

you not charter to Samqua your opium-receiving barque, the Science, with her armament, crew, and Captain? Did not the Science hoist Samqua's flag and proceed up the Yan-tze-kiang for the purpose of aiding the Imperialists?"

In extenuation of Mr. Cunningham's double violation of neutrality, - if he simultaneously helped fill the Taotai's pocket and Liu Li-ch'uan's stomach, - it should be noted that he ceased to be Vice-consul in charge after the arrival of the first full-time American Consul to China, - P. C. Murphy, - on February 15, 1854.¹³⁴ Any actual business relations between Wu and Cunningham, or perhaps between Wu and the latter's assistants, may have been established after that date. But at the very least it would appear that the Emperor of China's official delegate and the President's late representative accredited to Shanghai were both engaged in making money by the support of rebellion directed against the Emperor.

Let Consul Alcock again sum up the situation. Writing anonymously two years later he said: "There were acts of foreigners at Shanghai, - in which some at least of the parties concerned were merchants, and persons of more or less repute, - for which it is impossible to set up any valid defense in the eyes of the Chinese, or indeed any impartial person, - some acts

134. NCH, Feb. 18, 1854. A recent writer in the New Statesman and Nation, London, quoted thence in the Peking & Tientsin Times (July 12, 1934), the Living Age, NY. (Aug. 1934) and the Chinese Republic (Oct. 13, 1934), states that "Mr. Cunningham . . . in his capacity as American Consul during the Taiping Rebellion, placed his services at the disposal of the Emperor, and at the same time, in his capacity as head of the firm of Russell and Co., sold the rebels not only arms but also a couple of warships." The writer in question ("G. H.") then tells how, during the Shanghai siege in September, 1853, some of the shells sold by Montigny and Remi to the Taiping rebels exploded in the garden of the French Consulate, "damaging not only the building but the French Cathedral." As sometimes happens in journalism, the idea here is no doubt correct while the details are askew; for the month was not September, Montigny had left Shanghai several months before, the rebels were not Taipings, and the French Cathedral was over a mile from the Consulate.

springing from licentiousness, others from the indulgence of an ill-regulated sympathy with a people assumed to be battling for civil and religious liberty and against a worn-out despotism (the "people" being a horde of the greatest ruffians in China . . .). Others helped the people for profit, and thus, open sympathy, counsel, food, guns, and ammunition, passed daily from a foreign settlement, held sacred from the intrusion of imperial troops on the ground of absolute neutrality, into a blockaded city, with the professed object of prolonging the defense against the "Emperor's forces!"

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And so, as long as the Taotai did not control the customs and the settlement boundaries sufficiently to prevent foreign goods reaching the Triads, he could not reestablish his political authority at Shanghai; but so long as he could not reestablish his authority, Alcock would not allow him to resume control of the customs. This circle was none the less vicious because the Taotai helped to preserve it.

135. Alcock in Bombay Quarterly, April 1856, p. 244.

3. The End of the System - The Reinstatement of the Taotai.

Although the situation described above lasted almost until the recapture of the city in February 1855, the Provisional System came to an end a year earlier. Opposition from both the Chinese and American authorities began in January 1854 to assume energetic form. Fortunately instructions from London arrived in time to afford Consul Alcock a graceful exit, and a Chinese Custom House under Wu Chien-chang's authority resumed the collection of duties in cash on February 9, 1854.

Pressure from the Chinese side to abolish the Provisional Rules appears to have been applied chiefly by the local authorities. Their superiors in Peking were not the initiators of Chinese policy, but rather the sounding board from which the Viceroys' and Governors' opinions were echoed back to them. Particularly in the autumn of 1853, when a Taiping horde had entered Shansi and was still advancing toward the Capital, the Court and its Boards and Ministers could have but little concern for a distant seaport. Although the reports of the fall of Shanghai reached Peking before the end of September,¹³⁶ an Imperial Edict of October 20 still regarded sweeping the rebels out of the city as merely a first step in the larger campaign against Nanking.¹³⁷ When the barbarian merchants' selling of supplies to the rebels was reported to Peking in November, the resultant Imperial Edict to the Privy Council was in the usual general terms: Shanghai is an important port: means must be devised to control the barbarians and prevent their collusion with the rebels; whereupon the

136. THL-HF bk. XXII, 24 a. (Edict of Sept. 28, 1853).

137. Ibid. bk. XXIII, 10 a, 12: (Edict of Oct. 20, 1853):

計上海土匪指日掃除 etc. Cf. also Edicts of
想許乃創於事竣之後
Nov. 1, and Dec. 3, 1853, in Yen Tsung Hsien Huang-ti sheng hsun, bk. LXXIII, 3 b, and LXXIV, 1 b.

vagabonds in the city can be invested and their support cut
 138 off. This hope was reiterated by Iliang and Hsu Nai-chao
 in a report which reached the Emperor on February 21, 1854,
 some time after the events about to be described: the Viceroy
 and Governor also assert in this report that means must be
 devised to control the barbarians and stop their rejoicing at
 China's misfortunes. But at the end of their report they men-
 tion a practical program: "Wu Chien-chang thinks that it is
 necessary to send a secret despatch to Fukien, Chekiang, and
 Kiangsi to issue circular instructions to the merchants trans-
 porting Hachow silk (湖絲) and teas, that if there are any
 bringing their goods to Shanghai for sale all are to be stopped;
 that after the recapture of the city it will then be permitted
 to bring goods and sell them as before. The barbarian chiefs
 will lose their normal profit and necessarily desire the speedy
 recapture of the city. Naturally they can make strict official
 enquiries about the treacherous barbarians who help the rebels,
 and certainly this will make them draw in their horns." Hsu
 Nai-chao had already written secretly to the Governor of Che-
 kiang (Huang Tsung-han) and the Governor of Kiangsi (Chang Fei
 張芾) to examine into the matter and act accordingly. 139

In actual fact the policy thus tardily enunciated in
 the official correspondence had already been put into practice,
 at least in form, sometime between November and January.

In November a foundation had been laid. When three
 representatives of the American firm of Smith King & Co., bring-
 ing back tea from Hangchow, had their teas detained by Imperial
 troops at Sungkiang Fu, Mr. David O. King as Prussian Consul
 issued a pass allowing the goods to be brought on, but to no
 avail; Wu Chien-chang was then applied to and on November 21
 he admitted that he had been able previously to help the Ameri-
 can Consul secure the release of goods similarly detained, by

asking Chierhangah to give the necessary order. But recently he had received a despatch from the Viceroy and Governor stating that northern and southern stations had been reestablished on the trade routes leading to Shanghai, and that all dutiable goods passing those stations from Shanghai must be accompanied by a document from the Superintendent of Customs, while native tea and silk merchants coming to Shanghai must either report at the north or south station or at Wu Chien-chang's movable office. To foreign merchants applying through their consuls a pass would be given to protect their goods against detention.¹⁴⁰

In other words, inland stations had been established at which if so desired the trade of Shanghai might be taxed, - a step which had been foreshadowed in October, - but the channels of trade had not yet been blocked or diverted from the port.

In December a further step was taken, at least on paper, toward making this extra-treaty-port taxation effective. In a proclamation dated January 12, 1854, addressed to the Chinese merchants and not made known directly to the foreign consuls, it was stated that Wu Chien-chang had written to Hsu Nai-chao, asking that the Governors of Chekiang and Kiangsi be requested to prevent silk and tea merchants from bringing their goods into Kiangsu, and that the Hangchow custom house ("Pihsin Kwan," 北新關) be instructed to stop all goods on the way to Shanghai until peace should be restored. On December 21 the official issuing the proclamations had learned from the Governor of Kiangsu that he had already done as requested by Wu Chien-chang, and therefore it was now notified to all customs subordinates, authorized brokers, and others that goods bound for Shanghai must be stored for the time being until the rebels

139. IWM-HP, VII, 12 a, 6-9.

140. Wu to Alcock, Nov. 21, in NCH, Dec. 3, 1853.

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should be defeated.

It seems plain that these steps just outlined, taken in December and January and reported in the North China Herald and British records, are the same as the steps of which the Emperor learned in February, recorded in the I Wu Shih Mo and noted above. The time lag is instructive: the normal speed of correspondence, slow as it was, seems to have been made even slower by the disordered state of the country. At all events, involved as Wu Chien-chang may have been in lining his own pockets at the expense of the Imperial cause, it seems evident that he was actively engaged in trying to break the Provisional System. No doubt he saw that foreign mercantile opinion was growing daily more opposed to paying up the promissory notes which had been taken by Alcock and Cunningham. By shutting off the trade of Shanghai he could force Alcock to abandon the Provisional System and reinstate him as customs collector with authority adequate to his task, whereas if the System continued to operate the evasions under it would steadily increase. Consul Alcock was aware of this also, and on January 14, 1854, he drew Wu's attention to "the rumour that duties were being evaded by vessels loading at Woosung, - an act which he, the Consul, had no staff to detect or power to prevent, and which, if unnoticed by the Chinese Authorities, would render the provisional rules inoperative to their intended end. . . . Wu replied, complimenting the Consul upon his vigilance, and proposing that all ships entering should be ordered by the British Consul to shew their manifests, either at Woosung or on board the 'Agnes' . . . off the Settlement, in which case he would send linguists to supervise the discharge of cargo, - their return of import duties to be filed at the Consulate, and for exports a bond handed to the Consul, to be by him reported to Woo, and by Woo to the High

141. This proclamation appears in translation in NCH, Feb. 11, 1854 and in Bonham's no. 34 (FO. 97/99), but in the latter version emanates from Wu, Superintendent of Silk Revenue

Officers, who would credit it to the Government accordingly." ¹⁴²

But before this proposal, which merely showed "the laxity of the Chinese officials," could be replied to, the Provisional System was under attack from another quarter.

Humphrey Marshall's motives at this time sprang from different sources than the Taotai's but aspired to the same ends, - the abolition of the Provisional System. While at Canton in November and December Mr. Marshall had viewed with alarm "the insidious approaches to the acquisition of power which Great Britain is making at Shanghai." ¹⁴³ Vice-consul Cunningham

apparently did not disclose to him until the end of December that American vessels were clearing under notes identical with the British, and so meantime Marshall had protested to the imperturbable Viceroy, Yeh Ming-ch'en (葉名琛), that American ships alone paid their duties, whereas French ships went free. Actually, there was no French shipping at Shanghai, and the Commissioner in his own mind chose to regard promissory notes as equivalent to specie. But on the strength of such arguments he decided to declare Shanghai a free port for American vessels. His motive seems to have been jealousy of Great Britain, for he did not anticipate a return to collections by the Chinese and he must have foreseen that American ships gone free would be the best excuse for not paying the promissory notes already given. ¹⁴⁴

141. (Cont'd) at Hangchow, (explained to be "an official sent annually from the Court. . . to superintend the revenues collected for the privy purse," perhaps the chih tsao (織造), cf. Meyers, The Chinese Government, no. 325. In both versions the proposal is made by Wu Chien-chang. In Iliang's official biography (Ch'ing Shih Kao Biographies bk. 158) he himself is given credit for the policy.

142. Wade to Alcock, May 1, 1854, in Alcock's 45 to Bowring, in Bowring's 182, FO 17/309.

143. Marshall's 37, Dec. 8, 1853, China 8.

144. Dr. Tyler Dennett's encomium of "the battle which Marshall had undertaken at Shanghai in defence of the Imperial revenues" (Americans in Eastern Asia, p. 221) seems a little undeserved. Marshall confessed (no. 38, Jan. 9, 1854), -

While waiting for Yeh to acknowledge the justice of his arguments, and hence of American free trade, Marshall directed Cunningham on December 13, because of the free departure of the Robert, to "retain at the Consulate all obligations taken for duties on American shipping since the 4th day of October, [i.e. since the time when the Robert entered Shanghai untaxes] until further advice." Finally, before hurling his thunderbolt, he wrote to Commodore Perry on December 26 ("confidential" "6 A.M.") that Yeh had given no sign, Shanghai would be declared a free port for American vessels, and "in the desperation to which such an order may reduce the Imperial officers at Shanghai, I cannot foretell the kind of remedy they may attempt to apply . . . but most probably it will be one of force." Could the Commodore accompany him to Shanghai and Nanking in a steamer? - Commodore Perry was sorry that plans for Japan were already in operation; and Marshall's ultimatum started for Shanghai alone, 145 under date January 4.

The Vice-consul's reaction to it remains obscure. Through Cunningham's tardily reported inadvertance, as Marshall failed to grasp, there had been no inequality in the conditions of payment by British and American ships. Hence the American official could hardly turn upon his British colleague with a sudden grievance. No doubt he had a guilty conscience. At all events, on January 14 the long-vanished floating Custom House, which so far had cleared no ships of any sort, suddenly returned to official life. On that day, the Taotai received for the

144. (Confidential) "I am sure I wish the British and French authorities may continue to . . . refuse to acknowledge the right of the Chinese . . . to collect duties; for that position submitted to by China defines my right clearly, under the second article of the treaty to treat Shanghai as a free port." Marshall imagined that Great Britain would do likewise, "and thus she will add wrong to wrong, while my course will give me all the advantage without ever exposing me to a charge of violating the treaty."

145. Marshall's 38, Jan. 9, 1854, and enclosures, China 8.

146. Form of bond not mentioned in Marshall's despatches, but given in Bonham's no. 38, Mar. 20, 1854, FO. 97/99.

American ship Beverley, A. Heard and Co. consignees, a promise to pay duties "provided the duties are collected from all Foreign ships which have loaded or discharged cargo at this port since the 7th September 1853 with the sanction of their respective Governments." ¹⁴⁶ For this note Wu Taotai gave a port clearance, for which the Beverley received its papers from the United States Consulate. It did not sail until January 18. Apparently the shippers had obliged Cunningham by giving Wu Chien-chang a note which had no more validity - whether or not the Taotai knew it - than the notes given under the Provisional System, but which would testify to the existence of the system which Marshall had commanded in October. ¹⁴⁷

Two days later, on January 16, Vice-consul Cunningham acted on a clause of last resort which Marshall had inserted in his ultimatum. He asked Alcock if he would agree, in Marshall's words, to "the administration of Customs by the Chinese Superintendent on a credit system, the obligations being given at the

146. (See preceding page)

147. This inference is supported by a subsequent statement of A. Heard & Co. (to McLane, July 19, 1854, in McLane's 21, China 10), that "vessels continued to clear by depositing notes at the U. S. Consulate until the 14th January, when our notes for clearance of the 'Beverley' were refused at the Consulate and after great difficulty and some personal risk, we succeeded in finding His Excellency Woo Taoutae (in the Cann on the Soochow Creek), who received our notes and granted a grand Chop.

"Further, as regards the case of the 'Beverley,' we must observe that at the time the U. S. Consul refused to accept our notes in clearance of her, and referred us to the Chinese Authorities, he must have been in possession of Colonel Marshall's instructions to declare the Port Free, as he published the declaration three days afterwards, and no vessel had arrived from the South in the interim.

"We therefore think it but justice that the 'Beverley' should be placed upon the same footing as the 'Oneida,' which loaded at the same time, and was allowed to leave without paying any duties, or granting any obligation."

(The Oneida was despatched by Bull, Nye & Co. The above letter, perhaps discreetly, omits to mention that, at the same time as the Oneida, the Science was despatched by Russell & Co., the American Consul's firm).

Custom House by the shippers directly and absolutely, and without reference to the will or upon a condition over which another government has control."¹⁴⁸

To this terse proposal Alcock replied as briefly next day, that "without very clearly understanding the purport of your letter, I am unable to answer distinctly, [but] whenever an Imperial Custom House is reestablished here, British consignees will be required to pay their duties in the manner set forth by our treaty."¹⁴⁹

Cunningham explained. Marshall still recognized the validity of the (floating) Custom House "as reestablished at this port by the Taoutae Woo upon the 31st October" (and as witnessed officially by the Beverley's note of January 14). He considered that Alcock's action in letting vessels leave port "upon payment of a note which is not an absolute obligation," since payment depended on the sanction of the home government, broke the treaty provisions for payment of duties. Therefore, he argued, under the most favoured nation clause, "American vessels [also] are released from such payment." But to find an alternative for letting American vessels go free, he proposed that the other treaty powers should "recognize the existing custom house and allow payment to it of the duties upon their shipping in notes of hand . . . without any provisional clause as to payment" whereupon the United States would follow suit, and "the duties will be actually paid," but not so as to furnish cash for the civil war in which foreign neutrality had been declared.

Having sent this on January 17 Mr. Cunningham waited two days. But the American vessels Oneida and Science (Russell and Co.) were to be cleared; he had received his orders from

148. Correspondence enclosed in Bonham's 38, March 20, 1854, FO. 97/99.

149. Ibid.

Marshall, and must take action. Alcock's views seemed to him definite in any case, and so without waiting further for the British reply, the American Vice-consul on January 20 notified to American citizens his instructions from Marshall to deliver up the papers of American ships without requiring a "Chinese Custom house clearance as long as vessels under other foreign flags are allowed by the Chinese" to clear under the Provisional System. "The moment the custom house regulations are enforced upon all foreign vessels, a return to them will be required" ¹⁵⁰ of American vessels.

This isolated action further denied that concert which had never existed in fact and to which Marshall had never felt himself bound. The Provisional System had reached a second and more severe crisis. For whereas Marshall's attack in October 1853 had been with his own weapon, - a return to payments to the Chinese custom house, - his attack now, in January 1854, was with the heavy artillery of the merchants - a declaration of free trade. The System had withstood his former buffet, dealt in the name of the treaty; but this one, because it was in the interests of freer trade as well as of Marshall's anglophobia, must prove mortal. Just at this crisis, however, the four and a half months cycle of correspondence to London was dramatically completed, and Consul Alcock received Clarendon's instructions of November 1853.

Under date January 14, 1854, Bonham enclosed copy of those instructions entire, noting that they supported his course at Amoy and desired Alcock's responsibility to end as quickly as possible.

"Lord Clarendon, however, obviously argues under the impression, derived from clause 5 of your Provisional Rules, that you are collecting the duties in specie and as such is not

the case, and as I conceive the present guarantee system can prove no hardship to the honest merchant, . . . I prefer for the present and until I receive further instructions . . . to postpone coming to any decision as regards the abrogation of the Rules." ¹⁵¹ Hence, continue them temporarily. Scarcely had Bonham sent this, however, when information reached him "that Colonel Marshall . . . had forwarded a circular for publication at Shanghai, releasing his fellow citizens from" duty payments. Sir George at once instructed Alcock to meet any such publication with one "placing British ships and merchandize on the same footing." At the same time, in a private note, he cautioned him "not to follow too hastily such a precedent," because the Chinese might retaliate with inland transit ¹⁵² duties.

Fortified by these despatches from London and Hongkong Alcock could now see his way. Both the merchants and the Chinese were becoming restive. Four British vessels had already gone free from Wusung. Other evasions of consular authority were being planned. It was time for the Provisional System to die respectably, at the hands of its creator. The main problem was how to kill it gracefully. On January 26 in a closely reasoned analysis to Cunningham, Consul Alcock reviewed the career of the System. It had been the result of a conference with Marshall, sought by Alcock as evidence of his desire for concert, at which "a perfect accord as to principles and measures" had been reached. "The reservation of the duties pending the decision of the Home Government was the declared object" of the System then devised. From this Alcock reasoned that the credit system proposed by Cunningham would modify the original ground "taken in concert, of reserving not only the duties but the power of

151. Bonham's 13 to Alcock, Jan. 14, in his 15 to Clarendon, Jan. 23, 1854, FO. 97/99.

152. Ibid.

the Home Governments unfettered by the acts of their representatives to decide upon the question of final payment." If the Chinese Custom House were to be recognized it could only be recognized as competent under the treaty, in which case establishing a credit system also, would merely violate the treaty. But Alcock saw no change in local conditions which would as yet justify recognizing the competence of a Chinese Custom House.

Having thus scorned a credit system, Alcock next hotly denied Cunningham's implication that his course under the Provisional System had forced the Americans to deny treaty payments in self-defence, in order to compete on equal terms with the British. "The grievance lies the other way," said he, because the American recognition of an incompetent custom house allowed infractions of the treaty to the prejudice of shippers under the Provisional System. Wu Chien-chang's announcement of the competence of his floating Customs in October "can only be regarded as a piece of fatuity on the part of a Chinese official sore pressed," hoping to get funds for the war. The departure of a ship like the Beverley, giving the Chinese Customs an obligation to pay under impossible conditions, made even the conditional obligations given by British shippers disadvantageous to them.

The only middle ground, in short, between the Provisional System and the "repudiation of treaty obligations laying us open to the injurious suspicion of taking advantage of our own wrong . . . is the reestablishment of the Custom House on its old footing and in its proper locality. I am ready to cooperate with you . . . to promote this desirable end." If Wu would reopen his Custom House without demanding armed guards for it, Alcock would seek Bonham's approval of it. This step was possible now and not before because the Triads were known to be local insurgents only, and foreign neutrality between Emperor and Taipings no longer dictated the exclusion of the Imperial

authorities from the Foreign Settlement.

Alcock's statement indicated more clearly than ever that the prime obstacle to Anglo-American cooperation had been throughout the fact that each side, in nominally cooperating, had nevertheless conceived and acted upon its own meaning of the term Provisional. His broadside drew from Vice-consul Cunningham on January 30 an equally long and closely reasoned vindication of American policy, beginning with a reference to the disinclination of American officials to interfere in Chinese Custom House affairs, which had made them ready in October to recognize the Taotai's seal. Non-cooperation had been mutual. If Great Britain had recognized the floating Custom House, it would not have been incompetent. But, be that as it may, Cunningham would be "much pleased to join in the suggestion to Woe Taoutae to refit the Co: House building in the foreign settlement and establish himself under the protection of his own force."¹⁵⁴

It happened, fortunately, that only two British vessels were in port, and they had already commenced loading under the Provisional Rules. The tea and silk seasons were over and a change back might be made without upsetting the export trade. When it came to the actual reinstatement of the Chinese Customs, however, Alcock, after ascertaining the capacities of the Taotai, who perhaps refused to meet his conditions, became less anxious for the "reestablishment of the Custom House on its old footing and in its proper locality," i.e. in the heart of the settlement. His formal request to Wu Chien-chang on January 30 merely asked him "to state how soon you will be enabled to establish the Custom House in a fitting locality and on the footing provided by Treaty." On the same day he

153. Enclosures in Bonham's 38, FO 97/99.

154. Ibid.

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notified the American and French consuls of this action.

