

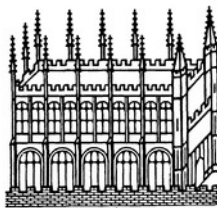


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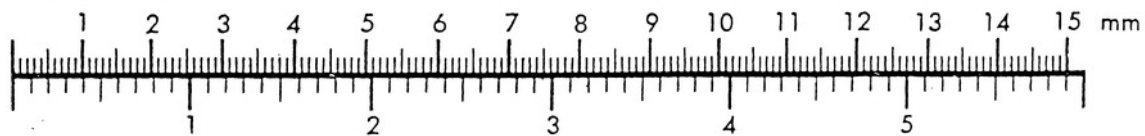
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**THE ORIGIN OF THE CHINESE MARITIME CUSTOMS
SERVICE, 1850-58**

**Thesis submitted for the Degree of
D.Phil.**

by

**J. K. FAIRBANK
Balliol College**

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In grateful memory of
HOSEA BALLOU MORSE
A.B. Harvard College, 1874

Commissioner of Chinese Imperial
Maritime Customs.

Historian of Chinese Foreign Relations.

**THE ORIGIN OF THE CHINESE MARITIME CUSTOMS
SERVICE, 1850-58**

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P R E F A C E

The period of Hsien Feng (1850-61) marked the chief turning-point in the history of modern China. The Manchu administration proved unable to grow and change with sufficient rapidity to meet its domestic problems, and the Taiping Rebellion (1850-64) all but swept it away. At the same time foreign trade continued to expand. From the five southern treaty ports it spread along the coast and began to invade the interior, bringing with it the foreign merchant, missionary and consul. This foreign invasion still further demoralized the Imperial administration and led in 1858 to the establishment of the treaties under which China became and has since remained a prey to foreign economic exploitation. In the midst of this general collapse there was one development, however, which laid the basis for a rejuvenation of the Chinese administrative system. This was the inauguration of the Foreign Inspectorate of Customs at Shanghai in 1854 and its extension to all the treaty ports after 1858. The employment of foreigners in the Chinese Maritime Customs was a compromise, from which the western powers derived the benefits of an efficient administration and China the benefits, and the example, of an effective collection of duties. It was admittedly a transitional arrangement, and its days are now numbered. But there can be no doubt that, just as foreign trade has been the

chief force destroying the fabric of the old China, so the Maritime Customs has led the way in building up the new, and by the time the last foreigner has left its ranks it will have taken its place in history as a constructive achievement with few parallels,--the brighter side of imperialism.

Parts of this thesis have appeared in published form in China: Ch. XIII in the Chinese Social and Political Science Review, Peiping, for July 1933; Ch. VI in ibid. for Oct. 1934 and Jany. 1935; Ch. VII in ibid. for Jany. 1936; Ch. VIII in ibid. for April 1936; and Ch. X in the Nankai Social and Economic Quarterly for April 1936.

This thesis is based in part on a dissertation submitted for the degree of B.Litt. in 1931 entitled "British Policy in relation to the Origin of the Chinese Maritime Customs Service 1850-1854", which was based on the British records in the Public Record Office. The present thesis makes use of the same archive, but for the period 1850-1858, with the addition of material chiefly from the archives of the Department of State, Washington, from the Customs archives, Shanghai, from the North China Herald file in Shanghai, from the British Consular archives in south China, and from the Palace Museum archives in Peiping. Much of my time since 1931 has been devoted, however, to the study of Chinese in order to make use of the pertinent material from the published documents known as the I Wu Shih Mo. In order to incorporate the above materials in the structure of my B.Litt. thesis, it has

been largely rewritten in order to form Part I of the present thesis. Most of sections 2 and 4 of Ch. I, ^{ch.} III, part of Ch. IV, sections 2 and 3 of Ch. V, and parts 1 and 4 of Ch. VII are essentially the same as before. Ch. II is entirely new. The remaining parts of Part I have been extended and rewritten to incorporate the new material.

The footnote references are made to be as brief but as numerous as possible, in the belief that this will facilitate the development of an almost untouched field of study. Later workers can build more firmly upon a structure the foundations of which are exposed. Works are cited by full title the first time and short title thereafter. Op. cit. and ubi sup. are avoided. Titles of works frequently cited are conventionalized, the most frequent instances being:

- CM (China Mail, Hong Kong),
- IWSM (I Wu Shih Mo, Barbarian Affairs documents),
- NCH (North China Herald, Shanghai),
- THL (Tung Hua Hsü Lu, edicts).

Volumes in the Public Record Office are cited by their P.R.O. catalogue number, e.g. F.O.17/168; volumes in the archives of the Department of State, Washington, are similarly cited, e.g. China 10.

The romanization of Chinese words follows Giles' Dictionary, with the exception of commonly accepted forms such as Peking (for pei ching), taotai (for tao t'ai), Taiping (for t'ai ping), and with the further exception that romanizations used in contemporary writings are left untouched when those writings are quoted, e.g. taoutae,

Taeping. Manchu names are written with the syllables joined, as Iliang, Chierhangah (properly Chierhhanga), except that when the race of the bearer of a two-character name is not entirely certain, the two syllables are written unjoined as for a Chinese, e.g. Hsieh Huan. Place names follow the Postal Atlas of China. Emperors are sometimes referred to by their reign-titles, as is customary.

The debts accumulated in the course of research can never be repaid and are sometimes so numerous that it is difficult even to list them. To Prof. C. K. Webster I am indebted for an initial inspiration which has been often renewed. To the late Dr. H. B. Morse I owe a wealth of steadfast encouragement and wise counsel; his clarity and insight, his accuracy in detail and complete devotion to the cause of historical impartiality show in his writings and will steadily increase the debt which all later workers owe to him as a great pioneer. To another pioneer, Dr. T. F. Tsiang, I am under heavy obligation for invaluable guidance and criticism. I have to thank His Majesty's Government for permission to see the early archives of the British Embassy in Peiping and the Consulates at Ningpo, Foochow, Amoy, Canton, Newchwang, and Tientsin; and I am indebted to Stephen Gaselee, Esq., C.B.E. and many members of the diplomatic and consular services in China for their courtesy and assistance. I have likewise to thank the Department of State for permission to see similar American archives, and H. E. Nelson Johnson and many members of the American service for their helpfulness in connection with them. To Sir Frederick Maze, K.B.E., I am indebted

for permission to see early archives of the Shanghai Custom House, and to Dr. John C. Ferguson and the Palace Museum authorities for permission to see MS. records in the Palace archives. I wish also to thank Mr. Stanley Wright, Mr. L. K. Little, and other members of the Chinese Maritime Customs for their friendly interest; Mr. Teng Ssu-yü for his help in regard to bibliography and Mr. Kuo Yu-fang and others for their assistance in language study. To Wilma Fairbank I am indebted for valuable criticism and assistance.

I need hardly add that I am myself solely responsible for all errors committed and opinions expressed.

I. The Origin of the Problem

of Customs Administration

1. The Regulation of

Foreign Trade at Canton before 1842.

Early Maritime Trade. Until the Treaty of Nanking the foreign trade of China was taxed and regulated in a Chinese manner. This manner of regulation had two aspects of importance for this study: the trade was controlled by a monopoly either established or authorized by the government, and it was regarded in theory as a privilege granted in connection with the reception of tribute from vassal states. Great as might be the profit derived from it, by Chinese merchants and officials and even by the Court, it remained officially a tributary trade, not a trade between equals. The system of regulation which obtained at Canton until the first British treaties had a history almost as old as the foreign maritime trade itself. Its development and modification under successive dynasties should be noted by way of introduction.

The maritime trade between China and the West can be traced back almost to the beginning of the Christian era. The

I. The following summary is based chiefly on Chang T'ien-tse Sino-Portuguese Trade from 1514 to 1644. A synthesis of Portuguese and Chinese Sources (Leyden 1934, Brill) Ch. 1, which summarizes in greater detail almost the same Chinese materials, dynastic histories and other works, cited by F. Hirth and W. W. Rockhill in the introduction to their translation of Chau Ju-kua (Chau ju-kua 趙汝适. His work on the Chinese and Arab Trade in the 12th and 13th centuries, entitled Chu-fan-chi 諸蕃志 (Chu fan chih), (St. Petersburg, 1911, Imperial Academy of Sciences). There is also an interesting monograph by Yu Kan Wu (Wu Yu-kan 武靖幹) on "Shanghai as an International Trading Port during the T'ang and Sung Dynasties - A Comparative Study with Other Ports in China" 唐宋時代上海在中國對外貿易上之地位觀 社會科學叢刊 (Nanking, National Central University), vol. II No. 1, May 1935, pp. 145-216. Chang's book is extensively reviewed by P. Pelliot ("Un Ouvrage sur les Premiers Temps du Macao", T'oung Pao vol. 31, 1934, pp. 58-94). Memoirs of the Research Department of the Toyo Bunko (The Oriental Library) No. 2, pp. 1-79 (Tokyo 1928), contains an informative article by Kuwabara, "On P'ou Shou-keng 蒲壽庚 a man of the Western Regions, who was Superintendent of the Trading Ships' Office in Ch'uan-chou 泉州 towards the end of the Sung Dynasty . . ."

- 2 -

Arab trade at Canton (Khanfu) which had continued there from early times was under government regulation at least as far back as the T'ang Dynasty (618 - 906). In the eighth century there existed at Canton a government office, the Shih Po Ssu (市船司 Bureau of Trading Junks or Superintendency of Merchant Shipping) which kept a register of foreign vessels and captains, inspected their manifests, collected duties, and enforced laws against the smuggling of contraband. In the ninth century the cargoes of Arab vessels arriving at Canton were held by the Chinese authorities until the arrival of all the season's fleet, whereupon three-tenths of each kind of merchandise was retained as import duty and the balance handed back to the owners. As the trade expanded under the T'ang, Ch'dan chow (泉州) in Fukien (Arab Zaytun, in modern times often romanized Chinchew) became a second mart, and the maritime trade assumed valuable proportions.

At the end of the tenth century A.D. the Emperor T'ai-tsung of Sung sent abroad a mission with Imperial credentials and presents of gold to attract to China the foreign traders of the South Seas. Before the year 1000 a state monopoly was also established, which forbade private trading with foreigners and ensured its control by having all foreign goods of value deposited in government warehouses. At the capital, a central office was established to control the superintendencies (Shih Po Ssu) at the ports. When the Yuan followed the Sung little change occurred and by the time of Marco Polo these latter offices were to be found at Canton, Ch'dan chow, Wenchow (温州), Ningpo (then Ch'ing-yuan 慶元), Shanghai, Hangchow, and Kan-p'u (澈浦 Polo's Kanfu) nearby.

Certain features of later importance make their appearance in this period before the thirteenth century. Already the

foreign trade is controlled by government monopoly, which is exercised by an office created for the purpose and supervised from the capital rather than purely by the provincial administration. Foreign trade is confined to certain places, primarily Canton and, during much of the period, Ch'wanchow (Zaytun). In these ports the foreign traders, chiefly Arabs, live in their own quarter, where they are under the immediate authority of one of their own number, who thus becomes responsible for their conduct, and who administers their law, subject to the final jurisdiction of the Chinese authorities. The customs duties fixed by statute vary at different times but are usually below thirty per cent. In practice it is the object of the government to see that trade between foreign and Chinese merchants is carried on under official surveillance, so that duties may be levied before trading begins.

Ming Regulation. The Ming again preserved much of the system which had previously grown up.² Superintendencies of shipping had been a Yuan creation, under the charge of one or more inspectors

2. [This sketch of Ming regulation is based largely on Chang T'ien-tse, Sino-Portuguese Trade, cited above; Chang Teh-

ch'ang 張德昌, "Maritime Trade at Canton during the Ming Dynasty" (part of a thesis shortly to be published by Tsing Hua University, Peiping), in Chinese Social and Political Science Review (Peiping, Chin. Soc. and Poli. Sci. Associa-

tion) vol. XVII no. 2, July 1933, pp. 264-82 (Chinese version

明代廣州之海船貿易 in Tsing Hua Journal: 清華學報, vol. XII no. 2, June 1932, pp. 1-18); Liang T'ing-tan 梁廷柀, Yeh hai-kuan

chih 粵海關志 ch. 17 (quoting Ming shih-lu 明實錄, Hsi wen-hsien t'ung-k'ao 續文獻通考, etc.)

(T'i-oh 提舉), whose offices were reestablished at Canton, Ch'angchow, and Ningpo, where hostels (Huai Yuan I 懷遠譯) for the accommodation of foreigners were also opened under official control. Under Yung Lo (永樂 1403 - 1424) maritime tributary trade with the nations to the south was vigorously encouraged and Chinese fleets visited them to establish the Emperor's suzerainty. The fifteen-odd countries then trading at Canton, - including Siam, Java, Cambodia, Borneo, Sumatra, Bengal, Ceylon, - all occupied the status of vassals, and the government offices at the ports continued to exercise supervisory functions over matters connected with both their trade and their tribute. Foreign envoys were entertained while their passports and credentials were examined; foreign merchants were kept from trading until their goods had been taxed. Tribute missions when they reached Peking were entertained in the Hui T'ung Kuan (會同館) where they might also trade with Chinese merchants. Meanwhile foreign merchants at Canton conducted their trade in accordance with certain regulations and under supervision from Chinese hong-ists appointed for the purpose, one of whose functions was to report to the authorities the arrival of all foreign ships, as a first step in the process of taxation and trade. The profitable irregularity conjugate to the law was, therefore, to dispose of a quantity of the cargo, - to Chinese merchants in trade and to the officials as squeeze, - before reporting it for formal taxation. After the increase of trade which began in the Yung Lo period the palace eunuchs who usually monopolized the Shih Po Ssu at Canton appear to have lost some of their control over the increased numbers of merchant vessels and confined their attention to the tribute missions. As a result the local and provincial authorities began to tax foreign merchant vessels. At the be-

5

ginning of the reign of Chia Ching (嘉靖) in 1522, the Shih Po San at Ch'anchow and Ningpo were closed because of Japanese piratical invasions, only that at Canton remaining.

Portuguese Trade. The first Portuguese embassy to China came to Canton in 1517 to establish trade. It brought with it presents for the Emperor, and there is no indication that the Portuguese then or later received from the Chinese government any acknowledgment that they were not vassals, in the same status as all nations to the south with which relations had theretofore been maintained. The direct maritime trade with Europe grew and flourished, but no change occurred in the theoretical basis on which foreign trade was permitted by the Chinese. From 1521 to 1554, while Sino-Portuguese trade was officially banned because of Portuguese violence, it continued in clandestine fashion particularly along the coasts of Fukien, where the gentry, the officials, and the fisherfolk all had an interest in it. After 1557 the Portuguese settlement at Macao (Ao Men 澳門) rose rapidly to become the central point among trade-routes connecting Japan, China, Manila, Siam, Malacca, Goa and Europe. Until the Manchus eclipsed the Ming Dynasty after 1644 and the Portuguese lost their power to the Dutch, Macao remained the chief scene of Sino-European trade.

The Chinese control over Macao and its commerce was never relinquished, even though the Portuguese set up their own local government. Chinese authority was exercised by the local magistrate of the district of Heung Shan (Hsiang Shan 香山), to whom a ground rent was paid annually, and by Chinese customs officers stationed in the port. By the high provincial authorities and the Court above them, Macao was at first officially ignored and the customs duties therefore went to enrich the local officials and their superiors within the province. Duties were collected

in a fashion indicative of the period which was to follow: the procurator of Macao, a Portuguese official, notified the arrival of vessels and sent the manifests to the Chinese customs authorities, who then in company with the Procurator and captain measured the ship for anchorage dues (measurement fee), after which the cargo was appraised and import duties levied. After 1578 the Portuguese merchants at Macao were able, by a proper use of presents, to establish the custom of going to Canton themselves to buy cargoes for export, so that export duties came to be collected by the local authorities of Canton. For the Portuguese alone the dues and duties were, reputedly, reduced two-thirds. In this way by the end of the Ming period the actual manner of regulating foreign trade had changed somewhat. Instead of the traditional system of control, exercised by officials sent from the Court who both received tribute-bearing envoys and taxed the merchants in their train, there had grown up a local practice which perhaps reflected the decline of central authority toward the end of the dynasty. Foreign trade was for a time taxed by the local and provincial authorities chiefly for their own needs and advantage. With the advent of the succeeding dynasty, however, the central control of the Court was to be reasserted.

Ch'ing Regulation. After the extension of Ch'ing domination over the south by about 1685, the foreign trade of the southern coast provinces was controlled, except in Kwangtung, by high provincial officials who administered the customs concurrently with their other duties.³ In Kiangsu and Chekiang the Governors (Hsün-fu 巡撫), and in Fukien the Tatar-General (Chiang-chün 將軍), headed the maritime customs, which thus became

3. On this subject cf. Liang T'ing-tan, Yü-hai-kuan chih, cited above, Ch. VII.

a part of the provincial administration. Only to Kwangtung was an official sent direct from the Imperial Household (Nei Wu Fu 內務府) of the Palace for the special purpose of collecting the duties on foreign trade and remitting them to the Board of Revenue, or Hu Pu (戶部), in Peking. This Superintendent of Maritime Customs for Kwangtung (Yüeh Hai-kuan chien-tu 粵海關監督, known to foreigners as the Hoppo, controlled central offices in Canton, the native customs (ta kuan 大關) and inspectors of foreign trade at Macao, and offices under deputies (wei-yuan 委員) at five central ports in the Canton delta. The innumerable streams and channels through which the waters of the West River and the Pearl River made their way between Canton City and the sea created, however, a most difficult administrative problem. The policing of such an area, inhabited by fishermen and pirates who could not be differentiated, and comprising several hundred square miles, required a strong preventive organization in which the local officials must sincerely cooperate if the Emperor were to receive even a part of his revenues. For this reason there appear to have been periodic efforts made by the central authority to reassert itself, after periodic lapses, by reforming the administrative machinery of the Kwangtung Maritime Customs.

The Hoppo's office was created under K'ang Hsi (康熙) in 1685. At the beginning of the succeeding period, Yung

4. For "Hoppo", The China Directory for 1864 (Hongkong 1864, Shortrede) opp. p. XVVII gives Yüeh hai-kuan pu 粵海關部; S. W. Williams, The Chinese Commercial Guide (Hongkong 1863, Shortrede, 5th Ed.) p. 160 declares "Hoppo" is "a corruption of hoi-po-sho, the title of a petty officer who controls the boats and police on the river. It is possible, however, that when foreign ships anchored at Canton for trade three centuries ago, their crews were placed under the supervision of the hoi-po-sho, whose title gradually came to be thus transferred to his superior".

Cheng (雍正), in 1723, it was abolished and the management of the customs vested concurrently in the local authorities under the control of the provincial Governor, who was to remit the duties according to the regulations. Six years later, however, in 1729, the Hoppo's office was reestablished. The reason for this and the principles of a new system were explained in an edict of 1734, which pointed out that an official sent direct from the Court, though he could organize a reliable administration of his own, nevertheless had no official connection with the local authorities, who therefore offered his establishment no cooperation and indeed often created friction which facilitated smuggling and piracy. Perhaps the Viceroy and Governor were careless. At any rate the Hoppo's functioning had been impeded and to remedy the situation the Viceroy and Governor would thereafter have concurrent charge of all minor ports and so could impeach local officials who did not cooperate with the customs. Meanwhile the Hoppo would handle the collection and remission of duties as before, independently of the Viceroy and Governor.

Thereafter the Kwangtung maritime customs appear to have been under a more or less joint control. From 1750 on, the Hoppo collected the duties but his report to the Board was made conjointly with the Viceroy. After 1792 the Viceroy and Governor reported secretly to the Board every month, and at the year's end their reports were compared with the collections reported by the Hoppo. Thus all the high officials on the spot at Canton came to have a connection, official as well as private, with the foreign trade of the port.

5. Yueh hai-kuan chih, ch. VII; Tung hua lu 東華錄 (Shanghai, 1891, compiled by Wang Hsien-ch'ien 王先謙) Yung Cheng reign 雍正朝, I 6 b, gives edict of January 16, 1723, giving customs affairs into the charge of the local authorities.

The English East India Company. Meanwhile, with the arrival⁶ at Canton of the English East India Company, the pre-treaty system of regulation had begun to crystallize. On both the Chinese and the English side, two tendencies marked this process, one toward control of the trade by monopoly, another toward its confinement to a single port. To both these developments the British contributed, for reasons deemed good and proper at the time.

At its birth in 1600 the East India Company had been endowed with a monopoly of all English trade from the southern tip of Africa eastward to the southern tip of South America. The enforcement of such a monopoly was not easy, however, and the newly formed company was plagued by the competition of English rivals. These it disposed of by uniting with them. Courteen's Association was thus liquidated in 1649 - 50. The English Company coalesced in 1709. It was of course natural that the E.I.C. monopoly should be successfully established, for it more than most mercantile companies needed the powers usually granted to facilitate trade in distant seas, - power to govern its servants and factories, to control its investments abroad and the market at home, to defend itself in hostile lands. English solidarity was particularly necessary in competition with the Portuguese and Dutch, and when their political power declined, there was still commercial competition in the eighteenth century from the Imperial East India Company (or "Ostenders") of the Austrian Netherlands and similar European companies through which English interlopers could

6. The following summary is based chiefly on Dr. H. B. Morse's monumental The Chronicles of the East India Company trading to China 1635 - 1834 (Oxford vol. I - IV 1926, vol V. 1929 Clarendon Press); also on E. H. Fritchard, Anglo-Chinese Relations during the Seventeenth and Eighteenth Centuries. (Univ. of Ill. Studies in the Social Sciences, vol. XVII. Nos. 1-2, Urbana 1929).

continue to trade. For a number of reasons, therefore, the English Company endeavoured as a matter of policy to monopolize the Chinese market insofar as it could.

In a similar fashion, in its own interests, the E.I.C. assisted in the confinement of trade to Canton. In the seventeenth century English expeditions had tested the possibilities of trade at Macao, Taiwan in Formosa, Tinghai (定海) on Chusan, and Amoy, particularly the latter two; but at Tinghai the strong merchant guilds of Ningpo and at Amoy grasping Manchu officials appear to have dominated the scene, and about 1700 the exactions of "Emperor's Merchants" who claimed monopolies of foreign trade at those two ports, but lacked the capital to conduct it, persuaded the Company to concentrate its dealings at Canton. Of all the ports Canton alone offered conditions of trade which had become relatively dependable through long usage and a market in which strong and well established Chinese merchants could undertake large transactions and could avoid complete domination by the provincial officials. After 1715 the E.I.C. practically confined its attention to Canton. The possibility that the Chinese provincial authorities cooperated to ensure this confinement by creating difficulties elsewhere does not invalidate the explanation implied above, that the English found it more advantageous to establish their permanent factory in the port where adequate facilities were best assured.

The Pre-treaty system. By 1760 this system had taken shape. Its elements have often been described and here need only be touched upon, nor is it necessary to expatiate on the vital influence of the past in their formation.

Briefly it may be said that the British East India Company took the lion's share of the now valuable tea trade, overshadowing the Continental companies, - Swedish, Danish, Dutch, French, Imperial, Prussian, Spanish, Genoese, and

others, - who sought to profit also by smuggling teas to the English market. After the middle of the eighteenth century the British Company trade (with Europe) and Country trade (with India) accounted usually for more than two-thirds of the western trade of Canton. Over this trade the Company's committee of supercargoes or (after 1786) its Select Committee at Canton exercised control, and for it and for all acts of the ships and sailors involved in it they were responsible. The Company dealt, however, not with the Chinese authorities but with the ten or a dozen licensed firms which constituted the Cohong (Kung-hang 公 行). This body of established merchants enjoyed a practical control of the foreign trade on the Chinese side and at the same time bore full responsibility for it. Individually they acted as security merchants (pao-shang 保 商) for each foreign vessel. Together they fixed prices for the tea and silk trades which they monopolized, and so taxed the foreign trade in ways unperceived by the foreigner. From the Cohong in turn contributions were exacted by the Chinese government, often of amazing proportions. Meanwhile the Hoppo, on behalf of the Court from which he was sent, collected the fees which had become a part of old custom: messurage, the 1950 taels, the ten per cent. Most significant of all for this study was the manner in which the foreign trader was completely insulated from all direct contact with the market or with the Chinese authorities. Under numerous restrictions he was practically confined to the foreign factories. Meanwhile his linguist, his comprador, and his security merchant, these three, conducted on his behalf every necessary transaction, - rented him his establishment and staffed it for him, paid his fees and the duties due to government on the trade, and by their knowledge of that early international language, pidgin English,

formed the only intelligible link between him and China. Since the same Chinese merchants handled both their imports and their exports, on a basis which really amounted to barter, the Select Committee learned to expect lower offers for imports if they demanded lower prices for tea. In its heyday the E.I.C. was content to acquiesce in this situation, dimly perceived as it was, because the trade was so fabulously profitable. But it is plain that this system, like the institution of the staple maintained centuries before in English trade with Europe, would not accord with the passion for free trade which was shortly to accompany British industrial development. Nor would the ancient theory of tributary trade, to which the Manchus clung more strongly as their dynasty passed its prime, allow of reform. Macartney in 1793 and Amherst in 1816, though sent as ambassadors, reached Peking as envoys of a vassal state. The merchants of the Cohong continued to deal with the merchants of the Company, and until 1834 no ~~effect~~ change was made to reform the system.

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2. The Collapse of the Pre-Treaty System.

During the third quarter of the eighteenth century the Cohong monopoly proved its value to the Chinese authorities as an agent for taxing the trade indirectly and for controlling the foreign ships and sailors. At the same time the East India Company's share in the tea trade deterred the Select Committee and the Court of Directors from endangering their profits by active complaints to the Chinese authorities; for a stoppage of trade might ensue. By the end of the century, however, signs of decay had appeared in the framework of regulation at Canton which marked its forthcoming collapse.

Internal Decay. After 1785 and particularly during the disappearance of Continental ships caused by the Napoleonic wars, American vessels rapidly increased in number and soon began to carry a third of the Canton trade; in the British country trade, moreover, after the Company lost its monopoly in India in 1813, there grew up a class of private merchants imbued with the spirit of free trade, who had helped to break the monopoly in India and who chafed under it in China. Thus the Chinese at Canton were obliged to deal with an increasing number of private individuals, American and British, who were ever less amenable to domination by one responsible foreign authority, to say nothing of dictation from the Cohong.

