist Party of China and abroad. The definition of “rightists” was not always consistent, but officially referred to those intellectuals who appeared to favor capitalism and class divisions and against collectivization.

⁴⁹³ Han, “yanqishui,” *Xinmin Evening News*, July 28, 1989, 6.

produce a beverage called *yanqishui*. Most jobs in my company were outdoor, heavy manual labor, so we made this beverage every year to prevent heat stroke. One year, I was assigned to producing *yanqishui*, which was the easiest and the most comfortable job in our company. Every morning, the first job for me was to get ice from the icehouse. After finished making *yanqishui*, I delivered them to all departments and meanwhile got back all empty bottles that were used the day before. The job in the afternoon for me was washing all the bottles to prepare them for tomorrow. Although nowadays *yanqishui* was seen as an unhealthy beverage, in Maoist China not every company was able to self-produce it. Therefore, many workers, especially those who had younger siblings or kids often brought *yanqishui* back home.”⁴⁹⁴

Conclusion

Production, processing, distribution, and consumption of *yanqishui* made summer cooler in Maoist China, but they were also unique, creative responses to a challenging food situation and the Cold War tension. For over thirty years, Coca-Cola, the once beloved exotic soft drink in summer, was closely associated with capitalist exploitation and western life styles and was totally removed from communist China. Instead, the Chinese “invention”—*yanqishui*, crude and tasteless with only slightly difference in recipe comparing to ordinary sweet sodas, symbolized a socialist welfare that represented the interest of working classes, and was widely distributed in ration to factory workers

⁴⁹⁴ “Nostalgia, *yanqishui*,” http://www.360doc.com/content/10/0805/07/600524_43759847.shtml, 12-11-2011.

who were working in high-temperature conditions in summer. During this process, the communist state played a central role in regulating and allocating people's everyday consumption, trying to reconstruct a socialist consumption model that was equal and proletariat-centered. As sugar had a "sweet power" for Sidney Mintz, *Yanqishui*, crude and tasteless though, had a "cool power," "discovered" by the communist state, and became an embodiment of the social good that appealed to both the socialist sentiment and nationalism of the authoritarian state. Meanwhile, it was also applied as a weapon for the communist state to consolidate the nation state and fight against the western world in the Cold War.

If Coca-Cola in the United States and in the late Republic of China represented the emerging mass-produced, industrial commodity and the growing mass consumption culture that distinguished "modern" from "tradition" in the early twentieth century, *yanqishui* for communist China symbolized some sorts of "progress," that is, a transition from polarization consumption to real mass consumption, equal and democratic across all classes. In this sense, the state power and the modernization force converged when the political agenda met with the populaces' expectation, which produced a unique production and consumption pattern in Maoist China.

CHAPTER 7

WHEN COKE KNOCKED ON THE DOOR: CHINA'S REFORM AND RETURN OF COCA-COLA, 1979-1990

Coca-Cola completely disappeared on the Chinese market in the Maoist period. During the three decades, the memory of Coca-Cola in Chinese people's minds was gradually fading away, but American Coca-Cola Company's China dream never ceased. They not only built affiliations with American political parties to boost business in the United States, but also made every effort to expand overseas. Their endeavor, known as soda politics, was quite successful. In the Cold War, Coca-Cola was regarded as a soft power, the most effective and important weapon, to Americanize the world. However, their China dream did not have any progress in Mao China until 1978 when Deng Xiaoping came to power and opened the door to western countries. Through a series of long and difficult negotiations, Coca-Cola finally became the first foreign company which entered Communist China in 1981.

This chapter starts with an introduction on American soda politics, which rose in the twentieth century and expanded rapidly to the world along with the rise of American hegemony. It got a chance to penetrate into China in the late seventies when Sino-US relations were thawing and China shifted its domestic policy from the planned economy to the market economy. By examining the step-by-step negotiations between the Chinese Government and the Coca-Cola Company, this chapter displays the pains of the Sino-US business cooperation after China's reform, and shows how the state and Chinese intellectuals actively participated in shaping Chinese consumer market. The second half of this chapter shifts the perspective from the state to the masses. By interviewing

ordinary people, this study reveals a huge disparity between the state's intention and the grassroots' interpretation of consumption. Rather than having political sensitivity, ordinary consumers centered on economic interests and pragmatism, endowing Coca-Cola particular social meanings through everyday practice in social interactions, which was far away from the original vision of the state.

The Soda-pop Politics

In the 1950s, Chinese newspaper commented that “the Marshall Plan, Hollywood movies, and Coca-Cola were three important weapons by which Americans enslaved people across the world.”⁴⁹⁵ In the hoopla of the escalating Cold War, business and culture, in Reinhold Wagnleitner's word, became important instruments of political influence in the competition.⁴⁹⁶ When cola fever prevailed in most areas of the world in the second half of the twentieth century, politics, to some extent, was rephrased as soda-pop politics.

Soda-pop politics was initially buried in U.S. domestic politics, in which, major cola companies built closed connections with political parties: Coca-Cola, the drink of Democrats, and Pepsi-Cola, the Republicans' refreshers. Although there were third-party colas, as in politics, not much was said about them.⁴⁹⁷ Coca-Cola had been the undisputed majority cola since the New Deal: the cola connection was formed in 1932, when the Democratic National Chairman, Postmaster General James Farley, left the

⁴⁹⁵ Feng, “Coca-Cola de mo zhang” (evil hands of Coca-Cola), *Wen Hui Bao*, November 8, 1950.

⁴⁹⁶ Wagnleitner, *Coca-Colonization and the Cold War*.

⁴⁹⁷ Eichenwald, “Soda, the life of the party,” *New York Times*, July 16, 1985.

Administration—he had quarreled with Franklin D. Roosevelt over the issue of a third term—to become chairman of the Coca-Cola Export Corporation. Farley’s political connections helped Coke escape the sugar rationing and became a war priority item during World War II. Pepsi retaliated by forming a political alliance of its own, with a little known junior Senator from Wisconsin, Joseph McCarthy. In a battle that foreshadowed his later anti-Communist crusade, “the Pepsi-Cola Kid” fought for an end to rationing. However, his usefulness came to an end, when it was revealed that Pepsi’s Washington representative had given him \$20,000. Pepsi soon forged a more successful political alliance, with Richard Nixon, then the Vice President. Thanks to some pushing by Pepsi chairman Donald Kendall, Pepsi was the only soft drink represented at the American International Exposition, the site of Nixon’s famous “Kitchen Debate” with Nikita Khrushchev. Nixon even got Khrushchev to drink some Pepsi and the photos of the historic drink were seen around the world.⁴⁹⁸ When Nixon’s political career faltered in the early 1960s, Mr. Kendall hired him as an international ambassador for the Pepsi Company.

As the domestic competitions were intensifying, Coca-Cola and Pepsi never stopped seeking opportunities to expand overseas. While the soda business was expanding hand in hand with American political agendas, soda politics also upgraded to an international level. In the Second World War, following Coca-Cola’s chairman Robert Winship Woodruff’s patriotic proposal that every man in uniform could get a bottle of Coca-Cola for five cents wherever he was and whatever it cost, Coca-Cola as military

⁴⁹⁸ Ibid.

goods built 64 bottling plants around the world all at Government expense. In China alone, there were a total of three Coca-Cola bottling plants were built before 1949. Although Pepsi could not overtake Coca-Cola in terms of the scale, Pepsi sales went right along with Nixon in the late 1960s when he gained momentum. In 1968, when the Democrats lost the Presidency, Pepsi vendor machines were installed in the White House cafeteria. In 1971, Nixon sent Mr. Kendall on a trade mission to Moscow. In 1973 Pepsi won exclusive rights to sell cola drinks in the Soviet Union until 1984, with the exception of the Olympic Games. Meanwhile, Coca-Cola, based in Atlanta, was looking for another Democrat to support. It found a hometown boy, Jimmy Carter, who was a longtime friend of Paul Austin, the chairman and the chief executive officer of the Coca-Cola Empire. During Jimmy Carter's long march to the White House, he used Coca-Cola money, Coca-Cola jets and Coca-Cola's advertising company. When he was elected, the Pepsi vendor machines in the White House were replaced by Coke vendor machines.⁴⁹⁹ Coke also, as the rumor said, used the Carter connections to reach China four days before the announcement of the establishment of diplomatic relations with the PRC, which was just like how Pepsi breezed into the Soviet Union in the Nixon years.

The negotiations on normalizing Sino-America relations and selling Coca-Cola in China started simultaneously in different conference rooms of the same hotel, the Beijing Hotel. The conferences were held in mid-December 1978, six years after Nixon's first visit, a milestone that symbolized an end to the 25 years of separation between the two countries. Coincidentally, the agreement that Coca-Cola got exclusive rights to sell cola

⁴⁹⁹ Ibid.

products in China was made on December 13th, four days before the Joint Communiqué on the Establishment of Sino-American Diplomatic Relations was signed. The agreement indicated that Coca-Cola became a folk ambassador, entering China before the U.S. Government. The coincidence as well as the friendship between Carter and Paul Austin caused a public suspicion that Carter's might intervene in the Coca-Cola's China agreement, but Austin denied it. He said the President wasn't even told of it.⁵⁰⁰ For its defense, the Coca-Cola Company claimed that its drinks were sold on the Chinese market before the Communists took power and their China diplomacy actually started a decade before the formal diplomatic relationship was established. In the early sixties, the Coca-Cola Company tried to contact China through their Japanese bottler, Yuko Murofushi. He talked to Liao Cheng Chih, head of the China-Japan Friendship Association, about selling Coca-Cola in China in the 1960s. But the effort was in vain, since Liao reminded him that the Cultural Revolution was in full sway and it was impossible to do anything.⁵⁰¹ In the mid-1970s, the company still did not stop trying. It sponsored many sport and cultural events between the United States and China. It even sent Peter Lee (李勵生), who had a doctorate in chemistry from Michigan State University and later became the manager of Coca-Cola Company in China, to study and work with the well-known China scholar Joseph Needham at Cambridge University in 1976.⁵⁰² The Coca-Cola company could not directly contact China until 1972 when the Sino-American relationship finally thawed after Nixon's visit.

⁵⁰⁰ Kleinfield, "Coca-Cola to Go on Sale in China: As U.S. and Peking Expand Ties," *The New York Times*, December 20, 1978.

⁵⁰¹ Scott-Stokes, "Big Macs and Cokes: New Chinese Foods?" *The New York Times*, December 11, 1978.

⁵⁰² Sterba, "Coke brings 'Tasty Happiness' to China," *The New York Times*, April 16, 1981.

China's Reform and Opening up

While the Coca-Cola Company waited for chances to return China, the Chinese society was changing tremendously and finally provided an opportunity to Coca-Cola to come back. During the Cold War, China's embargo imposed by western countries as well as the ideological conflict isolated China from the world capitalist economy for several decades. It was exacerbated in the Cultural Revolution,⁵⁰³ when Lin Biao and the Gang of Four furiously attacked foreign trade as traitorism and slavish comprador philosophy.⁵⁰⁴ After Lin Biao died in an air crash in 1971 and the Gang of Four was smashed in 1976, Deng Xiaoping, a reformist who was interested in developing a market-oriented economy, emerged as the de facto leader of China and finally took office in 1978. When the nation was immersed in the joy of celebrating the crushing of the Gang of Four, a group of Chinese leaders represented by Deng began to feel the pressure of rebuilding the nation's economy which had been seriously devastated by a decade of turmoil from the Cultural Revolution.

In order to learn experiences from western developed countries and promote China's own science and economy, Deng Administration in 1978 sent a government economic delegation led by Gu Mu (谷牧), the Vice Premier of the State Council, to visit

⁵⁰³ Cultural Revolution is a social-political movement that aimed to enforce communism in the country by removing capitalist and traditional elements from Chinese society, and to impose Maoist orthodoxy within the party.

⁵⁰⁴ A name given to a political faction composed of four Chinese Communist Party officials. They came to prominence during the Cultural Revolution (1966-76) and were subsequently charged with a series of treasonous crimes. The members consisted of Mao Zedong's last wife Jiang Qing, and her close associates Zhang Chunqiao, Yao Wenyuan, and Wang Hongwen.

Western Europe. The major tasks of the visit were to investigate western countries' advanced science and technology, especially in the field of agriculture and industry, to explore the reason for the rapid economic development in these countries during the fifties and the sixties, and to learn western countries' experiences on management of mass production.⁵⁰⁵ During the one-month visit, the delegates, who had never been abroad before, for the first time saw the huge gaps between China and the West. They were shocked by the rapid economic development in capitalist countries in West Europe after the Second World War. Particularly in the fields of agriculture, industry, and transportation, West Europe had reached a high level of modernization. Meanwhile, the delegates found that these countries were very interested in developing economic relations with China, because wherever they went, the visiting team was warmly welcomed by either the president or the prime minister, who regarded China as the most important element for the peace of the world. Equally important was the team learned some general practices in international trade, such as compensatory trade, buyer's credit, and seller's credit, which fit well into China's economic circumstances and could significantly mitigate China's shortage of foreign exchange.

As soon as returning to China, the delegation wrote a visiting report and submitted it to the major leaders of the State Council. It was then followed by a detailed conference report presented by Gu Mu. The meeting started at half past three in the afternoon and did not end until eleven in the evening. Over nearly eight hours, all participants actively participated in discussion, especially the leaders, who had fought for

⁵⁰⁵ Gu Mu, *Memoir of Gu Mu*, 315.

justice in the Cultural Revolution and had been suppressed by the Gang of Four, argued straightforwardly that China had to shift its focus to economic development. They thought China's development should be based on self-reliance, but also had to depend on foreign assistances and cooperation. General Ye (Ye Jianying 叶剑英) critically pointed out that a part of China's propaganda on the West in the past was biased, which in turn restricted China's own development. He thought Gu Mu's investigation on Western Europe was comprehensive, allowing Chinese leaders to see clearly what China should import and where China could import. Ye suggested the groups stop talking but make a decision immediately.⁵⁰⁶ Meanwhile, other participants in the meeting warned the Government the danger of over centralization. For example, Li Xiannian (李先念) pointed out that centralizing foreign trade, a policy formulated by Mao, was a requirement targeting a corrupted domestic bourgeoisie, which was dictated by domestic and international circumstances at that time. Now, the situation had changed. Although international affairs should still be firmly controlled in the hands of the central Government, the Government should give local authorities some freedom on international business.⁵⁰⁷

After several rounds of intensive discussion, a decision was made in the Third Plenary Session of the 11th Central Committee. In December 1978, Deng Xiaoping officially announced a state policy: actively develop equal and reciprocal economic cooperation with countries around the world on the basis of self-reliance and make every

⁵⁰⁶ Ibid., 327.

⁵⁰⁷ Ibid., 328.

effort to adopt the most advanced science and technology in the world. The policy encouraged China to ask for loans from western countries and attract foreign direct investment, which was impossible in the past. To break over-centralization and increase flexibility, the Government gave the right of import and export of certain products to local departments. Finally, Guangdong and Fujian provinces were set as Special Economic Zones, offering preferential policies to enterprises with foreign investment. In addition to attracting foreign high-tech industries, which the Government especially desired, service industries also got attention from the central Government. In January 1979, Deng Xiaoping called a meeting with Vice Prime Ministers, who were in charge of economy, particularly emphasizing on the possibility of developing tourism. He suggested putting more effort into tourism, as it was highly lucrative yet required little cost. In the meeting, Deng delineated a very detailed agenda on how to promote tourism: there were so many things that we could do. For example, we could open restaurants, hotels, stores, and bars, and organize some recreational activities such as dancing, billiards, and bridge games. Meanwhile, we could also import foreign wines and Coca-Cola.⁵⁰⁸

Developing Chinese service industries became urgent when more and more foreigners came to visit and invest in China. The first big problem China met after the opening up was the lack of tourist hotels and restaurants. In Beijing, for example, there were only three hotels: Beijing Hotel, Qianmen Hotel, and Minzu Hotel. Many foreign tourists visiting Beijing could not check into hotels until late evening. Some of them even

⁵⁰⁸ Ibid., 424.

had to go to Tianjin, a city next to Beijing, to find a hotel to stay. Moreover, the living conditions in those hotels were too poor to satisfy westerners. Among the three hotels in Beijing, only Beijing Hotel had some modern facilities, but still unsatisfactory. Staying in simple and crude hotels with little service, many foreigners began to complain about China's investment environment. Food scarcity made the complaints even bigger. In big joint-venture companies such as Beijing Jeep, discontents were especially conspicuous, for the percentage of foreign employees in those companies was larger. Western businessmen might eat in a Chinese dining room for a few weeks, but after a while they found that they couldn't take the food anymore. It was not like Chinese restaurants abroad. Foods in restaurants in China had strange ingredients, low-grade cooking oils, and peculiar smells. After a while it all tasted the same.⁵⁰⁹ A foreign employee of American Motor Corporation in Beijing named Schulze had to drive from the jeep factory to Jianguo Hotel, where he ate with other Westerners at the buffet of Charlie's Bar. Many foreigners commented that foods in western hotels contained too many artificial flavors and lack of diversity. Hamburgers in restaurants didn't taste right. Most foods looked like plastic. You could get awfully tired of Qingdao beer and anned Sunkist Orange soda, but at least they were vaguely familiar.⁵¹⁰

Some representatives of foreign businessmen presented a report to the Chinese government, complaining about the living conditions in China "are now so serious as to act as a deterrent to some companies setting up offices here."⁵¹¹ To solve the problem, the

⁵⁰⁹ Mann, *Beijing Jeep*, 121.