Wu Taotai replied on February 6 that his temporary Custom House was established on the north side of the Soochow creek, outside the settlement on the far side from the city, and would open for business February 9, 1853. No explanation is given in the despatches, but apparently Alcock still viewed with alarm any admission of Chinese guards into the settlement. On the next day, February 7, the foreign community heard of the Chinese official proclamation already noted, which had been issued on January 12 and which directed that native dealers be deterred from coming to Shanghai with tea and silk and that the Customs duties be levied inland and the goods stored, till Shanghai be retaken. This proclamation, which threatened just such a stoppage of trade as that which Marshall's assurances to the Viceroy had helped to stave off in September, may have been produced by Wu Chien-chang at this point as a form of persuasion. At any rate it lent an air of necessity (even though not mentioned) to the joint notification of the three treaty-power Consuls, Alcock, Cunningham, and Edan, which confirmed the reopening of the new Custom House on February 9, and which Alcock published to the British community on February 8.

The Results Attained by Foreign Consular Administration. After an interregnum of five months, nearly the whole of one season, the Taotai had now been reinstated. The new location of his Custom House, outside the Settlement, and the hostility of the merchants, accustomed to what they regarded as the free trade of the Provisional System, boded ill for his future collections. He was formally reinstated, nevertheless, and could take stock of the results of the foreign stewardage.

155. Enclosures in Bonham's 29, Feb. 10, 1854, FO 97/99.

156. Enclosures in Bonham's 35, FO 97/99.

Between September 9, 1853 and February 9, 1854, 84 foreign vessels had departed from the port of Shanghai, not counting four or more British ships which had gone free from Weesung.¹⁵⁷ They amounted to some 42,000 tons of shipping under the flags of 9 foreign nations; and the duties normally due upon them would have been some Tls. 887,000. No one of them had paid duties in specie. Nine of them had given no promise to pay. The rest had given declarations and promissory notes to their respective consuls, except one (Beverley) which had given a mocking promise to the Taotai. What were the Taotai's chances of collecting the duties due to China from these vessels?

Of the total of 84 ships, 45 were British and 28 were American; none at all were French. Consul Alcock held promissory notes for all 45 British ships, for duties amounting to Tls. 478,300, or well over half the total collection possible.¹⁵⁸ After receiving from home the opinion of the Board of Trade, he had, however, notified the Taotai in accordance with that opinion that "British merchants are not to be required, unless the trade of all other nations since the capture of Shanghai be shown to have been equally taxed, to make payment of the duties ordinarily leviable."¹⁵⁹ This proviso, so logical and just in London,

157. The following summary is based upon the British and American reports, which generally agree: Alcock's "Abstract Return of all Foreign Vessels which have left Shanghai with or without payment of Duties since the 7th September, 1853" (in Bowring's 55, June 12, 1854, FO 97/99); Murphy to McLane, Shanghai, July 30, 1854, and voluminous enclosures from American merchants (in McLane's 21, Nov. 25, 1854, China 10); letters of Shanghai (British) Chamber of Commerce to Alcock, Feb. 10 and Mar. 1, 1854 (in Bonham's 35, Mar. 10, 1854, FO 97/99; also in ECH, and quoted in Morse, Submission vol. II, p. 16); Cunningham's consular report, Dec. 31, 1853 (in Parker's 2, Feb. 22, 1854, China 9). The American settlement is reported in ITSM-LH XIII, 26 a.

158. Tls. 478,300 would be normally about \$160,000; but the complexities of exchange at this time at Shanghai forbid offhand calculation. of Morse, Conflict, p. 468 et seq. Bonham was "credibly informed" that the bonds held by Alcock amounted to \$250,000, in January (Bonham's 15, Jan. 23, FO 97/99), and Alcock later estimated them at more than half a million dollars (Bonham's 29, Feb. 10, 1854, FO. 97/99).

was a mockery in Shanghai, for flags of non-treaty powers were outside the scope of the treaties, just as they were beyond the weak grasp of the Taotai, whose hands were tied by the enforcement of foreign neutrality. Seven vessels had departed under such flags, leaving no declarations or promises of any kind.¹⁶⁰ Four or five others had left under flags of non-treaty powers giving declarations and promissory notes, which generally contained an impossible proviso.¹⁶¹ Finally, Marshall's effort to force the hand of the British had further damaged the Taotai's chances. In addition to 25 ships cleared by the American Vice-consul under declarations and promissory notes similar to those for British ships, one American vessel (Beverley) had cleared under a bond to the Taotai containing a proviso impossible of fulfilment, and two more (Oneida and Science) had gone entirely free after Cunningham's declaration of free trade on January 20. Under these circumstances it was impossible to fulfill the conditions of equal duties upon all, demanded by the Board of Trade.

Nevertheless, if the promissory notes were held valid, the amount of duties evaded under the Provisional System - "under the best Custom House this port has ever seen", as Alcock phrased it - would be, according to his estimate, less than ten per cent of the duties legally due on the total trade. This compared very well indeed with the efficiency of the Chinese Custom House in its best days. Moreover, "the declarations made by the shippers . . . have been far closer to the truth than any

159. Alcock to Wu, Jan. 30, in Bonham's 29, Feb. 10, FO 97/99.

160. They were: 1 Austrian vessel (Robert, Oct. 29), 2 Spanish (San Benito, Aurora), 2 Siamese (Favorite, Siam), - for all of which there were no consuls at Shanghai; and 2 Prussian vessels (Ereussischer Adler, Belliza) for which D. O. King of the American firm of Smith King & Co. was Consul.

161. They were: 3 Dutch vessels (Syren, Hydroose, Willem de Berst) through T. C. Seale as Vice-consul; 1 Hamburg (Emeralda) through Wm. Hogg as Consul; 1 Swedish, consul uncertain. The British merchant-consuls evidently followed the British Consul's example.

Custom House Manifests as these are ordinarily filled in here," as was only to be expected when foreign merchants dealt with their own consuls, in the same language and consciously upon their honour, and this also had insured greater equality than usual in the conditions of trade. The Taotai's chances of collecting the back duties thus became a matter of interpretation for the British and American Governments to decide.

From the point of view of the British Government, mindful always of the interests of British trade, the Provisional System had served its purpose well. In the five months during which its existence had helped to keep the port open and the trade free from inland exactions, there had been shipped from Shanghai to England "not less than 18,000,000 lb. of tea and some 27,000 bales of silk, representing a trade of at least £2,000,000 sterling; and a revenue to the British Exchequer little short of the same amount." A part of this, if Shanghai had been closed, might have been diverted through other ports, but only at added cost and trouble. In any case, the interests of British trade had been served. But, "whether our national good faith may stand the better, or the large amount of duties guaranteed ever be paid, may both perhaps, but especially the latter, be less clear than could be desired, or I had once hoped. This other and unquestioned fruit of the course adopted [i.e. the exports noted above] will in any case remain and is of too much importance in reference alike to British trade and Revenue not to have been worthy of any effort it may have cost."

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Similar feelings might have been expressed by an American administrator, if there had been one on the spot, for in the last six months of 1853 the American trade at Shanghai had reached a total value of over \$5,250,000, the greater part of which was in

162. Alcock's 16 to Bonham in Bonham's 35, FO 97/99; reiterated in Alcock's 42 to Bowring, April 3, 1855, in Bowring's 179, FO 17/309.

163. Alcock's 16 to Bonham, Feb. 14, in Bonham's 35, Mar. 10, 1854, FO 97/99.

exports of tea (\$2,303,000) and silk (\$1,807,000).

Humphrey Marshall had sailed for home on January 27, 1854. No elaborate farewell attended his departure, although Viceroy Yeh availed himself of the occasion to "trust that of late his blessings have been increasingly tranquil." ¹⁶⁵ Just the day before, Alcock at Shanghai had agreed to abolish the Provisional System; but the Commissioner did not yet know of his final victory. He left with the same grievance over the non-cooperation of the United States Navy, and the same jealous distrust of the insidious and ulterior designs of Great Britain, which he had nourished during his year in China. His ideals had been both high and patriotic, but his policy, partly because of the limitations of his consular establishment and of his own experience and resources, had been inconsistent and impracticable. In the duty question he had set out to maintain the faith of the American treaty by means of the Provisional System, a strictly temporary measure, as he conceived it. Finding that the British version of it was not equally temporary, and believing it to be an attempt to rob China, he had combatted it, first by supporting the Tsotai, finally by denying the treaty. But each of these attempts to combat the System and preserve the duties to China had in fact decreased the scope of the system and so weakened China's legal claim to the duties collected under it. His policy, in the last analysis, had been based on two important and false assumptions, derived from his inexperience and his prejudice: one, that Wu Chien-chang's Custom House could be competent without strong consular support; the other, that British official policy in China in 1853 aimed at selfish

164. Enclosures 15 and 16, in Parker's 2, China 9.

165. Yeh to Marshall, Jan. 23, in Marshall's 39, Jan. 25, 1854, China 8. Humphrey Marshall was a Brigadier-General in the Confederate Army, and "one of the first Confederates whose disabilities were removed by Congress," (Appleton's Cyclopaedia of American Biography, p. 226).

political aggrandizement, which cannot be inferred from the
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 British correspondence.

For five months Rutherford Alcock had virtually administered the customs affairs of Shanghai. In spite of severe illness and in the midst of civil war and armed neutrality, he had set himself a course in opposition to the demands of the community under his charge. To this course he had adhered in spite of the active dissent of the American Commissioner to China and the wavering support of his own superior at Hongkong. In this way he had done his duty as an official appointed to safeguard British trade; and as an individual he had followed his administrative genius. It must not be thought, however, that Alcock at this time strove consciously for a reform of the Chinese customs administration. In laying down his responsibility he wrote with evident relief, "As regards the present and future alike our course is now clear, the reestablishment of a Custom House fully recognized on the part of the three Treaty Powers relieving Foreign Consuls of all further responsibility. Nor even should the Imperialists again be driven from the Port, is it probable, after past experience, any attempt will in future be made by the former, to supply the place of the authorities, or in any way to meddle with the collection of duties." ¹⁶⁷ This statement is particularly interesting in view of the fact that it was Alcock who led the way six months later in installing Foreign Inspectors as Consular deputies to run the Shanghai Custom House under the aegis of the "taotai.

166. "Her Majesty's Government have no exclusive or selfish views as regards China. They desire that all the nations of the civilized world should share equally with them in whatever benefits, commercial or political, circumstances may enable them to secure for the British Nation in the Chinese Empire. They have nothing to conceal as regards their policy." (Clarendon's instructions to the newly appointed British Plenipotentiary, Dr. Bowring, no. 2, Feb. 13, 1854, FO 17/210, quoted in full in Morse, Conflict, Appendix 2, p. 670). A policy of cooperation with France and the United States had been followed by Clarendon since the beginning of 1853, and there is no evidence that Bonham ever attempted a course of his own.

167. Alcock's 16 to Bonham, in Bonham's 35, FO 17/210

VII The Creation of the Foreign Inspectorate
of Customs at Shanghai. (I)

Few institutions of equal importance have come into being more quickly and unexpectedly than the Foreign Inspectorate at Shanghai from which the Chinese Maritime Customs Service later developed.

On the morning of July 12, 1854, three young men, an Englishman, a Frenchman and an American, entered the house on Soochow Creek which then served as a customs office and began their duties as employees of the Chinese Superintendent of Customs. Just three months before, one of these young men, Thomas Wade, had led the Shanghai Volunteers in a pitched battle against a Chinese army commanded in part by the very Superintendent of Customs who now employed him. At that time he had been British Vice-consul at Shanghai. His employment in the Custom House had now been suggested chiefly by the British Consul, Rutherford Alcock. Yet five months before, when he joined in abolishing the Provisional System of customs administration by foreign consuls, Alcock had stated most definitely that he was not likely again to attempt "to supply the place of the [Chinese] authorities, or in any way to meddle with the collection of duties".^{*} In the first half of 1854, in short, events had transpired at Shanghai which compelled radical and far-reaching changes of opinion and policy on the part of both the foreign and the Chinese officials on the scene.

~~1. See J. V. Fairbank, "The Provisional System at Shanghai in 1853-54" Chinese Social and Political Science Review, Jan.-April 1934 (Vol. XVIII no. 4, vol. XIX no 1 cited below as Provisional System at Shanghai, parts I, II) of which the present article is a continuation.~~

In summary it may be said that, in the five months up to February 1854, the Chinese walled city of Shanghai had been seized by the Triad rebels and besieged by Imperial troops; the Custom House in the foreign settlement north of the city had ceased to function and the foreign consuls had devised a Provisional System whereby they themselves received from the foreign merchants promissory notes or bonds for the customs duties due by them to China, the validity of which was to be decided, for British merchants, by the British Government in London. The British and American local authorities and the British Government in Hongkong and London had all, however, taken different views as to the advisability of continuing the Provisional System and as to the validity of the bonds collected under it. On the foreign side, no cooperation had been achieved. Meanwhile the opposition of the Chinese authorities had become active, and they threatened to collect the export duties on tea and silk before the goods reached Shanghai and beyond the surveillance of the foreign consuls. The opposition of the American authorities in China, of the local Chinese authorities, and of his own superiors, had finally obliged the British Consul to join in abolishing the Provisional System in February 1854, whereupon a Chinese custom house had taken its place.

In the five months after February 1854, with which this article is concerned, the problem of customs administration not only persisted but became more critical. The Custom House established by the Shanghai Taotai and Superintendent of Customs, Wu Chien-chang (吳健彰), proved unable to collect duties impartially on all the foreign trade. Wu himself finally accepted in lieu of duties a bond which promised to pay half duties on a cargo of tea if all other ships in port paid full duties. When the other ships tendered bonds similarly worded, all the bonds of that sort were automatically

invalidated, and the Chinese authorities faced the prospect of receiving no revenue from the Shanghai Custom House. As a result they arranged to collect duties outside the port of Shanghai, contrary to the system set up by the treaties. The treaty system ceased to function and it was feared that the trade of Shanghai would be diverted elsewhere. But in this crisis the British and American authorities on the spot were fortunately able to achieve a statesmanlike cooperation, and with the help of circumstance and of the promise to pay up most of the duties for which bonds had been taken from the foreign merchants, they were able to persuade the provincial Chinese authorities to sanction the experiment embodied in the Foreign Inspectorate of Customs.

The inauguration of this experiment in July 1854 was an historical event of the greatest importance for China and the world. Yet it was distinctly contrary to the established policy of the British Government since 1851; and through a misunderstanding on the part of the British Minister, Sir John Bowring, the promise by means of which the Chinese authorities were persuaded to allow the experiment, was broken by a decision of the British Government made in England before the experiment was initiated. The introduction of foreign administrators into the Shanghai Custom House was also directly contrary to the deep-seated prejudices of the Imperial Government in Peking and its policy of non-intercourse with the barbarians; and the provincial authorities appear to have taken the risk of allowing it (without reporting it to Peking) only because of their inability to placate the barbarians in any other way and still secure revenue to support the Imperial troops then in the field against the Taiping Rebels. Even so, the Foreign Inspectorate might not have been created if there had not been at Shanghai a Chinese official, Wu Chien-chang, who was capable of the most unscrupulous

knavery.

With the wisdom of retrospection it may be said that the foreign trade of China was bound to be regulated, by one means or another, in a manner satisfactory to the foreign merchants in the treaty ports, if not also to the Imperial Government. But within the framework of such an historical tendency, assuming it to have existed, there can be no doubt that there were many possibilities, such as the more extensive political control of Chinese territory by foreign powers, which would have been far less desirable to China than the Maritime Customs Service by which the satisfactory regulation of foreign trade was finally achieved. Perhaps the evidence presented below will persuade the reader that the establishment of the Foreign Inspectorate was an inevitable solution to the problem of customs administration. On the other hand it may persuade him that it was an historical accident of the most fortuitous and fortunate sort.

1. The Breakdown of Wu Chên-chang's
Custom House (February-March)

The Custom House reopened. The Chinese customs office at Shanghai was officially reopened for business on February 9, 1854, in a house rented from a British resident and situated north of Ssochow Creek.² There was probably more than one reason for locating the new office on the north of the Creek, where it was separated by water from the foreign residences and godowns clustered along the Bund to the south. For one thing, the temple on the Bund which had formerly housed the customs office had been gutted of its fixtures and woodwork by the local poor on the day in September 1853 when Shanghai was seized by the Triad Rebels. It also seems unlikely that the British Consul, who had contended for five months past that the preservation of foreign neutrality, life, and property necessitated the exclusion from the settlement of the Shanghai Pootai and all Chinese troops, could have been ready to readmit the Pootai merely because that official was about to resume the collection of customs duties. Although supported by a few gunboats, the little community of 250 odd foreigners at Shanghai were still too close to the thousands of Chinese troops who then besieged the Chinese walled city to the south to admit the Pootai's guards into their midst.

For the Chinese authorities at Peking the reopening of the Shanghai Custom House probably had no significance. It was reported to them indirectly in a memorial which appears to have been despatched by the Nanking Viceroy, Lliang (怡良), and the Governor of Kiangsu, Hsi Hsi-chao (許乃釗), on February 16, 1854, and yet not to have reached Peking until March 25. This memorial explained that from the fall of the city on

2. North China Herald (Shanghai 1850 to date, cited below as NCH) February 11, 18, 1854.

September 7, 1853, until November 20, when Wu Chien-chang established a temporary custom house at the confluence of the Whangpu and Ssoohow Creek (called in Chinese the Wusung River 吳淞江), no duties had been collected. - as was doubtless quite true, - for the reason that no merchant vessels had entered or left the port, which was decidedly not the case. This report further stated that from November 20 to December 30 only some Tls. 2,278 had been collected; and even this amount was reported as inland customs duties (nei-ti Shang-shui 內地商稅), which it may actually have been, collected from Chinese and not foreign merchants. In any case, no official reference was made to the Provisional System nor to the reopening of the custom house on February 9 which terminated it, and the authorities at Peking were left to expect little or no revenue from foreign trade at Shanghai until such time as the Triads could be ousted from the city.

The reopening of the Custom House marked a return to the system prescribed by treaty of collecting duties in cash at the time of landing or shipment. During the five months of its recent suspension, however, the forces undermining the treaty-system had carved out their channels, in which the current was now too strong to be easily dammed by a new Customs establishment even weaker than its predecessor on the Bund. The necessity of defending themselves in the midst of local rebellion had enhanced the foreign merchants' natural independence of spirit, while the continued money stringency

3. Ch'ou pan i wu shih mo pu i, Documents Supplementary to the I Wu Shih Mo, based on the Chun Chi Ch'u Archives, Tsing Hua Library. 清華大學圖書館藏籌辦夷務始末補遺 蔣廷黻教授抄自故宮博物院軍機處檔案
 cited hereafter as I Wu Tsing Hua Supp.) Hsien Feng 148, The text reads: 大關及各口均無貨船進入. For the use of these documents I am indebted to the kindness of Prof. T. P. Ts'iang.

4. Ibid.

5. The Carolus dollar was still at a premium of 64% of H.B. Morse, The International Relations of the Chinese Empire Vol. 1 (London 1910, cited hereafter as Morse Conflict), ch. XVIII and table, p. 470 (Vol II cited below as Morse Submission).

and the unsaleability of imports had increased in their own minds the righteousness of their opposition to cash duties. Having moreover become accustomed to giving promissory notes of uncertain validity, the conscientious merchants could the more easily be led by their unconscionable brethren into the practice of open smuggling. The first inducement had been given by the American Vice-consul's declaration of American free trade on January 20, following which several firms, both British and American, had seized the opportunity to ship teas and silks, duty free, down to Wusung, there to be stored on shore, "on board the opium receiving ships, and even on hired Chinese boats", awaiting free shipment.

Finding on February 9 that some 4,000 tons of tea and silk had thus been sent out of port to Wusung, where the American vessel Wild Duck was already loading,⁷ Wu Chien-chang applied to consul Alcock for advice, preparatory to an attempt to confiscate "2,000 bales of silk and 8,000 chests of tea . . . waiting on board native and foreign craft" for free shipment from the opium station. Before he received the Consul's reply, however, the Tsoai's officers had tried to board three of the opium receiving ships, Folkestone, Ann Welsh, and Emily Jane reported to be holding British produce. They were promptly beaten for their temerity and one of them detained as a prisoner. The Tsoai's appeal to the British Consul for redress and for authority to visit these ships gained only the reply that he would receive support against British subjects when he produced evidence against them. Meanwhile, under the sinister cloak of the opium trade and hence invisible to the consular eye, teas were shipped from Wusung in defiance of the Chinese

6. (Sir G.) Bonham's (despatch No.) 46, March 23, 1854, F.O. 97/99 (Public Record Office, London). (Data of the sort in parentheses hereafter omitted).

7. British Chamber of Commerce to Alcock, Feb. 10, encl. in Bonham's 35 of 1854; Alcock's 32, April 10, encl. in Bowring's 7, April 19, 1854, F.O. 97/99.

authorities, who were helpless because they lacked proper legal evidence and because only foreigners could coerce foreigners.⁸

As usual, however, it was not the Taotai's plight which reached the ears of Her Majesty's Government, but that of the honest merchants, who naturally felt that the treaty and the Consul who upheld it owed them their trade on the same terms as the most favoured trader. On February 10, the Shanghai British Chamber of Commerce had recited to Alcock the list of foreign vessels, in addition to "150 to 160 sugar junks from the south and Singapore, each of 300 to 500 tons", and "twenty Siamese junks of large burden (say from 500 to 1,000 tons each)", which had left Shanghai during the period of the Provisional System, duty free; not to mention four other such junks which had left on paying half duties. It would be a "grievous inequality", the Chamber had protested, "if British subjects who had faithfully observed the Provisional Regulations . . . are called on to pay duties from which so many other parties have been wholly or partly exempt."⁹ The same cry was now echoed by individual firms regarding the situation after February 9. On the strength of Alcock's assurances that the Taotai could only be reinstated when the city was retaken, Smith Kennedy & Co. had held tress to await lower freight rates. Finding themselves suddenly subject to cash duties while competitors shipped free from Yung, this firm appealed to Bonham when he came north for a week (Feb. 25-March 4); and to uphold the Consul's course the Superintendent was obliged to deny the merchants' right to rely on consular assurances.¹⁰

8. Bowring's 55, June 12, 1854, F.O. 97/100.

9. W. R. Adamson to Alcock, Feb. 10, 1854, encl. in Bonham's 26 of 10 March 1854, F.O. 97/99; quoted in Morse Submission p. 17, from N.O.H., March 11, 1854.

10. Smith Kennedy & Co. to Bonham, March 1. Medhurst in reply, March 3, encl. in Bonham's 34 of March 10, 1854, F.O. 97/99.