On its part the Cohong also grew less able to fulfill its function. As merchants monopolizing the foreign trade, from which the officials might in turn extract their funds, the hong merchants were continually exposed to the danger of financial exhaustion, while their manner of trade was such that they were often heavily in debt to the Company, from whom they received advances toward the purchase of the next season's teas; and when

unexpected failures occurred on the part of minor foreign merchants, or even floods on the Yellow River, bankruptcy was not infrequent. When, instead of cargoes nine-tenths silver, the Company brought woolsens for which no appreciable Chinese demand existed and bartered them in part payment for teas, the Hongists' solvency was further jeopardized and a strain put upon the Consoc (Kung-so 公所) or insurance fund. Even though their depleted ranks were filled by official decree, the members of the Cohong gradually became so chronically insolvent and so indebted to the Company as to hamper trade, - for instance, in 1829, - and at times were maintained only by the support of the Company.

Opium provided another disrupting force. In the first half of the nineteenth century it had a pernicious and demoralizing effect not only upon the persons who consumed it but, to an equal degree, upon the commercial and legal scheme of things, of which it formed a part in fact but not in theory. When the Select Committee began to use the Country trade as a source of funds in Canton they made themselves dependent upon a trade which they could not control. They had begun before the rise of the opium trade to provide their funds for buying teas and silks not by bringing silver as of old but by selling bills of exchange on London, and later on Bengal, to certain of the Company's supercargoes who were acting as agents for private traders and so could pay cash into the treasury. Later the private traders themselves conducted the Country trade at Canton, on sufferance, and being private individuals under no restraint began to develop the opium trade, for profit and as a means of laying down funds in China. Soon the E.I.C. was buying its teas largely with funds realized, in this indirect but effective manner, from the sale of opium. Opium and the demand for it became one mainspring of Far Eastern commerce, just as the English demand for tea had proved another, and the Company could be no more interested in suppressing, than they

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were able to control, the trade which sprang into being. Chinese measures against the drug traffic merely inspired efforts to expand it along the coast to the north.³

The Break-up. When the reformed Parliament in answer to the clamours of the free traders and in exemplification of their principles abolished in 1833 the E.I.C. monopoly over British trade with China, it upset the balance of responsibility and power which till then had existed, after a fashion, in the British trade at Canton. Against the monopoly prices of the Cohong the free traders who succeeded the Company could offer no united front. In it and the restrictions maintained at Canton they could see small chance for expansion. Abolition of the Cohong was the indicated remedy, and the opening of more ports. Likewise the new situation was unsatisfactory to the Chinese. The free traders with gusto assumed the trading privileges bequeathed by the E.I.C., and the Jardines and Dents soon revived the vanished splendour of the Select Committee, but they were individuals without official powers even of the sort previously delegated to the Company, each his brother's competitor rather than his keeper, and it was left to the British Government to assume the responsibility which the Chinese, after the Chinese fashion, expected someone to assume. His Majesty's Government, however, as a government, could do no less than assert that equality of status which the Chinese had never acknowledged and which the foreigner had demanded more and more vehemently. Chinese suzerainty, confinement of the trade to Canton, the Cohong monopoly, linguists and security merchants, all were parts of one consistent scheme of things in which

3. The rise of the Opium trade is well summarized in D. E. Owen, British Opium Policy in China and India (New Haven 1934, Yale Univ. Press).

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John Company had played a not inconsiderable part, though ever in a proper and subordinate station. Lord Napier in 1834 could not deny Chinese suzerainty without shattering the hereditary Chinese scheme of things entirely. Conflict was but a matter of time. It came over opium, and the British Government was thereafter engaged, for the next twenty years, in fashioning a scheme of trade regulation more near its commercial desires. This new system was embodied in the treaties. It had to be built largely from the materials of the old system and under circumstances usually not conducive to innovation. From this point on we are concerned with the building of the new system of regulation, which took the British Government and the western merchants twenty years to construct, from 1840 to 1860, which was devised to serve a trade in tea and silk and opium, Indian cotton and Lancashire piece goods, and was achieved in the midst of treaty port feuds, tea races, smuggling and convoy on the foreign side and of demoralization, rebellion, and decay on the part of the Chinese, which facilitated immeasurably the opening of China to foreign trade and which eventually used as its keystone the Foreign Inspectorate of Customs.

3. The System of Regulation as Planned
by the British Treaties of 1842 - 43.

Principal Objectives. The Treaty of Nanking (August 29, 1842) was designed chiefly to establish certain general principles, the detailed application of which was left to be worked out later in two longer agreements, of equal importance, the Tariff and General Regulations of Trade (first published July 22, 1843) and the Supplementary Treaty of Hoonun Chai or the Bogue (Oct. 8, 1843)⁸. Thus the Treaty of 1842 attained assent to what had long been the chief objects of British policy: the opening of four more ports for trade (Amoy, Foochow, Ningpo and Shanghai), the establishment of consuls at all the ports, the cession of Hongkong, the abolition of the Cohong, a fair and regular tariff of duties officially published, and the recognition of perfect equality of status in correspondence between Chinese and British officials. From these provisions certain principles may be abstracted: that the British merchant should have unrestricted access to a wide and free market, that he should know beforehand all the duties and charges he would have to pay, that he should be protected in his new commercial opportunities by the watchful presence of the British Government. The General Regulations of Trade and the Supplementary Treaty together laid down the new procedure which applied these principles and which was to be followed in trade at the ports.

Flaws: Effect of the Tariff. It will save time, before analyzing this new procedure, to note certain flaws in it, -

8. For all references to treaties below, unless otherwise noted, see Imperial Maritime Customs, Treaties, Conventions, etc., between China and Foreign States; with a chronological list of treaties and of regulations based on treaty provisions, 1689 - 1886 (Shanghai 1887, Stat. Dept. of I. C. of Cust.) which gives both Chinese and foreign texts (cited hereafter as Customs, Treaties).

particularly the manner in which an incentive was given to the Chinese customs collectors to connive at smuggling, and the way in which they were discouraged from attempting to exercise the regulatory powers left to them by treaty. For the fact was that the administrative system and practices of China could not be radically changed by the signing of treaties. The Chinese custom house had to be left, as before, in the control of officials whose salaries were purely nominal in accordance with Chinese custom and whose experience and circumstances would predispose them to take as much private profit from the trade as was feasible. Yet a blow was struck at the income which they might naturally expect, by the imposition of a published tariff allowing duties of about five per cent on most imports and exports and only ten per cent on the chief export, tea. As a result the customs collector, who received a pittance from his own government, was obliged either to forego all profit from his office, as he would do if he reported his collections honestly, or else to obtain his private squeeze by perverting the foreign merchants and allowing them to evade the payment of part of their duties on consideration of splitting their dishonest savings with the collector. This would produce a tariff by personal arrangement not equally enforced upon all. Such an evil was from the first latent in the treaty system. In short, western elements like a published tariff could be grafted onto the ancient fiscal practice of China by the force of treaty clauses, but there was little likelihood that the graft would take unless pressure were continually applied. As it turned out, the application of pressure became the chief function of the British Consuls at each port.

Effect of extrality. In the Chinese social order, on the other hand, the Consul played an equally important role in

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that he became the responsible head of the British community, controlling the foreigner with his own law as the Arabs had been allowed to do, to a less extent, at Canton and Zayton centuries before. Although extraterritoriality as a legal system was established most effectively in the American treaty of 1844, it had already been outlined by the British.⁹ It embodied the principle often asserted in practice by the East India Company that foreigners should be amenable only to foreign law administered by foreigners. In its effect upon the administration of the customs this meant in practice that the revenue laws of China could be enforced upon foreign malefactors only through the medium of the malefactor's Consul. It is true that certain British treaty clauses did permit the Chinese authorities to punish British merchants directly, as for instance by confiscating any vessels found trading at other places than the five ports. But typically enough, permission even in this instance was partly withdrawn by the French treaty of 1844 and its clarity obscured.¹⁰ The Chinese customs authorities, in fine, were obliged to exercise their powers in conjunction with foreign consuls and in accordance with foreign-made laws of which only the consuls really understood the inner intricacies and regarding which they were in any case determined to be the final judges. This situation did not inspire the Chinese authorities to make trial of the impartiality of foreign consular assistance.

It must be confessed that the two defects in the treaties noted above are, in a sense, of academic interest only. In actual practice the Chinese authorities were un-

9. Gen. Regs. of Trade (1843), Art. XIII.

10. Supp. Treaty (1843), Art. IV; Treaty of Whampoa (1844), Art. II.

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regenerately disposed, as before, to fill their purses when opportunity allowed, whatever the laws might be, and there is little doubt that they were inveterately opposed to official cooperation of any sort with the barbarian invaders. The facilitation of foreign trade was never at any time as important to the Chinese mandarin as it was to the British Consuls. Commercial expansion was the Consul's *raison d'être*. But the mandarin could assist it only by betraying the cause which he nominally represented.

Opium. Another fundamental defect in the treaties should be noted in passing, - no mention was made of opium. The traffic formed an essential part of the expanding China trade, inasmuch as opium was almost the only foreign product other than bullion for which an eager market could be found in China and so formed the best means of laying down funds for the purchase of tea and silk. Yet the British treaties, because the Chinese would not consent to legalize it, could provide no way to regulate the trade. The American treaty of 1844 forbade it; but prohibitions were not favours within the meaning of the most favoured nation clause and the American prohibition did not apply to the British, nor was it observed by all the Americans. Thus the first treaties were not even applicable to a large part of the trade which they were meant to assist by their regulations.

Transit Dues. With an eye to the future the Nanking Treaty had also stipulated that the transit dues, which were collected by Chinese authorities in the interior on foreign goods bought by Chinese merchants and carried thence, should "not exceed ^(sic) per cent on the tariff value of such goods". This embodied an effort to keep the Chinese officials from taxing

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and so impeding foreign goods on their civilising progress into the potentially vast market of the interior. Unfortunately from the distance of Hongkong little could be learned of the various transit duty rates then in force, and an agreement of June 26, 1842, tabled the question with the formula "that the further amount of duty to be so levied on British Merchandise as Transit Duty, shall not exceed the present rates which are upon a moderate scale".¹¹ The question refused to be tabled, however, and was soon revived, to haunt the minds of merchant and bureaucrat alike.

The Consul's role: his responsibility. To compensate for these innate shortcomings which the framers of the first treaties were unable to avoid, the British Consul at each port was cast for a many-sided administrative role, which was to make him the central protagonist in the coming tragi-comedy of treaty enforcement. Since the Cohong had been abolished and similar associations were forbidden, the Consul was to fill the gap left in the Chinese scheme of things. The Treaty of Nanking (art. II.) promised this by stating that at all ports opened to British merchants the Consuls were "to be the medium of communication between the Chinese Authorities and the said Merchants, and to see that the just Duties and other Dues of the Chinese Government as hereafter provided for, are duly discharged by Her Britannic Majesty's Subjects". This was explained more explicitly in the General Regulations of Trade (art. XV.) "It has hitherto been the custom, when an English Vessel entered the Port of Canton that a Chinese Hong-Merchant stood security for her, and all duties and charges were paid through such Security Merchant. But these Security Merchants being now done away with, it is understood that the

11. Tr. of Nanking (1842) art. X; Declaration respecting Transit Dues (June 26, 1843).

British Consul will henceforth be security for all British merchant ships entering any of the aforesaid five ports." Other clauses, to be noted shortly, made this transfer of responsibility from Cohong merchant to Consul even more specific.

Consular Functions. Indeed, in view of the manifold other rights and duties assigned the Consul, this sop to Chinese atavism, above-quoted, was almost superfluous. So important was the Consul's part, in fact, that there is no clearer key to an understanding of the treaty system than a recital of his functions, and since the following chapters deal chiefly with the successes and failures, policies and opinions, of various consular officers, these functions are worth outlining in detail:-

On arriving outside a treaty port British merchantmen were to be free to engage pilots, whose remuneration "will be equitably settled by the British Consul" (General Regulations of Trade, art. I.)

Within twenty-four hours after anchoring in the port the captain will "proceed to the British Consulate, and deposit his Ship's Papers, Bills of Lading, Manifest, etc., in the hands of the Consul". Penalties can be imposed by the latter for failing to deposit papers, for presenting a false manifest, or for discharging cargo without permission. On receiving the ship's papers, the Consul will notify the Chinese Superintendent of Customs, whereupon "permission will then be given to discharge, and the duties levied as provided for in the Tariff" (art. III.)

Before discharging or loading cargo, however, the English merchant must give particulars regarding it to the Consul, "who will immediately despatch a recognized linguist of his own establishment to communicate the particulars to

the Superintendent of Customs, that the goods may be duly examined and neither party subjected to loss". If a dispute arises over the duty, "the English Merchant may appeal to the Consul", who will try to settle it with the Chinese authorities (art. VII.)

Since the value of the several currencies in use in the treaty ports always required fixing by assay, argument, or decree, the Consul was to arrange with the Superintendent of Customs "what coins may be taken in payment, and what percentage may be necessary to make them equal to standard or pure silver" (art. VIII.)

If dispute arose over weights and measures, reference could be made to standard sets kept by both the Consul and the Customs (art. IX.)

If goods had to be transhipped, a certificate must first be obtained from the Consul, whereupon the Customs would depute a witness. (art. XI.)

Disorder among foreign seamen was to be controlled by consular officers, Chinese complaints against British subjects were to be stated to the Consul, all addresses from British citizens to Chinese authorities were to be made through the Consul, and at each port a gunboat would be stationed to make the Consul's nationals obey him (arts XII, XIII, XIV.)

Finally, after all proper import, export and tonnage dues have been paid to the Chinese authorities, "the Superintendent of Customs will grant a Port Clearance, and this being shown to the British Consul, he will thereupon return the ship's papers and permit the vessel to depart" (art. VI.)

Consular Interference. All this was provided in the General Regulations of Trade alone. In the Supplementary Treaty which followed them, other duties, legal, judicial, administrative,

were heaped in profusion upon H.B.M's Consul, and among them one which came near to breaking the consular back and bears directly upon events to be discussed below. This was the provision for what later became notorious as Consular Interference for the Prevention of Smuggling in China, embodied in Article XII of the Supplementary Treaty:

"A fair and regular Tariff of duties and other dues having now been established, it is to be hoped that the system of smuggling which has heretofore been carried on between English and Chinese merchants - in many cases with the open connivance and collusion of the Chinese Custom house officers - will entirely cease: and the most peremptory Proclamation to all English merchants has been already issued on this subject by the British Plenipotentiary, who will also instruct the different Consuls to strictly watch over, and carefully scrutinise the conduct of all persons, being British subjects, trading under his superintendence. In any positive instance of smuggling coming to the Consul's knowledge he will instantly apprise the Chinese authorities of the fact, and they will proceed to seize and confiscate all goods, whatever their value or nature, that may have been so smuggled, and will also be at liberty if they see fit, to prohibit the ship from which the smuggled goods were landed, from trading further, and to send her/away, as soon as her accounts are adjusted and paid. The Chinese Government officers will at the same time, adopt whatever measures they may think fit with regard to the Chinese merchants and Custom House officers who may be discovered to be concerned in smuggling."

In later years aggrieved traders interpreted this clause, in the light of consular enforcement of it, to mean that the consuls were made the protectors, and hence because of Chinese apathy the sole protectors, of the Imperial revenue. This interpretation was then denied by the British officials,

who argued that the Regulations did not pledge them "to any crusade against smuggling", but merely provided that "in so far as there is a reserved jurisdiction over British subjects, this privilege" should not handicap necessary Chinese measures to protect the revenue. ¹² This is not the only possible interpretation, however, and it must be confessed that in 1843 Article XII of the Regulations was an unknown quantity. At least it epitomized in a single phrase the impracticability of the treaties. On learning of smuggling the Consul will inform the Chinese authorities, "and they will proceed to seize and confiscate". - Why? Who will make them? -

12. Consul Alcock's No. 85 to Benham, Oct. 9, 1850, F.O. 17/176, Public Record Office, London. An F.O. minute dated March 31, 1851, in response to a query by Palmerston suggests that article XII probably originated in a "desire on the part of Sir Henry Pottinger to obtain by this process an additional security against British merchants attempting to evade duties, and so giving rise to contests with the Chinese authorities....." "In the paper of demands first presented by Sir H. Pottinger, it was said, 'No. 10. All Hong merchants to be abolished, and British Merchants to trade with whom they like paying the just dues of the Chinese Government through the Consular officers'. Another reason ... might have been to reconcile the Chinese Government to the abolition of the Hong Monopoly, by giving them a new species of security for obtaining payment of duties, and as said in one of the Chinese letters 'to ensure perspicuity and simplicity'." (F.O. 17/183, ibid.)

4. The Initial Weakness of the Treaty System.

It is plain that the system of commercial regulation which the first treaties sought to establish was experimental. The treaties themselves were utopian in that they were based, as they had to be, on the assumption that the Chinese authorities would for some reason cooperate in their enforcement. The experiment was, to see if this cooperation could be obtained short of a further resort to force, by the persuasive power of treaty clauses, Consuls, British goods and occasional gunboats. Within ten years this experiment had admittedly failed, and the enlarged commercial opportunity desired by the West was secured in the end not through the treaties so much as through elements extraneous to the treaties, - the opium trade, the Taiping Rebellion, the hostilities of 1856-60, and the introduction of foreigners into the custom houses.

Pottinger's Policy. In 1843-4, however, British hopes were high; and Sir Henry Pottinger, who had made the treaties, entered with vigour into the task of enforcing them. To combat the lawlessness which already accompanied the expansion of trade, he formulated conjugate policies, - to throw the burden of preventing the evasion of duties squarely upon the Chinese authorities, on whom in the last analysis it must always rest, and at the same time to discipline British subjects to the full extent of his powers. In a communication to the Canton Viceroy of April 13, 1843, Sir Henry had asserted, as he had done before, that the protection of the Emperor's revenue was the responsibility of the Imperial officials, "the suppression of smuggling must depend on the activity and integrity of the Chinese Custom house officers; . . .

neither British officers, nor people, nor vessels, can be employed in it." ¹³ In accordance with this doctrine the General Regulations of Trade three months later provided (art. II) that "The Chinese Superintendent of Customs at each port will adopt the means that he may judge most proper to prevent the revenue suffering by fraud or smuggling," and the Supplementary Treaty contained the article quoted above.

On the same day that the General Regulations were published, July 22, 1843, the Plenipotentiary wrote to Consul Lay at Canton:

"Should you obtain positive and incontrovertible proof that any British Merchant ship in the river has been or is, engaged in smuggling or evading the payment of the just dues of the Chinese Government, as laid down in the Tariff and Regulations of Trade, you will take immediate measures for intimating the same to the Chinese High Officers and Officers of Customs, in order that they may, if they think proper, put a stop to such vessel either landing or shipping further cargo as the case may be, and you will likewise apprise the master, owner, or consignee of such ships of the steps you have taken, and will acquaint them, that any attempt to carry on their smuggling practices, or to trade in any shape, in opposition to the wishes and directions of the Chinese authorities, will oblige me to have such ships removed from the River." These instructions were also published in a Government notification of the same date.

In October 1843 when Sir Henry heard of British vessels attempting to trade on the coasts of the Yellow Sea (Shantung and Chihli) beyond treaty limits, he suggested to

13. Chinese Repository (Canton 1832-51, E. C. Bridgman and S. W. Williams) May 1843; quoted also in H. B. Morse, The International Relations of the Chinese Empire, vol. I The Period of Conflict 1834-1860 (London 1910, Longmans; cited below as Morse Conflict) p. 320.

14. Pottinger's 290 to Lay, July 22, 1843, in Parkes' 82 to Bowring, July 9, 1857, F.O. 228/235.

the Chinese authorities "that any persons landing from such vessels ought to be seized and not released until they pay a fine of \$1,000 each person." If any attempt should be made by force to release agents so seized, "I shall order the offending vessel wherever she may be found in China if under English Colours to be seized as a Pirate and brought to Hongkong."¹⁵

On January 17, 1844, when he had received word of silk smuggling at Shanghai, Sir Henry wrote to Consul Balfour:-

"Should you have subsequently obtained any certain information of this disgraceful proceeding I depend on your having unscrupulously denounced the parties engaged in it to the Chinese Authorities, and it would afford me great satisfaction to learn that they had not only obliged the vessel receiving the smuggled goods to leave the port, but that they had further refused to admit any vessels belonging to the same persons (or Firm) to entry in future at the Port of Shanghai."¹⁶ More strict instructions than the above could hardly be desired.

In its application, however, consular assistance, theoretically in the cause of the Emperor's "just duties and other dues", soon became consular interference in the private arrangements of the free traders and corrupt Chinese authorities. Within six months after its inception, the new system of regulation met its chief enemy, the opium trade, and came off sadly battered. As is evident from the uncompromising tone of Pottinger's instructions, opium's actual status under the treaties had yet to be defined.

15. Pottinger to Consuls, Circular, Oct. 23, 1843, Govt. House Letters Vol. I, British Consular Archives for Ningpo.

16. Pottinger's 8 to Balfour, Jan. 17, 1844, in Pottinger's 4 to Thom, same date, ibid.

The Amelia and Maingay Case. Toward the beginning of February, 1844, two British vessels, the Amelia brig and Maingay barque, arrived at Shanghai direct from Singapore, both with opium. The Amelia's manifest reported one chest Turkey opium, and Captain Balfour, the Consul, who had opened the port on November 17, 1843, warned the master that opium could not be brought in. The Maingay, meanwhile, had defective papers, no bills of lading for part of the cargo, and no proof of who the supercargoes were. The Consul held an investigation, with two assessors, to decide whether the vessel should be allowed to discharge cargo. The papers were adjudged "very defective and irregular", and the master of the Maingay was warned not to break bulk without permission. Apparently, thus deterred, neither vessel attempted to sell opium within the port. Instead, they transhipped it, contrary to the General Regulations, to the William the IV, which had already cleared out for Hongkong and was about to depart. On getting proof of this, Captain Balfour called on Captain Vyner of H.M.S. Wolf to detain the William the IV. Part of the opium was subsequently sent out of the port in native boats and the rest destroyed.

The fact of transhipment was of course known to the Chinese Authorities, who both countenanced and participated in the opium trade. Hence Consul Balfour was "unaware of the proper course to pursue in a case . . . where the article, although contraband by the laws of China, is not so according to the laws of Great Britain." He did "not consider it to be the duty of the Consular officer to carry out the excise laws of China as regards prohibited articles." But he chose to err on the positive side and on February 10 he notified the Chinese authorities that they were authorized

by the General Regulations to seize the opium transhipped; he fined the William the IV, Amelia and Maingay each \$500 for transhipping without permission; the Amelia and Maingay each \$500 for false manifests; the Maingay \$500 for breaking bulk without permission and \$200 for having irregular papers. Finally, he detained the Amelia and Maingay at Shanghai, their cargo to be disposed of as he might approve, and sent the William the IV to Hongkong under charge of a party from H.M.S. Wolf.

This was action with a vengeance, and Sir Henry Pottinger replied on March 2, 1844, that the fines for false manifests, and for breaking bulk, and the detention of the William the IV would have been quite sufficient. The Consul should merely have recommended the Chinese authorities to prevent the Amelia and Maingay from trading, and on application from the Chinese, turned them out of port, but otherwise done nothing further. Finally, Sir Henry instructed Captain Balfour to get an early interview with the Chinese authorities and to "tell them that whatever is on Record in the Treaties and their accompaniments, will be rigidly enforced by myself and all officers under my authority, but that, whether with regard to the forbidden trade in opium or to smuggling transactions, or transhipments, in legal merchandize, the great remedy lies in their own hands, and that unless they administer it, they must abide the consequent loss of Revenue . . . Copies of this letter will be furnished to her Majesty's other Consuls."¹⁷

Opium, unfortunately, was not "on Record in the Treaties." Being excluded from the treaties, it was thus also excluded from the scope of their new fiscal system. And the new order was obliged, as Consul Alcock later expressed

17. Pottinger's 20 to Balfour, March 2, 1844, in Parkes' 82 of July 9, 1857, F.O. 223/235.

it, to acknowledge the acquaintance of one of the Siamese twins and deny all knowledge of his brother. From this time forward the Consuls generally avoided all reference to the trade and in practice tried to preserve the fiction that it did not exist.

American and French Treaties. The treaty system received a second blow from the American and French Treaties of July 3 and October 24, 1844. The American treaty provided for an annual consular trade report to the Viceroy (art. XXIII) but neither it nor the French Treaty provided for any sort of consular assistance or interference in protecting the Chinese revenue.¹⁸ The lack of a consular service composed of officials rather than of merchant-consuls, as well as the example of British difficulties, seems quite sufficient to account for these omissions by Mr. Cushing and M. de Lagrené, who in most respects followed the British example. Whatever the explanation, the American and French treaties left the British in diplomatic isolation. Given the constant factor of Chinese weakness, indifference, or corruption, from which all foreigners might profit, the system of consular supervision established by the British treaties must either remain a dead letter or penalize the British merchant.

18. P. S. Forbes, U.S. Consul at Canton, in 1853 reported that "no annual statements of the amount of duties has been made to the authorities, for the reason that said duties were collected by the Chinese authorities themselves, and could only be obtained from them [sic], or by making a Custom House of the Consulate." (encl. F in Marshall's 13, April 28, 1853, China 8, Archives of the Dept. of State, Washington, D.C., - cited below by volume number only).

Cushing himself explained (No. 71 to Nelson, July 5, 1844, China 2) that "by the English treaties the Consul is security for the payment of duties and is bound to prosecute for all infractions of the revenue laws of China. This is to transfer to the British Government the office and responsibility of paying duties, which involves much of regulation and of form in the prosecution of trade, which experience has already shown to be inconvenient to the subjects, as well as the Government of Great Britain. All this is avoided in the Treaty of Wanghia by making the duties payable in cash, which is perfectly acceptable to the merchant, and in accordance with the course of business in China."

II. The Scene in 1850.

Even the outlines of the nineteenth century in China are as yet so vague that it seems desirable before proceeding with the story of the origin of the Foreign Inspectorate of Customs to indicate briefly the background from which it eventually emerged. The last chapter dealt with the institution's forbears, the traditional Chinese manner of regulating trade and the foreign system envisaged by the first treaties; of which in a sense the Inspectorate was the offspring. It is now time to sketch its pre-natal environment, the conditions of foreign trade and diplomacy in China about the year 1850 as seen from the foreign and the Chinese sides.

1. The Foreign Side of the Picture: the Treaty Ports.

The mechanism of the British commercial penetration of China may be likened to a long arm stretching through India and the Straits to Hongkong, from which five fingers clutched the Chinese mainland. In the case of the consular service and of the opium trade, the relatively constructive and destructive aspects of British expansion, there is a rough verisimilitude, for the Superintendent of British Trade, who was concurrently H.M.'s Minister Plenipotentiary to China and Governor of Hongkong, was the administrative head to whom the Consuls looked for instructions and approval, while the beautiful harbor of Hongkong and its city of Victoria were the entrepôt where opium fresh from India was stored and shipped as the market dictated to the receiving stations on the rocky southeast coast of China. By 1850, almost two decades after the illegal expansion from Canton began on a large scale and a decade after its legalization, the hand and fingers of British penetration were well articulated and their grip firmly established.

