

This clearly foreshadowed one of the possible solutions. But in order to uphold the treaties as long as possible, the Foreign Office now sought to devise an alternative. On December 5, Lindsay submitted a lengthy analysis of the treaties, supporting them, and suggested a remedy for smuggling: "Many houses in China have a monthly return sent from the Custom Houses in London and Liverpool, showing exactly what each ship takes. Let an authenticated copy of this be sent to the British Consul", - who would get it via Suez two months before the ship arrived via the Cape, and hence know what the duties should be. If discrepancies appear, let the Consul call on the consignee of the ship for its manifest, and thus locate the culprit. From China to England, reverse the process.

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Lindsay also noted the difficulty. "If stopped in British vessels, what is to prevent the same parties from availing themselves of other flags?" Here the Foreign Office marked in the margin "?" and "snare". And indeed there was no answer.

The Foreign Office could do better. On December 6 in a memo. bristling with details from the trade regulations, Hammond noted that Lindsay's proposal had made no provision for the authenticity of the return to be sent from England and would discover fraud in exports from China only when the smuggling vessel reached England. Instead, Hammond suggested "a system more analogous to that established with reference to exports from Great Britain by the Acts 8 and 9 Vict., Cap. 86", whereby duplicate bills of entry should be given to the Customs and a cocket received from them by the shipper; whereupon the Consul could verify duty payment by inspecting the cocket and comparing one of the duplicate bills of entry received from the Customs, with the bill of lading furnished

67. Lindsay to Palmerston, Dec. 5, 1850, F.O. 17/173.

by the shipper to the Master of the vessel.

It is much to be doubted if Palmerston put great faith in cocketts and duplicate bills of entry. But since the season of 1850 would be over before he could act in China, he took care of the question of duty evasion temporarily on December 11 by sending both Lindsay's and Hammond's memoranda for Bonham to report upon.<sup>69</sup> Although Lindsay on December 20 reiterated that, unless stopped, "the present system must at no distant period again lead to hostilities between the two countries",<sup>70</sup> there was nothing further to be done at the moment and the problem was left in hibernation for three months. During that time Palmerston kept it alive by directing Bonham on February 19, 1851, since the Peiho effort had failed, to make representations to Hsü concerning an exchange of ports, rights of residence, transit exactions, and duty evasion. The British were the more concerned over the last which injured the honest merchant and the foreigner's reputation, "because the British Consuls in China are bound by treaty to see that the duties are regularly paid by British subjects". Hsü was to be asked to tell Peking of the corruption of the lesser Chinese officials.<sup>71</sup>

From its hibernation the problem was stirred on March 17, 1851, by the unofficial report of the John Dugdale case of January 1850, which preceded by a full month the official despatches on the subject. The Manchester Commercial Association on that date enclosed to Palmerston a copy of the correspondence at Shanghai between Consul and Taotai anent the John Dugdale, condemned the dishonest traders as wilfully guilty, and waxed fearful of Chinese repression to stop

- 68. Lindsay to Palmerston, Dec. 5, 1850, F.O. 17/173.
- 69. Palmerston to Bonham, Dec. 11, F.O. 17/164.
- 70. Lindsay to Palmerston, Dec. 20, F.O. 17/173.
- 71. Palmerston to Bonham, No. 25, Feb. 19, 1851, F.O. 17/174.

smuggling. To accompany this, Hammond set before the Foreign Secretary the despatches of the previous autumn on the Lady Mary Wood, as well as Lindsay's memo. and his own chef d'oeuvre, which had been sent to Bonham. This reopened the question in the same state in which it had been closed for the winter. Manchester was put off with the reply that Bonham had been asked to report.

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A week later came the suggestion of Mr. Thomas Ripley of Liverpool, that weights of tea landed in England be reported to the Shanghai Consul for comparison with his records.

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Alcock had already asked that copies of inward manifests received at London for goods coming from China be sent him as a help in estimating the real volume of exports from China, and this had been done.

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Nevertheless Hammond commented merely that Ripley's proposal would be too roundabout, and offered a similar scheme of his own invention, which would depend for its efficiency on Chinese co-operation. "Might it not be advisable", he asked, "to have a statement exposed in the Consulate at Shanghai, in order to shame the parties into honesty?" As in his memo. of December 6, 1850, he again failed to grasp the situation, and imputed the active fault too largely to the merchants.

About this time the indefatigable Lindsay brought to the Foreign Office a memorial, evidently written by himself, bearing date March 31 and the signature of some thirty-eight

72. Manchester Commercial Association to Palmerston, March 17, 1851, and notations; Palmerston to Manchester, March 22, F.O. 17/183.

73. Ripley to Palmerston, March 29, F.O. 17/183.

74. To Bonham, 11 Sept., 1850, encl. in Bonham to Palmerston, No. 119, October 26, F.O. 17/170.

75. F.O. to Treasury, Dec. 28, 1850, F.O. 17/173; Palmerston to Bonham, Feb. 6, 1851, F.O. 17/174. The data supplied by the English Customs proved to be insufficiently detailed. (Bonham to Palmerston, 21 June 1851, F.O. 17/178). When Alcock complained, the data sent proved still to be useless without the names of ships. (Alcock's No. 53, 3 June 1852, encl. in Bowring's No. 62 of 1852, F.O. 228/147).

China merchants in London, Liverpool and Manchester. This formidable document, which might fairly claim to represent the China trade, threw the blame for the evasion of duties entirely on the Chinese. The competition among merchants at Shanghai, it asserted, prevented their profiting from the 15% saved by evading duties. Evasion was the Tactai's fault, who hoped to farm the revenue for a small sum. But to save the China trade from being transferred to ships of other nations, the Consuls should "be authorized to declare the Chinese tariff suspended and all merchandise free so far as British subjects are concerned until the Chinese show themselves" sincerely ready to levy duties on all equally. The merchants looked to Palmerston to give them an equal footing before next season's business, which will commence about  
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August.

Although this proposal to suspend the Chinese tariff was unnecessarily drastic, it evidently spurred Palmerston. On April 6, 1851, he asked, "What is the treaty stipulation which mixes up our Consuls in China with the collection of Chinese Duties? and might we not declare off from that employment of them, and why was such an engagement contracted? If we were to enforce payment of Duties for goods exported in British ships w'd not the Americans get all the cargoes?"  
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In reply to this, Hammond explained the origin of consular interference (quoted above in Chapter I) - to prevent friction with the Chinese and compensate for the abolition of the Co-hong - and confessed that the Americans might indeed "get all the cargoes".

Since Palmerston had previously stated, in September 1850, and reiterated in February 1851, that "British Consuls

76. China merchants to Palmerston, March 31, F.O. 17/183.

77. Memo. in F.O. 17/183 following Ripley to Palmerston, March 29.

in China are bound by treaty to see that the duties on British commerce are paid", this tardy re-examination of the validity of that obligation would indicate that by the beginning of April 1851, he already saw the necessity of cutting the Gordian knot, rather than picking at it further with cockets and duplicate bills. Nevertheless the Foreign Office continued for another two months to seek some alternative to the abolition of consular interference.

On April 10 further memorials, from Manchester and London, recited the plight of honest merchants,<sup>78</sup> and the next day the Foreign Office proceeded to ask the Treasury for loading weights and full details of all tea and silk imported from Shanghai, thus following both Ripley's and Hammond's suggestions.<sup>79</sup> A week later a committee, representing the thirty-eight signers of the recent memorial, by request, suggested ways of stopping smuggling: to check British trade through the English customs; to enter all shipping details in an open book at the Chinese Custom House and have the British Consul oversee the trade unofficially; to appeal direct to Peking; or to stop interfering. They agreed chiefly on the necessity of acting by the mail of April 24,<sup>80</sup> since shipping began in July.

On April 15 Bonham's report on the John Dugdale at length arrived, written February 25, but too late to catch that month's mail. It enclosed Alcock's report of January 14, which added to the number of remedies proposed. Since the Chinese Custom House had become a legal fiction, Alcock saw but two alternatives: to change the Chinese system of levying duties, or to stop interfering to prevent their evasion.

78. Manchester Chamber of Commerce, and London East India and China Association, to Palmerston, F.O. 17/184.

79. F. O. to Treasury, April 11, F.O. 17/184.

80. H. H. Lindsay, W. Magniac, Laugelot Dent, and S. G. Rathbone to Palmerston, 17 April, F.O. 17/184.

To change the system, induce the Chinese authorities to "collect their maritime export dues from the [Chinese] producer, at the shipping port, instead of from the foreign purchaser. The authorities here [at Shanghai] are very willing to do so. The foreign merchants of all nations will then be on the same footing. . . . As regards imports, farm the duties for at least one third more than they have yet been made to yield the Imperial Revenue and thus give the Taotai a direct and personal interest in the collection of the whole . . . Between this and a refusal to hold British subjects in any way responsible, I believe there is in effect no alternative consistent with the prosperity of our trade."

This latter course would let the Chinese merchants and the Chinese customs officers bargain directly, - as at Canton. To this Bonham added no comment.

Last of all came the suggestions of the Liverpool East India and China Association: declare the treaty ports free by Order in Council until the Chinese give satisfaction; or allow no import of tea into England by anyone unless with the China Consul's certificate of duties paid.

Palmerston's decision. This completed the number of proposals submitted to solve the customs problem in China. Apparently none of them inspired Palmerston to adopt it as his own solution; but he passed the China merchants' memorial on to Bonham for his observations and, if advisable, to be acted upon without waiting for Palmerston's authorization. In effect this gave Bonham carte blanche to instruct the Consuls to stop

81. Alcock to Bonham, Jan. 14, enclosed in Bonham to Palmerston, No. 16, Feb. 25, 1851, F.O. 17/175.

82. Liverpool E.I. & China Association to Palmerston, April 22, F.O. 17/184.

interfering in customs affairs for the protection of the Chinese revenue. This provided against possible crises that might arise in China. But as to the one constructive solution proposed by the officials in China, namely, Alcock's, Palmerston wrote that he did not think it advisable that export duties be levied on the Chinese seller instead of the British buyer, "because the Chinese might more easily raise the duties . . . and so increase the price to the English consumer".<sup>83</sup> Further than this the mail of April 24 carried no instructions.

In the maelstrom of advice in which he found himself, Palmerston seems to have clutched at every sizable straw that was offered. He asked the Queen's Advocate about authorizing the British Consuls to suspend the Chinese tariff.<sup>84</sup> He asked the Board of Trade about an Order in Council to stop all imports of tea into England not certified by the Consul in China to have paid duty.<sup>85</sup>

This latter body, represented presumably by the President and Secretaries rather than by the statutory composition embracing most of the Cabinet, in 1851 still functioned as an advisory body on commercial and revenue affairs to the other departments of government.<sup>86</sup> Its president, Henry Labouchere,<sup>87</sup> was now in his second term in that office, and G. A. Porter, an able statistician, at the end of a long career had been joint secretary for the past ten years.<sup>88</sup> On behalf of the

83. Palmerston to Bonham, Apr. 21 and 24, 1851, F.O. 17/174.  
 84. F. O. to Queen's Advocate (enclosing China Merchants' memorial of March 31) April 19, F.O. 17/184.  
 85. F. O. to Board of Trade, May 6, F.O. 17/184.  
 86. Sir H. L. Smith, The Board of Trade, (London 1928 Putnams) Ch. IV, "The Board of Trade and Commerce". British Imperial Calendar for 1851.  
 87. Ibid., and D.N.B. Vol. XI, (1909) art. by G. F. Russell Baker. Labouchere had been appointed Vice-Pres. 1835, President 1839 (to 1841) and again 1847.  
 88. Ibid.,<sup>(By Imp. Cal)</sup> and D.N.B. (ed. 1896) art. by W.A.S. Hewins. Porter wrote The Progress of the Nation.

Board of Trade he replied on May 13, that the new Navigation laws allowed "importation under the flags of all nations and from every place". Hence it was "impossible to provide for the payment in China of the export duty upon produce coming to us thence indirectly through foreign ports", (e.g. reshipped from America). The profit gained from evading duties would pay for such indirect importation and so make any possible law unavailing. And anyway, he asked, if China does not collect revenue, why should British Consuls?

The last mail that could precede the full tide of the season was to depart for China on May 24. Ten days before that date the reply of the Board of Trade had apparently settled any doubts remaining in the Foreign Secretary's mind. When the Treasury complained that the Customs data asked for on 250,000 packages<sup>of goods</sup> would be difficult to get from books in daily use, and suggested equivalent data, Palmerston noted, under date May 20, "It might still be useful to have these returns up to the time when the Consuls shall cease to interfere".

In making up his mind, Palmerston had had before him the advice of the four associations of China merchants and of thirty-eight of their members jointly, not to mention representations from individuals, like H. H. Lindsay. The wants and opinions of the China trade were thus amply set forth. In addition, he had opinions from the Treasury and Board of Trade, as well as the views set forth by Bonham and Alcock. Finally, there were his own replies to them and the proposals sent out in December 1850, for them to report upon. That report had not yet arrived.

On May 24, when no further word had come from China, Palmerston abandoned the treaty provision for consular inter-

89. G. R. Porter to H. U. Addington, May 13, 1851, F.O. 17/184.

90. G. Cornwall Lewis to H. U. Addington, May 19, F.O. 17/184.

91. "List of papers relating to this subject", F.O. 17/174.

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ference. He referred to the complaints of merchants in England, the clear proof of Chinese laxity, the danger that smuggling would transfer the trade to American ships. Next he noted the origin of consular interference as explained by Hammond. But,

"the treaties between the United States and China, and between France and China, subsequently to the date of the British treaties, contain no similar stipulation; and as it is provided by the 8th Article of the treaty of Hoomunchai that 'should the Emperor hereafter, from any cause whatever, be pleased to grant additional privileges or immunities to any of the subjects or citizens of such foreign countries, the same . . . will be extended to . . . British subjects', the British Government has been fully entitled, from and after the conclusion of the American and French treaties with China, to claim to be put on the same footing . . . in regard to consular interference . . . If the British Government has not hitherto put forward this claim, it has been from an unwillingness to break through a system calculated to obviate angry and inconvenient discussions. . . . On the twofold ground therefore of the clause of the treaty of Hoomunchai . . . and of the omission of the Chinese Government itself to act up to the manifest intention of the treaties . . . the British Government feels itself entitled to withhold for the future all interference on the part of the British Consular authorities for the protection of the Chinese Revenue."

The decision has been reached with great reluctance, but British Consuls cannot do the proper work of Chinese officials. The British do not claim special privileges, but will demand equal treatment whether or not the Chinese authorities connive

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at duty evasion. In conclusion, since Bonham's report suggesting necessary changes in the regulations had not yet arrived, Bonham should use his own discretion in carrying out this decision.<sup>92</sup>

In this way Palmerston had solved the problem, at least for the time being. His decision was not made public, and its tenor became known to the merchants in England only after one of their number had written to the Foreign Office and published the reply which he received.<sup>93</sup> The decision did not reach China until the second week in July. At first glance, and judging by the papers laid before the Foreign Secretary, it seems to have been the only solution possible at the time, dictated by necessity. To criticize it properly, however, it is first necessary to consider contemporary events in China.<sup>94</sup>

95

Proposals for Reform: in China. Sir George Bonham had received Lindsay's and Hammond's proposals for reform (of December 1850) in February 1851 and had sent them to Canton, Shanghai and Amoy for comment.<sup>96</sup>

Consul Bowring, somewhat unkindly, sent the schemes concocted in England to seven picked Canton merchants, leaving their source anonymous. Five of these merchants replied, stating plainly that the proposals sent from England must be "from someone profoundly ignorant . . . of the way business is now carried on in China". Their adoption would necessitate

92. Palmerston to Bonham, No. 49, May 24, 1851, F.O. 17/174.

93. Sir Thomas Birch to Palmerston June 18 and reply, F.O. 17/184. Published in The Times at once.

94. Bowring's claim in 1855 (No. 186 of 23 May F.O. 17/309) that "Lord Palmerston's despatch [of May 24, 1851] originated in suggestions of mine, while Consul at Canton", is of course an overstatement.

95. Knighted Nov. 22, 1850.

96. Bonham to Palmerston, Feb. 24, 1851. F.O. 17/175.

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a "complete staff of [British] customs officers". In practice they would be "monstrous", a "national interference", and "wholly inefficient". More specifically, Lindsay's proposal that cargoes be checked on arrival in England or China by data sent ahead via Suez, was impracticable because ships in the China trade usually loaded and unloaded by degrees, getting a part of their cargoes perhaps at Shanghai and the rest at Whampoa or Hongkong, and vice versa. Moreover, it was useless, because Hongkong was a free port and any number of transfers could be made there or at Macao or Singapore, before the cargo reached Europe. As for Hammond's scheme for duplicate bills of entry, according to the system in England,—in China it would involve Chinese co-operation and so begged the question at issue. Bills of lading would be no help, anyway, because they usually specified merely a number of packages, "weight and contents unknown"; nor could they be compared with manifests, which carried different details. Finally there was no one in the Chinese Customs who could read an English document. If the Chinese Customs had any records, the Consul could not get at them. Either proposal would merely handicap British trade and force it into foreign bottoms.

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From Shanghai, Alcock concurred. The one remedy in the hands of the British - to have receipts, authenticated by the Consul in China, legally required at the Customs in England - was prevented by the existing Navigation Laws. The one thing necessary to working the present system with success - to have the Chinese verify by examination the correct-

97. Stephen Ponder (Dallas & Co., Chairman Canton Chamber of Commerce); W. P. Livingston (Gibb, Livingston & Co.); Joseph Jardine (Jardine Matheson & Co.); A. Wilkinson (Wilkinson & Sanders); and R. I. Gilman (Gilman & Co.) to Bowring, encl. in Bowring to Bonham 24 March, encl. in Bonham to Palmerston, 10 April 1851, F.O. 17/176. John Dent (Dent & Co.) and Davidson (Lindsay & Co.) did not reply to the Consul, who was not over-popular in Canton.

ness of the merchant's declaration, made by him when applying for leave to ship - was likewise unattainable. "As the first cause of the mischief was the inefficiency of the Chinese Custom House, so to the end this will prove an insuperable bar" to any prevention of irregularities.

"The error has been in taking for a basis the pre-supposed existence of habits and qualities wholly foreign to this eastern race . . . it is too much to expect a self-denying vigilance and zeal for the public interests, upon which, as a natural consequence, they must starve, after becoming an object of derision to their own people. . . the fault is with us, we have assigned to them a work which is simply impracticable, and the sooner it is amended the better".

Alcock could only reiterate his former alternatives: take care of the import duties by farming them to the Taotai, and of the export duties by collecting them from the Chinese seller, instead of the British shipper; or stop interfering. He favoured collecting export duties from the Chinese seller because in by far the larger part of the legal trade - tea and silk exporting - the foreigner would then have no contact, nor chance of collusion, with the Chinese Customs.

In a communication to the foreign consuls of December 15, 1850, the acting Shanghai Taotai and Superintendent of Customs had already proposed a Chinese system for the prevention of smuggling in the export trade: on arrival at the military stations north and south of Shanghai, Chinese merchants bringing teas and silks would receive one copy of a manifest of their goods made out in triplicate. The second copy would subsequently be given by the Chinese merchants to the tea and silk warehousemen who stored the goods pending export. The third copy would be retained by the Maritime Customs. Export

98. Alcock to Bonham, March 15, in Bonham to Palmerston April 10, 1850, F.O. 17/176.

duty on goods to be shipped could be paid at any time before shipment and a receipt obtained (on the manifest) from the government banker by either the Chinese warehousemen themselves or the foreign buyers using the warehousemen's copy of the manifest. By comparing that copy with their own the Customs could then check the fact of payment. <sup>99</sup> Wu Taotai proposed to inaugurate this system on February 1, 1851, and appears to have done so then or a little later, after an interview and discussion with the British Consul. <sup>100</sup> Alcock reported in March that all Chinese goods entering Shanghai for export were registered as the property of a given individual, who was held responsible for the ultimate payment of export duty. Thus the Chinese seller could be asked to pay the duties, and from him the British exporter could obtain a duty receipt to present in lieu of duties when he shipped his goods. "The authorities here would readily adopt this system", wrote Alcock. If extortion resulted, H. M.'s Government could always revert to the former scheme, "refusing to hold British Subjects liable for any duties not ascertained to be due by examination on the part of the Custom House". <sup>101</sup> But just as the Consul was pursuing negotiations to introduce this system, with the concurrence of his American colleague, instructions from Palmerston forbade the arrangement as likely to give too much control to the Chinese authorities, and these negotiations at Shanghai fell to the ground leaving the same chaos as before. <sup>102</sup>

Consul Sullivan reported that Lindsay's suggestions were useless at Amoy, which had no direct trade with England. They also overlooked the fact that all the other foreign con-

99. Woo to Griswold, Dec. 15, 1850, in Parker's 20 to Webster, Sept. 24, 1851, China 6 (State Dept. Archives, Wash., D.C.)
100. Seu to Parker, May 16, in Parker's 17 to Webster, June 20, 1851, China 6.
101. Alcock's March 15, in Bonham's April 10, F.O. 17/176.
102. Also reported in Griswold's June 28, in Parker's 20, Sept. 24, 1851, China 6.

suls, except M. de Montigny, French Consul at Shanghai, were merchants, holding office mainly for commercial advantage. If asked to co-operate against smuggling, they might have to be given salaries and their home governments moved to that end. As for Hammond's duplicate bills, the Amoy consul on February 9, 1849, had discontinued a similar system because it was so completely circumvented by collusion between the merchant's shroffs and the Customs. Finally, any active interference in behalf of the Chinese revenue would certainly justify the Chinese authorities in thinking it, "equally our duty to interfere and proffer them the same assistance for the suppression of the opium trade. . . . The Chinese continue to view all our proceedings with great jealousy". Our concern over smuggling in the legal trade would merely suggest to them "that we have ulterior and sinister objects in view".

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Bonham sent in his report on April 10, 1851. In general, he concluded, two solutions had been suggested by the officials in China: to call on the Chinese to abolish all duties at the ports and levy them as transit duties somewhere inland; or to withhold all consular interference except when the Chinese asked for the punishment of a British subject for a charge clearly established. The first plan, if the Chinese would accept it, would be open to extortion, beyond the surveillance of the Consuls, and binding only on the British traders. Hence Bonham opposed Alcock's suggestion of duties levied on the Chinese seller; and doubted also if the Chinese could be induced to farm the duties. Any such changes would involve disclosures unpalatable to the local Chinese authorities. The only expedient was to let the Chinese do their own revenue collecting. In conclusion, he enclosed the report of the Canton case, which epitomized the problem, and in fact had already forced the officials in China toward the same solution that Palmerston was about to adopt in England.

103. Sullivan to Bonham, March 17, in Bonham's April 10, F.O. 17/176.

About February 20, 1851, five cases of coral had been landed from the steamer Canton of the Hongkong and Canton Steam Packet Co., without that vessel having first been reported to the British Consulate at Canton. Consul Bowring, always strict in the execution of his duty as he saw it, took action; and since a new Hoppe had arrived, he took the opportunity, as in the Mayflower case in 1849, to invite the Hoppe to a personal conference to discuss Anglo-Chinese co-operation against smuggling. The new Hoppe, however, like his predecessor, replied that

"the duty of taking measures for a surveillance [against smuggling] is incumbent on each party separately . . . [As to the Canton case, although] it appears to me that merchants of your country have heretofore not been guilty of malpractices, . . . still it is by no means improbable that one or two may have been seduced by villainous natives; the measures of surveillance required for such cases must, however, be left to your country to take."<sup>104</sup>

Undeterred by the Hoppe's lack of interest, Bowring proceeded to hold a consular court on March 1, which fined Captain Seames of the Canton \$200 for his inadvertence, probably unintentional, in landing cargo without having first reported to the Consul. This fine was legally due to the Chinese Government. But on March 17, the Hoppe refused to accept it on the ground that, the duty having now been paid, it was customary to remit fines "if the amount of duties evaded has been inconsiderable". Thereupon the Consul appealed to the Superintendent of Trade, and Bonham himself forthwith offered the fine money to the Hoppe's superior, Commissioner Hsu, who refused it in his turn. At this point the Canton manager of the packet company, W. H. Davidson, who was also Canton partner in Lindsay & Co.,

104. Bowring to Bonham, No. 41, February 25, 1851; and Enclosures, in Parkes' 82 of 1857, F.C. 228/235.

applied to have the fine refunded; and Bonham, believing Captain Seames to have been negligent but guiltless, favoured complying. Lest he seem indifferent to smuggling, however, he referred the matter to Palmerston.<sup>105</sup>

Meanwhile Bowring, in his report on smuggling, inveighed against his "onerous and obnoxious duties as custodes of the revenues of China" and, citing the Canton case, bewailed the "through rottenness" of the Chinese Custom House, by which, "all my authority, all my control over British subjects and British shipping is absolutely annihilated". Even Bonham himself was irritated by Commissioner Hsu's complete indifference; on April 5 he wrote to him, on his own responsibility, "we have done all in our power towards the fulfilment of the treaty . . . and if hereafter the Hoppe should complain of any grave case of evasion of the Imperial Duties by a British Subject, I shall not consider myself bound to interfere in the matter, but shall simply direct the Consul to refer the Hoppe to the 12th article of the Supplementary treaty", which would be ample if enforced.<sup>106</sup>

Bonham made this threat as a personal declaration, awaiting Palmerston's authorization to readdress it in the name of Her Majesty's Government. The exact nature of the British Superintendent's obligation to interfere against the evasion of duties was here, as always, ill defined; and in so far as this was a denial of an office gratuitously assumed in support of the Consul, Hsu may well have regarded it as a bit of petulance. At any rate, the Imperial Commissioner blandly reiterated the stand taken by the Hoppe. "Each ought in future to manage cases of smuggling according to the Treaty, and both parties adopt measures of their own to institute investigation. This will be sufficient to put a stop to this illegal practice, and not require many words for discussion." It was plain that he ex-

105. Bonham to Palmerston and enclosures, 27 March, F.O. 17/176.

106. Bonham to Seu, April 5, encl. in Bonham to Palmerston, April 10, F.O. 17/176.

tended his policy of non-intercourse to the customs problem quite as completely as to every other aspect of Chinese foreign affairs. Two weeks later when Bonham obeyed Palmerston's instructions of February 19 and made representations concerning an exchange of ports, and other British grievances including Chinese connivance at the evasion of duties, Hsu replied by ignoring entirely the customs question and asking, "Within ten years do you wish to change a treaty made for ten thousand years? "Where remains then, what is called the preservation of good faith?" To Bonham's next request, that his representation be transmitted to the Throne, the Imperial Commissioner retorted "such ordinary topics do not accord with the high dignity of the Celestial Empire".<sup>107</sup>

Thus by the first part of April, 1851, Bonham in China had already moved in the direction which Palmerston was on the point of taking in London.