⁵¹⁰ *Ibid.*

⁵¹¹ *Ibid.*, 118.

Government first built six tourist hotels in big cities including Beijing, Nanjing, Guangzhou, and Shanghai by using foreign investment, oversea Chinese investment, and domestic and foreign loans. In addition, services for eating, shopping, traveling, and entertainment etc. were also gradually integrated into the system in order to create a homelike environment for foreigners. A big news for foreigners came in 1984, when imported bananas became so abundant that they were available in the streets of Beijing at virtually any time of year. Another watershed occurred in 1986, when a Western “supermarket”—actually a small package store—opened up inside Lido-Holiday Inn Hotel, which meant that businessmen with small children no longer had to lug a three-month supply of Pampers on the flight from Hong Kong.⁵¹² However, the most explosive news for foreigners in China in the 1980s probably was the availability of Coca-Cola.

The Negotiation

Contact between the Coca-Cola Company and the PRC was in fact started before China’s reform and opening up, but the formal negotiation did not start until 1978. In 1972, the Coca-Cola Company had set up a temporary office in Beijing Hotel, though there was not any business in China at that time. In 1976 when “the Gang of Four” was smashed, the CEO of the Coca-Cola Company, Martin, visited China’s liaison office in the United States and told Tong Guangzhi (佟志广), the commercial secretary of the office and later the Vice Minister of Foreign Trade and Economic Cooperation in China, of his hope to export Coca-Cola and build bottling plants in China. To show his sincerity,

⁵¹² Ibid., 120.

Martin invited Tong Guangzhi to visit Coca-Cola's headquarters in Atlanta and told him that the Coca-Cola Company always had a keen interest in China and had been waiting for an opportunity to enter the Chinese market the sooner the better. Initially, Tong did not treat this visit seriously, for he knew it was a common tactic of American companies and he thought Coca-Cola had nothing high-tech but was just one kind of soda water, a mixture of water and sugar. However, when Tong saw the complex bottling line, on which each bottle was automatically bottled and sealed, and the productivity was several times higher than those of Chinese soft drink companies, he was astonished. Compared with Coca-Cola, the best Chinese soft drink in Beijing that Tong knew was *Bei Bing Yang* soda (北冰洋汽水), which was hard to preserve and tasted sour when it went bad. Therefore, the preservation technologies that enabled the Coca-Cola Company to do a worldwide business particularly interested Tong. Considering China's situation in the 1970s, Tong still declined Martin's request on entering China, although he was full of curiosity and surprise. During the visit, Tong told Martin that he was, in fact, familiar with this drink because he drank it twenty years ago. He said before 1948 Coca-Cola were sold in many cities such as Shanghai and Nanjing, but then disappeared after the establishment of the PRC and the pullout of the American army. Since then, the Chinese never saw the brown drink, except in movies in which Coca-Cola frequently related to American Armies. This image that Coca-Cola was not simply a beverage, but represented the corrupted western life style and evil capitalism was reinforced in the Chinese minds after the Koran War and the Vietnam War.⁵¹³ Although China's policies started to change

⁵¹³ "The Return of Coca-Cola," *China Newsweek*, April 28, 2008 and September 16, 2008, 77.

in the late 1970s, Tong Guangzhi thought it was still too early for Coca-Cola to enter China. After the conversation, Martin was very disappointed, but he did not give up. Since then the Coca-Cola Company regularly supplied Coca-Cola drinks to the liaison office of China in the United States for free.

A year later when Deng Xiaoping came to power, Tong Guangzhi was working for the China Oil and Foodstuffs Corporation (COFCO) and met Martin again when he came to visit Beijing. This time Tong raised the question first: “do you think it is the right time for Coca-Cola to enter China and do you think the Chinese will accept it?” Martin answered “we are businessmen, and we go anywhere that needs us.” He explained to Tong that the goal of building Coca-Cola bottling plants in China was not for Chinese consumers, but targeted at foreigners who were working and traveling in China, especially Europeans and Americans. “Americans and Europeans grew up by drinking Coca-Cola, and they are used to drink Coca-Cola wherever they go, so we hope we can supply Coca-Cola in every place where tourists visit.” As to the symbolic question that Coke related to American Army and imperialism, Martin said “we have no relationship with American Army. We are merely a producer, and American soldiers are consumers. We are nothing unique but a company making profit by selling sweet sodas.”⁵¹⁴ Tong and Martin had a long conversation over the dinner, during which Tong asked Martin a question that interested him for a long time: the flavor of Coca-Cola. “Why Coca-Cola tastes like cough syrup?” Martin’s answer surprised him, “although Coca-Cola’s recipe is confidential, I can tell you that it is the taste of the Chinese medicine. Coca-Cola contains

⁵¹⁴ Ibid.

Chinese cinnamon oil and licorice.”⁵¹⁵ After Martin left, Tong Guangzhi did some research and found out that the Coca-Cola Company had been importing cinnamon oil from China all the time. Even during the confrontation period before 1972, the Coca-Cola Company still tried to import cinnamon oil from China.

Nevertheless, Tong Guangzhi did not accept Coca-Cola Company’s request until 1978, when China’s doors were finally open. With increasing interactions with foreign countries, the COFCO was assigned to be in charge of food import and export, and thus contacts between the COFCO and the Coca-Cola Company became frequent. At the beginning, Coca-Cola Hong Kong Company suggested giving 20,000 cases of Coca-Cola samples to the COFCO, but the offer was declined. Then the Company suggested giving 2000 cases, but the COFCO still did not accept. In the end, the COFCO leaders decided to accept 20 cases after a long and intensive discussion. When the drinks arrived, people in the COFCO did not like it because Coke tasted like Chinese medicine. Recognizing that Coca-Cola’s bottling technology was much more superior to China’s and considering that many foreign companies such as IBM and Ford were going to establish companies in China, Tong decided to formally talk to the Coca-Cola Company again. When Tong submitted the Coca-Cola Company’s request to the central Government, the manager of the COFCO, Zhang Jianhua (张建华), who used to be the commercial counselor in the China’s liaison office in the United States, once and again persuaded the Ministry of Foreign Trade that there were multiple benefits of introducing Coca-Cola. After a long period of persuasion, the Coca-Cola proposal was supported by Li Qiang (李强), the

⁵¹⁵ Ibid.

Minister of Foreign Trade, and negotiations between the Coca-Cola Company and China finally started.

Having an informal letter handwritten by Vice President Li Xiannian (李先念), stating that this project was feasible, the COFCO began to take full responsibility in the negotiation. The China side (the COFCO) was represented by Sun Shaojin (孙绍金), the vice director of Sugar, Wine, and Grocery Department⁵¹⁶, while the Coca-Cola side was headed by Peter Lee, an American citizen born in China who was Mr. Austin's special assistant for China affairs. As the Company's representative of the Asian area, Lee had his headquarters in Hong Kong and was responsible for thrashing out all the fine details during the whole process began in January 1978. From the beginning until reaching an agreement, they discussed three rounds, during which the location was changed from Beijing Xi Yuan Hotel to Beijing Hotel, and Sun Shaojin always reported promptly to Zhang Jianhua. When recalling the first Sun contact with Coca-Cola, Shaojin said Zhang Jianhua was very open-minded and played a significant role for the final success. After a year of negotiations, the two sides finally made an agreement on December 13, 1978 that Coca-Cola bottles and bottling equipment were allowed to be imported to principal tourist cities in China in a form called compensatory trade.⁵¹⁷ China would build bottling plants in the near future, but before that, the COFCO was responsible for importing Coca-Cola drinks through consignment business. In other words, in 1979 the COFCO began to be in full charge of distributing and selling Coca-Cola.

⁵¹⁶ Later it was changed to the Industrial Food Department.

⁵¹⁷ In the early period, the Coca-Cola Company gave the COFCO Coca-Cola drinks, equipment, and other Coca-Cola materials in the form of compensatory trade, while the COFCO paid with finished Coca-Cola drinks.

One year later, assisted by Ng Fung Hong Limited, the largest and leading supplier of fresh, live, and frozen foodstuffs in Hong Kong, the first 3,000 cases of Coca-Cola was shipped from Hong Kong to Beijing. According to the agreement, Coca-Cola could only be allowed to sell in Friendship Stores and foreign tourist hotels, and its targeted market was highly restricted to foreigners who were working and travelling in China. The consignment business was very common in western countries, but it was new in China and many problems remained to be solved. One of the controversial problems was the tariff. According to the tariff regulation at the end of the 1970s, the rate on imported wine and soda water was around 200%. However, in the consignment business, which mainly targeted foreigners, if the tariff was still collected based on the original rate, the retail price would be too high and would significantly impede the development of the business. After careful study and discussions with the General Administration of Customs, the Government decided to cut 50% of Coca-Cola's tariff, though later the tariff was gradually adjusted from 100% to 120%.⁵¹⁸

The second problem was currency. Considering Coca-Cola's customers were basically foreigners and China's lack of sufficient foreign exchange, retail stores only accepted four foreign currencies including Yen, U.S. dollars, Hong Kong dollars, and pound. To solve the exchange problem in retail stores, the Bank of China transferred some fractional currency from abroad. After circulating for a while, embassies of other countries also requested to use their currency such as Deutsche mark, Canadian dollars, and Singapore dollars in these stores. Considering the requests as well as the

⁵¹⁸ Liu, "Liu Changxi's Memoirs," in *History of China Oil and Foodstuffs Corporation*, 154-155.

inconvenience and disadvantages of using foreign currency in transactions, State Administration of Foreign Exchange decided to replace foreign currencies with standard foreign exchange certificate, which could be exchanged in ports of entry and circulated across the country. It kept in circulation until 1995, when China's foreign-exchange reserves increased with its rapid development of export.⁵¹⁹

The third problem was caused by the political sensibility of Coca-Cola. When the first 3,000 cases arrived in Beijing, no stores and hotels were willing to sell Coca-Cola. Leaders in the COFCO had to contact hotels and restaurants by means of their business relations and personal friendship. They finally persuaded the Beijing Hotel, which was very influential in Beijing, to make room for Coca-Cola and foreign wine in the Hotel lobby. After a while, other hotels and restaurants such as the Friendship Store also opened Coca-Cola business. The Coca-Cola business then gradually spread to other big cities.⁵²⁰

In addition to the consignment business, in 1980 the Coca-Cola Company gave the COFCO an automatic bottling line with a capacity of bottling three hundred bottles per minute in the form of a compensatory trade. They signed a ten-year contract with the COFCO, the only bottler and the distributor in mainland China. The COFCO agreed to spend 300,000 U.S. dollars on purchasing the Coca-Cola concentration every year. However, this event created some controversies in China. As soon as the news spread, many Chinese Americans, overseas Chinese, and experts in China strongly opposed the decision. They pointed out that two things imported from the United States were toxic:

⁵¹⁹ Ibid.

⁵²⁰ Ibid.

one was the discotheque and the other was Coca-Cola. Coca-Cola not only cost foreign exchange, but also was not good for people's health. Therefore, resuming Coca-Cola business largely went against the nation's effort on achieving the Four Modernizations.^{521,522}

Three Crises

The debate in China was so intense that it lasted several years following the signing of the contract. The first problem encountered by the Coca-Cola Company and the COFCO was where to build the first Coca-Cola bottling plant. Since Shanghai used to have the most successful and the biggest Coca-Cola oversea bottling plant before the PRC, the COFCO suggested building the first bottling line in Shanghai. However, when they contacted the related department in Shanghai, their proposal was fiercely resisted. Critical articles, letters, and editorials in the name of either individuals or the collective such as companies and research institutions widely appeared in all kinds of newspapers and magazines. Opponents accused the COFCO of treason, slavish comprador philosophy, importing American life style and destroying national industries. Because of strong opposition from the municipal departments in Shanghai as well as the negative reports and comments in the mass media, the Shanghai plan was abandoned.⁵²³ Without any other choice, the first bottling line had to set up in Beijing. Thanks to the foresight of

⁵²¹ Political goals were first articulated by Prime Minister Enlai Zhou in 1963, and were adopted as means of rejuvenating China's economy since 1978 by Xiaoping Deng. The Four Modernizations aim to develop the fields of agriculture, industry, national defense, and science and technology, which mean to achieve electricity in the rural areas, automation in industries, a new economic outlook, and greatly enhanced defense strength.

⁵²² Mofei, "return of Coca-Cola," *Bian Yi Can Kao*, issue 3, 1979, 91.

⁵²³ China Oil and Foodstuffs Corporation, *History of China Oil and Foodstuffs Corporation*, 441.

Lin Hujia (林乎加), the Secretary Municipal Committee of the CPC, the bottling line was finally settled in a small room of a roast duck factory in *Wu Li Dian* (五里店) of *Feng Tai* district (丰台区) in Beijing, a plant belonging to the Beijing branch of the COFCO. In the early 1980s, *Wu Li Dian* was a remote rural area where conditions were very hard and no running water was available. Only relying on groundwater, which contained impurities, mainly calcium, how could the Company ensure the quality of water? This question always bewildered Tong Zhiguang, who time and again asked the Coca-Cola Company for solutions. The answer was revealed a half year later when the Beijing bottling plant was put into operation: a set of imported water filtering equipment was installed. In addition, since Chinese-made carbon dioxide contained a befouling odor, special filters were also imported to purify the gas.

On April 15, 1981, the first bottling plant in the PRC was officially opened. Official joy transpired that morning when hydrogen-filled balloons were lofted and firecrackers exploded at the ribbon-cutting ceremony at the plant. In the following reception, the Coca-Cola theme song “Coke adds life, have a Coke and a smile” sang by Aretha Franklin, a popular American pop star, was playing loudly at the Great Hall of the People where some 500 Chinese officials and Americans attended. The tape was submitted a few days ago for official clearance. The event was celebrated as a symbol of Chinese-American friendship. Later Roberto C. Goizueta, Coca-Cola’s chairman, made a

public speech, stating that “April 15, 1981 may be one of the most important days in the history of our company, and, in more ways than one, in the history of the world.”⁵²⁴



Figure 7.1: The Ribbon-cutting Ceremony for China’s first Coca-Cola bottling line in April 1981

Source: *The Beijing News*, December 14, 2008, <http://news.sina.com.cn/c/2008-12-14/090116844112.shtml>, accessed by 8-17-2012.

While Americans were celebrating their success, Chinese people had their own philosophy that far differed from the westerners. On the first day of operation, when Tong Zhiguang came to visit, he was shocked when seeing streams of Coca-Cola were pouring into the sewer. When he got to know that it was a convention of the Coca-Cola Company to discard Coca-Cola produced in the first minutes after opening the producing line to ensure the quality, Tong became even more startled, because the waste was unbelievable and impossible to fathom in China, where most people were still struggling on the poverty line. After a while, the first bottles of Coca-Cola came off the line and

⁵²⁴ Sterba, “Coke Brings ‘Tasty Happiness’ to China,” *The New York Times*, April 16, 1981.

Tong recalled it tasted exactly the same as the Coca-Cola in America. After Tong, many other Chinese leaders such as vice premier Chen Muhua (陈慕华), Tibetan leader Ngapoi Ngawang Jigme (阿沛阿旺晋美), and other vice premiers came and visited the Coca-Cola Beijing plant. Although the plant adopted a foreign brand and introduced some western management modes, some government leaders emphasized that it was absolutely a Chinese-invested company, manufacturing Coca-Cola drinks by purchasing 300,000 U.S. dollars of Coca-Cola concentration every year. The entry of Coca-Cola symbolized the beginning of China's introduction of foreign investment, but the Coca-Cola Beijing plant was totally invested and operated as a Chinese company, because no one dared to think of a real introduction of foreign capital at that time.

Even though the nationality of the Beijing plant was very clear to many Chinese leaders, questions and troubles never ceased. As soon as the construction was done, a senior party member questioned "couldn't the China-made sodas meet the demand of people and foreigners? Why must drink Coca-Cola? It's treason!" The COFCO had to write a special report to explain:

"First of all, Coca-Cola is one kind of beverage, whose reputation is due to its business success. Americans are used to drinking it wherever they go. Now that more and more foreigners come to China after China's opening up, Coca-Cola becomes an important beverage and we have to meet this demand. Second, Coca-Cola's recipe contains Chinese medicine such as cinnamon oil and licorice, which means Coca-Cola drinks contain Chinese elements. Since the end of the last century, every year the Coca-Cola Company imported Chinese medicine from China National Native Produce and Animal By-products Import and Export

Corporation at the amount of 350 to 400 million RMB. Third, as we haven't mastered the bottling technology, imported bottling lines will facilitate our technological development. Fourth, comparing with the 300,000 U.S. dollars spent on Coca-Cola concentration every year, the annual profit will double or even triple. Fifth, not only the bottling plant is constrained in Beijing, but also the scale of the Beijing plant is controlled by state policies which restrict the Coca-Cola output within 5% of the total amount of national beverages.”⁵²⁵

With regard to the restrictive policy, Tong Zhiguang explained that on the one hand we were afraid of Coca-Cola impeding our national soft drink industry; on the other hand, the restriction was also a kind of political protection to avoid too many disputes and troubles. Moreover, in the Cold War, Tong admitted even though he had worked in the United States for a long time and could accept many new ideas, he was still vigilant to Coca-Cola. Recently, the vice president of Coca-Cola (China) limited Company, Zhao Zhongbin (赵仲彬), a Hongkongnese, recalled people in Hong Kong in the seventies and the eighties always glanced back when walking in the street, afraid that there might be spies from Communist China hiding among pedestrians.⁵²⁶ Similarly, in mainland China, Coca-Cola was often seen as a particularly dangerous sign of evil Capitalism.