Treaty Port Topography. A natural law, or an unconscious rule of thumb derived from experience, seems to have governed the choice of treaty port sites and the manner of their settlement. The similarity between them is so striking, indeed, that it would be worth while to describe the topography of each port in succession.

Hongkong (香港)¹ illustrated the basic principle. There the foreign settlement on its mountainous island was separated from Kowloon (九龍) on the Chinese mainland by the waters of the harbour. Having two entrances, the

1. Characters given to facilitate reference to Chinese maps.

harbour provided not only protection from the mainland and shelter from storms but also facilities of communication which could not easily be blockaded, supposing the attempt should ever be made. Amoy (Hsia-men 廈門) and, later, Swatow (汕頭) were on a similar plan: the foreign settlement at Amoy on the island of Kulangsu (鼓浪嶼) was separated from the walled Chinese city, on a yet bigger island, by the harbour between them, which of course had two entrances. There also the foreigners came to control their island, on which they escaped the disorders which were then likely, as in 1853, to terrorize the Chinese city. At Foochow (福州) the problem of protection was more difficult because ocean-going ships could ascend the River Min (閩江) only as far as Pagoda (羅星 Lo Hsing) Anchorage, some twenty-five miles from the sea but still nine miles short of the walled provincial capital. The foreign settlement, on the big island of Nan-t'ai (南台) in the river opposite the Chinese city, followed the usual protective formula in being separated from the center of Chinese population by the stream on which cargoes were conveyed by lighter to and from Pagoda Anchorage. But this situation entailed disadvantages as well as benefits. The foreign sailors, whose unruliness often tended to disturb local Sino-foreign relations, were at a distance; but so also were the guns of the men of war, so useful if relations should be ruptured. At Canton (廣州) the foreign seafaring population were similarly kept with the shipping twelve miles downstream at Whampoa (黃浦), but there gunboats could ascend and anchor off the foreign factories. Ningpo (寧波) and Shanghai (上海) followed a similar pattern. In both cases the foreign settlements were situated outside Chinese walled cities on the banks of navigable rivers, the Yung (涌江) and the Whangpu (黃浦), and some eleven and twelve miles, respectively, from their

mouths. At Ningpo the confluence of the river's two branches formed a peninsula on which the foreigners settled, across from the city. At Shanghai the settlement was bounded on the east and north sides by the Whangpu and the Soochow creek (in Chinese, Wusung River 吳淞江) and separated from the Chinese city on the south by still another creek; yet within ten years it became necessary to enlarge another watercourse on the west, "called Defence Creek, running north and south and connecting the three others. The English and French settlements united thus occupy a strong strategic position for defence, and together form what may be called an irregularly shaped island."² This was as late as 1900.

In all these cases the foreigners kept a body of water between themselves and the native population. The significance of this fact is increased if one notes that it was the merchants, not the consular officials, who sought this protection. At Amoy the British consulate was originally established in the city and for purposes of prestige the Consul proposed to live in a former official yamen within the city and far from the port.³ This was done partly in order to assert the claim of the foreigner to reside within the city walls, a claim which the Cantonese in particular were loathe to allow until coerced by the hostilities of 1856-58. For the same reason at Foochow, after deference to local

2. E. H. Parker, China Past and Present (London 1903, Chapman and Hall) p. 160. For descriptions of the above topography cf. Meyers, Dennys, and Ying, The Treaty Ports of China and Japan. (London 1867, Trubner); Morrison's Chinese Commercial Guide. (2nd ed. Macao 1844, S. Wells Williams; 4th ed. Canton 1856, Chinese Repository office; 5th ed. Hongkong 1864, Shortrede).

3. Capt. Henry Gribble, opened Amoy to British trade on Nov. 2, 1843 and "fixed on a Hong near the Hai Kwan's office," i. e. Custom House, for the British Consulate. Rutherford Alcock took charge on Nov. 7, 1844, and in February 1845 agreed to the building of a Consulate with Chinese capital on the old site of the Taotai's yamen in the city. G. Tradescant Lay took charge Apr. 5, 1845 and on Aug. 12 moved the consular establishment to Kulangsu. (Despatches to Superintendency, British Consulate Archives, Amoy.)

prejudice had not advanced foreign prestige, the British Consulate was established in a temple on the Black Rock Hill (烏石山 Wu Shih Shan) where it dominated the entire city but was some three miles distant from the commercial settlement where business was transacted.⁴ Likewise at Shanghai the first consulate was opened, temporarily, within the city walls.⁵ But here, as at Amoy and Foochow also, the diplomatic officials, once they had established the right of entrance to the city, were content to locate their offices in the new and growing foreign settlements.

The formula for the location of these early treaty-port settlements would appear, then, to involve an area of usable land large enough for expansion, adjacent to the Chinese city and to the body of water on which commerce was borne, and separated from the former by the protective boundary of the same or another waterway. The following of this formula was seen at Canton after the Arrow war in the construction of the island of Shameen (沙面), where expansion, accessibility, and protection were all provided for.

Treaty Port Culture. The similarity between the ports was more than topographical. Laws might be worked out to describe many aspects of treaty-port life, from which it could be seen that the anchorage, the bund, the club, the church and cemetery, the consulate, the racecourse, all can

4. Consul Alcock concluded a lease early in 1846, "The Consulate as originally rented, consisted of a Buddhist Temple and Sheds, the whole in a state of dilapidation and decay." A three room cottage was built and the main temple building repaired by the Chinese authorities, who thereafter received \$298 annually as 10% interest on their investment, plus \$600 rent. After the port's awakening in 1854, Consul Medhurst paid the first three months' rent for a Consulate site on Nan-t'ai on Mar. 31, 1855, and thereafter proposed to give up all but a part of the temple in the city. (Despatches to Superintendency, British Consulate Archives; Foochow.) Cf. S. W. Williams, Chinese Commercial Guide (ed. 1863) p. 185.

5. Chinese Commercial Guide (ed. 1844) p. 198.

be regarded as integral manifestations of an early treaty-port culture, which in ethnological terms may be said to have been closely affiliated to the British-Indian culture of the day, and which produced its own substantial style of square colonnaded or arcaded architecture, its own type of local and vitriolic personal feud, its own form of scholar, - the sinologue who took all Chinese learning for his province, - and its own point of view toward China and the Chinese, - that intransigently disillusioned view now termed "the Shanghai Mind." Cut off as the early ports were in the period here spoken of, when the telegraph reached only from England to Italy and steamers and mails were infrequent, it was natural that the foreign communities in China should be thrown upon their own resources. The additional fact that commercial partners and assistants, as well as consular officers and to a less extent missionaries, were transferred periodically from port to port, and that as late as 1850 many of the leaders in trade and evangelism were still of the pre-treaty generation who had once lived crowded together at Canton and Macao, made the ports really one community, as they are to some extent even now. Their early position also, perched precariously on the very rim of a teeming continent, exposed to a hostility which was more cultural than political but at times nonetheless perceptible, created an underlying solidarity among the foreign residents.

Population. In 1850 this foreign community in Hongkong and the five ports, Macao excluded, totalled roughly 1000 adult males, of whom forty per cent (404) were at Hongkong and almost as many at Canton (362), while of the new ports Shanghai already led with a population of 141, and Amoy (29), Foochow (10), and Ningpo (19) remained almost uninhabited. In the following eight year period with which this study deals, up to the beginning of hostilities in 1856 there was little change in these figures except that Shanghai almost

38

doubled in population and became plainly destined to eclipse
6
Canton in trade. In short, the foreign advance was based
upon Canton and Hongkong but its spearhead, pointing toward
the Yangtze valley, was at Shanghai. Until the accident of
rebellion inland diverted much of the tea trade to Foochow
after 1854, that port and Amoy and Ningpo remained symbols
of thwarted hope, sequestered enclaves off the main line of
attack.

The Spirit of Imperialism. The spirit of the treaty port
community was on the whole intensely acquisitive. The
merchants worked for immediate gain, the consuls planned
for future expansion, and the missionaries were eager for
the souls of the heathen. To all these groups, moreover,
laws and their observance were desirable, but desirable
chiefly as expedient concomitants to the realization of
expansive aims. The consuls strenuously upheld the treaties,
insofar as they facilitated the foreign advance. The larger
firms advocated legal methods of trade, insofar as these
conduced over a long period to regularity and security of
trade, while the small traders and adventurers, desiring
quick profits, did not always follow their lead. The
missionaries themselves did not scruple to venture in disguise
outside treaty-port limits, transgressing treaty law in
answer to a higher one.
7
Thus the treaty port community was
to a large extent a psychological unit, aggressive and
expansive, much as the ideals of merchant and missionary

6. Statistics summarized in Morse Conflict p. 346. cf. Anglo-Chinese Calendar, various years (ed. 1841-48 by F. C. Bridgman, 1849-56 by S. W. Williams); Shanghai Almanac (Pub. annually from 1851 by the North China Herald, Shanghai).

7. By 1856 it was not unusual for pioneer evangelists like Wm. Burns and Hudson Taylor to spend over a month at a time outside the port settlements, often as far as 30 miles beyond the port limits of 20 miles, cf. Rev. I. Burns, Memoir of the Rev. Wm. C. Burns (London 1870) pp. 435-458 passim.

might differ in form of expression. The testimony of both groups indicates this.

"In two or three years at farthest I hope to realize a fortune and get away," confessed a Shanghai merchant to his Consul, "and what can it matter to me if all Shanghai disappear afterwards in fire or flood? You must not expect men in my position to condemn themselves to prolonged exile in an unhealthy climate for the benefit of posterity. We are money-making, practical men. Our business is to make money, as much and as fast as we can:- and for this end all modes or means are good which the law permits."⁸

Meanwhile with a broader view the Consul was voicing in his reports the battle cry of commercial expansion. For England, he wrote, who has "explored and worked the markets of every other country in the world, . . . China alone remains a virgin soil, with a population numbering probably more than a third of the whole human race, with facilities of trade which no other empire of similar extent ever enjoyed, and with ready formed capabilities of consumption which once fairly allowed free development promise to open up sources of wealth which time can scarcely exhaust. As a nation to whom the necessity of commercial expansion is a law of existence and national power," we should use every effort "to secure the advantages so nearly within our grasp."⁹

In different terms the missionary expressed the same state of mind. Hudson Taylor, founder of the China Inland Mission, who came to China in 1854, saw also the vastness of the interior, but saw it as a field for evangelism. ". . . a million a month were dying in that land," he said

8. Sir R. Alcock, The Capital of the Tycoon, (London 1863) Vol. 1, p. 38.

9. Alcock to Bonham, Feb. 13, 1850, encl. in Bonham to Palmerston, April 15, 1850, F.O. 17/166.

later, "dying without God. This was burned into my very soul. For two or three months the conflict was intense. I scarcely slept night or day more than an hour at a time, and feared I should lose my reason. . . . I felt I must refrain as long as possible from laying on [my wife] a burden so crushing, - these souls, and what eternity must mean for every one of them, and what the Gospel might do, would do, for all who believed, if we would take it to them."¹⁰

Missions. Catholic missions, so extensive in the interior, had but little connection with the recent commercial expansion on the coast. But the Protestant missionaries in the treaty port community made great practical contributions to it. From 1807, when Robert Morrison began his indefatigable labors, their number had grown to about seventy-four workers in 1850, among whom half had families also residing with them. Forty-three of these workers, and eight out of the fifteen societies which they represented, were American. Twenty-five persons and four societies were English, the remainder being Swedish, Swiss, and German. Together they maintained four printing presses, two dispensaries, and three hospitals, and they included a large proportion of the doctors of medicine and students of Chinese to be found in the ports.¹¹ Missionaries had written the first dictionaries, had done most of the interpreting necessary in Sino-foreign diplomacy, and still led the way in the study of Chinese civilization. They frequently represented the American Government as diplomats and together with some of the British Consuls added a very necessary leaven of idealism and learning to a community that

10. Dr. and Mrs. Howard Taylor, Hudson Taylor and the China Inland Mission: the Growth of a Work of God. (London 1919, C.I.M.) p. 31.

11. Anglo-Chinese Calendar 1851 (Canton, Chin. Repository) pp. 100-102.

stood much in need of both.

The Mercantile Community. In the early 1850's there were in China some two hundred business concerns engaged in trade or connected with it. (To make such a total one must include ship-chandlers, bankers, watchmakers, storekeepers, physicians, architects, publishers, steamship agents, and the various branches of firms, many of which were represented at all the three larger settlements). Of this number usually a half were English and almost a quarter were Parsee or Indian, making the British share almost three quarters of the whole. Among the remaining fifty odd, Continental and American firms were about equal in number; but the ships of the latter carried a third, and at Shanghai almost a half, of the foreign trade; while the French and Swiss monopolized chiefly the wine and watch-making businesses and the countries of northern Europe seldom even had their own nationals to represent them as consuls. In short the British predominated and set the style and the Americans were their competitors, particularly in the carrying trade. A dozen British firms practically monopolized the insurance business, acting as agents for double that number of insurance companies in London, Calcutta, and Bombay. In the tea and silk export trade the large firms maintained their own fleets of sailing ships, while the smaller chartered vessels for single voyages or acted as local consignees and agents for their correspondents in London, Liverpool, and New York, making their profits in the form of commissions as well as through investment in cargoes of goods. Thus the

12. K. S. Latourette, A History of Christian Missions in China (New York 1929, Macmillan) pp. 245-270, gives eloquent statistics for this period.

13. Cf. lists of residents and firms in the Anglo-Chinese Calendar 1851; Shanghai Almanac 1854, 1855, 1857; China Directory 1861, 1864; North China Herald, Shanghai; China Mail, Hongkong.

merchants of the treaty ports were but a fraction of those concerned in the China trade. Their constituents in England and America, the members particularly of the two East India and China Associations of London and Liverpool, had also a vital interest in it which they did not hesitate to express.

Treaty-Port Life. The treaty port merchants' life in the middle of the century followed the general routine of Company days, in that periods of leisure were punctuated by the feverish activity attendant upon the arrivals and departures of the mail and of vessels bearing consignments. Since correspondents and senior partners were usually at a distance, at Hongkong or in England or America, the local representatives or agents of big firms bore responsibilities and took decisions on a scale which the telegraph was soon to make unnecessary. In keeping with their importance, they maintained baronial establishments and upheld the tradition of treaty port hospitality. A large firm would include on its European staff, besides the Taipan or resident head, a silk inspector (known as "grub"), a bookkeeper ("books"), and a tea-taster or "expectorator," who might get 300 to 600 a year for his gustatory ability and the abstemious life which preserved it. Daily the news was circulated by the "guppists" (those who gossiped) along the local bund¹⁴ and at the larger ports by the weekly newspapers.¹⁵ Table-boys, chair-bearers, and all manner of servants were cheap and living was sumptuous. The Shanghailanders of the period used to "begin dinner with rich soup, and a glass of sherry; then one of two side dishes with champagne; then some beef, mutton, or fowls and bacon, with more champagne, or beer; then rice and curry and ham; afterwards

14. Anon., The Englishman in China (1860) p. 30-31.

15. In Hongkong during this period the Friend of China, semi-weekly, began 1841, the China Mail, (cited below as CM) weekly, began 1846; in Shanghai the North China Herald (cited below as NCH) weekly, began 1850. For details cf. bibliography.

game; then pudding, pastry, jelly, custard, or blancmange, and more champagne; then cheese and salad, and bread and butter, and a glass of port wine; then in many cases, oranges, figs, raisins, and walnuts with two or three glasses of claret or some other wine." In view of the illness resulting from a diet appropriate, if at all, to the English winter, an experienced Shanghai physician counselled moderation, - "for breakfast a mutton chop, fresh eggs, curry and bread -
and - butter, with coffee or tea, or claret and water."¹⁶

As to amusements other than gastronomical, there were usually facilities for sailing or rowing, and opportunities for shooting, riding, and making excursions by houseboat or by chair (the ricksha being unknown) to temples or beauty spots outside the port but within the limits of a day's journey imposed by treaty. When winter discouraged outdoor activities there were amateur dramatics such as those at the Theatre Royal in Shanghai where often "the usual brilliant assemblage of the fair, and full attendance of the sterner sex, graced the pretty little theatre" and applauded "Love, Law, and Physic," "High Life Belowstairs," or "The Infanticidal Farce
of Did you ever send your wife to Gamberwell?"¹⁷ In 1857 the Shanghai Literary and Scientific Society, forerunner of the North China Branch of the Royal Asiatic Society, was organized to investigate "chiefly, though not exclusively, the Empire of China and the surrounding nations," and thereafter held monthly sessions with a membership of both merchants and missionaries, using at first the premises of the Masonic
Lodge¹⁸ which had early been established in Hongkong, Canton, and Shanghai.

16. Mayers, Treaty Ports, pp. 396-7.

17. NCH Feb. 1, 1851; Feb. 23, 1856. Other titles included "Bombastes Furioso," "Slasher and Crasher," "Diamond cut Diamond."

18. NCH Sept. 26, 1857. The "Royal Asiatic Society of China" had been organized at Hongkong ten years before. (CM Jan. 21, 1847).

2. The Mechanics of Imperialist Expansion.

Throughout the 1850's the foreign community in China continued to expand with almost explosive energy. The pressure of competition, the avidity of the trader, soon found and developed certain machinery by which expansion was immeasurably facilitated and without which the opening up of China would have been a slower, though perhaps a happier, process.

Role of The Cantonese. One part of this machinery, which should be noted if merely for the trouble which it caused, was the use at the northern ports of Cantonese compradors, linguists, and domestics brought up from the south in the establishments of the foreign traders. As at Canton the foreigner had been helpless without his local servants, to whom he gave orders in pidgin English and who often knew many aspects of his business, usually the less savory, better than he did himself, so at the new ports he remained for some time dependent upon them. No doubt this was due largely to the lack of any language in which the natives of Kiangsu and of Glasgow, for instance, could communicate. The foreigner was inclined to ascribe it simply to imbecility on the part of the natives, who appeared to him to be "as nearly devoid of intellect as is compatible with the existence of a human conformation," and quite different from "the brisk and handy natives of the South."¹⁹ At any rate the arrival of the foreigner at ports like Foochow and Shanghai meant the arrival of the Cantonese also, and it is a question if the latter

19. Mayers, Treaty Ports, p. 376.

were not more hated than the former.

Role of the Receiving Stations. Still another integral part of treaty port life, as of the business conducted there, was the opium trade carried on at the receiving stations outside each port and along the coast. The number of these stations was usually double that of the ports. In their shipping lists the China Mail and other papers devoted a separate table to receiving ships. In 1846 some forty of them, with their flag, tonnage, owners, and captains, would commonly be listed and divided among the following stations: Hongkong; Cumsingmoon (金星門), "a fine bay about twelve miles north of Macao, from whence it may be reached overland";²¹ Macao, where there was only a Portuguese vessel; Namoa (南澳 Nan-ao) a large island off Swatow on the Kwangtung coast just below the Fukien border; Amoy; Chimo or Chimmo (集美 P.O. Atlas, Tsimei) on the mainland a little to the north of Amoy; Chinchew (泉州 Chuan-chou, Arab Zaytun) in the middle of the Fukien coastline; Foochow; Chusan (舟山), the island off the Chekiang coast outside Ningpo which once had rivalled Hongkong as a prospective depot for British goods and which was held after the first war until July 1846 as a pledge for the payment of the indemnity; and finally Wusung (吳淞) at the entrance²² to Shanghai.

It was significant that two firms had receiving

20. Shortly after opening the port, Consul Jay at Foochow publicly stated "his determination that no Cantonman speaking English shall enter the consulate on any pretext whatsoever. Any aid in the way of shroffing money, purchasing provisions, or communicating with the people the Officiating Consul will provide himself. Merchants and Captains are warned by him against bringing up men who are mixed up in a well organized system of fraud and villainy and who by oppressing the natives and contracting large debts have reduced themselves to objects of fear and detestation." (Government Notif., Hongkong, Feb. 15, CM Feb. 20, 1845).

21. Chin. Comm. Guide (ed. 1844) p. 68.

22. China Mail, Dec. 17, 1846, et passim.

ships at as many as eight of these stations. These two were Jardine Matheson and Co. and Dent and Co., whose quasi-monopoly of the opium trade was already established. Their nearest competitors were Gilman and Co., who then maintained five vessels but later dropped out of the running. No other firm was represented at more than two stations, and these two were usually Cumsingmoon (for Canton) and Wusung (for Shanghai), where there were, respectively, some 8 and 12 vessels. Elsewhere, on all the coast between, the two ships of J. M. and Co. and of Dent and Co., with perhaps that of a third firm, were²³ at each port the sole permanent purveyors of drug.

The tendency was for the opium trade as it grew in volume to shift its channels into the ports. Receiving vessels moved to Lookong and Chinhai (鎮海) at the entrance to Ningpo.²⁴ Later receiving ships began to be dispensed with, their numbers grew fewer, and opium began to make its way into the ports directly.

Even before that time, however, opium clippers and opium stations had become indispensable to the ports and the legal trade conducted there. The clippers carried mail, not only from India but along the coast of China. Not only that, at the smaller ports they at times carried missionaries and²⁵ British consular officers and even the despatches of Her

23. "We do not believe that if the question was put to the partners of either firm they would hesitate to admit that at several ports the commanders of their respective receiving ships arrange prices in the morning and divide sales in the afternoon, and that should a stranger drop into the bay, prices are reduced \$50 to \$100 until he is forced to seek another market." (CM March 2, 1848, quoting Friend of China, March 1, 1848).

24. CM Sept. 10, 1846.

25. In 1848 a member of the British consular staff at Foochow apparently took passage to Hongkong in the opium clipper Denia (Dent and Co.) to save his health. (Jackson's 10, Feb. 17, 1848, despatch cancelled, Letters to Superintendency, Brit. Cons. Arch., Foochow). Jackson's 7 (Jan. 31, 1848, ibid.) acknowledges despatches received via the clipper Zephyr (Dent and Co.).

Majesty's Government, for in the dearth of legal trade they were the only available means of communication. The role of opium as a means of paying for teas and silks, already noted, was effectively dramatized when the written orders of opium merchants, for delivery of drug from their receiving ships, circulated like bank notes and were given in payment not only for teas but sometimes as well for legal customs duties on the teas.²⁶

Influence of Opium. The evil which opium did was by no means confined to the demoralization of its consumers and of the Chinese officials who profited by conniving at it. It is true that it did not continue in the 1850's to drain off silver and so upset the internal economy of China, for foreign vessels in that period brought more bullion than they took away.²⁷ But it was asserted at the time, and seems likely, that by absorbing what floating capital there was in China the traffic contributed to the restriction of the market for British manufactured goods.²⁸

Hongkong and Opium. The original object of the British in demanding Hongkong had been to obtain, in Palmerston's words, "a place of residence and of commerce for British Subjects; where their persons may be safe from molestation, and where their Property may be secure."²⁹ The words of the Treaty, that Hongkong was ceded to the English as "a Port whereat they

26. Opium, "formerly invariably paid for in cash, has of late been bartered to a considerable extent for China produce." (CM June 25, 1846). This tendency continued in the 1850's.

27. Morse, Conflict p. 467; A. J. Sargent, Anglo-Chinese Commerce and Diplomacy (Oxford 1907, Clarendon Press) p. 140

28. Cf. J. MacDonald to Consul Harvey, at Bonham's request, July 11, 1850, F.O. 17/175. MacDonald, after six years residence and experience inland, declared the greatest obstacle to British trade was the absorption by opium of what little floating capital there was.

29. Palmerston to the Minister of the Emperor, Feb. 20, 1840, printed in Morse Conflict App. A. p. 621.

may careen and refit their ships, . . . and keep Stores for that purpose,"³⁰ were plainly euphemious and the original proposal that a Chinese Custom House should collect the Emperor's duties there was never revived. But this does not imply that Hongkong was sought as an opium depot. On the contrary, there is every indication that the British Government in London wished to keep the island free from contamination with opium. Lord Aberdeen wrote to Sir Henry Pottinger, in terms worth quoting at length, that H. M.'s Government "have not the power to put a stop to this trade on the part of the British Smuggler; but they may perhaps impede it in some degree by preventing the Island of Hong Kong or its neighboring waters from being used as the point from which British Smugglers shall depart on their illegal adventures, . . . the Queen cannot prohibit the importation of Opium into Hong Kong; but . . . you will have the power to prohibit the importation of Opium into Hong Kong for the purpose of exportation, or its deposit on receiving Vessels in the waters of Hong Kong for the same purpose. You will also have the power to prevent Vessels with Cargoes of Opium from frequenting the Port of Hong Kong on their way to the Coasts of China . . . so long as the prohibition against the introduction of Opium into China is absolute, Her Majesty's Government can do no more for China in that respect than prevent the Island of Hong Kong from being a resort and Market for the British Smuggler."³¹

The spirit of these instructions was manifest in Pottinger's first declarations against the trade, noted in the preceding chapter. But the great expectations of the

30. Treaty of Wanking, Art. III.

31. Aberdeen's no. 7 to Pottinger, Jan. 4, 1843, printed in Morse Conflict, App. P., p. 668.

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early 1840's, that Hongkong would become "the grand emporium of Eastern Asia, another Carthage, with a population equal to that of Ancient Rome"³² and would supersede Canton as the seat of trade in South China,³³ had gradually evaporated. The security afforded by the colony was not so necessary to the legal trade as had been imagined; and the Americans, Britain's chief competitors, had stayed at Canton and kept their legation and warships at Macao. Similarly the elaborate treaty clauses which had been designed to facilitate a Chinese junk trade with the mainland remained unused and forgotten. There was no denying that to ship teas from the ports to Hongkong for transshipment would merely make extra work for the foreign merchant and, if Chinese junks were used, would increase the risks of storm and piracy. Any junk trade that developed must therefore be in Chinese hands. But by treaty such a trade could come only from the five ports, under passes from the Chinese authorities there,³⁴ who appear to have seen to it that such a trade did not develop. The remaining possibility was that Hongkong should become a center to which Chinese craft from the coast, disregarding the treaty, could bring native goods and take away opium; but this was discouraged by the two houses that monopolized the opium trade on the coast and wished to preserve their monopoly. Unused as an emporium for teas and silks, and deprived of a native trade in opium, Hongkong thus remained principally a depot for the

32. W. H. Mitchell to Bonham, Nov. 1, 1850, (in Bonham's 114 of 1850, in Merivale to Addington, Mar. 15, 1851, F.O. 17/183), quoting Pottinger.

33. Ibid. quoting Sir J. F. Davis.

34. British Supplementary Treaty, Art. XIII, XIV, XV, XVI. Concisely discussed in S. F. Wright, Hongkong and the Chinese Customs (VI Inspectorate Series: no. 7 Confidential, Shanghai 1930) pp. 3-4.

foreign drug. A few details will make this clear.