The Readjustment in China. For a time the exigencies of the smuggling problem at Shanghai had moved both the British merchants and the Chinese authorities in the direction of cooperation. After no little crusading within its own ranks, the Shanghai British Chamber of Commerce in a correspondence with Consul Alcock during April 1851 at length offered its cooperation against the evasion of duties and suggested remedies similar to those already proposed by Alcock. Ships of foreign flags were already being chartered for the coming season. Only five houses were reported to be paying full duties, and one house, which was said to have evaded the payment of \$80,000 in the previous season, had ordered one Dutch and three large American ships. The French and American Consuls were both away temporarily, and the conscientious British consignee was terrified between the threat of interference by the British Consul

<sup>107</sup>. In Bonham to Palmerston, April 22, May 21, 1851, F.O. 17/177.

to maintain full payments of duties and the underbidding of American competitors who could promise shippers the opportunity to evade duties as thoroughly as anyone else.<sup>108</sup>

About the same time the Shanghai Taotai, after much consultation with the British Consul proposed to tighten his surveillance over the import trade by requiring foreign importers to hand more detailed manifests to their consuls for transmission to the Customs. Since a system of triplicate manifests had already been adopted for all export goods, this would give the Customs an equivalent check upon import cargoes.<sup>109</sup> To this proposal the British Consul had agreed, but the American Consul felt unable fully to comply for fear of his countrymen "alleging that in my capacity of Consul I required information not necessary to the prevention of smuggling but which I swailed of to my advantage as a merchant".<sup>110</sup>

This inability of the American Consul was thereupon reported by the Taotai to Commissioner Hsu at Canton, who took it up under date of May 16 with the American charge, Dr. Parker, and asked that American merchants might give manifests as detailed as the British. Griswold had also gone to Canton on April 9 but because of illness had had no pertinent discussions with his superior. Only after an exchange of letters with Shanghai did Parker reply to Hsu, on August 28, to the effect that the provisions of the treaties were really adequate if enforced and that, as Griswold had suggested, the chief need was really for a competent staff of customs employees.<sup>111</sup> To this Hsu replied with similar platitudes and the matter dropped.<sup>112</sup> It is evident even from the foreign correspondence alone that in

108. Alcock to Bonham, April 30, in Bonham to Palmerston, May 21, 1851, F.O. 17/177; Sir T. Birch to Palmerston, June 18, 1851, F.O. 17/184.

109. Seu to Parker, May 16, in Parker's 17, June 20, 1851, China 6.

110. Griswold's June 28, in Parker's 20, China 6.

111. Parker to Seu, Aug. 28, 1851, in Parker's 20, China 6.

112. Seu to Parker, Sept. 12, 1851, *ibid.*

this case a constructive proposal emanating from the Chinese authorities had been turned down by the Americans. Before this occurred, however, Palmerston's decision had already cut the Gordian knot.

The foreign community, - merchants, consuls, and merchant-consuls, - had by July 1851 reached a choice of two alternatives, - either somehow to secure "an efficient custom house staff to take account of goods as landed and shipped", as the Consuls had long urged upon the Tactai, or else to allow the Chinese authorities to collect the duties from the native merchants "as at Canton, where nine-tenths if not all the duties on Exports are collected from the Chinese".<sup>113</sup> The former alternative could have succeeded only on the basis of a cooperation between officials and merchants of all three nationalities which it was not possible to attain. The second alternative was marked out, as the line of least resistance, by the announcement in July of Palmerston's decision to put upon the Chinese the full onus of preventing smuggling.

Bonham's announcement of this decision to Hsu under date of July 10, 1851, produced, however, no appreciable effect. At his most imperturbable, the Viceroy replied that no news of irregularities had come to his ears. Surely, he argued, if there is much smuggling, the duties must decrease.

"How does it then happen that the returns of late years exceed those of former times considerably? This is to me inexplicable. I shall address a letter on that subject and institute enquiries. [I cannot understand your saying that] British merchants are treated differently from all other foreign merchants. This is to me thoroughly incomprehensible.<sup>114</sup> Whilst sending this reply I wish you much happiness".

113. Griswold's June 28, ibid.

114. Seu to Bonham July 18, encl. in Bonham to Palmerston, July 22, 1851, F.O. 17/178.

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Meanwhile Bonham had gone up to Canton to ascertain what changes should be made in the port regulations governing British ships in order to put them on a par with the Americans. After close scrutiny of American practice, he directed Consul Bowring to tell the Hoppo that the British consulates would no longer attend to landing and shipping-off chops, but would let British merchants deal directly with the Chinese Custom House. The Consul's only functions would be to report ships to the Hoppo on arrival - but send no manifest with the report - and to return the ship's papers to the merchant when he produced the Hoppo's Grand Chop necessary for departures. <sup>115</sup> Actually, this changed the system very little, because the British merchant was still represented in all matters by his Chinese comprador and linguist, who would continue the old practices.

At Shanghai, the spot most diseased, Palmerston's remedy was salubrious mainly in a psychological way, as a sedative to the merchants' fears. The regulations had already been revised in 1850, after the Lady Mary Wood affair, in order to put the British merchant in direct contact with the Chinese Custom House, when exporting his tea and silk. It only remained for Alcock to notify the Paotai that the same rule would now be applied to imports, the less important part of the trade. In brief, the Consul would be concerned only when the ship reported on arrival, when the consignee produced the Grand Chop to get back the ship's papers on departing, and in case of dispute. Manifests of export cargo would still be filed at the Consulate, but for its use only, while manifests of import cargo would be sent to the Custom House as long as merchants of other nations did the same. To sum up, the British Government demanded

"That the British and Foreign merchants shall be treated alike, such being in strict accordance with the provi-

115. Bonham to Bowring, July 19, encl. in ibid.

sions of our treaties, and therefore Chinese officers cannot permit or connive at the evasion of the payment of duties by Foreign merchants, and adopt a different course with regard to British Subjects".

To this the Taotai acquiesced and on August 16, 1851, <sup>he</sup> published a list of port regulations revised accordingly. <sub>116</sub>

The Significance of Palmerston's decision. In the light of these events in China it is obvious that Palmerston's decision to stop consular interference was neither far-reaching nor constructive. It saved the situation at the moment by relieving shippers by British vessels of the fear of consular investigations which would not equally deter the evasion of duties on the part of shippers by American vessels. To this extent it satisfied the merchants in China. But as regards the customs procedure at Canton the decision modified the rules without altering the practice, since the linguist system still could cloak irregularities; while at Shanghai it found the rules already modified as regards exports which were the vital and larger part of the trade. On the other hand, in so far as it did modify customs procedure and, especially, in so far as it decreased the consul's formal responsibility to see the duties paid, the decision was a step backward. It sacrificed the principle of the treaty system, that duties should be equal upon all according to tariff, for a more present necessity, that duties should be equal upon all, however levied. This alteration of the theory, to be sure, brought it into line with the practice. Henceforth the British consul could hear with equanimity of the evasion of tariff duties, so long as

116. Bonham to Alcock, 21 July, encl. in *ibid*; Alcock to Woo Taotai and reply, Aug. 14 and 16, encl. in Alcock's Notification to the British Mercantile Community, Aug. 19, 1851, encl. in Shanghai Chamber of Commerce to London East India & China Assoc., 22 Sept. 1853 encl. in same to Clarendon 17 Nov. 1853, P.O. 97/99.

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that same amount of evasion was allowed by the Chinese to all foreign shippers. But although his formal responsibility for the enforcement of the treaty system and its tariff was less, the British Consul's actual responsibility, to safeguard the interests of British trade, was as great as ever. All that Palmerston's decision meant for the future was that it would be, if anything, more difficult to safeguard the interests of British trade: for variations in the amount of squeeze demanded from various shippers by the individual Chinese authorities would be more difficult for the consul to act against than variations from the tariff prescribed by treaty. This trouble was soon to appear, another symptom of the disease not yet cured.

From Palmerston's point of view, the customs problem was but one thread in a tangled skein. His temporary solution of the problem may be judged on its own merits, but it must also be judged in relation to the whole context of Anglo-Chinese relations at the time.

If one judge Palmerston's decision purely on its own merits as a solution to a problem, one must admit that the Foreign Secretary foresaw the possibility of denying consular interference as early as November 1850: and that, since such a step was obviously inimical to the system envisaged by the treaties, he sought honestly for an alternative to it. He sought this alternative by a method of elimination. There were three official parties connected with the problem in China: the British Consuls, the American and other foreign Consuls, and the Chinese authorities. The merchants would presumably follow any rules that these officials might enforce so long as such rules were enforced equally upon all. Of the three official parties, the Chinese authorities were unreliable, and any programme of levies on the Chinese seller or farming of

import duties would be vitiated by their hostility and non-cooperation. The British officials, on the other hand, were prevented by law and the complexities of the China Trade from exercising complete surveillance over British shipping. Any such surveillance, moreover, if done in isolation, would only serve to destroy the British carrying trade. There remained the other foreign consuls, American in particular. The possibility of co-operation between the British and American Consuls must have been evident, but it was a possibility which Palmerston left unexplored. Anglo-American relations were, no doubt, none too friendly in 1851. At any rate the Foreign Office sought American cooperation neither through the Consuls in China nor through overtures to Washington, and to this extent its exploration of alternatives to the negative solution must be regarded as incomplete.

In the last analysis, however, it is only in relation to the whole trend of Anglo-Chinese relations that Palmerston's decision can be judged. When he heard of Hsu's evasive refusal to discuss treaty revision or British grievances, given in April, Palmerston had instructed Bonham on July 24 not to continue correspondence on the subject with the Chinese Commissioner.<sup>117</sup> Next he had received Bonham's despatch of July 22, 1851, reporting his steps to stop consular interference and Hsu's indifference thereto, on September 18. Since this was answered on October 2, it seems probable that consideration of it was postponed until a few days previous to that date. At any rate, on September 30, Palmerston made the following notation:

"let me have a memo. stating our various grievances against the Chinese Government and its officers; and of the endeavours we have made by Remonstrances & Representations to obtain Redress, and let me know which is the

<sup>117</sup>. Palmerston to Bonham, July 24, 1851, F.O. 17/174.

season of the year at which an interruption of the supplies to Peking by stopping the passage of vessels across the Yang-tze-Kiang on their way up the Canal to Peking, would be the most effectual."

To this Hammond (?) replied:

"With the exception of the question of the right of entry into Canton, the only grievance which can now be urged against the Chinese is the attempt to interfere with the freedom of the tea trade at Canton", of which he gave details. As to coercion,

"the Admiralty might be asked at what season an expedition should be sent up the Coast; but there is the danger in making these enquiries that a rumour might get abroad of an intended attack on China, and the trade be thereby thrown into confusion."

To this Palmerston replied on October 20, 1851,

"Write confidentially to Sir G. Bonham to ask the latter question";<sup>118</sup> and this was done on the next day.<sup>119</sup>

These thoughts of war were no sudden inspiration, but merely continued the train of ideas begun almost a year before, as noted down in November 1850. Since that time Palmerston's final effort to get satisfaction through the Imperial Commissioner at Canton, set on foot in February 1851, had failed in April, and had been given up by Palmerston in July. In spite of the scarcity of obvious grievances, as noted by Hammond above, the British position in China had grown no better. If anything, it was weaker diplomatically in October 1851 than it had been

118. Note following Bonham's No. 80, F.O. 17/178.

119. Palmerston to Bonham, October 21, 1851, F.O. 17/174:

"As there is reason to suppose that in the event of its being at any time necessary to coerce the Chinese Government, the easiest and most effectual measure for that purpose would be to blockade the entrance of the Grand Canal", please report on the time of year most effective for a blockade and best for an expedition.

for a decade, while the increase of British trade continued to make the treaty settlement more inadequate. It may therefore be asserted that Palmerston foresaw the necessity of armed coercion in the near future. Under these circumstances his decision to stop consular interference, may be regarded as part of a larger programme. By itself it weakened the treaty system in a way too obvious to escape the attention of the man who had mainly created that system, and it cut off one hydra's head of the evil of squeeze in a way to increase that evil as soon as opportunity allowed. As part of a larger programme, however, it would be merely a prelude to a castigation of the Chinese which would bring about a complete re-adjustment of the British position and allow a more constructive solution of the customs problem, along with all the other grievances pending. It may best be regarded as a stop gap.

Unfortunately, nothing followed it. Palmerston went out of office on December 19, 1851, and his successor had no thought of war in China. In addition, the rise of the Taiping Rebellion soon created a situation in which any pressure on the Imperial Government in order to gain facilities for the trade would menace the peace and order on which the trade was dependent. This was pointed out by Bonham in a private letter of December 29, which, by way of conclusion, may well be quoted in extenso as a commentary on Palmerston's policy in 1851 in general.

"You ask me the grounds of complaint against the Chinese Government.

"The first is not permitting us to enter Canton.

"The second not receiving Lord Palmerston's letter to the address of the Ministers in a proper manner, and not making any direct reply.

The third the imposition of two mace on every picul of tea.

"On the first question, you are quite as well able to judge of the advantages as I am.

"On the second, I verily believe that as no minister is authorized to receive foreign communications except the Commissioner at Canton, no public officer would dare to do so, notwithstanding article XI of the Treaty. . . .

"Touching the tea question Seu has a difficult game to play. The smuggling carried on by foreigners is truly detestable, and I do not see that the measure complained of differs very materially from our own system of allowing tea to be landed at certain ports in England with the same object. It may be contrary to treaty I admit, but I do not see how Seu, if he be honest, can prevent the evil except by the plan he has adopted. The imposition is moreover a mere trifle: ~~but~~ I should be sorry to see any coercive measures resorted to at this juncture, inasmuch as such a measure might throw the whole of the Two Kwangs into a confusion, from which it might be very difficult to extract them; and it is clear that such a state of things could not be conducive to our interests."

120. "Extract of a letter from Sir Samuel Bonham, dated Hong Kong, December 29, 1851", F.O. 17/181. Bonham replied to the despatch of October 21 about coercion to this same effect: to Palmerston, January 26, 1852, F.O. 17/187, enclosing Alcock's enthusiastic approval of the idea, to Bonham, January 13, 1852.

## V. The Problem Remains Unsolved.

(1852 - 53)

Palmerston's decision to abandon consular interference for the prevention of smuggling in China did not solve the problem of customs administration, but it did have the effect of confining that problem temporarily to the locale of the treaty ports in China. During the two years that followed the decision of May 1851, the British Foreign Office left the Consul at Shanghai to deal with the problem as best he could. The trade of France was negligible, that of the United States flourished on a minimum of attention from Washington, and when the barbarians did not seek to promote their trade by diplomatic means the Court at Peking at this period was inclined to let it continue in official obscurity. Consequently the British diplomatic offensive of 1850-51 was followed by a lull, and the struggle between European and Chinese methods of administration was left to continue almost unnoticed on the front line at Shanghai, where the Taotai fought the foreign advance with no little ingenuity and the British and American Consuls in the end, by using the customs duties as a diplomatic weapon, contributed to the still further collapse of the administrative system envisaged by the treaties. In this local conflict London and Washington played a passive role.

1. Consuls Vs. Taotai.

The Quiescent Policy. Palmerston fell on December 19, 1851, and "the Cabinet was summoned on the 22nd to receive the news of [his] dismissal and the appointment of Lord Granville in his stead".<sup>1</sup> The latter, however, did not take up his duties until December 26, and in the meantime, by one of his last official acts on December 23, Palmerston tried to insure the survival of his firm and newly aggressive attitude toward China by appointing his friend Dr. Bowring, Consul at Canton since 1849, to be acting Superintendent of Trade during Sir George Bonham's absence on furlough from March 1852 to February 1853.<sup>2</sup> When Granville was succeeded on February 26, 1852, by Malmesbury as Foreign Secretary in the Derby Ministry, the reversal of the situation was completed, for in China Bowring was by temperament an energetic diplomat where Bonham had been a careful administrator, while in London neither Granville nor Malmesbury was sufficiently experienced in Chinese affairs or inclined by contemporary circumstances to follow Palmerston's course. In his eight weeks term of office, Granville had time only to forbid any measure in China likely to require the support of force, and Malmesbury in his turn sought only to improve upon these instructions.<sup>3</sup> During 1852, indeed, Malmesbury was immediately occupied by the problem presented by Louis Napoleon, and the necessity to "keep well with France", and neither his despatches during his ten months in office, nor his published memoirs reveal any concern for or in fact any knowledge of

1. Ashley, Life of Henry John Temple (London 1876) Vol. 1, p.308.
2. Foreign Office List; Palmerston to Bonham, December 23, 1851, F.O. 17/174.
3. Granville to Bowring; Malmesbury to Bowring, British and Foreign State Papers 1854-55, Vol. XLV, p. 918, p. 929, published also as Blue Book, entitled Correspondence . . . relating to entrance . . . into Canton 1850-55.

affairs in China, least of all regarding a customs problem presumably settled eight months before by Palmerston.<sup>4</sup>

Dr. Bowring, on the other hand, found himself temporarily promoted over the heads of Alcock and other consuls of longer service, as he had expected, but without the continued vigorous support of Palmerston to make that promotion effective. During his term as Consul he had continued the custom already begun by Alcock and shortly to be continued by Parkes, of bombarding the Foreign Office with scholarly and trenchant monographs on things Chinese, and he had written privately to Palmerston as a converti bewailing the diplomatic humiliation of his position in Canton, snubbed by the Chinese and subordinate to Hongkong, and advocating prompt and active resistance to every Chinese encroachment on the rights given in the treaties.<sup>5</sup> Now he took up his residence at Government House as Acting Superintendent, "confining himself . . . strictly to his diplomatic and consular duties, while Major-General Jervois administered the Government of the Colony".<sup>6</sup> But this opportunity for unhampered diplomatic flights on the Chinese mainland merely increased his irritation when he found his wings clipped by the instructions of the Foreign Office, and himself ordered to stay at Hongkong and refrain from provocative discussions. During 1852, the quiescent policy of the Foreign Office was perforce maintained at Hongkong, and applied to the customs problem as to all others.

4. The French Empire was recognized on Dec. 4, 1852. Russell succeeded Malmesbury Dec. 28. Earl of Malmesbury, Memoirs of an Ex-Minister. (London, 1885) passim. Granville, Palmerston and Malmesbury to Bonham and Bowring, Jan. to Dec. 1852, F.O. 17/186.

5. e.g., Bowring to Palmerston, private letter, Dec. 9, 1851, F.O. 17/182; Jan. 15, 1852, F.O. 17/187.

6. From Apr. 14, 1852 to Feb. 16, 1853 (Etzel, Hong Kong, p. 254), Jervois was Lieut.-Gov. from Feb. 1851 to April 1854 (ibid p. 253), i.e., until Bowring's assumption of the Governorship in 1854.

Since the American State Department continued as usual to ignore affairs in China, this left the British and American consuls at Shanghai free to take whatever measures they felt to be justified, so long as those measures would not oblige them to seek from their governments active diplomatic support. The scene of action grew smaller, in short, and the personal temperament of the various officials at Shanghai became so much the more important.

The Consuls. Rutherford Alcock was a man singularly gifted with a sense of duty, whose character is worth studying, for he exemplified the best of British Victorian activity in China. As a young man he had studied surgery, in fact modelled artificial limbs in Paris to pay for his medical education. In 1832 he joined the British Foreign Legion fighting in the internal struggles in Portugal and Spain, and as surgeon to mercenary troops for whom slight provision was made he experienced the medical horrors and the chaos on which Florence Nightingale was to begin her attack twenty years later. On returning to England in 1838 Alcock rapidly became one of the most promising men in his profession, lecturing and writing on surgery, apparently slated for a chair at King's College. Suddenly his career was ended. At thirty-five he lost the use of his thumbs through a mysterious rheumatic fever.

But almost at once he had been appointed one of the five first Consuls to China, and in the new ports of Amoy, Foochow, and Shanghai he began a second career. From his administrative experience he developed for himself the philosophy of a British commercial imperialist. His devotion to the interests of British trade sprang from deep and almost religious bases, for he looked upon commerce as "the true herald of divi-

7. Alexander Michie, The Englishman in China ~~translated~~ (London 1900); Alcock, Notes on the Medical History . . . of the British Legion of Spain (London 1838), passim.

lization . . . the human agency appointed under a Divine dispensation to work out man's emancipation from the thralldom and evils of a savage isolation". He believed also in "a natural and moral law which governs the life, and growth, and decay of nations, as clearly as it does the life of man . . . Man's efforts at civilization invariably, - when the race to be benefited is inferior and weaker, intellectually and physically, than the nation civilizing, - have had but one result: the weaker has gone down before the stronger". Consequently "China may linger . . . in her agonies", but must surely succumb in the end. <sup>8</sup> Such faith, in both the cause of commerce and the decadence of China, formed the source of Alcock's ambitious proposals for the forcible opening of the Chinese market (noted above); <sup>9</sup> it sustained him in a debilitating climate, and combined with a rich administrative experience to give him strong convictions as to the proper manner of dealing with the Chinese. "No policy can be a good or successful policy in China which has not a special adaptation to the traditions, character, and prejudices of the nation, governors, and people; . . . there must be no ke-towing to them, - the one besetting sin of the past, - but rather an assertion, in proper time and place, and with all temper and discretion, of the dignity and rights of other nations immeasurably their superiors in all that constitutes a nation's worth, or a people's strength . . . truckling and temporising will never have any other issue than to add insolence to arrogance, and impracticability to conceit". <sup>10</sup>

8. Art. by Alcock (unsigned but attributed by British Museum Library and plainly his from internal evidence), "The Chinese Empire in its Foreign Relations", Bombay Quarterly Review (Bombay and London) No. VI. April 1856.

9. cf. above, ch. IV, note 20.

10. Art. by Alcock, "The Chinese Empire and its Destinies". Bombay Quarterly Review No. IV October 1855.

Judging by his despatches and by his administrative career, - he was later Minister to Japan and to China, - one must rank Alcock as a philosophic man of action unsurpassed even by Parkes in his creative contribution to British policy during this early period in China. His life, as he said, was written in his work, where it may best be studied. In 1852 at the age of 43 he possessed a maturity and insight, and a sense of active responsibility, which could be matched by no other official in Shanghai.

His colleague the American Consul, John N. Alsop Griswold of New York, had been at first an agent of the American firm of W. L. and G. Griswold, and had become a partner in Russell and Co. on the first of January 1848,<sup>11</sup> receiving his commission as United States Consul for Shanghai almost a year later.<sup>12</sup> The second event had indeed followed the first almost as a matter of course, for the American Consul's prestige at both Canton and Shanghai at this time, and his office also, derived partly from his position as representative of the leading American firm in China. Corresponding as he did directly with the Secretary of State and independent as he was of pecuniary considerations, a merchant-consul of Russell and Co. could not feel himself a subordinate, but rather a minor colleague, of the American Commissioner (or Minister) to China; and since the latter seldom received instructions of any sort from Washington and was himself either a political appointee or a resident missionary, there was every opportunity and often a necessity for the consul to initiate and follow his own policy, shaping

11. N. B. Forbes, Personal Reminiscences (Boston 1892) Appendix.

12. Morse, Conflict p. 348.

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it inevitably with an eye to the needs of American trade and without much attention to precedents or high policy.

The Taotai. In 1851 the difficulties presented by the inadequacy of the custom house at Shanghai had been intensified by the rise to power of the notorious Taotai, Wu Chien-chang (吳健彰).

Wu was a Heung Shan (Hsiang Shan 香山) man, from the district on the Kwangtung coast above Macao, the name of which has now been changed to Chung Shan Hsien (中山縣) in honor of another native son, Sun Yat-sen. At an early age the Taotai-to-be had been in foreign trade at Canton, before treaty days, so that ever afterward he was known to the foreign community familiarly, in Cohong parlance, as Samqua. No doubt he was the same man whose brother had been compradore to Mr. Magniac and who had been admitted to the Cohong in 1832 under the style of Samqua.<sup>14</sup> After the Cohong was broken up in 1843 his climb to official position had been up the new ladder of purchase, which the financial exigencies of the time were establishing, rather than up the cursus honorum of the examination system.

13. "Consular returns of American trade with Shanghai" (in Marshall's 13, April 28, 1853, China 8, Dept. of State):

Year	Imports			Exports		
	Vessels	tonnage	value	Vessels	tonnage	value
1849	24	9,829	\$ 757,259	24	9,877	\$1,358,182
1850	37	15,308	830,318	34	14,464	2,100,506
1851	54	27,634	1,216,922	53	26,697	4,615,533
1852	66	38,760	2,094,971	70	40,592	7,980,747

14. Dr. H. B. Morse, Chronicles of the East India Company trading to China 1636-1834. (Oxford, 1926) Ch. XCI. Morrison's Chinese Commercial Guide. (S. W. Williams ed., 1844) p. 159, gives the following among the list of 10 hong in existence at the end of the monopoly in 1843: "Samqua; individual name, Wu Shwang Kuan 吳爽官 [the 官 being pronounced "que"]; hong name, Tungshan hang 同順行; official name, Wu Tien-yuen 吳天垣". Ch'ing Shih Kao 清史稿 in the Biographies 列傳 bk. 182 (bk. 401 in index), biog. of Chierhangah, refers to Wu Chien-chang; but there appears to be no official life of him. IWSM, passim, probably contains the most information.

In 1847 the wife of the American missionary and sinologue E. C. Bridgman was invited among others at Canton "to visit the establishments of two Chinese merchants, Samqua and Tonshing . . . These gentlemen were partners in business, and they had assembled in all about twenty children belonging to the two families" to celebrate the birthday of Tonshing's mother. By the middle of 1852 the same writer states that "Mr. Tonshing and Mr. Samqua, being rich men have both since become officers of government or 'mandarins', a rank somewhat above the Mayor<sup>15</sup> of a city".

Samqua appeared at Shanghai as early as March 1848 in the role of an expectant Tactai (i.e. of Tactai's rank but waiting to be given an actual post), having been sent to help smooth over the Tsingpu (青浦)<sup>16</sup> affair. His previous official experience is uncertain, but once he got a foothold at Shanghai he was able to make his position secure by impressing his superiors with the excellence of his command of English. In 1850 the Viceroy and Governor above him were already mentioning in their joint reports to the throne the expectant Tactai Wu Chien-chang, who was well acquainted with barbarian speech and so could not be hoodwinked by interpreters.<sup>17</sup> Actually his English was none too good, - "Il avait acquis ça et là un certain bagage de broken english, supérieur cependant au pidgin english que parlent les compradores et les domestiques"<sup>18</sup>, - but since his knowledge of mandarin was reputedly none too good either, his English fragments were probably of use. At all events he achieved a sizable reputation as a barbarian-tamer, and after functioning as Tactai

15. Mrs. Eliza Jane (Gillett) Bridgman, Daughters of China: or Sketches of Domestic Life in the Celestial Empire (New York, 1853) p. 93, 95.

16. IWSM-TK LXXIX 5b.

17. IWSM-HF II, 6b, 2.

18. A. Millac, "Les Français à Shanghai en 1853-55", in Revue de l'Extrême Orient for 1883, tome 2, Paris, 1844.

intermittently for a year or more, he came to Shanghai in sole charge as Acting Taotai in August 1851.<sup>19</sup> The foreign community were inclined to regard his self-important comings and goings with derision (and his intentions with no little suspicion), but there can be no doubt that Samqua was a shrewd man gifted with persistence and relatively sophisticated as to barbarian ways. In 1852 we find him refusing to see the French Minister except on terms of equality, claiming that as Taotai he was a high provincial official within the meaning of the French treaty and that as Superintendent of Customs he was of equal rank with the Canton Hoppo. After the Minister, who claimed he had a cold, had sent a General to call, Wu consented to return the favor and, so it is reported, - gave the Frenchman a lecture into the bargain.<sup>20</sup>

Wu appears to have been the first Chinese official to perceive and seek to realize the fiscal potentialities of the Shanghai customs. He came upon the scene most opportunely, at a moment when customs reform by Palmerston had proved impossible, when the foreign community asked only equality of opportunity in smuggling, and the Chinese Government, ignorant of an Eldorado at its door, would particularly welcome all official contributions for the suppression of the rebellion in Kwangsi. Samqua, who had been in the Cohong, perceived this golden opportunity more clearly than his superiors who had mastered the classics; and in his own way he set about realizing it.