After careful and patient explanation and persuasion, the tension was relieved. Within a year, the COFCO and American Coca-Cola Company were planning to build a second bottling plant in Shenzhen, with an automatic bottling line of a capacity of bottling 500 bottles per minute supplied by the Coca-Cola Company. In this trade, 50%

⁵²⁵ “Return of Coca-Cola,” *China Newsweek*, April 28, 2008, 77.

⁵²⁶ *Ibid.*

of the price of the line was given to the COFCO for free, while the rest was compensated by importing the Coca-Cola concentration from the Company. At the beginning, provincial leaders in Guangdong agreed to allow the COFCO to build the plant in Shenzhen, but when all paperwork was done, they changed their minds, insisting to build the factory in Guangzhou instead of Shenzhen. The COFCO and the Coca-Cola Company accepted the change and had to go through all the formalities again. However, resistances appeared again before the vice president of the Coca-Cola Company went to Guangzhou to sign the contract in early 1982. It was also the time when all provincial leaders of Guangdong were attending the National People's Congress and the Chinese People's Political Consultative Conference in Beijing. In the conferences they asked for taking extreme discretion and postponing signing the contract, but the central Government had already issued the entry visa to the Coca-Cola vice president who would arrive in Beijing on time and then fly to Guangzhou next day. In this emergent situation, the Minister of Foreign Trade and Economic Cooperation, Wang Pingqing (王品清), had to ask for instruction from the State Council. Fortunately, the Vice Premier of the Council Gu Mu (谷牧) commanded to follow the original plan. The instruction was delivered to the leaders of Guangdong province, who then informed the representatives of the Foreign Trade Bureau of Guangdong to fly to Beijing to welcome Coca-Cola's vice president and his team. On that day, Wang Pingqing also personally went to the airport to welcome the vice president. After one year of construction, the Coca-Cola Guangdong bottling plant was put in operation in 1983.

With bottling plants in Beijing and Guangdong finished successively, resistance against Coca-Cola gradually moderated. When the COFCO proposed building a third

bottling plant in Shanghai, the Mayor of Shanghai, Wang Daohan (汪道涵) said “as long as the central Government agreed, we had no problem.”⁵²⁷ Subsidized by the Coca-Cola Company, the Shanghai plant, invested by the COFCO, was designed to produce glass and plastic bottled Coca-Cola as well as the canned. After its completion, Jiang Zemin (江泽民), who was the secretary of Shanghai municipal committee of the CPC at that time, visited the plant and made an inscription for it. After that, other cities began to actively contact the COFCO and the Coca-Cola Company for requesting to build bottling plants in their regions.

Just as the problem of the plant sites was solved, a marketing crisis appeared. Since the operation of the Beijing plant in April 1981, Coca-Cola drinks were sold in foreign tourist hotels to earn foreign exchange. In order to make full use of productivity and increase economic efficiency, after supplying the tourist hotels, the COFCO assigned Beijing Sugar, Wines, and Cigarettes Company to put the surplus to the domestic market in Beijing, with the permission obtained from the Department of Commerce in 1982. The price of Coca-Cola was four *yuan*⁵²⁸ a bottle, while it cost 20 *yuan* in big hotels and restaurants, which was very expensive for common Chinese people.⁵²⁹ To open the market as soon as possible, the Coca-Cola Company decided to launch a sale promotion in Beijing *Xi Dan* Department, in which balloons and chopsticks were given away. If someone drank two bottles of Coca-Cola, the person would get a balloon. If someone

⁵²⁷ Liu, “Liu Changxi’s Memoirs,” in *History of China Oil and Foodstuffs Corporation*, 154-155.

⁵²⁸ The price of Coca-Cola varied from place to place and from time to time. Especially in big hotels the price could be extremely expensive, about 20 *yuan*. The Coca-Cola employee in Beijing said in the interview that a bottle of Coca-Cola was 40 cents, but other documents show the price was 4 *yuan*.

⁵²⁹ “Return of Coca-Cola,” *China Newsweek*, April 28, 2008, 76.

drank five bottles, he or she could get a bottle opener marked with Coca-Cola trademark. If somebody bought ten bottles, the person could get a radio shaped like a Coca-Cola bottle. Even though many people came and gathered around, few of them actually bought and drank, as the price was high and few Chinese could afford.⁵³⁰ Afraid of causing unnecessary troubles, the COFCO warned the leaders in the Coca-Cola Beijing Branch and Peter Lee that mainland China differed from Hong Kong. Developing a market could not occur too hastily, as the result might backfire. But the confident Coca-Cola Company did not heed the warning and accept this advice.

COFCO's anxiety was correct. In the time when everything was in short supply, gift-giving always stimulated a great repercussion in the Chinese society. The first Coca-Cola sale promotion happened to be at the same time period as the two big conferences—National People's Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC)—were on in Beijing. During the intermission, some delegates went to *Xi Dan* and saw the event. They immediately reported in the conferences, criticizing that the Coca-Cola promotion was a capitalist selling method that corrupted the society. Soon criticizing voices appeared in a variety of newspapers and magazines. The *Beijing Daily*, for example, published an article entitled "delicious but not happy." It pointed out that in the situation of the foreign exchange shortage, introducing Coca-Cola drinks was a waste of foreign exchange. At the end of the article, Chen Yun (陈云), a member of the Standing Committee of Political Bureau, commented that Coca-Cola could only be sold to foreigners while the Chinese were not allowed to buy a single bottle. This statement

⁵³⁰ An interview conducted by Netease, <http://money.163.com/09/0828/14/5HQFDNT300253JPE.html>, accessed by 8-25-2012.

was also agreed by many other central leaders in Beijing. Following the instruction, the Department of Commerce stopped the domestic sale of Coca-Cola and all Coca-Cola drinks were removed from the domestic stores overnight. Thereafter every truck painted with a Coca-Cola advertisement, shipping Coca-Cola drinks from the plant in the suburb to the city, was intercepted by the police.

The Beijing turmoil upset the Coca-Cola Company, which could not understand why a simple sale promotion was unexpectedly intervened by the Political Bureau of the Central Committee. Forbidding domestic sales that caused economic loss and insufficient use of production capacity annoyed the Company, which had to ask for help from the COFCO. The Vice Director of the coordinating department, Sugar, Wine, and Grocery Department, Chen Guang (陈光), sent the *New Observer* a rebuttal essay, but was rejected. He then wrote letters to the Ministry of Foreign Trade and Economic Cooperation, but it could not help either. Seeing almost every formal channel was closed, the other Vice Director, Liu Changxi (刘昌玺), suggested directly sending a letter with signatures by “people” to the central leaders through a personal channel—a girl working in the Sugar, Wine, and Grocery Department, who was the daughter of the Vice Minister of the International Department Central Committee of CPC, Chen Muhua (陈慕华). When Liu asked his manager Zhu Jinchang (朱晋昌) whether he dared to sign, Zhu said “if you sign, I will.”⁵³¹ The letter with the two signatures was soon sent to the central leaders by Chen Muhua, who orally reported the Coca-Cola crisis to the chairman of the

⁵³¹ Liu, “Liu Changxi’s Memoirs,” in *History of China Oil and Foodstuffs Corporation*, 154-155.

Committee, Wan Li (万里), when they were seeing off Prime Minister Zhao Ziyang (赵紫阳) for visiting abroad at the Beijing airport. In the letter, Liu Changxi wrote 96% of the Coca-Cola recipe in the Beijing plant came from China, while the percentage of the imported Concentration was only 4%. Selling Coca-Cola in Beijing did not cost a single penny of the foreign exchange; instead it earned a significant amount of foreign exchange through the sale in tourist hotels. Moreover, putting the surplus into domestic market not only diversified and increased the market supply; equally important was the factory could make a considerable profit which would ultimately contribute to the state revenue. As to the American Coca-Cola Company, they did not take a penny from the profit except supplying Coca-Cola concentrate at the international market price.

After careful consideration, Prime Minister Wan Li agreed to resume the domestic sale and signed “Yes” at the end of the letter. However, when it was showed to the Department of Commerce, they still felt reluctant to make the announcement since considering the stop had been commanded by the central leaders, it seemed better to get a formal official document before the announcement. Following the suggestion, the COFCO drafted a request and submitted it to the State Council, the leaders of which included Zhao Ziyang (赵紫阳), Chen Yun (陈云), Li Xiannian (李先念), Yao Yilin (姚依林), and Gu Mu (谷牧). All signed “Agree” on it. With leaders’ agreement, the Department of Commerce finally issued an announcement of resumption, and thereafter other bottling plants such as those at Guangzhou and Shanghai were also allowed to sell Coca-Cola drinks on the domestic market.

Since then, the Coca-Cola Company became prudent on advertising in China. In 1986, Cui Jian (崔健), the father of the Chinese Rock, won an honor in the “Printemps de

Bourges” festival sponsored by the Coca-Cola Company in Paris. Shortly, he asked the Coca-Cola Company to sponsor his personal concert in Beijing. Although the Company happily agreed to sponsor him at the very beginning, Lu Bingsong (卢炳松), the first Chinese in charge of public relations in the Coca-Cola Company, rejected him immediately. Lu explained that Rock and Roll was new and fashionable but still controversial in China at that time. If the Company sponsored Cui, it could ruin Coca-Cola’s future in China.

This passive situation was not improved until October 1986 when the queen of the UK visited China for the first time. During this trip, the British Broadcasting Corporation (BBC) filmed an excellent documentary. To purchase and play it in China, the China Central Television (CCTV) went to the Coca-Cola Company and hoped it sponsor 20 million U.S. dollars. In return the Company could introduce Coca-Cola advertisement before and after the documentary. Although 20 million U.S. dollars was a sky-high price, which was far more than the annual profit earned by the Company in China, Americans knew that once Coca-Cola advertisement appeared on the CCTV channel, they could openly advertise at everywhere in China.⁵³² The Company wisely seized the opportunity, which became an icebreaker of their Chinese business.

In addition to its highly political sensitivity in the 1980s, Coca-Cola was also criticized by Chinese health experts who accused Coca-Cola of containing Caffeine which was unsuitable for drink. Health Departments in some provinces forbade sales of Coca-Cola based on the fact that rats got excited after drinking Coca-Cola, an experiment

⁵³² “Return of Coca-Cola,” *China Newsweek*, April 28, 2008, 77.

conducted by a research institute in Northeast China. A cardiologist in *Fuwai* Cardiovascular Disease Hospital confirmed the argument by writing an article in *Beijing Evening News*, stating that people who had heart disease might die if they drank ten bottles of Coca-Cola in one time.⁵³³ This philosophy may sound ridiculous today since any food or drinks will cause harm if eating too much, but if referred to Coca-Cola, an American brand, the influence and scale of the rumor were magnified hundreds of times in the early stage of China's reform.

Facing the new problem, the Coca-Cola Company called for conferences several times, in which the Company was divided into two groups: the “hawks” and the “doves.” The “hawks” suggested resorting to the law and arbitrating on the international court of justice. This opinion was once prevailing in the Company. In contrast, the “doves” proposed a soft approach—persuasion. They pointed out that even if the Company won the lawsuit, Coca-Cola drinks would not get a foothold on the Chinese market in the future. Many senior officials of the United States, who were counselors of the Coca-Cola Company, supported the soft approach, and finally the “doves” defeated the “hawks.”

The Coca-Cola Company invited Chinese experts in the Health Departments to visit the United States and Europe to understand the Caffeine regulation in the western world, but the Chinese experts insisted that there should be no caffeine in any Chinese drink. Without any progress, the Coca-Cola Company began to conduct a worldwide research on drinks, collecting caffeine-related sources from over 200 countries. They showed to the Chinese Government that caffeine in Chinese traditional drink—tea—was

⁵³³ An interview conducted by Netease, <http://money.163.com/09/0828/14/5HQFDNT300253JPE.html>, accessed by 8-25-2012.

six times more than that in Coca-Cola, and questioned the Chinese why they did not ban tea but only Coca-Cola? In addition, they pointed out that coffee, the popular worldwide beverage, contains several times more caffeine than Coca-Cola, but no one heard of any country banning it. However, the Chinese experts were not convinced, and argued that the caffeine in tea was a natural composition while that in Coca-Cola was artificial. The Coca-Cola Company explained the caffeine in Coca-Cola was also natural, because the raw materials they used came from one kind of plant called Coca-Cola, a name later applied to the drink, and this plant contained a high percent of caffeine. Since the Health Departments could not find other reasons for objection, they had to stop intervening and issued licenses to each bottling plant.

The Worldwide Repercussions

Right after Coca-Cola entered China, an ordinary Chinese young man who was smiling and holding a bottle of Coca-Cola appeared on *Time Magazine*'s cover. He wore a dark blue hat and an army green jacket, two colors that had dominated the Chinese society since 1949. However, the bottle of Coca-Cola with the Chinese trademark "Can mouth, can happy," or extension, "tastes good, tastes happy" stayed in sharp contrast to the green and blue colors as well as the Great Wall in the background, symbols of tradition and Chinese. The catching title on the top of the cover, "China's new face, what Reagan will see," shows very straightforward that China was opening up and the Chinese were ready to start a new life style, a scene that President Reagan would see when he visited China.



Figure 7.2: The cover of *Time* Magazine, April 30th, 1984. A Chinese young man is cheerfully holding a bottle of Coca-Cola with a Chinese label on it.
Source: *Time* April 30th, 1984.

While the image on *Time* Magazine's cover implicitly embedded some sorts of American pride and projected global Americanization, resuming business with the PRC still upset many Americans. Some anti-Chinese Americans declared that they would not drink Coca-Cola any more out of protest against the Sino-US trade of the Coca-Cola Company. Some American newspapers predicted that the large amount of empty Coca-Cola bottles would ultimately cause serious environmental problems in China. Other American newspapers sarcastically said that if 900 million Chinese people went to the

United States to return empty Coca-Cola bottles, U.S. international trade deficit would greatly expand and it might even lead to the bankruptcy of the country.⁵³⁴

Nevertheless, in the regional political context, Coca-Cola entering China meant much more than Americanization. In the 1950s and the 1960s, China and the Soviet Union, the two largest Communist States in the world, were debating about the possibility of peaceful coexistence with the capitalist West. Yet, to the Chinese public, Mao Zedong insisted upon a belligerent attitude towards capitalist countries, an initial rejection of peaceful coexistence, whereas the Soviet Union proposed a peaceful way, which was perceived by Mao as Marxist revisionism. Since 1956, China and the USSR had progressively diverged about Marxist ideology, and by 1961, when the doctrinal difference proved intractable, the Communist Party of China formally denounced the Soviet variety of Communism as a product of “Revisionist Traitors,” i.e., the Communist Party of the Soviet Union headed by Nikita Krushchev. The divide fractured the international Communist movement at the time and opened the way for warming relations between the United States and China in 1971. With the decreasing Soviet-American tensions, Pepsi-Cola entered the Soviet Union, while after Nixon’s visit, Coca-Cola had China. As a result, the confrontation between Communism and Capitalism was overshadowed by the confrontation between the Soviet Union and China. A Japanese newspaper, the *Nihon Keizai* financially daily, ominously commented that “a war between the colas is not out of the question. Pepsi-Cola, Coca-Cola’s great rival, has

⁵³⁴ Mofei, “return of Coca-Cola,” *Bian Yi Can Kao*, issue 3, 1979, 91.

landed on Russia. If not entirely seriously, and if things go smoothly in China, the confrontation between Russia and China will extend to the world of soft drinks.”⁵³⁵

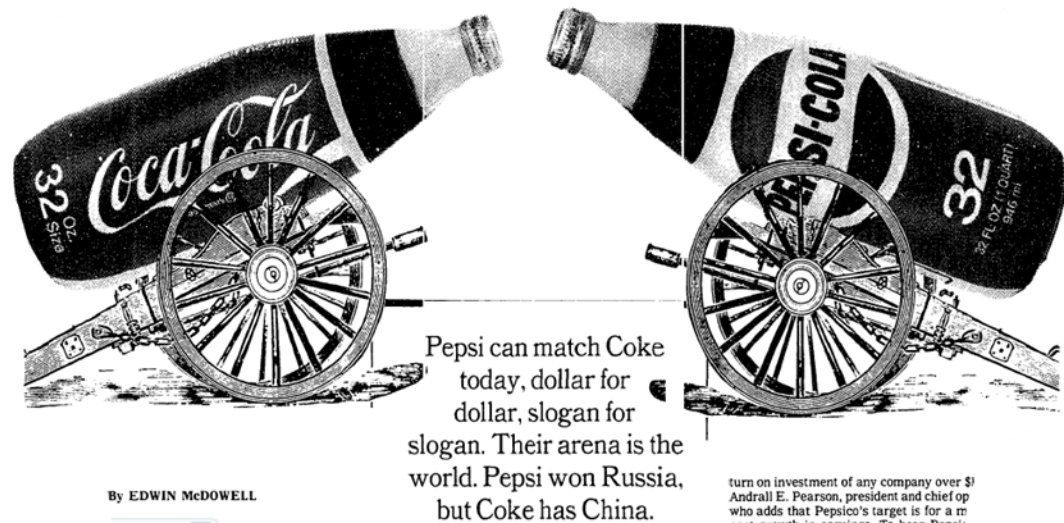


Figure 7.3: The Shoot-out in Soda Pop

This cartoon indicates that a series competition between Coca-Cola and Pepsi was going on in the world during the Cold war era.