To begin with, the colony became a cheap and convenient warehouse for the opium brought from India. In 1850 an experienced local official, at the Governor's request, drew up a memorandum in which he estimated that "fully 3/4ths of the entire Opium Crops from 1845 to 1849 inclusive were deposited in and reshipped from this harbour." Taking the total arrivals from India to be 220, 717 chests, at \$500 a chest the value of the three-quarters stored at Hongkong would be some \$82,700,000 or 18,450,000.

35. Memo. by W. H. Mitchell, Nov. 1, 1850, written at Bonham's request (in Bonham's 114 Misc. to Grey, Dec. 28, 1850, copy in Merivale to Addington, 15 March, 1851, FO 17/183). Mitchell had been a consular assistant at Amoy in 1844; later a merchant; on March 28, 1850, already a justice of the peace at Hongkong, he was "appointed to officiate as Assistant Police Magistrate, Sheriff, Provost Marshal, Coroner, and Marshal of the Vice-admiralty Court." (Minutes of Exec. and Legis. Councils, Hongkong, 1848-53, C.O. 131/2). He was given 12 months leave about March 22, 1853, later extended six months (C.O. 403/6). In June 1856 he was accused of extorting money from prisoners while in the office of Sheriff and Acting Chief Magistrate. Labouchere at the Colonial Office found the evidence conflicting and replied in August 1856 that he wished to hear nothing more of the case, whatever happened. There is no evidence that Mitchell had any animus against the opium firms. Mitchell appended the following tables:

Bengal Opium imported into China from 1845 to 1849 inclusive.

1845.....	18792
1846.....	20000
1847.....	21650
1848.....	28000
1849.....	36000
	Chests <u>124442</u>

Bombay Opium imported into China from 1845 to 1849 inclusive.

1845.....	20660
1846.....	19063
1847.....	20523
1848.....	17479
1849.....	18532
	Chests <u>96275</u>

Bengal 124442; Bombay 96275; Total chests 220717.

Dr. H. B. Morse (Conflict, table p. 556) gives 212,407 chests as the total shipments from India 1845-9 and 175,407 chests as the estimated consumption in China. Perhaps Mitchell made an error in assuming that all opium which left India reached China. Such an error would not invalidate his contention regarding Hongkong's relative importance.

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From this the Colony benefitted indirectly through an increase in the shipping which used the port and spent money in it, while the firms made tangible savings. Protected by the Murray battery, Jardine's receiving ship, the Bomanjee Horousjee, could dispense with the crew and armament it had formerly needed at Cumsingmoon and save almost \$2000 a month in salaries alone. Dent and Co. had even begun to store their opium in a godown on shore. Minor firms receiving from India no more than fifty chests at a time could save money by storing them in the colony, instead of in another firm's receiving ship on the coast at a charge of five dollars a chest every month.

Within the colony, meanwhile, the retail trade disposed of some 250 chests a month, worth about \$125,000, which passed in succession through the hands of the merchants licensed by Government to sell it, of the brokers who disposed of it to the refiners, and of the retail merchants who supplied the Chinese consuming public, leaving a bit of profit with each. At first the Colonial Government had given an opium monopoly to the highest bidder, ³⁶ who sought to profit by monopoly prices and to maintain them by limiting the supply. Later a licensing system had been substituted and the several licensed merchants could profit only in proportion as they increased their sales. As the supply increased, opium

36. Under Ordinance 21 of 1844, on Feb. 28, 1845, "the exclusive privilege of retailing opium in any quantity less than 1 chest within the Colony" was disposed of by public auction (China Mail, Feb. 20, 1845). George Duddell and Alexander Martin Mathieson (d. Aug. 9, 1845, CM Aug. 14, 1845) were given the monopoly for one year from March 10 (CM Mar. 13, 1845.) Their monopoly was difficult to enforce because persons accused of violating it could avoid punishment by asserting that they had intended to sell their opium outside the Colony. (CM May 1, 1845). Accordingly the ordinance was amended to include opium for consumption in the Colony or otherwise, the current monopoly was cancelled on July 16, and on Aug. 1, 1845, a monopoly under the amended terms was auctioned off. (CM July 3, 1845).

in small amounts had become the chief mode of remitting funds to the nearby ports on the mainland. The official above quoted described how "The passage boats ply unceasingly, carrying to and fro the shopkeeper, the artizan, the coolie, and the adventurer, together with those endless small wares which a Chinese population requires. The capital upon which the shopkeeper is trading here is probably borrowed at interest in his native village, and in paying up either the interest or principal, he remits opium instead of money, - the same of all the other working classes as to the mode they prefer of sending home their savings: and the same of the remittances for the small wares alluded to above."³⁷

Profitable as it might be to develop a market for opium at Hongkong, however, the two leading firms preferred to restrict it in favor of the market on the coast which they could more easily monopolize. Their policy was to retard the growth of the opium trade at Hongkong in order that it might flourish more profitably elsewhere. Accordingly, if too great a number of smugglers ventured to come from the coast to buy their opium supplies at Hongkong, instead of at the receiving ships, Jardine Matheson and Dent would, after their departure, flood the Hongkong market, and by lowering prices would so ruin the coast smugglers' ventures that they would remain content to buy from the receiving ships as before.³⁸

37. Mitchell's memo. as above, note 35.

38. "Really it is a matter of immense surprise to me how Hongkong has any trade of any kind whatever. Here we have these two powerful Houses making heavy pecuniary sacrifices every other month, to beat back to the Coast, any trade which may try to force its way down to this Colony, and thereby utterly shutting out the sugars and coarse drugs, such as Camphor and Alum and similar stuffs, which the native coasters would otherwise bring down to us. This in itself would be hard enough for any young Colony to contend with. But, when in addition to this, our Treaty with China limits all Junk traffic with this port to Junks clearing out of the Five Ports, and places even these under the most vexatious restrictions - my repeated wonder is that the Colony has any trade at all." (Memo. by Mitchell above quoted).

Similarly they had been able at times, through their subsidiary insurance companies, to embarrass competition by withholding insurance from rivals's vessels.

Eventually the power of these houses came to be challenged, largely through the increase of steam communication. In 1850 the P. and O. Co.'s steamer Canton and another, the Juno, began "to throw heavy opposition supplies into the Amoy Station, so that it will likely absorb into itself all the trade of the neighbouring anchorages, including that of Namoa; the effect of which would be to give this Colony the supplying of the immediate line of Coast between Namoa and this place, and to raise up a productive barter trade in Sugar and Indian produce."

In the period discussed below the intestine struggles in the contraband trade provide one of its most intricate aspects. By degrees the trade grew more diversified, monopoly became impossible, and with the inauguration of a steam packet service to Canton, swifter and more safe than lorchas, Hongkong at last began to fulfil its intended function as a bonded warehouse for legal merchandise. Already in 1850 its prospects were becoming brighter as a result of trans-Pacific trade inspired by the gold rush in California and the beginning of coolie emigration to both North and South America.

The Consular Establishments. If the opium trade and convoying, blackmail, piracy, and the crimping of coolies formed the darker side of the foreign advance, it is no less certain that

39. In 1848 the Amoy Packet, built at Hongkong by Murrow & Co. for the coast trade and judged by a competent surveyor to be "staunch and tight and fit to carry a dry and perishable cargo to any part of the world," was refused insurance from Hongkong to Amoy by the local insurance offices at Hongkong and therefore by the agents of companies in India. "The Amoy Packet is not the first instance of such refusal . . . man is a prejudiced selfish animal . . . we opine that the leading houses, wealthy and powerful as they are, still participate in the infirmities entailed upon erring humanity." (Friend of China, Mar. 1, quoted in ON, Mar. 2, 1848).

40. Memo. by Mitchell, above quoted.

the foreign consuls, by their efforts to establish the rule of western-made laws and treaties, no less definitely provided a lighter side. In this as in other respects Great Britain had taken the lead. In building up the China Consular Service, the British Government had at first made use of former servants of the East India Company, whose experience in the Far East was of initial advantage. But after the departure of Sir John Davis in 1847 and the death of several members of the treaty-making generation, the post of Minister and the Consulships were filled with new men, who retained no memory of the ancient monopolies and who usually shared the free-trading spirit of the communities they governed. By 1850 the China service consisted of some thirty Britishers, of whom four were consuls, four were Vice-Consuls, and ten were assistants. The Chinese Secretary and his Assistant Secretary at Hongkong and the five Interpreters at the ports formed a hierarchy which paralleled that of the Plenipotentiary and his Consuls. In addition there was in each office a force of Chinese writers often as large as the English staff, although this did not remove from the assistants' shoulders the drudgery of copying despatches in longhand sufficiently legible to satisfy Lord Palmerston.

With this British establishment the United States had nothing to compare. In the American service, for lack of a political appointee, a missionary usually acted as Charge d' affaires and Secretary of Legation, resident at Canton, while the partners of Russell and Co., the largest American firm, usually held the merchant - consulships in Canton and Shanghai and left the honor at the other ports to whomsoever might apply or consent to act. The French Legation had a staff of a dozen persons, including two Englishmen as consular agents at Amoy and Hongkong; since French trade was negligible this number was more than sufficient. To complete the list of foreign officials it should be noted that a Spanish Legation

had already been established and that a dozen leading merchants at the various ports, usually English, acted as consuls for the Netherlands, Chili, Peru, Denmark, Portugal, Prussia, Saxony, Austria, and Brazil and gained thereby an official status of no little value in dealing with the local Chinese authorities. Finally the Government of Macao continued its inbred existence, governing over a community of some seventy merchants with the help of a large proportion of their number. 41

British Policy. In a killing climate and with offices chronically short-handed, the British Consuls were both guardians and servants of their communities, and diplomats of necessity, in addition to being men of all work as prescribed by the detailed regulations of the treaties, the Foreign Office, and the Board of Trade. As the Governor of Hongkong was enmeshed in the finances and politics of his Colony, so the Consuls were confronted with the problems of a growing trade and the passive resistance of the Chinese official class, to whom passive resistance was second nature.

The isolation of these officials, moreover, added to their responsibilities. The Governor of Hongkong in his role as Superintendent of Trade was head of the consular service. He alone corresponded directly with the Foreign Office, and on him rested the responsibility that the Consuls act in accordance with the instructions to him of Her Majesty's Government. Yet he was six days or more away from Shanghai and a day from Canton, while the mail to London across Suez, before the days of the telegraph, took seven weeks or more, in each direction. He must make decisions that would stand for four months. In reporting to the Foreign Office he must also select from the Consuls' reports whatever material might be embryonically troublesome. On most questions he would

41. Cf. Anglo-Chinese Calendar 1851.

enclose the consul's despatch and a selection of the consul's enclosures. But even the act of selection or of composing his own summary of the consul's summary allowed room for the play of his own opinions.

Similarly the Consul at Shanghai in any emergency had to devise his own program and receive his superior's opinion upon it two or three weeks after it had been put into execution. Often he had to act first and report afterwards, as Consul Alcock had done in the Tsingpu (青浦 Ch'ing P'u)⁴² affair of 1848. The variety and newness of their duties and their distance in time from London, in short, made the character and opinions of the Superintendent and Consuls of great diplomatic importance.

The chief responsibility of the British authorities was to preserve and to foster the British and Indian trade with China, which in 1850 supplied some £3,000,000 as opium revenue to the Company in India, some £6,000,000 as a tea tax in Great Britain, and many fortunes to British merchants in all three places. The three vital staples of the trade, tea, silk, and opium, were all expanding in volume: tea exports in 1850 were about 80 million pounds and in the next few years rose to well over 100 million; silk exports of 20,000 odd bales in 1850 were tripled soon after; and opium importations, a little over 40,000 chests in 1850, increased by a half during the disorders of the Taiping Rebellion just then beginning. British manufactures on the other hand made no comparable progress. Their value in 1850 was roughly £1,500,000, and in 1854 had climbed to only £2,000,000, at a time when India sent to China opium cargoes worth some £7,000,000 and raw cotton and other goods worth another £2,000,000, and British merchants took from China about £5,000,000 worth of silk and

⁴². Details recounted in Morse Conflict p. 392.

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£4,000,000 worth of tea. The mills of Lancashire were finding small outlet in China. But the high hopes of the 1830's died a slow death. When Foochow and Ningpo were acknowledged failures in 1850 and Amoy of little value, the traders' optimism looked from these ports, cut off by the coastal mountains of Fukien and Chekiang, to the vast and unknown interior. Not unnaturally the consuls and merchants perched on the edge of a vast empire felt that a limitless market lay within. And when British manufactured goods found only a strictly limited demand, which grew but slowly and remained largest around Canton, where British goods were longest known, the traders and consuls imagined that only a widespread Imperial fiscal conspiracy could account for it. Inland transit dues, constituting a "Custom house cordon,"⁴⁴ which stretched "like a wall of brass across our path," haunted their thoughts.

A cardinal point of British policy was, therefore, to secure the removal of all barriers to the circulation of foreign goods in the interior. Pursued to the end, this meant that the Chinese Government must abolish all local taxes upon goods in transit, - not a very feasible project in view of the rapid increase of such taxes, in the form of likin (釐金), which the Rebellion was about to precipitate. Equally desirable was the legalization of the opium trade, for which the reasoning was simple. So long as the Chinese demand existed and Chinese officialdom was corrupt, so long would opium be smoked and so long would a supply be provided. If opium was to be supplied from somewhere, why should it not continue to come from British India, where the opium revenue

43. Summaries and estimates by Futherford Alcock, based on trade returns (in Alcock to Bowring, June 8, in Bowring's 56, June 23, 1852, FO 17/190; "The Chinese Empire and its Destines" in The Bombay Quarterly Review, No. IV, Oct. 1855). Cf. also Morse Conflict, tables p. 366, 556; Sargent Anglo-Chinese Commerce, chap. V.

44. Alcock to Bowring, June 8, 1852 as above, note 43.

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was urgently needed, rather than from Turkey or Persia, where production was less carefully regulated and standardized? Finally, if the opium trade was to continue, then the Jardines, the Mathesone, and the Dents were at one with the British officials in believing that legalization would remove the elements of uncertainty and lawlessness involved in a contraband trade and give the Chinese government both a useful revenue and a measure of regulatory control.

To secure these benefits for the legal and illegal trades alike, revision of the treaties with the opening of additional ports was plainly necessary. With treaty revision the diplomacy of 1854-60 was to be mainly concerned. Until that time British efforts were directed, with poor success, toward securing the fulfillment, in their interest, of the first set of treaties. In this the American and French Governments, on those occasions when they formulated policies, were in general agreement or soon became so, for Great Britain did not need to seek for herself exclusive privileges and so, almost unconsciously, acted in their interest also.

3. The Scene in 1850 from the Chinese Side:

Causes of Administrative Weakness.

When we of this generation turn our attention to the economic and political state of the Chinese Empire in 1850, we are in much the same position as the foreign consuls, merchants, and missionaries of that period. Those foreign observers perched on the rim of the continent studied the teeming civilization of the interior, but were not in it nor of it. Similarly modern students, both Chinese and foreign, are one step or more removed from the times of Tao Kuang and Hsien Feng. As citizens of the modern world they can only by a conscious effort recapture the spirit and attitudes of a period when the Chinese view of life found expression through purely indigenous forms of action uncontaminated by the adaptation of foreign methods, when China was still literally the Middle Kingdom and the westerner still obviously a barbarian because of his lack of Chinese culture, and when the Imperial administrative hierarchy still functioned according to a pattern which has since been rudely altered. On the other hand the statistical facts of the nineteenth century in China are becoming daily clearer than ever before. Vast heaps of documents are being collated, many are being published, and valuable monographs largely by Chinese research workers appear in increasing numbers. By using these sources it is now possible to suggest certain causes and partially to describe the manner of the administrative collapse which came upon the Ch'ing Dynasty in the Hsien Feng period (1850-61) and which facilitated the introduction of foreigners into the maritime customs.

Government Dependence on Tacit Popular Consent. It should be borne in mind that in 1850 a population of the order of magnitude of four hundred million persons was ruled by about five thousand provincial officials. In Peking the "Six Boards and Nine Ministries" (Liu Pu Chiu Ch'ing 六部九卿) ⁴⁵

formed a large central administration, but in the vast continental area of the eighteen provinces the ranks of the Imperial appointees, from Viceroy, Governor, Treasurer, Judge, and Taotais (the Provincial Government proper, tu fu ssu tao 督撫司道) down to Prefects, Sub-prefects, and District Magistrates, (the "father and mother" officials, fu mu kuan 父母官) totaled only two thousand persons, with another three thousand-odd assistant magistrates below them. In proportion to the governed the mandarins were one in eighty thousand. In their yamens, where residences, offices, and even gaols were compactly combined, they were of course assisted by a large staff of private secretaries (shih yeh 師爺) who protected their employers with legal and fiscal advice; personal followers (chia jen 家人), (yeh men 爺們), (men shang 門上) who performed numerous assigned duties from the collection of squeeze to the drafting of documents; semi-permanent government clerks (shu pan 書辦) who kept records and accounts, and drafted and copied documents; together with an assortment of runners, gaolers, police, and miscellaneous attendants (ch'ai i 差役 etc.). Taken together these private and semi-public employees formed a sort of permanent civil service, whose power was increased by the fact that their superiors the Imperial officials were supposed never to be native sons and were usually transferred triennially. In a district magistrate's yamen there might be scores of clerks, perhaps two hundred underlings and servants of all kinds. But these subordinates, supposing they totalled a million or two or even more throughout the Empire, were essentially local functionaries, like the constables (ti-pao 地保) and village

45. Chinese titles unless otherwise noted are translated below according to W. F. Mayers' manual, The Chinese Government (Shanghai 1896, 3rd ed. rev. by G. M. H. Playfair), instead of according to Brunnert and Hagelstrom's larger Present Day Political Organization of China (Shanghai 1912, trans. fr. Russian by Belichenko and Moran), because the former corresponds more closely to the times here discussed. Viceroy, Treasurer and Taotai are substituted below for Mayers' Governor-General, Lieut.-Governor, and Intendant respectively.

headmen. They were of the people, and formed one chief link between them and the imperial administration. The ruling dynasty could not through them impose its will upon a defiant populace. Neither could the three hundred thousand odd effete Manchu bannermen, stationed in garrisons at strategic points around Peking and in the provinces, be expected after three centuries of enervating ease to coerce the people. In the administration itself Chinese often badefair to predominate. In short by the time of Hsien Feng the conquering Manchus could be said to rule neither by numbers, nor by force, nor by ability. It is plain that, like others before it, their dynasty, in the Chinese fashion, ruled by the tacit consent of the people, which constituted the mandate of heaven.

Although this dependence of the Chinese government on popular consent is a truism, its implications are not always realized. Far from being an oriental despotism in the fairy-tale sense relished by western readers, the Manchu Dynasty was obliged to shape its policy so as to prevent discontent and rebellion on the part of the people, and it was accordingly limited, practically if not theoretically, in one most important respect,--namely, in its power of taxation. As practical evidence of this situation there remained in force the Imperial decree of 1712, that the land tax thenceforward for all time was to be immutable and not increased

46. Pao Chao Hsieh, The Government of China (1644-1911), Baltimore 1925, Johns Hopkins Press) p. 290. While not always reliable and without an index, this work is based on the Ta Ch'ing Hui Tien 大清會典 (as is Meyers op. cit. also), from which it makes useful summaries.
47. T. T. Meadows, Desultory Notes on the Government and People of China, (London 1847, Allen) Note IX.3
48. Cf. T. F. Wade, "The Army of the Chinese Empire," in Chinese Repository Vol. XX, 1851.

under any circumstances.

The ancient political theory that a discontented people had the right of rebellion, or, more accurately, the ancient custom of rebelling in order to achieve a better political and economic life, need not here be enlarged upon. But certain conditions that made for rebellion in 1850 may be suggested.

Increase of Population. In the preceding hundred years the population of China appears to have increased rapidly, perhaps even to have doubled in size.⁵⁰ Precisely how rapidly and why it grew is a matter awaiting research and discussion. At least it may be inferred that in a land largely denuded of forest, poor in soil and peculiarly subject to the floods and droughts produced by a continental climate operating over vast deltaic plains, this increase of population must have tended to depress a standard of living already close to the subsistence level, and so prepared the way for economic distress and political discontent.

Inelasticity of Revenue. Whatever evils might betide, whether natural calamity, foreign invasion, or local banditry, it was the responsibility of the Son of Heaven and below him of the local "father and mother officials" to succor the people in their distress and yet leave them unmolested in their prosperity. This immemorial theory of responsibility stimulated relief measures in time of disaster, yet it seems equally to have inhibited the growth of governmental institutions, which by their greater cost might irritate the populace. Thus as time went on and the population increased, the government had ever more to do but never more with which to do it, and became

49. Tung hua lu 東華錄 Kang Hsi reign 康熙朝 ch. 89, p. 3a, Imperial edict of April 4, 1712.
50. Cf. Wang Shih-ta 王士達, art. Chin-tai Chung-kuo jen-k'ou ti ku-chi 近代中國人口的估計 (Quarterly Review of Social Sciences Peiping, Vol. I No. 3 Sept. 1930 and three numbers following)

less and less able to fulfill its traditional functions. The results of recent research illustrate this. For instance, in the three years of natural calamity that preceded the rise of the Taiping Rebellion, when over 500 out of the 1500-odd districts (hsien 縣) were afflicted, the government gave relief in over one hundred districts and decreased or remitted the taxes in so many more that the land tax receipts fell 20%.⁵¹ Plainly, so long as the dynasty wished to retain the mandate of heaven, its responsibility could not be shirked. Yet in the century preceding 1850 the growth of administrative machinery and of revenue to maintain it does not appear by any means to have kept pace with the rapid growth of population. The revenue was geared to the land, rather than to the population or to trade. The fiscal system was therefore inelastic in a time of expansion, not only because the government feared to increase its chief source of revenue, the land tax, but also because the forms of taxation which it employed were adapted to an agricultural and not to a commercial community. This fact stands out from a comparison of the revenue receipts of the period just before 1850 with those at the end of the century. For the earlier period the receipts are estimated by Y. T. Loo, perhaps too conservatively, to have been about 40 million taels a year, of which the land-tax provided two-thirds and the grain-tax, customs, and salt monopoly provided most of the rest.⁵²

50. (Cont'd) total 429 pages, an able critical summary and evaluation of estimates by some 45 writers.

51. H. L. Tang 湯家龍, art. Hsien Feng ch'ao ti kuo-pi 咸豐朝時貨幣 (Currency in the Hsien Feng Period (1851-1861)), in Chung-kuo chin-tai ching-chi shih yen-chiu chi-k'an 中國近代經濟史研究集刊 (Studies in Modern Economic History of China), Peiping, vol. II No. 1, November 1933, p. 3, note 7, table based on analysis of Tung Hua Lu 東華錄; text, based on Chün Chi Ch'u archives 軍機處檔案.

So sensitive was the government to popular opinion that none of these sources of revenue except the salt tax, and that only moderately, could be looked to for additional funds in time of need.⁵³ Fifty years later this was still true. E. H. Parker and others estimated that while the total revenue in the 1880's and 90's was about 90 million taels, still the four items mentioned above provided only 50 million. The balance was made up from sources developed in the turbulent 1850's, -
⁵⁴ chiefly the maritime customs, likin, and opium taxes, - a revenue derived essentially from trade rather than from the land. Thus the creation of the Maritime Customs in 1854 and 1858, the rise and spread of likin after 1853, the official
⁵⁵ taxation of the opium trade after 1856-58, all were soon to be facilitated, to a greater or less degree, by the inelasticity of the old fiscal system and its collapse under the strain of rebellion.

Weakness of Currency. The currency forms another example of the inelasticity, or perhaps better, inertia, which characterized many Ch'ing institutions in the nineteenth century and made them inadequate to cope with rapidly changing conditions. The currency was based on a traditional but relatively

52. Y. P. Loo 羅玉東, art. li-chin chih-tu chih ch'i-yuan chi ch'i li-lun 釐金制度之起源及其理論 (The Likin: its origin and its Early Theoretical Basis), in Chung-kuo chin-tai ching-chi shih yen-chiu chi-k'an 中國近代經濟史研究集刊 (Studies in Modern Economic History of China) Peiping, Vol. I No. 1, Nov. 1932, a careful survey based on documents in the Wen Hsien Kuan archives, Palace Museum 故宮博物院 獻館檔案
 , Peiping.

53. Ibid. p. 10, p. 16.

54. E. H. Parker, China Past and Present, (London 1903) pp. 33-36, based on "the accounts furnished to the Emperor by his Viceroys within the last twenty years" up to c. 1897, and estimates of G. J. Jamieson and of the Board of Revenue.

uncontrolled bimetalism of copper and silver. In every-day transactions involving less than a tael the people customarily used copper cash. In larger affairs merchants used silver, and the government both in collecting taxes and in making payments was supposed to use both metals in the proportion of three parts of copper cash and seven parts of silver.⁵⁷ The silver tael, moreover, was the official money of account in which taxes were reckoned by the government. When a given amount of silver exchanged for an increased amount of copper cash, the people, who earned their living largely in terms of copper, would feel harder put to pay their taxes. Thus the rate of exchange between silver and copper directly affected the life of the people; any increase in the relative dearness of silver, if enforced by their officials, would seem to bear heavily upon them and so would produce discontent even if it really came from an increased supply or circulation, and consequent cheapening, of copper cash. If on the other hand, the officials did not enforce the market rate and collect more cash whenever silver became dearer in terms of cash, then they themselves would lose the difference and their administration would be correspondingly weakened.

The currency was one of the first media through which the growth of foreign trade had affected the interior of China. One thousand copper cash had at one time exchanged for one silver tael.⁵⁸ In the early years of the dynasty, however,

55. Cf. below, chapter XIII.

56. H. L. Tang, "Currency in the Hsien Feng Period, 1851-1861", cited above, note 51.

57. *Ibid.* p. 2, quoting *Ta Ch'ing Hui Tien*.

58. T'ang Hsiang-lung 湯象龍 (H. L. Tang), art. "Tao Kuang shih-ch'i ti yin-kuei wen-t'i" 道光時期的銀貴問題 (Outflow of Silver in the Tao-Kuang Period (1821-1839)) in *Quarterly Review of Social Sciences*, Vol. I, No. 3, Sept. 1930.

copper had been in sufficient demand as such to induce "traitorous merchants" to melt cash and sell the copper. When this evil was denounced in the early part of Ch'ien Lung, the casting of cash by the government and by forgers and the diminishing of their content of copper apparently began to turn the scale; silver began to exchange for an increased amount of copper and continued to do so throughout the Tao Kuang period. As a result it was probably hoarded, in the form of sycee, and its dearness thereby increased, at the same time that the continued production of copper in the mines of Yunnan and the casting of cash lighter and lighter in weight of copper may have further depressed the relative value of the copper coinage. At any rate, in the years preceding the first Anglo-Chinese war silver appeared to be leaving the country at the rate of some 10 million taels a year to pay for opium, which the foreign free-traders had begun to bring to China in lieu of silver. By a not unnatural simplification the Chinese officials of the period regarded this one factor, the opium trade, as the whole reason for the rise of silver and when the tael began to exchange for 1200, 1300 and even 1600 cash, Commissioner Lin was sent to stop the trade. In the years following the first war, although the import of opium increased, it is not certain to what extent an outflow of silver continued. It is known that after the Rebellion had swept down the Yangtze in 1853, a silver tael commanded 2000 and even 3000 cash in widely separate parts of the interior, while stagnation of the import trade simultaneously led to large imports of treasure at Shanghai to pay for exports. But these phenomena attended a financial upheaval so extensive that they are meaningless out of context.