The New Regime. Palmerston's decision of May 1851, announced at Shanghai in the middle of August,<sup>21</sup> had played into the Taotai's hands. The new port regulations were drawn up in such a way as to eliminate the foreign consul from all but the begin-

20. IWSM-HF, V. 27a.

21. N.C.H. August 16, 1851, editorial.

ning and end of customs procedure. The new routine was simple. The consignees of a ship would report and deposit the ship's papers at the Consulate and then apply to the Custom House for a written permit to break bulk, whereupon each consignee of particular shipments in the vessel applied to the Customs also for a written permit to discharge cargo, giving details. On exporting, the same procedure was followed - the consignees of the ship getting the Customs' permission to load, each shipper then getting a permit to load his part of the cargo, giving details, whereupon a detailed report of the ship's cargo was made to the Customs after loading. In paying duties, exporters of tea and silk must produce station-house docketts of registry, procured free from the Chinese seller, whose goods had been registered on the way into Shanghai. Accounts were then made up at the Custom house, dues were paid by the merchant through his comprador<sup>23</sup> to the Chinese shroff (banker) designated by the authorities, and receipts for such payment were delivered to the Custom House directly by the merchant or his comprador. Thereupon the Chinese Custom House made out a triplicate Grand Chop or Port Clearance, retaining one part, giving one part to the consignees of the ship, and one part to the Consul. Finally, the consignees of the ship received its papers back from the Consul on production to him of their part of the Grand Chop. Aside from his formal duties in receiving and giving up these papers, the Consul was active in the revised procedure only when requested to punish irregularities or settle disputes. The reports of cargo made to him for his own records could be checked ordinarily by reference to the Grand Chop alone, and there was now no obstacle to stand in the way of collusion between the Chinese authorities and all merchants willing to evade the full payment of duties. More-

22. Notification to British Community, August 19, enclosing Alcock to Woo, August 14, and reply, August 16, N.C.H. Aug. 23, 1851, Regs. also in Bonham to Palmerston, Sept. 20, 1851, F.O. 17/179.

23. The Customs Bank was not established until Oct. 1852. Morse Submission, p. 12.

over, it soon became the general practice for consignees of ships to report verbally to the Customs through their compradors and thereupon break bulk without waiting for a written permit, thus saving a day; while the rule that consignees of shipments in the vessel should apply for a written permit before discharging cargo fell into complete desuetude.

For the first few weeks <sup>of</sup> this "non-interference system", all went well. The Consuls stood ready to assist the Customs if called upon. Indeed even before the issue of the new port regulations the American and British Consuls in separate notifications had warned their respective communities that Chinese measures to protect the Imperial revenue, if they were just, necessary and impartially applied to all, would receive every support; <sup>24</sup> and the French Consul's refusal "in any way to accept these new regulations as applicable to his own countrymen" had been offset by his offer to "receive all complaints by customs officers of any infractions thereof, and, if they are founded on equity and justice to apply the penalties prescribed by treaty." <sup>25</sup>

At the same time a letter to all the consuls of the port, signed by 23 merchants, suggested the appointment of a harbour master and nominated an American citizen, Nicholas Baylies, who began to apply a set of regulations, assented to by the Taotai and all but the French Consul, on September 24, 1851. After the non-cooperation of some captains threatened to destroy his effectiveness, it was arranged by Sir G. Bonham and Yu Taotai that the harbour-master's fees should be paid to the Chinese government banker and the receipts sent to the

24. Notifications of Griswold Aug. 1, and Alcock, Aug. 6, in N.C.H. Aug. 9, 1851.
25. M. de Montigny to Taotai, Aug. 30, in N.C.H. Dec. 20, 1851, Noted in Morse Submission p. 11-12.

Customs prior to the granting of the Port Clearance, whereupon the harbour-master could collect his fees periodically from the banker without troubling himself or the captains.<sup>26</sup>

This cooperative arrangement, like the cordial harmony of the British and American Consuls, was symptomatic of a new spirit. When Bonham came north in September he reported that "the Superintendent of Customs at Shanghai is at present exerting more than usual vigilance . . . and smuggling has in consequence diminished".<sup>27</sup> As a result of this and of the growth of trade the customs receipts at Shanghai in 1851, even as recorded by the foreign consuls, were almost twice the receipts of 1850, from nearly the same total number of vessels.<sup>28</sup>

Fu Chien-chang's Policy. Unfortunately the new spirit did not last long. As a Cantonese and a former merchant, it was perhaps inevitable that Samqua should try to "Cantonize" foreign relations at Shanghai. He soon sought, in other words, to superintend the conduct of trade in such a way that the foreign merchants and consuls would have less cognizance of, and less control over, its petty ramifications, at the same time that the Customs collector could more easily levy indirect but very lucrative taxes upon the commerce of the port. As the American Consul observed, "the present acting Taoutae has surrounded himself with numerous Canton underlings, in the Custom House and at his own office, who have commenced with a system of intimidation and would no doubt end by a system of forcing

26. Ibid; Bonham to Palmerston, Dec. 4, 1851, F.O. 17/181; Parker's 24, Jan. 27, 1852, and enclosures, China 6; N.C.H. Sept. 27, Oct. 4, 18, Nov. 29, 1851. Alcock had proposed to appoint an American, Nathaniel Baylies, as harbour master in Dec. 1848. (Griswold to Davis, Dec. 11, 1848, in Davis' 11, Jan. 27, 1849, China 5).

27. Bonham to Palmerston, Sept. 20, 1851, F.O. 17/179.

28. Consular trade reports for 1851, F.O. 17/187; Griswold to Parker, Oct. 4, in Parker's 22, Oct. 27, 1851, China 6.

bribes from the servants and traders connected with us if not met and checked at the outset. In numerous ways it has been shown of late that the acting Taoutai is endeavouring to introduce many of the objectionable features of the old Canton System<sup>29</sup>. In view of the role already played by the Cantonese in the expansion of foreign trade, and the diplomatic style already set by the Imperial Commissioner there, it is not surprising that Wu, introduced as an experienced barbarian-tamer, should have taken a few leaves from the books of the Hoppe and the Canton Viceroy. In this he was no doubt assisted by the latitude given him by his superiors; and the documents that have survived from this period in Chinese are relatively so few as to support the conclusion that barbarian affairs at Shanghai for a time almost disappeared from the view of Peking as they did from that of London. So long as Samqua could remit large and as yet unexpected sums from the Customs,<sup>30</sup> there was less reason for his superiors to interfere in an official capacity, and he could follow the policy that best suited his tastes and interests.

Of the constant altercations which beset the Shanghai Consuls and the Taotai during the next year (1851-52) it is impossible to speak in detail, and since only the foreign side appears to have been recorded it would doubtless be unfair. Some of the more acrimonious disputes might be touched upon, however, to enable the reader to evaluate if possible their origin, whether it be the necessary venality and weakness of custom house underlings, the unscrupulous arrogance of foreign adventurers, or the conflicting standards of right

29. Griswold to Parker Oct. 4, in Parker's 22, Oct. 27, 1851, China 6.

30. M.C.H. June 28, 1851, reported Wu sent Tls. 140,000 from the foreign customs to Canton to be used against the rebels. Ibid. July 5, 1851, reported an edict in the Peking Gazette of May 18 to have ordered Tls. 600,000 to be sent by Wu from the Kiangnan salt and customs revenue.

and wrong, true and false, proper and improper held by the respective sides and their difficulty in communicating clearly.

Certainly one great source of friction was ignorance and misunderstanding on the part of poorly-trained customs employees and indifferent Chinese servants, who had to deal with documents insufficiently detailed and often carelessly made out. In July 1851 cargo landed for Lindsay and Co. from the American clipper Oriental disagreed with the manifest. It was found that 30 large bales that had originally consisted of 120 smaller bales had paid duty at Canton as 30 bales, "but their clerk in the manifest made the figure 3 look like 8, and they were by mistake entered as 80 bales", while the 120 small bales were actually landed under the Canton duty receipt.<sup>31</sup>

A fortnight later the Taotai charged the American ship Roman with smuggling. The Consul forthwith got from the Custom House "their book in which the goods were entered as landed day by day" and on comparison with the manifest found that sheetings had been mistaken for drills, and long ells and white shirtings for woollens and camlets, "solely from the ignorance of the Customs officers, who do not take the trouble properly to examine the goods as landed".

"My time", wrote Mr. Griswold to the Taotai, "is too valuable to be wasted in entertaining such idle complaints...."

"The officers now truss up trivial and unfounded cases against United States vessels and take no notice of smuggling . . . in vessels of other nations. . . ."

"If vessels under the United States flag are detained on accusation of smuggling, which afterwards proves unfounded,

<sup>31</sup>. Griswold to Lin, July 5, to Woo, July 8, in Parker's 23, Dec. 27, 1851, China 6.

I shall look to you and the Chinese Government for reimbursement of all reasonable charges of demurrage, loss of markets, etc., and if need be deduct the said charges from the duties justly due.

"If some measure of this sort is not adopted", explained Mr. Griswold, "malicious persons would have it in their power at any time to delay vessels, so that their own might arrive first, simply by laying information when there was no good ground." Accordingly the Consul proposed to have \$150 collected from American merchants for each case of proved inadvertance and \$50 from the Chinese customs officers for each unfounded charge, these sums to be "paid to me for trouble in examining the case and corresponding with you [the Taotai] on the subject".<sup>32</sup> On July 26 Griswold actually gave public notice that \$25 would be charged for every amendment of manifest, but was reversed by his superior a month later.<sup>33</sup>

The above style of English phraseology was typical of the time, particularly for merchant consuls; - what form of words was presented to the Taotai is of course another matter. Griswold read the Taotai's despatches "through the medium of a linguist" and seldom saw a written English translation. The Chinese translations of his communications to the Taotai, when presented to Dr. Parker, American charge and missionary sino-logue, earned the remark, "It is now a long time since seeing the foreigner 'prostrate' or 'prostrate on the face' in Chinese correspondence. This used to be the style, but . . .<sup>34</sup> I am confident you are the last man knowingly to revive it". It may well be that even the most fiery ultimata of the American Consul reached the Taotai in a form so tepid as to be ineffectual. At all events the Taotai pursued an increasingly

32. Griswold to Woc, July 16, 21, 1851, ibid.

33. Parker to Griswold, Sept. 22, 1851, in Parker's 20, China 6.

34. Griswold to Parker, Oct. 4, Parker's 22; Parker to Griswold Sept. 22, 1851, in Parker's 20, China 6.

hostile policy, and Griswold observed that "The more latitude you give them the more they attempt to take".<sup>35</sup>

The Panama Case. On September 16, 1851, Russell and Co. reported the American ship Panama and received from the Customs permission to discharge her cargo of lead. On the 23rd, when two Chinese cargo boats, one loaded and one loading, were still alongside the ship, two customs boats suddenly came down river and "with loud shouts" seized and carried off the cargo boats and boatmen and later piled the lead in the Custom House yard as smuggled goods, claiming that the boats had not gone to the customs jetty for examination. Having as head of the firm, formally notified himself as American Consul, Griswold wrote to the Taotai, threatening to hold the port regulations void unless the Customs subordinates were punished, and demanding compensation for the lead and the release of the two boatmen who were held, since they were in the status of servants at the time and so not responsible. Further correspondence having merely raised contentions which were disproved by the affidavits of witnesses, the Consul on September 26 made three formal demands upon the Taotai:

1. Immediate release of the boatmen.
2. Public punishment of the headmen of the Customs boats and an apology from them.
3. Payment by the Taotai for the lead, for damage to the cargo boats, and for unloading the rest of the cargo, which the Chinese buyers now feared to touch. If these demands were not met, Griswold would consider the American treaty in abeyance, notify his further course, and then break off all relations "until this difficulty is settled by higher powers."

In reply the Taotai released the boatmen and proposed arbitration by a board composed of the other local consuls and

<sup>35.</sup> To Parker, Oct. 4, in Parker's 22, Oct. 27, 1851, ibid.

two subordinate Chinese officers. This board eventually met on October 4 and decided unanimously against the Tactai, - that the cargo boats had been seized alongside and while fast to the ship, - but proposed that since no disrespect had been intended, an apology would be sufficient reparation. This closed the case, and Griswold's course was heartily approved by the American charge, Dr. Parker.

- 36. Alook (British), Montigny (French), D. B. Robertson (Denmark, actually British Vice-Consul), T. C. Beale (Portugal and the Netherlands, actually British citizen), Lan Wei-wen (藍蔚雯) Sub-prefect of Shanghai (Hai-fang t'ung-ohih 海防同知), and the Shanghai District Magistrate.
- 37. Parker's 22 to Webster, October 27, 1851, and enclosed correspondence, China 6.

2. The Stoppage of Customs Duties  
as a Diplomatic Weapon.

On December 10, 1851, Edward Cunningham of Boston became Acting American Vice-Consul, <sup>38</sup> having also succeeded Griswold as local head of Russell and Co. Mr. Cunningham had reached China in 1845. After serving as clerk in J. D. Sword and Co., he had entered his present firm in 1846 and become a partner in 1850. <sup>39</sup> If anything, his policy as Consul was to be stronger than his predecessor's.

It is typical of the times that in March 1852, three months after entering the service of his government, Cunningham felt obliged in the defense of American interests at Shanghai to announce the suspension of the American treaty with China. This action was inspired by the Taotai's claim that all the land within the Yangkingpang, in the present center of the International Settlement at Shanghai, had already been ceded to the British Consul, and that therefore three deeds of land sold to an American merchant, Roundy, could not receive the Taotai's official seal and so be made legal. In combatting this claim the American Consul had recourse to the strongest possible threats short of force: he gave the Taotai another <sup>40</sup> 24 hours to stamp the deeds. More than 24 hours passed. Therefore, wrote Cunningham on March 15, "I beg formally to appraise you that I shall hold no farther communication with Your Excellency, that I consider the action of the Treaty between China and the United States suspended at this port, that no import or export dues of any kind will be paid by American

38. Judicial Archive No. 12, U.S. Consulate-General, Shanghai.

39. P. S. Forbes, Personal Reminiscences, pp.

40. Cunningham to Woo, March 13, in Parker's 28, April 22, 1852, China 7.

vessels entering here until the right in dispute is recognised; that I shall immediately write to Canton requesting the American Commissioner to despatch a man of war with all haste, meantime organizing my countrymen resident here into a force that will be competent to defend itself until her arrival since they can no longer look to the Chinese authorities for protection.

"I beg also to inform your Excellency that any duties unpaid in consequence of this disputed question will never be claimed by me or the parties interested, will therefore be totally and irrecoverably lost to the Imperial Government, and moreover that if in consequence of this step on my part, any measures are taken by the Chinese officers to obstruct or impede the trading of the Chinese merchants with the Merchants of my country, any loss the latter may suffer will be claimed of the Chinese Government and retained from the first duties which shall accrue after the question has been settled."

The result of this declaration was the return of the deeds duly stamped and the publication of Cunningham's notification of March 16, that American purchases of land could be confirmed with the Chinese authorities through the American Consulate "without the intervention . . . of any other foreign authority",<sup>41</sup> (i.e. of the English Consul). The Tactai's position had been indefensible, since the right claimed by Cunningham had already been acknowledged by the Imperial Commissioner.<sup>42</sup> But even so Cunningham had taken measures which, as Parker said, were "all but tantamount to a declaration of hostilities, the prerogative ordinarily of the Supreme power of a nation",<sup>43</sup> and in so doing had made the customs duties a pawn in the diplomatic game and to that

41. Ibid. Notification printed in Morse, Conflict p. 349, but as though referring particularly to land in the French Concession.

42. Hst., May 2, 1849, in reply to J. W. Davis (despatch of April 25, 1849).

43. To Cunningham April 6, in Parker's 28, China 7.

extent further complicated the customs problem.

The Katharine Sharer Case. This precedent set by the American Consul was shortly afterward followed by the British. A Chinese Merchant of the firm of Shun Chong imported from Canton to Shanghai 555 packages of white lead and prussian blue in the British vessel Katharine Sharer, consigned to the British firm of Smith King & Co. of Shanghai.<sup>44</sup> On April 2, these goods were reported to the Customs by the consignees of the ship in its general manifest, and through their shroff the usual verbal arrangements were made for breaking bulk. At the request of the consignees of the ship, the Chinese merchant (called for convenience Shun Chong) hastened to unship his goods, and on the evening of April 3, proceeded to load some 338 packages from the Katharine Sharer into two Chinese boats. On leaving the Katharine Sharer these boats landed the consignee himself and then, as the boatmen later alleged, proceeded toward the Custom House jetty. It was after sunset, although not yet dark, and with sudden vigilance Custom House officers now "pursued and seized". In reporting the affair to Consul Alcock, Wu Taotai alleged that the boatmen had confessed they were about to take the goods to Soochow. At any rate, the goods were confiscated under two heads: Article III of the port regulations of August 1851 that, "after the breaking bulk permit has been obtained by the consignees of the ship, the consignees of goods must apply to the Custom House for discharging permits", penalty confiscation; Arti-

44. Account drawn from Alcock's 51 to Bowring, June 2, 1852, F.O. 228/147; and Bowring's 63 to Malmesbury, June 30, F.O. 17/190, with enclosures. The Chinese consignee is referred to variously as both "San Chang" and "Shun Chong" and both "him" and "them". Pestonjee Framjee Cama and Co. bore the hong name Shun Chang 順章 (Shanghai Almanac for 1854); no characters are given in the despatches.

ole VIII, that goods may not be discharged after sunset without a special permit, penalty confiscation. The Taotai thus had a perfect legal case.

In view of the fact that British ships had increasingly competed with the coastal carrying trade of the influential Fukienese junk-owners, Consul Alcock distrusted this zeal. He was the more resentful because the Shun Chong firm, although extensively engaged in the carrying trade in foreign bottoms, had theretofore shipped only by American vessels and had been unmolested. He rounded up the consignees from the Shun Chong Hong and the Customs officers and held an enquiry. The boatmen declared they were going to the Custom House jetty when seized, not to Socchow. After six days deliberation the Consul replied to the Taotai on April 10, that the inclusion of the goods in the general manifest of the ship indicated that there had been no intention to smuggle, that the regulations were to stop smuggling, not to bother merchants unnecessarily, and that he would not consent to confiscation.

To this Wu replied with gratitude for the Consul's desire to protect Chinese merchants "just as if they were English"; but "the transporting of goods from Canton to Shanghai in a British vessel was on the part of Shun Chong of itself a trickish proceeding", and confiscation must ensue.

Smith King & Co., meanwhile asserted that they had conformed to the usual practice in obtaining permission to discharge, even though not to the letter of the regulations. Consul Alcock asked for their evidence and subsequently appealed to three other British firms and to Edward Cunningham, the American Vice-Consul. Their descriptions of the general practice all varied, illustrating the lack of well-grooved precedent at Shanghai, but all agreed that it did not conform strictly to the regulations which the Taotai had invoked. Dent Beale & Co. stated that it was "common practice [after

the Report of Inward Manifest had been duly sent in and verbal permission obtained] to break bulk without waiting for written authority". Smith Kennedy & Co. stated it was "common practice to break bulk after reporting with manifest at the British Consulate and without waiting for Custom House permission". Cunningham replied that whenever the written permit was delayed by the engagements or absence of the proper Chinese officer, "a verbal permission is given and discharge goes on".

All this strengthened Alcock's determination to resist the penalizing of "one merchant for doing that which others are allowed to do every day with impunity". But it left Wu Taotai unmoved and he forthwith confiscated the goods, valued at about \$4,000. In retaliation H.B.M.'s Consul stopped the payment of the export duties now due on the Katharine Sharer, and on April 19 Smith King and Co. became responsi-<sup>45</sup> ble for all legal duties excepted from her port clearance.

Trouble continued. On May 23 Alcock complained again to the Taotai that two British firms, Sykes Schwabe & Co. and Smith Kennedy & Co., had imported goods in a ship consigned to Turner & Co., who had duly reported the fact to the Customs in the general manifest of the ship. Nevertheless, Customs officers had seized four cases of chintz and four cases of long cloth from the two firms, respectively, on the grounds that these cases were in excess of the number reported in the general manifest. Alcock objected that the rule requiring separate import manifests for each shipper had never been enforced, and that in the present case the discrepancy in the number of cases indicated only a falsification of the Ship's general manifest given by Turner & Co., for which the other two firms could not be held responsible. In answer to this argu-

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45. Ibid.

ment the Taotai returned the cases seized but asked that in future all merchants importing should make separate import declarations.  
46

Behind these acts of the Chinese Customs officers, which may often have been sincere and were not by any means always unjustifiable, Consul Alcock saw the political programme of the Taotai, using commercial means to "Cantonize" foreign relations at Shanghai. Since the Panama case of the previous summer, Wu apparently had been trying to get control of all the Chinese cargo-boats of the port in order to organize a cargo boat monopoly, and he was also reputedly attempting to establish a Cohong of five local Chinese firms. Like many other asserted infractions of the treaties, these measures were in part a logical Chinese way of making regular the paths of commerce and profiting more effectively from foreign trade.

The Duke of Richmond case. There was more obvious antagonism, however, in the interference offered by the local branch of a Chinese patriotic brotherhood to the building of Dr. Murray's ophthalmic hospital, which Alcock had with some difficulty smoothed over, and for which delay Dr. Murray laid a claim against the Chinese authorities. Moreover, six months repeated efforts (Dec. 3, 1851 to May 30, 1852) had failed to recover a debt owed to Mr. Smith of Smith, King & Co. on a promissory note for which Chinese merchants had become security. The British Consul felt himself losing ground, and in May 1852 he stopped the payment of Tls. 2,278.5 due as duties on the Duke of Richmond, consigned to Smith King & Co., out of which he repaid Smith the amount of his note with interest, taking his guarantee to refund should Bowring disapprove. In this way he

46. Alcock to Woo, May 23 and reply May 24, encl. in Alcock to Bowring, No. 52, June 2, 1852, F.O. 228/147.

followed the American Consul's lead in making the customs  
 46  
 duties a political weapon.

The situation was further complicated by the Taotai's private commercial interests. It was asserted by many that Samqua's discriminating laxity was dictated by his desire to facilitate the operations of certain foreign mercantile houses in which he was supposed to have funds of his own invested. In the last season, Alcock alleged, the Taotai's laxity, following upon his former vigilance, had caused enormous shipments of low-class teas, which had easily evaded the Chinese export duties (about 20%) and caused a glut in the London markets. The allegation that the Taotai had turned trader was supported by his dealings with the foreign merchant-consuls, who, usually as British merchants representing the Danish or Prussian Governments, had rights of access and official prestige which were denied their fellow merchants. It happened that a brother of Mr. Bowman of Gilman Bowman & Co., a British firm of Shanghai, was a partner in Dent Beale and Co.<sup>47</sup> T. C. Beale, one of Shanghai's leading citizens, held the office of Portuguese Consul. In 1851 he was said to have used his friendly offices to facilitate the illegal loading of a complete shipment of teas for Gilman Bowman & Co. in the Russian vessel Schillersoff by boats proceeding to Wusung.<sup>48</sup> Now toward the end of May 1852, four bales of goods consigned to Gilman Bowman & Co. were transhipped at Wusung and brought up to Shanghai by boat without either permission from or report to the Custom House. On these grounds the Customs officers seized them as being legally liable

46. Alcock to Bowring, May 30, encl. in Bowring's 114, August 27, 1852, F.O. 17/192.

47. John Bowman (Dent Beale & Co.), A. Bowman (Gilman Bowman & Co.), Shanghai Almanack 1853-4.

48. Alcock to Bonham, No. 85, Oct. 9, 1850, encl. in Bonham to Palmerston, April 10, 1851, F.O. 17/176.

to confiscation and the legality of such confiscation was admitted by Consul Alcock in correspondence with the Taotai. Shortly after Taotai and Consul had agreed upon the confiscation of the goods, Beale, as Portuguese Consul, applied to the Taotai and obtained their release. When Alcock objected, Wu maintained that the goods had been sold. Like the Hoppe and Commissioner Hsu at Canton he affected to pass over petty infraction without much concern for the infliction of penalties. It turned out, however, that the supposed sale had realized scarcely a fourth of the value of the goods; and no one could doubt that the affair was a matter of arrangement.<sup>49</sup>

This "capricious alternation of vigilance and neglect" on the part of the Chinese Custom House filled the Consul's cup of bitterness. On June 2, 1852, roused by Samqua's deal with the Portuguese merchant consul, Alcock warned the Taotai that he had thereby lost his right to levy penalties in future, or, in short, to maintain the Customs regulations:

"I may fairly claim to be released from any obligation [to assist] in regard to all such matters hereafter. Your omission to act up to the manifest intention of the treaties makes it indeed imperative upon me to withhold for the future all interference for the protection of the Chinese revenue. I come to this decision with great reluctance, the desire of my government being now as ever to keep good faith; and to the utmost of their power to co-operate with you in securing the fair levy of all duties according to tariff, but when flagrant cases like this are passed over, nothing further remains to be done but to withdraw altogether from any participation in your acts".<sup>50</sup>

49. Bowring's 62 of 1852 and enclosures, F.O. 228/147, or F.O. 17/190.

50. Alcock to Woo, 2 June 1852, encl. 3 in ibid.

In reporting to Bowring, the Consul suggested as an active programme either the prohibition of all duty payment by British subjects, which would have to be followed up by a squadron at the Grand Canal; or the declaration that the treaty was in abeyance because of the Chinese own acts, which would give them the burden and doubtless precipitate the stoppage of trade, a valid casus belli. More immediately he proposed to retaliate by reimbursing Dr. Murray \$100 a day for the delay caused by the interference in the building of his hospital and by paying Shun Chong the amount of the goods seized by the Tactai, both out of the duties still due on the Katharine Sharer. Together with the settlement provisionally made by stopping the Duke of Richmond's duties, this would effectively meet the Tactai's attack. At the same time, however, it would crown one vigorous illegality with another, and so Alcock sought his superior's approval.

Bowring was now placed in a difficult position, where his own aggressive belief that a stand once taken should never be abandoned to the Chinese, conflicted with the softer instructions of the Foreign Office. In replying on June 25, 1852, he steered a middle course, sidestepping Alcock's war-like suggestions, and using as a guide the axiom that <sup>the</sup> Consul's "influence as far as it can properly be exercised, must be employed to encourage the strict enforcement instead of the relaxation of the Custom House Laws . . . of China". As to Alcock's specific programme regarding the Katharine Sharer,

". . . H.M. Government have objected to the arrest of duties as a means of enforcing redress of grievances, yet the arrest of duties having taken place, and being desirous in the difficulties of your position, and in so far as I am able, to support your authority, I shall not interfere with the arrangement you propose to make, but you will hold the duties on the Katharine

Sharer until hearing from H.M. Government. Dr. Murray's exorbitant claims, however, being those of a private citizen, could hardly be paid from duties the arrest of which the Foreign Office did not sanction, even as an act of official policy".  
51

Now the proposal to reimburse Mr. Smith's private debt from the duties due on the Duke of Richmond was exactly analogous to the private claim of Dr. Murray, although less far-fetched. On June 25 Bowring replied that he lacked authority to sanction it.  
52 On June 20 he proceeded to report to Malmesbury on the Katharine Sharer case in which he had felt himself able to support the Consul. He delayed, however, in reporting on the Duke of Richmond case, in which, as he had just replied to Alcock, he could not legally support the Consul's course. But the case was too important potentially not to be reported at some time; and Bowring can hardly have regarded his tepid reply to Alcock as a settlement of it. His delay in reporting can only be regarded as tacit encouragement, giving Alcock time to make a settlement by the only effective means - stopping duties - which the Foreign Office would nevertheless condemn when they heard of it. Possibly the Superintendent encouraged Alcock privately. At any rate, the Consul continued to hold the Duke of Richmond's duties, as well as the Katharine Sharer's, and persisted in his pecuniary coercion of the Tactai. On August 2 he gained time by referring the Richmond case again to Bowring's consideration. Whereupon the latter replied, expressing regret at Alcock's insubordinate hesitation, and reiterating that his own instructions prevented his supporting the Consul.  
53 He referred the question to Malmesbury.