Another British firm, Sillar Bros., had asked Alcock before February 9 to take their promissory note and let them also escape the reach of cash duties by sending goods down the river. Apparently led by his hopes and believing that goods at Wusung which were "already under the cognizance of the Custom House, [would] be made to pay duty",¹¹ the Consul, as Sillar Bros. alleged, had promised them that no one would get better terms by shipping from outside the port. Hence when open smuggling began, they also appealed to be put on the same footing.¹²

The Taotai, the Consul, and the honest merchant were thus all three confounded by the open evasion of duties at Wusung. The Taotai lacked the force and the Consul the authority to prevent it, while the honest merchant felt himself unable to compete against it. The resulting tendency was for the Taotai to get what revenue and profit he could by compounding with them for partial payments, while the Consul alone tried to uphold the treaty system by counselling firmness to the Taotai. Alcock reported that Wu Chian-chang,

"several times wrote and came to me for advice, nor did I hesitate in each instance frankly to point out to him how easy and direct [sic] was the line of conduct he had to pursue if he adhered to Treaty stipulations; and how fatal to him and his Custom House would be any departure from it."¹³

Nevertheless evasion continued. On or about Feb. 13, the American vessel Wild Duck cleared out from Wusung giving the

11. Alcock to Bonham, Feb. 14, encl. in Bonham's 35 of 1854, F.O. 97/99.
12. Sillar Bros. to Alcock, Feb. 27, 1854, Alcock in reply, March 2, Encl. in Bonham's 34 of 1854. Further corresp. in Bonham's 46 of March 23, 1854, F.O. 97/99.
13. Alcock to Bonham, No. 32, 10 April, encl. in Bowring's 7 of 19 April 1854, F.O. 97/99.

Taotai a promise to pay duties if the U. S. Commissioner to China should "decide they are to be paid under the circumstances in which [the cargo] left port. Statement of quantity and description [of goods] hereafter to be made out in case payment is required"; but the bond was signed under protest because the ship had been loaded while Shanghai was a free port.¹⁴ The American vessel Helena followed, without having entered port. On March 9 the Sir Edward Ryan, a British vessel, likewise left Wusung, having neither reported to the British Consul nor paid duties to the Taotai. By March 18, fifteen vessels had sailed. Seven had loaded at Shanghai and paid duties to the Custom House on Soochow Creek (4 British, 2 American, 1 Danish). Seven others had loaded at Wusung - of which two American ships gave bonds of a sort and the rest gave no account of cargo (3 British, 3 American, 1 Russian). The fifteenth was a Bremen ship, the Aristides,¹⁵ and the circumstances of its sailing on March 17 or 18 epitomized the situation and brought matters to a head.

The Aristides Case. J. Trautmann, consignee of the outward cargo of the Aristides was a member of the British firm of G. C. Schwabe and Co. (hong name Kung-ping 公平, formerly Sykes, Schwabe and Co.) but, being himself a German, was amenable to no consular authority in Shanghai.¹⁶

14. Signed, Smith King & Co., Wetmore & Co., two of the five American firms. Encl. in Adamson to Alcock, Mar. 1, encl. in Bonham's 35, F.O. 97/99.
15. Data from Alcock's "Abstract Return" encl. in Bowring's 55 of 12 June, F.O. 97/100.
16. Shanghai Almanac for 1854. Following account of the Aristides drawn from Alcock to Bonham, 10 April 1854, encl. in Bowring's 7, 19 April, F.O. 97/99, containing synopsis of Alcock's correspondence; "papers ... brought to the F. O. by Mr. Hugh Fleming, Secretary of the Manchester Commercial Association, June 2/54", including Smith Kennedy to Alcock, March 25, F.O. 17/219; Manchester Chamber of Commerce to Clarendon, Dec. 27, 1854, F.O. 17/223; East India and China Association, Liverpool, to Clarendon, Dec. 21, and Sillar Bros. to Clarendon, Dec. 18, F.O. 97/100; N.C.H. April 1, May 13, 1854, and passim.

The Aristides had arrived at Shanghai on February 23 under the Bremen flag, consigned to J. Withington of Reiss and Co., who had sent her abstract manifest to the Custom House in Chinese. The latter contended subsequently that they thought the vessel Burmese and, as customary with Burmese vessels, gave permission for discharge of cargo without demanding that she be reported through a foreign consul. In this way the Aristides was placed in the hands of J. Trautmann for the purpose of loading export cargo without having delivered up her papers. The import duties were paid in cash and promissory notes, and Trautmann began to load teas. Now the Taotai had established the rule in 1850 that no foreign vessels could be reported to the Custom House except through some consul, and Palmerston in January 1851 had reversed Lord Aberdeen's decision of 1844 - that no British consul should become security for a foreign ship - by directing the British Consuls to use their discretion in the matter, being careful always to take from consignees of foreign ships sufficient guarantees for the payment of all Customs dues. From that time on, Alcock had copied the practice of the American Consul, J. N. A. Griswold, and when a ship arrived under a flag not officially represented at Shanghai, but consigned to a British firm, he had usually satisfied the Taotai's regulation by becoming security for it. This would have been the customary procedure with the Aristides. When Trautmann, however, refused to deposit his papers with any foreign consul and likewise refused several applications to deposit them with the Taotai, the latter was thus left without documentary means of coercion and without the formal help of a foreign consul. In this situation Wu apparently felt himself obliged to make the best bargain obtainable, and "despite of the volunteered and eager

17. Alcock to Bonham, Oct. 5, encl. in Bonham to Palmerston, Oct. 28, 1850, F.O. 17/170; Palmerston to Bonham, Jan. 15, 1851, F.O. 17/174, re Aberdeen's 45 of June 4, 1844.

warnings of the British Consul [the Aristides] was permitted to leave the port under a compromise of duties of the most flagitious kind"¹⁸ - namely, a bond in the following terms:-

"I herewith promise to pay three days after demand to His Excellency, Woo, Taoutae, Superintendent of Customs, &c., &c. the sum of Six thousand two hundred and fifty Taels Sycee for duties on the Export cargo per Aristides provided that All the Vessels at present in Port, pay if not full duties at least (2) two taels per picul Tea, and (9) nine taels per picul Silk, duty on their entire Cargoes, the Vessels are the "Daniel Ross" "Daunebrog" "Dumfries" "Frederick 7" "John Wood" "Mandarin" "Mermaid" "Rose Standish" and "Bombay".

Shanghai 17th March 1854

Signed J. Trautmann

Taels 6.250"¹⁹

This bond was made the less collectable by being in Trautmann's name and not in that of his firm. It provided for a full payment of duty, Tls. 6,250, on approximately one-half (2,500 piculs) of the cargo of tea. The Taotai had asked that the sum be paid through the Prussian Consul, D. O. King (merchant, of Smith King and Co.) but the latter declined the honour; and the "Import and Export papers . . . were eventually sent direct to Woo Taoutae who forwarded the clearance through his Secretary".²⁰

18. H.C.H., May 13, 1854, of Alcock to Bonham, (No. 32, April 10, encl. in Bowring's 7, F.O. 97/99), "in respect to the extraordinary course voluntarily adopted by the Taoutae in the case of the Aristides, I stepped very much out of my way repeatedly to warn him of the consequences."
19. "Form of Bond given by the Bremen ship Aristides," encl. in Liverpool East India and China Association to Clarendon Dec. 21, 1854, F.O. 97/100. Synopsis of Smith Kennedy to Alcock 23 March, encl. in Bowring's 7, F.O. 97/99, states ten vessels were listed.
20. Ibid.

The foreign community generally believed the worst, that Wu Chien-chang, when he went to see Trautmann personally, had struck a bargain to his private advantage. This was hotly denied by Wu's chief subordinate in the Custom House, Lo Yuan-yu (羅元佑), in a letter to the North China Herald, which claimed that Wu had had to accept Trautmann's statement of the amount of his cargo, having no means of verifying it, and had been tricked by fair words. After first refusing to accept the promissory note, "at last after three days of much trouble H. E. gave the Grand Chop because he wished very much to be friendly with foreigners and thought Mr. Trautmann will not in the end do an injustice."²¹ It was asserted by the officers who investigated Wu's misdoings a few months later that in the spring of 1854 a Kwangtung merchant vessel came to Shanghai, and because it was an old acquaintance of the Taotai's he remitted its duties, over forty thousand taels, with the result that the barbarian merchants were intractable.²² This statement is so vague, however, that it hardly conflicts with those just quoted.

When Consul Alcock on March 18 wrote to the Taotai demanding an explanation of the circumstances under which the Wild Duck, Helena, Sir Edward Ryan, and Aristides had cleared, Wu replied (March 21) that the last named vessel had been secured by the Prussian Consul and had paid all duties. To castigate this and other obvious prevarications, Smith Kennedy & Co. (March 23) submitted to the Consul Mr. Trautmann's complete account of the transaction as certified to them, and the Consul (March 24), thus fortified, upbraided the Taotai and demanded that the British vessel John Wood consigned to Smith Kennedy

21. N.C.H. April 1, 1854.

22. Ch'ou pan i wu shih mo (籌辦夷務始末). The Beginning and End of the Management of Barbarian Affairs, Hsien Feng reign, Peiping 1930, Palace Museum, 40 vol. 80 ch. (cited below as IWSM-HF ch., page, line) X 26b, l.4, memorial of Huang Tsung-han received in Peking April 4, 1855.

and Co. be allowed to clear on the same terms as the Aristides. This the Taotai "refused except as a matter of favour and concession, and on the condition that I should not divulge the facts to the Consul of the United States".²³

When Smith Kennedy & Co. on March 25 tendered to the Custom House authorities in lieu of export duties on the John Wood a bond similar to that given on the Aristides, it was likewise refused. The John Wood thereupon departed, leaving its conditional bond for half duties in the hands of the British Consul, and during the next fortnight, three other British vessels (Dumfries, Early Bird and Nymph) followed, leaving similar bonds in the hands of the British Consul.²⁴

Now the export duties provided on tea and silk by treaty were two and one half taels per picul tea and ten taels per picul silk.²⁵ Each signer of these bonds, therefore, bound himself to pay half duties providing all other signers paid

23. Alcock's 32, in Bowring's 7, F.O. 97/99. Robert C. Murphy, first official United States Consul at Shanghai, as distinct from a merchant-consul, had arrived on Feb. 15 from California (NCH Feb. 18, 1854) and entered upon his official duties on March 6 (Murphy to McLane, May 1, 1854, enclosed in McLane's (despatch No.) 21 (to the Secretary of State), China 10 (Archives of the Dept. of State, Wash. D.C. - data of the sort in parentheses hereafter omitted). On the same day he demanded an apology from the Taotai for the arrest of an American pilot-boat and insult to the flag (cf. Morse, Conflict p. 421, quoting NCH March 11, 1854). This he had obtained on March 21, just before the correspondence quoted above.

24. Form of Bond given by the British ship Dumfries, March 30, which paid exactly half duties on 3678 packages tea, weight 1938 piculs 90 catties (encl. in Liverpool East India & China Assoc. to Clarendon, Dec. 21, 1854 and in Sillar Bros. to Clarendon, Dec. 18, F.O. 97/100) -

"We hereby promise to pay three days after demand to His Excellency Woo Taoutse Superintendent of Customs &c. &c. the sum of Two thousand four hundred and twenty three Taels, 6 Mace, and 3 Candareens of Sycee for duties on our Exports per Dumfries provided that all the following Vessels pay if not full duties at least two Taels per Picul Tea, and Nine Taels per Picul Silk, duty on their entire Cargoes.
The Vessels are the Frederich VII Mermaid Rose Standish Bombay Onward Early Bird Jacob Bell.
Signed Sillar Brothers."

25. Morse, Conflict, p. 308. cf. Imperial Maritime Customs, Treaties, Conventions, etc., between China and Foreign States (Shanghai 1887, foreign and Chinese texts, cited below as Customs Treaties), Tariff pub. July 22, 1843.

more than half duties, and the bonds automatically invalidated one another. They marked the birth of a bastard provisional system, which in its immediate effect obviated the need of cash payments like its legitimate predecessor; but which gave instead of bonds, valid or not according to the decision of the home government, promissory notes for half duties that were absolutely worthless.

The immediate result of this was that the Tactai, who was not slow to see his mistake, on March 22 transmitted to Alcock, as from the Imperial Commissioner at Canton, a recommendation that the export duties at Shanghai should be wholly paid by the Chinese merchants, as at Canton, while the foreign merchant should continue to pay the import duties. Three days later he informed Alcock as from the Nanking Viceroy, that since the evasion of duties forced the Superintendent of Customs

"into discussions with the officials and merchants of different nations . . . to the great scandal of both . . . A change is therefore to be made . . . Two stations are to be established . . . on the rivers inland, . . . As soon as these stations shall be established the responsibility of settling the duties thereat on all dutiable goods bound for Shanghai [from the interior] will be laid on the Chinese merchants. . . . As to the course to be pursued, when peace shall have been restored this can be considered afresh whenever the city of Shanghai shall have been recaptured."²⁶

Since imports were an almost negligible part of the legal trade, this proposal meant that the Chinese authorities would now forego tonnage dues entirely and would collect cash duties from the Chinese merchants, in lieu of having the

26. Fu to Alcock, March 25, encl. in Bowring's 55, June 12, F.O. 97/100, synopsis in Bowring's 7, F.O. 97/99. Chinese version not found.

foreign Consuls collect worthless promises from the foreign merchants. The principle embodied in the treaties - that the Chinese authorities should collect from the foreign merchants - in its progressive decline had reached a seemingly final crisis, in which the interests of the foreign community at Shanghai were involved. The British Consul could only report that if the Chinese merchants did not themselves secure their Government from a total loss of duties at Shanghai, the Chinese Authorities would

"take effective steps to stop all trade to this port in the approaching season. [And although they might] possibly direct it into other channels, . . . great injury to the vested interests at Shanghai must necessarily be the result."²⁷

27. Alcock's 32, April 10, encl. in Bowring's 7, April 18, 1854, F.O. 97/99.

2. Chinese Policy and the
Crisis at Shanghai (April).

Customs revenue not appreciated. The tardiness of the Chinese authorities in beginning to tax Chinese produce before it reached Shanghai, at stations outside the port, presents a problem worth investigating. For five months the foreign trade had not paid cash duties, and while the foreign consuls by taking promissory notes had no doubt given room for the hope that the duties would eventually be paid up, the British Consul had certainly made no definite promise as regards that preponderant part of the notes which he had collected from British vessels. Why had not the Chinese authorities, hard pressed as they were for funds with which to fight the Taipings, taken more rapid steps to realize the Shanghai customs revenue which was theirs by treaty and which in seven months of 1853 had yielded an official return, as reported by the Canton Customs, of Tls. 545,687?²⁸

The answer lies partly in the nature of the Ch'ing administrative system, which left local affairs very largely to the local authorities. Few if any of the Chinese officials appear to have realized in 1854 that the foreign customs revenue could be made a gold mine. The barbarians at Shanghai were a potential menace, to be kept under control by an experienced barbarian-tamer like Wu Chien-chang; and to him and perhaps to his immediate superiors foreign trade was, as at Canton, a source of private revenue, - much of which although personally received had to be expended in the discharge of official duties and the maintenance of official establishments. But as yet the

28. The collection from December 7 to July 1, 1853. (IWSM @ Tsing Hua Supp. Hsien Feng 141, memorial of Tseng Wei 曾維 dated Dec. 19, 1853, received Feb. 17, 1854).

According to regulations of 1843, receipts of customs duties collected on foreign trade at the treaty ports were reported to Peking through the medium of Canton (*ibid.* 142).

provincial authorities do not appear to have looked to Shanghai for funds to help them against the Rebellion. Wu's immediate superior, the Governor of Kiangsu, Hsu Hsi-chao,²⁹ placed confidence in his ability to handle foreigners, while the Hanking Viceroy, Iliang, reiterated that Wu, being thoroughly acquainted with the barbarian nature, should not go far away from Shanghai.³⁰ The collection of customs duties was apparently left in his hands, and so long as he himself was satisfied with his collections it was possible for him to acquiesce in the Provisional System arranged by the foreign Consuls. Only when the Provisional System seemed unlikely to yield him the full revenue for which he had hoped did he at length move his superiors to tax the export produce of Shanghai before it reached the foreign merchant's hands.³¹ Even this proposal had been used partly as a threat, and as a threat it had helped revivify the Custom House in February. What more natural than to bring it forward once again when the Custom House had patently lost its control over the foreign trade in March?

Distrust of the barbarians. For a fuller understanding of the Tactai's position one should try to visualize the contemporary troubles of the Chinese authorities at Shanghai and in the lower Yangtze valley.

They were, to begin with, sincerely afraid that the barbarians might lend their aid to the Taipings. All incursions of foreign vessels into the Yangtze were carefully watched

29. Acting Governor from the third month of 1853 (April 8 - May 7). [Hsiao I-shan 蕭一山, Ch'ing-tai tu fu piao 清代督撫表 (Peiping, n.d.) p. 174b]; made Governor April 9, 1854 [Tung Hua Hsu Lu 東華續錄 (Shanghai 1892, cited below as THL-HF, for Hsien Feng period) Hsien Feng XXVI 8a].
30. THL-HF XXI 19b, 2: 吳健彰熟悉夷情未可遠離上海
31. Provisional System at Shanghai, part II, p. 103, quoting IWSM-HF VII 12a.

and promptly reported to Peking. When the war steamer Cassini, for instance, reached Nanking with the French Minister on December 6, 1853, the fact was known in Peking by December 20 and the Emperor commented that if results could soon be achieved (against the rebels), the barbarians naturally would not dare to continue to lie in wait for an opportunity.

The provincial authorities hastened to reassure the Court by reporting the explanation elicited from the French Consul by Wu Chien-chang at Shanghai, that the Cassini had gone to Nanking only to protect the interests of a French missionary whom the rebels had coerced to follow their type of Protestantism. The arrival of a Russian vessel at Shanghai at about the same time was reported with equal care, and a month later it was reiterated that neither the French nor the Russian vessel had made any demands. The Emperor again commanded, "Forthwith make examination and take preventive measures; do not let trouble arise". There was, further, a fear that the barbarians might interfere with the transport of rice to the capital, as the British fleet had done at Chinkiang in 1842 and as Consul Alcock had done at Shanghai at the time of the Tsingpu affair in 1848. In May 1854 the Nanking Viceroy and the Governor of Kiangsu, when they reported the possibility that a Russian fleet might come to fight the British and French at Shanghai, and that the Shanghai Tao-tai had already got from the latter a promise to leave Shanghai for the battle, were careful to add that, while the fighting of the barbarians might take place near to the coast of China, still it could have no obstructive effect on the sea transport of rice.

Barbarian support of the Shanghai rebels. To this general suspicion of barbarian designs was added the plain fact that

32. IWSM-HF, VII 42. cf. MCH Dec. 24, 1853.

33. IWSM-HF, VII 42.

34. IWSM-HF VII 4b, 9b, received at Peking Jan. 2, Jan 24, 1854. This was typical of Imperial instructions (p. 10a, 1.2):

隨時體察防範勿使滋生事端

35. IWSM-HF VII 29a, b, received May 17, 1854.

the rebels who held Shanghai continued to get extensive support from the foreign community just outside the walls to the northeast.³⁶ The siege of the city had progressed with unforeseen and disconcerting slowness. Hsü Nai-chao in January 1854 had been anathematized by Peking for his ineptitude in listening to rebel overtures for peace, as a result of which his delegate and the pro-Imperialist supporters within the city had been killed and the defenses strengthened.³⁷

Edict after edict castigated him for his inability to end the siege, pointing out that Shanghai was a small and unimportant isolated city. In this affair the rebel bandits were no more than a lawless crew of vagabonds. How at the end of a siege of several months, had he as yet not succeeded in achieving results?³⁸ The Emperor himself supplied the answer: according to the memorials received, the barbarians hindered the Imperial cause from within. But this was certainly to be foreseen; why had not Hsü devised a way of dealing with it? Wu was commonly said to be thoroughly familiar with the barbarian nature; why was he now helpless and without a plan, when the barbarians secretly obstructed the Imperial military strategy?³⁹ As the siege dragged on, the Emperor sanctioned⁴⁰ the sending of reinforcements, 1,000 men on one occasion, and the buying of foreign percussion guns (t'ung mao ch'iang 銅帽槍) which Wu reported the rebels to have been buying

~~36. Cf. Provisional System at Shanghai, part II, pp. 91-102.~~

37. THL-HF XXIV 27b, edict of Jan. 24, 1854. A vivid account is given by Lockhart (The Medical Missionary in China, London 1861, p. 205):-

"a number of Canton men from the district of Kia-ying-chau had determined to go over to the Imperialists. . . . The Triads discovered the plot . . . watched for the signal and . . . caught two hundred of them in various parts of the city. . . [nearly all of whom] were beheaded in front of the Confucian temple."

38. THL-HF XXV 92, edict of Feb. 21, 1854. Ta Ch'ing Wen Tsung Hsien Huang-ti Shih Lu 大清文宗顯皇帝實錄 (ms., Palace Museum Archives, Peiping, cited below as Shih Lu-HF, for Hsien Feng period) CXIX 13a, gives complete copy of same edict, which is abbreviated in THL.

39. Ibid.

40. THL-HF XXVI 3b, edict April 2, 1854.

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 from the barbarians; and the provincial authorities con-
 42
 tinued to be censured for their ineffectiveness. It was
 perhaps typical of the Chinese aversion and apathy toward
 foreign relations that while Peking was aware of the bar-
 barbarian help that prolonged the rebels' resistance, no effort
 seems ever to have been made from the capital to secure bar-
 barbarian cooperation or compliance in putting an end to it. An
 edict of April 19, 1854, summed up the Imperial policy: the
 provincial officials had reported how the barbarians lent
 secret aid to the rebels; the Court had early foreseen this
 and so had ordered that the rebels be attacked and routed
 43
 out with all speed, to avoid complications arising. There
 was no thought of negotiating with the barbarians in order to
 ameliorate the evils they caused.

Truth to tell, the situation at Shanghai in the
 spring of 1854 was drifting from bad to worse. On the one hand
 foreigners profited by obstructing the siege. As the Chinese
 authorities themselves reported, in the region on the northeast
 of the city to which the foreign settlement extended the rebels
 all went out and in as they wished, and moreover gunpowder,
 firearms, and food supplies, as well as everything they needed,
 all entered from this region. Those enlisted in the rebel
 party also entered from here. The rebels used the barbarians
 as their secret support, while the barbarians used the rebels
 44
 as a source of profit.

41. THL-HF XXVI 4b, edict April 2, 1854. Noted by Gideon Chen
 (Tseng Kuo-fan, Peiping 1935, p. 8), quoting Shih ch'ao
Sheng Hsin (十朝聖訓) Hsien Feng period, XXI 3.

42. THL-HF XXV 4a, edict March 8, 1854.

43. IWSM-HF VII 23a, edict April 19, 1854.

44. IWSM-HF VII 20b, received April 19, 1854, Cf. a foreign
 account (Lockhart, Medical Missionary p. 312):
 "At one period the Triads would go out in small parties
 and kidnap any [Imperial] soldiers they found loitering
 astray from their camps. These were taken into the city
 and immediately beheaded, or cruelly tortured till they
 died. . . . We found that the leaders of the gangs of
 kidnapers were foreigners, who had deserted from English
 and American ships, and been tempted by the high wages
 given them by the Triads. They had a reward for every
 soldier they seized. . . ."