59. Ibid. table p. 9.

60. Morse, Conflict, p. 467, cf. also p. 204.

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At present one can only surmise that there were several other causes, additional to the opium trade, for the increasing value of silver in terms of copper cash which seems to have developed in the generation preceding 1850; and that, however these causes may have operated, the result at the time must have been to make the collection of taxes a more difficult affair both for the people and for the government. By using two metals for the currency and yet failing to control their rate of exchange, the Ch'ing administration thus contributed to the chaos which all but engulfed it after 1850.

Sale of Degrees. Still another development which was eventually to weaken the Ch'ing administration may be noted prospectively at this point, - the granting of degrees and eventually of minor offices in return for money payments instead of on the traditional basis of literary merit. While the buying of a minor degree did not in itself give the buyer a right to hold office, it undoubtedly undermined the prestige of the examination system on which the integrity of the administration in large measure depended and paved the way for the systematic sale of offices.

From the thirteenth century on, the sale of offices had been resorted to in China from time to time as a temporary expedient to meet financial difficulties.⁶¹ Under the Sung and Yuan, official positions had been exchanged by the government for payments of grain. The Ming added the precedent of selling also the lowest literary degree, that of a student (Chien Sheng 監生) of the Imperial Academy of Learning (Kuo Tzu Chien 國子監). In the Ch'ing period the practice was continued more extensively than before, payments of silver were substituted for payments of grain, and in proportion as financial need increased, honors and immunities usually won only in the

61. T'ang Hsiang-lung 湯家龍, (H. L. Tang) art. Tao Kuang ch'ao chuan chien chih t'ung-chi 道光朝捐監二訪記
in She-hui k'o-hsueh tsa-chih 社會科學雜誌

examinations were offered to all who could pay for them. The degree offered for sale remained chiefly that of Chien Sheng. After being used and abandoned spasmodically in previous reigns, the system was seriously revived in the fifth year of Chia Ch'ing (1800) for the ostensible purpose of replenishing the statutory provincial reserves of silver. In the following twenty years the receipts from the selling of the degree in only sixteen provinces and exclusive of the capital totalled over 40 million taels. It became too valuable a source of revenue to part with and was continued with slightly less success in the Tao Kuang period, realizing from the eighteen provinces exclusive of Peking a sum of 33 million odd taels over a period of thirty years. Of this total a half was sent to Peking, a quarter used to replenish provincial reserves, and the rest applied to miscellaneous needs. From 1820 to 1850 the purchasers of the degree totalled 315,000 persons.⁶² In the end officials began to appear who had obtained their posts by purchase, and to the manifold problems confronting the Ch'ing administration was added that of its own internal decay.

61. (Cont'd) (Quarterly Review of Social Sciences), Peiping, Vol. II No. 4, December 1931, based on a survey of over 6000 reports in the Wen Hsien Kuan archives, Palace Museum, Peiping.

62. Ibid.

4. The Chinese Attitude and Policy toward Foreign Relations.

The Conviction of Cultural Superiority. Students who seek light on Sino-foreign relations eighty years ago must never forget one fact which colored the entire scene, - the fact that the westerners were culturally barbarians. To the Chinese of that time they were a people from "beyond the pale of civilization" (hua wai 化外), where the culture of the Middle Kingdom did not prevail and where modes of behaviour were not only different but were obviously less civilized, - barbarous in the Greek sense. As a keen contemporary student, H. B. M.'s Interpreter Thomas Taylor Meadows, testified, -

"The Chinese do habitually call and consider Europeans 'barbarians'; meaning by that term 'peoples in a rude, uncivilized state, morally and intellectually uncultivated' Those Chinese who have had direct opportunities of learning something of our customs and culture, - they may amount, taking all the Five Ports, to some 5 or 6 thousand out of a population of 360 millions, - mostly consider us beneath their nation in moral and intellectual cultivation. As to those who have had no such opportunities, I do not recollect conversing with one, and I have conversed with many, whose previous notions of us were not analogous to those we entertain of savages. They are always surprised, not to say astonished, to learn that we have surnames, and understand the family distinctions of father, brother, wife, sister, etc.; in short, that we live otherwise than as a herd of cattle."

63

In part this attitude toward the west sprang from ignorance of it. Protestant missionary work was still confined by treaty to the vicinity of the ports and in practice did not venture far beyond that limit. Other than Catholic priests,

63. Article dated Shanghai 1852, in Shanghai Almanac for 1854, and Miscellany (Shanghai, 1854.)

who adopted Chinese ways, few foreigners had entered the interior, and Chinese emigration from Fukien and Kwangtung to the Straits and to the Americas was only just beginning on a large scale. There was every opportunity for the popular imagination to indulge in these bizarre and credulous fancies regarding foreign lands which formed a part of Chinese folklore just as similar fancies had been current in Europe during the Middle Ages.⁶⁴

In even larger part, however, Chinese contempt for the west sprang from the tradition of cultural superiority which formed then and still forms an integral part of the Chinese view of life. From earliest times the Chinese civilization had been surrounded and at times beset by wild tribes. These barbarians (夷表) had formed a recognized part of the world. Traditions concerning them had become established in literature and in the popular mind.⁶⁵ Considering how firmly this traditional view was rooted in Chinese culture and how consistently the experience of the Chinese people had served to nourish it, we cannot be surprised that it survived and even grew more vigorous under the stimulation of western encroachment. In the documents of the Hsien Feng period not only is the term barbarian (夷表) universally applied to the westerner, many of the traditional attributes of barbarian tribes also are imputed to him, often with justice. Prominent among these attributes was an irrationality of behaviour, an unpredictability, from the Chinese point of view, which made it impossible to forestall the strokes of barbarian policy or foresee his demands.

Estimate of the Barbarians' Nature. One striking phrase which

64. Cf. G. Schlegel, "Problèmes Géographiques des Peuples Étrangers chez les Historiens Chinois," *T'oung Pao* (cited below as TP) Vol III to VI passim, 1892-1895.

65. Cf. references to the 夷 in the classics, e.g., Mencius (Legge translation) Bk. IV Pt. II, Ch. I, 1 and 2; Bk. III, Pt. II, Ch. V, 4.

flowed constantly, in various forms, from the brushes of writers in the officials' yamens was I ch'ing p'o ts'e (表情叵測) which may be translated, "the barbarian nature cannot be fathomed," - in other words, the western mind is inscrutable, or in modern parlance, western psychology cannot be understood. This feeling, so similar to the popular occidental belief in oriental inscrutability, was based certainly on the same cause, ignorance, which makes things Chinese still unfathomable to the west. Its effect was to inspire in the Chinese a fear of the unknown comparable to the once stylish fear of the Yellow Peril, though far more intense. Added to the barbarian's inscrutability was a psychological concomitant, cunning. I ch'ing kuei ch'ueh (表情詭譎), - the barbarian nature is treacherous and deceitful. Like dogs and sheep in the traditional Chinese view, they cannot be relied upon. They are tricky and fraudulent, prone to prevaricate. To some extent in Chinese official correspondence these phrases appear to have become clichés, used whenever the barbarian was mentioned, ⁶⁶ not unlike that familiar bromide, "The East moves slowly," or "East is east and west is west." But they betokened at least a continued feeling of uncertainty and insecurity in the face of the western advance.

In one respect, however, there had been for long no lack of certainty. The English barbarian's chief thought was of trade; their chief desire, profit. ⁶⁷ The Canton Viceroy

66. The same phrases were being used before the first Anglo-Chinese war, e.g., Ch'ou pan i wu shih mo 籌辦夷務始末 Tao Kuang reign 道光朝 [Palace Museum, Peiping, 40 vol. 80. ch., cited below as IWSM-80 ch. v. line; Ibid. Hsien Feng reign 咸豐朝 (Palace Museum, Peiping, 1930, 40 vol. 80 ch.) is cited below as IWSM-80] I(1838) 24b, 5 喙咭喙 表情詭譎; IV 16a, 8 情狀叵測; IV 19b, 8 該夷等七年壬戌.

informed the Emperor in 1850 that "the whole country of England relies on the crowd of merchants' trade for its livelihood. Superiors and inferiors compete against each other. There is none who does not look only for profit. If that country has some undertaking afoot, they turn round first to listen to the commands of the merchants."⁶⁸ Similarly it was frequently pointed out that "barbarians consider the merchant important and the official unimportant. Everything they wish to undertake must first be schemed out by the crowd of merchants."⁶⁹ Although certain Russians who had come to Shanghai in February 1854 departed quietly, "yet their mouths watered for the tenfold profit of the various merchants of barbarian countries who have dealings at Shanghai, and they would like to follow their example."⁷⁰

Naturally this respect for commerce could not seem civilized to a people who traditionally put the merchant at the bottom of the social scale. Western greed, so manifest in the treaty ports, could not but be repugnant.

Ignorance Regarding Foreign Relations. One result of the contempt for barbarian culture, perhaps one cause of it also,

67. E.g. IWSM-HF II, 11b, 彼見利則合失利則怒, III, 28a
 4所以貪戀者惟貿易 .VI, 10a, 2 該夷惟利是圖
 XII, 6b, 3 該夷惟利是視. This also was a stock idea, current before the first war, e.g. Yüeh hai-kuan chih 粵海關志, bk. XXVI, p. 1b: 夷人主性惟利是圖.

68. Hsü Kuang-chin to the Emperor, dated after receipt in Peking, December 31, 1850, IWSM-HF III, 30 a, 6, apparently quoting part of a well known phrase from Mencius Bk. I, ch.I, 4, translated by Legge as "Superiors and inferiors will try to snatch this profit from one another, and the kingdom will be endangered," 上下交征利而國危矣

69. IWSM-HF VII 24 a.

70. IWSM-HF VII 17 b.

was a mental inertia on the part of the officials and literati which intensified their ignorance of the west and fortified their determination to keep it at arm's length. The contrast between Chinese exclusiveness and Japanese receptivity toward European culture in the late XIX century is a subject awaiting the pen of a master. Here it must be sufficient to suggest that the tradition of Chinese cultural superiority, just as it was and is the least refragable element in China and often a point of greatest strength, so in the 1850's served as an emotional stimulus to repel the barbarian and yet at the same time handicapped the Chinese official class so severely that only a few, like Lin Tse-hsü and Tseng Kuo-fan, reached the point of advocating even the use of foreign methods for Chinese ends,⁷¹ or as it has since been phrased, Chinese studies for cultural basis, western studies for use (chung hsüeh wei t'i, hsi hsüeh wei yung 中學為體西學為用).

Under these circumstances the systematic collecting of information on barbarian affairs was in the nature of an innovation. The example of Lin Tse-hsu, who had employed a corps of four translators during his incumbency as Canton Viceroy,⁷² appears to have been followed by at least one official in the period after the treaties, perhaps Wiyng himself; the China Mail at Hongkong in 1846 had "long boasted a mandarin of rank among its subscribers, who by means of an interpreter makes himself acquainted with its contents."⁷³ Yeh Ming-oh'en, Canton Viceroy in 1854, may or may not have followed these precedents and condescended to keep regularly in touch with the foreign affairs which were his particular charge, but in 1854

71. Cf. Gideon Chen, Tseng Kuo-fan (Peiping 1935, Yenching University).

72. Gideon Chen Lin Tse-hsu (Peiping, 1934, Yenching Univ.) p.7 et seq.

73. China Mail, Oct. 1, 1836.

74. IWSM-HF VIII 23 b.

at least, he reported at length news of the Crimean War translated from foreign newspapers.⁷⁴ Two years later his spies are said to have succeeded^{ed} in getting copies of British despatches from under the very noses of the assistants at Government House in Hongkong.⁷⁵ At Shanghai the versatile ex-merchant and Tactai, Wu Chien-chang, developed his own information service by becoming intimate with foreign merchants, chiefly the Americans, by whom he was evidently confirmed in his distrust of the British. From them he also obtained and reported in 1854 a confused version of the story of the Crimean War.⁷⁶ His superiors at the same time reported the existence of a magazine published in Chinese by barbarians with a rough knowledge of the language; and "there is also a class of newspaper printed, which speaks strongly of the difficulty of discussing right principles with the Chinese: 'just approach them with intimidation, and we can do whatever we want to do'".⁷⁷ Evidently this was the North China Herald.

From written sources such as the above and through the medium of spies in touch with merchants engaged in foreign trade, the provincial authorities were able to get a general idea of barbarian attitudes and doings. "We find that the foreign trade of Shanghai began with the English barbarians. In the trade, the English barbarians do the greatest part. The American barbarians come second. The French barbarians take the conduct of religion as their object, their thoughts do not rest on getting profit. There are about five or six countries which

74. IWSM-HF VIII 23 b.

75. IWSM-HF, XI, 15 b, 1. 10: 至本年四月展轉購買始在該夷樓內寫字人處代為鈔出各條。(of demands made at Tientsin)
The Government Offices at Hongkong were called in Chinese

大兵頭寫字樓 (Mayers, Treaty Ports, p. 10)

76. IWSM-HF, VII, 20 a.

77. Ibid.

depend upon the reputation of England, America, and France. Among them are good and bad mixed together. But the English barbarians are the most unfathomable. Controlling them is still more difficult."⁷⁸

It is a sad commentary that vague generalities such as this should have been reported to the Throne. It may be taken as a measure of the Throne's indifference and ignorance. Such reports contrast strongly with the detailed and factual inquiries carried out by the British Consuls. They represent no doubt a body of generally accepted opinion regarding the tendencies of westernness, a residue derived empirically from years of observation. It is obvious that these generalizations strike very close to the truth. Nevertheless it is constantly reiterated that the "barbarian nature is crafty and treacherous" and "cannot be fathomed."⁷⁹ Perhaps we may conclude that these phrases, insofar as they are not purely traditional attributes of all barbarians, indicate the extent to which the strokes of British policy could not be foreseen. Thus the barbarians' guiding motive might be plain; but their way of expressing it in action, the next step which they might take, could not be prognosticated. This followed logically from the fact that the barbarians were lacking in the "right principles" (道理) according to which persons of real (Confucian) culture might be expected to act.

Barbarian Lawlessness and Immorality. It is a commonplace that the Chinese officials and literati of the 1850's, since they had little or no theoretical knowledge of western culture, were obliged to judge by what was set before them. To indicate the unsavory nature of the fare thus presented to them, two examples

78. IWSM-HF VII 21 a.

✓ IWSM-HF 79. VII 24 a 9; 32 a 8.

among many can suffice.

When the four additional ports of Amoy, Foochow, Ningpo, and Shanghai were thrown open to foreign trade, all the elements of that trade tended to move north with it from Canton. Thus the illicit opium traffic, - receiving ships, clippers, and all, - became established outside the limits of each port; and in both it and the legal trade, the Cantonese for a time continued to play the dominant Chinese role. Just as at Canton in pre-treaty days, so now it was they who provided in the new northern ports the compradors, clerks, and linguists who were indispensable to the foreign merchant in the conduct of his business. As each port was opened there were set down among the local population not only a handful of barbarians but also a considerably greater number of their Cantonese hangers-on. Since the barbarians were, as at Canton, not inclined to study the local dialect, and since the local knowledge of pidgin English was at first negligible, the Cantonese appear in some cases to have been quite as necessary to the native merchants as to the foreign. To the Chinese of Foochow and Shanghai, however, these Kwang-tung men were foreigners and troublemakers. In 1847 the Chinese correspondent at Shanghai of Hongkong's leading paper, the China Mail, declared that "the Canton fellows that have followed the English to Shanghai as hired servants are very great blackguards and ought to be under more strict and severe discipline, as they create every kind of mischief. . . . The people of Shanghai not understanding the English language, but being deeply interested (in the foreign trade) they have received linguists from Canton who have caused much confusion and injury. They have been with us several years so that our affairs have become mixed up with theirs and our original wealth greatly

diminished."⁸⁰ In May 1847 the Shanghai magistrate issued proclamations against the Kwangtung and Fukien vagabonds who had opened gambling houses and brothels and seduced the young men of good families.⁸¹ Six years later it was this same element which seized the city of Shanghai under the aegis of the Triad Society.⁸² The local authorities who survived that uprising may well have asked themselves, How could this have happened without the arrival of the barbarians and the trade which came with them?

Another unsavory concomitant of foreign commercial expansion was the coolie trade which grew up rapidly in the 1850's at Amoy and Swatow. In February 1854, at the very time when the presence of barbarians at Shanghai was hindering the recapture of the city, a memorial was received at Peking from the Viceroy of Fukien and Chekiang reporting a case the details of which are not unlike those of other cases reported under oath in the Hongkong courts. Four hundred and seventy-five men, duped by Chinese crimps into boarding a barbarian vessel as laborers, were detained in the hold and carried out to sea. "The barbarians gave each man in the hold a document by which he sold himself. If he would not take it, they would whip him." On reaching the Liu Ch'iu Islands, the coolies were called up on deck to have their queues cut off, and those ten or a dozen who from illness were unable to rise were beaten to death and cast into the sea. Thereupon their fellows mutinied and eventually hid on the islands, where some of them were later seized by a barbarian warship and delivered to the Chinese authorities at Canton.⁸³

80. CM, Mar. 25, May 13, 1847.

81. CM, July 15, 1847.

82. Cf. below, chapter VI.

83. IWSM-HF VII 14 a.

Chinese Policy. In general Chinese policy toward the barbarian, such as it was, was almost entirely defensive. A few phrases commonly repeated in the official memorials may indicate this. In all the Imperial instructions from Peking, which were in general terms and usually followed the lead of the provincial authorities, one of the most common commands was the injunction to avoid complications, to act in such a way that no other difficulties would branch off from those already grown (pu chih ling sheng chih chieh 不致另生枝節). The chief object in managing barbarian affairs in short was to prevent trouble, to keep altercations, issues and incidents from arising (mien sheng shih tuan 免生事端); particularly to keep out of situations where the barbarians might make demands or exactions (yao hsieh, hsieh chih 要挾, 挾制), which would be equally hard to comply with and to refuse. To that end the officials in the provinces and at the capital wrote constantly of taking precautionary measures (fang fan 防範); and in practice they usually did their best to avoid having interviews with the foreign ministers, - who importuned them for that very thing. Their subordinates they instructed to keep a calm exterior, changing neither voice nor countenance (pu tung sheng se 不動聲色); and of course to take precautions and prevent complications arising. In this general policy of resistance, non-cooperation, delay, and avoidance of issues, the one chief desideratum naturally was to keep the barbarians at the greatest possible distance from the capital.

The aversion to the close approach of barbarian diplomats to Peking may have arisen partly from the position of the Manchu rulers in China. The British had proved in the first war that the blocking of the Grand Canal on the Yangtze at Chinkiang could have an immediate effect upon Peking by shutting off the grain supply which then and until the early 1850's nourished the capital by way of the Grand Canal.

Similarly they discovered the Court's fear of their approach to Peking; but one aspect of this fear they apparently did not appreciate, - namely, the desire of the Manchu Court to protect its homeland in Manchuria. On occasions when foreign envoys approached Tientsin with a view to frightening the capital, the Court evinced a lively concern lest the barbarians proceed to the southern shores of Fengtien, - ⁸⁴ a project which the foreigners themselves seldom if ever cherished.

The diplomatic expression of this fear of invasion in the north was the effort to confine the conduct of foreign relations to Canton, as far south as possible from the capital. ⁸⁵ In spite of the American treaty provision to the contrary, Peking held that all diplomatic relations must be conducted through the medium of the Imperial Commissioner for the management of affairs connected with foreign trade, who was concurrently Viceroy of the Liang Kwang, (i.e., the Two Kwang, Kwangtung and Kwangsi), and to whom the authorities of other provinces did their best to refer all questions and all correspondence. The effect of this policy, in turn, was to make the Imperial Commissioner and Canton Viceroy at times almost a dictator in regard to foreign affairs, certainly as influential as any foreign secretary abroad. To the Court, no news of the barbarian was good news, and of unpalatable facts the Canton Viceroy need report only that part which the Court would be likely to hear of through other channels. So long as others did not accuse him in high places and subsequent events did not show up his errors, he could do almost as he wished.

The Imperial Commissioner's power, like that of all Viceroys, was due partly to the fact that in normal course nearly all correspondence sent up to the Emperor from the

84. E.g. IWSM-HF IX 31 a8, XIX 24 a 5, XX 9 a 10, XX 27 b, et passim.

85. Am. Tr. of Wangh'ia, art. XXVI.

territory under his control passed through his office. The reports of local officials and even of Taot'ais (道台 or Intendants of Circuit), Judges, and Treasurers usually had to filter through the provincial capital before they could reach Peking, and whenever they did come before the Emperor it was not in the form of enclosures, as would be the case in the west, but in the form of quotations embodied in the text of the Governor's or Viceroy's memorial. To be sure, these two officials commonly memorialized together and so assumed a joint responsibility, which was obviously meant to induce the one to check the other. But if they worked in harmony, a Viceroy and Governor could usually report events in whatever light they wished. Impeachment in a memorial to the Throne was always a possibility to be reckoned with, but it was a serious step for any censor or other person to take and would best be based on evidence of genuinely improper conduct, not merely on disagreement as to policy. Finally, it should be borne in mind that Chinese officials were held responsible to the Emperor in a Chinese fashion, for the events which resulted from, or occurred during, their stewardship; in 1850 both Court and Viceroys were united in a common hatred of the foreigner and, as will appear below, so long as the Imperial Commissioner could express satisfaction with the course of foreign relations and so long as no hostilities arose to prove him incompetent, the Court to whose prejudices he catered might continue to give him free reign. In anticipation of Commissioner Yeh's reaping of the whirlwind in 1856, it may be suggested, therefore, that the Chinese conduct of foreign relations in the early 1850's came to grief partly because of faulty organization: to keep the barbarian at arm's length, all questions raised by him were referred if possible to Canton, diplomacy being restricted to that one port in the same way that all foreign trade had once

been restricted; but instead of placing at Canton a man like Kiyong, who might have dragged out negotiations, offered minor concessions, and formally recognized a modicum of the new situation being created by the growth of foreign trade, thus staving off the rupture which finally humbled the Manchu dynasty, - instead of a diplomat, Peking placed at Canton a man who reflected all too perfectly the unbending intransigence of the old order which he represented. At the one point where flexibility was crucially necessary, the least flexibility was shown.

While the above comments are in no sense intended to be a summary of Chinese policy, they may serve to indicate why the problem of customs administration was never taken up seriously by the Chinese higher authorities, even when reform of the Custom House would have meant increased receipts of duties. To the Imperial Commissioner and the higher provincial and metropolitan officials it was obvious that trade was the barbarians' chief object, and the chief lever by which they purposed to pry their way into the country. Why help it? Cooperation with the barbarian was doubly dangerous, because of the criticism it might provoke from the gentry and censors and because of the subtle stratagems with which one might be deceived, coerced, or compromised. Finally, reform in customs administration really meant the further adoption of western methods. But that would be in effect an abandonment of the old order for which every Chinese official was still fighting.

III. The Smuggling Problem (1850-51).

2. The Evasion of Duties at Canton.

There can be few secrets in a populous country like China and if one speaks of smuggling one must give the term its widest meaning. The opium trade was technically clandestine. Foreign newspapers published the participants' names every week and Chinese officials dined on the receiving vessels, but still it could be called a smuggling trade, legally in the dark, as long as the British Consul and his Chinese colleagues were afflicted with an official myopia which prevented their seeing it. Likewise the evasion of duties due on legal goods, with which this chapter is concerned, could be called smuggling in the sense that the Chinese customs authorities and the foreign merchants connived in keeping their mutually profitable arrangements hidden from the eye of the Emperor. The senior partners at Shanghai, young men about thirty, would speak of "chiselling the Emperor" or "taking it out of Taou-Kwang",¹ but they did not need to operate on stormy coasts under cover of night. They were smugglers only in that they flouted the treaty tariff, which was a foreign creation, and assisted in the preservation of what they sometimes regarded as an old Chinese custom. As in the case of the opium trade, too much publicity would create a situation in which the responsible Chinese authorities must appear to take repressive measures. But usually the evasion of duties was achieved by a process of cooperation and compromise, in which the violence of the rougher merchants was certainly no greater than the venality of the minor officials.

1. J. Macdonald, The China Question (London 1870), p. 16.

Fundamentally this system of fraud sprang from the maladjustment of foreign and Chinese ways, as a brief analysis will show. The evasion of the Emperor's duties was practiced at Canton after the treaties as it had been before them, but no critical problem arose because the foreign merchants usually were not directly concerned. At Shanghai, where they were involved, a crisis was precipitated. This situation resulted from the difference in the manner of conducting trade at the two ports.

Trade at Canton: how conducted.

The Cohong monopoly passed away in July 1843² after a life of almost a century. In the person of its licensed members it had been a chief part of the community of merchants, compradors, linguists, boatmen, officials and foreign traders who together had conducted and regulated the foreign trade of Canton. This community, however, was little changed by the abolition of the Cohong and the arrival of a British Consul, for the ten firms who constituted the Cohong at the time of its dissolution remained thereafter free to trade as individuals and still possessed the equipment and the prestige which had accompanied their late control of the tea trade. The change made by the treaties was a minor one, a shifting not so much of the members of the trading community as of the parts which each played. In general it was the linguists (通事 t'ung-shih) who enlarged their activities and so helped the new foreign element, represented by the Consul, to fill the gap left by the security merchants of the old Cohong.

2. It was abolished by the Treaty of Nanking, Art. V. The General Regulations of Trade were published July 22, 1843. According to the Chinese Commercial Guide of 1844, p.159, the Cohong monopoly ceased on July 27.

The half dozen linguists' establishments, both before and after the treaties, were licensed by the Chinese authorities and performed the necessary function of interpreting between the Chinese customs officials and the foreign merchants. After the arrival of foreign Consuls they were of course no longer used as a channel of communication between the Chinese Government and the foreign community, but their usefulness as chief link between the trader and the custom house remained as great as ever. By the foreign merchants the linguists were hired as clerks to be their representatives in custom-house transactions, and perhaps for this reason the Hoppe soon came in practice to hold them responsible, in place of the Hong Merchants, for the collection of duties on foreign shipping. As quasi-customs officers, maintaining large and competent establishments, they thus intervened between the merchant and the Hoppe's officers. A glance at the routine of foreign trade at Canton will indicate their importance.