Source: Edwin McDowell, “The Shoot-out in Soda Pop,” *New York Times*, Oct. 19th, 1980.

Zbigniew Brzezinski, President Carter’s specialist for cola affairs, foresaw the cola war heating up after Coca-Cola moved into China and discussed the perils in an article published in the distinguished quarterly, *Cola Policy*. “The struggle to carbonate man’s stomach enters a new stage. Pepsi-Cola has already locked up the Soviet Union with a similar arrangement. Thus the two superpowers, Coke and Pepsi now confront each other across one of the world’s most explosive borders. The risks are chilling to

⁵³⁵ “A pickle in the middle and mustard on top,” *The Global and Mail*, Toronto, December 23, 1978, 6. Also seen in Henry Scott-stokes, “Big Marcs and Cokes: New Chinese Food?” *New York Times*, December 11, 1978.

contemplate.⁵³⁶ What might happen, he asked, if a Soviet border patrol were to taunt any Chinese within earshot by singing, “Pepsi-Cola hits the spit!”? It is far-fetched to suppose that the incensed Chinese might retaliate by massing their Coca-Cola on their side of the frontier and singing, “It’s the Real Thing!”? He said this could readily escalate into nasty business, with the Soviets boasting that they were the Pepsi generation and the Chinese answering with provocative declarations that only China enjoyed the pause that refreshed. It could easily end with both sides uncapping their bottles, shaking vigorously and firing across the border.”⁵³⁷

To reduce such risks, Americans tried bubble diplomacy—Strategic Colas Limitation Talks. Secretary of State Vance, meeting with the ministers from Pepsi and Coke in Geneva in December 1978, proposing a Phase One treaty under which each company would agree not to package its cola in anything bigger than a 10,000 gallon bottle. Explosives research showed that a 10,000 gallon bottle of either Coke or Pepsi, when shaken vigorously by a full army division, has a trajectory of 22 miles and the power to produce violent belching in anyone caught with his mouth open during the attack. Coke and Pepsi said they were not interested in providing either China or the Soviet Union with anything larger than the family-size bottle. They were reluctant, however, to abandon the right to make the super 10,000 gallon bottle unless other carbonated-beverage manufacturers subscribe to the treaty.⁵³⁸

⁵³⁶ Baker, “The Cola War,” *New York Times*, December 23, 1978. Also seen in *The Global and Mail*, Toronto, January 4, 1979.

⁵³⁷ *Ibid.*

⁵³⁸ *Ibid.*

Coke's Chinese Experiences in the 1980s

Since 1979, Coca-Cola drinks, targeting foreigners in China, were only allowed to be sold in Friendship Stores, the symbol of luxury in the planned economy. Each bottle of Coke was sold at the price of four *yuan*,⁵³⁹ an unaffordable price for most Chinese, who had a very low purchasing power. Take Shanghai, for example. The average monthly income for workers in 1978 was 50 *yuan*, while one bottle of Coca-Cola cost 8% of it. After consistent income adjustments, the average monthly income increased to 83.25 *yuan*. Since the establishment of the PRC, the most substantial increase in wages was in 1985, when the monthly income reached to 109.50 *yuan*, 32.5% more than that in 1984.⁵⁴⁰ Yet a bottle of Coke still cost 3.7% of a Shanghai worker's monthly income. With the same amount of money, a Shanghai worker could buy a lunch instead of a bottle of Coca-Cola.⁵⁴¹ In smaller cities, Coca-Cola was even more unaffordable. In Suzhou, for example, the average monthly income in the early 1980s was around 40 *yuan*, and the average cost of a meal was 50 cents to 1 *yuan*. In factory's cafeterias, a vegetable dish was 3 cents and one small piece of stewed pork was 20 cents. If somebody spent 1 *yuan* for lunch, buying two meat dishes and one vegetable dish, it was considered very luxurious. If people ate at home, the price was even cheaper. On the market, raw pork was 78 cents a pound. Rice was 14 cents and flour was 16 cents.⁵⁴² Even if on the black

⁵³⁹ "Return of Coca-Cola," *China Newsweek*, April 28, 2008, 76.

⁵⁴⁰ "Workers' income" from *local chronicles of Shanghai*, <http://www.shtong.gov.cn/node2/node4/node2250/shanghai/node53680/node53682/node53684/userobject1ai35623.html>, accessed by 8-25-2012.

⁵⁴¹ "Coke Bottled in China Plant," *The New York Times*, April 14, 1981.

⁵⁴² Data got from an interview with a couple who worked in a passenger transportation company in the 1980s in Suzhou.

market, where people could buy food without ration coupons, rice was more than one *yuan* a pound, which was still cheaper than a bottle of Coca-Cola.

Table 7.1: The average monthly income sorted by industry and company categories in Shanghai, 1970-1985

The average monthly income by business, Shanghai ⁵⁴³										Unit: <i>yuan</i>	
year	1971		1978		1980		1984		1985		
	whole ⁵⁴⁴	collective ⁵⁴⁵	whole	collective	whole	collective	whole	collective	whole	collective	
average	48	39	50	45	67	60	85	82	104	115	
industry	32	34	50	46	64	59	81	79	110	104	
architecture				44		61		93	114	139	
transportation	53	58	51	50	67	64	91	94	115	126	
service	46	40	52	41	62	59	86	82	116	127	
public utility	43		44		62	58	74	81	79	113	
agriculture	49		45	47	61		87	83	100	118	
education	47	39	48	43	66	59	84	81	102	102	
research			42		63		87	77	81	108	
government	63	40	54	39	68		87	58	98	85	

There were some ordinary Chinese who were lucky enough to become the first group of people who tasted the luxury drink. Zhang Shoujun (张寿君) was one of them.

In 1980, when twenty-one-years-old Zhang, one of the Educated Urban Youth,⁵⁴⁶ returned to Beijing from the countryside, he was informed that he would be employed by the COFCO. According to recruitment policy at that time, 30% of a firm's labor must recruit from society, for example, its neighborhood. Zhang luckily lived in the same

⁵⁴³ Ibid.

⁵⁴⁴ Whole means enterprises owned by the whole people.

⁵⁴⁵ Collective indicates collective-owned enterprises.

⁵⁴⁶ Or "the Rusticated Youth of China," a special term addressed to the urban youth during the Cultural Revolution in the middle 1960s and middle 1970s. They were sent to mountainous areas or farming villages, in order that they could learn from the workers and farmers there.

neighborhood community as the COFCO. Although Zhang neither had an outstanding resume nor was a communist party member, he was honored as “Excellent Educated Urban Youth” in the countryside, which, he thought, might have some help on the competitive job market. At the beginning, Zhang did not know Coca-Cola was an American company and he knew nothing about Coca-Cola. He thought Coca-Cola was a candy during the job interview. When the interviewers told him the factory located in *Wu Li Dian* (五里店), Zhang felt reluctant to accept the job because he lived almost 10 miles away from the working place, and the public transportation system in the 1980s was quite underdeveloped.⁵⁴⁷ Zhang joined a company tour a few days later after the interview. When he saw that all teachers in the newly-hired employee training program were foreigners, including Americans, Australians, and Japanese, he changed his mind. He told his family that he decided to accept the job offer. Zhang’s family was very happy for him, because it was very difficult to find a job in the 1980s, let alone a job that had many chances to work with foreigners. They believed this job could broaden Zhang’s horizons and Zhang definitely could learn a lot from those foreigners.

In the end, there were over thirty people hired by the COFCO and Zhang Shoujun was one of them. Zhang’s job was making syrup, which was mixing Coca-Cola concentration and water together. The job was as easy as any other job in state-owned companies. Zhang went to the plant at 8 o’clock every morning and had lunch at around 11a.m. In the afternoon, work started at 1:30 p.m. and finished around 5 p.m. Since the

⁵⁴⁷ The headquarter of the COFCO was in *Zhan Lan Road* (展览路), the same neighborhood as Zhang’s home, but the bottling plant was in *Wu Li Dian* (五里店), almost 10 miles away.

output was not large, about 300,000 to 400,000 cases in the first several years, Zhang's job was not very busy, especially in off-seasons. The best thing of the job for Zhang was its high salary, which was about 10 *yuan* more than the salary in ordinary state-owned companies. Zhang said the COFCO was regarded as a good company in China at that time. My monthly income was 33 *yuan*, which was really high compared to workers' average income in Beijing. In state-owned companies, newly-hired employees usually worked as apprentices whose income was only 16 *yuan* a month, while we earned 33 *yuan* at the beginning. What's more, Zhang was lucky enough to become the first few Chinese who drank Coca-Cola in the 1980s. Zhang never saw and drank Coca-Cola until he worked for the Beijing bottling plant. The first bottle of Coca-Cola he drank was from Hong Kong. The trademark on the bottle was still English. When recalling his first drinking experience, Zhang said it tasted like carbonated medicine. It was fizzy, much stronger than *Bei Bing Yang* (Arctic) soda, the best soda in Beijing, and my nose could barely stand it.



Figure 7.4: Zhang Shoujun and Coca-Cola Beijing plant (*Wu Li Dian* 五里店) in the beginning of the 1980s

Source: Photo clipped from the interview video conducted by Netease
<http://money.163.com/09/0828/14/5HQFDNT300253JPE.html>, accessed by 8-25-2012.

Although Coke tasted strange to most Chinese, it soon became popular on Chinese market. Its popularity was first stimulated by its scarcity, but more importantly by advertisements shown after the Asia-Pacific football games on CCTV, which was the first Coca-Cola advertisement in mainland China. The advertisement themed on “the irresistible feeling” accurately captured the personal-tie-oriented Chinese culture, which Coke nicely fit in. It started with a Coca-Cola bus swiftly passing the Tiananmen Square in a hot summer when temperature reached 40°C (104°F) and a huge bicycle army was marching and sweating across the town. The lens soon switched to a cup of Coca-Cola, full of bubbles, making people suddenly feel cool. Faces tortured by the scorching Sun gave way to three women, who were drinking Coca-Cola, chatting and laughing while perming their hair. The next shot captured the wedding moment when families and friends were gathering together. All of them were smiling with Coca-Cola in their hands. The advertisement ended with a traditional Chinese New Year dinner, which was the most important event in China. All family members were sitting around the table, greeting and toasting for a prosperous new year. The lyrics of the advertisement song, “drinking Coca-Cola is so happy and so cool when sharing the wonderful time with family and friends. The feeling is irresistible in the moment of reunion” particularly set Coca-Cola quite well into the Chinese culture, in which people value family and friends.⁵⁴⁸

After the advertisement shown on CCTV, ordinary Chinese people started to know Coca-Cola, though their concepts about the drink remained vague. Since Coca-

⁵⁴⁸ Ibid.

Cola could only be sold in tourist restaurants and friendship stores and the price was very high, it soon became a fashion and the most decent gift in the society, which in many cases was even more useful than money. For example, if bringing several bottles of Coca-Cola as a gift to ask somebody for help, everything will be easier. Zhang Shoujun said once one of his nephews in Beijing was very sick in hospital and needed a surgery right away. Many doctors refused to operate for him because surgeries for bursitis, which he got, were very risky and a surgery failure would ruin the doctor's reputation. When Zhang's sister came to ask for help, Zhang gave the doctor two cases of Coca-Cola, and then the surgery was accepted. Generally, Zhang said if you gave the doctor two cases of Coca-Cola, any big surgery could be done. Another interesting example was the experience of Zhang himself. Once he went to see a dentist, whose patients were waiting in a very long line. When the nurse at the front desk where he was registering knew that he was working at the Coca-Cola Company, she was so surprised and let him to see the dentist right away. Later, as a thank-you gift, Zhang gave a bottle of Coca-Cola to the nurse. Since then on, whenever Zhang went to see doctors in that hospital, he did not need to wait in lines.

Coca-Cola's power in the 1980s was more than solving problems, but extended to almost every corner of social life such as dating. If roses and chocolate are the catalyst of romance today, Coca-Cola was Cupid's arrow for young Chinese people in the 1980s. It was said that if a young man dated a girl and treated her with Coca-Cola, the success rate of their relationship would be 100%. An essay published in *People's Liberation Army Literature and Art* in 1982 vividly illustrates the social meaning of Coca-Cola, though the purpose of the article is promoting moral justice. It tells a story that a modern young

woman named Zhang Caifeng, who was a daughter of a senior government official and worshiped everything foreign, tried to stow away to Hong Kong by hiding in the frontier guard's truck. To win the trust of the truck driver, Wang Ruimin, a soldier of the People Liberation Army (PLA), Zhang dated and flirted with him by giving him Coca-Cola. She told him Coca-Cola was the most popular drink in the world. Wang soon fell in love with Zhang and agreed to give her a ride, but when he shared the Coca-Cola with his best friend in the army, Zhang Caifeng's trick was seen through. Warned by his friend, Wang realized that he was cheated and used. Next day when Wang gave a ride to Zhang, he directly sent her to the police office.⁵⁴⁹ Although this story was not about an ordinary romance, it still verified how important the role which Coca-Cola played in romance, even a PLA soldier, who was regarded as the best and the noblest people in China, could not resist. In fact, the story, to some extent, reflected what exactly the first advertisement in mainland China described—"the irresistible feeling." In addition, the fact that Wang shared Zhang Caifeng's Coca-Cola with his best friend in the army also resonated with the theme of the advertisement, which is, drinking Coca-Cola meant sharing happiness, and reuniting with family and friends.

As Coca-Cola was assigned particular social meanings in the 1980s, it gradually became a necessity in many big events such as weddings and festivals. Zhang Shoujun's wedding was in 1986. Since he was an employee in the Beijing Coca-Cola bottling plant, Coca-Cola shouldn't be absent from his wedding banquet. However, what surprised Zhang was he could not see Coke in the pictures taken on that day. Zhang later recalled

⁵⁴⁹ Zhang and Chen, "Coca-Cola and the Steering Wheel," *People's Liberation Army Literature and Art*, May, 1982, 50-58.

“there must be some Coca-Cola on my wedding banquet, which I was one hundred percent sure. At least I had bought one case, because it was not difficult for me. Maybe because the canned Coca-Cola was just put onto market, all empty Coke cans were collected by children. Or maybe somebody saved them and brought home, because everyone knew Coca-Cola was rare and expensive, five to ten *yuan* a can.” Zhang said in 1986, the sale of Coca-Cola increased a lot, but the whole output and people’s living standard were still low.

To buy a bottle of Coca-Cola in the 1980s was not as easy as today. Zhang Shoujun, who worked for the Coca-Cola bottling company, thus became a capable person in many people’s eyes, especially when people needed Coca-Cola as a gift to solve difficult problems that money could not solve. As a Coca-Cola employee, Zhang could easily get Coca-Cola without waiting in lines. Every festival and holiday, the bottling plant gave out Coca-Cola drinks to employees as company benefit. The amount increased from a half case for each worker at the beginning to one case, and later it reached two to three cases every time. However, Zhang said as soon as the Coca-Cola drinks arrived home, they were immediately gone, because all his relatives and friends assumed Zhang drank Coca-Cola every day. As a result, every year Zhang kept four to five bottles for emergency use, while his family did not have drinks at all. Zhang said as the sale and production of Coca-Cola was strictly controlled, Coca-Cola’s supply and demand in the 1980s was extremely unbalanced. The market demand was huge, while the supply was very small, and this tendency grew sharper and sharper as time went by. If any company or institution wanted to buy Coca-Cola from the plant, they had to go through some

inside networks; otherwise they could not get any Coca-Cola even if they stayed in the line for two days, because trucks lined up in front of the plant every day.