On the other hand the foreigners were becoming no less embarrassed by the presence of the Imperial soldiery encamped in thousands at their back door. Overtures had already been made from the foreign side for the evacuation of the Shanghai rebels under foreign protection, so that the foreign community might get back their trade and the provincial authorities their city. The latter reported in February 1854 that French missionaries who wished to protect their converts inside the walls had proposed to discuss with the French Minister whether, with the British and American Consuls as guarantors, they might get Liu Li-chuan and his crew to return to their allegiance to the Imperial government. The proposal had been referred to the local expert on barbarians, Wu Chien-chang, who said that the British Consul already had made the same suggestions to him. The Governor then asked the Taotai how, when the barbarians' hearts could not be fathomed, they could be allowed to meddle in matters? To this the Taotai replied that the barbarians took the saving of the people as an excuse. If definitely refused they would turn round and stir up the people's hearts. It would be best to send them despatches for a time, commanding that those culprits who murdered the officials be delivered up, whereupon the rest could be received back. But inasmuch as the barbarians in question wished to protect the

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rebels, agreement would not be reached.

Battle of Muddy Flat. At the beginning of April Sino-foreign discord at Shanghai, inspired by the unprincipled greed of some foreigners, and the legitimate fears of others, added to distrust on the part of the Imperial authorities and the unruliness

45. IWSM-HF VII 11b, received Feb. 21, 1854.
 Ch. B.-Muybon et Jean Fredet, Histoire de la Concession Française de Shanghai (Paris 1929, based on French archives) gives a detailed picture of the situation at Shanghai. Consul Edan reported (March 27, 1854) that the French Minister in January made efforts "pour interposer ses bons offices et amener la soumission volontaire des insurgés . . ." (ibid. p. 82).

of their soldiery, came to a climax in the so-called Battle of Muddy Flat. This encounter was precipitated when rowdy Imperialist bands on April 3 attacked various foreigners on the edge of the settlement. The military skirmish which these attacks provoked appears to have been unpremeditated by the Imperial authorities, and the Anglo-American attack on the Imperial encampment west of the race course on the following day, April 4, seems to have been equally unexpected on both sides. ⁴⁶ The force of about 400 marines, bluejackets, sailors, and volunteers which formed in Kiangse Road at 3 P.M. and then marched with drums beating and colours flying, down the Maloo (Nanking Road) to the east side of the race course (Hupeh Road), half expected by their warlike attitude to secure compliance with the foreign demand for the removal of the Imperial camps to the westward. When at 4 P.M. the Manchu commander, Chierh-angah (吉爾杭阿 also romanized Koerhangah) did not comply, "there was a ^{marked decline in} ⁴⁷ ^{the exuberance which had characterized the} march out", but the foreign force, with a British field-piece, one brass gun, and Mr. E. Cunningham's howitzer, had no alternative but to advance in the direction of the 10,000 odd Chinese troops entrenched in front of them. The British and American columns, each accompanied by their consuls, did not maintain good contact and may actually have accounted for some of each other's casualties (total 4 killed and eleven wounded). A considerable force of rebels seized the opportunity to rush out from the city and attack the Imperial south flank, and this as well as the prudence of Chierh-angah must have been partly responsible for the precipitate withdrawal of the Imperial forces. ⁴⁸ The Chinese memorials reporting the affair give a

46. Cf. ibid. pp. 92-97. W. S. Wetmore, Recollections of Life in the Far East gives full account of an American participant; further details in NOH and British and American corresp. passim.

47. Wetmore, Recollections ("Recollections of the Battle of Muddy Flat").

48. IWSM-HF VII 18a, 19a, 20b (rec'd April 19, 1854), 22b (Edict, same date), 23b (rec'd April 30), 28a (rec'd May 17).

vivid apologium. It is stated that on April 4 Chierhhangah was amazed to receive an ultimatum from Alcock, whose words were many and not polite and who declined to discuss matters but soon came out leading barbarian troops. Officers were despatched to temporize with this force, - who could foresee that their speech would not be understood? The barbarians came on, the rebels rushed out of the city. A great wind rose from the northeast, barbarian fire-pots ignited the tents of the camp, guns and cannon lost their force against the wind, smoke and flame blinded the soldiers' sight, and they fled in confusion. Seeing this, the Imperial troops who were then pursuing the rebels also withdrew.⁴⁹ Next Day Wu Chien-chang reprimanded the foreigners, many of whom feared a counter attack. The barbarian chiefs replied very civilly, denying all intention of helping the rebels, and showing that they realized their errors.

On learning of these events, the Court reiterated its former policy:- the barbarians were habitually crafty, - since the rebel miasma had not yet been cleaned up, it was not feasible to start trouble, the only course was to put up with them. Wu Chien-chang should restrain them with righteousness, foil their plots, and quickly devise means of destroying the rebels and recapturing the city.⁵⁰ Whatever might be the possibilities of negotiation, they were left for the provincial and local authorities to explore on their own initiative and at their peril.

Anglo-American cooperation. In the midst of the general disorder created at Shanghai by the siege, the collapse of the Custom House, and the occurrence of actual Sino-foreign hostilities, there was one chief consideration which held out hope

49. Memorial of Hsü Mai-chao, IWSM-HF VII 19a, rec'd April 19, 1854.

50. IWSM-HF VII 22b, Ediot, April 19, 1854.

for the future. This was the greater possibility of Anglo-American cooperation.

To begin with, the recent dangers had enforced cooperation upon the discordant elements represented in the foreign community. As Alcock expressed it privately to Hammond, in a letter worth quoting in extenso -

"I said that I had kept myself as far as possible out of sight in the documents not with a view of avoiding the responsibility of my acts, but having many incoherent elements to work with - a cosmopolite community - a sensitive section of Americans, civil and military officers also, it was all important to bind them solidly together for a costly effort - and keep them so, until at least the more pressing dangers of our position were passed. In this I am happy to say, and as indeed you will see, aided by a common danger, I have succeeded even beyond my hopes, and such perfect accord between authorities, nations, committees and all the cosmopolite heterogeneous materials of this place a month ago would have been deemed impossible."

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There was further encouragement in the fact that the first official full-time American Consul, R. C. Murphy, had arrived in Shanghai on February 15, while the new American Commissioner to China, Robert M. McLane, had reached Hongkong on March 13, The former officer had no commercial interests to lead him to sacrifice constructive efforts to present gain, and the latter, besides bearing "large discretionary powers" of a very general nature, was one of the most capable American dip-

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51. Alcock to Hammond, personal letter, April 13, 1864, F.O. 17/219, marked by Clarendon "Circulate".
52. McLane to Marcy No. 1, March 20, 1864, China 9.
53. Marcy to McLane, No. 2, Nov. 9, 1863, China Instructions, Vol. I [printed in The Executive Documents printed by order of the Senate of the United States, first session of the thirty-sixth Congress, 1859-60, (Washington, 1860, 15 vol.), Vol. II].

comats of the middle nineteenth century. A son of Lewis McLane, (Secretary of the Treasury under Jackson and twice Minister to England), Robert McLane had been successively a cadet at West Point, an attorney-at-law in Baltimore, and a Representative from Maryland in two terms of Congress. Though not yet forty years of age,⁵⁴ he now approached the problems of Sino-American relations with perspicacity, conciliating the naval officers, from whom he received the use of a ship, and resolving as regards the question of duties at Shanghai to "treat the subject with all the caution and reserve that it seems to call for, and . . . refrain from any discussion of it until I shall have fully informed myself of all the facts in the case".⁵⁵

This appeared indeed, in his two interviews shortly after arrival with Sir George Bonham, who reported that McLane was

"well pleased that the Chinese Authorities have succeeded in re-establishing their Custom House at Shanghai and abolishing thereby the Provisional System which he thinks with me was only calculated to produce embarrassment. . . . As regards the guarantees given under that system he appeared to think, from what he had heard, that Her Majesty's Government were disposed to recognize their validity, . . . that should they decide not to do so, the Chinese might reasonably urge that unless it had placed full reliance in the ultimate payment of the guarantees, it would either have levied the duties on Produce in transit before reaching Shanghai, or have com-

54. Ben Poore, The Political Register, (Boston, 1878) p. 516. McLane held office as Commissioner to China, Oct. 15, 1853-Dec. 12, 1854. He was afterwards Minister to Mexico (1859-60) and to France (1885-89). Cf. Tyler Dennett, Americans in Eastern Asia (New York 1922, cited below as Dennett Eastern Asia) p. 191.

55. McLane's No. 1, March 20, 1854, China 9.

elled the Traders to convey it to Ningpo where better means exist for enforcing payment; an argument which it would be difficult to gainsay. What steps he intends to take I could not ascertain."

Sir George added that the new Commissioner "appears well inclined to be on candid and friendly terms with myself".⁵⁶

To complete the scene, the newly appointed British Minister, Sir John Bowring, arrived at Hongkong on April 13,⁵⁷ and on the next day sent Melane an "informal note . . . asserting strongly his desire for hearty co-operation".⁵⁸ Thus an effective Anglo-American accord on the customs problem was now for the first time a possibility.

In addition, Bowring brought to the problem a point of view less trammelled by the commercial spirit of Hongkong and more sympathetic to the Chinese side of the case than his predecessor's had been. His first despatch asserted that "the duty question at Shanghai is by no means analogous to that of Amoy where the Imperial Government was wholly overthrown", whereas at Shanghai "it was we" who compelled the removal from the foreign settlement of the Imperial force that might have enabled the Taotai to collect duties.⁵⁹ Nor could he agree with Alcock that the Aristides case must necessarily have a "fatal retrospective action upon the large amount of duties provisionally secured by bond" under the Provisional System.⁶⁰ But since he had not yet been to Shanghai and learned at first hand, these remained merely suggestions.

56. Bonham's 47, March 23, F.O. 97/99.

57. E. J. Bittel, Europe in China, The History of Hongkong (London 1895) p. 297.

58. Melane's 3, April 20, 1854, China 9.

59. Bowring's No. 1, April 15, 1854, F.O. 17/213.

60. Bowring to Alcock No. 15, April 18, quoting Alcock's 32 of April 10, encl. in Bowring's 7 of April 19, F.O. 97/99.

By the end of April, 1854, the materials were thus at hand in China, in the new co-operative spirit of the merchants at Shanghai and of the British and American plenipotentiaries at Hongkong and Canton, for a constructive attempt to devise workable machinery with which to collect the duties on foreign trade. The final prerequisite to invention, moreover, - the pressure of necessity - had now been added.

Consul Alcock felt

"bound to state that the result of my own experience during ten years spent at three of the Consular ports [Amoy, Foochow, Shanghai] is in perfect accord with the Taoutae's evident conclusion, namely, that as regards the faithful collection of all the Maritime Customs due to the Emperor of China on Foreign Trade, the Treaty itself has become little better than waste paper. The system it laid down has proved altogether illusory and impracticable."

To the Consul at Shanghai in particular the reasons for this were obvious:

"First the general want of energy, vigilance, and honesty in the Chinese officials; secondly, the different languages - want of any commonly acquired means of communication, either on the part of Foreigners or Natives, and even more than this, the total disparity of habits. The readiness of the Foreigner to take the law into his own hands, and resist by force the intervention of Chinese officials, and the dread and dislike of collision and violence inherent in the habits of the more peaceable Chinese of this province especially; to which is superadded a shrinking on political grounds, from any official and overt collision or act of hostility against Foreign Powers or

their subjects." ⁶¹

While this opinion was being forwarded to Her Majesty's Government, foreign cargoes continued to leave Shanghai free of duty, and the inland customs stations began to operate; at Shanghai it became once for all obvious to the Chinese who had seldom supported it, as well as to the foreign merchants who had flouted and the British and American Consuls who had finally abandoned it, that the treaty system of customs administration was dead.

61. Alcock to Bonham, No. 32, April 10, encl. in Bowring's 7, April 19, 1854, F.O. 97/99.

3. Sir J. Bowring's Appointment as British Minister

(February-March)

It was unfortunate that in 1854 the acts of British officials in China, though subject to the approval of the Foreign Office, could not be effectively criticized by that department, - because of the slowness of correspondence, - inside of three months. As a result it was possible for the British Minister to assume a power of decision which the Foreign Office considered itself still to possess; the same question, regarding the payment of the promissory notes collected under the Provisional System, was accordingly decided, in opposite ways, in both England and China; and arrangements made at Shanghai by Sir John Bowring, partly as a result of which the Foreign Inspectorate of Customs was established in July 1854, had to be reversed shortly after they were made.

Bowring's Career. In view of the part which Sir John Bowring was to play in the creation of the Foreign Inspectorate of Customs, his personality deserves more than passing notice. Unlike most of the British consular officers in China, he was not a career official, but a versatile man of affairs, who had come to China at the age of fifty-seven after an unusually varied experience in the literary and political life of England and the Continent. Born in 1792, he had as a boy shown linguistic precocity, had developed it while clerk in a commercial house, and after setting up his own business had traveled widely and mastered most of the languages of Europe. The result was, as he confessed, that in the course of his life he "spoke with ease and fluency" French, Italian, Spanish, Portuguese, German, and Dutch, had a "fair acquaintance with Danish and Swedish, . . . a book knowledge of Russian, Servian, Polish and Bohemian, . . . studied Magyar with some success, . . . learnt a little Arabic,

. . . and mastered a good deal of that difficult language Chinese".⁶² This was attested by his numerous anthologies of Continental poetry translated into English, and by his receipt of honors, diplomas, or certificates from some thirty societies, representing over a dozen countries and ranging from the Sociedad Economica de Guatemala and the Hull Literary Association of the Friends of Poland to Abo University.

Bowring had made his chief contribution, however, as a Parliamentary Radical. After meeting Jeremy Bentham in 1821, he had advanced £4,000 toward founding the Westminster Review,⁶³ for which he often "wrote the political articles"; had later "for many years . . . lived in Bentham's house, and acted as his private secretary",⁶⁴ and eventually in 1843 completed the editing of Bentham's Life and Works in eleven volumes. In Parliament in the years 1835-7 and 1841-9 he had advocated reform and free trade with all the idealism and ardor of his reforming generation. He had even been stigmatized by Wellington as a dangerous radical. As author of the report of Hume's committee on imports and in his own report as British representative at the Zollverein meeting of 1838, he had shown more than ordinary ability.⁶⁵ Among a host of writers, Scientists, and diplomats, he had known George Villiers (later Earl of Clarendon) as partner on the commercial mission of 1831 to France, and with him "maintained for many years a close intimacy".⁶⁶ Finding himself, at the close of his career, and

62. Sir J. Bowring, Autobiographical Recollections (London 1877) passim.

63. Ibid., memoir by Lewin B. Bowring.

64. Sir J. Bowring, Matins and Vespers (London 1895), memoir by Lady Bowring.

65. J. H. Clapham, The Economic Development of France and Germany 1815-1914 (Cambridge 1928) p. 303 quoted Bowring's report on the Prussian Commercial Union 1840.

66. Bowring, Autobiog., mem. by L. B. Bowring.

after ten years in Parliament, suddenly in financial straits, -
 "his devotion to literature prevented his concentrating his
 mind on business",⁶⁷ - he had applied to his close friend
 Palmerston and had been commissioned Consul at Canton in
 January 1849.

In his memoirs, published posthumously, Bowring
 printed a "Memorandum of a conversation with Lord Palmerston
 on 18th December 1848", during which, although not yet formal-
 ly commissioned as Consul, he had suggested that he visit the
 five ports in China with an eye to reforming the consular
 establishment where necessary. Palmerston had mildly replied
 that this, perhaps had best be done in concurrence with his
 superior; but "he wished me to write him privately on . . .
 any . . . matters of interest".⁶⁸ This Bowring had done. At
 Canton, fascinated by Chinese civilization and energetically
 engaged in mastering the details of the trade, the Doctor had
 found himself little in sympathy with the merchants and had
 chafed at his intellectual isolation and the lack of recogni-
 tion by the Chinese authorities. His mind, however, formed
 strong convictions rapidly and expressed them with force and
 enthusiasm. He had felt himself Palmerston's proconsul in
 China and apparently looked forward to becoming British Minis-
 ter.

The quiescent policy pursued by the Foreign Office
 during Bowring's acting Governorship at Hongkong in 1852-3 had
 been most irksome to him. His long reports which justly re-
 ceived at the Foreign Office the heading, "from Dr. Bowring
 bewailing his position in China", and the comment, "his pen is
 prolific",⁶⁹ had lamented "the position of a Plenipo. con-

67. Ibid.

68. Autobiog. p. 289. Bowring died in 1872. Date of Memo-
 randum not stated.

69. Granville to Russell, January 18, 1853, F.O. 17/207.
 (Domestic Various).

deemed to know nothing but what he can learn in this, his banishment from and non-intercourse with China. . . . That such a country should only be studied from a barren rock, - to which the student is stuck like a limpet, - . . . that China should be deemed only a sort of appendage to a poor, petty, profitless and expensive Colony, is a political mystery".⁷⁰

Believing as he did in the "gradual workings of commerce and Christianity in natural and necessary alliances to promote the progress of the pacific principle",⁷¹ Bowring was naturally inspired by the opportunities presented in China. At the end of his acting incumbency at Hongkong he wrote privately to Lord Granville, "I did hope that I should have been ['permitted', crossed out] enabled during my short tenure of office to settle the several questions pending between us and the Chinese. I believe I could have arranged them satisfactorily and peacefully, and that my short administration might thus have been useful to my country and to mankind. But my orders to do nothing and not to quit Hong Kong have been most peremptory . . . I think there is no part of the world where so much is to be done, and I could hardly terminate my public life more honourably or more happily than by opening wider and wider the gates of access to this extensive Empire".⁷²

Bowring's Appointment. In the Spring of 1854, as in each of the two years preceding, a change of officials at Hongkong was thus to have a decisive influence on the course of British policy in China. Clarendon had accepted Sir George

70. Ibid.

71. J. Bowring, The Political and Commercial Importance of Peace, A lecture delivered in the Hall of Commerce, London. (London, n.d., Peace Society) evidently published before the outbreak of the Arrow War of 1856-8.

72. F.O. 17/207.

Benham's resignation in the summer of 1853,⁷³ and in appointing a successor it was inevitable that he should think first of his former colleague in the commercial mission of 1831 to France,⁷⁴ who had already acted for nine months as Superintendent of Trade and had left that office in February 1853 plainly in the hope of returning to it with fuller powers. On the day before Christmas, 1853, Dr. John Bowring was accordingly commissioned Her Majesty's Plenipotentiary and Chief Superintendent of Trade in China; and on January 10, 1854, he was⁷⁵ commissioned Governor of Hong Kong. From then until his departure in the middle of February 1854, he was constantly consulted by the Foreign Office and on the stationery of the Athenaeum Club returned voluminous opinions for Clarendon's private eye.⁷⁶ His mission was to be of the greatest importance, for now that the Taiping Rebellion was recognized as a false messiah, less desirable to treat with than the Manchu dynasty, it was considered time to push for revision of the treaties in the interests of trade. Moreover, Bowring's eminence as a scholar and experience as a diplomat, together no doubt with his enthusiastic self-confidence, encouraged the emulation of Commodore Perry and the project of commercial treaties with Siam, Cochin-China, and Japan. During his past year's leave

73. No. 58 to Bonham, August 31, F.O. 17/198.

74. Cf. Lammer Moor, Bowring, Cobden and China, a Memoir, (Edinburgh, 1857) p. 6. Maxwell, Life of Clarendon, p. 62, gives an account of the mission - "entirely successful". Gladstone (War in China, speech Mar. 3, 1857, pub. London 1857, p. 40) stated, "that appointment was made . . . without the knowledge or consent of the Cabinet . . . it was . . . allowed to pass [by Lord Aberdeen] with a declaration that the consular services of Sir J. Bowring would doubtless have given him a knowledge of China which might be useful. . . ."

75. F. O. List, 1854, 2nd ed.

76. e.g. Jan. 7, Jan. 20 (re Siam); Feb. 8 (re interpreters); Feb. 13 (re Amoy riot claims); Feb. 16 (re light-draught warships). F.O. 17/212.

in England, (while still nominally Consul at Canton) Dr. Bowring had been no less active than usual. The Manchester associations, whose free trade ideas he embodied, had come to place high hopes in him, which they expressed to the Foreign Office,⁷⁷ and which the Foreign Office apparently shared. On February 13, 1854, having first obtained the approval of the Board of Trade,⁷⁸ Clarendon gave Bowring his instructions: first as to his administrative duties at Hong-kong, then and most important, as to his relations with China, finally as to treaties with adjacent countries.⁷⁹ Newly knighted on Feb. 16, 1854,⁸⁰ Sir John sailed "as a representative of the Queen, and [he confessed] I was accredited not to Peking alone but to Japan, Siam, Cochin China and Corea, I believe to a greater number of beings . . . than any individual had been accredited before".⁸¹ As his critics put it,⁸² he returned "big with the fate of China and himself".

Now when Bowring left in the middle of February, 1854, the reports on Shanghai came down only to December, when the Provisional System had still been functioning, and the duty question had been referred to Bonham, supposedly for his final settlement. The Foreign Office had put off the restless queries of the China trade associations with the reply that "the whole matter of the levying of duties has been referred to the discretion of Bonham, who would decide".⁸³ Accordingly, although

77. Cf. Manchester Chamber of Commerce and Manufactures to Clarendon, Jan. 28, 1854, F.O. 97/99; F. O. to Commercial Association of Manchester, Feb. 28, 1854, F.O. 17/220.
78. Addington to Booth, Feb. 2, and reply Feb. 8, F.O. 97/99.
79. Drafts Nos 1, 2 & 3 to Dr. Bowring, Feb. 13, 1854, F.O. 17/210. No. 2 (re treaty revision) is given in Morse Conflict, App. C.
80. F. O. List, 1854, 2nd ed.
81. Bowring's Autobiography, quoted by Eitel, Hong Kong, p. 297. Lane-Poole, Life of Sir Harry Parkes (London 1894) reflects the derogatory opinion of Bowring's egotism.
82. Quoted by Eitel, Hong Kong p. 295.
83. Cf. H. U. Addington to Manchester Chamber of Commerce, Jan. 30, and to East India and China Assoc., Liverpool, Feb. 6, 1854, F.O. 97/99.