After a merchant vessel had come to Hongkong harbour, or as less frequently happened, to Macao Roads, and had engaged one of the twenty-odd river pilots licensed by the Chinese authorities, she would proceed to the mouth of the Pearl River, the ~~Becca~~ Tigris or Bogue (Hu Men 虎門), where the precipitous and fortified heights of Anunghoi and Chuenpe, with Tiger Island between them, rise from the deltaic plain and guard the approach to Canton. There, at a customs station on North Wangtong, a brief written report of the name and nature of the ship would be handed in. On her proceeding to second Bar, boats would be hired to mark the passage, and by that time a comprador's (mai pan 買辦) services would also have been accepted, to accompany the ship,

furnish provisions, hire workmen, make purchases, and in general act as clerk and local purveyor at Whampoa. A ship consigned to or owned by a firm established at Canton would naturally be attended to by that firm's comprador, assisted by his own shroff, or specialist in the receiving and paying of money, and staff of servants. At all events, when the vessel anchored at Whampoa, all matters connected with maintenance of the vessel being thus provided for, attention could be centered upon the unloading of cargo and its passage twelve miles up to Canton and through the customs.

Under the new system British vessels would open two accounts, one at the Consulate and one at the Customs, to record the fees and duties incurred while in port. At the Consulate the captain of the vessel would deposit his papers and manifest according to treaty, and a consular report, summarizing the manifest of cargo, would be sent by the Consulate to the Customs, - who would then permit cargo to be discharged into the lighters, or chop boats, and delivered at Canton for customs examination and deposit in the warehouse, or godown. It was the linguist hired for the vessel, Young Tom, Alantsai, or another, who took charge of this most important operation: by him the chop-boats were hired, at fixed rates, and by him the coolies were paid, at any rate he pleased. By him also all cargo bound from or to the ship was passed through the Custom House, by the simple process of presenting there the delivery orders signed by the senders and receivers of goods and presenting also the corresponding items of cargo, which the customs officers could count, weigh, evaluate, and assess as they wished. This done, the linguist sent chop-notes to the Consul stating the amount of goods and duties connected with each chop-boat. But by that time the evasion of duties could

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already have been effected.

Evasion of duties: how practiced. The usual method of evasion was a systematic falsification of accounts. Each lighter of three hundred packages might be entered at the customs as two hundred, three bales might count as two, heavy packages as light ones, or valuable goods as cheap, with the result that the official record of goods and duties might be reduced by one third or more. To the merchant the linguist could then present a bill for less than the amount of duties legally due but for more than the amount actually paid. The difference between the sum paid by the merchant to the linguist, and the sum paid by the linguist to the Customs, might be considerable, but still not more than enough to pay the linguist's overhead, - his gratuities to the lightermen and coolies, to the warehouse-men, and, not least, to the custom house guards and examiners who regularly connived with him. To "economize his duties"⁴ in this way, all that the importing merchant need do was to falsify his manifest and leave the rest to the linguist. In the export trade the foreigner need do even less. Usually he bought his teas and silks at "long price", that is, free on board, delivered at the ship duty paid, if at all, by the Chinese broker. Since the export trade was far more valuable and lucrative than that in imports, it is plain that in the greater part of the commerce at Canton the evasion of duties might go to any lengths without involving the foreigner. Since the Hoppe was responsible only for sums officially reported and paid

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3. J. R. Morrison's A Chinese Commercial Guide, ed. by S. Wells Williams (Macao 1844), pp. 84-89, 157, 173, describes the routine of trade and gives in Chinese and English lists of the ex-hong merchants and linguists and copies of the forms used in reporting vessels and cargo.
4. The slang of the period. J. Macdonald, The China Question, p. 16.

by the Chinese Government banker designated by him, he was often concerned less to stop irregularities than to participate in them. Only by so doing could he derive from a five per cent tariff a personal revenue sufficient to maintain his establishment in the style to which Hoppes had for generations been accustomed. So much could be made by arranging for the short payment of duties that linguists at times would offer foreign traders several hundred dollars for the privilege of putting their cargoes through the Customs. In the face of such avid cooperation the Consul could do nothing.

The presence on the river front of the native customs, which was separate from the maritime customs, made the situation more complex. The collectors of native customs dues farmed the duty in the old fashion, promising the Government a fixed sum in return for the rights of revenue collection over a certain stretch of river frontage. Of all native goods that passed through their area it was to their interest to collect full duty according to the native tariff. But for the commodities of foreign trade they were not responsible, and when foreign lorcha men brought opium and manufactured imports in small craft up the crowded river to the areas under their control, the native revenue farmers found it profitable to land cargoes at less than the treaty tariff, perhaps half-duty on bulky goods or a few dollars a package on smaller. This lesser and more vicious smuggling system brought the worst element of foreign lorcha men directly into contact with the Chinese and produced numerous petty squeezes and disputes. The Arrow, that provided the casus belli in 1856, was a lorcha of this sort.

In the teeming waters of the Canton river, where

chop-boats, bumboats, flower boats, tanka boats, and their population of several hundred thousand constantly circulated, where traffic with the interior mingled with that to the south seas and the boatman, the fisherman, and the pirate were often indistinguishable, it would have been miraculous if no irregularities had occurred, and yet by the same token it was neither remarkable nor serious when they did. All persons connected with the foreign trade sought from it their shares of sustenance, licit and illicit. Each class was set by circumstance to watch the other, be it the boatmen, the linguists, or the official underlings. In a sense the Consul who invoked the treaties really created disorder by his attempt to impose western methods.⁵ A case which occurred in 1849 is most illuminating.

The Mayflower Case. For some time the Mayflower, master Bellamy, a British subject, had been doing an active smuggling business in front of the foreign factories. The Consul, who had just arrived and possessed the zeal of a newcomer, on finding that she had neither flag, register, nor papers, and never reported at the Consulate, had her taken into custody⁶ by H.M.S. Phlegethon on August 22nd, 1849. He then asked the Hoppe for a personal conference, in order that they might "enter into some general arrangement for the prevention of smuggling." The Hoppe, however, saw in the barbarian's officiousness only a covert desire to break down the precedent

5. The foregoing account of smuggling is based particularly on the letters of five leading Canton merchants to Bowring in March 1851, encl. in Bonham to Palmerston, April 10, 1851, F.O. 17/176; on Parkes' "Note on the Irregularities of the Canton Custom House" of September 1854 in Bowring's No. 246 of 1854, F.O. 17/218; and on Vice-Consul Winchester's "Memorandum relative to the execution of the XII Article of the Supplementary Treaty", in Parkes' No. 82 of July 9, 1857, F.O. 228/235. Cf. also S.W. Williams, A Chinese Commercial Guide (4th ed. Canton 1856) p. 222. For further sources vide Bibliography.

6. Bowring's 177 to Bonham, Aug. 23, 1849, British Consulate Archives, Canton.

of exclusiveness; for no Hoppo had ever met a Consul. He replied, "This gives ample evidence of your friendly cultivation of amity, . . . which affords me inexpressible delight," but he deputed officers to investigate. A slow joint investigation revealed that at the time of seizure the Mayflower had been loading tea and silk, value \$1800, by way of duty on which Sapoorjee Dhunjee deposed that he had paid \$60 to one of the sixty or so officials and underlings present, as was customary. The Consul fined the Captain \$200 for being without a sailing licence (Supplementary Treaty Art. XVII) and notified the Hoppo. "An expectant assistant district magistrate", delegated in return by the Hoppo, told the Vice-Consul that no one at the scene of the shipment confessed to having received sixty dollars and asked for names.

Finally, having received not the slightest co-operation, on September 5, the Consul proposed "to punish the British subject by making him pay in addition to the duty twice the amount of the duty . . . I shall be very happy to learn from you what measures you propose to take in order to prevent the smuggling which is carried on to so large an extent, . . . principally by the co-operation of the Chinese officers on the river."

To this the Hoppo replied, "This gives ample evidence of your very satisfactory and suitable manner of transacting business, which really affords me much delight.

"I have secretly appointed runners to . . . apprehend the persons who passed the goods . . . besides which I have to express my hope that you will immediately order the merchant concerned to pay the duties, . . . and the fine together into the Custom-house, to be deposited in the

Treasury."⁷

The case had an interesting sequel in that two weeks later, on September 27, 1849, the Mayflower was attacked without warning, between Cumsingmoon and Whampoa, by an armed forty-oared mandarin boat, the master badly wounded, and the boat, with sixteen chests of opium, completely destroyed. This was its penalty for having competed with and out under the rates of the Chinese officials, whose fast-boats carried opium to Canton for British owners at a rate of \$20 a chest.⁸

The Imperial Commissioner, on being appealed to, said he had heard that the Mayflower had spontaneously blown up. Lord Palmerston refused the master's claim for compensation because he acknowledged having had opium aboard at the time.⁹

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7. Letters to Superintendency, British Consulate Archives, Canton; also summarized in Bowring to Bonham, March 23, encl. in Bonham's 53 to Palmerston, F.O. 17/167.
 8. Bonham to Bowring, No. 156, 13 October 1849, et passim Sept. and Oct., in Parkes' 82 of 9 July 1857, F.O. 228/235; also Bonham's 53, F.O. 17/167.
 9. To Bonham, January 2, 1850, F.O. 17/164.

2. The Problem at Shanghai.

Why trouble arose at Shanghai. In contrast to the well-worn grooves at Canton of a system as old as the China trade and only slightly modified by the Treaties, Shanghai presented a tabula rasa where the foreigner could assist in making his own precedents. A trade rivalling that of Canton had grown up in ten years and had attracted the most active, if not always the most scrupulous, of the foreign traders in China, who were captained by a vigorous British Consul. To oppose the trading strength of big foreign firms like Jardine Matheson, Dent, or Russell, whose receiving ships at Wusung already assisted in the importation of some twenty thousand chests of opium a year, the Chinese merchants at Shanghai had at first neither the requisite capital and experience in foreign trade nor the diplomatic support which the presence of high provincial authorities, as at Canton, might have lent them in cases of dispute with the foreign community. Nor could the local authorities rely, as was done at Canton, upon the tradition that foreigners were excluded from the city and that the violence of the populace might resist all foreign encroachments, in defiance even of the Emperor's command. The barbarian could not be confined to a ghetto where none existed. He could not be insulated, but had his own settlement and conducted his own trade, and dealt through his own Cantonese staff directly with the Custom House. The adventurous and energetic temper of the foreign community, who sometimes responded too avidly to the challenge of their position as pioneers, made them from the first untameable. Their own self-confidence, their prestige after the first war, the peace-loving spirit of the Shanghai populace, and the fact that on both sides there were fortunes to be made, all these circumstances combined to let the Young British and American merchants play an

important if not a dominant part in the conduct of foreign trade and in the irregularities that grew up in it.

Why it arose in 1850. In the year 1850 several factors encouraged the evasion of duties at Shanghai. The custom house here as elsewhere was of course a vested interest in support of squeeze, but according to foreign sources its laxity was increased by the newness of the port and the rapid increase of its trade. The Emperor was reported to have delayed farming the Customs revenue in 1843, in order to have monthly returns of the foreign trade for the first three years, and the proceeds, sent to Peking. The order was renewed for another three years. But the transmitting of a large sum of silver was expensive to the local authorities and also raised the probable amount at which the duties might be farmed to them. Hence their desire to report small receipts, - which could be achieved either by conniving at evasion or, as was alleged, by complete apathy. Certainly the latter method was less work.¹⁰ It was also reported that the Shanghai authorities wished to mask the increase of foreign trade, which might prove distasteful to Peking;¹¹ or again, that they wished to establish the habit of evading duty in order to profit by it in time to come.¹² At any rate the legal trade at Shanghai had been demoralized, partly perhaps by the example of the opium trade, partly by the venality of the Chinese officials and the less responsible foreign merchants, whose profits forced their

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10. This three-year system had been used before. See Chinese Miscellany No. IV (Shanghai 1850) p. 134. "The old regulation was to ascertain by comparison, the utmost amount that had been received for three years together, and then if the sum collected did not come up to this, the collector was to make it good. In 1799, this . . . was discontinued". For the situation in 1850, see Alcock to Bonham, April 11, encl. in Bonham's No. 53 of 1850, F.O. 17/167; London East India and China Association to Palmerston, 10 April 1851, F.O. 17/184.
11. Bonham to Palmerston, April 10, 1851, F.O. 17/176.
12. H.H. Lindsay to Bonham, July 22, encl. in Lindsay to Palmerston, July 27, 1850, F.O. 17/173.

competitors to follow suit. The same methods of short reporting and undervaluation were followed as at Canton, except that here the foreigner was directly concerned and responsible. This differentiated Shanghai from the other ports, although a similar tendency had appeared there. Indeed by 1850 the evasion of legal duties had become everywhere so great as to invalidate completely the consular returns of export trade; for in cases of evasion the outward manifest seen by the Consul usually agreed with the reports made to the custom house, and on these two sources the Consul had to rely for his information. Ningpo estimated one-half the small trade there to have been smuggled. Amoy reported that a comparison of merchants' receipts and consul's returns from the custom-house showed that the Superintendent of Customs had pocketed several thousand taels. The treaty tariff in short was losing its validity at the very time that circumstances outside China were combining to test it to the utmost.

Until 1850 a monopoly of the direct tea trade to England was secured to British shipping by the Navigation Laws. Their repeal in June 1849, as a crowning act in the apotheosis of Free Trade, threw the British tea market open to American clippers after January first, 1850. Since the United States had adopted a similar law in 1817, this effected a reciprocal situation, described in a State Department circular as follows: "all goods whether of [British] growth, produce, or manufacture, or of that of any other country, may, after the 1st of January next, be carried in American bottoms to any port in the United Kingdom; and British

13. Described in H.H. Lindsay to Palmerston, December 5, 1850, F.O. 17/173.
 14. Bonham's 53 to Palmerston, April 23, 1850, and enclosed trade reports, F.O. 17/167.

vessels may carry goods of the growth, produce, or manufacture of any part of the world to our ports, but they cannot participate in our coasting trade, nor we in theirs. An American ship may carry a cargo of goods of any country to a port in a British colony, and from that to a port in another British colony; but not from one port in such a colony to another port in the same colony. In other words, the British intercolonial trade is open to our vessels, but not the colonial coasting trade".

While British and American merchants now had an equal right to invade each other's home trade, the latter were the real gainers, for their new opportunity chanced to coincide with the designing in America of the fastest sailing vessels yet constructed. The American clipper Oriental, on her maiden voyage, sailed from China on the 30th of January, 1850, and ran home to New York in the record time of 81 days with 1,118 tons of tea. Fortunately the Navigation Laws had expired only as the season ended, but the first Aberdeen model British tea clipper (Jardine's Stornoway) was yet to be built, and since American ships already carried almost half the trade of Shanghai, this taste of future American competition was most disquieting. All that was needed to make American competition a serious danger to the British carrying trade was to penalize British shippers by the threat of consular interference for the prevention of smuggling, a possibility which under the American treaty could not equally threaten American shippers. This danger, latent ever since the signing of the American treaty, was first made real by the two cases of the

15. Clayton to Davis, no. 9, Oct. 18, 1849, China Instructions, vol. I. Cf. the act of Parliament "for amending the laws in force for the encouragement of British shipping and Navigation" (12 & 13 Vict. cap. 29, British and Foreign State Papers, vol. XXXVIII, 1849-50).

16. Basil Lubbock, The China Clippers, (Glasgow 1919) p. 106. As late as 1854, 106 days Whampoa to London by the Cape was

Lady Mary Wood and the John Dugdale, which occurred at the beginning and end (June and January) of the season of 1850 - 51.

The Case of the Lady Mary Wood. As has never been pointed out, the first of these cases had its origin in the opium trade.

In March 1850, the Peninsular and Oriental Steam Navigation Company put their wooden steamer Lady Mary Wood on the Hongkong - Shanghai service. As the Directors of the P. & O. euphemistically expressed it, "The Company's agents in China had adopted the same arrangements for the Lady Mary Wood in respect to her using the anchorage at Woosung for receiving cargo etc. as were practised by her competitors the sailing vessels".¹⁷ Or as the British Consul put it more baldly eleven months later, the above named competitors of the P. & O. steamer were "the opium clippers, five or six in number, belonging to three of the principal firms in China, [Jardine, Dent, and Russell & Co.]. The clippers bring opium to the receiving ships. The steamer also brings her supplies of opium. If the clippers are required to take down Chinese produce, they come up to Shanghai, complying with the usual forms. But the steamer, contrary to this general practice, after discharging her opium at Woosung, came up to Shanghai, and then cleared out in ballast, by this avoiding (according to a local regulation) the payment of any port dues; and subsequently when returned to Woosung took in a full cargo of silk, duty unpaid. . . . It was only when the steamer, in converting this Station into a

a quick passage (Meyers, The Treaty Ports of China and Japan, London, 1867, p.66). By 1852 American ships carried away 47 per cent. of the trade of Shanghai (Morse, Conflict, p. 343).

17. Directors of P. & O. to Palmerston, 29 April 1851, P.O. 17/184.

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loading anchorage for goods in the legalized trade and on which no duty was paid, brought into peril these major interests [opium], that proceedings were taken by the parties aggrieved, . . . and she was no doubt brought under the official cognizance of the British and Chinese authorities, by the owners of one of the opium clippers¹⁸"

On the surface, the motives of the case were less apparent. It began officially on June 10, 1850, when the Shanghai Tactai Lin (Lin Kwei 麟桂) notified Consul Alcock that on the previous evening some raw silk had been shipped off unreported and without a consular shipping-off chop.¹⁹ The Chinese in charge had offered the excuse that it was "inexpedient to apply" for a chop on Sunday; one would be sent next day. It had not arrived, however, and the Tactai asked the Consul for the name of the ship.

Consul Alcock at once replied that by Treaty "it is for your Custom House Authorities," who no doubt know the proper ship, "to lose no time in making the seizure". Nevertheless he saw fit to investigate, and found that "while the vessel was within the limits of the port and subsequent to the issue of the Grand Chop and port clearance [by the Tactai and Consul respectively] granted upon the declaration that the said ship should leave the Port in Ballast", . . . A. G. Dallas, resident partner of Jardine Matheson & Co., had shipped "519 Packages of Raw Silk and

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18. Alcock's 30 to Bonham, May 1, encl. in Bonham's 47 to Palmerston, 20 May, 1851, F.O. 17/177; reiterated in Alcock to Bonham 9 Aug., encl. in Bonham to Palmerston 15 Sept. 1851, F.O. 17/178.
 19. General Regulations, Article VII: "Every English merchant having cargo to load, must give due intimation thereof, and hand particulars of the same to the Consul, who will immediately . . . communicate the particulars to the Superintendent of Customs, that the goods may be duly examined".

180 bales" on board the Lady Mary Wood, without a permit
"on the morning of the 10th June at Shanghai and the same
afternoon and next morning (the 11th) at Woesung."²⁰

Consul Alcock thereupon told Dallas that he would be fined \$200 to the Queen for a breach of Art. VII of the General Regulations, and be obliged to pay duties. The Consul notified the Tactai of this decision, but at the same time upbraided him for the laxity of his officers and disclaimed all future consular obligation to repeat such active steps.

Here the case might have ended. But on June 14 Jardine Matheson & Co. reiterated to the Consul that they had "no objection to make to the penalty [but] as the act was committed openly with no intention to evade the just revenue, but in the usual manner so far as regards previous and recognized (by the Chinese Custom House) [sic] shipments of silk in the same steamer, we submit that we are entitled to be placed upon the same footing as other shippers with regard to the duties. . . . Several shipments have been made subsequently to ours, by the same vessel, of which the Chinese must be well aware, and of which they have taken no
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notice."

The Tactai, when asked by the Consul, "could obtain no information" about these other alleged shipments. Alcock replied to Jardine, Matheson & Co. that he could not place them on the same footing as other smugglers, but was quite prepared on due evidence to place other smugglers "on exactly the same footing as yourselves".

20. Proceedings of a Consular Court, British Consulate, Shanghai, 4 July 1850; Jardine to Alcock, 24 June 1850, encl. in Bonham's 97 to Palmerston, of 27 Sept. 1850, F.O. 17/169.

21. Corresp. in Bonham's 97, Sept. 27, 1850, F.O. 17/169.

To this Jardine Matheson & Co. replied on June 17 that by their admission they had already given conclusive evidence against the Lady Mary Wood, but no steps had been taken against her. "By the infraction of the treaty Regulations on her part, shippers were in a manner forced to commit irregularities which they would have in some cases very willingly avoided. . . . the same vessel took away from Woosung on the 15th April about 150 bales and on the 13th May about 350 bales raw silk, besides a quantity in addition to our shipment on 12th instant." This could be ascertained on investigation.

The Consul, however, replied that he was "not empowered" to begin such an investigation; and when the trading company referred next day to "evidence we have already produced conclusively in one case", he repeated that their evidence was only assertion, lacking names and details.

It was plain that he thought Jardine Matheson & Co. were accusing other shippers by the P. & O. steamer. Hence on June 24 that firm explained that, "the parties to whom we alluded as smugglers were the representatives of the Lady Mary Wood steamer; and not the shippers by that vessel. Our assumption that we had necessarily produced conclusive evidence against the Lady Mary Wood was based upon the fact of our own shipment by that vessel having been acknowledged by you. Having from the first made no concealment of our own share in the matter", they then gave details.

With this to go on, Consul Alcock brought the Master, Tronson, before a Consular Court on July 4. Dallas presented bills of lading with Tronson's signature; "defendant admitted the shipment of the silk within the limits of the

22. ibid.

port", and was fined \$200 to the Queen for a breach of Article VI of the General Regulations ("all duties ... must... be paid up in full" before departure) and ordered to pay tonnage dues for the last voyage, to be given to the Chinese Authorities. On a cargo of some \$240,000 value, the Chinese thus recovered Tls. 5,664,4,5 tariff duties as well as Tls. 148.1 tonnage dues, equal in all to some 8,107 dollars.²³

From the foregoing evidence it is plain that Jardine Matheson & Co. acted throughout in such a way as to bring the P. & O. into difficulties. First, by shipping their silk openly and without a permit and making Tronsen inevitably a party to this proceeding. Second, probably by arousing the Chinese authorities to appeal to the Consul, and probably also, as Governor Bonham intimated in his report, by bringing the transaction "particularly to the notice of the Consul". Third, certainly by calling the Consul's attention in their letters to the guilt of the Lady Mary Wood: on June 14th referring to "other shippers" who had evaded duties by that vessel, about which Alceek could learn nothing from the Taotai: on June 17th forgetting the "other shippers" and accusing the P. & O. directly of seduction; and finally, on June 24th, stating their charge too plainly for it to be misunderstood. In presenting the bills of lading on 5 July, they gave the coup de grace by request.

Their motives seem plain: chiefly to defend their opium monopoly from the amateur competition of the P. & O. steamer. But in addition it was to their interest that the opium station at Wusung should not be contaminated by the evasion there of legal duties, a proceeding which if unchecked might lead the Chinese authorities, in the interests of the

23. ibid.

Emperor or of themselves, either to denounce officially what went on there or to demand higher fees for their indifference to it.

This was equally apparent to the British officials, who recognized, as Consul Alcock put it, the "major interests" of opium, which "vitalizes the whole of our commerce". In his official notification to the British merchants at Shanghai on June 23rd 1850 the Consul warned them that goods smuggled within the port were liable to confiscation by the Chinese, "and if any shipment be effected at any other ports or places, not only the goods, but also the ship, may be seized and confiscated by the Chinese authorities, in like manner. As regards indeed the latter class of smuggling operations especially [E.g. at Wusung], it may be well to bear in mind that if the Chinese be driven to extremities, questions may at any moment arise from such illegal shipments not limited in their application to the case more immediately under consideration, but taking a wider range, and involving in a common danger interests of greater magnitude." [i.e. opium].²⁴

The case had a sequel which is, perhaps, instructive. The P. & O. Co. appealed against Alcock's decision to both Palmerston and the Supreme Court at Hongkong. The former silenced their plaint, that Alcock's unfair discrimination had obliged them to withdraw the Lady Mary Wood from the Shanghai service, in February 1851, by sending them Alcock's²⁵ reply quoted at the beginning of this section.²⁶

The appeal to the Supreme Court, whence the case

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24. Alcock to British community, Shanghai, June 23, 1850 in Bonham's 97, F.O. 17/169.
 25. P. & O. Directors to Palmerston, 29 April, 1851, F. O. 17/184.
 26. Alcock to Bonham, May 1, 1851, encl. in Bonham's 47, F. O. 17/177; Palmerston to Directors of P. & O. Co., July 31, 1851, F.O. 17/184. He had asked Bonham about the facts on May 20, 1851, F.O. 17/181.

was removed by a writ of certiorari in October 1850, was more successful. On March 14, 1851, Alcock's decision was reversed, on what the Attorney General and Governor at Hong-²⁷ kong regarded as an obvious technicality, although the Law Officers in England thought it right on the whole and recom-²⁸ mended no appeal. At that time Governor Bonham and the Chief Justice were engaged in a feud, one issue of which was the division of powers to be made between the Consular Courts, which reflected the influence of the Governor in his capacity as superintendent of Trade, and the Colonial Supreme Court at Hongkong. This feud may partly account for the reversal of Alcock's decision. But how far the Chief Justice's attack on Bonham's judicial influence as Superintendent of Trade became, in the case of the Lady Mary Wood, an attack on the influence of Bonham's friends, the big trading companies, must remain²⁹ an untraced thread in the tangled skein of Hongkong politics.

For the purposes of this inquiry, the case of the Lady Mary Wood indicates how the large trading companies who were interested in opium as well as in legal goods were naturally more opposed to the evasion of duties than the small trader who was interested only in the legal trade or the carrying trade and had no larger interests at stake. It also indicates how the British officials, for the best interests of British trade, were moved by the same motives, if not some- times by direct influence, likewise to oppose the evasion of legal duties.

27. Bonham to Palmerston, 28 March 1851, F.O. 17/176.

28. Palmerston to Bonham, Aug. 27, 1851, F.O. 17/174.

29. Cf. Titel, Hong Kong, passim. Bonham confessed himself "much plagued by the interference of our Supreme Court in consular matters" (to H.U. Addington, Dec. 29, 1851, F.O. 17/181).

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The case also further defined the theoretical and the actual attitudes of the Consul toward smuggling. When first appealed to on June 10, 1850, Consul Alcock had refused to get information for the Tactai and could only recommend him "vigilantly to exercise" his right given in the Supplementary Treaty, Art. III, and "seize all goods shipped without authority". On June 18th the Consul declared that his intervention in imposing fines had been merely a favour, to keep the Tactai out of the difficulty incurred, - so the Tactai said, - by passing the goods from a "friendly consideration for the British authorities". The Consul's intervention could not be drawn into a precedent. . . . "In future for any smuggling the remedy in such cases made and provided by Treaty, is in the hands of the Chinese authorities exclusively, and consists in the stoppage or seizure of the goods according to circumstances".