When a thing is scarce, it becomes precious, and anybody who owns it gains certain type of superiority in the society. For example, the second son of Zhou Yueming, who lived in the west side of Beijing, was a diplomat, who could use foreign exchange certificates to buy Coca-Cola and foreign candies. When he treated his guests with the new and rare drinks at home, every guest was jealous of him.⁵⁵⁰ The superiority was more apparent in the case of Zhang Shoujun. In addition that he could jump the queue for treatment in hospital, nurses and doctors were more willing to talk to him when they knew that he was working for Coca-Cola. Meanwhile, Zhang Shoujun also felt very proud of himself, because in a time when the national living standard was low and nobody could afford to drink Coca-Cola every day, he suddenly became the privileged class who had the priority to access and drink. In fact in the 1980s, even the local brand such as “*Bei Bing Yang Soda*” in Beijing, was too expensive for ordinary people, let alone Coca-Cola. When talking about his privilege, Zhang’s eyes were full of joy. “We did not want to go home after work because the Coca-Cola plant was nicer and more comfortable than hotels. All workers in our plant were young people who had common interest and topics and we never got bored. In the 1980s, we were the few people who could drink Coca-Cola. Imagine what you felt when you were eating pancakes while drinking Coca-Cola every morning?—cool!” During the interview, Zhang showed a worn Coca-Cola T-shirt, which was the first advertising T-shirt since China’s reform and

⁵⁵⁰ The Economic Observer, ed., *Open China, Thirty Years Memory of Reformation*, 24-32.

opening up, and which was still carefully kept by Zhang. Pointing to the slogan—Enjoy Coca-Cola—on the T-shirt, Zhang Shoujun said “the shirt represents an era. We were so happy and proud when wearing this T-shirt and wore it almost everywhere we could. Whenever people saw us in this shirt, they were so jealous, especially when we were handling things in this shirt in Beijing, everything became easy.” Moreover, Zhang’s daughter felt proud, too, because both of her parents were working for Coca-Cola, and she could treat her friends with Coca-Cola when hanging out with them.

Conclusion

When China’s open-door policy launched in 1978 after decades of isolation, joint venture was the first and the only form that communist China used to attract foreign investment and high technologies to modernize the state. It in effect was an updated version of the old Chinese “comprador” system, under which a few selected Chinese were assigned to deal with foreign companies and kept them at some distance from the rest of Chinese society. Jim Mann in his book *Beijing Jeep* has thoroughly discussed the tortuous negotiations between Chinese officials at the top and American Motors (AMC), depicting the difficult birth and development of Beijing Jeep, a joint-venture formed between AMC and the state-owned Beijing Automotive Works (BAW). The process was typically characterized by a Chinese proverb “same bed, different dreams,” which means that the western corporations starting up in China were dreaming about a market of one

billion people, whereas China wanted to obtain science and technology to modernize and catch up with the West and Japan.⁵⁵¹

This study looks beyond the business negotiations between China and the West. In addition to delineating the tortuous process of cooperation between the selected Chinese officials and the Coca-Cola Company and how the government discreetly kept Coca-Cola away from the masses, it reveals the limitation of the government authority and the inconsistent perceptions between the state and the grassroots. If Jim Mann's work shows the Chinese state and foreign companies stayed in the same bed with different dreams, this study, on the other hand, shows the state and the public stayed in the same bed with different dreams. In other words, there was a disparity between envisions of the state and practices of the public. In the case of Coca-Cola business after 1979, the Chinese Government was highly politically sensitive and economically oriented, hoping to modernize China by importing science and technology from foreign companies while preventing capitalism from corrupting the society, whereas the Chinese public followed a different philosophy. Rather than seeing Coca-Cola as a symbol of capitalism, the Chinese public was very pragmatic, accepting Coca-Cola joyfully and endowing Coca-Cola with different meanings in everyday social interactions.

⁵⁵¹ Mann, *Beijing Jeep*, 24.

CONCLUSION

Soft drinks were one of China's fast-growing modern commodities in the twentieth century. In the early time, soft drinks, based on Chinese medical traditions, were seen as exotic beverages which were neither healthy nor palatable. However, along with major political, economic, and social changes in modern China, they have been gradually accepted by the Chinese as a type of trendy drink and a symbol of social identity. Soft drinks witnessed and experienced China's century-long changes. Although their bottles were small and static, they engraved with stigmas of times and epitomized modern China at large, reflecting the history and the changes and carrying memories of the society, the country, and the nation. During the encounter and interactions with different social forces over the century, the meaning of the bottle was constantly constructed, interpreted, and revised.

From an exotic and strange beverage to a popular drink, the popularity of soft drinks in modern China, as what Karl Marx argued, was due to fetishization of commodities.⁵⁵² Timothy Burke borrowed from Marx and suggested that "fetishism is more than (but includes) the meanings invested in goods; it is also the accumulated power of commodities to actually constitute, organize, and relate to people, institutions, and discourses, to contain within themselves the forms of consciousness through which capitalism manufactures its subjects."⁵⁵³ Yet, Burke raised a thought-provoking question: what are the mechanisms that make fetishism, because not all commodities are equally

⁵⁵² Marx. "The Fetishism of the Commodity and Its Secret," in Schor ed. *The Consumer Society Reader*, 331-342.

⁵⁵³ Burke, *Lifebuoy Men, Lux Women*, 5.

fetishized or equally powerful or constitutive in their social meanings.⁵⁵⁴ In his research, Burke showed that the development of commodification of cosmetic products in East Africa largely attributed to the spread of advertising, which highly corresponded to the social history of hygiene in modern Africa.

Burke's question and approach was inspirational and meaningful in studying the fetishization of soft drinks in modern China, since both Africa and China encountered the same question: how did people in the colonial or semi-colonial context come to desire products they never needed before? Burke paid particular attention to the role of advertisement and consumers and showed how the production of these needs "grew out of a massively complex intersection of micro-powers and macro-powers, local desires and collective interests, imagination and restriction."⁵⁵⁵ In contrast, this dissertation, with a particular attention to the political economy in modern China, attempts to reveal that commodification of soft drinks was more than advertisement, emulation, and education; it was also a process of localization and hybridization. Soft drinks in modern China developed alongside of China's search for rejuvenation and modernity. By showing how soft drinks transformed from a strange and undesirable product to a modern and popular one through education, advertising, and emulation, this dissertation argues that modernity in modern China has become an ideology in consumption. But the modernity in the dissertation was not simply the one transplanted from the western world. Instead, modernity in modern China somehow deviated and turned into a variation what might be called "hybrid modernity" or "domesticated modernity." Entangling with nationalism,

⁵⁵⁴ Ibid., 6.

⁵⁵⁵ Ibid., 216.

pragmatism, and social identity, modernity was constantly shaped and recreated by the nation-state, businesses, and consumers in modern China.

Science and Modernity on Their Own Terms

Diet was closely linked to health and longevity in traditional China. It was especially true to members of the educated upper classes, as what Joanna Waley-Cohen has indicated that in the Confucian society, “regulating one’s food intake to prevent or cure corruption of the body was a moral duty, therefore, not just something to be done for the sake of pleasure.”⁵⁵⁶ To keep health, food preparation and consumption in traditional China largely depended on knowledge from traditional Chinese medicine, which in modern times became one of the biggest obstacles in developing soft drink market in China. TCM, as all of the Chinese sciences, was derided by modern scholars as superstitious forms of knowledge, but Benjamin A. Elman revealed that “premodern science in China denoted a rational and abstract understanding of the natural world, whereas the rise of modern science in the 18th and 19th century melded the exact science with machine-driven technologies that surpassed the rich artisanal traditions of that early modern world.”⁵⁵⁷ Therefore, TCM as a form of Chinese science in premodern China was equally important as western science in the modern world history. For thousands of years, TCM guided Chinese people, the upper class in particular, to eat appropriately. Chinese

⁵⁵⁶ Waley-Cohen, “Taste and Gastronomy in China,” in Paul Freedman, ed., *Food: The History of Taste*, 104.

⁵⁵⁷ Elman, *A Cultural History of Modern Science in China*, 225.

elites had a long tradition of consciously or unconsciously following Chinese science in daily diet.

When soft drinks were introduced to China, besides foreigners, the Chinese upper class were the potential consumers, because of the high prices. Putting aside the issue of taste, the first challenge for soft drinks was how they fitted into Chinese eating habits, a scientific system founded upon TCM. Luckily, under the rhetoric of modernization, TCM was under fierce attack by modern scholars who consisted of a significant part of population of the upper class in the early twentieth century. Decline of TCM provided soft drinks an unprecedented opportunity in China. As TCM was significantly undermined, TCM as a philosophy for food consumption also gave its place to modern science. In food consumption, especially for Chinese elites, their acceptance for soft drinks indicated the transition of their epistemology of science: from Chinese science to modern western science. When many of the Chinese elites enthusiastically advocated modern science in the society, soft drinks, a commodity that was frequently advertised and presented as modern and scientific, naturally integrated into their way of life.

For ordinary Chinese people, although they knew TCM from experience and education and believed it, they did not always eat accordingly. They “pragmatically and nondogmatically applying this kind of information where it seemed reasonable, heeding it more fully when he was ill, enjoying its symbolic implications even as he ignored its instructions, and savoring it as an additional dimension of the all-absorbing subject of

food and eating.”⁵⁵⁸ However, Frank Dikötter argued that the life-style of the elites was always the object of imitation in China’s two-tier economy.⁵⁵⁹ When Chinese elites welcomed modern science and technology and associated soft drinks with their social identity, ordinary people enjoyed drinking soft drinks as if they were as educated and modern as the elites.

Paul Cohen reminded us that the Chinese society “was not as an inert body acted upon by an all transforming West, but as a changing thing in itself, with its own capacity for movement and powerful inner sense of direction.”⁵⁶⁰ When could not afford expensive soft drinks, ordinary Chinese people turned into cheap imitations. Street peddlers sold shoddy soft drinks bottled in recycled brand-name bottles in tea booths and teahouses. Some peddlers creatively stored soft drinks with iron buckets, which was in fact not much different from their traditional herbal tea and plum juice business. As what chapter 4 has showed, the street cries on soft drinks were so familiar to Chinese urbanites that it became very hard to tell what was Chinese and what was western. Taking into account that “neither tradition nor modernity could be reduced to a simple integrated system,”⁵⁶¹ Chinese people further blurred the boundary and produced a sort of “hybrid modernity.” Perhaps one will argue that the hybridity reflected the resilience of Chinese culture, because the grassroots consumer culture after all had nothing to do with modern science and it even caused serious sanitary problems. But Benjamin I. Schwartz pointed

⁵⁵⁸ Chang, *Food in Chinese Culture*, 233.

⁵⁵⁹ Dikötter, *Exotic Commodities*, 47.

⁵⁶⁰ Cohen, *China Unbound*, 73.

⁵⁶¹ Schwartz, “The Limits of ‘Tradition versus Modernity’ as Categories of Explanation: The Case of the Chinese Intellectuals,” *Daedalus*, vol. 101, No. 2 (Spring 1972):71-88.

out that “some tradition, far from impeding certain aspects of modernization, may have actually facilitated them.”⁵⁶²The emergence of hybrid consumer culture at the grassroots level, in fact, was a reflection of a widespread change of people’s values: the desire for science and modernity, to some degree, transcended basic daily needs and became an ideology of consumption.

The Politics of Soft Drinks

Recent scholarship has acknowledged that Chinese modernity was plural, and “modernity was a dynamic process that welcomed the participation of various sectors of Chinese society.”⁵⁶³ The “hybrid modernity” that I am discussing here, therefore, was one form of modernity that “in a Chinese-centered action characterized by Chinese appropriation of their own and foreign culture.”⁵⁶⁴ It was also produced by multiple social and political groups, who constructed science and modernity on their own terms. When studying the change of consumer culture, one could not neglect the role played by the state and business. In modern China, in which China’s political regime underwent dramatic changes from monarchy to republic and finally to communism, the role of the state in shaping modernity became particularly apparent and important. The state deliberately channeled modern production and consumption with certain political agenda in the names of modernization, nationalism, and communism. As a result, soft drinks

⁵⁶² Ibid.

⁵⁶³ Ibid.

⁵⁶⁴ Ip. Hung-Yok, et al., “Review: The Plurality of Chinese Modernity: A Review of Recent Scholarship on the May Fourth Movement,” *Modern China*, vol. 29, no. 4 (October 2003): 490-509.

were politicized in particular ways that were responsive to particular historical times and Chinese modernity at large was politicized as well.

Under the slogan of “rejuvenate the nation by industrialization,” the Chinese state in the early twentieth century vigorously supported and promoted modern industries. As a result, soft drink companies started to mushroom across the country. In the Second World War when the United States became the main ally of the Republic of China, Coca-Cola as an important American military supply was warmly welcomed by the Chinese who regarded Coca-Cola as a symbol of Westernization. When the United States proposed the “Surplus Property Bulk Sale Agreement” in the name of friendship after the war, the Nationalist government gladly accepted the agreement, seeing Coca-Cola as an emblem of strengthening cooperation with the ally, though they knew the deluge of American products would put national industries in jeopardy. However, in the eyes of the Chinese Communist Party (CCP), Coca-Cola had a different meaning. It was viewed as “imperialism in the bottle” and was eventually driven out of China after the CCP took power in 1949. The political war on bottles continued in the Cold War era. With limited resources, the communist state promoted a self-developed soft drink called salty soda as a sort of social welfare for the working people in summer, which also symbolized a Chinese socialist form of modernization. Meanwhile, Coca-Cola’s capitalist label was not removed until China’s reform era starting from 1978. In post-Mao China, Coca-Cola once again became a political symbol: this time it signaled the dawn of China’s economic reform and opening up to the world.

The fact that the state intervened business and politicized soft drinks leads to the question of the relationship between the state and the society in modern China: how did

businessmen and consumers respond to the state interventions? In the state and the society relationship, business people organized themselves as a type of civil society, which, depending on the situation of a given time, collaborated, negotiated, or confronted with the state. Aside from the state's support on modern industries in the twentieth century, Coca-Cola's success in China was largely due to the great effort made by Chinese businessmen. In response to the government's call for industrialization and modernization, Chinese businessmen opened modern factories, imported modern machinery, and adopted modern marketing strategies. More importantly, they creatively integrated Chinese cultural elements into modern business, which not only effectively promoted their products but also positively responded to the state-sponsored National Products Movements.

The visible hand of the state exerted a profound influence on the development of soft drink market in modern China, but the impact was not always from top to bottom and the process was not always smooth. While politics was the central concern of the state, profits and business interest were the focus of pragmatic businessmen. When politics and business profits reinforced each other, the state and the businesses collaboratively boosted the modern soft drink industry and promoted National Products Movements. When the Nationalist Government imported a large volume of American military surplus in a name of national interest, "nationalism" became the reason for protest for Chinese businessmen. Although the state argued that Coca-Cola symbolized Sino-US friendship, Coca-Cola in the eyes of Chinese businessmen was the biggest rival to Chinese soft drink business, as what happened in the Shanghai Coca-Cola protest in 1947, "nationalism" was used as a tool for business competition.

Soft Drinks in Contemporary China

The state, businesses, and consumers continued to play an active role in shaping consumption in contemporary China. After China's reform of 1978, Coca-Cola as a foreign luxury and a modern commodity was reintroduced to mainland China. As what happened in the early twentieth century, Coca-Cola imitations under the banner of nationalism and modernity once again mushroomed on the market. Since the middle of the 1980s, there were Huang Shan Cola 黄山可乐, Jin Jin Cola 津津可乐, Wei Le Cola 唯乐可乐, Shao Lin Cola 河南少林可乐, Xing Fu Cola 上海幸福可乐, and so forth. Ginseng Cola (人参可乐) produced by Shanghai Food and Drink Company, for example, was said to contain ginseng that relieves fatigue, refreshes the mind, and facilitates metabolism.⁵⁶⁵ Tian Fu Cola 天府可乐 collaboratively developed by Chongqing Beverage Company and the Institute of Chinese Medicine of Sichuan Province was the most successful national cola brand. It was a product of the combination of modern Chinese medicine and modern industrial production technology. In 1985, it replaced Coca-Cola to become the beverage served at state banquets.⁵⁶⁶ As advertisement of soft drinks in the early twentieth century, advertisement on Tian Fu Cola in the 1980s was replete with scientific terms. It was said that Tian Fu Cola contains natural herbs. Scientific experiments showed that these herbs could increase blood flow in coronary artery and myocardium, improve myocardial microcirculation, and detoxify aflatoxin B1

⁵⁶⁵ *Wen Hui Bao*, January 15, 1984, 2.

⁵⁶⁶ Longxiang, "Tianfu kele bei yu wei yi dai ming yin" (Tianfu Cola is honored as a famous drink), *Wen Hui Bao*, December 6, 1985, 1.

and Carbon tetrachloride (toxins that cause liver cancer).⁵⁶⁷ Although there were numerous popular national cola brands as well as other soft drinks on the Chinese market, none of them were able to compete with Coca-Cola. By the middle of the 1990s, almost all Chinese soft drink brands were defeated by Coca-Cola and Pepsi Cola, which once again placed national soft drink industry in jeopardy.