Clarendon had taken care to secure from the French Foreign Minister, Drouyn de Lhuys, the assurance that he would write to de Bourboulon in a sense similar to that of Bowring's instructions, ⁸⁴ he had neglected in those instructions to include any reference to the collection of duties at Shanghai. Bowring had scarcely gone when the Manchester Chamber of Commerce sent in the suggestion, on Feb. 16, that in any future treaty, British Consuls should not be made to "take the initiative in matters relating to foreign Customs Duties". On their letter Clarendon noted, "I omitted to speak to Dr. J. Bowring on this subject. Has he seen the correspondence? If not write to him by next mail directing his attention to it and stating it is most desirable that the state of things at Shanghai should cease". To which the Permanent Undersecretary, Addington, replied that Bowring had seen the correspondence and reported on it on Jan. 21 and that Bonham had been instructed on January 24, whereupon Clarendon noted: "Inst. C. of C. that Dr. Bowring is well acquainted with the whole subject and will act upon the instns. sent out last month to ⁸⁵ Sir G.B."

In this way the new Superintendent of Trade had departed for China bearing wide powers and inspired by their scope, but without specific instructions on the duty question at Shanghai. His report of January 21, as Addington noted, had been based on Bonham's despatches, and in general terms had agreed with Clarendon's instructions to Bonham of Nov. 24, that the decision as to payment of the duties held by H.B.L. Consul at Shanghai must rest on the Superintendent's estimate of the competence of the Imperial Government, a question which ⁸⁶ "cannot be satisfactorily decided here" in London.

On March 18, however, while Bowring was still traveling eastward, the Foreign Office received Bonham's decision

84. No. 17 to Bowring, Feb. 22, concerning Nos 2 & 3 to Bowring of 1854, F.O. 17/210.

85. Bagley to Addington, Feb. 16, 1854, F.O. 97/99.

86. Bowring to Addington, Jan. 21, 1854, F.O. 97/99.

that the question could not be satisfactorily decided in China. With his usual caution, Sir George reported his own instructions to Alcock - either to continue the Provisional system or, if necessary, to emulate Marshall's rumoured declaration of free trade - and concluded,

"in either case, however, it will be necessary that I should be furnished with specific instructions as regards the disposal of the guarantees, which is a question that from the nature of the documents themselves and the importance of the interests concerned, Her Majesty's Government alone is competent to decide". 87

This tossed the question back into the lap of the Foreign Office. After six months, H.B.M's Government had not yet decided whether it sanctioned the payment of the promissory notes which had been provisionally collected at Shanghai. In the lapse of time, however, the Emperor's claims as represented in London had grown weaker. Clarendon sent Bonham's report to the Board of Trade, observing that "under all the circumstances and with reference to the course pursued by other Foreign Authorities [he was] disposed to authorize the return of the guarantees required from the merchants whenever Sir J. Bowring thinks the time for so doing has arrived". 88 A week later, on March 29, Bonham's despatch arrived announcing that the American Vice-Consul had declared free trade at Shanghai and that Consul Alcock had asked the Tactai to resume the collection of duties (Jan. 30). Although the fate of the Provisional System was still in doubt, Clarendon noted, "want farther report before any decision is taken, but it seems to me that the Americans have taken the right course". 89

87. No. 15, Jan. 23, 1854, F.O. 97/99.
88. Addington to Board of Trade, March 21, 1854, F.O. 97/99.
89. Bonham's 29, Feb. 10, 1854, F.O. 97/99.

Thus while Clarendon in London was making up his mind as to the duty question, Bowring went on his way to China, mentally prepared to decide it there. The Provisional System had died, but the duty question at Shanghai had inherited its complexities and was to increase them. During the first half of 1854 its acrimonious career crossed and recrossed that of the customs problem.

4. The Foreign Office Cancels the Back Duties (April-July).

The merchants' complaints. In London war was declared against Russia on March 28; and in the period both before and after this event, it may easily be imagined that the Foreign Secretary's brief and periodic consideration of events long since transpired in China was not conducive to a deep understanding of them on his part, nor to the formulation of a constructive programme. In considering the duty question, he was doubly handicapped by the unavoidable half-truth of the official despatches and the unopposed partisanship of the merchants' arguments. He therefore continued to rely on the opinions of the Board of Trade and the Law Officers, and tried only to avoid committing the crimes feared in advance by the merchants.

During April and May 1854, the Foreign Office put off making a final decision as to the back duties. After Bonham had returned to Hongkong from Shanghai - whence he had gone to discuss the duty question with Alcock (Feb. 25-March 4), but not to decide it, ⁹⁰ - he had reported briefly the reinstallation of the Taotai and at greater length the more pressing complaints of the British merchants against the unequal incidence of both the Provisional System and the smuggling at ⁹¹ Wusung after Feb. 9. His despatches reached the Foreign Office on April 27, at the same time that the China merchants in England heard from their Shanghai partners. Within a week the East India and China Association of London began to sing in tune with Shanghai, complaining to Clarendon that British merchants alone were required "not only to make actual payment of both import and export duties but to pay them in sycee silver obtainable only at a heavy premium". They hoped that the

90. No. 32 to Clarendon, Feb. 17, F.O. 17/212.

91. Nos. 34, 35 of 10 March, F.O. 97/99.

"provisional regulations may be continued in operation until⁹² the bona fide re-establishment of Chinese imperial authority", a hope which reflected the now common feeling that the promissory notes were uncollectable.

In all these reports neither British officials nor British merchants had been concerned to mention the opium receiving ships' vigorous ejection of Wu Taotai's officers, if indeed such an affair was not too frequent to deserve notice in addition to being beyond the legal eyesight of the Consul. Nevertheless, Clarendon was wary, and asked, "Is there any truth in the passage" complaining of payments in sycee?—"I believe not . . . the question touching those duties is before the Law Officers and it would be better to get their opinion before any notice is taken of this letter"⁹³. Accordingly, the duty question was shelved for another period, while the Foreign Office continued to act as a clearing house for complaints and reports about which the Foreign Secretary took the barest minimum of action.

On May 18 the next mail brought Alcock's full report of American non-cooperation and the decrease of the Provisional System,⁹⁴ to which Clarendon replied, somewhat enigmatically, "it is satisfactory that the question regarding the payment of duties while [the Chinese Custom House] was in abeyance is at last brought to a close"⁹⁵. It can only be inferred that he meant by this merely to express optimism. Bonham's further report on the merchants' complaints⁹⁶ drew the notation, "I

92. Gregson to Clarendon, 2 May 1854, F.O. 97/99.

93. Ibid. on back. The statement as to payments in sycee was of course true in theory and partially so in fact.

94. Bonham's B, March 20, F.O. 97/99.

95. No. 54 to Bowring, May 24, 1854, F.O. 97/99.

96. No. 46 of 23 March, F.O. 97/99.

don't clearly remember what inst^{ns} were given to Bowring about the Prov.¹ System. I believe we have not commun^d with the U. S. Govt. about it". On May 22 came the report of the Law Officers,⁹⁷ which was promptly sent to the Board of Trade, with the query - Did they agree that instructions as to the duties should be given in conformity with that report?⁹⁸ At the same time, the mail of May 18 having fructified in the usual crop of letters from the China merchants, Liverpool complained that the duty question, supposedly referred to Bonham in February, had now been referred back to Clarendon. What decision? London complained of the unequal competition of smuggling, and the Manchester Commercial Association inveighed against Alcock's not having followed the course pursued "at Amoy under circumstances precisely similar". Finally, the Manchester Chamber of Commerce asked if, in case it was not too late, the Foreign Secretary would receive from them a further representation, by a memorial or in person?¹⁰⁰ The Board of Trade had not yet passed judgment on the Law Officers' report, however, and the only comment was, "Wait". The waiting continued.

In a few days (May 30) arrived the disquieting news from Bonham in China that the Aristides had sailed, "and if such evasions be often repeated, the new Custom House will probably ere long die a natural death", and give way to inland exactions and trade through other ports.¹⁰¹ To this despatch, as to its predecessors, no answer had been evolved.

97. Note ff. ibid., dated "M. 21/54". No such communication appears to have been made.
98. Not found in the China Correspondence or F.O. 97/99 and 100 (Duty Question at Shanghai). Contents to be inferred from replies of Board of Trade, June 3, and July 3, and No. 87 to Bowring, July 5, 1854, F.O. 97/99.
99. Hammond to Board of Trade, May 24, F.O. 97/99.
100. Crosbie (Liverpool), May 25; Gregson (London), May 25; Ross (Manchester Commercial Association) May 22; Bagley (Manchester Chamber of Commerce) May 22 - all to Clarendon, F.O. 97/99.
101. Bonham's 59, 7 April 1854, F.O. 97/99

At last the Board of Trade, of which Cardwell was still President, replied through J. Emerson Tennent as clerk. They were by no means wholehearted in their support of the Law Officers, conceiving that,

"with regard to the mixed questions of Law and Fact [arisen at Shanghai] . . . it is a question for Lord Clarendon's consideration how far Her Majesty's Government can truly assert that which appears to be assumed as mater of fact by the Law Officers . . . namely, that the Imperial authority was actually suspended in so permanent a manner as to suspend our treaty obligations with the Government of China and how far the communications between Mr. Alcock and the Chinese authorities may be considered to effect the questions at issue."

It was now June 3. The officials in China and the merchants in England had all been heard from, the Provisional System had become past history, and the Law Officers and Board of Trade had given their opinions as to the "mixed questions of Law and Fact" entangled in the duty question. Edmund Hammond, still in his second month as Permanent Under-Secretary, presented the evidence to Clarendon and appended his own views:-

"It would be difficult in the face of the opinion of the Law Officers to attempt to enforce the payment of [the bonds held by Alcock]. It is not disputed that certain vessels have got away from Shanghai without paying any duty at all . . . I . . . think that the best course would be to cancel the bonds as regards the past, and to instruct Mr. Alcock not to take any steps hereafter to secure the Chinese revenue from the consequences of the low practices of the Shanghai Custom House. . . .
"At Amoy not only was there no claim for duties accruing while the place was in possession of the rebels, but even after the imperialists regained possession, they did not . . . accept for some time the Custom House duties or open their Custom House."

"Speak to me on . . . Monday", replied Clarendon.

"It has occurred to me", Hammond rejoined next day (June 4),

102. Promoted April 10, 1854. F. O. List 1854, 2nd ed.

103. F.O. 97/99, ff. Tennent to F. O., June 3, 1854.

"whether, as Sir George Bonham may be expected to arrive before the end of this month, . . . it would not be better to wait for him, before sending out instructions about the Shanghai duties".

Whereupon Clarendon noted,

"I think upon the whole this may be the best course to pursue if we can feel sure of Sir G. B.'s arriving by the time you expect, but some instⁿ will be necessary to Sir J. B. . . .".

Accordingly, on June 6 the four associations of China merchants were told that Clarendon had postponed his decision as to the duties "until he shall have had an opportunity of personally communicating with Sir George Bonham",¹⁰⁴ and Bowring was told, "final instructions will be sent you upon the whole question [of duties] immediately after Sir George Bonham's arrival". Meanwhile Alcock should instruct the Shanghai authorities,

"that if they cannot get their custom house respected or collect their own duties, and if they allow some vessels to depart without payment of duty, the British Consul will not assist them in obtaining duties from English vessels. . . ."105

On June 13, preceding Bonham by six days, came his successor's first despatches, reporting the Battle of Muddy Flat and the mockery of the Custom House initiated by the Aristides. Sir John Bowring had not yet evolved his programme, nor was the independence of his future course as yet apparent. But he denied that the customs situation at Amoy which had been seized by rebels in May 1853, was an apt precedent for Shanghai, since there the Chinese authorities had made no claim for reinstatement. This and his assertion that bonds should hardly be returned to the merchants when they had already charged the amount of them in the invoices of goods sent home - threw out

104. F. O. to East India and China Associations of London and Liverpool, Manchester Chamber of Commerce and Manchester Commercial Association, June 6, 1854, F.O. 17/221.

105. No. 68 to Bowring, June 6, 1854, F.O. 97/99.

several bones fit to be gnawed by the Law Officers. These and other subtleties, foreign to the discussion as so far conducted, drew from the Foreign Office merely a number of "?????" and the wait, now for Sir George Bonham, continued.

Bonham's testimony. Within a week that gentleman arrived and on June 21 gave his opinion. Since the officials in England had formed their decisions on the basis of despatches composed and selected by Sir George, it was not surprising that the author agreed with the conclusions arrived at by his readers. Now after two days deliberation, he saw "no reason for altering his opinion -

"that so long as the Chinese Government has no efficient Custom House at Shanghai and is not in a position indiscriminately to enforce upon vessels of all nations the payment of duties, that Government is not . . . entitled to those duties" -

much less to consular assistance.

"In the case of the Customs dues at Amoy, my instructions to H. M.'s Consul at that port were in effect to refrain from interfering in any manner in their collection . . . and in this view of the case it was very gratifying to me to find that I was supported by the Law Officers of the Crown.

"But at the capture of Shanghai . . . Mr. Consul Alcock . . . acted, under similar circumstances to those of Amoy, in an entirely different manner. [Believing as I did, I could not approve Alcock's course, but deeming it inexpedient to disavow it, referred the question to Clarendon, whose] instructions in reply gave me discretionary power to act as I saw fit in regard to the disposal of the securities already given, and I should certainly have directed Mr. Alcock to cause them all to be cancelled, had I not had in the meantime an interview with Mr. McLean [sic] the newly appointed U. S. Minister . . . from whom I understood (perhaps I may have misapprehended Mr. McLean's meaning) that the final settlement of these securities had been under the consideration [of the British and American Governments] who had entered into some correspondence on the subject. . . . I moreover anticipated that Sir John Bowring [would have received full instructions and] therefore was loathe to take an active part in a matter which would be arranged and concluded after my tenure of office. . . .

"I am anxious Lord Clarendon should not for a moment suppose that my proceedings were actuated by a desire to avoid responsibility and trouble. . . ."

After submitting this opinion, Sir George on the same day received from Hammond further letters on the subject, includ-

106. Bowring's 6, April 18, F.O. 17/213 (re Muddy Flat) and no. 7 April 9 1854, F.O. 97/99. ~~As Bonham's instructions not to protect the Chinese revenue at Amoy, of Provisional System at Shanghai, part I, page 107.~~

ing Bowring's despatches. They did not alter his opinion.

"I observe Sir John Bowring states that unlike Amoy, the Custom House at Shanghai is within the British Settlement, and that we insisted on the withdrawal of that force which might have enabled the Mandarins to collect the duties. This is not the case. The Custom House was within the Foreign limits, but on the night on which the city was captured by the rebels, they also took forcible possession of the Custom House and it was only saved from total destruction by the interference of Foreigners. The Teoutee was rescued from the city, and on a day or two after went into the country (to Suchow I think) from which he returned after an absence of six weeks. And then it was he desired to be put into possession of the Custom House, which was declined on the ground that the measure might lead to a collision between the Imperial forces and the rebels, such as had recently taken place. He subsequently established a Custom House . . . out of . . . the Foreign Limits."107

Writing from memory, Sir George altered facts he had himself reported: the Tactai, for instance, had been absent only a fortnight. Nor did he disprove Bowring's contention that Amoy was no precedent for Shanghai. Nevertheless, the firmness of his opinion gave the last push necessary to establish the view already reached in England. At the end of June, Manchester and London asked impatiently for a decision, in time
108
for the mail of July 8. No further pertinent news had arrived from China, and Clarendon proceeded to draft his No. 87 to
109
Bowring.

Clarendon's decision. It began with the formula of the Law Officers:

"The obligation on the part of the British Subjects to pay duties to the Chinese Government depends upon the fulfilment by the Chinese Government of its obligation to afford protection to British commerce; and upon the ability of the Chinese authorities to collect the duties accruing to their government. Neither of

107. Bonham to Hammond, June 21 and 22, 1854, F.O. 97/99.

108. Gregson to Hammond, June 29; Boothman to same, June 28, F.O. 97/99

109. This draft was made from two sources filed with it in F.O. 97/99: one rough draft presumably embodying the Law Officers' opinion, and another apparently in Clarendon's hand, marked to be inserted in the first.

the conditions were fulfilled by the Imperial Authorities at Shanghai [in the period from Sept. 7 to Feb. 9]. As regards therefore the securities taken during that period from British merchants, Mr. Alcock is to be directed forthwith to cancel them, explaining, if necessary, to the Chinese authorities the grounds on which Her Majesty's Government have decided that they ought not to be enforced."

At this point Clarendon proceeded, in his own words, and as an aid to Alcock's explanation, to enumerate those grounds:

"He will state that Her Majesty's Government, animated by the most friendly spirit towards the Chinese authorities, had taken these securities from the British merchants in the expectation that order might shortly be restored, and that British subjects of all classes might again enjoy the protection guaranteed to them by the Treaty under the provisions of which Great Britain engaged to assist in collecting the lawful revenue of China. In no respect, however, has the expectation been realized. Shanghai up to this hour is held by the Insurgents; order has not been restored; and so far from protection being given to British subjects they have actually been attacked in their own locality, and their lives and property exposed to the utmost danger by the Authorities commanding the Imperial Forces. . . . The Chinese have, therefore, no longer any claim to British assistance, and Her Majesty's Government can no longer hold the British merchants at Shanghai responsible for the securities they have given."

After this insertion by the Foreign Secretary, the draft concluded with the instruction that, if the evasion of duties continued in future, the Chinese should be warned that the Consul would "abstain from in any way interfering to protect the Chinese Government" from the laxity of its officers. The draft was then shown to Bonham and sent to the Board of Trade, for whom Tennent replied on July 3, that since Clarendon's course seemed guided by the Law Officers, they saw no reason to dissent".¹¹⁰ The merchants were then told on July 4 that "after communication with Sir George Bonham and upon a full consideration of the subject in all its bearings, H.M.'s

¹¹⁰. Hammond to Board of Trade, July 2, Tennent to Hammond July 3, F.C. 97/99.

Government have decided that those securities shall be cancelled and returned to the parties by whom they were given" and Bowring will be so instructed. ^{III} Finally, under date July 3, the despatch started for China, due to arrive there at the beginning of September.

From a legal point of view the decision was no doubt unassailable. If China were to be regarded as party to a contract, her non-fulfilment of the contract could reasonably be held to release the other party from it. China's actual non-fulfilment was undeniable. And if the Chinese chose to argue that their non-fulfilment had been brought about partly by the forceful obstructions put in their way by the British Consul, or had been continued partly through the fair promises which the British Consul seemed to hold out, that, as Bonham had suggested, was "an entirely distinct question". On those heads China could bring legal claims against England.

It may be noted in passing that Clarendon in his part of despatch 87, was inclined to play up the disorders of April 1854 as cause for cancelling debts provisionally contracted in the previous period, September to January. Whatever the arguments adducible for or against this stand, it is apparent that Clarendon made his decision partly as a sort of castigation of the Chinese authorities in a frame of mind more political than legal.

In the last analysis, the facts of the situation were hardly amenable to legal treatment by the British Government in London. At Shanghai, as Alcock had put it,

"we have . . . taken up a position of armed neutrality, in self defence and on a principle of self-preservation as antecedent to all legislation",

(which nevertheless will not fully bear us out, because we could

III. Hermond to East India & China Assoc. of London, do. of Liverpool, Manchester Comm. Assoc., Manchester Chamber of Commerce, July 4, 1854, F.O. 97/99.

have provided "for our safety by going away").¹¹² And justifying himself by this principle, the Consul had with one hand collected duties provisionally on British trade, in order, as he later reiterated, to preserve it from the alternative of Chinese levies inland, and with the other he had kept the Chinese Custom House authority in abeyance, in order to preserve the armed neutrality of the settlement. The result was that the British Consul had contributed to vitiate in the eyes of the British Law Officers the Chinese authorities' legal claim to the duties he had provisionally collected. When the British Government came to decide the question it had to act, in its various members, as witness, barrister, judge and jury. It was hardly strange that the decision in London was against Wu Tactai; and that no one mentioned the 18,000,000 lbs. of tea which had been shipped from Shanghai under the protection of the Provisional System.¹¹³

112. To Bonham, Feb. 2, 1854, encl. in Bonham's 38, F.O. 97/99. Reiterated almost verbatim at meeting of foreign land renters, Shanghai, July 11, 1854, encl. in McLane to Marcy, No. 8, July 27, China 9.

113. The export of tea from Shanghai for the entire year 1849 had been 18,303,000 lbs; for 1852 it was 57 million; for 1853, 69 million; for 1854, 50 million. Morse, Conflict, table, p. 366.

VIII The Creation of the Inspectorate

(II : May - July, 1854)

1. Negotiations are begun at Shanghai (May)

The Ministers decide to uphold the treaties. After Sir John Bowring reached Hongkong on April 13, 1854, he appears not to have perused in detail his predecessor's recent correspondence with the Foreign Office. For the next four months he pursued a policy based in part on the assumption that he could himself decide whether or not the back duties at Shanghai were eventually to be paid.

On April 20 Bowring "conferred freely" with McLane on this question. In his despatches to Washington the latter had regretted the lack of steadiness in Anglo-American policy toward customs affairs at Shanghai. "Personal rights and liabilities of merchants, no less than the mutual obligations of their respective nations with the Chinese Government, are now seriously involved . . . greater disorder than ever has existed may follow the present state of things at that port"¹. In his interview with Bowring, therefore, McLane prescribed for himself, as to past transactions at that port,

"a strict and rigid reserve . . . until further advised of the facts . . . As to the future [he said] he could not hesitate to enforce, with honourable fidelity, the treaty obligations of the United States with China, wherever and whenever Chinese officials accepted the reciprocal obligations imposed upon them by the obligations of the same treaty"².

In reply to this, Bowring read to the U. S. Commissioner, and later to the French Plenipotentiary, M. de Bourboulon, the similar opinion which he had just sent Alcock;

1. McLane's 1, March 20, 1854, China 9.

2. No. 3, April 20, 1854, China 9, State Dept.

and all three representatives concurred that as regards the customs problem "our efforts should be directed to encourage respect for treaty obligations, and that nothing but the absolute impossibility of giving effect to these obligations should induce us to recognize, patronize,³ or protect violations which have become almost a habit." A foundation for constructive action having thus been laid, McLane departed on April 21 for Shanghai. Routine duties and the menace of a Russian fleet reported in the China seas meanwhile kept Bowring at Hongkong.⁴

The Provincial Authorities commence inland taxation. On his arrival at Shanghai on April 26 McLane found that the battle of April 4 had by no means removed the foreign community's fear of collision with the Imperial troops. The foreign settlement was an armed camp, and the newly arrived Commissioner merely echoed the general sentiment in declaring that if the disturbance of war were long to continue "every important interest at Shanghai will be entirely destroyed, both foreign and Chinese."⁵ The fears of some of the hardiest foreign traders may perhaps be indicated by the fact that at the end of April armed receiving ships from Yung sought the protection of the six vessels of war in Shanghai harbour,⁶ application being made to Consul Alcock

"to ascertain whether he would secure the vessels which arrive with opium and discharge within the

3. Bowring's 31, F.O. 97/100; for Bowring's opinion to Alcock April 18, see Bowring's 7 F.O. 97/99.

4. Ibid. At this time he sent to Shanghai to relieve Vice-Consul Wade of the duties of interpreter, a certain H. M. Lay, who had made good progress in the Canton and Mandarin dialects. Bowring's 11, April 20, F.O. 17/213.