The Consul further clarified his position in the Notification of 23 June. He had refused to "take upon himself the proper business of Chinese Custom House officer. . . . Two parties being injured, the Government which is defrauded of its revenue, and the fair trader of his profits, to both it is equally open to appeal to the laws. The first is empowered to seize smuggled goods . . . To the second belongs the right of" informing against the smuggler, in which case "it is the duty of the Consul instantly to apprise the Local authorities of the fact, so that they may effect a seizure. But the Consul is not authorized to act except upon positive information, and then his first and chief duty is to report. The remedy lies not with the Consul but with those who are the chief losers."

Bonham entirely approved Alcock's "denying the pretensions of the Tactai to call upon H.M.'s Consul to

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obtain evidence of smuggling by British subjects . . . and disclaiming all right on the part of the mercantile community to look to the British Consular officers for protection against smuggling amongst themselves, unless proper evidence of such smuggling were lodged at Her Majesty's Consulate." ³⁰ Palmerston on 27 November, 1851, also approved ³¹ Alcock's proceedings.

It was thus agreed that the official role of the Consul as regards smuggling should be a passive one. His intervention could only follow upon the action of the defrauded Chinese Authorities, or the aggrieved British merchant. But the Lady Mary Wood had made it evident that the Consul nevertheless had an active interest as regards smuggling, namely, to keep it from endangering the safe regularity of British trade, including opium.

The Case of the John Dugdale. Roused by the public attention given to the Lady Mary Wood, Lin Taotai revised the Shanghai port regulations in order to tighten up his surveillance, especially at the four public jetties which the Consul had succeeded in adding to the custom house wharf as places for the landing and shipping of goods. For no stated reason, these revised regulations gave the Consul less of a part to play in customs procedure. "Export goods will be reported direct to the Custom House for examination, by the shippers or consignees, through their respective linguists, as they are shipped day by day, without the necessity of applying for shipping-chops to the Consul. A memorandum will be kept at the Custom House to be compared with the Export manifest sent in by the Consul" for each ship when it had finished ³² loading.

30. Bonham to Alcock, No. 72 of 21 August 1850, encl. in his No. 97, F.O. 17/169

31. To Bonham, No. 99, F.O. 17/164.

32. Alcock to Lin, encl. in Bonham's 144 to Palmerston, Dec. 26, 1850, F.O. 17/170.

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This modification of the treaties, together with the threats and promises of the Taotai's notification, was approved by Consul Alcock. "I am quite ready to co-operate with you. But," he continued, "if the Custom House officers do not exercise more vigilance than heretofore, neither these nor any other Regulations can possibly supply the place of an effective Custom House Establishment".³³ Likewise, the American merchant consul, J. N. A. Griswold of the firm of Russell & Co., assured the Taotai of his readiness to afford every facility for the proper examination of goods; but, privately, he could see "no remedy for smuggling except in an efficient custom house staff to take account of the goods as landed and shipped, which has never yet³⁴ been done".

Regulations, in short, were idle. Honest merchants were demoralized by less meticulous competitors, when one of these as yet uncorrupted, Wm. Hogg, partner in Lindsay & Co., appealed to the Consul, the latter summed up the dilemma: "Smuggling can only be stopped by the Chinese and . . . they will not. In the first place, you cannot stop it at Canton. Suppose you could stop it here, you place the trade of Shanghai at a great disadvantage as compared with that of Canton. You could only stop it here by an English staff of officers (tidewaiters) [sic]. Suppose the British Consul could stop it under the British flag, smuggling would rage more freely than ever under foreign flags."

Whereupon, the merchant continued, "I brought the subject before the Chamber of Commerce. They would have nothing to do with it and for some time I was the most unpopular man in Shanghai. I wrote to the Consul that I

33. ibid.

34. Dr. Peter Parker to Commissioner Sen, 28 Aug. 1851, quoting Griswold to Parker, December 1850, Chinese Repository Vol. XX (1851) p. 469.

had netted a loss of 20,000 dollars in the first three months of this season by not doing only a half of what my neighbours were doing. I cannot now look upon it as dishonest and I told Mr. Alcock distinctly that I would smuggle as heavily as anybody and he said there were two courses - to do so, or to give up business . . . at the same time the danger is great, the revenue must fall away so immensely that [the Chinese] will then bestir themselves."³⁵

This latter danger, however, was but one horn of the dilemma - the other being the danger of American competition. Of thirteen American clippers launched in 1850-1, "no less than six . . . invaded the English tea trade, and caused great commotion amongst the owners of British tea ships by making passages which at that time were considered to be impossible".³⁶ The British merchants, whose inefficiency had been protected too long by the Navigation Laws, much as the E.I.C. had been protected under its monopoly, felt themselves menaced and required only a scare to be filled with panic.

On January 4, 1851, the consignees of the British ship John Dugdale received the receipts for duty paid by the four parties shipping in their vessel, and found that she was about to clear with a declared cargo of half the quantity she had taken on her previous voyage, even though fully laden.³⁷ They formally protested to the Consul "against all parties concerned in case of any liability attaching to us" because of this evasion of duties. Whether they did so from conscience, fear, or jealousy, does not appear.

35. Hogg to Lindsay, quoted in Lindsay to Palmerston, Dec. 20, 1850, F.O. 17/173.

36. Lubbock, China Clippers, p. 58.

37. N.C.H., January 11, 1851.

Now the Consul already held the Grand Chop issued from the Tactai's office which cleared the ship and declared all duties to have been paid. He at once informed the Tactai of the consignee's protest, and ordered the ship back to the loading anchorage, hatches sealed. On January 7th the Tactai was to unload and weigh the cargo, but "after repeated and careful consultation" Consul and Tactai on January 8th "agreed to call upon each shipper to make declaration of the actual amount of tea shipped . . . and to lay a penalty in money equivalent to double duty on the excess of tea over and above the quantity reported and a fine of \$100 to the Queen on each individual shipper". This was done. Of 458,651 lb. of tea shipped, 257,251 lb. "in open day had been put on board at the anchorage opposite the Custom House, effecting a fraud on the Chinese revenue of more than 4,000 Taels, no notice whatever having been taken of the proceeding".³⁸

To record the guilt of the Chinese authorities, Consul Alcock wrote to the Tactai on January 8th that "the illegal shipment has not been more thoroughly established than the criminal negligence and worthlessness of the Custom House officers. The manifest brought to the Consulate, though in itself false, agreed in every respect with the duty accounts passed by the Custom House. It is notorious that scarcely a foreign vessel leaves the Port without frauds nearly as large as in this case".

To this the acting Tactai Wu Chien-chang 吳健彰 on January 12th suavely replied that at the very beginning, on receiving the Custom House attendant's report, "I at once suspected some irregularity and was on the point of sifting the matter to the utmost when I received a note from you". In reply the Consul was not slow to point out that the Tactai had nevertheless issued the port clearance and let

38. Alcock's 7, Jan. 14, in Bonham's 15, 1851, F.O. 17/175.

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the vessel go.

The North China Herald estimated that the Hohn Dugdale, with so much cargo smuggled, "still paid in respect of her tonnage more export duty than $\frac{1}{4}$ of the gessels recently cleared".⁴⁰ For a time her example discouraged others from smuggling, "even in American ships", as the British Consul put it. Nevertheless, he was "thoroughly satisfied that either some means must be devised of placing the British and Foreign trader on the same footing with respect to each other, and the payment of Custom House Duties, or we must be prepared to see the whole export trade transferred, and at no distant date, to foreign bottoms; . . . everyone must smuggle on the same wholesale scale, or all must be alike prevented. . . . It is essential something be done before the commencement of the next tea and silk season in June".⁴¹

The problem was thus fairly put. Over the Chinese Authorities the British Consul had no control and from the American merchant consul he could expect little or no cooperation. As a result he could enforce the treaties and penalize British smugglers only at the expense of the trade which the treaties were originally designed to foster. The laxity of the Chinese and American authorities, who saw little reason to suppress the evasion of duties, put the British Consul between the devil and the deep sea. Enforcement of the British treaty provision regarding Consular Interference for the Prevention of Smuggling would surely drive British as well as American trade into the safety of American ships and destroy the British carrying trade; not to enforce it would just as surely subvert that regularity and security, that published tariff equally enforced upon all, which the treaties were meant to ensure. The trade or the treaties, - the British Government could take its choice.

39. ibid.
40. N. C. H. January 11, 1851
41. Alcock's 7 in Bonham's 15, F.O. 17/175.

IV. Palmerston's Abandonment of

Consular Interference

1850 - 51

By the beginning of 1851 the evasion of duties in the treaty ports of China had become a problem urgently demanding the attention of the British Foreign Office. The immediate interests of the British carrying trade demanded that shippers in British vessels receive most favoured nation treatment and be allowed to evade duties as extensively as shippers by American or other vessels. The long time interests of British trade as a whole demanded, however, that western methods of customs administration, - a moderate published tariff equally enforced upon all, - together with the whole legal structure of the treaties, should be preserved as a basis for the security and expansion of foreign commerce with China. On analysis it became apparent that this conflict could be dealt with in either one of two ways: by an expedient acquiescence in the facts and the abandonment of an important part of the treaties, or by an assertion of principles which had been first established by war and could be satisfactorily reasserted only by force. More concretely, it became apparent that the British Government must either let smuggling continue in the foreign trade of China, with all its attendant evils of insecurity and uncertainty, or else put pressure on the Chinese Government to put a stop to it. This pressure, moreover, could only be applied after a military demonstration, which would amount to another war; yet eventually there appeared to Lord Palmerston to be no other measure adequate to the purpose. Consequently, after a careful though incomplete investigation of alternative measures, Palmerston in May 1851 decided to abandon the treaties and allow merchants to smuggle as extensively as the Chinese custom house

authorities might let them. But he appears to have taken this decision, and this is a most important fact, partly because he realized that another war in China was inevitable if the British foothold were to be maintained there and that in the readjustment to follow the customs problem could be dealt with. This second war eventually came as he had foreseen, although it was delayed until 1856 by circumstances which will be touched upon below, - among them the fact that Palmerston himself left office in 1851, that the Crimean War engaged England's attention from 1853 to 1856, and that the disorder of the Taiping Rebellion in China made it unwise to attack the already weak Imperial Government and so throw the country and its trade further into chaos. In 1850-51, however, these developments were still in the future, and the British Foreign Office was obliged primarily to play its traditional part as guardian of the interests of British trade and arbiter between the claims of individual merchants and the national welfare as a whole.

1. The General Trend of British Policy
Toward China.

Policy-forming influences. The Foreign Office was a clearing house for many opinions, as to fact, law, and policy, and took decisions within limits laid down by others. For the facts of the case in China it relied chiefly upon the reports of the British Consuls as filtered through, or enclosed in, the despatches of H. M.'s Minister Plenipotentiary and Superintendent of Trade at Hongkong. The files of the China correspondence, from and to Hongkong, were of course the best guide to the background of any problem and its history. To guide it in matters of law, before the institution of Legal Advisers within the department itself, the Foreign Office referred particularly to other departments of government, the Queen's Advocate and the Law Officers of the Crown; in matters regarding the Colony of Hongkong, its administration and finances, it deferred to the Colonial Office; in plans envisaging the use of force, - to the Admiralty; and in a multitude of detailed questions concerning shipping and commerce, - to the Board of Trade. Limits set and opinions expressed by these departments could not well be disregarded by the Foreign Secretary. Finally, and perhaps most important, the Foreign Office was spurred in time of crisis by the memorials and individual representations of the China merchants in England and their spokesmen in Parliament.

These merchants were usually either the senior partners of firms in China, who had retired to enjoy their strenuously earned profits and manage the English end of the trade, or else members of firms in England who exported manufactured woollen and other goods to China, sometimes through other firms as agents. The former, interested primarily in

the tea and silk trade as their sources of profit, were corporately articulate chiefly through the East India and China Associations of London and of Liverpool.¹ The latter, exporters of Lancashire products, were organized in the Manchester Commercial Association, and the Chamber of Commerce and Manufactures, also at Manchester. The interests of all four associations were sufficiently wrapped up in the fortunes of the China trade as a whole to make them act in concert on nearly all questions. This they would do with vigour upon receipt of important news from China, and thus the Foreign Office sometimes heard the mercantile point of view before they heard that of the British officials. In any case it would follow close upon the heels of the despatches, and sometimes be personally presented by a delegation at the Foreign Office.

The internal organization of the Foreign Office in the 1850's was an anachronism; the principle of the division of labor had not yet been applied to diplomacy, and the Foreign Secretary saw in person a tremendous mass of routine documents. His Under-Secretaries sent him "Everything upon which any question can arise which is personal to any man, when there is any application for employment, or a question in which any man's feelings are concerned Whatever a man represents on behalf of himself, anything that may arise in matters of trade, anything about questions which may be mooted in Parliament, questions of general policy and commercial business".² Considering that the annual total

1. Imports of tea to Liverpool and London from 1 January to 16 July 1849 were 7,193,000 lb. and 27,286,000 lb., respectively, with deliveries and stocks in about the same proportion. Gideon Nye, Jr., Tea; and the Tea Trade, (New York, 1850, 3rd ed.) p. 21, based on Brodribb and Coates circular, Liverpool.
2. Tilley and Gaseles, The Foreign Office (London and New York 1933, Putnam's), p. 233, quoting Hammond.

of despatches received and sent had risen from 11,500 in 1830³ to 30,725 in 1849, while the staff had remained almost the same, it is obvious that the Foreign Secretaryship was a killing job. Considering also that as late as 1855-56 the total of regular⁴ despatches passing to and from China was only about 650 a year, - double the number of 1850, even so, - it is plain that affairs in China could not bulk large in the Foreign Secretary's daily grind. Under these circumstances his Under-Secretaries had an important influence on his policy, - particularly, in the case of Chinese affairs, the Permanent Under-Secretary, to whom the despatches from China, as from all countries save a dozen or so in central Europe, were first sent, and whose minutes there-⁵fore accompanied them when they came before the Foreign Secretary.

Palmerston's Permanent Under-Secretary in 1850 was Henry Unwin Addington, who had been in the Office intermit-⁶tently since 1807 and in his present position since 1842. In the partition of the world, in which the Under-Secretaries indulged for expediency, China fell to Mr. Addington. But, perhaps because he was nearing retirement, matters connected with the Chinese department which he nominally supervised were left by 1850 more and more to the chief clerk in that department, Mr. Edmund Hammond. This extraordinary bureaucrat, ex-Fellow of University College, Oxford, had entered the Foreign

3. Ibid. p. 66.

4. Exclusive of miscellaneous letters re appointments, complaints, and personal affairs filed under Domestic Various and Foreign Various, which totalled during the five years 1852-56: 22 volumes out of 74 of correspondence.

5. cf. description of the Permanent Under-Secretary's many-sided role in administration and diplomacy in L. Jones-Parry, "Under-Secretaries of State for Foreign Affairs, 1782-1855", English Historical Review (vol. XLIX pp. 308-320, April 1934) p. 315-6.

6. F.O. List 1852. Dictionary of National Biography (ed. 1908. cited below as D.N.B.), art. by F.F. Henderson.

Office in 1824, and by the middle of the century had advanced half way in a career of nearly fifty years of indefatigable service which was to reach its climax in historical notoriety in 1870, these weeks before the outbreak of the Franco-Prussian war, when he told the Foreign Secretary "that he had never, during his long experience, known so great a lull in foreign affairs, and that he was not aware of any important question that he (Lord Granville) should have to deal with".⁷ Though obviously a bureaucrat to his fingertips, Hammond was in no sense a sinister power behind the scenes: he believed that the Under-Secretary, whose duties he formally assumed in 1854, "has no business to give a decision upon any point; he is merely the channel and ministerial officer, who is bound to advise and to recommend . . . but has no independent action at all".⁸ Certainly in 1850 he could excel the Foreign Secretary neither in energy nor in experience,⁹ and in the period discussed below his policy, such as it was, may best be described as bureaucratic rather than political.

Sino-British friction: the Canton City Question. In British official circles it was generally conceded by 1850 that the treaties of 1842-3, as a vehicle for the expansion of British trade, were breaking down. Their breakdown was held to be due partly to the inadequacy of their provisions, ~~partly to the inadequacy of their provisions,~~ partly to the stubbornness of the Chinese authorities in impeding their execution. Many grievances¹⁰ were alleged, some less justifiable than others, but all con-

7. Tilley, The Foreign Office, p. 91, p. 111.

8. Ibid. p. 234.

9. On the Foreign Office under Palmerston cf. C. K. Webster, "Lord Palmerston at Work, 1830-41", Politics No. 2, Aug., 1934.

10. Horse Conflict, ch. XIV summarizes the British list of grievances as set forth in the Blue Books of the period.

tributing to a general feeling of frustration: venturesome foreigners had been stoned and even killed, insulting and inflammatory placards had heaped insult upon injury, and the tiny English community in China felt its prestige diminishing and the dangers of its position therefore increasing. Moreover the sale of British manufactured goods had failed to increase as expected, and to free-traders for whom commercial expansion was a natural and almost divine law, this could be explained only as a result of Chinese political interference, - which again could be combatted only by asserting British superiority and maintaining the prestige so established. For this reason the question of entrance into Canton city had assumed importance. Commercially it was nonessential. For sign trade centered about the factories outside the walls. But politically the city question became an unavoidable matter of face and caused a diplomatic struggle between the British Plenipotentiary, Mr. Bonham, and the Imperial Commissioner at Canton, Hsu Kuang-chin (徐廣緝), two officials who were in many ways typical of the opposing sides which they represented.

Mr. (Samuel) George Bonham was comparatively young, still in his forties, only recently married. His father had been captain of an East Indiaman and he himself had grown up in the environment of the eastern trade. In 1820, while yet in his twenties, he had become Resident Councillor of Singapore, at a time when the Straits and the Indies still consumed more Indian opium than China. In 1837 he had succeeded to the Governorship of the Incorporated Settlements of Prince of Wales Island, Singapore, and Malacca, ¹¹ where British administrators had first dealt with Chinese communities. At one time "The more

11. R. E. Douglas in DNB. has him Governor at Singapore until 1847; the Singapore Almanack for 1856 states that Col. W. J. Butterworth, C.B., became Governor in 1843. E. J. Eitel, Europe in China. The History of Hong Kong from the beginning to the year 1882, (London, 1895, hereafter cited as Eitel: Hong Kong) has him as Governor 1833 to 1842.

ambitious among them, like Mr. S. G. Bonham, devoted themselves to the study of the Chinese language and the mastery of Chinese habits and customs".¹² But in the end it was not Chinese studies which chiefly facilitated Bonham's rapid advance: "Lord Palmerston subsequently stated that Sir George's 'practical common sense' was the chief cause of his appointment to the Governorship of Hong Kong".¹³ After taking up his new duties in March 1848, he had, by such measures as the enrolment of leading merchants as justices of the peace, recognized the new commercial aristocracy of young men, among whom his own comparative youth and bonhomie made him a popular contrast to the hauteur of Pottinger and Davis. "From the very commencement of this administration, Hong Kong society began to take its tone from, and was henceforth held together by, the spirit that prevailed at Government House".¹⁴ That spirit was through and through practical, cautious, and yet energetic, devoted to the interests of British trade.

Bonham's chief antagonist, Hsi' Kuang-chin had become a Metropolitan Graduate (Chin Shih 進士) in 1820 and a Manlin. His rise as an administrative official had been unspectacular: he had attained Taitai's rank only in 1836 and become Governor of Kwangtung in 1846 and Viceroy in 1848. On the other hand his career had included from the beginning positions of trust, as a supervising censor in the provinces as early as 1830 and as chief examiner in provincial examinations. He had served in all the ranks of higher provincial administration and in half the provinces of the empire, and from his biography he would appear to have been certainly a man of scholarship and

12. H. Morse Stephens, "The Administrative History of the British Dependencies in the Farther East", American Historical Review vol IV No. 1 (January 1899, p. 246-72) p.256.

13. Eitel, Hong Kong, p. 253.

14. Ibid. p. 282.

of Confucian morality, though perhaps not very strong as an
15
administrator.

His colleague the Governor of Kwangtung, Yeh Ming-
ch'en (葉名琛), had risen more rapidly and yet had acquired
much experience in administration. After becoming a Metropolitan
Graduate in 1835 and a Henlin, Yeh had quickly climbed the
rungs of Prefect (1835), Tactai (1839), Judge (1841) Treasurer
(1842), and after a statutory interval of mourning (1843-6), had
reached Kwangtung as Provincial Treasurer in 1847. He was thus
clearly a more vigorous man than his superior Hsu; he had al-
ready been a little longer on the scene at Canton, and was to
remain there as the chief power for a long period after Hsu
Kuang-chin's departure, - until, in fact, the British took him
to Calcutta in 1858. The guess may be hazarded that as early
as 1850 Yeh Ming-ch'en was a leading figure at Canton, perhaps
at times the dominant partner in the combination of Hsu and Yeh.
Certainly the policy followed while he was Governor (1848-52)
was similar to that which he pursued as Viceroy (1852-58), and
the time during which he was at Canton may be considered as a
single phase in Chinese foreign relations.
16

By 1850 the question of entrance to Canton city had
17
reached a stalemate: Bonham had written Hsu that "the question
must rest in abeyance" and Hsu had reported to the Throne that
the British had formally stopped discussing it. This is widely
repeated elsewhere in Chinese works; and Bonham's despatch may

15. Biog. of Hsu, Ch'ing shih li-sh-chuan 清史列傳 XLIV 10b.

16. Biog. of Yeh, ibid. XL 44b.

17. Resumé in House Conflict pp. 395-399.

actually have given the impression that the question was closed.¹⁸ It had been far from his intention to close it, however. In April 1849, although his instructions forbade coercion, Bonham had even advocated to Palmerston the necessity of another resort to force. Defeat could not be accepted, and in August 1849 Palmerston initiated a new phase of policy by sending under sealed cover a formal protest addressed to "the Minister for Foreign Affairs at Peking", which was to be transmitted to Peking over the head of the Imperial Commissioner at Canton.¹⁹ In brief, the line of diplomatic communication with Peking offered so much resistance at its Canton terminal that Palmerston decided in 1849 to effect a shorter connection through Shanghai and, later, through the Peiho (the river at Tientsin). This effort produced a further dispute as to the channels through which Sino-foreign relations could be conducted and so formed one chief focus of Palmerston's policy in 1850-51.

In September, 1849, in view of the absence of British trade at both Ningpo and Foochow, Palmerston had asked Bonham to suggest other ports that might profitably be substituted. This opened up a second question long imminent, as to what changes were desirable in the British position in China. Thus at the beginning of 1850 British policy was following out two closely adjoining paths, the one leading toward direct communi-

18. Chinese version of Bonham's despatch not seen. "It is altogether impossible", protested Bonham, "that the Chinese authorities could have so misconstrued my meaning, which was clearly laid down in my official communication to the Imperial Commissioner". (Bonham's 68, July 22, 1850, F.O. 17/168) Chinese versions: 據 吹 舊 照 覆 現 經 議 定 以 後 再 不 辯 論 進 城 之 事 (Hsu and Yeh to Throne, rec'd May 26, 1859, INSM-TK LXXX 10b); 現在 英 夷 罷 議 進 城 (Hsu et al. to Throne, same date, ibid. 14a); 罷 議 進 城 (Biog. of Hsu, Ch'ing shih li-sh-ch'uan XLVIII 11a, i. 12; biog. of Yeh, ibid. XL 45b, l. 9)

19. Part of this correspondence is printed in British and Foreign State Papers XXXVIII (1849-50); P.R.O. despatches noted in Morse Conflict p. 398.

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ation with Peking as a last possibility between the extremes of coercion and the acceptance of defeat at Canton; the other leading toward the drawing up of an ideal formula of the needs of British trade in China. As the year went on, it was to become finally evident to Palmerston that direct protest to Peking was quite as difficult and unavailing as all dealings with Canton had theretofore been. At the same time Alcock and Bonham were to paint a dazzling picture of the commercial results obtainable by a slight expenditure of force.

The Needs of British Trade. In a despatch of February 13, 1850, Consul Alcock at Shanghai voiced the spirit of imperialism. In spite of China's commercial self-sufficiency, he argued, British goods could invade with the greatest profit the enormous inland trade on the Yangtze and the Grand Canal. The British position on the coast, as well as customs barriers raised by the Chinese, prevented the great extension of British trade which would follow the introduction of British goods into the vast continental basins. The trunk lines must be tapped, because tea and opium might not always remain the staples of the trade and carry foreign manufactures to and from the interior in their train. To tap the trunk lines, said Alcock, the British should take Soochow as a trading centre, "to be flanked and guarded by positions at Chinkiang and Hangchow. What prevents us? Our treaty? It has been broken. The refusal of the Chinese Government? They are in our power"; while the prejudices of the people are an imaginary obstacle. The same coercion necessary to gain anything, will gain everything desirable. In three months a small squadron blocking the Grand Canal at Chinkiang as in 1842 could dictate terms.

The brilliant enthusiasm of this programme quite inspired the British Superintendent of Trade at Hongkong, George Bonham. In passing it on to the F. C. he confessed that the

20. Alcock to Bonham, Feb. 13, 1850, in Bonham's 46, F.C. 17/166.

existence of customs barriers must remain unproved until access to the interior allowed further investigation; but in general he was "more than ever convinced of the policy of obtaining a secure footing upon the inner line of traffic . . . Our primary consideration in China being our commerce, we must have the means to defend it against any tendency to impede its legitimate development". So Bonham repeated enthusiastically and almost verbatim Alcock's thesis: demand access to Soochow, Hangchow and Chinkiang; negotiate at Peking, or at Nanking "with a respectable force anchored opposite to Chinkiang". The question was merely one of time; and in 1854, "when we can claim to have our treaty reconsidered, . . . the Chinese will no more readily agree than at present". Should we, then, act at once or wait until 1854 "at the latest?"²¹

In these proposals, the British officials did not specify the nature of the concessions to be coerced from China, nor did he consider the diplomatic questions which might be raised by France and the United States. It was enough that a vast market for foreign manufactures lay untapped (an assumption subsequently proved fallacious) and ~~it~~ could be had almost for the asking. Polite but firm coercion would indeed be little more high-handed than the claim to treaty revision mentioned by Bonham, which was based on the most favoured nation clause of the British Supplementary Treaty, added to the twelve-year revision clause of the American treaty, producing the right to revise the British treaty itself twelve years after its signing, or in 1854.²² To this claim, as put forward by Sir John Davis in 1845, Ziyang had assented, though on his own responsibility. Such legal details, however, were for British policy less important than the fact that irresistible opportunities seemed to

21. Bonham's No. 46, April 15, 1850, F.O. 17/166.

22. Supplementary Treaty, Oct. 8, 1843, Article VIII. Treaty of Wanghia, July 3, 1844, article XXXIV.

await British commercial exploitation if only they could be grasped by H.M.'s Government. Whether to grasp them by diplomacy or by war was a secondary consideration, a question of means not of ends. If negotiations with the Chinese Government should prove fruitless, it might be necessary to resort to force.