51. Bowring to Alcock June 24 and 25, encl. in Bowring's 63, June 30, F.O. 17/190.

52. Alcock to Bowring May 30, Bowring's reply, June 25, encl. in Bowring's No. 114 of 27 Aug. 1852, F.O. 17/192.

53. Bowring's 114, August 27, 1852, F.O. 17/192.

Alcock's firmly maintained attitude gained a victory. In August 1852 the Katharine Sharer case was settled by a suppositious sale, in which the Taotai saved his face by selling Shun Chong \$2,000 worth of goods for \$300.<sup>54</sup> In September the Consul won out in the Duke of Richmond case. After steadily refusing lesser sums, Mr. Smith got a full payment of his note, without interest, whereupon the duties were paid in, the Grand Chop was issued, and the Taotai acquiesced in the whole arrangement.<sup>55</sup>

Customs Duties as a Tool of Policy. The British and American home governments expressed only a formal interest in local conflicts at Shanghai. The cases just noted were the only customs matters coming before Malmesbury in his ten months of office, and toward their settlement he contributed nothing. On September 24 he approved Alcock's course in stopping duties on the Katharine Sharer and Bowring's instructions that Dr. Murray's claim could not be settled from those duties. On the same date he approved Alcock's statement to the Taotai that he would "withhold for the future all interference for the protection of the Chinese revenue". That statement was exactly according to Palmerston. On November 30 he wrote Bowring, "you have acted rightly in signifying to Mr. Consul Alcock your disapproval of his conduct" in the Richmond case.<sup>56</sup>

Similarly the only reaction of the Department of State was an instruction in general terms from Daniel Webster to the newly appointed Commissioner to China, Humphrey Marshall, dated August 11, 1852:

54. Bowring to Malmesbury, August 26, ibid.

55. Bowring to Malmesbury, No. 128, September 25, 1852, F.O. 17/192.

56. F.O. 17/186.

"During your residence in China you may sometimes be applied to to interpose in behalf of American citizens for the purpose of obtaining satisfaction of claims which they may experience in the course of their dealings and transactions. In cases of this nature where the intervention of this Government shall be proper according to the public law, you will afford such official aid as may appear to you appropriate to the occasion whether you have special instructions from this Department or not."

In spite of this lack of concern in Washington and at the Foreign Office, where uncertain relations with America added to the distraction caused by France, it is obvious that the treaty system in China was in a more critical position in 1852 than ever before. The home governments took no heed because the merchants did not complain at their chance to smuggle. But the Consuls at Shanghai, where the customs administration appeared to be made a tool both of Chinese official policy and of the Taotai's private greed, felt themselves driven to the last extremity short of armed coercion. Alcock in particular realized that his declaration of non-interference of June 1852, was a gesture of helplessness, which merely reiterated Palmerston's unavailing statement of a year before. But in actual fact the British Consul felt that he could not afford to stop interfering in order to preserve the equal incidence upon all of the customs procedure. He had therefore done so with the weapon nearest at hand, the arrest of duties.

Whether these extreme measures were really justified is less important than the fact that they were taken. Many of

57. China Instructions, Vol. I, State Dept. Archives, Wash., D.C.

58. Malmesbury, Memoirs, p. 254, Derby to Malmesbury, Sept. 15, 1852, concerning the American fisheries, "assuredly . . . I am prepared to fight for our undoubted rights rather than yield to a spirit of democratic encroachment. The Canadian Reciprocity treaty was not signed until June 5, 1853.

Wu Chien-chang's communications preserved in translation in the British and American correspondence (but unfortunately missing in the Chinese) betray an earnest and practical effort to tighten up the admittedly lax customs procedure which had become established at Shanghai. That he should make this effort partly or largely in his own interest, and so act with partiality, was no doubt in the nature of things. It was also natural that he should attempt to regulate trade at Shanghai in a Chinese fashion, on the model of Canton. Sincerity and selfishness were thus both likely to bring him into conflict with the foreign consuls, who on their part were under the necessity of stretching to the limit treaty rights which could be made adequate as a legal basis for foreign expansion only if stretched, in many cases, to the very limit of their application.<sup>59</sup> Bowring at Hongkong agreed with Alcock that "it is safer, wiser, easier, more economical, and more pacific to resist promptly every infraction of treaties . . . than to hesitate, forbear, temporize, [or] surrender. . . . Shanghai will become a Canton if energetic measures are not adopted".<sup>60</sup>

Neither the British nor the American officials, however, seem to have had a more constructive programme than this. In August 1852 Bowring still believed that, "unless for the protection of British subjects against obvious wrong, the less of interference we exercise with regard to Custom House arrangements the better".<sup>61</sup>

59. e.g., Cunningham's violent objection to the Taotai's flogging of six Chinese boatmen involved indirectly in a smuggling case, - a right which Parker could not deny belonged to the Chinese authorities by treaty, but the exercise of which seemed to Cunningham and the other consuls to threaten the entire foreign position (Parker's 30 to Webster, June 19; No. 34, Sept. 27, 1852, with enclosures, China 7).

60. Bowring to Alnesbury, 26 Aug. 1852, F.O. 17/192.

61. Ibid.

(2)

Finally it must not be forgotten that the Customs problem was again in 1852 merely one thread in the tangle of Anglo-Chinese <sup>relations, out of which the British officials</sup> were finding it more and more necessary to think of cutting their way by force. Bowring was no doubt an alarmist, but his observation of the disorders inherent in the opium trade, <sup>62</sup> and in the newly arisen coolie emigration system, convinced him that "everything portends great forthcoming changes both commercial and political, the foreshadows of which become more and more visible". <sup>63</sup> The prospect of remoulding the treaty system nearer to their hearts' desire and with the aid of gunboats, still offered the British officials little incentive for planning constructive reforms in the present. As a result there was added to the smuggling and corruption which harassed the foreign trade of China, particularly at Shanghai, a further disquieting factor in the form of extra-treaty stoppage of duties by local consular action, a development which may well have lessened the validity of the treaties in Chinese eyes and at the very least was hardly conducive to the future security of the trade.

62. Cf. Alcock to Bowring "Confidential", June 8, 1852, encl. in Bowring's 58, F.O. 228/147.

63. Bowring to Malmesbury, 10 Jan. 1853, F.O. 17/199.

3. Alcock's Failure to Establish a  
Bonding System.

At the beginning of 1852 the spread of the Taiping Rebels to the lower Yangtze Valley again raised an urgent problem affecting the Customs at Shanghai: imports became unsaleable and the British merchants therefore sought to defer the payment of import duties by putting their goods in bond. Consul Alcock's effort to introduce such a system was abortive, however; and thus in still another way the treaty system of customs administration proved inadequate to the needs of the foreign merchant.

British policy at this time remained quiescent. On December 28, 1852, Lord John Russell had become Foreign Secretary in the Aberdeen Ministry (the Derby Ministry having fallen on December 17), and when he gave up that post to save his health and work for parliamentary reform, having written hardly a despatch to China,<sup>64</sup> the Earl of Clarendon assumed the office on February 22, 1852. The difficulties over the Holy Places which eventually were to lead to the Crimean War had already begun; and England was, in Clarendon's own phrase, "drifting into war".<sup>65</sup> Although the new Foreign Secretary was a good friend of Palmerston (now Home Secretary) and highly esteemed by him,<sup>66</sup> this was no time for him to think of aggression in China, even if Palmerston, contrary to his custom, had seen fit to urge on his colleague the views which he had previously held on that subject. Clarendon's instructions to the Superintendent of Trade at Hongkong were in the same quiet tenor as

64. *See* F. O. 17/198.

65. Hon. Mr. Justice Hamilton, *Art on Clarendon*, *DNB* Vol. XX.

66. G. Ashley, *Life* Vol. II, p. 12, Palmerston to his brother William, April 3, "I am very glad that Clarendon has got the Foreign Office. He will do the business well and keep up the character and dignity of the country".

his predecessor's. At the same time Sir George Bonham resumed office at Hongkong and Dr. Bowring came home on furlough (February 16, 1853).

Effect of Rebellion. The Taiping rebellion now dammed back the current of Anglo-Chinese relations from the cataract toward which they had been moving.<sup>68</sup> The rebels took Nanking on March 19, 1853, and the threat of their advance to the coast, noted by Alcock as early as January, had two immediate results. First of all it presented to the foreign powers the political necessity of defining their own status between the Chinese belligerents. The Imperial authorities sought to enlist their help.<sup>69</sup> Meanwhile the Protestant missionaries began to enlarge on the virtues of the supposedly Christian rebels, whose rapid advance seemed irresistible. While awaiting Clarendon's orders, Bonham chose a middle ground and, after coming to Shanghai on March 21, decided not to interfere in any shape in favour of the Chinese Government, as "I feel confident that any such interference on my part could only prolong the struggle".<sup>70</sup> Later his trip to Nanking in the Hermes (April 27) strengthened his decision to remain neutral. While Sir George took this position without consulting the representatives of other foreign powers, the neu-

67. Sec. Br. and For. State Papers 1854-55, Vol. XLV, p. 935, (also pub. as Blue Book, Correspondence . . . re . . . entrance into Canton, 1850-5).
68. Contemporary accounts of the rise of the rebellion are mainly partisan. But cf. Callery and Yvan, History of the Insurrection in China (London, 1853); T. F. Meadows, The Chinese and their Rebellions (London, 1856); Morse, Conflict, Ch. XVII; Dr. W. J. Hall, Tsang Kuo-Fan and the Taiping Rebellion (New Haven, 1927).
69. E. G. Appeals of the Governor of Kiangsu to the Shanghai Consuls cited in Bonham to Painesbury, 11 March, and to Russell, 28 March, F.O. 17/200. Cf. also, Morse Conflict, p. 454; and below, Ch. VI.
70. Bonham to Russell, 28 March 1853, F.O. 17/200, (pub. in Br. and For. State Papers 1853-54, Vol. XLIV, also as Blue Book, Corresp. re Civil War in China).

trality of the foreign community as Shanghai was more constructive, and after separate American and British meetings on April 8, a general meeting on April 12 concerted the plans for defence, and laid the basis for active co-operation between the British and American communities.<sup>71</sup>

The second immediate effect of the rebellion was the complete demoralization of trade, which put the foreign communities likewise under a common pressure, without as yet being strong enough to compel their co-operation. On March 3 Alcock reported that "at the bare supposition of Hanking being taken, trade is at a stop",<sup>72</sup> and when Bonham came north he found that as a result of "a kind of panic amongst the Chinese merchants and traders . . . there is at present little or no business carried on and money is very scarce".<sup>73</sup>

There now developed at Shanghai the peculiar situation which was to last for several years, in which the favouring position of the port and the chaotic conditions inland led to a continued increase in the import of opium and export of tea and silk, while the hoarding of the one coin in which the Chinese had confidence, the Carolus dollar, together with the unsaleability of foreign manufactured goods and the resulting money stringency, nevertheless necessitated enormous imports of bullion. These imports did not begin, however, until the latter part of 1853,<sup>74</sup> and now, at the beginning of March, even the opium market was upset, and soon reduced to a barter basis. Five of the leading British firms at Shanghai, three of which had receiving

71. See below ch. VI.

72. "Confidential" to Bonham, encl. in Bonham to Lalmesbury, 11 March 1853, F.O. 17/200.

73. Bonham to Russell, 28 March, F.O. 17/200. Reiterated to Clarendon, 6 May, F.O. 17/201. Parker reported to the same effect (No. 38, January 23, 1853, China 7).

74. See the statement of this situation in Morse Conflict, Ch. XVII, "Shanghai in the rebellion, 1853-1859".

ships at Wessung, complained to H.B.M.'s Consul on March 5 that:

"from the refusal of the native bankers to grant the usual facilities, it had become quite impossible to obtain payment of the Export and Import duties from the Chinese dealers, or to effect the sale of goods to meet those more directly due by the Foreign Merchants; thus leading to the detention of several outward bound ships now ready for sea",

which is especially calamitous because of the approaching end of the monsoon season.

In response to this appeal, Consul Alcock approached Wu Taotai on March 7 "with a view to some measure of a provisional kind being adopted", proposing that, "upon the Consul's becoming security for the final payment of the dues in each case, a Port Clearance should be issued".<sup>77</sup> Now the General Regulations of Trade had provided (Art. VI and Art. VII) that "every English vessel that enters any one of the five ports shall pay all duties and tonnage dues before she be permitted to depart". Sir Henry Pottinger's subsequent instructions in February 1844 to Consul Balfour at Shanghai "to make every exertion to secure the consent of the Chinese Government to the establishment of

75. A. G. Dallas, Lindsay & Co., Dent Beale & Co., Gibb Livingston & Co., Mackenzie Bros. & Co.; A. G. Dallas was resident partner of Jardine Matheson & Co. It, Dent Beale & Co., and Lindsay & Co. had 3 of the 9 receiving ships at Wessung listed, e.g., in the Overland China Mail No. 87, Feb. 11, 1854. Morse Conflict, p. 455, gives the total as 10 in 1854.

76. Quoted in Alcock to British Community, March 10, 1853, encl. in Bonham's 100, September 4, F.O. 17/204; also in Morse Submission, p. 13, quoting H.C.H., March 12, 1853.

77. Bonham's 100, F.O. 17/204.

the Bonded Warehouse System", had been fruitless.<sup>78</sup> The Imperial regulations still required the Taotai under penalty to send the duties collected on foreign trade to Peking at the end of every two months.<sup>79</sup> So strongly, indeed, was cash payment a part of the Chinese fiscal system for foreign trade that bonded warehouses were not arranged for until 1880 and not used at Shanghai until 1888.<sup>80</sup>

Naturally therefore, when the Consul proposed to let ships depart taking their export cargoes but leaving bonds in lieu of export duties - a proposal more drastic than that of landing import cargoes in a bonded warehouse and giving bonds in lieu of import duties - Yu Taotai found the situation difficult. Desirous as he now was of conciliating the foreigner and getting assistance for the Imperial cause, he replied that it was beyond his power to let "the payment of duties stand over for more than one month from the date of departure of the vessel"; and to this possibility he annexed further conditions which Alcock regarded as "very impracticable".

78. Cited in W. H. Medhurst (in his words, as Secretary replying for Bonham) to British merchants at Shanghai, Sept. 2, encl. in Bonham's 100, 1853, F.O. 17/204. Medhurst, who had been interpreter to Balfour at the time, states [Medhurst, Pamphlets issued by the Chinese insurgents, etc. (Shanghai, 1853), p. 31] that the Chinese had just previously attempted a licensed warehouse monopoly.
79. Woo to Alcock, March 8?, cited in Alcock to Woo, March 9, encl. in Alcock to British Community, March 10, encl. in Bonham's 100, 1853, F.O. 17/204.
80. Anon., Manual of Customs Practice at Shanghai, by a shipping clerk of seven years standing (Shanghai 1894), p. 31. "Supplementary convention between Germany and China . . . 31st March, 1880, Art. III, . . . provides for the establishment of bonded warehouses in all the ports of China". First established at Shanghai under Customs Notification of 20 Dec. 1887, in force 1 Jan. 1888, that consignees of foreign goods will have the option of either paying duty and taking immediate delivery of the same, or of deferring payment and depositing their consignments in a designated bonded warehouse. H. B. Morse was sent from Peking in December 1887 to make the arrangements (personal statement of H. B. Morse).

Alecek's Bonding Regulations. This unaccommodating spirit grieved the Consul, in view of the wholly exceptional circumstances, and he proceeded to establish his own bonding system. When money could not be found, payment of duty could not be hastened by detaining vessels ready for sea. Accordingly, he notified the British Community on March 10 that he would "give up any British ship's papers and . . . authorize her departure on the following conditions":

1st, Delivery, by the consignees of the ship, of the usual Customs certificate of the amount of duties payable. 2nd, Delivery of as much security as the Consul might wish in Government paper; title deeds of houses or land; or in foreign import goods, stored and insured, with a detailed delivery order. 3rd, "The signature of the consignees of the ships (one of the principals)" to a formal declaration acknowledging the amount of duties due and the security given. Where a part of the duties had been paid, the duty receipts from the Customs must be listed and attached to the above form.

These regulations were promulgated with no time limit specified, and the Taotai was told that if he thought it "inexpedient to issue upon this security for final payment, the usual Port Clearance, these <sup>ships</sup> ~~papers~~ can be cleared with the usual formalities only at some later date when the payment of duties can be effected".

Sir George Bonham found this system in operation when he arrived at Shanghai on March 21, 1853. Certainly it required no prolonged reflection to determine the illegality of the system according to treaty; yet the Superintendent let it continue for three weeks. The month specified by the Taotai expired unnoticed on April 10. It was not until April 14 that

81. Enclosures in Bonham's 100, F.O. 17/204.

the Consul notified the discontinuance of his regulations, pointing out that they had been inherently provisional because made on his own responsibility, contrary to the Tactai's wishes and without the sanction of the British Superintendent of Trade. That sanction was now denied, since the arrangement was contrary to treaty provisions. Hence, his bonding system would cease on April 21, and all arrear duties under it would have to be paid up within forty days, or on May 30, 1853. Subsequently on May 27 he notified that the Tactai was willing to extend the limit, in case the mail did not arrive by May 27, to three days after its arrival. Back duties to the amount of Tls. 168,000, some \$235,000, were accordingly paid in,<sup>82</sup> and Bonham did not trouble himself to report on the affair to Clarendon.

Meanwhile the opium market seems to have revived rapidly,<sup>83</sup> and houses importing opium thus had a source of funds with which to barter for their teas, which they could supplement, if necessary, with bullion imported to pay the cash duties. Importers of manufactured goods, on the other hand, continued to receive shipments already ordered from England, for which there was not the slightest market, and in addition were under the necessity of paying import duties in order to land these goods and free the ships which brought them. When the export season commenced in June, 1853, and the Carolus dollar began to rise toward its highest premium of 86% (August 27),<sup>84</sup> thirteen of the twenty-five British firms at Shanghai, representing over two-thirds of the Lancashire and Yorkshire trade, on July 7 petitioned Bonham to "demand of the Chinese

82. Bonham's statement, No. 100, Sept. 4, 1853, F.O. 17/204.

83. In 1853 the import at Shanghai was 24,200 chests, Morse Conflict, p. 465.

84. Morse, Conflict chart p. 470.

Government that payment of duties in cash may be deferred until  
 85  
 trade is revived".

It must be noted that of the five firms which had originally petitioned Alcock on March 5, the three which had receiving ships at Wusung (Jardine, Dent, and Lindsay & Co.) did not sign this second petition, while of the firms that did sign none had receiving ships. Indeed, as the petition set forth, the withdrawal of nearly all the native capital from the trade made bills on England almost unsaleable or at exorbitant rates; and "Under these circumstances we are driven to the importation of either opium or bullion; the latter of which may be impossible and the former not generally imported by those deeply interested in the Lancashire and Yorkshire trade". Since this situation, never foreseen by the treaties, was the fault of the Chinese Government, whose incompetence allowed rebellion to threaten their goods, the merchants would have no alternative, as representatives of houses in England, but to protest, if relief were not afforded, meanwhile allowing their ships to remain, and claiming their losses, some £300 a day for demurrage alone, from "those who are responsible" for them -  
 86  
 presumably the British Superintendent of Trade.

In forwarding this to Bonham, Alcock added a strong plea on his own part. Unless relief were given, two million sterling of British capital would be locked up in goods on hand or due to arrive, and there would be detained nine ships already in harbour and twenty-three more expected. Three millions sterling of British revenue for 1854 was concerned.

85. Smith Kennedy & Co.; Hargreaves & Co.; Watson; Birley Worthington; Turner; Charles Waters P. Pro Holliday Wise; Reiss; Dixon Gray; Gibb Livingston; George Bennetts P. Pro James Macdonald; Sillar Bros.; Smith King; and Mackenzie Bros. & Co. to Bonham, July 7, encl. in Bonham's 69, July 20, 1853, F.O. 17/203.

86. Ibid., quoted in part in Morse Conflict p. 469, from N.C.H., Sept. 5, 1853.

"As regards the principles of International Law and Equity . . . if prepayment of duties be a part of the bond on the side of the merchant, the free transit of their goods and the possibility of trade is not less certainly the Chinese obligation".

A civilized state would allow bonding; if not, it would remain for the power whose interests were menaced "to intervene with such cogent arguments as the circumstances would justify."

To this merchants' petition, Sir George Bonham replied on July 20, castigating them for having neither foreseen the stoppage of trade nor removed their goods to safety at Hongkong, an action which could hardly lose them a market if none existed. "A contest . . . between the Emperor of China and a small rebellious portion of his subjects", and its effect on trade, was insufficient excuse for abrogating "one of the most important of the stipulations of the treaty existing between the Sovereign in whose Kingdom such dissensions occur, and the British Government". He could not defer payment of duties without the consent of the Chinese - which Alcock was still unable to obtain.

To this lofty declaration, Sir George added several obiter dicta. First of all, "the names of many influential British firms at Shanghai are not attached to your letter". Even if the Superintendent of Trade had the power of insisting on the Chinese Government's foregoing its undoubted right to collect duties, he would, "were he so to insist, injure the parties whose names do not appear in your letter, and commit an act of which those parties would have good cause of complaint". Moreover, if the average duty of five per cent. on imports could not be paid, export produce would hardly be bought. Hence why bother to get goods landed? "It would be monstrous to see

British vessels" having failed to pay import duty, leaving  
 "with valuable Export cargoes - let the shippers of such  
 87  
cargoes be whom they may".

Critically examined, this argument seems unduly specious. In spite of the general irreverence for law in China in the early 1850's, it was certainly enough for Bonham to point to the explicit treaty provisions for cash payments and to the recent precedent created by his cancelling of Alcock's regulations in April as his justification for refusing this present appeal. Unless his conscience were for some reason ill at ease and in need of self-justification, there was little point in going out of his way to minimize the seriousness of the rebellion and in the next paragraph assert that the merchants should have stopped all orders for imports four months previously, in fear of it; and the merchants pointed this out in rebuttal on August 16, at the same time stating that the duty on staple  
 88  
 imports was actually from 12 to 28 per cent., as Bonham should have known. In addition he must have known that the export trade was being largely conducted by barter, and that merchants might therefore well be unable to pay cash duties on imports and still be able to collect export cargoes.

Bonham's veiled references to the firms dealing in opium may give the clue to the situation. As he reported to Clarendon in August,

"the holders of opium and rich capitalists being the only parties able to purchase produce this year, few, if any, of the Manchester firms, who make consignments  
 89  
 to China, will share in the export business".

87. W. H. Medhurst for Bonham to British merchants, July 20, encl. in Bonham's 69, July 20, F.O. 17/203.

88. Encl. in Bonham's 100, Sept. 4, F.O. 17/204.

89. F.O. 17/204.

The opium companies, in short, stood to corner the tea market. Bonham reported concerning the merchants' rebuttal of August 16, and his reply thereto of September 2, that the British houses not signing the petition included "the influential firms of Jardine Matheson & Co., Dent Beale & Co., Lindsay & Co., and Blenkin Rawson & Co., who . . . as far as I am aware, take no part in the question",<sup>90</sup> and all of whom dealt in opium.<sup>91</sup> (The last named had a branch, Ker, Rawson & Co. at Singapore). Alcock's regulations in March allowing export under bond, answered the appeal of opium importing companies, and Bonham had waited three weeks before cancelling them. The merchants' proposal of July, much less drastic in nature, he had denied categorically, without even considering a reference to the Foreign Office. It may therefore be asserted in passing that Sir George Bonham in 1853, as previously in 1851, steered his course with one eye on the opium interests which dominated Hongkong.

It only remained for the Foreign Secretary, with the advice of the Board of Trade, to approve both Sir George's reply to the petition of July,<sup>92</sup> and on the appeal, the sound discretion of his rejoinder in September,<sup>93</sup> both of which were legally incontestable.

In the first half of the year 1853 the stagnation of business at Shanghai had thus put a further strain upon the treaty system, and Alcock had felt himself driven to further

90. Bonham's 100, F.O. 17/204.

91. Established 1851. Singapore Almanack for 1856, by R. C. W. (Straits Press Times, Singapore).

92. J. E. Tennent to H. U. Addington, Oct. 1, 1853, F.O. 17/209; Clarendon to Bonham No. 71, Oct. 4, 1853, F.O. 17/198.

93. Addington to Board of Trade Nov. 1; James Booth to Addington, Nov. 10, 1853, F.O. 17/209; Clarendon's 84 to Bonham, Nov. 12, F.O. 17/198.

strain upon the treaty system, and Alcock had felt himself driven to further illegalities to supplement it and protect British trade. Since Palmerston's declaration of 1851 against consular interference, the system of customs administration envisaged in 1842-3 had undergone a progressive decline. Palmerston's declaration of 1851 had in fact hastened this decline by checking the Consuls' whole-hearted support of the treaty system. Yet in 1852 Consul Alcock's arrest of duties, and in 1853 his provisional bonding system, had both been forms of consular interference undertaken to protect British interests if not to preserve the letter of the treaties. The Consul could not afford not to interfere. It was becoming steadily clearer that the improvement of the Chinese customs administration depended upon the exercise of more rather than less foreign influence.

## VI. The Provisional System at Shanghai

(September 1853 - February 1854)

### 1. The Birth of the System (Sept. 1853)

The cooperative Policy. For three seasons - from June 1850 to July 1853 - British, and to a less extent American, officials in China had faced the difficulties arising from the inability of the Chinese Custom House to act the role assigned to it in the first treaty settlement or more immediately demanded by the needs of foreign trade. Their efforts to solve those difficulties had met with poor success. Meanwhile the system created by the British treaties had progressively broken down under the double strain of American non-cooperation and Chinese indifference, which had verged increasingly toward active hostility.

Several factors were now to bring about that cooperation between the British and American Governments in China which was a necessary prelude to any effective settlement of the customs problem/. The first of these was the desire for revision of the British and American treaties, in order to make them more effective as levers for the opening of China to foreign trade. Revision had been provided for at the end of twelve years in the American and French treaties (articles XXXIV and XXXV respectively) and was held by the British under their most favoured clause (Supplementary Treaty, 1843, article VIII), to be applicable in 1854 to their treaty of 1842.<sup>1</sup> The demand for revision would naturally be stronger if made in concert. At the same time the political disorder of China, as a second factor, presented the foreign powers with similar dangers and opportunities and

1. A doctrine conceived as early as April 1850. See Bonham's No. 46, April 15, 1850, F.O. 17/156. Apparently new to the Foreign Office at that time.

in fact necessitated local cooperation whether planned by the home governments or not. Again, the approach of the Crimean War (Russian occupation of the principalities began June 22, 1853) gave the French and English Governments a common programme in Europe which could easily be extended to China; and the Clayton-Bulwer Treaty of 1850 had begun a movement toward the settlement of Anglo-American differences, which the efforts of the British Government and of Webster and Fillmore in 1852 had advanced in spite of the checks occurring at the beginning of Pierce's administration.<sup>2</sup> Diplomatic cooperation was further facilitated by the presence in China of French and American Ministers, M. de Bourboulon<sup>3</sup> and Commissioner Humphrey Marshall,<sup>4</sup> who were on the scene at Macao and Shanghai respectively, in the spring of 1853. Of all these the most immediate factor, however, was the progress of the Taiping Rebellion toward the coast and its interference with trade, which drew together all three treaty powers, and especially the two trading nations, in a common danger. Although Clarendon was to make the overtures

2. Cf. Cambridge History of British Foreign Policy, Vol. II, Chapter VI.

3. Ministres plenipotentiaires en Chine 20 fev. 1851, rappels par decret du 15 avril 1852, retablis par decret du 19 Oct. 1852. Cordier, L'Expedition de Chine de 1857-58 (Paris, 1905) p. 5.

4. One degree of rank below a Minister. Caleb Cushing had been Envoy Extraordinary and Minister Plenipotentiary, but after him the post did not again achieve that rank until the appointment of Wm. B. Reed, April 18, 1857. John W. Davis, Marshall's predecessor, had departed from China on 24 or 25 May 1850. During Daniel Webster's term as Secretary of State, two men (Nelson of Penn. and Blunt of N. Y.) were appointed and resigned. Marshall, the third, was appointed Aug. 4, 1852. Under Pierce's administration, with Marcy Secretary of State, a successor (Walker of Miss.) was appointed on June 22, 1853, and resigned. Robert M. McLane of Md. was then appointed, Oct. 18, 1853, but Marshall continued actually in office until his departure from China, Jan. 27, 1854. Cf. Tyler Donnett, Americans in Eastern Asia p. 705; Bonham's No. 100 of 27 Sept. 1850, F.O. 17/169.

for Anglo-American cooperation, the situation at Shanghai was to be the vital stimulus in bringing it about.