5. No. 4, May 8, 1854, China 9.

6. U. S. sloop Plymouth, U.S.S. Susquehannah, British brig Grecian, steamers Encounter and Styx, French steamer Colbert. Ibid.

"Port, or which may move into the port from the opium stations, from being molested by the Chinese authorities".

to which the Consul replied that he could not protect such vessels but that under the circumstances he would not interfere against them.

As regards the legal trade, Wu Tactai's notices of forthcoming inland exactions, delivered March 22 and 25, were still unanswered. The Hanking Viceroy had "appointed two inland offices, one north at Ying-he-ngan, and one south at Ming-hang-chin" (presumably Ming Hong on the Whangpu south-east of Shanghai), where all teas and silks passing into Shanghai, from April 22 until the time when the city should have been recaptured, were to be examined as to weight and quantity and a bond taken from the native merchant before he could proceed to store them in Shanghai. "For the amount of [export] duties on these, when they should have been disposed of, whether paid by the native or the foreign merchant", the Chinese seller on his bond and the warehousemen on his security were both to be held responsible. Although duties on the stagnant import trade were meanwhile to be collected as before, this was little solace to the merchants, who began to complain on April 24 that export goods for which they had contracted had been

7. Bowring's 21 to Alcock, May 16, re Alcock to Bowring of May 3, encl. in Bowring's 28, May 16, F.O. 17/213. It must be noted that Alcock mentioned "the menace of a war with Russia" as partial justification for his procedure, *ibid.* Clarendon approved it (No. 98 to Bowring, Aug. 6, 1854 F.O. 17/210). Two American receiving ships had already been withdrawn from Wusung. Morse Conflict, p. 465. "There is no record to show whether the withdrawal of the American ships was due to ... [the arrival of N. C. Murphy, Feb. 15], or to the increasing risks of the commercial situation."
8. Wu to Alcock, 22 May, 1854, encl. in Bowring's 55, June 12, F. O. 97/100. Chinese versions not found.

charged and sometimes held for duties at the Chinese stations inland.⁹ It was felt that "Unless some regularity can be established within the coming two or three most important business months ... the trade of Shanghai will be diverted elsewhere."¹⁰

McLane's policy. This very real menace to the future of Shanghai struck the American Commissioner with particular force, for he, like his predecessor, regarded it as a port of the greatest promise to "American interests in particular".¹¹ To ward off the danger his first recourse was to the principle established the week before in Hongkong, that the treaties must be upheld. In replying on April 29 to Consul Murphy's appeal "that something be done at once to arrest the effort of the Chinese authorities to destroy trade at this port", McLane applied this principle by analysing at some length the provisions of the American treaty, from which he concluded that the "principle of mutuality which prevails throughout, providing for the presence of the authorities of the United States, is a condition precedent to the enjoyment by the Chinese Government of the duties . . . due and owing under the treaty. The manner of ascertaining and levying such duties, being an obligation not only equal in degree but of a reciprocal character to the obligation to pay the same, and the presence of all the parties interested, is necessary to the fulfilment of their mutual and reciprocal obligations." Hence the levy of duties inland, by violating the provisions for tonnage dues and for the presence of all the parties interested, and by changing the mode of ascertaining and levying the duties, would put "all the reciprocal obligations of the treaty at an end" and would be "unsatisfactory and inad-

9. Russell and Co. to Murphy, April 24 re 58 bales silk, Augustine Heard and Co. to Murphy, April 26, re 136 cases silks, encl. in Murphy to McLane, April 27, encl. B in No. 4, China 9.

10. Ibid.

11. No. 4, China 9.

missable" . . . Thus ". . . the highest obligations of honour and the dictates of a wise policy of expediency combine to inspire . . . a firm resolution to resist any compromise or abandonment of the treaty . . . this determination being always manifested by you, on [the Chinese Authorities] will devolve the responsibility of disturbing the relations of friendship which have always subsisted between China and the United States". Finally, to give effect to this policy, McLane resolved "at an early date" to seek an interview with the Imperial authorities.¹²

As a preliminary to this step, he now perfected at Shanghai the Anglo-American cooperation inaugurated at Hong-kong. In an interview with Consul Alcock on May 1, concerning the customs crisis, he expressed "the most friendly assurance of his desire to act in concert",¹³ and a week later wrote Bowring that he had told Alcock his views freely and that the American and British Consuls were likewise in entire harmony "in their personal and official action".¹⁴

In the pooling of opinion which resulted, the immediate program was contributed by the American Commissioner, whose youthful optimism was as yet undamped by long experience of diplomacy in China and whose clear-cut faith in the treaty could find expression through the influence of his official rank. His determination to revivify the general principles of the treaties and to that end to approach the Imperial Government, having first collected the facts of the situation, was immediately manifest in the reply of the three treaty-power consuls (Alcock, Murphy and Edan) on May 1, to Wu Tactai's un-

12. Ibid.

13. Alcock's 40 to Bowring, May 1, encl. in Bowring's 31, F.O. 97/100.

14. McLane to Bowring, May 8, encl. in Bowring's 31, F.O. 97/100.

answered notices of March 22 and 25, that as the treaties "expressly provide alike for the amount of tariff duties, the place, and the mode of their collection; it is not in [the Consuls'] province to sanction, or in any way to recognize, a departure from the specific terms of these treaties on the part of the Chinese authorities . . . [The Consuls, however] will forthwith submit to their several Ministers in China a detailed statement of the whole of the . . . difficulties which have arisen in the execution of the treaty since the capture of the city"

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in order that the latter may adopt fitting measures.

Alcock's suggestions. Consul Alcock, while he fully supported this program and prepared his detailed statement of the facts, saw more deeply into their complexity. He reported McLane's intention, by concerted action with Bowring and the Viceroy, to reach such an understanding in

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"respect to the duties of the forthcoming season, and the mode of their collection, as may prevent any measures on the part of the Chinese either to stop the trade, or to direct it to other ports."

Whereupon Alcock himself added this further and more significant statement:

"This is on every account much to be desired, and although the attempt will not be unaccompanied by serious difficulties, I do not relinquish all hope of success - if the collection of duties can in any way be brought under the effective control of the Three Treaty Powers as to the executive of the Custom

15. Consuls to Wn May 1, encl. in Bowring's 55, June 12, F.O. 97/100 and in McLane's No. 4, China 9.

16. Done "according to my suggestion". McLane's No. 4, ibid.

House Administration. On any other basis I believe every effort to benefit the Chinese Revenue, and at the same time give that protection to the honest merchant which he can reasonably demand, must in the nature of things prove nugatory and abortive. I have stated this conviction broadly (founded, as it is, upon a lengthened experience of the Chinese Customs House Officials at this Port, and the working of the Administrative Machinery), to His Excellency the American Minister: for unless this view be taken as the point of departure for any new adjustment and practical issue out of difficulties inherent to such a question in China, I am persuaded no good can come of the best efforts all three Governments united, can make, and however straightforward and prompt they may be both in design and action."¹⁷

This practical and far-reaching suggestion, which could come only from a maturity of experience not possessed by Commissioner McLane, could nevertheless be given effect only through authority such as he possessed, and only in concert with Chinese authorities of equally high rank. Its realization had perforce to wait, and in the meantime its author persevered in his customary reticence, "anxious to leave the final adjustment of these matters as much and as exclusively as possible in [his superiors'] hands."¹⁸

Sino-foreign negotiations begun. The way had also been paved for more friendly relations with the local Chinese authorities. Inspired by the hostilities of April 4, the foreign Consuls had taken stricter measures to preserve

17. Alcock's 40, May 1, encl. in Bowring's 31, F.O. 97/100, partly quoted in Morse Submission, p. 23. Cf. also A. Michie, The Englishmen in China During the Victorian Era, as illustrated in the career of Sir Rutherford Alcock.... (London 1900, 2 vol.), Vol. I, p. 148-54.

18. Alcock's 40, May 1, 1854, as above.

foreign neutrality in fact as well as in name and so remove one chief cause of Sino-foreign friction. They had issued a joint proclamation to discourage foreign participation in the local fighting¹⁹ and check the sale of munitions, and had posted more guards, - a measure taken by the foreigners partly for defense but reported by the Chinese authorities in a better light, purely as a measure to check the freedom of communication between city and settlement. The Viceroy and Governor reported at the beginning of May that, due to the scoldings of Wu and Chierhangah,²⁰ the barbarians' attitude was now respectfully submissive, the roving bandits had given up their evil courses, and the general situation²¹ was extremely quiet and peaceful.

Desiring as they must to preserve this improved appearance of things, the local authorities were not unready for further negotiations when they came to an interview with McLane on board the U.S.S. Susquehanna during the first week in May.²² In this interview McLane told the Superintendent of Customs, Wu Chien-chang, and the local Commander of the Imperial forces, Chierhangah, that he was deeply concerned at the disorder prevailing in China, and intended at an early date to go up the Yangtze to investigate it and also obtain an interview with the Nanking Viceroy, Iliang. Not unnaturally, Wu manifested a desire to be present whenever an interview should be had with the Viceroy . . . that he might give his own directions and coloring to all matters

20. Chierhangah had been promoted from Taotai (Ch'ang - Chen-T'ung Hsi Tao常鎮通海道) to Kiangsu Provincial Treasurer by an edict of April 2 (THL-HF XXVI 4b) and had received a peacock feather for efforts at Shanghai, edict April 30 (THL-HF XXVI 17a)

21. IWSM-HF VII 28b (received May 17, 1854 L. 6).

22. McLane's 5 (May 21, 1854, China 9) is not clear as to the date of this interview, which evidently occurred after the date of his despatch No. 4 (May 4), Hsu (IWSM-HF VII 29b, rec'd May 17, 1854) states it was May 3, quoting Wu. Iliang (ibid. 32b, rec'd May 24) quotes Wu's report of it which he received May 7.

connected with the difficulties at Shanghai." When he proposed that he make the arrangements, however, McLane "declined his civilities, really because he is himself the principal criminal in all the troubles at Shanghai". He gave Wu a duplicate of his communication to Iliang asking for an interview, and Wu proceeded to discuss arrangements with Consul Murphy while McLane himself left Shanghai on May 10 for Ningpo and Foochow, to return ten days later.²³

A Modus Vivendi established. Evidently as one result of this interview there was published on May 9 a joint notification of the three treaty-power consuls to the foreign community, which printed Wu Taotai's notice of March 25 and the above reply to it, with the comment that "the proper Authorities will no doubt take steps immediately to arouse the Imperial Government to a full sense of their treaty obligations."

"In the meantime while the Diplomatic Authorities [i.e., McLane] are representing the facts to the Imperial Government, it is deemed advisable, in order to relieve the Merchants from some of the present embarrassments, to require, in addition to the statement which they are now in the habit of making with their Invoices of Cargo, &c., any evidence which it may be in their power to give of interior exactions, levy of duties, or other irregularities, in derogation of their rights and privileges as Merchants resorting to this Port for the purposes of Commerce.

"When these requirements shall have been complied with to the satisfaction of the Consuls of their respective Countries; in lieu of the specific Bond

²³. McLane's 5, May 21, 1854, China 9.

or note which they are now in the habit of giving, an obligation from the Consignee and each shipper will be taken, by which they shall undertake to hold harmless their Consuls and respective Governments from any responsibilities accruing from the departure of the ship without payment of such duties as may be due or owing to the Chinese Government under their respective laws or treaties."

The notification then concluded (as Dr. H. B. Morse aptly phrases it), with "the self-assuring assertion", that "this course it is believed will not only preserve from reproach the integrity of the three Powers having treaties with China, but will cast the onus of Treaty violation upon the Chinese authorities, and tend to preserve the trade of this port from serious inter-
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ruption."

In its desire to get from the merchants all the facts of the situation and to "cast the onus of treaty violation upon the Chinese Authorities", this notification expressed ideas held by McLane immediately after his arrival, when he had wished (March 29) to give the Chinese "the responsibility of disturbing the relations of friendship" so far existing. The "specific Bond or note" mentioned in it referred to the worthless bonds for half duties of the style set by the Aristides, under which 12 British, 6 American, 1 Danish, and 25
2 Hamburg vessels had left Shanghai since the 18th of March. The form that was now substituted read as follows:

24. Consuls to Foreign Community, May 9, encl. in Bowring's 55 F.O. 97/100. Cf. also Morse Submission, p. 17, quoting N.C.H., May 20, 1854.

25. Alcock's "Abstract Return", encl. in Bowring's 55 F.O. 97/100. ~~The above statement assumes that no vessels left under the Aristides form of bond between May 9 and 22.~~

Obligation

"We (I) hereby bind ourselves to meet any claim that may be made for duties upon our shipments by the ---- that may be adjudged by the competent authorities of the ---- to be due and owing under the Treaty of ---- with China, in the way of Import, Export, and tonnage duties."²⁶

While this change made no promises to the Tactai, it at least put an end to that mockery of him which the Aristides had begun.

Iliang decides to negotiate. Since Chinese official policy toward customs affairs at this time is still shrouded in mystery, Wu's reports of his interview with Melana at the beginning of May deserve close scrutiny. In the Governor's memorial, which was the first to reach Peking, Wu is quoted as reporting that Melana, after expressing the foreign nations' gratitude for His Majesty the Emperor's heavenly favor of trade, had confined his remarks on the customs to the following: that the rebellion at Shanghai obstructed China's customs affairs and injured the trade of all nations; and that he wished to put commercial affairs in order and make the Chinese Customs show a profit and not a loss, and then he would be content.²⁷ Wu himself, while impressed with the American's more than usual politeness, felt it as yet impossible to be sure whether he really wanted to put commercial affairs in order.²⁸ Hsu echoed this sentiment, while the

26. Encl. in Bowring's 55, F.O. 97/100.

27. IWSM-BF VII 30a (rec'd May 17, 1854) 1.1, 1.4: 並欲整頓商務使中華稅務有盈無出文為安心

28. Ibid. 30 b, 1. 6: 或者貴欲整頓商務亦未可定

29. Ibid.

Imperial edict in reply to it merely observed that the barbarians' nature was unfathomable,³⁰ and they should be ordered to go back to Canton as usual.

The memorial of the Viceroy Iliang, which reached Peking a week later, reported McLane's statements to the same effect. Since McLane had raised the question of an interview, however, the Viceroy was chiefly concerned to follow a course acceptable both to Peking and to the barbarians. He accordingly composed a specious general account in which he confined himself to observing that the American Commissioner certainly ought to go not to Tientsin, as he threatened, but to Canton, as the Emperor had ordered Marshall to do the year before; but as the American chief now asked for an interview at Chiao Shan (焦山) about May 17, Wu Chien-chang had been instructed to investigate³¹ and report. Only in an additional memorial, received at Peking on the same date, did Iliang cautiously bring forward another point of view: of course, he wrote, the Imperial commands were to be followed, - but McLane took Yeh's preoccupation with public business and refusal to see him as an excuse. If Iliang refused him too severely, it might give him a pretext for, perhaps, going to Tientsin, which would be most embarrassing at this time when there were military operations in Chihli and when grain boats were proceeding to Tientsin in continuous succession. If repeatedly refused an interview, McLane might say Iliang was afraid to see him, - which Iliang would feel to be undignified. The only course was to follow an Imperial minute of the year before, to manifest large-mindedness and act as opportunity allowed. If, after his receiving McLane in

30. Ibid 32a, edict May 17, 1854, l. 8: 夷情巨測

31. Ibid. 33a, rec'd May 24, 1854.

audience, the latter should disrespectfully discuss changes in the matter of customs duties, or make other demands, Iliang could only righteously order him to go to Canton and wait on Yeh.³²

In these impeccable terms the aged Viceroy smoothly reversed himself and informed the Court that he would negotiate, and an Imperial minute approved, with orders to manage matters properly as they arose, not to stir up fresh complications, on no account to show weakness, to restrain the barbarians in such a way as to keep them from making demands, - in other words, to do the best he could.³³

Until the middle of June, 1854, customs reform remained in this state of gestation. Immediately after returning from Hingpo and Foochow, McLane went up the Yangtze to Nanking on May 22 and did not return till the beginning of June. During his absence, Iliang replied on May 25, fixing the decade May 27-June 5 for an interview, and again on May 28 stating that the time could be arranged after McLane's return from Nanking.³⁴ While these replies studiously avoided all commitments regarding the Customs and other matters raised by the American Commissioner, they expressed, he felt, a sincere and encouraging readiness to confer seriously upon them, at an early date.³⁵

32. ITSM-HP VII 34b, rec'd May 24, 1854.

33. Ibid. 35a.

34. Translations in McLane's 6, June 14, 1854, China 9.

35. McLane's 6 ibid.

2. The Negotiations are Successful (June).

The Amount of the Back Duties. In accordance with McLane's suggestion, the British and American Consuls compiled a complete account of the vessels which had left Shanghai since September 7, 1853, and of the promissory notes given for tonnage dues and duties on their cargoes. While the mixture of British and American goods in American and British ships and dissimilarities in the manner of accounting prevent a definitive summary, the general situation stands out clearly. 37

By the beginning of June, 1854, there had been roughly four periods of customs administration since the capture of Shanghai in September 1853. In the first period, that of the Provisional System (Sept. 7 - Feb. 8), promissory notes had been collected from 45 British vessels (total tonnage 18,665; total sum due the Chinese Customs, Tls. 478,300) and 25 American vessels (total tonnage 18,812; total due, Tls. 362,508). A total of 14 vessels under seven other foreign flags (3 under the American flag) had during the same period given either no bonds or bonds of doubtful validity (tonnage 4,465, Tls. due 46,193). Thus out of Tls. 887,000 which had become due to the Chinese Government according to the treaty tariff, Tls. 840,000 could be collected if the promissory notes held by the British and American Consuls were held valid by their respective governments, and the taxation of foreign trade at Shanghai could be made over 94% effective. This relatively high effectiveness of the Provisional System would make it, if the notes were collected, the most efficient customs administration that Shanghai had ever known.

37. Figures below based on Alcock's "Return" in Bowring's 55, June 12, 1854, F.O. 97/100; Alcock's 42 in Bowring's 179, April 3, 1855, F.O. 17/309; Murphy to McLane, July 30, 1854, and other enclosures in McLane's 21, China 10.

In the second period, during which Wu Chien-Chang's revived Custom House had functioned on Soochow Creek (Feb. 9-Mar. 17), only about 14 vessels had sailed from Shanghai or Wusung (total 5501 tons). Seven of this number (4 British, 2 American) had paid cash duties at the Custom House. The other seven (3 British, 3 American) had loaded illegally outside the port of Wusung, had given either no account of cargo or a worthless bond, and had departed owing altogether about Tls. 34,313 to the Chinese Government.

The sailing of the Aristides on March 18 had inaugurated a third period (March 18-May 8), during which some 21 vessels (12 British, 6 American) had left behind them at Shanghai completely worthless promises of a kind that automatically invalidated each other (tonnage 8,316, duties due Tls. 200,620). During about the same period 5 other vessels (4 British) had cleared without reporting (1005 tons, Tls. 12,079).

Finally on May 9 vessels began to clear under the joint consular notification of that date, giving bonds which could be collected if the home governments so desired. By May 31 seven vessels (5 British, 2 American) had so departed (tonnage 1,958, duties due Tls. 26,257). To complete the picture it may here be noted that from June 1 to July 12, about a dozen more vessels cleared, half British, half American (British duties due approximately Tls. 22,000).

From the foregoing analysis it appears that by June 1, 1854, some 132 vessels, totaling 58,965 tons of shipping, had left Shanghai owing the Chinese Government, as tonnage dues, import and export duties, a sum of Tls. 1,173,071. Of this total American merchants owed about one-third (Tls. 354,149), and British merchants nearly all the rest. No

decision had as yet been taken as to the liability of the foreign merchants for these sums, and consequently the question of back duties began to assume considerable importance, in the minds both of the foreign community and of the Chinese authorities.

Bowring's Attitude regarding the Back Duties. The general conviction of the merchants had long been that the bonds taken under the Provisional System could not legally be collected, and in this conviction various private statements of Sir George Bonham had strengthened them.³⁸ Sir John Bowring, on the other hand, had left England with the knowledge that the duty question had been referred to Bonham, and either through inadvertance in reading the drafts of his predecessor's despatches, left at Hongkong, or because of the wide and inspiring scope of his own powers, he had persisted in the conviction that the decision as to the bonds taken under the Provisional System lay with him. Hence when he reached Shanghai on June 8,³⁹ Bowring included the back duties question in the problems awaiting solution through the united efforts of the British and American authorities.

He had already formed strong opinions on the situation at Shanghai and his own responsibilities, as evinced in a private note to Hammond, -

"the low vagabonds who have got (?) the city - and the support of too many of the community (that part of the community who though they have charged the duties to their constituents, want to escape the paying them)

38. Statement of A. I. Gilman and G. G. Nicol in letter to Bowring, July 4, F.C. 97/100.

39. NCH June 10, 1854.

~~40. Bowring to Hammond, private, May 12, 1854, F.C. 17/213.~~

"Have no more notions (?) of government than a half-a-dozen Newgate birds would have. However we shall get our teas, I hope, by hook or by crook, for I never lose sight of the Chancellor of the Exchequer's mandate 'Take care of my revenues'". ⁴⁰

This last consideration of course made him the more willing to sacrifice the past profits of the merchants if by so doing he could effect an arrangement with the Chinese that would ensure the future revenue of the British Government. Once arrived on the scene, however, Bowring found on enquiry that "in almost every instance" the merchants during the Provisional System had added the amount of the duties to their invoices and would thus suffer no loss if called on to pay up. In a vigorous despatch of June 12 he summarized his views in a form worth quoting at some length: "Since I reached Shanghai I have questioned every merchant whom I have had an opportunity of examining, and I have not found a single instance (even among those who are most clamorous for relief from all demands upon them) where the duties have not been charged or security obtained for their payment should they be enforced..."

As to the situations at Amoy in May and at Shanghai in September, 1853, Sir John asserted that there was "in fact no analogy or resemblance between them..."

"at Amoy the Imperial Authority was entirely scattered - not a Mandarin, not an Imperial Soldier remained on the island, of which a mob took absolute possession..... The Consul himself had, for some time, to seek protection on board one of Her Majesty's Ships. Trade there was none - there were neither goods to ship, nor shipping to receive them. In what respect then does the case of Amoy apply to Shanghai?"