In twenty-first-century China, political ideology has been receded in economic consumption, but new challenges have come along. The age of totally adoring Coca-Cola has gone and Chinese consumers are now more levelheaded about this imported commodity. One major concern is the relation between obesity rate and soft drink—in particular, Coca-Cola—consumption in the country. While Coca-Cola sale achieved double-digit growth in China in nine consecutive years in the 1990s, China's obesity rate also increased every year during the same period.⁵⁶⁸ In 1996, 12.6% of the Shanghai population was over-weighted. What was worse is most of them were children between nine and twelve years old.⁵⁶⁹ A survey of 1998 shows that 20% of young people in Shanghai were over weighted and the youth's obesity rate was 11.3%.⁵⁷⁰ In 2012 the number of obese youth under the age of 18 across the county reached to 1.2 billion, and 12% of Chinese children were over weighted. Among them, 1.9%, that is 1.7 million

⁵⁶⁷ Guo, "Tianfu kele chu chuan zhen xiong ji" (Tianfu Cola expands out of the Sichuan province), *Wen Hui Bao*, January 19, 1986, 2.

⁵⁶⁸ Numbers of Coca-Cola's bottling plants in China increased from 10 in 1992 to 28 in 2000. Mok, Vincent et al., "An Internalization Approach to Joint Ventures: The Case of Coca-Cola in China," *Asia Pacific Business Review*, vol. 9, no. 1, Autumn 2002, 39-58. *Beijing morning news*, February 9, 2012, http://news.xinhuanet.com/food/2012-02/09/c_122676548.htm. Accessed by Oct. 11, 2015.

⁵⁶⁹ *Xinmin Evening News*, July 15, 1996, 12.

⁵⁷⁰ *Xinmin Evening News*, July 17, 1998.

children, had diabetes; 14.9%, that is 27 million had early-stage diabetes symptoms such as increasing of blood glucose and blood pressure.⁵⁷¹

Research shows lack of exercise and taking too much high-calorie soft drinks and snacks were the two major causes for youth obesity.⁵⁷² The so-called little emperor/empress syndrome in China derived from the government's one-child policy further disrupted consumers' rationality on food consumption. The only child in the family gains excessive amounts of attention from parents and grandparents who try every effort to meet all demands of the child.⁵⁷³ Western fast food such as McDonald, KFC, and Coca-Cola capitalized on the phenomenon, treating children as independent decision makers and targeting them as the major consumer group.⁵⁷⁴ Without parents' control, many children refuse to drink water but only soft drinks.

As obesity is becoming a social problem and a global problem, western scientists warn people to control calories especially sugar intake in everyday diets. Chinese experts suggest the public to maintain a healthy lifestyle and drink less soft drink, because these drinks contain too much sugar, its carbonic acid will cause osteoporosis and tooth decay, and pigment and caffeine are not good for health. Under this condition, traditional Chinese drinks such as sour plum juice and tea present their advantages. They are not only considered as healthy beverages because of containing less sugar, as a cultural

⁵⁷¹ “zhongguo qinshaonian feipang zhuangkuang kan you, yiliao he jingji fudan jiazhong” 中国青少年肥胖状况堪忧 医疗和经济负担加重, http://edu.china.com.cn/2012-08/31/content_26386081.htm, accessed August 4, 2014.

⁵⁷² Chinese center for disease control and prevention, http://www.chinacdc.cn/mtbd_8067/201503/t20150311_112117.htm. Accessed October 11, 2015.

⁵⁷³ Watson, *Golden Arches East*, 16-20.

⁵⁷⁴ *Ibid.*, 16.

identity they also arouse nostalgia among the Chinese public in the globalizing context. The changing attitude toward soft drinks and tea provide extraordinary opportunities to Chinese businessmen to explore market for traditional Chinese drinks.

In the battle against soft drinks, one of the most successful brands of Chinese drinks is *Wang Lao Ji* 王老吉, an herbal tea brand that has over 170 years of history in Guangdong. Relying on the idea of “getting fire evil,” a concept in traditional Chinese medicine, which revives and becomes increasingly popular in the twenty-first-century China, *Wang Lao Ji* went out of Guangdong in 2003 and soon became a well-known new star on the Chinese soft drink market. Its success was significantly boosted by SARS (Severe Acute Respiratory Syndrome) broke out in 2002. The epidemic first appeared in Guangdong and soon spread out across all over China. When searching for treatment, Zhong Nanshan, a doctor and an academician of the Chinese Academy of Sciences in Guangdong, who later became famous during the epidemic battle, said “Cantonese’s favorite drink—herbal tea—could effectively prevent SARS.”⁵⁷⁵ Seizing this opportunity, *Wang Lao Ji*, launched extensive advertising campaigns in the language of tradition, health, culture, and nationalism.

Backed up by rich Chinese medicine texts as well as health preserving theory of Taoism, *Wang Lao Ji* rapidly expanded its market. Its sales increased from 180 million RMB in 2002 to 3 billion RMB in 2003. By 2011, *Wang Lao Ji* has exceeded sales of Coca-Cola and Pepsi in China, becoming the most successful soft drink company. It claimed that the company is aiming to build *Wang Lao Ji* into a Chinese Coca-Cola,

⁵⁷⁵ Business online, July 8, 2009, <http://www.shangjie.biz/html/2009-07-08/142808.shtml>. Accessed October 12, 2015.

introducing Chinese herbal tea to the world. The Company said both Coca-Cola and *Wang Lao Ji* were initially invented as a medicine and both of them were bottled in red. While Coca-Cola representing American culture, *Wang Lao Ji* is also not simply a drink, but a symbol of Chinese culture, Chinese dream and honor.⁵⁷⁶ Along with China's increasing integration into the global world, *Wang Lao Ji* carrying a "Chinese dream," which is also a political slogan proposed by China's new president, Xi Jinping, expands its market overseas. By 2013, *Wang Lao Ji* has registered in 58 countries around the world and exported their products to 19 countries.⁵⁷⁷

Epochal changes in early twentieth-first-century China engraved soft drinks with new symbolic meanings. While the state and businesses continued to shape the consumer culture, Chinese masses now have more money in their pockets and have a wider choice than ever before in the new century. Today, choosing Coca-Cola or *Wang Lao Ji* during the meal or in the party totally depends on individuals' preference. It is also no longer a big deal to treat girl friends or friends with Coca-Cola or *Wang Lao Ji*. However, soft drinks continue to witness and adapt themselves to the changes in the society: a rising of Chinese consumer power. The power is so overwhelming that Karl Gerth commented that "Chinese consumers, with help from their counterparts in other industrialized countries, are already shaping the future we will all share... China can save the world by doing its

⁵⁷⁶ The State Council Information Office of the People's Republic of China, "Wang Lao Ji: a Chinese symbol of honor and dream," <http://www.scio.gov.cn/32621/32629/Document/1442472/1442472.htm>. Accessed by October 12, 2015.

⁵⁷⁷ The State Council Information Office of the People's Republic of China, "Wang Lao Ji: a Chinese symbol of honor and dream," <http://www.scio.gov.cn/32621/32629/Document/1442472/1442472.htm>. Accessed by October 12, 2015.

part to consume goods and resources faster.”⁵⁷⁸ Although the influence of consumer power today is larger and more apparent than it was in the past, there is room for further examining how Chinese consumers helped to shape consumption. Questions like how gender and consumers’ age played a role in the history of soft drinks, how soft drink consumption in inland cities were different from treaty-port cities, and what soft drink consumption or consumption in general in rural China looked like are still worth for scholars to explore in the future.

⁵⁷⁸ Gerth, *As China Goes, So Goes the World*, 6, 10.

BIBLIOGRAPHY

Archival materials:

Liang, Nianrong, "the secret of the Zhengfuji's suanmeitang," The Shanghai Archive, Q275-1-1947.

The Qingdao Archive, B0038-001-01494.

The Qingdao Archive, B0038-001-01495:0105.

The Qingdao Archive, B0038-001-01496:0025.

The Qingdao Archive, B0049-001-00612:0022.

The Qingdao Archive, B0049-0010618.

The Qingdao Archive, D000021/00021.

The Qingdao Archive, D000029/00034.

The Qingdao Archive, D000068/00057.

The Qingdao Archive, D000253/00033.

The Qingdao Archive, D000311/00011.

The Qingdao Archive, D000311/00054.

The Qingdao Archive, D000311/00084.

The Qingdao Archive, D000311/00114.

The Qingdao Archive, D000443/00005.

The Qingdao Archive, D00149/00014.

The Shanghai Archive, A66-1-92.

The Shanghai Archive, B112-5-39-147.

The Shanghai Archive, B134-6-290-7.

The Shanghai Archive, B134-6-440-15.

The Shanghai Archive, B163-1-135-58.

The Shanghai Archive, B163-1-230.

The Shanghai Archive, B163-1-234.
The Shanghai Archive, B186-1-28.
The Shanghai Archive, B5-2-120-82.
The Shanghai Archive, Q275-1-1947.
The Shanghai Archive, Q275-2-1947.
The Shanghai Archive, Q90-2-133.
The Shanghai Archive, Q90-2-537.
The Shanghai Archive, Q90-2-619 .
The Shanghai Archive, S117-3-1.
The Shanghai Archive, S356-1-9.
The Shanghai Archive, U1-12-316.
The Shanghai Archive, U1-16-1556.
The Shanghai Archive, U1-16-1556:0382.
The Shanghai Archive, U1-16-1556:0384.
The Shanghai Archive, U1-16-1556:386.
The Shanghai Archive, U1-16-2031:0759.
The Shanghai Archive, U1-16-2031:730.
The Shanghai Archive, U1-16-2031:765.
The Shanghai Archive, U1-16-2031:781.
The Shanghai Archive, U1-16-2031:792.
The Shanghai Archive, U1-16-2031:807.
The Shanghai Archive, U1-16-2031:855.
The Shanghai Archive, U1-16-2031:862.
The Shanghai Archive, U1-16-2031:866.
The Shanghai Archive, U1-16-2031:879.

The Shanghai Archive, U1-16-2033.
The Shanghai Archive, U1-16-2033:1115.
The Shanghai Archive, U1-16-2033:1148.
The Shanghai Archive, U1-16-316.
The Tianjin Archive, J0084-1-000910-007.
The Tianjin Archive, W0026-1-000127.
The Tianjin Archive, W0026-1-000129.
The Tianjin Archive, W0026-1-000132.
The Tianjin Archive, W0026-1-000189.
The Tianjin Archive, W0026-1-000334.
The Tianjin Archive, W0026-1-000474.
The Tianjin Archive, W0026-1-000573.
The Tianjin Archive, X0283-C-000790-002.
The Tianjin Archive, X104-C-001229-004.

Microfilm

Chun Feng (Spring Breeze). Ningbo: 1947, 2(3), the Shanghai Library, microfilm J-3835:0081.

Dian sheng. 1937, 1938. The Shanghai Library, microfilm J-0378/02:0538.

Guo huo ping lun kan (national products review). 1927. The Shanghai Library, microfilm, J-5155:0320.

Jian kang sheng huo (healthy life). 1(2), 1934. The Shanghai Library, microfilm, J-5282/01-0042.

Jing hua. 1946 (2). The Shanghai Library, microfilm J-1465:0145.

Qing fang xun kan (textile quarterly). 1948. The Shanghai Library, microfilm, J-3332:0330.

Shangye yuebao (business monthly). 1939, 1947. The Shanghai Library, microfilm, J-4747/15 and J-477/17.

Shehui jingji yuebao (society and economy monthly). 1936. The Shanghai Library, microfilm, J-3199/01:1679.

Shen, Zhongmou. "Shanghai shi qingliang yinliao diaocha" (Inspections on Shanghai soft drink market). *She hui yi yao* (Social medicine). 1937, 4(9), -812, microfilm in the Shanghai Library, J-3211:1505.

Shi zheng gongbao fu kan, ge qu yewu huibao (Municipal Bulletin), Shanghai, 1927. The Shanghai Library, microfilm, J-0234:0063.

Yü, D.T. "Yin bingqilin yu qishui you lie bi jiao" (a comparison between ice-cream and soft drinks). *She hui yi bao*, 1933 (191). Microfilm in the Shanghai library, J-3214/02:1176.

On-line Sources

Beijing morning news. February 9, 2012. Accessed October 11, 2015.
http://news.xinhuanet.com/food/2012-02/09/c_122676548.htm.

Business online. July 8, 2009. Accessed October 12, 2015.
<http://www.shangjie.biz/html/2009-07-08/142808.shtml>.

Chinese center for disease control and prevention. Accessed October 11, 2015.
http://www.chinacdc.cn/mtbd_8067/201503/t20150311_112117.htm.

"Coca-Cola at Home." Accessed May 6, 2011.
<http://xroads.virginia.edu/~class/coke/coke1.html>.

"Code of Safety and Health in Factories." May 25, 1956, Accessed December 8, 2011.
<http://vip.chinalawinfo.com/Newlaw2002/Slc/slc.asp?db=chl&gid=117>.

Dollardaze. "Hyperinflation in China 1937-1949." March 6, 2007. Accessed November 13, 2012.
<http://www.financialsensearchive.com/fsu/editorials/dollardaze/2007/0306.html>.

"Have you ever drunk yanqishui?" Accessed December 11, 2011.
<http://bbs.qianlong.com/thread-1724917-1-1.html>.

Interviews with a Coca-Cola employee conducted by Netease. Accessed August 25, 2012. <http://money.163.com/09/0828/14/5HQFDNT300253JPE.html>.

"meng hui 1927: ershi shiji chu nian kekoukele zai zhongguo"梦回 1927： 二十世纪初年可口可乐在中国. Accessed December 3, 2012.
<http://www.ccctrip.net/bbs/viewthread.php?tid=65183&extra=page%3D1>.

“Nostalgia, yanqih sui.” Accessed December 11, 2011.
http://www.360doc.com/content/10/0805/07/600524_43759847.shtml.

Picture China 照片中国. Accessed January 12, 2013.
<http://www.picturechina.com.cn/bbs/thread-142229-5-1.html>.

Schoenbart, Bill and Ellen Shefi. “Traditional Chinese Medicine Causes of Illness.” Accessed March 22, 2013. <http://health.howstuffworks.com/wellness/natural-medicine/chinese/traditional-chinese-medicine-causes-of-illness5.htm>.

The State Council Information Office of the People’s Republic of China. “Wang Lao Ji: a Chinese symbol of honor and dream.” Accessed October 12, 2015.
<http://www.scio.gov.cn/32621/32629/Document/1442472/1442472.htm>.

Wang, Hexi. “Saccharin and the unfairness in the sixties.” Accessed October 20, 2012.
<http://hi.baidu.com/wanghexi58/item/ad357e18766ffa7e7b5f25ec>.

“zhongguo qinshaonian feipang zhuangkuang kan you, yiliao he jingji fudan jiazhong” 中国青少年肥胖状况堪忧 医疗和经济负担加重. Accessed August 4, 2014.
http://edu.china.com.cn/2012-08/31/content_26386081.htm.

Other References:

Adas, Michael. *Machines as the Measure of Men: Science, Technology and Ideologies of Western Dominance*. Ithaca, NY: Cornell University Press, 1989.

Afen. “Wei wang de yin xiang”(Memory cannot be forgotten). *Xingmin Evening News*, October 11, 1957.

Allman, N. F. “Translation of ‘Coca-Cola’ Trade-Mark to Chinese Characters.” *Coca-Cola Overseas*, published by Coca-Cola Export Corporation, June 1957.

Amelung, Iwo. “Historiography of Science and Technology in China.” in Tsu, Jing and Elman, Benjamin A ed. *Science and technology in Modern China, 1880s-1940s*. Brill Academic Pub; Lam edition, 2014.

Anderson, E. N. *The Food of China*. New Haven and London: Yale University Press, 1988.

Appadurai, Arjun ed. *The Social Life of Things: Commodities in Cultural Perspective*. Cambridge, UK: Cambridge University Press, 1984.

Baker, Russel. “The Cola War.” *New York Times*, December 23, 1978.

Bao, Siwen and Zhang, Debao. “Han shi yi shan song qing liang” (Work hard for the coolness of workers: story of soft drink workshop in Shanghai number 5 steel plant). *Wen Hui Bao*, Shanghai: August 4, 1983.

Beijing local history editorial board ed. *Beijing zhi: Business—yinshi fuwu* (history of Beijing: Business—history of food and service industry). Beijing: Beijing Press, 2008.

Burke, Timothy. *Lifebuoy Men, Lux Women: Commodification, Consumption, and Cleanliness in Modern Zimbabwe*. Durham, NC: Duke University Press, 1996.

Cai zheng ri kan (financial daily). 1935.

Cai zheng yue kan (financial monthly). 1921, 1928.

Cao, Xueqin (Qing). *Dream of the Red Chamber*. Beijing Press, 2006.

Caplan, Pat, ed. *Food, Health and Identity*. London: Routledge, 1997.

Chang, K.C., ed. *Food in Chinese Culture, Anthropological and Historical Perspectives*. New Haven and London: Yale University Press, 1977.

Chen bao fu kan. 1926.

Chen, Duxiu. “Xin qing nian zui Zhuang zhi da bian shu” (response to the critiques on the New Youth journal). *The New Youth Journal*, vol. 6, no. 1, January 1919. Zhongguo shudian, 2011.

Chen, Ji (Yuan). “Ji Ge Zixi Yang Jimin,” collected in Qian Qianyi, ed. *lie chao shi ji* (poems in Chinese dynasties), vol. 14. Beijing: Zhonghua Press, 2007.

Chen, Jing. “Kai pi yi hou zen yang” (What happened after opening). *Xinmin Evening News*, October 26, 1946.