After receiving Bonham's despatches of March 1853, asking what course to follow toward the rebellion, especially in the event of the fall of Shanghai, Clarendon drafted on May 7 a reply which defined a policy of strict neutrality toward both sides in the rebellion and of cooperation with the United States and France, with an eye to treaty revision. He did not send this reply at once; and meanwhile, to be sure of his ground, on May 17 he instructed the Ambassadors at Paris, St. Petersburg, and Washington to invite cooperation with the British Government "with the view of turning to the best account the opportunity offered by the present crisis in China for opening that Empire to the commercial enterprise<sup>5</sup> of foreign nations". Having received from Lord Cowley at Paris the reply that de Bourboulon would receive instructions in this spirit, Clarendon on June 8 sent his draft of May 7 to Bonham.<sup>6</sup> On July 8 he followed this with a similar reply from Washington, enclosing a copy of the instructions sent by the United States Government to Marshall on the subject.<sup>7</sup>

The cooperation thus inaugurated by Clarendon was carried out immediately by de Bourboulon and Bonham, the latter of whom reported under date August 4, 1853, the results of a personal conference between them at Hong Kong. The ministers agreed on cordial cooperation. Bonham, according to his instructions and previous decision, favoured perfect neutrality while de Bourboulon, presumably in the interests of the Catholic missions, slightly favoured the Imperialists as against the

5. No. 29 to Bonham, May 28, 1853, F.O. 17/198.  
6. No. 24 to Bonham, ibid.  
7. No. 37 to Bonham, ibid. He also sent a tepid reply from the Russian Government through Sir Hamilton Seymour, No. 34, June 24, 1853, ibid.

supposedly Protestant Taipings, and suggested sending a few warships up the Yangtze as moral support against the rebels. Bonham, however, felt that the interests of trade necessitated awaiting the outcome of a close and doubtful contest. As to treaty revision, that also must wait - so he wrote Clarendon - since a treaty with the Imperialists would involve activity supporting them and better terms might eventually be got from the rebels, if victorious.<sup>8</sup> To this Clarendon replied on October 3 that treaty revision was optional, not necessary at the moment. He concurred that negotiations must wait;<sup>9</sup> and during the rest of 1853 active Anglo-French cooperation in the matter of treaty revision remained in abeyance at this point.

Meanwhile, President Pierce and his Secretary of State, W. L. Marcy, had been wary of Clarendon's overtures. In advising Marshall of them, Marcy had confined himself to instructions so general in character that they may well be quoted in extenso, especially because they were all that Marshall received.

"The end proposed [by the British Government, to open China to foreign commerce] commends itself to the approval of the President and he directs you to do what you can within your proper spheres of action, towards its accomplishment. Our treaty stipulations with China must be respected and our settled policy of non-interference in the contests which arise between the people and their rulers must be observed.

"Without a departure from these rules of conduct you may be able to do much in such a crisis as does or may exist in China to cause an abandonment of the unwise restric-

8. Bonham to Clarendon, Aug. 4, 1853, F.O. 17/204.

9. No. 70 to Bonham, F.O. 17/198.

tions imposed by China upon foreign intercourse. Without knowing what course the British authorities may deem it expedient to take in furtherance of the object in view the President does not enjoin upon you co-operation but only cordial relations and free conference with them.

"As it is impossible to anticipate here *what* will be the condition of things there, no specific instructions in regard to your official conduct can be given. Your own judgment must be your guide as to the best means to accomplish the desired object.

"In the agitated state of the Country the property of our citizens therein and their rights will probably be in unusual danger. You will be vigilant and active in affording them all the protection within your power. The Naval force of the United States in that vicinity will be devoted to this important object."<sup>10</sup>

In brief, the American Commissioner, being left to his own devices, followed a policy that reflected his own personality. Marshall was a Kentuckian and after graduating from West Point had been in succession a lawyer in Louisville, a colonel of State cavalry in the Mexican War, and a representative in Congress. Now, at the age of forty-one, he was the third appointee and even later choice of Commissioner to China of an administration about to go out of office.<sup>11</sup> In addition to possessing a shrewd intellect, he combined all the provincialism of a middle Westerner, in the days when Anglo-American relations were none too cordial, with a fervid sense of the importance of his position; and had soon antagonized nearly all the other foreign officials in China, beginning with his American colleagues.

10. Marcy's 8 to Marshall, June 7, 1853, China Instructions, Vol. I, State Dept.; quoted in part by Bennett, Eastern Asia, p. 213).

11. Sketches of Marshall's life in A. S. Peore, The Political Register and Congressional Directory, (Boston, 1878); Appleton's Cyclopaedia of American Biography (J. G. Wilson and J. Fiske, ed., New York, 1888); A Biographical Congressional Directory (61st Congress, 2nd Sess., Sen. Doc. 654, Washington, 1913)

The day after landing at Hongkong, for instance, he had written:

"To the Commanding Officer of the United States Squadron, .... I request that you will furnish me, at Macao, immediately, a suitable vessel-of-war ....., to convey me to such point as it may be necessary for me to visit, in order to enter upon my official intercourse with the court of China."<sup>12</sup>

This inaugurated strained relations with the United States Navy, which refused to grant him a private warship.

When he came to deal with the British officials, Mr. Marshall was no less embittered by the comparative inadequacy of the American consular establishment in China. During his stay in the country, the American merchant-consul at Canton went home for a year, leaving his partner as deputy. The consul at Amoy, who had been living at home in Connecticut for some time, withdrew his authority from his son, who had acted for him; and the Amoy consulate was closed. Letters arrived from the State Department for a mysterious "Dwight Webb, United States Consul at Fuchow", who had never been heard of in China. Finally, Dr. Peter Parker, the Secretary of Legation, claimed the right to receive sealed instructions from Washington, contents unknown to the Commissioner.<sup>13</sup>

Marshall could contrast this haphazard establishment with the force of some fifteen English consuls, secretaries,

12. Marshall to Comm. Aulick, in Marshall's 4, Feb. 8, 1853, China 8.

13. Marshall's 25, Aug. 4, 1853, China 8; also noted in Tyler Dennett, Americans in Eastern Asia, (N.Y. 1922) passim. Cf. Dr. Parker to Marshall, Aug. 16, 1853, - "I have the honor, if such it may be considered, to be in receipt of your [letter]. You had broken the seal and opened a despatch to my address from the Secretary of State [and told others of the contents]".

and interpreters, installed in official consulates with an equal force of Chinese writers. The British power seemed ominous from the first, and it was hardly surprising that the testy Kentuckian, after falling out with his colleagues, should cooperate even less with the British. Sir George Bonham, ~~the British plenipotentiary~~, wrote home:

"The Commissioner, Marshall, is a big, coarse, headstrong man, has never been out of Kentucky before he came here, and will I fear give us annoyance and embarrass our proceedings - he already wants to have a squabble with me but I will not afford him the opportunity if I can possibly avoid it."<sup>14</sup>

Meanwhile the Commissioner confided to the Secretary of State:

"Great Britain has exhibited in her eastern conquests neither fear of Heaven nor love of justice among men. Nevertheless I will obey your instructions to confer freely when a conference shall promise to be advantageous, and the confidence shall appear to be reciprocal between the British minister and myself - an event I am not simple enough to anticipate from my past experience and observation."<sup>15</sup>

It should not be inferred, however, that Marshall was an anglophobe because he was a simperton. His chief opponent, Rutherford Alcock, later praised him with superlatives. Although Marshall lacked background, could not travel about, and had no interpreter but a Canton linguist, yet in Alcock's opinion "for his sound judgment and statesmanlike views, with a clear insight into what was passing around him in China (always excepting a certain monomania he brought with him from Kentucky about the British and their aims and plottings) and

14. Bonham to Hammond, private, April 13, 1853, F.O. 17/200.

15. Marshall's 31, Sept. 21, 1853, China 8.

the policy to be adopted, in referent to China and the legitimate interests of his own country, he is deserving of very high praise. We doubt whether the whole body of [British] interpreters - educated men, familiar with the people and the language, - have ever produced anything to be compared with [Marshall's] despatches."<sup>16</sup>

Already the new American Commissioner<sup>had</sup> contributed to a formulation of the open-door policy. In July he had branded the imperial government as "impotent, ignorant, conceited, ... superlatively corrupt. The rebels ... struggle merely for power. ...The people of China are indifferent." Nevertheless he had advocated coming to an agreement with the Emperor to open the Yangtze to steam, to "tranquilize China and elevate her condition to the end that Russia and Great Britain shall not make partition of her noble domain."<sup>17</sup>

Due to these views and Marshall's own temper, Anglo-American cooperation at Shanghai in 1853 was put upon a very dubious foundation. When the draft of a joint proclamation was sent to the American Legation Mr. Marshall returned it

"in pieces patched together, with various cuttings out, additions, and amendments and among the rest a characteristic heading of his own, . . . 'The citizens of the United States of America and the subjects of Great Britain and France!'"<sup>18</sup>

Equal discord was soon to curse the Provisional System born on September 9.

16. Alcock, unsigned art. reviewing Marshall's published correspondence, in Bombay Quarterly Review, Oct. 1855, p. 228.

17. Marshall's 21, July 10, 1853, China 8.

18. Alcock in Bombay Quarterly op. cit. Bonham firmly avoided making this an incident (No. 25 to Clarendon, April 18, 1853, F.O. 17/200), and Clarendon approved his tact (No. 48 to Bonham, Aug. 6, 1853, F.O. 17/198).

The Fall of Shanghai. Among the vestiges of his past which clung to Wu Chien-chang in office, - in addition to mercantile propensities which will be taken up below, - was an acquaintance of long standing with another Heung Shan man, L'au Li-ch'uan (劉麗川), a brigand and ex-sugar-broker at Canton, who for a time at least had managed Wu's accounts and was still in close touch with him.<sup>19</sup> Liu had arrived in Shanghai shortly after his fellow villager, in 1849, and had engaged in the various activities associated with foreign trade at the port, - "an ordinary looking person of very dark complexion," aged 34, rather undersized, with "little of the bonnerness, dignified appearance expected in a warrior."<sup>20</sup> His importance lay in the fact that he was the leader in Shanghai of the Cantonese faction of the Triad Society or San Ho Hui (三合會).

This secret society has been identified or associated with so many names, of its own, affiliated, or separate organizations, - particularly the T'ien Ti Hui (天地會, 添弟會), or Heaven and Earth Society, - that its pervasive and yet nebulous ramifications are almost impossible to trace. It is usually said to have arisen after the extinction of the Ming dynasty as a revolutionary protest against Manchu domination. It was a brotherhood possessing a complicated ritual, not unlike that of the Masonic order, a multitude of laws, passwords, and an esoteric slang, all of which are beginning to receive the attention of historians.<sup>21</sup> In 1853 it was the

19. IWSM-HP VIII, 15 b; 17 a; X, 25 a.

20. Letter, A. B. Cabaniss, NCH, Sept. 10, 1853. Liu is also mentioned in Ch'ing shih kao, biographies of Chierhangah bk. 182 and Iliang bk. 158 (bks. 401 and 377 in index).

21. G. Schlegel, Thian Ti Hwei, The Hung-League or Heaven-Earth League, (Batavia, 1866) p. 232. gives Chinese text and translation for laws, ritual, etc.; A. Wylie, Chinese Researches, (Shanghai, 1897), Pt. 1 Literary, p. 110 et seq. (same article printed in Shanghai Almanac for 1854 and Miscellany), mentions some 20 names for secret

organization made use of by the Cantonese and Fukienese boatmen resident in Shanghai, who had been drawn to the north in increasing numbers and had been causing the local authorities serious trouble for several years.

As early as 1850 there had been riots in the eastern suburb caused by these Cantonese junkmen, whose squeezing of the local merchants and kidnapping and racketeering set a fashion for the modern city. So strongly entrenched was this footloose extra-provincial population which had collected in the district northeast of the city walls, speaking languages totally strange to the local population, that in 1851 ten Cantonese robbers, with customary Cantonese aplomb, had fought off and escaped from 120 militia and a police lieutenant sent to capture them. In the summer of 1853, inspired by the example of the Taiping rebels' capture of Nanking and the success of their northern campaign, these insubordinate minorities in Shanghai were growing increasingly restive, holding meetings, brandishing their arms openly, and making demands upon the local officials. 22

Trouble was evidently brewing. To the geomancers 1853 was a year of calamities in Shanghai. In later years it was recalled that there were two earthquakes and a two-day

21. Con't. societies, gives copy in Chinese, and English translation, of Shanghai Triads' seal; Ward and Stirling, The Hung Society (London 1925-6, 3 vol.) interprets at length the significance of the society as found in Singapore; B. Pavre, Les Sociétés Secrètes en Chine (Paris 1933) gives a useful if unoriginal survey; Hsiao I-shan 蕭一山, T'ien-ti hui ch'i yuan k'ao 天地會起源考 (The Origin of the "Heaven and Earth" Society) in Chung-shan wen-hua chiao-yu-kuan chi-k'an 中山文化教育館季刊 (Quarterly Review of the Sun Yat-sen Institute for Advancement of Culture and Education, Nanking) Vol. II No. 3, autumn 1935, pp. 777-788, gives valuable bibliographical references. "The Triad and other Secret Societies" were ordered suppressed in Hongkong (Ord. 12 of 1845, Oct. 20, amending Ord. 1 of 1845, CM Oct. 30, 1845).

22. NOH. Aug. 17, Oct. 5, 1850; Nr. 29, 1851.

whirlwind, lightning struck the wall, the river boiled, the earth gave forth blood and sprouted hair, a certain Mrs. Hung bore male triplets colored respectively red, white, and blue, and the city fell.<sup>23</sup> On August 10 Wu Taotai issued a proclamation against the rebellious and dangerous bands of Canton and Fukien thieves in the city. A fortnight later the District Magistrate, Yuan Tsu-te (袁祖德), arrested one Li Hsien-yun (李仙雲) the leader of the Fukien faction and head of the Hsing Hua (興化) guild,<sup>24</sup> but was so strongly threatened in return that he was obliged to let him go and pay him money in addition. The Taotai heard of a plan to waylay his person and compromised by giving Li \$300, so it was said, and offering to employ his followers as militia. The Shanghai Gazeteer in retrospection implies that Yuan Tsu-te and Wu Chien-chang hired the Fukienese and Cantonese, respectively, to guard the city earlier in the year. At any rate the evidence would indicate that they tried to do so again at the last minute, under compulsion.

On August 31 the District Magistrate issued a proclamation stating that it had been decided to increase the local militia, the Canton, Fukien, and Ningpo guilds having applied to the Taotai with that suggestion, and that \$2100 would be appropriated to maintain a superintendent and a deputy super-

23. Shanghai hsien chih 上海縣志 (ed. 1871) The following account is based chiefly on the accounts given in ibid. (bk. XI, p. 32 a et seq.); MCH, passim; A. Wylie, Chinese Researches; Wm. Lockhart, The Medical Missionary in China, (London, 1861); Robt. Fortune, A Residence among the Chinese, (London, 1857), - the last three being able eye-witnesses; Consul Alcock's despatches, P. O. 17 passim; IWSM-HF passim. Montalto de Jesus, Historic Shanghai, (Shanghai 1909) is picturesque and detailed, not entirely accurate; Capt. Fishbourne, Impressions of China, (London, 1855) and J. Scarth, Twelve Years in China, (Edinburgh, 1860) both give first hand accounts. Hudson Taylor saw conditions from the inside in 1854 (Dr. and Mrs. H. Taylor, Hudson Taylor in Early Years, (London, 1911). Lanning and Couling, The History of Shanghai (Shanghai, 1921) p. 299 et seq. is based chiefly on W. C. H.

24. Presumably the prefecture in Fukien, not the district in Kiangsu.

intendent, at salaries of \$50 and \$40 a month, with privates at \$8, and in addition two boats at \$350. This promise was not enough to satisfy the band of 8 or 9 leading conspirators, however, and on September 7 the rising occurred.

September 7, 1853, was the birthday of Confucius. On that morning the local officials were to sacrifice at the Confucian temple. Several foreigners entered the walls before dawn to see the sight. On the street they unexpectedly met bands of men, armed with spears, short swords, and a few matchlocks, wearing on their caps and jackets a red cloth badge. They learned that the rebels had seized the Taotai's treasury, opened the prisons, and stabbed the District Magistrate and an attendant; Yuan Tsu-te, entrusting his old mother to a brother's care, had taken his official seat and calmly met his death. Soon criers came by beating gongs and promising that shopkeepers might open their doors without fear; and during the day several foreigners, including the American Minister, also "walked unmolested through the city," and even "went up to the insurgent's and inspected their dress and weapons without the latter taking offence."<sup>25</sup> With such smoothness was a city of some 200,000 inhabitants wrested from the Imperial grasp by a band of perhaps 2000 odd organized desperadoes.

Wu Chien-chang had not gone to worship at the Confucian temple. He had been warned in time, no doubt by Liu Li-ch'uan, and had left both his yamen and his residence to the mercies of the populace and hidden himself in a private house within the city. His chief danger was from the Fukien faction of the rebels, chiefly Chinchew (Ch'uan Chow fu 泉州府) men,<sup>26</sup> who had forehandedly appropriated the contents of his treasury and put it on junks in the river, and were inclined to favor killing its owner. On the contrary the Cantonese faction

<sup>25</sup>. NCH. Sept. 10, 1853.

favored the reestablishment of Wu's authority with him as their leader. Liu Li-ch'uan on the day of the rising went to the American Legation and Consulate (Russell & Co.) in the foreign settlement and said as much to the American minister (then titled Commissioner), Mr. Humphrey Marshall. The Taotai appears to have shunned the honour, however, for on the next day he appealed to the American and Portuguese Consuls for protection against the Chinchew men. Since the Consuls could not become officially involved, they asked Mr. J. Caldecott Smith, a young Englishman in Dent Beale & Co., and Dr. G. R. Hall, A.B., M.D., the surgeon of the foreign community, to rescue the Taotai for them. These two gentlemen found him in the city, whereupon Wu, "putting on a plain dress with some blue stockings, large goggles over his eyes, and taking an old umbrella in his hand, sallied forth from his apartment with his friends." <sup>27</sup> On reaching the north wall, since the rebels were guarding the gates to prevent a general exodus of the population, Mr. Smith, Wu Chien-chang, and Dr. Hall in that order were lowered over the side in a sling made from a bolt of strong cloth. Later Dr. Wm. Lockhart, medical missionary of the London Missionary Society, and Mr. Edw. Webb, of Dent Beale & Co. brought the Taotai's family out through the gates. The fugitives found shelter in the American Legation, since, although American neutrality had been proclaimed, Mr. Marshall considered it the "office of humanity - to shelter a defenceless man and his innocent wives," especially when the man in question came "to beg the protection of the flag of the United States." <sup>28</sup>

26. Contents stated in the American records to be \$300,000, in Chinese records Tls. 30-40,000, in NCH. \$200,000, - probably the last.

27. NCH. Sept. 10, 1853.

28. Marshall's No. 31, 21 Sept., 1853, China 8. Wu's escape to the barbarians was notorious, even mentioned in Ch'ing shih kao, Biographies bk. 182 (Chierhangah) - 吳建彰遁入領事署。

In Russell & Co.'s spacious establishment, and later in a boat on the river, the Taotai stayed until September 24, powerless and inactive for over two weeks, after which he left the scene entirely for a time, "gone a-Wooing," according to Mr. Shearman of the Herald.

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Meanwhile what had happened to his customs administration?

At dusk on the evening of September 7 "the rabble in the foreign settlement broke into the Chinese Custom House and completely gutted it, carrying away everything portable." On the next morning, it was further plundered of its "doors, windows, planks, beams, and everything movable, which was all being carried off by coolies and countrymen, no man forbidding them"; yet as many a witness testified, the Custom House "was attacked by no mob of lawless vagabonds, but by the sober and industrious people in the neighbourhood." A single foreign guard could have prevented this, by standing at the door to "warn the people off," and on September 8, after British marines had protected the French Consulate from a threatened rebel sortie, "a guard was put over the building to prevent its being utterly demolished."

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29. " . . . gone a-Wooing - and our constant readers will not require us to describe the quality of the amusement . . . we would say in memory of the late Intendant that, speaking after the manner of arithmeticians, the good that he did may be denoted by a 0; - the purity and loyalty of his conduct a Chemist would describe as gas . . . of which Webster says 'Gases are invisible except when colored, which happens in a few instances', NCH Oct. 8, 1853.

A contemporary verse may be given wider circulation as an indication of Shanghai public opinion:

"Samqua's Lament.

There is, between the button we aspire to,  
That ample fount of dollars, and our ruin,  
More pangs and fears than wars or women have;  
And when he falls 'tis like a burned up squib,  
Never to blaze again. O, now for ever,  
Farewell the fertile squeeze, farewell aycee!  
Farewell Grand Chop, and all the lofty words  
That made my station stunning, O farewell!  
Farewell the chair of state and the loud gong,  
The red umbrella, and all mummery,  
Pride, pomp, and circumstance of Taou Tai Woo!  
And O ye customs' harpies! by whose means

On the day after the fall of Shanghai, therefore, the problem of customs administration had entered upon a new phase. In port, partially or completely loaded, were 10 British, 11 American, and 5 or 6 other foreign ships. They would soon be ready to sail. But they had not yet received an official port clearance from the customs. Now that the customs administration had melted away and the Custom House been sacked, should these vessels, and others soon to follow them, be forced to wait, or should they pay duties and go, or go free? And if they should pay duties, - to whom?

The Provisional Rules. This question confronted in particular Her Britannic Majesty's Consul, Rutherford Alcock.

When the rising occurred on September 7 one of the Consul's first thoughts was for the British trade. How could he let British ships sail with their cargoes and yet not involve his Government in undue responsibility for them? On that day he wrote to his superior in Hongkong.

"Several ships are laden and ready for clearing at the Custom House, but no officers are there to transact the business. Under such circumstances, it is not easy to say what will be the best course to follow to prevent injurious and unjustifiable detention, without involving the British authorities in pecuniary or other responsibilities with the succeeding Custom House Administration."<sup>31</sup>

Or, as he put the dilemma in more rationalized form six weeks later:

"If I let the ships depart without taking any measures for verifying the amount of duties and obtaining security for their final payment, British interests would be protected at the expense of Chinese, contrary to the express provisions of the Treaty. If on the other side I detained the vessels until a Custom-House

29. (Cont'd) "The all potent dollar always I obtained, Farewell! - Old Samqua's occupation's gone."  
NCH. Nov. 5, 1853.

30. NCH. Sept. 10, 1853; and Robert Fortune, A Residence among the Chinese, p. 120.

31. Alcock's 67 to Bonham, Sept. 7, 1853, in Bonham's 104, FO 97/99.

should be re-established for the issue of a Grand Chop, I ran the risk of totally sacrificing British property and trade for the benefit of a Government no longer in a position to fulfil the conditions of that Treaty, and which might before long cease to exist. Neither alternative could be accepted."32

Largely as a result of this sense of responsibility on the part of the British Consul the Provisional System came into being.

On September 9, after consultation and agreement between Alcock and Marshall, the British and American Consuls issued notifications informing their nationals that in the absence of the Chinese authorities, promissory notes for the full amount of all customs duties due to the Chinese Government would be collected by the two consulates respectively, and they each appended a set of rules governing this procedure. These rules were stated and were meant to be identical in every respect; and so they were, - almost.

The British Notification asserted that

"The capture of an isolated sea-port on the coast of a vast Empire can in no sense abrogate a solemn treaty entered into between the two Sovereigns of Great Britain and China. The obligations continue to exist on either side."33

Consequently, the Chinese authority being gone, and there being no legal source for the issuance of a Port Clearance, on presentation of which the British Consul would ordinarily return a ship's papers and allow it to depart, the Consul, in letting ships depart under any provisional arrangement, must do so upon his own responsibility. Hence he can accept this responsibility only on his own conditions:

1. That the consignees of the ship hand in a declaration naming all consignees of import goods or shippers of outward cargo;

32. Alcock's 75 to Bonham, Oct. 22, in Bonham's 128, Nov. 10, 1853, FO 97/99.

2. That these importers or shippers declare in writing the quantity and description of their goods, and
3. Supply further documentary evidence on the subject if demanded by the Consul;
4. That the consignees of the ship "present a collective schedule of the particulars of cargo and Duties payable on goods and ship, corresponding with the several declarations of Importers and shippers in what concerns these and with the addition of Tonnage dues."
5. "The amounts thus shown to be due from Importers, Shippers and Consignees of vessels to be paid into this office; either in Silver, as they would have had to pay if the Custom-House Bankers had to receive the duties, or by the bill of the several parties payable on demand at forty days sight in Shanghai to the Chinese Superintendent of Customs, <sup>34</sup> provided the sanction of H. B. M.'s Government to that effect be received."
6. "These preliminaries arranged to the satisfaction of H. M.'s Consul, the consignees will receive on application the Ship's Papers and a Port Clearance under the Consular Seal," after <sup>35</sup> which they might leave the port.

The clause in rule five, "provided the sanction of H. B. M.'s Government to that effect be received," made a fundamental difference between the British and American rules, because they were omitted in the American version. Alcock later stated that this clause had been "introduced into the bond, after I

33. Notification to British Community, Shanghai, Sept. 9 (in Bonham's 109, Sept. 26, 1853, FO 97/99).

34. The form used was as follows:-

"We hereby promise to pay forty days after sight on demand the sum of Tael's \_\_\_\_\_ at Exch. \_\_\_\_\_ = \$ \_\_\_\_\_ being amount of duties due by us on Imports and Exports per British ship \_\_\_\_\_ as per specification handed in by us this day to H. B. M. Consul, to be paid to the Chinese Superintendent of Customs provided that the sanction of H. B. M.'s Government to that effect be obtained." (in Bonham's 15, Jan. 23, 1853, FO 97/99).

had drafted it and was laid prostrate with sickness . . . at the earnest instance of the Merchants and for the avowed purpose of protecting them from any demand for payment until the decision of their own Government should be taken . . ."<sup>36</sup> Its effect was to make the British rules appear to be a temporary measure, since the further collection of bonds would be useless if the return mail from London brought the disapproval of H. M.'s Government, and by the same act the bonds already collected would be invalidated. At the same time this clause had the effect of tying the British Consul's hands, since the reference to his superiors which its wording implied made it incumbent upon him to wait for instructions from London before taking any further steps with regard to bonds that might have been collected.

The American rules were almost word for word the same and were stated by Cunningham to be "similar to those adopted by H. B. M.'s Consul";<sup>37</sup> but the omission of the clause above quoted made their effect vastly different and seemed at the time to indicate that the American Consul was "determined to act in the matter, independent of the views of his own Government and regardless of the wishes of the American citizens at Shanghai."<sup>38</sup> By this difference the American authorities were left in a position to act as they saw fit and as circumstances might dictate. It has been suggested that the American Commissioner, in installing the Provisional System, omitted this proviso, - that the home government must decide as to the

35. Bonham's 109, FO 97/99.

36. Alcock to Bowring, Dec. 4, 1855, in Bowring's 386, FO 17/310

37. Notif. of Sept. 9, in Marchall's 31, Sept. 21, 1853, China 8

38. Hong Kong Register Nov. 11, 1853, letter signed "O. P. C." The American rules differed from the British only in (1) omitting in rule 4 the phrase "with the addition of tonnage dues," (2) omitting all of rule 6, and (3) omitting the proviso just noted, that the sanction of the home government be received.

validity of any bonds given for duties - because he wished in this way to bolster up the imperial cause and thwart the designs of the British.<sup>39</sup> Later this became his object more obviously. But it may be doubted if he saw so far into the situation on September 8. It seems more likely that he accepted the mechanism, probably as drawn up by Alcock, with the feeling that it was to be a stop-gap of a few days' duration only. Conscious of his plenary powers, he felt no hesitation in sanctioning finally a measure which would soon give way to the regular imperial officials or to newly-recognized rebel authorities, but in either case to Chinese authorities. Marshall lacked the experience to realize the incompetence of the Chinese administration at Shanghai. The idea of foreign quasi-administration over a period of time did not occur to him.