"In this particular only, that a set of lawless vagabonds, all of them strangers to the locality, have seized the walled city of Shanghai, placed at a considerable distance from the foreign settlement, and from the seat of all commercial operations. It is found necessary by the foreign Consuls

40. Bowring to Hammond, Private. May 18, 1854, F.O. 17/213.

to require the removal of the Imperial Custom House from the settlement, in the midst of which it was situated, on the very proper ground that the foreign settlement must not be made a battle field..."

In the meantime, however, trade had not been interrupted but had flourished, and the merchants had prepared themselves for the payment of duties.

"Ought they to pay them? The question, in my mind, admits of no doubt.... If I were to admit a position which has been sometimes put forward, that the whole charge of collecting duties is to be thrown upon the Chinese Officials, and that the cooperation of our Consular functionaries is to be withheld or denied, I should at once consent to abrogate all treaties, and to the utter destruction of our trade with China. Her Majesty's engagements would be made a dead letter by Her own Subjects if Her own officials are condemned to inaction. I know too well the helplessness of Chinese Authority and the corruption of Chinese Mandarins. Seven opium stations placed in the adjacency of great cities, and in which annual sales are made to the extent of between 3 and 4 millions sterling, in defiance of the laws of China, are evidence of the power of the British merchants, and the febleness of the Chinese Mandarin. These Opium Ships are armed floating depots, which no War or Customs House Junks dare approach. But our commerce with China is in the Chinese Territory, and the Chinese, though they may not be able to collect the duties without our assistance, can jeopardize and ruin the trade itself. I cannot consent to opiumize so valuable a commerce. If I did, I should, with open eyes and absolute foreknowledge of consequences, be a party to its annihilation."

Consequently Bowring proposed to recover the back duties only if he could obtain from the Chinese Authorities certain conditions, - among them, "that satisfactory arrangements shall be made for the collection of duties on both exports and imports, arrangements by which the British Flag shall be a protection and not a disadvantage to the Queen's subjects, and by which the honourable and well disposed merchants shall be secured against the invasion of fraudulent and unscrupulous competitors.

"I cannot but feel that the Imperial Authorities have just grounds to dissatisfaction.For nine months they have been deprived of the resources on which, in my judgment, they had a right to calculate. The association of our interests with the cause of rebellion, is perhaps the primary reason why the local outbreak has not been subdued. The sum kept back from the Imperial revenues, and for which written obligations are held, exceeds, as I have before stated, one-third of a million of pounds sterling.I am in constant intercourse with the American Commissioner, who concurs with me as regards the past, and is quite ready to enforce the payment of the duties owing to the Chinese by the citizens of the United States, and I trust we shall ere long be in a condition to submit such terms to the Viceroy as will, under Treaty conditions, restore to Shanghai its trade."41

41. Bowring's 55, June 12, 1854, F.O. 97/100.

Bowring had scarcely penned this despatch when

Alcock submitted to him in person, dated June 15, a memorandum

of detailed "Suggestions for an improved administration of his despatch of May 1 by suggesting that a trustworthy

Foreign Inspector of Customs . . . as the delegate of the three Treaty Consuls . . . be nominated to his post for one year . . . by the Consuls and Taoutas conjointly and at a fixed and liberal salary". This official would have "an office in the Custom House" and all documents issued by it would need "his countersignature before they can take effect". Alcock further specified the extent of the proposed Inspector's establishment and estimated its cost.

42. Reading in part as follows:- "Of the hopelessness of any effective means being adopted to secure the impartial and efficient levy of duties by the Chinese, if left to themselves, the experience of the last ten years can leave no doubt. . .

"The proposition now submitted for consideration consists in the association with the Chinese executive who shall be placed in charge of the Custom House Administration of a responsible and trustworthy Foreign Inspector of Customs. This officer as the delegate of the three Treaty Powers to be nominated to his post for one year (but subject to instant dismissal on cause shown) by the Consuls and Taoutas conjointly and at a fixed and liberal salary - sufficient to insure the services of a person of high intelligence and probity, and if possible, one possessing a knowledge of the Chinese Language. There should be placed under his orders an establishment of two first class linguists and one or more Chinese Writers and Runners; with one or more Foreigners, to serve when occasion may require, as a species of tide waiter. The total expense of the establishment may be estimated

Inspector, p.a.	\$6000	at \$12,000 (as per margin) to
2 linguists at 100 p.m.	2400	be defrayed of course out of
Chinese Writers,		the gross revenue of duties.
Runners, etc.	600	This Foreign Delegate or In-
Foreigners as supplement-		pector should have location
ary Tide Waiters	3000	for an Office in the Custom
	<u>\$12,000</u>	House, and all documents

issued by the Chinese Department, port clearances - landing and shipping off chops - Duty receipts, &c., to have his countersignature before they can take effect. He would be required to keep a complete set of Custom House Books, and these together with the Chinese Records to be at all times open to the inspection of the Taoutas and the Consuls of the three Treaty Powers. The Inspector himself to be allowed ex officio, the freest access to the Custom House Records kept by the Chinese Officers from day to day. Or, if preferred, they might be officially examined, compared and checked at the close of every month, the three Consuls certifying the fact and noting any discrepancy.

The Anglo-American program at Shanghai. The stage was now set for diplomatic action. Rear-Admiral Sir James Stirling, in command of the ^{East} India and China Station, had come to Shanghai on his way to Japan and contributed vigorous views of his own to the program envisaged by Bowring and McLane. Sometime before June 19 he addressed both these officials, pointing out that the "proper foundation for all transactions in this country is a faithful adherence to treaties as long as they exist. That on our part the duties should be paid", but if the foreign community were obliged to incur expense in maintaining order locally, "such expense should be charged to the Chinese Government out of the duties falling due . . . I also proposed that a Municipal Council should be formed, regulations established, a Police Force appointed." ⁴³ In this way the British Naval Commander-in-Chief, whose squadron lay anchored in the Whangpu, lent his full support to the effort to save Shanghai from chaos.

There now ensued that series of conferences and negotiations between the Chinese, American and British officials at Shanghai which was to establish the future trade and security of the port. During the month between the middle of June and the middle of July, 1854, the foreign officials sought to realize several objectives. As regards Shanghai they again proposed to the Chinese authorities and again unsuccessfully, that foreign mediation and force if necessary, should be used

42. (Cont'd) "A machinery of this kind brought into active operation could scarcely fail to furnish a most effective check upon the venality and supineness of the Custom House Officials; and one eminently calculated to increase the Chinese revenue to an amount far more than ten times the cost of the Foreign Branch Office."

(Signed) Rutherford Alcock,

Shanghai, June 15th, 1854

Consul

(Encl. No. 2 in Sir J. Bowring's No. 77, July 7, 1854
F.O. 97/100).

43. Stirling's 41 to Admiralty, June 19, 1854, in Admty. to F.O., Dec. 19, 1854, F.O. 17/223.

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 to secure the removal of the rebels from the city. To relieve Sino-foreign friction they materially reduced with walls and guards the ease of access between city and settlement and by thus hindering foreign support of the rebels facilitated the Imperial siege. They achieved successfully the organization of a more adequate municipal administration for the foreign settlement at Shanghai.⁴⁵ At the same time they pushed their Governments' requests for revision of the British and American treaties, which was desired chiefly as a means of opening the Yangtze valley to trade and of establishing channels for more satisfactory diplomatic relations with Peking. In this general scheme the question of trade and customs administration at Shanghai, while important, was naturally no more than a part, and the account of customs reform presented below therefore deals with but one aspect of a larger diplomatic scene.

With regard to customs reforms, the twofold nature of the foreign program, while not at first stated more explicitly than in Bowring's despatch of June 12 quoted above, by degrees and almost by force of circumstance became quite clear. It was this: if the Chinese Government would in future admit a foreign element of probity and vigilance into the Shanghai customs administration, then the British and American authorities would take measures to secure the collection of the promissory notes for back duties owing to China which had remained unpaid since September, 1853.

Alcock's proposal for a Foreign Inspector, formally presented to Bowring on June 15, was undoubtedly known to the American Commissioner, who about that time in preparation for his forthcoming interview with the Viceroy, Iliang, conferred with Bowring "as to the matters proper for discussion as af-

44. Reported by Chierhangah, IWSM-HF VIII 30a, Rec'd Aug. 30, 1854.

45. Cf. Kotenev, Shanghai: its Mixed Court and Council..., (Shanghai 1925) p. 9. Reported in F.O. 17/214.

facting equally Great Britian and the United States".⁴⁶ The thoroughness of this discussion may be judged by the fact that McLane read extracts of his last despatch to Washington,⁴⁷ and the inference seems justifiable that the two Ministers discussed Alcock's suggestion, if indeed McLane did not actually see the memorandum of June 15. This discussion was the more desirable inasmuch as it was McLane who was about to see the highest provincial authority, with whom Bowring did not succeed in gaining an interview.⁴⁸

On June 16, before McLane's departure, Bowring and Stirling held an interview with Wu Chien-chang, at which Bowring "avoided discussing the subject of duties",⁴⁹ although the Taotai led him into the declaration, as transcribed by Interpreter Lay, that

"if the Chinese officers will do their duty, Sir John will ensure the payment of duty by every merchant connected with the British Nation; while if subjects of countries not having treaties with China, be allowed to escape payment, then British subjects will be emancipated likewise."⁵⁰

This brief statement no doubt reflected Bowring's strong willingness to go at least half-way in arranging a settlement, as well as his and McLane's determination to make their specific proposals only to Chinese officials possessing sufficient authority to agree to them.

McLane's interview with Iliang. Robert McLane was received by the Viceroy on June 21 at the city of K'un Shan (崑山), which is situated about two-thirds of the way from Shanghai west to

46. McLane's No. 8, July 27, 1854, China 10.

47. i.e., No. 6, June 14, ibid., according to Bowring's 61, June 17, F.O. 17/214. This dates the interview between June 14-17.

48. Corresp. referred to in IWSM-HF VIII 26a, memor. of Iliang, rec'd Aug. 8, 1854.

49. Bowring's 68, June 27, 1854, F.O. 97/100.

50. Encl. in ibid.

Soochow by boat on the Soochow Creek (Wusung River). McLane was accompanied by Wu Chien-chang and his understudy, the Sub-prefect Lan Wei-wan (藍蔚雯). Iliang came from Soochow in the company of the acting Soochow Prefect, P'ing Han (平翰). Both arrived on the 20th and next day met in the public hall of K'un Shan (崑山公所). The American envoy was polite, the Chinese statesman frank, and as a result of their day's discussion was one of the most constructive and fruitful incidents in all Sino-foreign diplomacy up to that time.

After raising the questions of trade on the Yangtze and communication with Peking anent treaty revision, McLane broached the subject of the inland custom houses which were threatening to stifle the trade of Shanghai. Iliang admitted that the foreign aversion to these extra-treaty-port taxing stations was well founded. They violated the treaties.

"These custom houses had been established by his express direction and persisted in after he had been advised of my instructions to the American Consul to consider such a course as a practical abrogation of the treaty.

"After a full and very satisfactory discussion, it was agreed that the interior custom houses should be abolished and that full power should be given to the superintendent of customs at Shanghai to enter into and conclude an arrangement with the Consuls of the three treaty powers for the administration of the custom house at this port hereafter on a permanent basis."
51

On the next day, McLane at Iliang's request submitted a memorandum of his various proposals, including the request that inland customs exactions on goods coming to Shanghai

be stopped, since

"otherwise it will be impossible to enforce the payment of duties at that port, or settle to the satisfaction of either party the difficulties that have attended the duties during the last nine months."⁵²

In return for the enlargement of commercial privileges by opening the Yangtze to trade, he further promised that the American Government would "at once take active and efficient means to enforce upon their citizens the prompt payment of the duties prescribed in the treaty of Wang Hia".⁵³

If permission was given by the Nanking Viceroy, for the Shanghai Taotai to employ foreigners, the fact was not explicitly reported to the Throne, but Iliang's memorial nevertheless indicates the way in which such permission may have been granted during the course of the interview. According to Iliang's official version, McLane had first pointed out, as an illustration of the need for revision of the old treaty system, that the Shanghai customs had been changed to Soochow Creek,⁵⁴ a move already inconsistent with the old regulations and extremely inconvenient. McLane had full powers, and if the authorities of Kiangnan could not negotiate, he wished them at least to memorialize the Throne to send a minister with full powers. To this Iliang replied that the Shanghai Customs had been moved temporarily because of the fighting there and could be arranged as before as soon as the city was recaptured. If the barbarian merchants really had points of difficulty, there was no hindrance to

52. McLane to Bleang, encl. in No. 8, July 28, ibid.

53. Ex. A in ibid.

54. INSM-HF VIII 20a (rec'd July 15, 1854) l. 1: 改設吳淞
the Creek being called the Wusung River in Chinese.

their discussing them equitably and properly with the Superintendent of Maritime Customs for Kiangnan, - for there was no such thing as a Chinese minister with full powers. Iliang further reported that McLane's memorandum of the following day concluded with the request that the new Customs at Shanghai might be done away with. Finally, concluding his report, the Viceroy reiterated that the only course was to follow the Imperial edict of the previous year regarding Marshall and order McLane back to Canton to await Yeh Ming-ch'en's management; meanwhile he had ordered Wu Chien-chang at once to take customs affairs at Shanghai, talk them over thoroughly, and manage them satisfactorily, so that the barbarians might have nothing to take as a pretext. As before, the Court approved this skillfully worded memorial and ordered McLane to proceed to Canton without loitering.

The Promise to collect the Back Duties. While it seems plain that this conference of June 21 resulted in the Shanghai Taotai's being empowered to reorganize the Custom House, it is less certain what was said regarding the back duties. Over these duties, McLane was apparently less concerned than Bowring, whose spirit had been aroused by the antagonism to his views of the British mercantile community. But although the American Commissioner did not report to his government whether he and Iliang reached any definite agreement as to back duties, he did write that

"On my return from Kwan-Shan, I apprised the British minister of the intercourse I had had with the viceroy, and we entered into cordial co-operation

55. Ibid., 20a, 1.1, 1.10.

56. IWSM-BE VIII 21a, 1.1: 請將上海新關折毀 The new customs (新關) referred to thus briefly may have been either that formerly established on the Bund outside the city walls or that just recently set upon Soochow Creek.

57. Ibid. 21a, 1. 9-10

58. Ibid. 22a, edict of July 15, 1854.

as to the general and local matters which
⁵⁹
 had been in discussion."

And Bowring thereupon reported that

"McLane . . . has just returned from a visit to the Viceroy and I am happy to say . . . arrangements are to be made in co-operation with, and under the sanction of the Consuls of the Three Treaty Powers, for the fair settlement of Duties according to Treaty. On this being done Mr. McLane and I have agreed that the back Duties are to be paid to the Imperial authorities - who will proceed for
⁶⁰
 their recovery through the Consular Courts."

It thus seems apparent that, whether or not McLane had agreed to it with the Viceroy, as early as June 27 the double nature of the customs settlement was agreed upon by McLane and Bowring, both of whom were led by their sense of justice and by their desire to conciliate the Chinese authorities to give them the opportunity of recovering back duties through the Consular Courts, as prescribed by treaty, at the same time that they demanded from them the opportunity to instil life into the customs in the interests of foreign trade. Bowring acknowledged this reciprocal aspect of the agreement to the Taotai, in a second interview on June 27. Interpreter Lay reported him to say that

"with regard to the duty question (which Woo was asked whether he was fully authorized to take up, and he replied that he was) - if the arrangements for the future collection of the duties were placed upon a satisfactory basis, the Consul would be empowered to lend his best

59. No. 8, July 27, China 10.

60. Bowring's 68, 27 June, F.O. 97/100.

assistance towards recovering the back duties."

On the part of the Chinese Authorities this understanding was acknowledged at the time in a communication from Hsu to Bowring on July 1, in which the Governor expressed himself much beholden "for the completeness of your arrangements", and hoped that Bowring would soon call on the merchants "to pay the duties which have accrued on exports since the 7th of September last. This is of the utmost importance."⁶²

Later, the promise that the back duties should in some manner be settled for, was reiterated too plainly for mistake, in both the Chinese and foreign documents. Hsu reported that on his return from K'un Shan the Taotai had on successive days demanded from both the American and British chiefs the duties collected by them on his behalf during the preceding nine months. They had replied that they would not dare to fall short of the full amount, but must wait till the recapture of the city.⁶³ Chierhangah, who succeeded Hsu as Governor of

Kiangsu on July 7,⁶⁴ reported that, subsequent to that time, a memorandum received from Bowring had asked that a minister with full powers might come to Shanghai and permit trade at other places than the five ports, whereupon he would order the merchants to pay up in toto all the unpaid duties; otherwise he would himself go to Peking.⁶⁵ In the English version of the memorandum to which Chierhangah evidently refers, sent him on July 26 in preparation for an interview the following day, Bowring said that he had full powers to arrange matters; he had already compelled British merchants to pay

61. Memo. encl. in Bowring's 74 July 6, F.O. 17/214. Stirling and Chierhangah were also present.

62. Hsu to Bowring, July 1, encl. in Bowring's 74, F.O. 17/214.

63. IWSM-HF VIII 2bb (rec'd July 15), l. 9: 據云不敢缺少

64. Edicts degrading Hsu for incapacity in recapturing Shanghai and promoting Chi. THL-HF XXVII 13a, b, July 7, 1854; referred to also in IWSM-HF VIII 12a, edict of July 7. A memorial from Hsu as Governor was received at Peking July 15, ibid. 21b.

65. Ibid. 21a, l. 6 當令各商將上平八月初五日以後未納稅銀全行補交
rec'd Aug. 30, 1854.

duty from July 12 on; he had promised to make them pay whatever was rightly due as duties since the time the rebels took the city.⁶⁶ A similar statement had already been made to the Viceroy by McLane⁶⁷ in answer to Iliang's letter of June 29 assuring him that Wu was competent to deal with Customs matters and would duly report his arrangements to the Imperial Commissioner at Canton.⁶⁷ McLane replied on July 18 that judicious measures had been taken for the proper administration of the customs and added, "I am at the same time taking the proper measures for a settlement of the past controversies between the Imperial authorities at Shanghai and citizens of the United States."⁶⁸ It seems impossible to avoid the conclusion that the promise to pay up the back duties in whole or in part was used by the Anglo-American authorities as a quid pro quo in securing the acquiescence of the Chinese officials in the customs reform suggested by Alcock.

Inauguration of the Inspectorate. Of the two parts of the customs settlement, however, the question of future collections was the more pressing and was the first to be dealt with. On June 29 the conference of the three treaty-power Consuls with the Taotai elaborated Consul Alcock's memorandum of June 15,⁶⁹ to the principles of which the Viceroy had agreed, and of which "the general outline had been discussed and modifications suggested" by McLane and Bowring. The latter had, however, "been satisfied to leave the local details very much in the hands of the Consuls, who have come to a perfect unanimity of opinion and action."⁷⁰ Alcock's was naturally the dominant

66. Encl. in Bowring's 100, July 27, 1854, F.O. 17/215.

67. Elsang to McLane, June 29, in McLane's 8, July 27, China 10.

68. McLane to Elsang, July 18, *ibid.* On Aug. 2 the three Consuls wrote to Wu that they had "reason to believe that any money payment finally determined on can hardly be under a million of dollars. And to this satisfactory solution all things we hope are tending." (Consuls to Wu, in Bowring's 19, 1856, F.O. 17/312).

69. McLane (No. 7, July 7) enclosed the Consular Notification of July 6 (quoted below) as "an outline of the system agreed upon with" the Viceroy.

70. Bowring's 77, F.O. 97/100.

voice. "The Taotai met my colleagues and myself," he wrote, "at the Consulate, by appointment, for the express purpose of discussing the possibility of entering into some arrangement, by which Foreign and Chinese interests might be mutually protected and benefited..."

"My colleagues at once and very cordially adopted the views set forth in the Memo: of suggestions and I must admit the Taotai showed no reluctance. It is true as regarded the latter, circumstances were very favorable. He had felt his utter inability, single handed to deal with obstacles of every kind flung in the way of any collection of duties, based upon Treaty provisions by Chinese Officials alone. The total loss of revenue with which he was menaced by this inability, made him naturally eager to profit by any suggestions that promised to re-establish his jurisdiction; to invest it with Authority, and secure the full payment of all Duties - while on the other hand it must also be confessed the magnitude of the evil threatening our Trade at the Port, and the Foreign revenue dependent upon it, was no less a matter of serious consideration."⁷¹

The monumental document drawn up as the minutes of this conference marked the birth of the Foreign Inspectorate of Customs. It provided in detail for the appointment of a Board of Inspectors, for the creation of an adequate customs establishment of which they were to be the active head, and for their relations with the Taotai and the foreign Consuls and community. Its details concerned the future rather than the past of the customs problem, however, and can hardly be dealt with here.⁷² To give them effect, the Taotai on July 4 formally requested the three treaty-power Consuls to make their nominations for

⁷¹. Alcock's 56, July 6, encl. in Bowring's 77, F.O. 97/100.

⁷². "Minutes of a Conference of June 29, 1854" Encl. in Bowring's 77, 7 July, F.O. 97/100. See Appendix B.

the Board of Inspectors and at the same time stated the extent of the establishment he would forthwith install and the attendant salaries.⁷³ The new system would begin on the 12th July and on the 6th the Consuls so notified the foreign community.⁷⁴

Before the conference of June 29 had determined upon a board of three inspectors, the British and American Consuls had suggested that M. Arthur J. J. Smith, interpreter in the French Consulate, be appointed as the one inspector specified in Alcock's memorandum. Accordingly, when three were to be appointed, M. Smith was the first mentioned. The others were Thomas Francis Wade, British Vice-consul, and Lewis Carr, of the American Legation, who had shown some capacity during McLane's trip to Nanking but could not equal his colleagues in knowledge of the Chinese language. Both Mr. Carr and M. Smith retained their official positions and duties under their own governments. Under port regulations newly revised by the Taotai, their administration began on July 12, 1854.⁷⁵

73. Encl. in ibid., Bowring's 77.

74. Encl. in ibid.; in McLane's No. 8, China 10.

75. Bowring's 77, F.O. 97/100.

3. The Aftermath (July - November)

While it is beyond the scope of this chapter to describe the actual inauguration of the Foreign Inspectorate on July 12, 1854, and its subsequent organization, there are two events of the period after that date which bear an organic relation to the developments outlined above: None of the British back duties and only one-third of the American were ever paid up; Wu Chien-chang was removed from office and eventually sentenced to banishment.