Chen, Yong. *Chop Suey, USA: The Story of Chinese Food in America*. New York: Columbia University Press, 2014.

China Newsweek. 2008.

China Oil and Foodstuffs Corporation. *History of China Oil and Foodstuffs Corporation*. Published by China Oil and Foodstuffs Corporation, 1999.

Coble, Parks. *The Shanghai Capitalists and Nationalist Government, 1927-1937*, Second Edition. Cambridge, MA: Harvard University Asia Center, 1986.

------. *Chinese Capitalists in Japan's New Order: The Occupied Lower Yangzi, 1937-1945*. Berkeley: University of California Press, 2003.

Coca-Cola Overseas. Published by Coca-Cola Export Corporation, 1948-1957.

Cochran, Sherman. *Chinese Medicine Men: Consumer Culture in China and Southeast Asia*. Harvard University Press, 2006.

Cohen, Paul A. *China Unbound: Evolving Perspectives on the Chinese Past*. Routledge, 2003.

Da Gong Bao. Tianjin: 1911-1949.

De Grazia, Victoria. *Irresistible Empire, America's Advance through Twentieth-Century Europe*. Cambridge, MA: The Belknap Press of Harvard University Press, 2006.

Dikötter, Frank. *Exotic Commodities, Modern objects and Everyday Life in China*. New York: Columbia University Press, 2006.

Dr. Saleeby (British). "Yinliao zhi yan jiu" (Studies on beverages). *Funnv zazhi* (women's magazine), vol. 5, issue 4, 1919.

Du, Fu (Tang). "Pei zhu gui gong zi zhangbagou xie ji na liang wan ji yu yu, qi yi" (caught in the rain in the evening when traveling in zhangbagou with friends and their concubines, part I) in Qian, Qianyi ed. *Qian zhu du shi*. Shanghai gu ji chu ban she, 2009.

Du li ping lun. 1934.

Duara, Prasenjit. *Rescuing History from the Nation: Questioning Narratives of Modern China*. University of Chicago Press, 1997.

Ebeling, Richard M. "The Great Chinese Inflation." *The Freeman: Ideas on Liberty*, vol. 54, No. 12 (December 2004): 2-4.

Eichenwald, Kurt. "Soda, the life of the party." *New York Times*, July 16, 1985.

Elman, Benjamin A. *A Cultural History of Modern Science in China*. Harvard University Press, 2006.

Eryi. "Coca-Cola." *Qiu Hai Tang* (Begonias), 1946 (10).

Fairbank, John King and Robert R. Bowie, ed. *Communist China 1955-1959: Policy Documents with Analysis*, vol. 1. Prepared at Harvard University under the joint auspices of the center for International Affairs and the East Asian Research Center. Cambridge: Harvard University Press, 1962.

Fang zhou monthly, 1937.

Feng. "Coca-Cola de mo zhang" (evil hands of Coca-Cola). *Wen Hui Bao*. Shanghai: November 8, 1950.

Ferdinand P. W. von Richthofen. *Baron Richthofen's letter, 1870-1872*. Shanghai: North-China Herald Office, 1903.

- Foster, Robert J. *Coca-Globalization, following soft drinks from New York to New Guinea*. New York: Palgrave MacMillan, 2008.
- Freedman, Paul ed. *Food: The History of Taste*. Berkeley: University of California Press, 2007.
- Fu, Sinina. Suo wei guo yi (so-called national medicine). *Da gong bao*, August 5, 1934.
- . Zai lun suo wei guo yi (“talk about the so-called national medicine again”). *Du li ping lun*, August 26, 1934.
- . *Fu Sinian quan ji*. Hunan education press. 2003.
- Ge, Yuanxu (Qing). *Hu you za ji* (Travelogue in Shanghai). Shanghai: Shanghai gu ji chu ban she, 1989.
- Gerth, Karl. *China Made: Consumer Culture and the Creation of the Nation*. Cambridge and London: Published by the Harvard University Asia Center and Distributed by Harvard University Press, 2003.
- . *As China Goes, So Goes the World: How Chinese Consumers are Transforming Everything*. Hill and Wang. New York. 2010.
- Goodwin, Ralph R.; Francis C. Prescott, and Velma Hastings Cassidy (ed.). *Foreign Relations of the United States, 1948, the Far East: China*, vol. vii. United States Department of States.
- Gong shang fa gui* (Trade and Industry Regulations). Shanghai: 1948.
- Gong ye yue kan* (industrial Monthly). Shanghai: 1947-1949.
- Gu, Honglie. “yinliao yu shimin zhi jiangkang guanxi” (Relationship between beverage and civil health). *Xin Sheng Lu Monthly*, 1937 (1), 36-37.
- Guangzhou Municipal Administration Gazette*. Guangzhou: 1928, 1930.
- Guo, huiqing. “Tianfu kele chu chuan zhen xiong ji” (天府可乐出川争雄记). *Wen hui bao*, January 19, 1986.
- Guo huo yue bao* (national products monthly). Shanghai: 1934.
- Hairen. “Coca-Cola de mimi” (The secret of Coca-Cola). *Libailiu (Saturday)*, Issue 88, 1947.
- Han, Shangyi. “Yanqishui” (salty soda). *Xinmin Evening News*, July 28, 1989.
- Hao, Ze. “Tan leng shi shui” (Comments on the cold food tax). *Xinmin Evening News*, July 24, 1951.

- Hargrove, James L. "History of the Calorie in Nutrition." *The Journal of Nutrition*, vol. 136, no. 12 (December 2006): 2957-2961.
- Ho, Ping-Ti. "The Introduction of American Food Plants into China." *American Anthropologist, New Series*, vol. 57, no. 2, part 1 (April, 1955): 191-201.
- Hou, Yan and Jiang, Jian-Guo. "Origin and Concept of Medicine food Homology and Its Application in Modern Functional Foods." *Food & Function*, (December 2013): 1727-1741.
- Hu, Jilin. "Meiguo bing tui chu zhi qian, da jia bu mai meiguo huo" (Don't buy American products unless American troops were withdrawn). *Xinmin Evening News*, October 16, 1946.
- Hu, Liang. "Hong Kong Herbal Tea: A Study of Intangible Cultural Heritage." *The Hong Kong Anthropologist*, vol 1, 2007, pp. 91-104.
- Hu, Shiu-ying. *Food Plants of China*. Hong Kong: the Chinese University Press, 2005.
- Huangdi and Qibo. *Huangdi Nei Jing*, vol. 51 "Ling Shu." Jilin University press, 2009.
- Huang, H. T. (Huang Hsing-Tsung), *Science and Civilisation in China: Volume 6, Biology and Biological Technology, Part 5, Fermentations and Food Science*. Cambridge University Press, 2001.
- Huang, Kailai. "American business and the China trade embargo in the 1950s." *Essays in Economic and Business History: the Journal of the Economic and Business Historical Society*, vol. 19, 2001: pp. 33-48.
- Huang, Sha. *Shanghai funv zhi* (history of Shanghai women). Shanghai: Shanghai People's Publishing House, 2000.
- Huang, Xiexun. *Song Nan Meng Ying Lu*. Shanghai: Shanghai Ancient Books Publishing House, 1989.
- Huang, Yingdai. "Xiaji yinliao shichang de jianyue"(Investigation on the soft drink market in Shanghai). *Shanghai sheng huo* (Shanghai life), 1930(7).
- Ip, Hung-Yok, Tze-Ki Hon and Chiu-Chun Lee. "Review: The Plurality of Chinese Modernity: A Review of Recent Scholarship on the May Fourth Movement." *Modern China*, vol. 29, no. 4 (Oct., 2003): 490-509.
- Ji, Baocheng. *Qing dai shi wen ji hui bian* (A collection of poems of the Qing). Shanghai: Shanghai Ancient Books Publishing House, 2010.
- Jia ting chang shi* (general knowledge for a family), Shanghai: 1918.

Jie. “Zhizao Coca-Cola de shanghaiguan qishui gongsi” (The Coca-Cola bottler—Crystal Mineral Water Company), *gong ye yue kan* (industrial Monthly), vol. 5, no.7, July 1, 1948.

Jin, Peng. “Jie chuan Coca-Cola Rendan de X” (Expose the X of Coca-Cola and Rendan). *Xinmin Evening News*, July 3, 1958.

Ke xue hua bao (Science Illustrated). Shanghai: 1948.

Ke, Lingzhen. “Coffee and Modern Shanghai.” master thesis, National Taiwan Normal University, 2011.

Kirby, William C., Man-houng Lin, and James Chin Shih, ed. *State and Economy in Republican China: A Handbook for Scholars*, Harvard University Asia Center, 2000.

Kleinfield, N.R. “Coca-Cola to Go on Sale in China: As U.S. and Peking Expand Ties.” *The New York Times*, December 20, 1978.

Kopytoff, Igor. “The cultural biography of things: commoditization as process.” in Arjun Appadurai ed. *The Social Life of Things: Commodities in Cultural Perspective*. Cambridge, UK: Cambridge University Press, 1984.

Kroes, Rob. “American empire and cultural imperialism.” *A view from the receiving end*, 23(3), 1999, pp. 463-477.

Lao, Shiguang. “Xiaji zui shiyi zhi yinliao ji qi zhi fa”(make the ideal summer drinks). *Xin sheng lu monthly*, vol. 1 (1937): 31-32.

Latham, Michael E. *Modernization as Ideology, American Social Science and “Nation Building” in the Kennedy Era*. Chapel Hill and London: The University of North Carolina Press, 2000.

Levenstein, Harvey. *Paradox of Plenty: A Social History of Eating in Modern America*. University of California Press, 2003.

-----, *Revolution at the Table: The Transformation of the American Diet*. University of California Press, 2003.

Li, Jiaqi ed. *Shanghai gong yun zhi* (Chronicles of Shanghai labor movement 上海工运志). Shanghai: Shanghai Academy of Social Sciences Publishing House, 1997.

Li, K.H. “Public health in Soochow.” *Zhonghua yixue zazhi*, 9, no. 2, (June, 1923): 122-131.

Li, Shizhen (Ming). *Ben Cao Gang Mu* (Compendium of Materia Medica). Chongqing University press, 1994.

Li, Yuanbo. *Nan Ting Bi Ji*. Nanjing: Jiangsu Ancient Books Publishing House, 2000.

- Li, Zhisui. *The Private Life of Chairman Mao*. New York: Random House, Inc. 1994.
- Liang, Qichao. *Yin bing shi zhuan ji*. 1989. Vol. 2. Shanghai zhonghua shu ju, 1941.
- *Liang ren gong xueshu yanjiang ji*. Vol. 1. Shangwu yin shu guan, 1926.
- *Ou you xin yin lu*. Shangwu yin shu guan, 2014.
- My medical case and Peking Union Medical College Hospital. *Chen bao fu kan*. June 2, 1926.
- Liang, Qixun. "Hospital notes." *Chen bao fu kan*. May 29, 1926.
- Liang, Shiqiu. *Ya She Tan Chi*. Nanjing: Jiangsu Literature and Art Publishing House, 2014.
- Liang you* (The Young Companion). Shanghai, 1926-1945.
- Lili. "Er shi de shanghai zhi xia" (Summer in childhood). *Xinmin Evening News*, July 21, 1988.
- Lin, Jiali ed. *Chu Ci*. Beijing: zhonghua shu ju, 2009.
- Liu, Changxi. "Liu Changxi's Memoirs." *History of China Oil and Foodstuffs Corporation*. China Oil and Foodstuffs Corporation, 1999.
- Long, Changxiang. "Coca-Cola fa ji shi" (History of Coca-Cola). *Renmin Ribao* (*People's Daily*), June 20, 1982.
- Long, Xiang. "Tianfu kele bei yu wei yi dai ming yin" (天府可乐被誉为 一代名饮) *Wen Hui Bao*, December 6, 1985. P. 1.
- Lu, Hanchao. *Beyond the Neon Lights: Everyday Shanghai in the Early Twentieth Century*, Berkeley: University of California Press, 1999.
- Lu, Shutian. "Quan yong ben guo huo, qing caiqu xingdong"(Please use Chinese products, actions needed immediately). *Xinmin Evening News*, October 17, 1946.
- Lu, Xun. *Na han*. Renmin wenzue press, 2006.
- Malasong. "Coca-Cola feiji yun hu"(Coca-Cola arrived at Shanghai). *Hai Tao*. Shanghai: 1946(26).
- Mang. "Shui shang hongshizi" (Red cross on the water). *Xinmin Evening News*, October 7, 1945.
- Mann, Jim. *Beijing Jeep, A Case Study of Western Business in China*. Colorado: Westview Press, 1997.

Mao, Jiaqi; Huang, Shengqiang; and Ma, Zhendu ed. *Zhongguo jiu haiguan shi liao* (*Chinese Maritime Customs Historical Material*). Beijing: Jinghua press, 2001.

Mao, Tse-Tung. *Selected Works of Mao Tse-Tung*, Volumes 1, 2, 3 and 4, Beijing: Foreign Languages Press, 1967.

Marx, Karl. *Capital: A Critique of Political Economy*, vol. I. Translated by Ben Fowkes. New York: Penguin Classics, reprint edition, 1992.

----- . "The fetishism of the commodity and its secret." Juliet Schor ed. *The Consumer Society Reader*. The New Press, 2000, 331-342.

McDowell, Edwin. "The Shoot-out in Soda Pop." *New York Times*, October 19th, 1980.

Meng, Xianzhang. "Nei zhan xia jingji, jingrong, caizheng de weiji"(The economic crisis in the Civil War). *Xinmin Evening News*. January 19, 1947.

Meng, Yuanlao (Song). *Dongjin meng hua lu*. Zhengzhou: zhong zhou gu ji chu ban she, 2010.

Min zhong jiao yu (People Education). Semiweekly. Education Bureau of Special Municipal Government of Hankou, May 22, 1930.

Mintz, Sidney. *Sweetness and Power: The Place of Sugar in Modern history*. New York: the penguin group, 1986.

Mo, Fei. "The return of Coca-Cola." *Bian Yi Can Kao*. Beijing: The foreign language press, issue 3, 1979.

Mok, Vincent; Xiudian Dai and Godfrey Yeung. "An Internalization Approach to Joint Ventures: The Case of Coca-Cola in China." *Asia Pacific Business Review*, vol. 9, no. 1, Autumn 2002, pp. 39-58.

Mokyr, Joel. *The Lever of Riches: Technological Creativity and Economic Progress*. New York: OUP, 1990.

Mu, Gu. *Gumu huiyilu* (Gu Mu's Memoir). Beijing: Central Party Literature Press, 2009.

Municipal Monthly. Anqing: 1928.

Nanjing Municipal Administration Gazette. Nanjing: 1928.

Nanjing zhengfu gong bao (Nanjing Government Gazette). Nanjing: 1932.

Needham, Joseph. "Science and Society in East and West." *Science & Society*. Vol. 28, No. 4 (Fall, 1964), pp. 385-408.

Needham, Joseph and Lu Gwei-djen, *Science and Civilisation in China. Vol. 6, pt. 6. Medicine*. Edited and with an Introduction by Nathan Sivin, Cambridge University Press, 2000.

Nongyin. "Jiating zhong de yinliao" (Beverage at home). *Funv zazhi* (women's magazine). 1927 (1), vol. 13, issue 1.

Nye, Joseph S. Jr. *Soft Power: The Means to Success in World Politics*. New York: Public Affairs, 2004.

Ou, Guanyun. "Yuexiulou wan jian dazongtong" (just like meet the President in Yue Xiu Lou). *Xinmin Evening News*, April 7, 1986.

Paltemaa, Lauri and Juha A, Vuori. "Regime Transition and the Chinese Politics of Technology: From Mass Science to the Controlled Internet." *Asian Journal of Political Science*. Vol. 17, no. 1, April 2009. 1-23.

Pan, Junxiang. *Jin dai zhong guo guo huo yun dong yan jiu* (a study on the national products movement in modern China). Shanghai: Shanghai Academy of Social Science Press, 1998.

------. *Zhong guo jin dai guo huo yun dong* (The National Product Movement in Modern China). Beijing: Zhongguo wenshi chubanshe (Chinese Literature and History Press), 1996.

Pan, Ronglun and Fucha, Dunchong (Qing). *di jing sui shi ji sheng, yan jing sui shi ji*, (annual customs and festivals in Peking). Beijing: Beijing gu ji press, 1983.

People's Daily. Beijing: 1961.

Pinminbao. Qingdao: 1948.

Qian, Gang and Qingguo Geng. *Ershi shiji zhongguo zhong zai bai lu* (*Epidemics in twentieth-century China*). Shanghai people press, 1999.

Qing Bao (evening edition). Qingdao: 1947, 1948.

Qingdao Morning News. 1923.

Qingdao Municipal Administration Gazette. 1946, issue 12.

Qingdao Times. 1931.

Rajan, S. Ravi. "Science, state, and violence: an Indian critique reconsidered." *Science as Culture*, 2005, 14:3, pp. 265-281.

Rogaski, Ruth. *Hygienic Modernity, Meanings of Health and Disease in Treaty-Port China*. Berkeley: University of California Press, 2004.