The Provisional System, thus christened equivocally, soon met trouble. On the day before its establishment in fact, Mr. T. O. Beale of Dent Beale & Co., - British subject, Portuguese Consul, Dutch Vice-consul, and acting Prussian Vice-consul, - had allowed the Prussian vessel, Preussischer Adler to leave the port with duties unpaid on receipt of an amazing written

39. The situation as regards payment of duties at Shanghai in 1853 is wrongly reported in two standard works that discuss it: Dr. Tyler Dennett, Americans in Eastern Asia, p. 217, states that, - "The Americans on the other hand were ordered to pay their duties at the consulate in specie. The American merchants by the decree of the American consul, who was firmly supported by the American Commissioner, were thus placed under a severe handicap with reference to their British competitors. The one paid duties in notes of doubtful value; the other paid in cash." Likewise Dr. H. F. MacNair, Far Eastern International Relations, (Morse and MacNair), p. 250, - "The English required the deposit of promissory notes only, while the American required the payment of duties at the consulate in specie. This placed the merchants of the latter at a disadvantage, but enabled Commissioner Marshall to carry on his policy of supporting the imperial authorities." Both these statements are incorrect as to the facts, but it should be noted that the American Commissioner, on whose reports the above statements are based, did not himself know what was happening. of. text below.

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promise from the vessel that it would absolve him, - how is not stated, - from all claims which the Chinese Government might make against him for recovery of the duties.

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This action on the part of Mr. Beale, who was himself one of the leading exporters in Shanghai, weakened the Provisional System before its birth and set an alarming precedent. British and American merchants began to fear that while their own vessels must promise to pay duties, vessels of other flags might go free without promising anything. Shippers by these foreign vessels could undersell in the London market, and the vessels themselves might get the carrying trade of the port. On September 12 the mercantile view was put forward by four leading American firms in a letter to the American Commissioner. They argued that the American Treaty laid obligations on both sides, and that therefore the inability of the Emperor's officials to protect the trade of Shanghai relieved the foreign merchants of all liability for duties and made Shanghai a free port. In addition they objected strongly to a situation in which their fellow merchant and chief competitor, Mr. Cunningham of Russell and Co., in his capacity as Vice-consul could demand that they produce any of their accounts and papers that he might "see fit to require," and even receive and have the use of their silver, if they should ever tender any in payment of duties. As an alternative they proposed that, like the English merchants, they might give written obligations for duties which would be payable only forty days after due notice "that the fulfilment of this obligation is demanded by the Emperor, and this demand is sanctioned by our Government."

40. The guaranty read: "In consequence of our inability to obtain any statement of the amount of duties due on the 'Preussischer Adler', we have to request your handing us the papers of that vessel so as to admit of her clearing today; and in consideration of your so doing, we guarantee to hold

Commissioner Marshall on the other hand thought of the honour of his country, and replied on September 14 to the American firms that had addressed him - "The treaty is not dead, - for if it were I should have no business here, your country no privileges . . . The obligations of both parties survive the invasion of Shanghai." As to the merchant-consul, he was appointed by the President, and the rules could not be changed.<sup>42</sup>

In this way three points of view began to emerge from the arguments, letters, replies, and pronouncements put forth in the foreign settlement in the days after September 9. Marshall was bent upon upholding the Treaty and seeing that China got the duties due to her under them. Alcock was ready to do the same, provided the Foreign Office agreed. The merchants generally saw no reason at all why they should pay duties when China was not able to collect them, and advocated making Shanghai a free port like Trieste.<sup>43</sup> In the end all three were to have their way: Marshall succeeded in reestablishing the treaties, Alcock waited successfully for his instructions from London, and the merchants were able to invalidate most of the

40. (Cont'd) you harmless from all charge that, at any time, may be made against you for recovery of same, by any properly authorized officer of the Imperial Government, and to subscribe to any conditions that may be adopted as a general measure of security by the other consuls here for their protection under similar circumstances." (In Shanghai Chamber of Commerce to East India and China Association of London, in letter to Clarendon, Nov. 17, 1853, FO 97/99).
41. American firms (Smith King & Co., Wetmore & Co., Augustine Heard & Co., Bull Nye & Co.) to Marshall, Sept. 12, in Marshall's 30, Sept. 15, 1853, China 8.
42. Ibid.
43. NCH. Sept. 17, 1853 (Edit.): "Never was there a better opportunity for making Shanghai a Free Port (similar to Trieste) and thus throwing on the Chinese merchants the disagreeable onus of arranging duties with their own venal Government."

promissory notes which they had given. Since the American Department of State at this time seldom even sent instructions to its single full time representative in China, it remained for the British Government as usual to lead the way in dealing with the question of duties at Shanghai and so, as usual, the final victory went to the British merchants in China and England. They presented their case against the Provisional System so effectively that the Law Officers of the Crown were not aware, until too late, of the many and intricate extenuating circumstances which the Chinese Government, if it had indulged in diplomatic relations, might have brought forward to support its claim for duties.

The First Decision of the British Government. On September 22, 1853, the British Chamber of Commerce in Shanghai led the attack on the validity of the provisional bonds, which shippers had begun to deposit in the British Consulate, by addressing the East India and China Association of London. This influential body, together with the Chamber of Commerce and Manufactures in Manchester and the East India and China Association of Liverpool, acted as spokesman in England for the British trade with China. It contained usually the senior partners of firms, who had retired from China, and who not infrequently would form delegations to call upon Her Majesty's Secretary of State for Foreign Affairs and lay problems or suggestions before him. Since the Foreign Secretary's diplomacy in China was usually aimed at fostering the trade conducted by these gentlemen, he would not be inattentive.

On this occasion the E. I. and C. Association of London was asked by the Shanghai Chamber to make inquiries of H. M.'s Government as to 1st. "Whether E. I. and C. Consul is justified in detaining the ships papers, waiting for a document which, even if we tender the Duties, is unobtainable in consequence of the overthrow of the Custom House Executive and . . . whether it

follows that the collection of the Chinese Custom House Revenue devolves on H. B. M. Consul." 2nd. "Whether the Duties collected by H. B. M. Consul since the overthrow of the Custom House, can be legally claimed by any Government not now in existence, and previous to its recognition by the Government of H. B. Majesty." The Shanghai Chamber of Commerce believed that Palmerston's decision of 1851, - that British Consuls should no longer interfere to protect the Chinese revenue, - should have absolved Mr. Alcock from all responsibility in 1853. In justice to "those whose interests are entrusted to our care" (e.g. the E. I. and C. Association of London?), they would like "the whole bearings of the question . . . . placed fully before H. M. Secretary for Foreign Affairs."<sup>44</sup>

From a legal point of view the merchants had a strong case. Ships of other countries going free, like the Preussischer Adler, gave them a claim, under the most favored nation clause, to be put on an equal footing. Payment of customs duties might reasonably be held to impose a reciprocal obligation on the government receiving the duties, - an obligation to maintain order or at least to be present to collect duties, which the Imperial Government at Shanghai could obviously not fulfil in September 1853. Practically, however, their case was open to question: for an immediate benefit to British trade they were ready to sacrifice the Treaties which had been set up at so much trouble as the permanent vehicle for that trade. Denouncing the Treaties would justify the Chinese authorities in resorting to any of those measures, like the collection of export duties from the Chinese merchants before they reached the treaty port, which the Treaties were expressly designed to prevent.

44. British Chamber of Commerce, Shanghai, to E. I. and China Association, London, Sept. 22, in letter to Clarendon, Nov. 17, 1853, FO 97/99.

Thus a near and a far view became evident on the question of what to do at Shanghai, - conjugate principles, - to protect the trade, or to preserve the spirit of the Treaties, even if the latter were not legally necessary. Rutherford Alcock had sought almost instinctively to carry out the spirit of the Treaties, and had established the Provisional System to enable him to do so. But he was almost alone in this. The merchants as a body, and Alcock's immediate superior at Hongkong, had no such instinct.

Bonham had already given instructions regarding a situation at Amoy that bore superficial resemblances to that at Shanghai. When a local insurgent band had driven the Imperial authorities completely out of Amoy on May 18, 1853, Sir George had directed the British Consul to take no measures to protect the customs duties on the grounds that the Imperial authorities had ceased to protect British trade and moreover were not present to receive the duties. On their resumption of authority they might levy the usual dues on vessels found in port and on cargoes moved after their return. But meanwhile the Consul could not be expected to secure future payment to them of duties on trade conducted in their absence.

It should be noted that the situation at Amoy had been simplified by the fact that the administrative city, the Chinese Custom House, and the foreign hong were in one area, all of which came definitely under the control first of the rebels, and later of the Imperialists. While this was distinctly different from the situation in Shanghai, as will soon appear, Bonham expressed himself in favor of applying to Shanghai the same

45. Bonham's 104 to Clarendon, Sept. 21, 1853, FO 97/99. Accounts of the Amoy rising in NCH, June 4, 1853; A. Wylie, Chinese Researches; Fishbourne, Impressions of China.

Ch'ing shih lieh-chuan 清史列傳 XLII, 12 a, 8 (Biography of Wang I-te 汪懿德) is incorrect in stating that Amoy fell in the 8th month.

completely negative policy which he had applied to Amoy. Yet, characteristically, since Alcock had taken the responsibility upon his shoulders, Sir George did not propose to shift it to his own by abrogating the Provisional System; and so he contented himself with asking for instructions from the Foreign Office. Would "the sanction of H. B. M.'s Government" be received or not?

As usually happened in such cases, the Foreign Office heard from the merchants in Shanghai almost as soon as it heard from the Consul. Two waves of despatches and letters broke in succession upon Lord Clarendon, the Foreign Secretary, and for each in turn he opened the sluice gates of official correspondence leading to the Board of Trade. At this time affairs in China could receive scant attention. Russia had occupied the Principalities four months before, and affairs connected with the Crimean War occupied the Government's attention.

In 1853 the telegraph to the East extended no farther than Italy, and letters from China took seven or eight weeks to reach London. The Foreign Office therefore received the despatches of September 21 and 26 from Hongkong reporting the fall of Shanghai and the establishment of the Provisional System, on November 12. Three days later Clarendon saw them, sent Bonham a brief approval of his "determination to abstain from all interference in affairs at [Shanghai] as long as British subjects and their property are respected," and at the same time forwarded both reports to the Board of Trade, asking their opinion "in time to furnish Sir G. Bonham with instructions by the next mail."<sup>46</sup>

Two days later the second wave reached the Foreign Office. The East India and China Association, of London, under date Nov. 17, sent Clarendon the letter they had received from the British Chamber of Commerce, Shanghai, and he sent this

46. No. 87 to Bonham, Nov. 15, 1853, FO 17/198; Wodehouse to Board of Trade, same date, FO 97/99.

letter also, presenting the merchants' case, to the Board of Trade to get their opinion before replying to it. The next day the Chamber of Commerce and Manufactures, Manchester, which had received a copy of the Shanghai Chamber's letter, wrote to him; on November 21 he passed this on to the Board of Trade. No sooner had he done this than the East India and China Association of Liverpool added its voice to the chorus.<sup>47</sup>

The chief concern of these associations was that instructions should be sent Alcock at once, in order to end the present indefinite state of business, and that H. M. Government should assume full responsibility for all Alcock's collections and guarantee their payment either to some Chinese government or back to the original depositors. Manchester also pointed out that the lack of silver in Shanghai would make any payment of security bills at forty days sight a disastrous embarrassment to trade. Bills at twelve months sight would be better.<sup>48</sup> Aside from this criticism, the China merchants in England as yet expressed no great aversion to the ultimate payment of duties at Shanghai.

But now the Foreign Office had referred matters to the Lords of the Committee of Privy Council for Trade. Of all the high officials who at this time sat about its board, it appears to have been chiefly the President who acted. Edward Cardwell, later Viscount Cardwell, "as an administrator. . . really stood high among the statesmen of the time"; he was now at the beginning of his career as a preeminently capable public servant.<sup>49</sup> The secretaries to the Board in 1853 were J. Emerson Tennent and James Booth, the latter of whom had held

47. FO. 97/99, filed chronologically.

48. The Carolus dollar, intrinsically 4s. 2d., exchanging in 1852 at 4s. 6d., was still above 6s. 3d. at this time. See Morse, Conflict, table, p. 470.

49. D.H.B. (Goodwin Smith), ed. 1887.

the office since 1850 and was already known for his able preparation of model bills for the Parliamentary committees. Presumably it was the President who replied to Clarendon through James Booth on November 21, in words which the Foreign Office did him the honour to insert verbatim in its instructions to Hongkong.

This reply first of all distinguished between the situation in July 1853, when merchants had asked for a suspension of duty payments and the Chinese Authorities had not acceded, and the present situation at Shanghai, where the "disappearance of the Native Authorities has now . . . rendered fresh instructions indispensable." Next, they entirely concurred in Palmerston's decision of 1851, that the Consuls had no Treaty obligation to help collect duties "in the absence of cooperation on the part of the Chinese Authorities." And even though the non-cooperation of the Chinese was now involuntary, instead of wilful as before, Palmerston's views should still be applied if one assume that the present interruption of the functioning of the Custom House "proceeds not from a temporary outbreak only, but from an insurrection of a serious character." Now as to the situation at Shanghai, under the circumstances "Mr. Alcock adopted a judicious and proper course. . . However, . . . the view taken by Sir G. Bonham in the instruction which he sent to . . . Amoy, is in the main correct."

As to whether the Provisional System should be continued, - "Unless the Agents of all other commercial powers . . . were to concur in . . . the measures taken by Mr. Alcock, the enforcement of the payment of duties upon British subjects . . . would lead to the destruction of British trade with China, so

50. Ibid. (both by G. C. Hoase); British Imperial Calendar, 1854.

51. Booth to Wodehouse, Nov. 21 and 22, 1853, FO. 97/99.

far as it might be carried on by British merchants . . . A course leading to such results could only be justified by the duty of a strict observance of Treaty engagements which . . . must be considered under present circumstances to be suspended. . . . The measures adopted by Mr. Alcock should only be enforced so long as it is reasonable to suppose that the suspension of imperial authority is only of a temporary and accidental character."

Therefore, the continued unsettled state of the country and the continued absence of the Chinese authorities should justify the suspension of the Provisional System; whereupon the funds collected under it should be returned to the persons who paid them.

As to the disposal of funds already collected by Alcock, - if the restoration or probable restoration of imperial authority should lead Bonham, in accordance with the view herein expressed, to continue the Provisional System temporarily, then funds collected under it should be paid to the Imperial Government or its successor as soon as they could be received.

Finally, harmony with the American Minister in China would be desirable.

On the next day, as to the suggestion of security bills at twelve months instead of forty days sight, the Board of Trade replied further that since Alcock had accepted "the very difficult and invidious position of judging of the solvency of the parties," he should be allowed to make his own conditions.<sup>52</sup>

By this time another despatch from Bonham had arrived, reporting that up to September 27 there had been no change in the situation at Shanghai.<sup>53</sup> Clarendon therefore on November 22

52. Ibid.

53. Bonham's 116, Oct. 10, 1853, FO 17/205.

had the Board of Trade's letter converted into a draft, which was seen on November 23 by Lord Aberdeen as Prime Minister, by the Queen's Advocate, and by Mr. Gladstone as Chancellor of the Exchequer. <sup>54</sup>

On the 24th it was sent. With it went a copy of a despatch to Washington, to urge on the U. S. Government the expediency of a good understanding between the British and American authorities in China. On the same day letters to the associations of China merchants in London, Manchester, and Liverpool informed them that H. M. Government had "provisionally sanctioned" Alcock's regulations and would take "all practicable precautions" as to the funds collected; for the safety of which, however, the Government could not hold themselves

<sup>55</sup> responsible. Clarendon thus met the immediate needs of the situation - getting the approval of his colleagues, asking the support of the Americans, putting off the fears of the merchants. But he had acted merely as a clearing house.

In drafting the reply to Bonham the Foreign Office had copied almost verbatim the opinion handed down by the Board of Trade. Her Majesty's Government entirely concurred in the views expressed by Palmerston in his decision of 1851. They thought Alcock "adopted under the circumstances a judicious and proper course," but that Bonham's view expressed to the Consul at Amoy was "in the main correct." "Unless the Agents of all other commercial powers" at Shanghai cooperated, Alcock's course would destroy British trade. This could only

54. Gladstone did "not think this Government ought to be responsible, or that the merchants or others here or in China ought to be led to view it as responsible, for the safe custody" of monies over which the Treasury had no control (Note "To be kept with draft no. 94 to Sir G. Bonham," FO 97/99). This statement was made on the assumption that some merchants would deposit with Alcock specie, instead of promissory notes, in order to clear their ships, - which never happened.

55. Clarendon's 96 to Bonham, Nov. 24, 1853, FO 17/198; Wodehouse to Gregson, Boothman, and Turner, respectively, Nov. 24, 1853, FO 97/99.

"be justified by the duty of a strict observance of treaty engagements which under the present circumstances in China must be considered to be suspended."

The Foreign Office had then inserted a paragraph of its own, which contained the crux of the matter:

"The enormous responsibility [incurred by Alcock] should terminate as quickly as possible. As at present informed, [H. M. Government] can only expect that the actual state of anarchy will be prolonged, and they are indisposed to allow Her Majesty's Consul to be the receiver of the duties for an unlimited period; but as you [Bonham] will be better able than Her Majesty's Government to judge whether the restoration of the Imperial Authorities or the re-establishment of any other Government is probable within a limited space of time, Her Majesty's Government leave it to your discretion to determine when the moment shall have arrived for refunding the amounts<sup>56</sup> collected."

As to the question, to whom should these amounts be refunded, the Board of Trade's paragraphs were inserted: if a new government be established or the Imperialists re-established, give the funds to them; but if the "continued unsettled state of the country and the absence of the Chinese Authorities should lead to the suspension" of the Provisional System, then refund the collections to the original depositors.

The Foreign Office concluded by suggesting that Bonham communicate with his American colleague before deciding definitely about the Provisional System. They were "most desirous that throughout this crisis there should be unity of<sup>57</sup> action."

56. Clarendon's 96, ibid.

57. Ibid.

From the point of view of the British Government, this concluded the first phase of the duty question at Shanghai. So far the Consul had, perhaps at first unconsciously, played safe by collecting duties under a temporary system, until Clarendon should decide whether to continue collecting them and what to do with those already collected. Two months later the Foreign Office had heard about it and passed the question on to the Board of Trade, who replied in effect: It all depends on whether the rebels win; and must be left for Bonham to decide. This decision Clarendon had accordingly passed back to Bonham. In so doing he reiterated Palmerston's defeatist declaration of 1851 and declared the "duty of a strict observance of treaty engagements to be suspended."

In other words, the Chinese Authorities having been ousted by rebellion, the British Government saw no reason why they should continue to work the treaty-system alone, as Alcock had begun to do, even though that system had been mainly their creation. Their main reason for deserting it unless a strong Chinese government should suddenly reappear, was the old fear of foreign competition, which remained a bogey even though the Americans had apparently begun to cooperate. Clarendon's only helpful contribution was in allowing Bonham to use his discretion and continue or stop the Provisional System according to whether the Imperial Government seemed likely to regain power at Shanghai. Once again it was demonstrated that the Foreign Office was too far from the scene of action to play a dominant part in solving the problem of customs administration in China. Its instructions reached Bonham in the middle of January, 1854, and Alcock received an answer four and a half months after his first question. Before that time arrived, the Provisional System had changed its nature.

## 2. Foreign Neutrality at Shanghai.

(October - December 1853).

Armed Camps. While the British Consul's despatches were traveling half way around the world to be dealt with by bureaucrats who had never been in China, what had been happening at Shanghai? After the seizure of the Chinese city by the Triads on September 7, and the promulgation of the Provisional Rules on September 9, trade had continued undaunted and the British and American merchants had begun to deposit provisional bonds with their consuls in lieu of paying duties to the Custom House. As far as Consul Alcock was concerned, they would have to do so for the next three and a half months, until he could receive instructions from London. To the Chinese and American authorities, however, it soon appeared that the Provisional System had served its purpose. Doubts began to be felt as to whether Her Majesty's Government would sanction the payment of the bonds, and Consul Alcock soon had to defend the System against attacks from both the Chinese and the American authorities. But he was supported by the turn of events, for Shanghai became an armed camp in which from the foreign merchants' point of view there could be no thought of allowing the Taotai's authority to operate within the limits of the foreign settlement, much less collect duties on a trade he could not protect. In the crisis Rutherford Alcock became dictator of Shanghai and under the banner of neutrality preserved the British trade, and the Provisional System which he had designed to protect it, against all opposition and in the midst of constant danger; and the opposing Chinese armies did not fail to afford him justification for this course.

At first the rebels had added to the growing confusion of the scene by their own intestine rivalries. The leaders of both the Fukien and the Kwangtung factions had issued proclama-

tions, Liu Li-ch'uan affirming it to be his mission to revive the Ming Dynasty and cast out the Manchu barbarians. A day or two later, however, it was reported that the Fukienese had been expelled from the city, as a result of which they menaced both it and the foreign community. Subsequent proclamations emanated chiefly from Liu, who began shortly to claim connection with the Taiping Wang at Nanking, at the same time that his leading general continued to clutch at the shadowy mantle of the Mings. It became known that the Triads had written to Nanking asking to be affiliated with the Taiping movement.<sup>58</sup> But after a period of doubt it was established that for one reason or another the overture had not been accepted. Nevertheless it should be remembered that by using the Taiping name in the beginning, the Triads had vastly increased their chances of success in the minds of the foreign community. They seemed to be part and parcel of the vast and irresistible wave that was all but submerging the Manchu power. The apparent strength of the Shanghai rebellion was further emphasized by the fact that risings occurred all over the neighborhood, either in sympathy with or under the inspiration of the rebels, and the nearby walled cities of Paoshan (寶山), Kiating (嘉定), Tsingpu (青浦), Nanhwei (南匯), and Chuansha (川沙) were seized in succession. Disorder reigned in the countryside, and for almost a month the Imperial power was far to seek.<sup>59</sup>

At the beginning of October, however, the provincial authorities returned with troops and laid seige to Shanghai by land and by water. On the river they had a naval force which had largely been Wu Taotai's creation. Just before the fall of Nanking six months before (March 19, 1853), the

58. Letters, editorials, and proclamations in translation, NCH. Sept. 10, 17, Oct. 1, 1853.

59. Shanghai Almanac for 1855 (Shanghai, NCH), gives a translation from the Peking Gazette of Dec. 8, 1853, containing a specious explanation of the rising and later disorders. See map, Appendix A.

Governor of Kiangsu, Yang Wen-ting (楊文定), had formally asked the three treaty-power Consuls at Shanghai to send gun-boats to help save the southern capital, a request which was repeated with some urgency later in the month;<sup>60</sup> and again in May the same official, now acting Viceroy of the Liang Kiang, had deputed officers who went with Wu to approach each of the three Consuls about borrowing warships, - all without avail.<sup>61</sup> Naturally the maintenance of foreign neutrality, as well as the local community's fears of being left unprotected, prevented any sort of compliance. But Wu Chien-chang still hoped to play the role of saviour to the Imperial cause. In April when the U.S.S. Susquehanna started for Hanking with Commissioner Marshall aboard, ran aground, and came back, he boasted to his superiors that he had obtained its help from the Americans.<sup>62</sup> Meanwhile realizing the value of foreign style gun-boats, he had continued his efforts to collect a fleet. In 1852 he had been able to send the schooner Boxer (Commodore Wang) and 12 other vessels against pirates at Ningpo. Now in April 1853 he bought two vessels, the Agnes and the Antelope, - the latter a 370 ton Boston-built brig of Russell and Co.'s which three years previously had been making regular runs up from Hongkong with opium and back again with treasure and sundries. In June a Chinese fleet consisting of these two and another foreign style vessel, the Dewan, together with 25 lorchas (foreign hull and Chinese rig), had gone up to Chinkiang. At last on September 29 the Imperial fleet came down the Whangpu to Shanghai and began a bloody three day

60. NCH, Mar. 19, April 2, 1853; appeals of Gov. of Kiangsu to Shanghai Consuls noticed in Bonham to Malmesbury, 11 March, and to Russell, 28 March, 1853, FO 17/200; also noted in Morse, Conflict, p. 454.

61. IWSM-HF, VI, 12 a, report of Hsiang Jung (何榮); ibid., VI, 13 a, report of Yang Wen-ting; also referred to in ibid., VI, 29 b, report of Yeh Ming-ch'en.

62. IWSM-HF, VI, 10 b, report of Yang Wen-ting.

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attack on the rebels.

The Imperial fleet was stated by the Chinese authorities to have consisted originally of thirty-two fishing smacks recruited from the Heung Shan district (Wu's native place) and paid for by the Taotai, all under the command of local gentry.<sup>64</sup> By foreigners in the settlement they were described simply as "West Coast pirate boats belonging to the notorious Apak fleet, but now locally engaged under Imperial auspices."<sup>65</sup> Reports of their exploits were equally at variance. The Emperor was told of a naval victory off the Little East Gate on November 17 in which, - after a four-hour bombardment during which the cannon sounded like thunder, the ground shook miles away, and 13,000 pounds of powder were used by the attackers, - the west wind unfortunately proved too strong, and the junks could not get near the shore and only managed to follow the wind and tide down to Wusung, having lost three men killed.<sup>66</sup> A foreign observer says of this engagement that "two junks . . . advanced close to the [rebel] battery, and running stem on, took the ground close to its guns . . . first one and then the other of the junks took fire and blew up, most of the crews being burned to death or shot down. The captains of these vessels were brave men, and did their best, but were too confident . . . [the Imperial] fleet of junks was so much injured that the crews refused to engage the battery again, except at a

63. NCH, April 30, 1853; Sept. 21, Sept. 28, Nov. 2, 1850; June 4, Oct. 1, 1853. P. Lubbock, The Opium Clippers, (Glasgow, 1933) p. 349, says the Antelope was lost in the Whangpu in 1852 and sold at auction for benefit of the underwriters. Wu's naval activities are described at length by Meadows (The Chinese and their Rebellions, p. 195 et seq.), and noted by Cideon Chen 陳其田 (Tseng Fuo-fan,

Yenching Univ. 1935) p. 28-9, quoting T.H.L. XX 6 and 19.

64. IWSM-HF Tsing Hua Supp. p. 147.

65. Lanning and Couling, Hist. of Shanghai, p. 303, based on NCH.

66. IWSM-HF Tsing Hua Supp. p. 133.

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distance."

By land an Imperial army advanced and besieged the walls of the city on the south, west, and northwest. For the first few weeks such forces as there were appear to have been under command of Wu Chien-chang, but in the first part of November, perhaps earlier, the Manchu Chierhangah 吉爾抗阿 (contemporary romanization "Zeih," also "Koerhangah") arrived upon the scene, sent from Peking to exterminate the Shanghai rebels. Chierhangah had begun his official career in the usual way, at the bottom of the mandarin ladder as a Collegian of the Imperial Academy (Chien-sheng 監生), being first appointed to an official post at the capital in 1837. For the next fifteen years he had remained at Peking in one board or another, rising in 1849 to become the Manchu Supervisor of Government Granaries. At last in 1853 he was sent out to Kiangsu as Ch'ang-Chen-T'ung Taotai (常鎮通海道), normally stationed at Chinkiang, and acting Provincial Judge. He took the field against Liu Li-ch'uan with the Brigade General Hu Sung-lin (虎嵩林) and the Lieut.-Colonel Ch'in Ju-hu (秦如虎) as subordinates, and after defeating a sortie of the rebels, became Provincial Treasurer in April, 1854, and Governor of Kiangsu a few months later, <sup>68</sup> - proving himself an able officer and effective diplomat.