Palmerston's Appeal to Peking. Palmerston received Alcock's plan of action, outlined above, on June 15, 1850. By that time his effort to protest directly to Peking had consumed ten months but had as yet attained no results. On January 2, 1850, Palmerston had approved Bonham's proposal that if the formal protest of August 1849 was not certainly reported to have reached Peking, then Bonham should himself take a copy there.²³ Three weeks later he approved Bonham's further expedient, that Alcock should try to deliver a copy of the protest through the Shanghai Taotai and his superior, the Liang Kiang Viceroy at Nanking.²⁴ Toward the end of March, 1850, however, he learned that the Shanghai Taotai could not be induced to receive barbarian messages. Hence Bonham had asked the Senior Naval Officer for a boat to take him to the Peiho, which could not be done until March or April.²⁵ Again at the end of May, it was reported that all efforts to induce the Shanghai Taotai or the Viceroy at Nanking to receive Lord Palmerston's letter had failed. In addition, mourning for the recently deceased Empress Dowager and Emperor would preclude Bonham's being received at the Peiho until after June 5. For this reason Mr. Senior Interpreter Madhurst, in the steam sloop Reynard, was to collect the British protest at Shanghai and deliver it at the Peiho, while the Superintendent and Chief Plenipotentiary

23. Palmerston's 2, July 2, 1850, F.O. 17/164.

24. Palmerston's 17, January 24, 1850, F.O. 17/164.

25. Bonham's 13, January 30, 1850, F.O. 17/165.

waited at Shanghai to avoid loss of face if he were not
 received at the north.²⁶ No results were attained, in short,
 until Bonham himself went to Shanghai in May 1850 and
 threatened to continue on to the Peiho. A glance at the
 Chinese despatches reveals why this move at last secured a
 measure of satisfaction.

To begin with, Hsu and Keh at Canton had maintained
 their policy of disregarding barbarian complaints. In Febru-
 ary 1850 they reported to the Throne that the American and
 French Chiefs were conferring with Bonham to send a joint com-
 munication to the king of the English barbarian's country;
 trade having gradually increased in the half year since dis-
 cussion regarding entrance to the City was stopped, it could
 be seen that the barbarians were not seeking a quarrel; steady
 profit made everyone happy, and so contentment with the trade
 would produce international accord; and the English being left
 in isolation, would have even less means of gaining their
 desires,²⁷ - a most reassuring, if brief, summary of the situa-
 tion which had exasperated the British Minister a few months
 previously into advocating hostilities. The contrast between
 the actual feeling of the British and the contemporary Chinese
 impression of it is most instructive. A few days before the
 Court received the complacent report just noted, Bonham at
 Hongkong had been instructed by Palmerston to explain to the
 Chinese authorities at the Peiho that he sought "confidential
 communication with the proper officers of the government . . .
 to remove by personal representations and explanations those
 causes of just complaint, which, if suffered to continue,
 might involve the two governments and countries in very un-
 pleasant discussions, if not in hostile collision".²⁸

26. Bonham's 40, March 28, 1850, F.O. 17/166, received May 20.

27. INSM-HE I 1a, received March 6, 1850.

28. Palmerston's 2, January 2, 1850, F.O. 17/164.

This stubborn insensitivity of the Canton authorities, at a time when trouble was brewing, was made the more dangerous because of their sole responsibility for foreign affairs. When Alcock had sought early in 1850 to forward Palmerston's protest through Shanghai and Nanking, the Shanghai Tactai, Lin Kuei (麟桂), had replied that all matters relating to foreign affairs must be taken up with the Imperial Commissioner; and the Nanking Viceroy, Lu Chien-ying (陸建瀛), had reported the facts to Hsu and not to the Court. So far as is stated, Hsu replied simply that he had not received any despatch from Bonham asking that a letter be transmitted.

For this reason, when Bonham arrived at Shanghai on May 3 and told the Tactai on May 5 of the proposed trip of the Keynard to ^{the} Peiho, the Nanking Viceroy Lu Chien-ying was left to meet the situation alone and save himself from it as best he could. If he went too far in accommodating the barbarians he might be censured; if he did not prevent their going to the north he would certainly be reproved. Lacking explicit authority himself to deal with barbarian affairs, the Nanking Viceroy was thus placed between the upper and the nether mill-stones and was obliged to follow a two-fold policy aimed at placating both the Court and the barbarians, a policy which of necessity became two-faced. For the provincial authorities under Hsien Feng, his position was in many ways typical.

Lu Chien-ying's official career would also indicate that he was himself a worthy representative of the mandarin. A Metropolitan Graduate of 1822, he had spent most of the following eighteen years at the capital, serving repeatedly as an examiner there and also in the provinces, and gaining literary distinction. Entering the provincial administration as Tien-

29. Lu Chien-ying, memorial, IWSA-HE I 9b (received May 28, 1850), quoting despatch received from Hsu in second month (March 5 - April 1): 奏英求遞公文事未據咨會

tsin Taotai in 1840, he had then risen rapidly to be Governor of Kiangsu in 1846 and acting Liang Kiang Viceroy in 1847.³⁰

By 1850 he had survived, not without losses of official rank, the three years of meteorological disaster as a result of which the seeds of rebellion were soon to sprout; and it must be remembered that barbarian affairs could not but be relatively unimportant by contrast.

The policy which he followed toward the British demand for access to Peking was a defensive one of delay and compromise. Governor Bonham had left Hongkong on April 27 in the Lady Mary Wood. H. M. sloop Reynard had started ahead of him, on April 10, for the purpose of picking up Lord Palmerston's letter at Shanghai and taking it north for delivery at the Peiho.³¹ But when Bonham reached Shanghai on May 3 he found that the Reynard had not yet arrived. Having called at Amoy and Formosa, H.M. sloop did not in fact reach Shanghai until May 17. By that time Bonham had been two weeks on the scene and had been induced to let the Shanghai authorities open further discussions with Lu Chien-ying regarding the possibility of sending the protest to Peking through Nanking. When Bonham saw the Shanghai Taotai on May 6, the latter had offered to explore this possibility and later had announced it feasible. "There is no doubt whatever", explained Bonham to Palmerston on May 13, "that the Chinese authorities view with great jealousy the approach of any vessel to the northward, and therefore will do all in their power to prevent a personal appeal to the capital. To this cause must we attribute the willingness of the governor general [i.e., Nanking Viceroy]³² to receive and to transmit the packet to its destination". This guess was not far wrong. On May 13 Bonham forwarded to the Viceroy, accompanied

30. Biog. of Lu, Ch'ing Shih Hieh Ch'ian XIII 19a.

31. Bonham's 55, April 23, 1850, P.C. 17/167.

32. Bonham's 57, May 13, 1850, P.C. 17/167.

by a letter from himself, Palmerston's formal communication (shao hui 照會), and these two documents were subsequently sent on to the capital by Lu Chien-ying. In his covering memorial, Lu betrayed the concern which Bonham had inferred that he would feel. He emphasized the fact that he had accepted the letters only as a last resort to keep Bonham from going to Tientsin: the Shanghai Tactai had told the British that such letters should be presented to the Canton Viceroy, that Tientsin was not an open port to which they might lawfully proceed, that the Chinese local authorities on the coast would inevitably delay them; again and again they had been told what they should do, yet the British had stubbornly adhered to their intention; and the Viceroy, considering that the barbarians' nature was that of dogs and sheep and that they could in any case pass by on the many avenues of the sea, had ordered the Tactai to accept their letters for transmission, to avoid their proceeding to Tientsin.

It is an interesting and pertinent question at what time this memorial and the letters it enclosed were actually despatched for Peking. The Reynard reached Shanghai May 17. Meantime, reported Bonham, "the authorities here behaved . . . with such evasiveness and bad faith, by extending the period within which I should receive an answer from 20 to 30 days, and again to 40 days, that I determined to . . . put a stop to their double dealing by despatching at once the Reynard to the Peiho". On May 20 he sent a despatch to Lu Chien-ying informing him of this decision. On May 22 the Reynard sailed. The next day Bonham received Lu's acknowledgment of his letter of the 20th. And on May 28 Lu's memorial, above noted, reached Peking.

33. IWSM-RF I 9b, received May 28, 1850.

34. Bonham's 58, June 4, 1850, F.O. 17/168.

The Imperial post at this period was supposed to travel at the rate of 400, 500, 600, or sometimes 800 li (里) a day, depending on the urgency of the messages involved. In his memorial Lu Chien-ying stated that on hearing of Bonham's arrival at Shanghai he had gone to Yangchow (揚州) on the pretext of supervision salt affairs.³⁵ Yangchow, according to the Red Book, was regarded as 2,270 li from Peking, while Soochow, the capital of Kiangsu Province, was 2700 li.³⁶ Wherever Lu may have been, whether still at Yangchow or elsewhere, he was apparently within a day or two by post from Shanghai. If on receipt of Bonham's despatch, presumably on May 21 or 22, he had at once sent his own memorial to Peking, it might have been possible for it to reach the capital by May 28, six days later. It may be tentatively inferred, therefore, that his memorial to Peking was finally sent only when it became apparent that the British could no longer be detained at Shanghai. As evidence of these dilatory tactics, Bonham himself cited the fact that his despatch to Lu of May 13, forwarding the letters, was acknowledged in a reply dated May 22 but received at Shanghai only on June 3.³⁷

The published Chinese correspondence reveals that at least a dozen edicts and some ten memorials³⁸ were precipitated between the end of May and the middle of July (when Bonham returned to Hongkong) by the British effort to communicate with Peking. For the purposes of this discussion of British policy it must be enough to note that the British appeal to Peking met with a complete rebuff. Interpreter Medhurst had no success in delivering a copy of Palmerston's letter after two weeks at the Peiho,³⁹ and the two letters sent through Nanking, after they reached the Grand Secretaries

35. IWSM-HF I 9b, l. 10.

36. Ts'ing chin shen ch'uan shu 大清緝紳全書 (winter ed. 1852) pp. 45a, 29a.

37. Bonham's 58 as above.

38. IWSM-HF I 12a to II 5a passim, over 40 pages of text.

39. Bonham's 68, July 22, 1850 F.O. 17/168.

Muchangah (穆彰阿) and Kiying, received an indirect reply which summarized in its most extreme form the official view as to how Sino-foreign relations should be conducted.

In an interview on June 8 the Shanghai authorities informed Bonham that the Nanking Viceroy "had received a private note from the ministers Muchangah and Kiying desiring him to acknowledge the receipt of the two letters, to which, however, by the laws of China, they were not allowed to give official replies, and referring him to Canton. When Benham demanded an official reply from the Viceroy, one was produced within forty-eight hours, to the same effect as the Tactai's verbal message, - indicating to Bonham that the latter had been holding it all the time. Finally on June 13 Consul Alcock at Shanghai received from the Tactai a despatch embodying instructions from the Nanking Viceroy, which in turn embodied the views expressed to him by the Grand Secretaries from whom Bonham had sought a personal reply but who, as ordered by an edict of May 29, merely served as the mouthpiece for the intransigent views of the Court. A copy of this letter to Lu from Muchangah and Kiying was also the answer brought back from the Peiho.

This document expressed surprise that the British, having said that they had decided to stop all discussion of the city question, should again have raised it. It then reiterated that the populace opposed British entrance into

40. Bonham's 62, June 11, 1850, F.O. 17/168.

41. Ibid.

42. IWSM-HF I 15a.

43. Bonham's 68, July 22, 1850, F.O. 17/168.

44. 據英使照覆有現經議定以後再不辯論進城三

事等語

(IWSM-HF I 15b, 1.3) Translated by T. T. Meadows (encl. in Bonham's 63, June 16, 1850, F.O. 17/168): Translations by Wade and Medhurst were also sent Palmerston (Bonham's 68, July 22, 1850, F.O. 17/168).

the city; and if they therefore accused the Court of weakness, the British merely showed their uncultured impoliteness.⁴⁵ After repeating former arguments regarding Canton, the reply then outlined the Chinese system for dealing with foreign relations: the Viceroy and Governors of Kwangtung, Fukien, and other provinces all have "in addition to their other charges that of transacting foreign affairs and hence the treaty contains the passage 'shall be forwarded to His Majesty by the High Chinese Officers having the charge of Foreign Affairs', - but no article exists providing for a correspondence between the High Officers at the Court and the English Plenipotentiaries or Ministers".⁴⁶

This could not be denied. The clause quoted, article XXXI of the American Treaty, did indeed provide in its English version that "Communications . . . to the Court of China shall be transmitted through the medium of the Imperial Commissioner" or the Viceroy of the Liang Kwang, of Fukien and Chekiang, or of the Liang Kiang provinces,⁴⁷ and the Chinese version quite as clearly provided that those officials should present the original foreign document to the Emperor⁴⁸ on the foreigner's behalf, but no one in Peking was obliged

45. 尤非知禮者之所言。Meadows' translation: "this is by no means language such as those hold who understand political and social observances".

46. IWSM-HF I 16a (apparent date, May 29, 1850), above translation by Meadows (in Bonham's 63)

47. The Chinese despatch abovenoted correctly quotes the Chinese version of the Treaty of Wanghsia (cf. Customs, Treaties).

48. 將原書代奏

by treaty to reply!

Palmerston's Disillusionment. To understand the effect of this rebuff on Palmerston's policy, we must try to view the Chinese scene as it appeared to a man reading Bonham's despatches in London. Bonham's final report, that the British appeal to Peking had completely failed, did not reach the Foreign Office until September 17, 1850, a year and a month after Palmerston's initial letter of protest. Until this failure was finally announced, Palmerston continued to base his policy on the hope that negotiations with Peking would succeed where those with Canton had not and that through them he could satisfy the steadily more vociferous demands of the China trade in England.

On July 5 he had sent Bonham a memorial from the Manchester Chamber of Commerce and Manufactures suggesting that advantage be taken of the accession of a new Emperor to improve commercial relations with China. "If, in execution of instructions already sent you, you should go to Peking", wrote Palmerston, you should try to get freer access to the interior for British subjects. This echoed Alcock's proposal, which had reached the Foreign Office three weeks before (June 15). Again on July 16, 1850, Palmerston enclosed copy

49. The provision of the British Treaty of Nanking, Article XI, that H.B.M.'s "Chief High Officer in China shall correspond with the Chinese High Officers, both at the Capital and in the Provinces, under the term 'Communications'", was evidently based on the assumption that correspondence with the Capital would take place, but in the Chinese version it by no means established the right to do so. Its sense was permissive, not mandatory, - that the British official and the Chinese high officers, whether in Peking or the provinces, if they corresponded, should use a certain form of despatch: 英國往中國之總管大員與大清大臣無論京內京外若有文書來往用照會字樣
(Customs, Treaties)

50. No. 55 to Bonham, 5 July 1850, F.O. 17/164.

of a letter from the London East India and China Association supporting a suggestion made to them by the Canton Chamber of Commerce, that Tientsin be substituted for Ningpo as one of the five ports. If you concur, added Palmerston, try to make the exchange "when you go to Peking".⁵¹ A month later, on August 16, he instructed Bonham "to represent to the Government at Peking the great injury which is inflicted on the commercial intercourse between England and China by the . . . internal Customs Houses and other restrictions to the circulation of British manufactures in the interior of China". The numerous Chinese are thus deprived of the benefits of English trade. No doubt when this is "brought to the notice of the enlightened government of Peking", the evil will be remedied.⁵² On the same day he wrote that "the prospects of any increase of trade at Ningpo appear to be so very slight", that Her Majesty's Government, "while not yet prepared entirely to abolish" the Consulates there, nevertheless wish the establishments out to a minimum.⁵³

On the next day (August 17) came Bonham's report of the rebuff given him indirectly by the Shanghai authorities⁵⁴ and a despatch from the Hanking Viceroy. But this report was not conclusive; and apparently undiscouraged by it, Palmerston two weeks later sent his long reply to the programme of new ports, outlined by Alcock in the preceding February, and still put his hope in gaining it from Peking. Alcock and Bonham, he wrote, had "clearly proved the uselessness of more seaports and that Her Majesty's Government should endeavour to exchange

51. Palmerston to Bonham, July 16, 1850, F.O. 17/164.

52. Same to same, August 16, 1850, F.O. 17/164.

53. *Ibid.*, F. O. 17/164.

54. Bonham's 57 (May 13), 58 (June 4), and 62 (June 11) were all received at the F. O. August 17, 1850.

Ningpo and Foochow for Soochow, Hangchow and Chin-kiang. But . . . any proposal to this effect should be made diplomatically, and should not be accompanied by a naval demonstration", which would be improper when asking for a favour "which the Chinese government is at liberty to withhold without giving thereby to this country any just cause of war. . . . Address your application to . . . Peking and not Canton, and you might offer to go up to Peking to settle the matter with government there if they should wish any more detailed information. The grounds [of the proposal] would, I conceive, be that when the treaty was made it was supposed that Ningpo and Foochow would be places of considerable trade between . . . the two nations; that this expectation had been disappointed, and that therefore the intention with which the two governments concluded the treaty of Nankin has been defeated, that intention having been to increase the commercial intercourse between England and China. Her Majesty's Government therefore propose that the British Consuls at Ningpo and Foochow should be transferred to Soochow", etc.: and further that British subjects should have free access to the interior for trade or health, secured by a system of passes.

Three weeks later (September 23) came Bonham's final report on the failure of all efforts to get satisfaction from Peking. The Nanking Viceroy's despatch delivered at Shanghai on June 10 had been followed on June 13 by the official reply, addressed to Consul Alcock and quoted above, which flatly accused the English of breaking their word not to discuss further the question of entrance into Canton City, explained that according to law other officers than the Imperial

55. No. 73 to Bonham, September 3, F.O. 17/164

56. Bonham's 63 (June 16) and 69 (July 22), already noted, both received Sept. 23.

Commissioner at Canton "shall have no intercourse with foreigners", and ordered that the English Plenipotentiary be asked not to forget existing treaties, "but return speedily to Kwang-tung and trade as before". In the hope of a more direct reply from the Peiho, Bonham had refused to accept this. On June 25, however, the Reynard had returned to Shanghai without success. In making his final report (July 22), Bonham reiterated his belief that the only means of settling the several questions at issue "would be to despatch a small force to anchor off Chinkiangfoo" and blockade the Grand Canal.

57

In this way, aided by their distance from England, the Chinese authorities had drawn out over a year negotiations which had ended only in insult; and by September, 1850, Palmerston's policy had reached the end of both the paths it had been pursuing. The one, leading toward direct communication with Peking as a means of improving the British position had been blocked by Bonham's report of the Reynard's failure at the Peiho (received September 23). The other, seeking an ideal formulation of the needs of British trade in China, had reached its goal. Palmerston had accepted Alcock's programme of new trading centres on September 3. He had differed as to the means to be employed and still had put hope in an appeal to Peking. After September 23, this hope was shattered. Palmerston was left with a formula of needs but without any formula of means other than coercion. Toward coercion his thoughts naturally turned. No doubt his mood had not been improved in August and September by incidents close at hand, the Queen's memorandum (August 12) and the Haynau incident. At any rate, on September 29, 1850, in a memorandum concern-

58

57. Bonham's 69, July 22 F.O. 17/168. cf. also Morse Conflict, p. 389.

58. Cf. E. Ashley, The Life of Henry John Temple (London 1876), and Cambridge History of British Foreign Policy, Vol. II, Chap. VII, passim.

ing the cutting down of the consular establishments at Ningpo and Foochow, Palmerston added the following comment:

"I clearly see that the time is fast coming when we shall be obliged to strike another blow in China, and that blow must be the occupation of a Position on the Yangtse Kiang to cut off communication by the Great Canal. But it would not be advisable to give the Chinese any intimation that such would be our measure. They should be left to reflect upon it when and after it was done. These half civilized Governments, such as those of China, Portugal, Spanish America etc. [P] require a dressing every eight or ten years to keep them in order. Their minds are too shallow to receive an impression that will last longer than some such period, and warning is of little use. They care little for words and they must not only see the stick but actually feel it on their shoulders before they yield to that only argument which to them brings conviction, the argumentum Baculinum.

Onto this current, moving toward war, the problem raised by the evasion of duties was case.

59. Memo. on "Mr. Bonham's 65, 67, 72", following an application for consular positions at Ningpo and Foochow, signed "P. 29-9-50", F.O. 17/173 (Domestic various).

2. The British Failure at Customs Reform.

Proposals for reform: in England. The case of the Lady Mary Wood of June 1850, which first raised the question of consular interference publicly in England, was not officially known at the Foreign Office until the nineteenth of November. Meanwhile it had been foreseen as early as July by Mr. Hugh Hamilton Lindsay.

In his youth Lindsay had been a member of the E.I.C. factory at Canton and in 1832 as supercargo of the Lord Amherst had tested the trading possibilities of the north-east coast, while the evangelist and sinologue, Charles Gutzlaff, had acted as interpreter and distributed religious tracts. ⁶⁰ Now as senior partner of Lindsay and Co., with a receiving ship at Shanghai, Mr. H. H. Lindsay was one of the oldest and most influential of the China merchants in England, and a good friend of Bonham and Palmerston. On July 27, 1850, he sent Palmerston ("My dear Lord") a copy of a letter he had addressed on July 22 to "My dear Bonham", in which he viewed with alarm the increase of smuggling in the legal trade at Shanghai and quoted a letter from his Shanghai partner, Wm. Hogg.

Under date of March 13, 1850, Hogg had reported that:

60. "Mr. Lindsay, our chief and supercargo, a man of the most humane disposition, refined manners, and enthusiastic in such an enterprise, was conversant with the Chinese language". Charles Gutzlaff, Journal of Three Voyages along the coast of China in 1831, 1832 and 1833, (London, Ward, 3rd ed.) p. 138. cf. also Morse Chronicles, Vol. IV, Chapter XCI; Eitel Hongkong, p. 58. Lindsay had published at least two pamphlets: British Relations with China, (London, 1836) in which he defended the position of the opium trader and advocated the systematic extension of the trade, which indeed soon took place. Valuable records from one of Lindsay's voyages recounted by Gutzlaff have been preserved in a Chinese mss. in the Bodleian Library, copied and pub. by Hsu Ti-shan 許地山 as Ta chung chi 達衷集, a collection of Letter Writings, Appeals and Ordinances, (Shanghai 1931, Commercial Press).

"the P. & O. steamer runs here regularly and can take 500 bales of silk . . . the Custom House officers will neither accept the duty on the silk if you offer it, nor prevent your shipping at Woosung . . . (The Lady Mary Wood) will take full 500 bales thus this month. As I bought mine intending to ship it properly and fairly by this mail and cannot keep it, there being no ships loading for England, I shall myself go to the custom house presently, tell them what I am sending down [i.e., to Woosung] and offer to pay the duty in the next ship we load. It appears to me to be too calm not to be deceitful. Here are 500 bales silk yielding a duty of 4,000 taels, smuggled under ^{their} very noses in broad daylight. Pray give me your opinion."

After serious reflection, Lindsay had told his partner to tender duties to the Chinese, and if they were refused, to follow his smuggling competitors. He was sure most of the Shanghai merchants deprecated the system. It could easily be prevented, he told Palmerston, if the foreign consuls would all co-operate and the Chinese act honestly.⁶¹

In the following weeks the Foreign Secretary was reminded of the problem by Bonham's report that the consul at Amoy had exposed the Chinese customs officers' speculations.⁶² This he approved on August 13. Finally, on September 11, a week after he had approved Alcock's programme for new centres of trade (September 3), but while he still sought to realize it through an appeal to Peking, he took a stand as to the smuggling problem and sought to settle it too through the

61. Lindsay to Palmerston, July 27, 1850, F.O. 17/173.

62. No. 62 Bonham, F.O. 17/164.

same means.

"It cannot be doubted", he told Bonham, "that this system [of smuggling], as described by Mr. Lindsay is extremely objectionable. It is an evasion of treaty engagements, a fraud upon and a loss to the Chinese Government, an injury to the honest trader, and a discredit to European commerce; it would be very desirable to put a stop to it. The most effectual course would be that you should address a representation to the government at Peking, setting forth the facts which may have come to your knowledge, as proving that the Chinese local authorities are in the habit of conniving at the illicit practices of some dishonest foreign traders . . . You might state that Her Majesty's Government are the more anxious that such abuses should be brought to the knowledge of the Government at Peking, because the British Consuls in China are bound by treaty to see that the duties legally chargeable on British commerce are paid by British subjects, and they cannot fulfil that obligation if the local authorities of the Chinese Government, with a view to their own profit, encourage the foreign traders to evade the payment of the full amount due by those traders."

63

The ground was thus prepared for the receipt on November 19, 1850, of Bonham's report on the Lady Mary Wood. In this case Bonham was mainly concerned over the legality of the Consul's proceedings. As regards smuggling he saw "no remedy for putting it down unless the Consul were to take upon himself the duties of an excise officer". But this would not prevent British subjects from smuggling "through the inter-

63. No. 75, to Bonham, September 11, 1850, F.O. 17/164.

vention of the Americans", using "American vessels for the shipment of their produce to England". Moreover the consular duties of the American merchant-consuls were "altogether subservient to their trading avocations". Hence they would not co-operate to suppress smuggling "in which . . . they themselves, as members of commercial firms, are more or less necessarily involved".⁶⁴

The officials of the Foreign Office were now face to face with the problem, and during the next six months they were intermittently engaged in seeking a solution to it. In their efforts they were helped most immediately by the China merchants in England, first of all by Mr. H. H. Lindsay.

On November 21 that gentleman asked Palmerston for an interview sometime before the 25th.⁶⁵ On the 27th, presumably after this interview, Palmerston gave his instructions to Bonham, in answer to his report on the Lady Mary Wood.

"Her Majesty's Government do not desire to depart from any obligations which they may have contracted in this matter [of smuggling] by the treaties . . . but the obligation is reciprocal and if the Chinese Custom House officers by neglecting their duty, or betraying their trust, continue to render unavailing the measures taken by her Majesty's consular officers to place trade upon an honest and legitimate footing, her Majesty's Government will have to consider whether they will not be obliged to cease to take any part in regard to these matters, in so far as the agency of Her Majesty's consuls is concerned."⁶⁶

64. Bonham's 97, Sept. 27, 1850, F.O. 17/169. Bowring was later eloquent on the subject of foreign consuls, to Malmesbury, 10 January 1853, F.O. 17/199.

65. Lindsay to Palmerston, Nov. 21, 1850, F.O. 17/173.

66. Palmerston to Bonham, Nov. 27, 1850, F.O. 17/164.