- Schoenhals, Michael ed., *China's Cultural Revolution, 1966-69: Not a Dinner Party* (East Gate Reader). Routledge, September 2, 1996.
- Schoppa, R.Keith. *Revolution and Its Past: Identities and Change in Modern Chinese History*. Upper Saddle River, New Jersey: Pearson Prentice Hall. 2010.
- Schor, Juliet ed. *The Consumer Society Reader*. The New Press, 2000.
- Schwartz. Benjamin I. "The Limits of 'Tradition versus Modernity' as Categories of Explanation: The Case of the Chinese Intellectuals." *Daedalus*, vol. 101, No. 2 (Spring 1972):71-88.
- Scott-Stokes, Henry. "Big Macs and Cokes: New Chinese Foods?" *The New York Times*, December 11, 1978.
- Shang Bao* (business daily). Shanghai, 1947.
- Shang ye za zhi* (Business journal). Shanghai, November 1, 1926.
- Shanghai Academy of Social Sciences. *Shanghai jie fang qian hou wu jia zi liao hui bian*, (A Collection of price data before and after the liberation of Shanghai), 1921-1957. Shanghai People's Publishing House, 1959.
- Shanghai Evening Post and Mercury*. 1933.
- Shanghai Times*. 1940.
- Shao, Changfu. "Qishui de zhang gu ji qi ta" (anecdotes about soft drinks). *Xinmin Evening News*, August 11, 1956.
- Shao, Qin. "Tempest over Teapots: The Vilification of Teahouse Culture in Early Republican China." *Journal of Asian Studies*, vol.57, no. 4 (November, 1998): 1009-1041.
- Shen shi jing ji qing bao* (Economic report on Shanghai). Shanghai, 1937-1938.
- Shen, Jialu. *Shanghai Lao Wei Dao*. Shanghai Culture Publishing House, 2007.
- Shen, Jing. "Mei huo tan fan qu di yi hou"(After banning American products stalls). *Xinmin Evening News*, October 17, 1946.
- Shen, Zhi. *Shanghai lao dong zhi* (Chronicles of Shanghai Labor). Shanghai Academy of Social Sciences Publishing House, 1998.
- Sheng bao*. Shanghai: 1929.
- Sherwood, John B. "Incident in Shanghai." *Coca-Cola Overseas*, October, 1948.
- Shi Jing* (Classic of Poetry). Beijing: Yanshan Press, 2001.

- Shi zhao yuebao* (shizhao monthly). 1935.
- Shiyu. “Qishui he shi you?” (when did soft drinks appear?). *Shanghai shenghuo* (Shanghai Life), 1939.
- Shui, Miao. *Thousands of Proverbs about Health* (qian yan wan yu hua yang sheng). Beijing: Chinese women’s press, 2008.
- Shuyun. “Qishui tie hua lun.” *Bei yang hua bao* (the Beiyang Pictorial). May 1932 (781).
- Simoons, Federick J. *Food in China: A Cultural and Historical Inquiry*. Boca Raton: CRC Press, 1991.
- Song, Ninghua. “Ershi shiji shanghai di yi bailing”(The first white-collar in Shanghai, a record on the celebration of an old Coca-Cola employee’s 100 year-old birthday). *Xinmin Evening News*, November 28, 1999.
- Speakman, Harold. *Beyond Shanghai*. New York: Abingdon Press, 1922.
- St. John Daily*, Sunday, January 4, 1904.
- Sterba, James P. “Coke Brings ‘Tasty Happiness’ to China.” *The New York Times*, April 16, 1981.
- Swislocki, Mark. *Culinary Nostalgia: Regional Food Culture and the Urban Experience in Shanghai*. California: Stanford University Press, 2013.
- Tang, Lusun. *Zhongguo chi*. Guilin: Guangxi Normal University Press, 2013.
- The Beijing News*. 2008.
- The Beiyang Pictorial News*. 1932.
- The Economic Observer, ed. *Kaifang zhongguo: Gaige de sanshinian jiyi* (Open China, Thirty Years Memory of Reformation). Beijing: China Citic Press, 2008.
- The Global and Mail*. Toronto, 1978, 1979.
- The New York Times*. 1981.
- The New Youth Journal*, vol.6, no.1, January 1919. Zhongguo shudian, 2011.
- The Police Monthly*. 1948.
- The Second Historical Archive of China. *Zhongguo minguo shi dang’an ziliao hui bian* (Comprehensive Collection of Archival Papers on History of Republic of China). Nanjing: Jiangsu Ancient Books Publishing House, 1994.
- The Shanghai Evening Post and Mercury*. October 16, 1933.

The Spartanburg Herald. Spartanburg, SC. Thursday Morning, November 4, 1943.

The Tianjin Archive. *Tianjin shanghui dang'an huibian*, (Comprehensive Collection of Archival Papers on Chamber of Commerce in Tianjin). 1912-1928. Tianjin People's Press, 1992.

Tian, Mu. "Gong shang jie jiyi you xin: mei huo fanlanchengzai de gushi"(Remain fresh in the memory of the business community, the story of the influx of American products). *Xinmin Evening News*, November 11, 1950.

Tianxuwoheng. "Xiao zhi qishui zhi yan jiu" (study on making soft drinks). *Ji lian hui kan*, 1934 (100).

Time Magazine. 1984.

Townsend, James. "Chinese Nationalism," *The Australian Journal of Chinese Affairs*. No. 27 (January, 1992): 97-130.

Tsu, Jing and Elman, Benjamin A ed. *Science and technology in Modern China, 1880s-1940s*. Brill Academic Pub; Lam edition, 2014.

Tuo, Tuo (Yuan). *Song Shi*, vol. 385 (history of the Song). Beijing: Zhong Hua Press, 1985.

Wagnleitner, Reinhold. translated by Diana M. Wolf. *Coca-Colonization and the Cold War, The Cultural Mission of the United States in Austria After the Second World War*. Chapel Hill & London: University of North Carolina Press, 1994.

Wallerstein, Immanuel. *The Modern World-System I: Capitalist Agriculture and the Origin of the European-World Economy in the Sixteenth Century*. Berkeley: University of California Press, 2011.

Waley-Cohen, Joanna. "Taste and Gastronomy in China." in Paul Freedman ed., *Food: The History of Taste*. Berkeley: University of California Press, 2007.

Wang, Di. *The Teahouse: Small Business, Everyday Culture, and Public Politics in Chengdu, 190-1950*. Stanford, CA: Stanford University Press, 2008.

Wang, Dingfang and Fengzhen Chang. "Bai nian feng yu zhengguanghe" (a hundred year's history of Aquarius Mineral Water Company). *Gong ye yue kan* (industrial monthly), Shanghai, 2004 (7).

Wang Luping. *Hua shuo lao Beijing*. 画说老北京 renmin mei shu chu ban she, 2008.

Wang, Q. Edward. *Chopsticks: A Cultural and Culinary History*. Cambridge, UK: Cambridge University Press, 2015.

Wang, Shi ed. *Yan fu Ji*. zhonghua shu ju, 1986.

Wang, Tao. *Ying ruan za zhi* (Miscellany on Shanghai, 瀛壖杂志). Shanghai Ancient Books Press, 1989.

Wang, Xiang (Qing). *Qian jia shi ping zhu*, vol. 2, Nanjing: Phoenix Press, 2006.

Wang, Xiaojian ed. *Shanghai xian zhi* (local history of Shanghai). Shanghai People's Publishing House, 1993.

Wang, Zihui. *Pin wei tan chi*. Jinan: Shandong Pictorial Publishing House, 2009.

Wang, Zuoyue. "Saving China through Science: the Science Society of China, Scientific Nationalism, and Civil Society in Republican China." *Osiris*, 2nd series, vol. 17 (Science and Civil Society), 2002, 291-322.

----- . "The Cold War and the Reshaping of Transnational Science in China" in Naomi Oreskes and John Krige eds. *Science and Technology in the Global Cold War*, The MIT Press, 2014, 343-371.

Watson, James L., ed. *Golden Arches East, McDonald's in East Asia*, second edition. Stanford, CA: Stanford University Press, 2006.

Weijuan. "Meiguo jing yun tie mu de waijie" (The collapse of American embargo policy). *Wen Hui Bao*, June 10, 1957.

Wen Hui Bao. 1938-1950. 1984-1986.

Weng, Meijing. "Dutch water and Dutch beans." *Shipin yu Shenghuo* (food and life), vol. 1, 1998.

Wenqi. "History of soft drinks." *Xinming Evening News*, August 4, 1960.

Wu, David Y. H. and Sidney C. H. Cheung ed. *The Globalization of Chinese Food*. Honolulu: University of Hawaii Press, 2002.

Wu, Han. "About Zhu Ziqing refused to eat American relief food." *Renmin Daily*. November 20, 1960.

Wu, Jianxi and Yiping Tian ed. *Shanghai shenghuo* (life of Shanghai), 1937-1941. Shanghai Academy of Social Sciences Publishing House, 2006.

Wu, Liang. "Hong Kong Herbal Tea: A Study of Intangible Cultural Heritage." *The Hong Kong Anthropologist, New Series*. vol. 1, 2007, pp. 91-104.

Wu, Mu, *meng liang lu*, Zhejiang renmin press, 1980.

Wu, Shunkang. "Cong duo shengchan yanqishui kan shengchan mudi" (The goal of producing more salty soda). *Wen Hui Bao*, August 6, 1975.

- Wu, Zimu (Song). *Meng liang lu* 梦梁录. Taipei: Taiwan Commercial Press, 1983.
- Wu, Zuguang. "Tou sheng" (drag out an ignoble existence). *Xinmin Evening News*, July 15, 1946.
- Xia, Xingshou. "Qishui zi zhi fa" (make soft drinks at home). *Shao nian* (Juvenile), issue 7, 1924.
- Xiao, Qian. *Beijing chen za yi* (memory of Beijing). Beijing: SDX Joint Publishing Company, 2014.
- Xiaochun. "Coca-Cola shang zhan qi shu" (Coca-Cola's excellent strategy in the commercial war). *Hai Chao*, issue 44, April 13, 1947.
- Xiaopengyou* (children). 1933-1948.
- Xiaosheng. "Yangzhong, yangzhong! Guo huo ye mian lin zhe shen yuan" (Serious! Serious! The Crisis of the national products). *Xinmin Evening News*, September 15, 1946.
- Xiazhiqiu. "Soft drinks in Shanghai." *Xinmin Evening News*, September 5, 1996.
- Xie, Jiuxiang. "Yinliao zhi yan jiu" (Study on beverages). *Funnv zazhi* (women's magazine), vol 5, issue 4, 1919.
- Xietiansha. "Ni zhidao helanshui ma?" (Do you know Dutch water?). *Xinmin Evening News*, July 11, 1982.
- Xin Min Bao*. Qingdao, 1940, 1947.
- Xinming Evening News*. Shanghai. 1946-1999.
- Xin Sheng Lu Monthly*. 1947.
- Xin wen bao*. 1929.
- Xu, Weijiao. "Lingdao qin lin di yi xian, fang shu jiang wenn zhua de jin" (Leaders went to the forefront of production, urging to take actions on heat stroke prevention). *Wen Hui Bao*, July 22, 1983.
- Xue, Liyong. "Coca-Cola zai Shanghai" (Coca-Cola in Shanghai). *Wen Hui Bao*, April 11, 1998.
- Y.T. Sun. "Cosmopolitan Shanghai." *Coca-Cola Overseas*. Published by Coca-Cola Export Corporation, August 1948.
- Yan, Chen (Qing). "Yi jing du ci" 忆京都词. Collected in Zhang Shanpei. *Lao Beijing de ji yi*. 老北京的记忆 (memory of old Beijing). Beijing: shehui kexue wenxian chu ban she, 2010.

Yan, Fu. “lun shi bian zhi ji” 论世变之亟, in Wang, Shi ed. *Yan fu Ji*, vol. 1. zhonghua shu ju, 1986.

----- “lun jin ri jiaoyu ying yi wuli kexue wei dang wu zhi ji.” In Wang, Shi ed. *Yan fu ji*, vol.2. zhonghua shu ju, 1986.

Yang, Fang and Chen Hou. “The Effect of Baihu Decoction on Blood Glucose Levels in Treating Systemic Inflammatory Response Syndrome.” *Chinese Journal of Integrative Medicine*, 2010 October 16(5): 472-479.

Yang, Mou. “Lengyin shi li” (in cold drink shops). *Wen Hui Bao*, May 13, 1939.

Yang, Tianyu ed., *Zhou li yi zhu*, Shanghai ancient book press, 2005.

Yao, Liang. “National Prestige and Human Spaceflight: A Chinese Perspective,” *Quest: The History of Spaceflight Quarterly*, vol. 19, no. 3, (2012). 18-30.

Yao, Zhonglu translate. “Coca-Cola wai zhuan” (The legend of Coca-Cola). *Nanqing*, vol.2, issue 6, November 20, 1948.

Yi Wen Hua Bao. issue 1, 1947.

Yin Ye Xie Zhen Bai Tu. 营业写真百图 Shanghai Hongwen shu ju, vol. 2, April 1919.

Yinhang zhoubao (bank weekly). 1941.

Yong an. 永安 vol. I and II. National Library Microfilm Center, 2006.

Yü, D.T. “Qishui zong ping”(Comments on soft drinks). *She hui yi bao* (Social Medicine). Issue 190, May 5th, 1934.

Yu, Qian. “Coca-Cola zhan zheng” (Coca-Cola War). *Guangmin Daily*. August 26, 1961.

Yu, Xincan. “Yi ping Coca-Cola de wei li” (The power of a bottle of Coca-Cola). *Xinmin Evening News*, July 26, 1958.

Yu, Xinzong; Xiaohai Zhao; and Xiaochuan Zhang. *Wenyi xia de shehui zhengjiu* (social solutions in epidemic periods). Beijing Zhongguo press, 2004.

Yuan, Shuyi, *Li Hongzhang zhuan*, renmin press, 1994.

Zhang, Lu (Qing). *Ben Jing Feng Yuan*. Beijing: China medico-pharmaceutical science & technology publishing house, 2011.

Zhang, Min and Dingxing Chen. “Coca-Cola and the Steering Wheel.” *People’s Liberation Army Literature and Art*, May, 1982.

- Zhang Pei. “xin hai geming qian hou xinwen manhua chuanbo de shehui gongneng.” *Dang Dai Chuan Bo*, vol. 5, 2009, 85-86.
- Zhang, Shanpei. *Lao Beijing de ji yi*. 老北京的记忆(Memories of old Beijing). Beijing: shehui kexue wenxian chu ban she. 2010.
- . *Beijing Daily*. June 12, 2012.
- Zhang, Shuguang. *Economic Cold War, America's Embargo against China and the Sino-Soviet Alliance, 1949-1963*. Washington: Woodrow Wilson Center Press and Standard University press, 2001.
- Zhang, Zhengxu. “Shanghai huo wu shui ju juzhang Fang Dong” (The director of the Bureau of commodity tax—Fang Dong). *Xingmin Evening News*, October 7, 1947.
- Zhang, Zhongjing (Han). *Shanghan lun* (treatise on febrile disease caused by cold), Beijing: Scientific and Technical Documentation Press, 2010.
- Zhao, Lin, *Kexue yangsheng*, vol. 8. 2005, 40.
- Zhen, Zhiya, ed., *Zhongguo Yixue Shi* (A History of Chinese Medicine). Nanchang: Jiangxi Kexue Jishu, 1987.
- Zhenzi. “He Lan Shui.” *Xinmin Evening News*, July 16, 1983.
- Zhibai. “Qishui de renshi” (understanding soft drinks). *Min Zhong Jiao Yu* (People Education), Semiweekly, published by Education Bureau of Special Municipal Government of Hankou, May 22, 1930.
- Zhikun. “Coca-Cola de niang jia men: quchengshi qishui gongsi” (Coca-Cola's home: Watson's Mineral Water Co.). *Shi Shi Xin Bao* (Current Daily News), August 23, 1947.
- Zhiwei. “Coca-Cola.” *Xinmin Evening News*, August 29, 1957.
- Zhong wai jing tong zhou bao* (finance home and abroad weekly). 1929.
- Zhongshan Daily, Oversea Edition*, vol. 203, March 15, 2009.
- Zhu, Minyan. *Shanghai fang yi shi jian* (The History of Shanghai Epidemic Prevention), Shanghai kexue puji Press, 2003.
- Zhu, Shui. “Mai xianggua de nvren”(A woman who sells muskmelons). *Xinmin Evening News*, August 2, 1947.
- Zhu, Sujun. “Guangxu chu nian de Shanghai zhi xia” (summer of Shanghai in the early years of Guanxu). *Xinmin Evening News*, June 30, 1959.
- Zidan. “Qingdao zhi xia”(Summer of Qingdao). *Xingmin Evening News*, August 7, 1948.

Zuo, Xuchu. *Zhongguo shangbiao shi hua (History of Chinese trademarks)*. Tianjin: Baihua Literature and Art Publishing House, 2002.

Zuowen. “Huo shui: Coca-Cola” (The evilness—Coca-Cola). *Xinmin Evening News*, September 6, 1957.