The siege of the city was conducted from the first largely by militia (yung 勇), "Braves," an irregular force recruited for the occasion and divided at Shanghai into a number of battalions, each having its own camp and bearing the name of a particular province. Thus it is stated that after the fall of Shanghai the gentry of Kiangsu advised the enlistment of 1000 Szechuan braves, and in the report of the Battle

67. Lockhart, Med. Missionary, p. 301.

68. Ch'ing shih-kao 清史稿 Biographies, bk. 182; Ch'ing shih lich-chuan 清史列傳 bk. XLIII 15 b. The former is less complete than the latter and is apparently based on it.

of Muddy Flat between the Imperial and foreign forces in April 1854 mention is made of Szechuan, Kweichow, Kwangtung-and-Kwangsi, Hunan, Chekiang, and Ch'ao (潮 i.e. Ch'aohoufa Kwangtung?)<sup>69</sup> battalions. Whether each battalion had its nominal complement of 500 men is uncertain, that it was recruited from the province or place of which it bore the name is doubtful. The regular Chinese provincial force (Lü Ying 綠營) or Army of the Green Standard was also nominally present, but according to foreign estimates only added to the confusion.

There now ensued at Shanghai the destruction and disorder attendant upon civil war, which assumed its most vicious forms in the deprivations committed by troops not amenable to strict discipline and the petty lawlessness of local vagabonds. After a siege of a year and a half, during which the population fell roughly from 200,000 to 40,000, the city was at last set on fire and the destruction of private property and public buildings completed. Among the latter were the Taotai's yamen inside the Great East Gate, used as rebel headquarters, two public granaries, the yamen of the coast defence Sub-prefect recently built inside the West Gate, and that of the District Magistrate with the various minor offices connected with it, - most of which had to be completely rebuilt.<sup>70</sup>

In the face of all this disorder, alarm, and popular suffering, of which the official records recount not a hundredth part, what was the attitude of the foreign community at Shanghai?

It must be remembered that they were few in number and young in years, and in many cases held positions of no little responsibility. The Shanghai Almanac for 1854 lists some 270 men residents (an increase of over 100 since 1850).

69. IWSM-HF, VII, 18 a, 19 a.

70. Shang-hai hsien chih, bk. II, p. 2 b et seq.; Lockhart, Medical Missionary, passim, gives vivid description.

Of this number over 30 were temporarily absent; 40 odd had families. About a dozen were Parsee merchants. Thus Shanghai, including the opium receiving station at Wusung but excluding the two or three war vessels usually on hand, had a settled male population of less than 250 Europeans, less than one fifth of whom were married. Of the small number of married men fully one third belonged to the group of some two dozen missionaries who were present as representatives of six or seven different missionary boards. Moreover, four fifths of the male British population were between the ages of 19 and 35, - and two fifths between the ages of 25 and 30. So the great majority of the population were young bachelors, engaged in trade as partners or assistants in one or another of the 35 odd mercantile companies, or else catering to the mercantile community.<sup>71</sup>

It may be expected that the reaction of such men to the danger of their isolated position in a land to them barbarous and strange was one of positive and defensive activity. Their governments had early declared their neutrality in the civil war raging in the interior; but that did not prevent local measures of defence, and the British authorities had plainly stated that they would protect the foreign settlement, - but not the Chinese city, - against all comers. In April 1853 a British Volunteer Corps had been organized, in which Vice-Consul Thomas Francis Wade became an officer, and an American defense committee had been appointed.<sup>72</sup> Early morning volunteer drill continued thereafter and the members of the community prepared psychologically and actively to fight their own battles. Their attitude is the more easily understood if one remembers that they were custodians of unseizable merchandise

71. Shanghai Almanac for 1854, List of Foreign Residents; NCH, May 3, 1851, Census of British population.

72. NCH, April 9, 1853, Notification by Alcock, April 8.

to the value of some £2,000,000 which had been accumulating for six months in the dozen big warehouses and many smaller ones that lined the west bank of the Whangpu. With letters taking two months to London, the deluge of shirtings and woollens had continued unabated long after the import trade had been stopped up early in 1853, and local godowns were swamped with goods. Thus when Shanghai fell, considerations of self and of duty both had forced the foreign community to make itself an armed camp, from which all Chinese troops, rebel and Imperialist alike, must be excluded. So extensive were the defensive preparations after September 7 that on the 16th the foreign consuls felt it necessary to announce on placards in Chinese that these warlike measures were for self-protection only, and that the Chinese populace would be unharmed so long as the foreign community remained so.

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Neutrality Enforced (the exclusion of the Taotai). In this tense atmosphere and under these warlike circumstances the return of Wu Chien-chang in October raised the question of the reinstatement of his authority as Superintendent of Customs. The raising of this question in turn brought to light the complete divergence existing between the views of Commissioner Marshall and those of Consul Alcock. As a result the former felt himself bound to recognize the Taotai's authority and tried to abolish the Provisional System at the end of October; but the British Consul stuck to his guns, Marshall was defeated, and the Provisional System continued, under circumstances which tended to perpetuate it.

The United States Commissioner's point of view had emerged at the very beginning. The simplicity of the customs problem, as he saw it, led him to regard the resumption of duty

collections as an expression of faith in the treaties more than as a problem of administration. The British Vice-consul reported, that "being strongly in favour of paying the Emperor his just dues, [Marshall] talks (as a matter worthy of consideration) of reinstating the Taotai as Superintendent of Customs apart from any jurisdiction as Taotai."<sup>74</sup> But the Taotai was still his guest at the time, and the question of reinstating him was really not one of law so much as of possibility. On September 20, in a letter to the Viceroy of the Liang Kiang, Iliang (怡良), Marshall admitted that "the Superintendent of Customs cannot defend his own person . . . and any attempt on his part to proceed with . . . official business would at once expose him to violence." Hence to avoid the accumulation of "immense claims for demurrage . . . against the Emperor of China" on the part of ships detained in port, Marshall had decided, "for the duties on cargoes to take the obligations of shippers, payable to the Chinese Superintendent of Customs whenever the same shall be demanded." This would preserve "the duties due, under the treaty, for your Emperor, when his officers are not able to collect or ascertain them."<sup>75</sup> Marshall did not, in other words, choose to follow the British in regarding the treaty as an agreement entailing reciprocal obligations, non-performance of which on either side would invalidate it.

The Viceroy to whom the situation at Shanghai had now been reported was a man of great experience and proven ability, whose long career in the service of three Emperors was just drawing to its close. Iliang had been a prefect in Kwangtung as early as 1828, and in the following ten years had

74. Wade to Bonham, private, quoted in Bonham's 109, 26 Sept. 1855, FO 97/99.

75. Marshall to W. Governor-general of Siang-kiang (sic), Sept. 20, in his 31, Sept. 21, China 8.

held high office in the provincial administrations of Kwangsi, Yunnan, Shantung, Anhui, and Kiangsu. Transferred from the acting Governorship of Kiangsu in 1838 to be Governor of Kwangtung, he had remained in the thick of the Anglo-Chinese struggle that followed, - Lin Tzu-hsü's right hand man in fighting opium, acting Superintendent of Customs (Hoppo) for a time, a successful opponent of Kishen's (琦善) conciliatory policy and his successor temporarily as Viceroy, later an Imperial Commissioner (i.e. a super-Viceroy) and Viceroy of Fukien and Chekiang. All this before 1843, when he retired because of illness. Now, having reentered the Emperor's service in 1852 and become Liang Kiang Viceroy (i.e. Viceroy of Kiangsu, Anhui, and Kiangsi) early in 1853,<sup>76</sup> Iliang was remarkable as one of the few principal actors in the tragedy of 1840-2 who had not been really destroyed by his part in it. He was still an officer to whom the investigation of corruption charges and the overhauling of administrative regulations were constantly being entrusted. But it must be remembered that in 1853 his chief concerns were the feeding and paying of armies (whose fighting depended upon both), the collection of taxes, the transport of rice levies, the enlistment and disposal of troops, the defending of his provinces and the Empire. Barbarian affairs at Shanghai could occupy but a tenth part of his attention.

Iliang replied to the American Commissioner on October 8, with no little flattery, that Wu Taotai "seems disposed to maintain fidelity and honesty and is ready to try to retrieve what has been lost" and would shortly return to Shanghai and resume his duties as customs collector.<sup>77</sup> It was later explained

76. Biographies of Iliang, in Ch'ing shih lieh-chuan bk. XLVIII, p. 466, and Ch'ing shih kao; \_\_\_\_\_ bk. 158,

cf. note 68 above.

77. Iliang (also at times romanized Eleang) to Marshall, in Marshall's 34, Oct. 30, China 8.

to the Emperor that at the time when the rebels seized Shanghai the Taotai had been hastening to Yading (嘉定) to deal with the rising there but, on hearing of the trouble at Shanghai, had at once come back, and near the New Lock (新閘) had met and fought with a rebel band, with the result that the official seal of the Su-Sung-T'ai Taotai and Superintendent of Maritime Customs for Kiangnan, which he carried with him, had fallen into the water and been lost; and while it might be fished out some-time, it would not be very useful.<sup>78</sup> A more veracious statement was made by the Taotai on October 10 when he officially informed both the British and American Consuls that although his official seal of Superintendent of Customs had been lost with the city, he had, by appeal to his superiors, been deputed to use the seal of office of the Director-General of Grain Transport of Ch'ang-Chow (常州) and conduct all customs business as formerly. The former seal had been effective until September 7. The present one was effective from October 10. Please<sup>79</sup> "empower me to act."

This formal application revived the question of Wu's reinstatement which had lain dormant for a month. But Consul Alcock's program was plainly marked. Bonham wrote him that "with reference to this individual," the Taotai, it would be imprudent to let him again take refuge in the foreign settlement, "there to concoct his schemes against the rebels." His presence would violate neutrality and might provoke a rebel attack to capture him.<sup>80</sup> Yet if the Taotai's own guards could not be admitted, because their presence would endanger British property, it was no less impossible to supply him with foreign

78. IWSM-HF Tsing Hua Supp. 126, memorial of Iliang, received Dec. 13, 1853.

79. Correspondence in Alcock's Notification of Oct. 19, in Bonham's 128, Nov. 10, 1853, FO 97/99; and in Marshall's 34 as above.

80. Bonham's 116 to Clarendon, Oct. 10, 1853, FO 17/205. Clarendon approved the exclusion of "Samqua, the ex-Taotai," (No. 99 to Bonham, Nov. 30, 1853, F.O. 17/198)

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support, which would violate neutrality. Convinced of this even before he heard from his superior, Alcock now coolly replied to the Taotai, "As soon as the city of Shanghai is retaken by the Imperial troops and Your Excellency's establishment fairly reinstated in the Custom House, I shall be prepared to enter into further consideration with you of the question of Duties."<sup>82</sup>

Undaunted, Wu Chien-chang returned to the attack from another angle. From his superiors, he replied on October 12, he had just received orders to inform the foreign consuls "that the duties incurred by 10 British vessels before the 7th September, amounting to 45,000-odd taels . . . are to pass through my hands to meet the requirements of the present emergency." As to duties since September 7, either the Consuls on his behalf were to enter them in a shipping journal and present periodic statements, to be passed on to the Taotai's superiors; or he was to have the Pih-sin (北新)<sup>83</sup> and Heu-sze inland custom houses, on the main routes to Shanghai, report entries in their books of tea and silk brought through by native merchants, from whom the Taotai would proceed to collect the duties. These

81. Cf. Alcock to Wu, Jan. 30, 1854: "The admittance of your authority would have utterly negatived those measures of self defence which we had been most unwillingly compelled to adopt, while the support of Your Excellency with an armed force of our own . . . would have been no less inconsistent with that . . . neutrality we have been strictly enjoined to observe." In Overland Friend of China, Feb. 10, 1854, in Bonham's 29, Feb. 11, 1854, FO 97/99.

82. Correspondence in Bonham's 128; see above, note 79.

83. IWSM-HT, XVII, 4 a, (report of Ho Kuei-ch'ing 何桂清 received Oct. 6, 1857) refers to the Pih-sin (Pei-hsin) station as one of the Three Stations 三關 for collecting duty on silk leaving Chekiang and Kiangsu, the other two being the Pan Chou 章州 and T'ai P'ing 太平. "Heu-sze" in the above might perhaps be a mistranslation for 湖絲 (hu ssu) "Huchow silk" ("Shanghai fine raw silk from Huchow" Giles), referred to also in IWSM-HT, XV, 33 a et seq.

inland custom houses had already been ordered "to archive together every note of entry" of goods examined by them. Which course would the Consul prefer?

No one had as yet denied the treaty or the treaty system, and the bold confidence of this demand no doubt expressed the serious expectations of the Chinese high officers. But the British Consul, having marked out his programme, answered merely that he had set up his own system, which had been referred to his superiors, "and until their sanction be received no payment of the duties will be made to the Chinese Government."

On the fifth day of the battle, October 14, Wu Taotai again claimed the 45,000 taels due on ten British ships, "the accounts of which had been closed previous to the loss of Shanghai," even to the registering and cancelling of the triplicate certificates of the tea and silk merchants, as was on record. Moreover, he asserted, tea and silk had reached Shanghai after September 7 only because of the Imperial military protection at the customs stations en route. Hence no foreign merchant could conscientiously evade the duties. And if the Consul did nothing, the Taotai's superiors could "doubtless recover from the Native Merchants the whole amount due without the least defalcation."<sup>84</sup>

This was a strong case, but the Taotai still had no customs establishment to support his claims; and after waiting four days Consul Alcock could silence him with a comprehensive review of the facts: As to his first claim, the accounts of the ten British ships, which could only be closed by the Customs officers, had been, in fact, left open when they fled on September 7. The Provisional System had taken care of them. As to the second claim, for duties since September 7, Imperial

80. Con't. (no. 99 to Bonham, Nov. 30, 1853, FO. 17/198).

84. Bonham's 128, FO 97/99.

85. Ibid.

military protection had been a drop in the bucket compared to the guns of the British men-of-war. Further, the Taotai's pretensions were invalidated by the fact that the Emperor was bound to protect British trade against unequal competition; and yet the absence of the Chinese Custom House allowed ships of other nations to go free. "Who is to indemnify my countrymen for the loss and injury resulting?" Finally, the British Government wished to continue their neutrality. But efforts to collect from native merchants the duties admittedly due by British "could only be calculated to lead to acts of reprisal on the part of my Government which . . . could hardly fail to be disastrous to the Imperial interests." <sup>86</sup> The Consul thus met threat with threat, and discussion ceased on October 18.

The issues involved now stood forth more clearly. Rutherford Alcock had two chief responsibilities, to preserve British trade, and to protect British property at Shanghai. In the interests of the trade he had created the Provisional System; for if duties were not collected at Shanghai, then they could be collected by the Chinese authorities in the interior, perhaps manifold, beyond the watchful eye of the consul, - a prospect not relished by experienced British administrators. Therefore the Provisional System, - to maintain customs collections according to treaty tariff in the port, and nowhere else. But now his second responsibility, the protection of Shanghai, took precedence; Consul Alcock had above all to keep the Taotai and his disorderly troops from entering the foreign settlement. Therefore Wu Chien-chang could not be reinstated in the Custom House inside the foreign settlement. Hence he had no customs

86. Ibid. Cf. Shanghai Almanac for 1855: "H. E. the Taoutai . . . threatened to take steps to collect duties inland from the Native Merchants, which H. B. M.'s Consul considered to be a hasty and ill-advised expression of opinion on the part of his Excellency."

establishment with which to collect duties. And so his authority as Superintendent of Customs could not be recognized.

The logic was impeccable, but it had dangerous implications; to beat off the Taotai, Mr. Alcock had been obliged to brandish the same weapon with which the merchants had attacked his own Provisional System: the claim that the Emperor's impotence to protect the trade had forfeited his right to collect duties on it. Using the merchant's own arguments for freedom from duties in order to preserve the liberty, if so instructed, of collecting duties, - contrary to those arguments, - weakened Alcock's position in theory and created the general impression among the merchants that the promissory notes would never be collected against them.

The existence of a bona fide Chinese Custom House would make Alcock's stand even less tenable. In the next two weeks Commissioner Marshall tried to conjure up such a custom house and at the same time Sir George Bonham's fears of the responsibility incurred by him under the Provisional System weakened his support of it. The system met a crisis.

The Floating Custom House. It must be remembered that in October 1853 Rutherford Alcock was still under the shadow of a severe illness, a fact the importance of which cannot be over-estimated. If he had been at that time the same vigorous activist that he was during the Tsingpu affair of 1848, he might have forestalled the ensuing divergence of American policy, or found a middle ground for Anglo-American cooperation.

Marshall's response to the Taotai's appeal on October 14 had been as clearly affirmative as Alcock's had been negative. To Vice-consul Cunningham's query for instructions, he replied that the "Taotai has been sent back to the theatre of his actions, accompanied by an official note to me from the viceroy [quoted above], testifying his continuance in office. . . .

I find the identification of the officer thus rendered certain . . . . It only remains for you to recognize his official acts over his signature, under whatever form he may indicate to you, as sufficient to testify their authenticity." <sup>87</sup> Apparently beguiled by Wu Chien-chang's reference to his seal, the American Commissioner viewed the question as one merely of legal qualifications. He also appears to have been partly won to the Imperial cause by the evident sympathy of Cunningham, his host, who had already not only sheltered the Taotai but even preserved for him certain armament which was in danger of seizure by the rebels. In a letter of October 16 to five foreign consuls, Liu Li-ch'uan accused the American <sup>Vice-</sup> Consul of having taken the guns and powder from the Antelope (elsewhere stated to amount to 14 twelve-pounders valued at \$150 or \$200 apiece), <sup>88</sup> and held them until Wu's return. In a public rejoinder Cunningham explained that he had taken the Antelope's guns into Pussell and Co.'s godown as security for a loan of \$500 solicited from him on the afternoon of September 8 by a customs linguist who owed that sum to sailors and workmen on the Antelope. "After the siege by the Imperialists commenced, <sup>89</sup> the Linguist brought the \$500 and took away his security." Whatever may have been the American <sup>Vice-</sup> Consul's intentions, this incident illustrated a sympathy for the Taotai's cause which later became more marked and which undoubtedly affected Marshall.

As time went on Marshall became alarmed at Alcock's refusal to reinstate the Taotai, a position "so extraordinary and untenable." Always jealously suspicious of British designs, Humphrey Marshall saw in the posting of marines, the establishment of guard-houses, and similar measures, an approach to

87. Following account based on Marshall's 34, Oct. 30, 1853, and enclosures, China 8.

88. Letter signed "O. P. C." Hongkong Register, Nov. 8, 1853.

89. Cunningham to Marshall, Oct. 19, in Cunningham to China Mail, Oct. 22, enclosing Liu Li-ch'uan to Consuls, Oct. 16, 1853, all in Marshall's 34, China 8.

political control, and he resolved to force the recognition of the Taotai's authority. On October 24 he ordered Vice-consul ~~Mr.~~ Cunningham to suspend the Provisional Regulations.

"They have performed their office . . . . The resumption of their public functions by the Chinese officers having been advertised to me, a further continuance of the provisional regulations would be only compatible with an attempt to enter upon the administration of Chinese affairs - a performance I have no idea of engaging in."<sup>90</sup>

On the same day Mr. Cunningham duly upbraided the Taotai for not having answered the American acceptance of his first appeal on October 14 and asked him to state "the locality where your officers would attend to the collection of foreign customs . . . . The provisional arrangement . . . was only to cover a sudden emergency, . . . it was by no means contemplated to make the United States officers collectors of the Imperial revenue for any time beyond the short space required for the Imperial officers to [be reestablished. That time has passed]. You are here with a military power strong enough to give you security."<sup>91</sup> Hence the Provisional Regulations would cease on the morning of October 28, which would "give time for your answer, which I trust will indicate where the business can be transacted."

The merchant Vice-consul was perhaps more desirous than the Commissioner of avoiding the charge of acting as Imperial revenue officer. In executing Marshall's commands he did not hesitate on October 24 to notify the American merchants that the Provisional Regulations would cease on the 28th, even though he had no assurance that a Chinese Custom

90. Marshall's 34, China 8.

91. Ibid.

House would take their place. This public notification coerced the Taotai into acting.

On October 26 Wu informed the American Vice-Consul that he had received instructions from his superiors to station one or two boats in the river off Putung (浦東) Point, opposite that part of the foreign settlement farthest north from the besieged city, and transact customs business on board until the capture of Shanghai should allow a reinstatement of the Customs within the settlement as before. War vessels would soon appear for this purpose, until which time the Taotai asked that the Provisional System be continued. To the Vice-Consul's subsequent reply, that American merchants were already notified and the date could not be changed, he reiterated this request on October 27. Again Cunningham was immovable and asked to be notified as to where collections would be made.

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The 28th of October dawned and no word had come from Wu Chien-chang. The Vice-consul, who knew that certain ships would apply for clearance on that day, appealed in haste for Marshall's instructions. But the Commissioner could only add further confusion. He replied that if anyone wanted to clear under the Provisional System, they might. Or if anyone wanted to clear according to treaty but professed "to be hindered by the absence of the Chinese Superintendent of Customs from his place of business," he might hand in a declaration of that fact and of the amount of his duties. The Vice-consul should then send this to the Superintendent with a formal demand of his own that the latter should "receive the duties tendered and give the port-clearance, in order that [the Consul might] deliver the ship's register and permit her to depart" . . . . "As there is no legal obstruction known to me . . .," continued Mr.

92. Ibid.

Marshall, "and as China has force sufficient to remove any illegal obstruction, I see no excuse or apology for any longer delay." If the Taotai still fails to receive duties, "protest against his violation of the treaty in attempting by such conduct to lay an embargo upon American ships in this port." Or if the Taotai consents to pay a fair demurrage "for any vessel to be delayed by his delinquency," detain such vessel as long as the duty on the cargo would meet the demurrage. But if the Taotai fails to do even this, take note of the vessel  
93.  
and let it go.

How many of these programmes were followed does not appear.

The leading American firms followed a simpler course and addressed identical letters to the representatives in Shanghai of Great Britain, France, Portugal, Holland, Prussia, and Hamburg, - all the Consuls there were, in fact, - asking "whether, in case we desired to ship in vessels under any of (their) flags, (they) recognized any Custom House establishment; and if so, where situated?" This formality was finished and the farce was complete when the representatives of Portugal (T. C. Beale, British merchant), of Holland (T. C. Beale, *ibid*), of Hamburg (Wm. Hogg, British merchant), and of Prussia (D. O. King, partner in one of the American firms addressing the letter)  
94  
all replied in chorus that they recognized no Custom house; while the French Consul per interim, B. Edan, - ex-assistant in D. Bemis's watch store and Inspector of Chinese Customs-to-be, - replied that "The Chinese Custom house, the only one that I

93. *Ibid*.

94. Augustine Heard & Co., Smith King & Co., Wetmore & Co., Bull Nye & Co., to Cunningham, Oct. 30, in Marshall's 35, Nov. 21, 1853, China 8. As to the floating Customs, Bull Nye & Co., later stated, "No one was able to discover its locality"; A. Heard & Co. said the same; and Smith King & Co. stated that "the boats were far off and often without anyone connected with the Custom House on board, not a single officer or inspector could be found on shore." (Letters of June and July 1854 in McLane's 21, China 10). Apparently the boats were actually there, but poorly staffed.

recognize at Shanghai, having been destroyed by the natives themselves, until it has been reestablished and an authority to accept the receipts, in conformity with the treaty, has been replaced and recognised, I consider myself fully at liberty to allow the entry and despatch of the ships of my nation free of all duties." <sup>95</sup> A somewhat gratuitous remark, inasmuch as French merchant vessels never came to Shanghai.

Meanwhile, had a floating Custom House really been maintained or had it not?

The evidence is fragmentary. Wu Chien-chang appears to have moored the Antelope and the Agnes off Putung Point. But he was powerless to prevent the enforcement of foreign neutrality. The Herald had already objected that the "'Antelope' especially, is known to be a crazy craft, and she is not provided with proper magazines for the security of her warlike stores," - and so the Consul should order all Chinese warships out of the anchorage. When the two boats were moored off the Point, the floating custom house so created was only twenty minutes pull from the city and so might provoke a rebel sortie; and Wu Chien-chang's not too well directed cannon, bombarding the rebels from the Putung side, had inadvertantly sent a ball into the Catholic Cathedral south of the city. As a result, it was reported in the Herald on October 29, the French warship "'Cassini' ordered the 'Antelope' higher up the river." On the same day it was also stated that "the Taoutae placed an armed boat opposite the Custom-house which, as likely to lead to collision with the insurgents, has been ordered off by the 'Spartan' [British gunboat] and is now lying in the Soochow Creek." While these actions were not necessarily aimed at preventing the existence of a floating custom house, as such, still they

95. Edan to American merchants, Oct. 29, in NCH. Nov. 12, 1853: also quoted in full in Morse, Submission, p. 14.

were hardly conducive to its functioning. More definite was the Herald's report on November 5, - "We hear that a Mandarin yesterday by the ex-Taotai's orders, attempted to take possession of (and no doubt will attempt again) to establish himself at the Custom House on the Foreign ground. The guard stationed there from H. M. S. 'Spartan' of course defeated the attempt." Later it was again stated that Samqua, established on the Antelope, "was driven away from among the foreign shipping, as a dangerous neighbour." <sup>96</sup> There seems to be little doubt that the functioning of whatever floating custom house the Taotai may have hoped to create was prevented by foreign measures of self defence. The American Vice-consul summed up Wu Chien-chang's difficulties: "Can it be expected that where the collector has no oversight of the great bulk of the merchantmen visiting the port, no notice of their arrivals or departures, interdicted even from sending boats to make inquiries, - for the boats must be armed for their own protection and all armed boats have been turned from the foreign anchorage by the British force, - he will be able to perform his functions with regularity? It is tying a man's hands and feet in the water and upon the result <sup>97</sup> denying that he can swim."

Consul Alcock admitted that the situation was much as Cunningham described it, that there had been "impediments to the efficiency of a Custom House, caused by the measure's taken in self defence and for the maintenance of a neutral position." But he contended that "the free circulation of the Custom House officers in their boats is too obviously essential to its efficient action to be refused . . . if we hold them responsible"; therefore he could not both hold them responsible for an

96. HCH. Oct. 15, 29, Nov. 5, 1853; Jan. 28, 1854.

97. Cunningham to Alcock, Jan. 30, 1854, in Bonham's 38, March 20, 1854, FO. 97/99.

efficient customs administration, by recognizing them, and at the same time continue to maintain neutrality. Later, even Sir George Bonham felt that Alcock was exceeding his powers in thus preserving neutrality by force.<sup>98</sup>

Just at this point, as if to complicate the confusion, the Austrian vessel Robert, which had been in port since October 4 and for which there was no consul, departed on October 29 completely untaxed and leaving no bond behind. Since the American merchants had been instructed to resume cash payments of duty, they were still further alarmed: the taxing of American vessels only, while others went free, would destroy the carrying trade in American bottoms, and they protested to their Vice-consul on October 31 that shippers "under any other flag . . . can clear their ships by granting promissory notes, respecting the payment of which strong doubts are entertained . . ." we have to record our solemn protest against your recognition of a floating custom-house, which may be driven away at any moment, as an act seriously detrimental to American interests."<sup>99</sup>

At this juncture Commissioner Marshall decided to leave for Canton. His reasons, stated later, were many but not clear. He evidently hoped for an interview at last with the Imperial Commissioner, Yeh Ming-sh'en, and "desired to be convenient for the discussion with him of such questions as will spring up under the strange course of the British Consul at Shanghai." His efforts at Shanghai had borne poor fruit and while he was not the man consciously to run away from official and mercantile hostility, he may sincerely have felt that efforts elsewhere, with an Imperial Commissioner, would avail more. His

98. Alcock to Cunningham, Feb. 1; and to Bonham, Feb. 2, 1854, in *ibid.* Bonham to Alcock, Jan. 5, 1854, in Bonham's 6, Jan. 10, 1854, FO 97/99.

99. In Marshall's 35, China 8.

parting reply to the American merchants epitomized his attitude. He denied their demand to be put on an equal footing with merchants of other countries but promised to redress any discrimination which might be directed against them by the Chinese Authorities.

"It is my purpose to perform, punctiliously, every obligation assumed by the United States by the treaty, and to refrain from embarrassing the public administration of Chinese affairs by throwing unnecessary obstacles in the way. No precedent, no example furnished by other powers, will induce me to forego the faithful and honest execution of our plain international obligations."<sup>100</sup>

With the American Commissioner on the little coastwise P. & O. steamer Lady Mary Wood went the British Consul's despatches for Hongkong. Their contents show Alcock in his one moment of weakness. He had just received from his superior a perturbed communication which set forth Bonham's fears that if the Consul "insisted on detaining any ship's papers, the vessel might be thrown on his hands," and enclosed an opinion of the Attorney General of Hongkong who believed the Provisional System to be unnecessary and likely to involve the Consul in a squabble with rival Chinese governments. This was the first opinion which had reached him from higher up, and Alcock naturally felt keenly the magnitude of his personal responsibility, which Marshall's divergent action had now made all the greater. On the morning of November 1 he replied to Bonham, with the greatest regret that he had not been told in the first place of the different course pursued at Amoy and that now "Your Excellency, deeming the steps taken here unnecessary and of questionable legality, . . . should not in the exercise of your Powers . . . have relieved me of all further responsibility." It would be

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100. Ibid.

no reproach to the Consul if his superior should disapprove the continuance of his temporary arrangements. And this would assimilate "the policy followed at the two ports [Amoy and Shanghai] . . . in circumstances so exactly parallel" (sic). Hence he hoped that Bonham would "take the earliest opportunity, by directing the cessation of the Provisional System, of enabling me to abandon a system disapproved though not disavowed." 101

Scarcely had he written this despatch, when the British Consul received from the Taotai a notification similar to that received by the American Consul on October 26, and in fact dated October 26, announcing that Wu had received further orders from his superiors, to establish a temporary floating Custom House.

Now in his first despatch of that morning, Alcock had stated that "if any occasion should offer by the announcement of the Taotai of his readiness to receive the duties - however nominal his establishment may be - to which some negotiations of the American authorities are at this moment tending, I shall feel it my duty to profit by it" and either give up the Provisional System at once or refer its fate finally to the Superintendent. 102 Here, then, was his chance.

Yet in spite of the opportunity thus presented as if in answer to his wish, Rutherford Alcock did not abandon the Provisional System. Perhaps his instinct for effective and orderly administration triumphed over his desire to lay down the onerous responsibility which he appeared to have shouldered. Perhaps there were other considerations now invisible to us. At any rate it must have been clear that a floating custom house, if it were allowed to exist, could function only by sending its official boats, necessarily armed for protection, among the

101. Alcock's 83 to Bonham, Nov. 1, in Bonham's 131, Nov. 10. FO 97/99.

102. In ibid.

British shipping in the anchorage below the city. But Alcock felt that he could no more allow this violation of complete British neutrality (as he conceived it) than he could allow Imperial guards at the Custom house on the bund. A floating Custom House was no place to deposit his responsibility. To Wu Chien-chang he replied, therefore, that since the city was still in the rebels' hands, he must refer the Taotai's application to his superior the Superintendent of Trade at Hongkong, from whom an answer should come in three or four weeks. Meanwhile ships already signed up to clear out under the Provisional System must be allowed to do so. At the same time he wrote to Bonham that the decision as to the Provisional System now lay with him.

103

By the time that he received this, November 6, Bonham's fright had also spent itself and he replied that Wu Taotai's two vessels moored off Putung Point could only be regarded "as a specious and feeble attempt" to secure the duties, and were inadequate to the protection of the trade, which must be "antecedent and correlative to the collection of any duties whatever." Hence they could not be recognized. But the question was a nice one, nevertheless, now that the Taotai asserted he had a Custom House, and it was best to enforce the Provisional System until hearing from H. N.'s Government.

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The volte face was now made complete when the American Consulate quietly returned to the Provisional System.

Commissioner Marshall had departed from Shanghai at a critical moment, leaving Vice-consul Cunningham as solitary champion of the floating customs they had together conjured up. The latter was hardly enamoured of his charge, and saw no reason, in the absence of his doughty superior, for sacrificing his

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103. Ibid.

104. Ibid.

own popularity and the American trade, in order to fulfill a responsibility which none of his colleagues admitted. By degrees he abandoned the position Marshall had assumed. The very day after Marshall left, a member of Russell & Co. asked the Vice-consul, who was also resident head of the firm, if, in case it were true the Austrian vessel Robert had gone quite free, they might have back the bonds they had given for a vessel of theirs, the Mussar, which cleared on the same day, October 29. Cunningham at once circularized the foreign consuls and Wu Taotai and discovered that the Robert had indeed gone quite free. Wu Chien-chang offered the excuse that it had been the first Austrian vessel to visit Shanghai and added in a postscript "as I am at this time much pressed with business, I beg you to do for me what you may think proper respecting the duties of said vessel." To which the American Vice-consul (and head of Russell & Co.) retorted on November 5, "unless you force the consignees and shippers by the Robert to pay their duties, or give obligations for them, I must require of you that you place on the same footing those American ships which cleared at the same time." <sup>105</sup>

Within the month Smith, King & Co. having found merchants fearful lest goods in their American ship Jennet be compelled to pay duties in silver, appealed to the Vice-consul. He thereupon improved the American position, as was his treaty right, and asked the Taotai whether "if she loads, [the Jennet] can pay her duties in notes of hand to you, as English ships continue to do through the English Consulate." The Taotai replied on November 29, "I here give my consent to such a movement." <sup>106</sup>

Having thus slid back, pending Marshall's orders, into the train of Consul Alcock, Cunningham departed for Foochow on <sup>107</sup> business, leaving no deputy other than the assistant in the

105. In Marshall's 33, China 8.

106. Enclosure A in Marshall's 37, Dec. 8, 1853, China 8.

107. Bonham to FO, private, Nov. 11, 1853, FO 17/206.

consulate (presumably Pedro Loureiro Jr., one of the seven assistants in Russell & Co.). Whereupon, as Cunningham phrased it later, "owing to a misunderstanding upon the part of the clerk of this consulate, the latter (instead of the Taotai) received the declarations and notes of the few vessels which subsequently cleared, and without my knowledge the business was transacted in this office as under the provisional system, with the exception of that of the 'Beverley.'" <sup>108</sup> On December 12 the Siamese ship Favorite left the port scot free under the same circumstances as the Robert. <sup>109</sup> Meanwhile American vessels gave promissory notes containing the proviso, "Payable if the sanction of the United States Government is obtained." <sup>110</sup> Thus American vessels continued to be cleared under the Provisional System, and no shipper availed himself of the option of giving a bond to the Taotai. While the Provisional System continued to be applicable to that six-sevenths of the trade of Shanghai which was carried by British and American vessels, the seventh carried by vessels of non-treaty powers continued to go free.

Having been deserted by the Americans, Wu Chien-chang's floating custom house continued to be intimidated by the British, Consul Alcock even demanding that the usual tenor of foreign life - such things as boat practice on the river - be not interfered with. Since an Imperial junk fleet below the foreign anchorage and Imperial batteries on the far side of the river were engaged in investing and attacking the city next door to the settlement, this policy begot no little friction. The Imperialists, engaged in military operations on their own soil against rebel pirates, as the Triads were now conceded to be,

108. Cunningham to Alcock, Jan. 30, in Bonham's 38, Mar. 20, 1854, FO. 97/99. "The collection of the duties was quietly resumed by the American Vice Consul, and in spite of his own notification, the papers of American ships were not given up at the Consulate until the promissory notes were received." (Smith King & Co. to McLane, June 13, 1854, in McLane's 21, China 10). Cunningham's account, summarized above, was reiterated later to the American Commissioner (Cunningham to McLane, May 4, 1854, in McLane's 21, China 10).

and the two hundred and fifty odd foreigners, in an unfortunately strategic position, jealously guarding their lives and several million dollars worth of property from lawless thousands of Chinese, could both allege in support of their respective measures the justification of necessity. At all events, Consul Alcock in preserving the neutrality of the foreign anchorage, excluded from it the boats of the floating custom house and thus by superior force proved what he had contended - that it was incompetent. It soon disappeared,<sup>111</sup> and little or nothing further was heard of it for two months.

Neutrality Violated (the arms trade). Nothing could be more anomalous than the situation which now ensued at Shanghai. The meeting of East and West so often romanced upon resulted in this case in the demoralization of both; and the results were more sordid than romantic. This is one of the least creditable, yet perhaps most typical, episodes of the period here discussed. In the ensuing months of 1853-4 officials became merchants, Imperialists supported the rebels, consuls neglected their trust, neutrals profited from the arms traffic, and in the midst of all this buying and selling of goods and consciences, it became less and less likely that the Imperial Authorities would ever be able to re-establish their authority and so resume the collection of customs duties.

Foreign neutrality was first violated when foreign adventurers entered the fray on either side. To begin with, Wu Chien-chang had added to his navy by hiring fifteen hundred pirate-fishermen from the region of Macao, near his early home, who arrived at Shanghai in the beginning of November in 30-odd drag-net fishing smacks (拖罟船), mounting 360 guns in all.<sup>112</sup>

109. A. Heard & Co. to McLane, May 20, 1854, in McLane's 21, China 10.

110. Cunningham to Marshall, Dec. 24, in Marshall's 38, Jan. 9, 1854, China 8.

Vessels of this sort, as well as fast-crab boats (快蟹船) had already been ordered from Kwangtung to clear the Yangtze of rebels, and in December the Emperor commanded their use at Shanghai.<sup>113</sup> Wu Chien-chang's flotilla was hired for six months at \$8 per man a month. But in the end this venture did not turn out too well, for after a few successes the fishermen-pirates refused to fight their Cantonese brethren and spent their time in plundering and rapine on shore; half the boats were sent back to Kwangtung but the remainder got beyond the Taotai's control and remained as an added scourge on the populace.<sup>114</sup> Meanwhile Wu's officers had not ignored the opportunity offered by the presence of unattached foreign seamen and vagabonds, a fly-by-night and reckless population whose members lived riotously along the Yangkingpang until lack of funds should force them to sea again. As the Imperial fleet continued its operations, burning at one time 1500 houses in Lung Hua (龍華) and other suburbs up the river and frequently engaging the rebel fleet, reports began to appear of the foreigners who were vigorously sailing and shooting for the Taotai. By their help were captured with no little butchery the two foreign vessels Snipe and Glenlyon which the Triads had bought. But the fight was not onesided, for foreigners in the rebel fleet, equally numerous, helped against the Taotai. In a fight on November 3, what with stinkpots, gingals, and solid shot, the Antelope was almost ruined. By that time the Taotai's fleet included, in addition to those already mentioned, the 346 ton barque Sir Herbert Compton, the 143 ton schooner Clown, both ex-opium clippers, the Eliza and a number of Portuguese lorchas. The

111. Bonham's 148, Dec. 9, 1853, FO. 17/205; Marshall to Yeh Dec. 11, in Marshall's 38, Jan. 9, 1854, China 8.

112. NCH. Nov. 5, 1853.

113. THL-HF, bk. XXIII, p. 2 b, Oct. 5; bk. XXIV, p. 2 b, Dec. 3, 1853. Hung-tan ch'uan 紅單船 are also referred to in this connection, e.g. (Ch'ing shih kao) 清史稿本紀 (Pen Chi section), bk. XI, Hsien Feng 3rd Year, 3rd month, day 乙巳.

commanders included Chinese and Portuguese and a certain Robinson, in connection with whom other foreigners were mentioned.  
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Here it should be noted that while western desperadoes were fighting both sides indiscriminately, the missionaries in the foreign settlement had not forgotten their calling either, and continued to enter the besieged city day by day and week by week to preach and minister to their unfortunate flocks.  
116 In the first month of the siege the medical missionary, Dr. Lockhart, whose new hospital had been erected by British subscriptions in 1846 just outside the North Gate of the city, had already amputated for the Imperial cause "two thighs, two legs, two arms, and one foot." In the next six weeks he performed thirteen more such operations, besides innumerable minor services, - dressing, bandaging, housing, feeding, removing balls from and setting bones for an endless flow of wounded, 60 or 70 of whom were always in his hospital. Within the city the doctor saved lives for the Triads also, although their cannon were continually sending solid shot over, around, and even into his premises outside the gate. That this and other places occupied by foreigners suffered no serious injury was most remarkable. One day a rebel gunner on the wall did begin to amuse himself by taking pot shots at the hospital; but Dr. Lockhart "hastened to the bastion where the gun was placed, and called out to the gunner to know what he was about . . . I insisted that he should cease his amusement . . . The man laughed, and said he "did not wish to do me any harm, but as I

114. IWSM-HF X, 27 a, 3; foreign accounts cited note 23 above.

115. NCH, Oct. 15, 23, 1852; Nov. 12, 1853; Lockhart, Med. Missionary, p. 300; IWSM-HF VII, 2 b, 6 states the rebels had bought 3 foreign-type vessels; ibid. X, 27 a, 1 refers to 4 夾板船 foreign-style sailing ships hired by Wu and stationed at Wusung. The Eliza might be the clipper reported landing opium at Singapore 1841 (Lubbock, Opium Clippers, p. 241) or the Anna Eliza built Southampton 1827, entered opium trade 1846 (ibid. p. 384).

disliked it he would not fire any more." <sup>117</sup> Such were the dangers run by those foreigners who as Christians bound up the wounds which other foreigners had just helped to make.

Foreign neutrality was violated perhaps more effectively by those merchants of the Shanghai community who sold food and ammunition to the rebels. For the first year of the siege there was no impediment to noncombattants coming and going between the city and the French settlement adjoining it on the north; and to the strategic difficulty presented by the presence of neutrals, behind whom both sides would hide if they could and by whom both sides would be impeded if possible, there was added this further difficulty: that the blockade of the city could not be made effective. Iliang and Hsu Nai-chao, as Viceroy and Governor, stated the problem succinctly to the Emperor in November 1853, - "because barbarian establishments are spread out in the district outside the walls to the north-east, the barbarians in question think the Imperial troops will approach the North Gate to make an attack, and fear the rebels within the city will in return fire guns and cannon and the barbarian establishments will with difficulty avoid being injured; they hinder the Imperial troops, to avoid their attacking on the northeast. At present along the Yangkingoang and elsewhere there are barbarians on guard; if a few troops go to reconnoitre, even they are not able to find a path to advance on. As to the rebels' rice and grain and gun-powder, it is hard to avoid their being secretly transported by this road to supply their necessities." <sup>118</sup>

Food supplies, to be sure, did not come entirely from

116. Detailed accounts are plentiful, e.g. letters of W. H. Medhurst, NCH Dec. 17; Cabaniss, and Roberts, NCH, Oct. 8; Lockhart, op. cit., p. 323; and even in IWSM-HF, VII, 4 b, 7.

117. Lockhart, Med. Missionary, p. 306.

118. IWSM-HF, VII, 2 a, 8; reiterated, as usual, in Imperial Edict in reply, ibid. 3 b; which is also given in THL-HF, bk. XXIII, p. 24 b, same date, - Nov. 21, 1853.

foreign sources. "When the day's fighting was over, the country people from the neighbouring villages would approach the walls with rice, vegetables, fish and other provisions, which . . . were hoisted over the wall . . . Hundreds of people might often be seen along the top bargaining for these articles . . . This lasted until the Imperialists . . . caught several villagers engaged in the trade, and cut off their ears as a warning to others: this failing, they next beheaded a few and stuck the heads of poles in the road, with labels attached to them, "Traitorous provision sellers."<sup>119</sup> But for a long time rice<sup>120</sup> remained almost as cheap inside the city as out.

With munitions of war it was different. Foreigners could best supply them; and they did so, for a price. It was reported to Peking that "barbarian gunpowder which heretofore sold for three foreign silver dollars a keg has now risen in price to twenty-five or six dollars. It is bought by the rebels at the higher price, treacherous barbarians scheming for profit sell it secretly, without any doubt."<sup>121</sup> Foreign support in armaments went to such lengths indeed that before the siege was over "a deserter from the marines on board an English ship of war," nicknamed the "conchologist," was said to have taught the Triads how to make brass shells, though very imperfectly.<sup>122</sup>

The Imperial authorities were well aware of the foreign assistance which the Triads received, - indeed probably had an exaggerated opinion of its importance. Liu Li-oh'uan had at first issued proclamations stamped with the seal of a foreign trading company.<sup>123</sup> Several of his subordinates had

119. Lockhart, op. cit., p. 294.

120. Letter, Rev. Jas. Johnston, May 6, 1854, quoted in Anon., China and Missions at Amoy, (Edinburgh, 1854) p. 34.

121. IWSM-HF, VII, 2 b, 4.

122. Lockhart, op. cit., p. 322; Scarth, Twelve Years in China, p. 191.

123. Ch'ing shih kao, lieh-chuan 清史稿列傳 bk. 158, cited above.

had contact with barbarians, one of the fiercest of them, Ch'eh Ah-lin (陳阿林), having acquired a good command of English as a mafu, the soubriquet of "Skinner's horse-boy", and a pair of English shoes and stockings. <sup>124</sup> As time wore on and the Triad cause flourished, the provincial authorities began to report instances of foreign obstruction, partly perhaps as an excuse for their failure to recapture the city, but certainly with feelings of real indignation. On January 13, 1854, when the expectant prefect Hsüeh Huan (薛煥) had routed a Triad force, the latter could not be prevented by the foreign guards from escaping through the Yangkingpang region while their pursuers were stopped short. It was reported that the British Consul promptly apologized to Hsüeh Huan, on demand, and was sharply reproved by Wu Chien-chang in addition. Again it was reported that on January 16 the rebels had been on the verge of defeat at the South Gate when suddenly a great many men wearing foreign clothes (身穿夷服多人) rushed out of the gate, hindered the Imperial advance, and so saved the day for the Triads. <sup>125</sup>

One of the first active protests against foreign armament-selling was made by the local Chinese commander in the middle of November, 1853. Having learned that, as the British Consul later publicly declared, "three large guns . . . [were] on their way from a foreign hong to the city for the use of the insurgents," a body of three or four hundred armed Imperial troops, equipped with fire-pots and fire-bags, on the evening of the 14th rushed into the foreign settlement. Others landed from the river and made for the Custom House. Their object was to seize the rumoured cannon and burn the premises in which they might be found. Foreign sailors and marines were landed. The guard posted at the Church sallied out and assisted to

124. Shanghai hsien chih XI, 34 b, 8 陳逆本洋商牧馬夫也; Search, Twelve Years in China, p. 194.

125. IWSM-HF, VII, 10 a-b, report of Iliang and Hsu Nai-chao, rec'd. Feb. 21, 1854.

drive the intruders back." . . . "Several members of the community armed themselves and helped the guards." Near the Fives Court the Imperialists made a stand, fired and were fired upon, and then withdrew to the west beyond the Creek (present east boundary of the Racecourse), leaving six or seven dead. "A few foreigners received some slight flesh wounds."<sup>126</sup>

The next day Vice-consul Wade and Interpreter Meadows of the British Consulate learned from Chierhangah that the troops were not his but those of his subordinate, Hu Sung-lin. Explanations ensued on all sides, Chierhangah claiming (November 18) that rebels dressed as foreigners had fired on the Imperialists first; a British Merchant (was he the owner?) declaring that the three guns were on the point of being taken delivery of by a foreigner from the hong, not by rebels at all; Consul Alcock issuing a notification to his community (November 17) to the effect that the sale of arms to the rebels was forbidden and would be likely to bring destruction upon the settlement but that the opposition of public opinion was the only thing that could stop it.<sup>127</sup>

This last was the most significant statement. No British Consul would relish reporting to Government that his local community were out of hand, and none of Alcock's despatches make so bald a statement. Yet to Wu Chien-chang, or so Wu said, Consul Alcock (阿利國) had spoken of the fact that "the dutiful barbarian merchants of every country hated the rebels' occupation of the city and the confusion they caused which stopped the sale of goods, but were only two tenths (of the community). Those who hoped to evade the payment of duties and

126. NCH, Nov. 19, 1853; Lockhart, op. cit., p. 302. This incident appears to be referred to in an Edict of Dec. 11, 1853, which states that the rebels had bought cannon from the barbarians 又向奸夷購買大礮 (THL-HF, bk. XXIV, 6 b, 4).

127. Correspondence and notification in NCH, Nov. 19, 26, 1853.

supplied the rebels with gunpowder and food, fishing for profit, were actually eight tenths. Their consular officers were few. It was difficult to look after everything."<sup>128</sup>

In confirmation of this situation Wu Chien-chang had already reported a case of which he sent proof to Peking. Some-time in November Wu's men had seized a Ningpo fishing boat, - Ningpo boats were the common carriers around Shanghai, - in which were three barbarians, a straight double-edged sword, sixty guns, forty other swords, all foreign style, a package of foreign saltpetre and a jar of powder. On one of the barbarians was found a barbarian letter bearing the characters T'ai P'ing T'ien Kuo (太平天國), which proved to be from the treacherous English merchant Le-nai-t'u (勒納吐 a foreigner's name) to the rebel chief at Chinkiang Lo Ta-kang (羅大綱) and enclosed a letter from Liu Li-ch'uan. The boatman confessed that the barbarians had hired the boat to carry arms to Chinkiang for sale to the rebels (i.e. Taipings), and that another boat similarly loaded had been following, but escaped. Wen-na-chih (溫哪咭) and the two other barbarians were sent to the British Consul to be punished, the arms were given to the troops, and the letters seized were sent to the Privy Council (軍機處)<sup>129</sup> at Peking.

The question now arises, what was the attitude of the Chinese authorities to this traffic which made the recovery of Shanghai impossible? What in particular was the position of the versatile Taotai Wu Chien-chang?

Here at last it is necessary to uncover Samqua's full duplicity. In July 1854 accusations reached Peking that Wu had all along been in league with both the rebels and the barbarians. In due course these charges were investigated and largely substantiated (April 1855) by Huang Tsung-han, (黃宗漢) the

128. IWSM-HF, VII, 11 b, 3.

129. IWSM-HF, VII, 2 b, report of Iliang and Hsu Nai-chao, rec'd. Nov. 21, 1853.

nearby Governor of Chekiang (later Imperial Commissioner at Canton 1856). Thereby several cats were let out of their bags, - with the result that Wu was condemned and banished (only to rise phoenix-like from his disgrace and come to Shanghai again, as will be noted.)<sup>130</sup>

A certain Ch'eng Kung-shou (程恭壽), holding the office of Sub-director of the Imperial Banqueting Court (光祿寺少卿), acted as censor. He reported that he had heard "that Hsu Hsi-chao's inability to exterminate the rebels was due to the obstruction of the English barbarians. But as to the English barbarians' daring to be reckless and oppressive, - it was really the Shanghai Taotai Wu Chien-chang who was the stepping-stone to this evil, because the rebel head Liu Li-ch'uan was that official's fellow villager and had theretofore managed the Taotai's accounts for him. The entire rebel party were all the said Taotai's trained militia." The impeachment then went on to recount how Wu had been warned of the rising, had fled to stay on a barbarian boat, leaving for the rebels the customs duties and subscriptions in his treasury; how the guileless Hsu had believed Wu could control the barbarians and so had sheltered and then been oppressed by him; how Wu had been in foreign trade at Canton and had been relied on by the high authorities at Shanghai for his knowledge of English, while the barbarians made sport of him; further how the fleet of fishing boats for which he pretended to have paid had actually got out of his control, plundered and rioted on shore, and been supported from customs funds; how customs affairs had been entirely in Wu's hands, he had concocted the barbarian chiefs' plans for them, irritated their merchants into non-payment of duties by letting Cantonese friends go duty free, shipped his peculated gains back to Kwangtung, and generally got involved with the barbarian merchants, who knew all about his crimes.

130. Cf. below, ch. VIII 3.

With the barbarians, finally, he opened the Ch'i Ch'ang (旗昌) company. This was in some ways the climax of the impeachment: for the food, powder and balls of the rebels within the city were supplied by this Ch'i Ch'ang company. <sup>131</sup>

Eventually most of these charges were proved with details too voluminous and too plausible to be lightly dismissed by either Emperor or historian. Samqua's longstanding intimacy with the Triad chief, who knew about the silver in his treasury, and his escape with the help of foreigners, - all were verified by Huang Tsung-han's deputies. So also was Wu's connection with the Ch'i Ch'ang company: Huang reported that "the Ch'i Ch'ang hong (旗昌行) at Shanghai originally was opened by American barbarians. This company had been in business for many years, and so the shareholders and assistants had changed from time to time. At present the barbarian merchants in the company are on good terms with the Taotai, and money also passes back and forth extensively. Therefore, before Shanghai had yet fallen, everyone was talking about the Taotai and the barbarians going into partnership in the Ch'i Chang company." The treacherous merchants supplying the rebels originally were not only the one company of Ch'i Ch'ang; but still, the support given by Ch'i Ch'ang could not be avoided. The report then recited stories of how Wu had released to the company contraband of theirs which had been seized in transit, and on one occasion he was said to have gone to the Ch'i Ch'ang premises in company with Liu Li-ch'uan and thence boarded a steamer in the river to hold a conference with the rebel chief. This last was not regarded by Huang as having been proved, nor had it been ascertained whether Wu, "when he and the American barbarians went into business in the Ch'i Ch'ang company, had a written agreement

131. IWSM-HF, VIII, 15 b, et seq., memorial of Ch'eng Kung-shou, rec'd. July 11, 1854.

or not." But the Taotai's guilt was overwhelming and the  
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 impeachment of July 1854 was amply sustained.

This concludes the evidence except for one item.  
 What was the Ch'i Ch'ang Company (旗昌行)?

The answer to this question ties several threads together. In its List of Foreign Hongs at Shanghai, the Shanghai Almanac for 1854 gives the following: 旗昌 "F'e-Chang, Russell & Co. Griswold, J. N. A. absent, Cunningham, E., Crampton, J., Pierce, G. W., Loureiro, P. Jr." et al., mainly absent.

The pattern is now clear: in addition to befriending the Triad leader and setting pirates to catch pirates with poor success, the Taotai had remained at heart, as he had been at first, a merchant. What more natural than to deal as merchant with his official peer the American Consul, who was also a merchant? The circumstantial evidence, - Wu's purchase of Russell & Co.'s Antelope, his seeking refuge under their roof, his much touted understanding of the barbarians (among whom the British Consul was not his closest friend), his various despatches, - asking Mr. Cunningham to settle the duty question as he thought best, reporting to his superiors that he was secretly conspiring with the American and French barbarian chiefs in order  
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 to isolate the power of the British, - all this and more besides indicates personal relations of some sort with the American Consul. The evidence is not entirely limited to circumstance: a letter from an American, "O. P. Q.," in the Hongkong Register of November 8, 1853, asks the American Consul point-blank: "Did you not sell your opium-clipper the Antelope to Samqua? Did you not furnish her sails, stores, and armament? Was she not fitted for service by a person in your employ? Did

132. IWSM-HF, X, 25 a, et seq., report of Huang Tsung-han, rec'd. April 4, 1855.

133. IWSM-HF, VII 20 b, 6, memor. of Hsu Hai-chao, rec'd. April 3, 1854.