The Duty Settlement is begun. McLane had decided early in July that the question of paying the back duties was one for legal adjudication. But the devious complexities introduced by his predecessor Marshall's ambiguous course in the period up to February 1854, as well as the difficulty of enforcing any legal decision upon shippers in American vessels who claimed different nationality, gave him great embarrassment. Since he must invoke "the political discretion of the United States Government as an element to give validity to these transactions" at Shanghai, he would really be attempting to deal legally with a political question, as the British Board of Trade had already recognized. "To exercise an approving power", or the opposite, as regards American policy, was certainly injudicious. "While therefore I am unwilling to exercise any political responsibility on behalf of the Government of the United States which might by any possibility transfer to that government the liabilities and obligations of individuals of whatsoever nation, I will most cheerfully mediate between merchants of the United States and the authorities of the Chinese Empire . . .; but this can only be done in behalf of those who are willing to abide

the results of such mediation without further controversy." ⁷⁶

In response to this offer, and to avoid the formal legal proceedings in the consular court which were the alternative, both the American merchants and the Taotai sought McLane's private mediation, the former on July 12 and the latter three days afterward. Wu Chien-chang's request was probably as good a model of western legal phraseology as had yet come, if at all, from a Taotai's yamen: "I do also in the same friendly spirit, promise and agree to abide by the judgment and award by His Excellency the United States Commissioner, Mr. McLane, to whom I will submit in addition to the personal communications already made to him a written statement of claim and demand against the said merchants for unpaid duties since the 7th September, 1853, hereby authorizing him to dismiss all legal proceedings in the matter when He, the said Commissioner, McLane, shall have announced to the respective Parties the Judgment and award he is prepared to render to be received by the said respective parties as a settlement by mutual agreement. I have &c.,

(signed) Wcc Pro Judge Taoutae ⁷⁷
of Shanghai &c., &c."

Both the American and British Consuls had notified the community of the opening of their courts on July 17 "for entertaining the claims for arrears of duties due the Chinese Government". But McLane's offer for mediation having brought from the American merchants "a unanimous determination" to submit to any arrangement that he might ⁷⁸ make with the Chinese Authorities, he thereupon had the

76. McLane to 4 American firms, July 6, in No. 7, China 10.

77. Wu to McLane, July 15, *ibid*; also in Judicial Archive No. 12, U. S. Consulate General, Shanghai.

78. Bowring's 81, July 11, postscript July 13, enclosing Alcock's Notification July 13, F.O. 97/100.

"gratification to contribute [his] personal and official influence in giving the same direction to the claims made upon British merchants", and Bowring likewise offered to mediate.⁷⁹ The British firms were less inclined to trust themselves to such an arrangement than the Americans, but Clarendon's decision of the question being still unknown in China and Bowring being by his own admission the fountain-head of authority, the British firms by degrees during July decided to accept his mediation - "a disagreeable task which both His Excellency the Rear Admiral and the United States Commissioner have been so good as to think I may properly and usefully undertake."⁸⁰

At this point McLane and Bowring both went to Hong-kong, arriving there on August 10 and 19, respectively. At Shanghai the question of back duties, with no little acrimony and writing of memorials, protests and notifications, was meanwhile proceeding toward a settlement on the lines agreed upon by the foreign envoys and the Chinese authorities, ~~when~~⁸¹ but unofficial intelligence received by the middle of August and the subsequent arrival of Clarendon's decision of July, that the bonds taken under the Provisional System were to be cancelled, reversed the situation completely. In brief, the British firms by degrees withdrew their requests for Bowring's mediation. The latter delayed cancelling the bonds in order to keep faith with his colleague and with the Chinese authorities, and McLane also postponed his decision on the cases given him for mediation. Bowring buried the Foreign Office with arguments, foresaw the ruin of Shanghai and the British name, and inveighed against the "fraudulent element" of merchants. Privately, Clarendon at first wavered for a brief

79. No. 8, China 10.

80. Bowring's 93, July 21, and 93, July 24, enclosing Merchants to Bowring, July 20, F.O. 97/100.

81. NCH Aug. 12, 1854.

82

moment. Officially, he regretted extremely "the engagement which, at the date of your last despatch (June 27) you appear to have been on the eve of taking with the Governor of Kiang-su, one of the conditions of which would seem to be, that the duties for which securities are held by Mr. Consul Alcock would be recoverable by the Chinese Government through the Consular Courts." The possibility of such an agreement having been made "causes very much anxiety to Her Majesty's Government".⁸³ But in the end the Foreign office decision stood, and eventually was applied to all bonds taken after February 9, 1854, as well as to all those before that date.⁸⁴

82. Note on Bowring's Nos 55-68-69, Sept. 3, 1854 -

"Bowring's proceedings may be approved except as regards the return of the duties and upon that matter I am really at a loss to know what will now be the best course to take as all existing difficulties with the Chinese authorities will be increased if the engagement improperly entered into by Bowring should not be fulfilled in consequence of instructions from home."

83. Clarendon's 122, Sept. 9, 1854, F.O. 97/100.

84. The discussion was involved, bitter, and long drawn out. See F.O. 97/100, 17/224; further material in 17/215-225 inclusive. On Oct. 2, 1855, the Law Officers reversed their former opinion by deciding that "good faith and honor require that the securities should be considered as available for the benefit of the Chinese Government,"- overlooking the fact that the securities in question no longer existed. On April 26, 1856, however, they again reversed themselves and held that the Chinese authorities had departed from a mutual agreement and so released the British from all obligation. (Alcock's Memo. on Arrear Duties, July 19, 1856, F.O. 17/310). At the end of 1858 Malmesbury, noting the Law Officers opinion that the British authorities in China "did to a certain extent engage that the duties" should be secured, had a Treasury Solicitor prepare a case for a really final decision. (F.O. to Treas., Dec. 30, Treas. to Hammond, Feb. 11, 1859, F.O. 17/310). But in May 1859 a report of the Law Officers left "the question of the Shanghai arrear duties just where it was". (Memo. on "Law Officers of May 25th, 1859", F.O. 17/310).

French policy in the back duties question had been simplicity itself. In August 1855 the French Government sent Bourboulon instructions analogous to those sent Bowring by the British; but by that time M. Remi, the only French merchant concerned, had paid his arrear duties and received a quittance from the Chinese authorities. (Clarendon's 169, Aug 21, 1855, F.O. 17/225; Bowring's 341, Oct. 27, 1855, F.O. 17/310)

Bowring's delay in cancelling the bonds earned him only a more strenuous castigation from the Foreign Office. The end of the year 1854 saw one-half of his program in the customs settlement, the half concerning the past, completely unfulfilled, much to his mortification. None of the bonds taken for dues and duties on British ships and cargoes from September 7, 1853, to July 12, 1854, were ever paid up.

At Shanghai "Mr. Alcock and the better class of Englishmen" were much chagrined and hoped that the decision might receive some important reservation. Some Americans, however, indulged "in high hopes and fond anticipations that the Americans will stultify themselves also,"⁸⁵ and so it became a question whether the American third of the back duties would not also be cancelled.

The Chinese Reaction to the Customs Settlement. The voluminous British correspondence regarding back duties and claims originating during the troubled year 1853-4 at Shanghai, since it led to no overt results, need not here be considered. It is desirable, however, to note briefly the reaction of the Chinese authorities to the disparity between Anglo-American promises and actions in the customs settlement of 1854.

The employment of foreigners in the Shanghai Custom House does not appear to have been made known to Peking in specific terms, Iliang merely reporting noncommittally at the end of July 1854 a statement of McLane's, that the Consul had already been deputed to arrange all the Shanghai customs affairs satisfactorily in conjunction with the Taotai and that thereafter McLane must order his country's merchants scrupulously to obey the treaty.⁸⁶ It was Chierhangah, with whom the foreign officials had extensive communication regarding

85. Murphy to McLane, Aug. 25, in McLane's 18, Nov. 18, 1854, China 10.

86. IWSM-HF VIII 27a, l. 5, rec'd Aug. 8, 1854.

the investment of the Shanghai rebels and for whose ability they conceived a genuine respect, who eventually informed the Court of the non-fulfillment of the barbarian promises.

"Of all the mandarins of China", wrote Bowring later, "Keih [contemporary romanization of Chi] had formed the most correct notion of the power of Western nations, and the desirableness of maintaining with them relations of conciliation and amity. . . . On several occasions he was made the channel of intercourse with the Court of Peking, where he represented himself to be very influential, assuring us that he should be able to prepare the way for the establishment of a more friendly policy towards the Treaty Powers, but in this he wholly failed. . . . It was Keih's ambition to be appointed Imperial Commissioner at Canton, where assuredly his policy would have formed a favorable contrast to that adopted by the Viceroy in general."⁸⁷

In the negotiations during the latter half of 1854 at Shanghai this Manchu officer showed rare qualities of statesmanship, not the least sign of which was his frankness in urging conciliation upon the Court. As regards customs affairs, he reported in August a profession made by Bowring that the Americans asked permission to help exterminate the rebels, enter the Yangtze for trade, and also press the payment of the customs duties owing since last year; and that they (the English) wanted to manage matters in the same way.⁸⁸ He further reported that since the fall of Shanghai the barbarian duties due had repeatedly been demanded, but as yet without result; that in reply to Wu Chien-chang's earlier request that McLane demand payment on his behalf, the American chief had stated that orders had come from his country's

87. Bowring, Autobiog. Recollections, "China". Chienkang was killed in a battle with the rebels at Chinkiang. (reported in NCH June 21, 1856; Ch'ing Shih Kuo, biog. 182, gives no date).

88. LYBM-HE VIII 31b, received Aug. 30, 1854.

king that something of great benefit for China must be done in order respectfully to repay His Majesty the Emperor's generous favor of trade at the five ports, and that seeing China now involved in protracted military operations, with very pressing military expenditures, he must have the new and old duties due by the merchants paid up in full; he only asked that the provincial authorities memorialize on his behalf, that perchance His Majesty might know that McLane managed matters properly. ⁸⁹ After Wu Chien-chang fell from grace (in a manner to be noted presently) and Hsu Nai-chao was succeeded by Chierhangah in July, the latter had pointed out to McLane that in China the responsibilities of an office devolved upon the present incumbent and that since Lan Wei-wen had been deputed by Wu temporarily to manage affairs for him, ⁹⁰ all the barbarian duties, that were due by the merchants in the first place, ought to be dealt with as originally decided upon. If McLane could collect about as much as the collection of former years, and if he could pay up in full the unpaid duties of the preceding year, then Chierhangah would necessarily memorialize for the information of His Majesty the Emperor, that He might see McLane's scrupulous obedience to the treaty and proper management of affairs. McLane thereupon had stated that he would order the merchants to pay all the duties that now ought to be collected; as to the old duties that they ought to pay up, he said he would wait, investigate ⁹¹ carefully, and then discuss. Shortly afterward McLane and Bowring both went to Hongkong.

They returned to Shanghai at the end of September, determined to make another effort to go to Tientsin and revise

89. IWSM-HP VIII 32b, received Aug. 30, 1854.

90. In an interview of Aug. 1 at which Bowring, McLane, Alcock et al. were present, Chierhangah objected "vehemently to our considering the detention of the Taotai (Wu) an occasion of interruption to the arrangements in progress for the payment of arrear duties."
(Memo. of interview in Bowring's 103, Aug. 3, 1854, F.O. 17/215)

91. Ibid. 34a, b.

the treaties. Naturally they could not continue to hold out the promise of collecting the British back duties, which they now knew that the Foreign Office had cancelled, and so they "decided on stating to the Mandarins simply that new complications had necessitated further delay".⁹² At an interview of September 30th Chierhangah "more than once made allusions to the subject of duties, but no encouragement being given it was not prosecuted."⁹³ The Governor was let to observe, in his report of an interview of October 3, that formerly the barbarian chiefs had stated that if an Imperial Commissioner were sent to give them places to trade they would order the merchants to pay up the old duties in order to help the military revenue; and although the matter had not been thoroughly credible, still their words had been very strong; but this time when they came to Shanghai, they had put the subject aside and not spoken of it.⁹⁴ As a result of this and of the firmer foreign attitude, Chierhangah was let to fear that the barbarians might take advantage of China's troubles, use the back duties for their own expenses, not pay customs duties, and create no end of embarrassment.⁹⁵

Here as before the back duties question was an integral part of a larger scene. In this case the foreigners' default increased the reasons for Chinese suspicion and distrust of the barbarian, whose every offer masked ulterior designs and was quite demonstrably unreliable. This logical conclusion was reflected in the Imperial rejoinder to Chierhangah's report, which also expressed concern at the extent to which that official himself appeared to be takenⁱⁿ by the barbarian stratagems.⁹⁶

By October the British default was known and reported to Peking, in terms not a little derogatory to Bowring's

92. Bowring's 164, Oct. 2, 1854, Morse Conflict, App. B, p. 674.

93. Memo. of interview, encl. in ibid. p. 679.

94. IWSM-HF IX 36, rec'd Oct. 15, 1854.

95. Ibid.

96. Edict Oct. 15, 1854, IWSM-HF IX 4b.

honesty. Chierhangah explained at some length that the barbarian chiefs got all their expenses, for everything that they did, from the merchants; but if the barbarian merchants did not receive the command of their countries' kings, they would not obey. For this reason the chiefs must take advantage of an opportunity to stir up a row, and rouse the kings to anger, whereupon they could get what they wanted. The chiefs in question said that when they went to Tientsin this time, if they were ordered to return to Kwangtung, they would certainly lose face, and could only report to the kings of their countries and await their commands before acting. Obviously they wanted to misrepresent the facts and get something out of it. In the summer they had agreed to devise a means of collecting the unpaid customs duties. Later they put it off with the excuse that they would arrange it after returning from Kwangtung. Now they said not a word about it. Thus on the outside they protected the merchants and opposed payment of duties, but actually they beguiled the merchants with this profit, scheming to collect their expenses from them at a later date. For this reason Chierhangah had instructed LAN Wei-wen, acting Su-Sung-T'sai Taotai, to ask them the reason why they could not fulfill their promise. They replied that affairs from September 7, 1853, to February 9, 1854, were under the administration of the former English chief, Bonham. Bowring originally intended to devise a means of paying up the duties. Unfortunately he had now received a letter from England stating that when Bonham returned home he told how the interior was in the greatest disorder, how the merchants had suffered severe losses, and the mercantile firms at Shanghai all were taking measures to protect themselves; mutual relations had not been completely cordial. The king was very much displeased, and so he cancelled all the duty memoranda

given by the merchants before February 9, 1854. Bowring was now reporting to the king the inaccuracies in what Bonham said, and would wait for his orders before acting. But it was necessary to arrange for the unrestricted buying and selling of the barbarian merchants' exports and imports, after which the chief could handle matters.⁹⁷ When Chierhangah suggested that there was in any case no excuse for not paying the duties due between February 10 and July 12, Bowring replied that without the king's command he feared the merchants would be intractable. This moved the Manchu official to observe that the loss of the unpaid duties, totalling between 700,000 and one million taels, would be most embarrassing, and that privately he was very much alarmed; - there being an agreement for treaty revision after twelve years, should we or should we not, in view of the circumstances, use it to influence them in the hope of getting rid of evils not yet arisen?⁹⁸

A few days later he urged in even stronger terms the argument that the sending of an Imperial Commissioner to negotiate at Shanghai would be the best way to ensure the payment of the barbarian duties: after Bowring's arrival at Shanghai in June it had been decided upon to begin the collection of the new duties, and he had instructed the merchants to arrange to pay up the old duties, and then had gone to Kwangtung.⁹⁹ Having returned to Shanghai and explained how Bonham's reports had moved his king to cancel the back duties, Bowring was now reporting for the king's information how China had given them just treatment, and friendly relations had not been destroyed. In addition to having the new duties paid up as usual, in order to keep the Treaty faith-

97. IWSM-HF IX 17b, received Oct. 20, 1854.

98. Ibid.

99. IWSM-HF IX 48a, rec'd Nov. 8, 1854.

fully, he also had requested that the old duties might be paid up in their entirety according to the regulations, and awaited a reply from his country, according to which he would act. It was estimated that since the opening of the custom house on July 12, - at present the best months had just arrived, - new duties had already been collected to a total of over Tls. 400,000. Aside from the barbarian duties there were no other funds whose collection could be devised. It was greatly to be feared that those chiefs would take the opportunity to pick a quarrel just as Bonham did and oppose the payment of the duties, - in which case not only would the Shanghai garrison at once be short of funds, but also it would not be possible to lend financial assistance to the garrisons at Hanking and Chinkiang and to the fleet.¹⁰⁰ All in all, if the barbarian request for a revision of the Regulations of Trade were granted, then means could be devised to compel the payment of the old duties and continue¹⁰¹ the collection of the new duties.

Chierhangah's policy makes a curious parallel to that of McLane and Bowring. To secure, at first, the safety of Shanghai and, later, the revision of the treaties, they had proposed to offer China a proportion of the back duties. Chierhangah had now responded by proposing to grant a revision of the treaties in order to secure the customs duties which were then so urgently needed. In both matters the diplomats on the spot might have come to an agreement. But their superiors at a distance checked their statesmanship. Just as the Foreign Office had been unwilling to sacrifice the back duties, so now the Court at Peking was unwilling to allow any

100. Ibid.

101. Ibid. 49a.

revision of the treaties. However constructive their representatives at Shanghai might become, Peking and London were a world apart.

The Court's attitude was expressed when Bowring and McLane went north to demand a revision of the treaties. Arriving off the mouth of the Peiho on October 15,¹⁰² the envoys spent almost a month in protracted and fruitless negotiations. The details need not be dealt with here except insofar as the back duties were discussed and were, indirectly, remitted by the Emperor as a sop to the barbarians' importunity.¹⁰³

Both the British and the American memoranda of grievances and demands, which reached Peking by November 5, included a request for at least partial remission of the back duties. The British memo. (item 14) complained of the Canton tea tax, an irritation of several years' standing, asked that it be stopped, and suggested that the amount illegally exacted by it from British trade might be repaid by being deducted from the amount of the unpaid duties at Shanghai.¹⁰⁴ The American memo. claimed in passing that from September 7 to July 12 no Chinese authorities had been at Shanghai, and without American help customs affairs could not have been managed; His Majesty should remit the duties for which the American Consul held bonds, both because of American merchants' complaints over the Canton tea tax and because of their losses and inconvenience suffered at Shanghai.¹⁰⁵ The Anglo-American policy seems clear: having promised Chierhangah duties which now seemed unlikely to be paid, Bowring and McLane tried to save themselves by securing a remission of the duties from the Emperor, which would in effect obviate them from

102. Morse, Conflict p. 416.

103. The Chinese side of these negotiations is reported in detail in IWSM-HP IX.

104. Ibid. 43a, 1. 3 (Nov. 5, 1854): 在上海未納稅項內扣抵。

105. Ibid. 45b.

their obligation to the Governor of Kiangsu.

In reply to the barbarian demands the Emperor manifested his compassion for men from afar by allowing three minor questions, - altercations between foreigners and Chinese, the Shanghai back duties, and the Canton tea tax, - to be taken up and dealt with by the provincial authorities concerned, ¹⁰⁶ and this permission was conveyed to the foreign envoys in the replies to their memoranda. ¹⁰⁷ But at the same time the Chinese authorities at Tientsin were ordered to reply as though this were their own idea. ¹⁰⁸ The Emperor's policy was aimed at inducing the barbarians to return to the south. To that end they were to be assured that their memoranda had been presented to the Throne, but not until they reached the south were they to be told that the Emperor had in fact given permission for the three points mentioned to be dealt with by the provincial authorities. As a result Molane merely reported that the Imperial Commissioner with whom he conferred at the Peiho "selected this matter of the unpaid duties at Shanghai as one of the three questions proper to be disposed of by the local authorities." ¹⁰⁹ The foreign envoys' effort to go over the heads of the Kiangsu authorities had failed as usual; instead of giving them a convenient way of defaulting on their promise, by securing the Emperor's remission of the back duties, it had in fact strengthened Chierhangah's diplomatic position by giving him final authority in the question, unknown to his adversaries.

106. Ibid. 41a, edict of November 5, 1854.

107. Ibid. 54b: 能否稍從減免仍由該省督

撫酌辦; 56b: same sense.

108. IWSK-HP X 52a, Edict Nov. 12, 1854: 復作為己意

109. Molane's 21, Nov. 25, 1854, China 10.

As a result of this ambiguous policy, it was possible for an Imperial edict of July 1856 to refer to the remission of duties already made, while in October of that year a memorial from the Kiangsu authorities recited at length the details of the American duty settlement and prayed that the two-thirds which McLane had deducted as noted below might be remitted as an expression of Imperial compassion. The Emperor assented. ^{109a} Before this settlement was reached, however, the American duty question had undergone vicissitudes which deserve to be noticed.

McLane's Award. Robert McLane's decision as mediator, handed down on November 23, 1854, awarded the Chinese Superintendent of Customs at Shanghai the sum of Tls. 118,125, - one-third of what he had claimed from American merchants. In giving his decision, McLane reviewed the course of events at Shanghai, and concluded that from a purely legal point of view duties had continued to be due to the Imperial Government ever since September 7, 1853, because the American Government had continued "to recognise the Imperial Government, with whom the Treaty of Wang Hya was contracted, as still in existence." ¹¹⁰ He asserted further that "the Imperial Government of China will not be held responsible for mere inability to preserve order; but such inability when accompanied with unwillingness to perform faithfully the duties imposed on it by Treaty, will authorize the Government of the United States to insist upon an indemnity of some kind, commercial or pecuniary, for these injuries to which American trade has been subjected." On analyzing the merchants' difficulties, - such as losses through the unsaleability of imports, the detention of shipping, the enhanced cost of money

109a. IVSM-HF XIII 14a 1.5, edict of July 23, 1856; ibid. 26a to 27b, received Oct. 10, 1856, Imperial minute: "Let it be as recommended" (依議)

110. Decision of R. M. McLane filed at U. S. Consulate, Shanghai, Nov. 23, 1854, in McLane's 21, China 10: NCH Dec. 2, 1854.

(about 33 $\frac{1}{3}$ %) - the American Commissioner concluded that the merchants were entitled to a reduction of one-third in the amount of their duties because of their loss by exchange: "the claim for duties must be abated, when paid in money, to the full amount that the money has been enhanced in cost by the loss of the Import trade" (which contributed to make the Carolus dollar in greater demand as a means of buying exports). Finally, from the duties due between September 7 and February 8, he deducted another third for account of the expenses of collection", which had been saved to the Imperial Government by the foreign consular administration; and from the duties due in the period from February 9 to July 12, he likewise deducted a second third, for the last-named reason and also because the Imperial Authorities during much of that period had been exacting duties at custom houses in the interior. In fact merchants presenting documentary evidence of such interior exactions would receive a further deduction of a corresponding amount, just as though they had presented regular duty receipts.

III. Ibid. List of American firms and amounts judged due by each (List in Morse Submission p. 20, from NCH November 25, 1854, omits last item, F. D. Williams):

	T.	M.	C.	C.
Russell and Co.....	39095	5	1	9
Smith, King and Co.....	29497	5	2	3
Bull, Nye and Co.....	26983	5	7	6
Augustine Heard and Co.....	18494	0	4	7
Wetmore and Co.....	9498	4	3	8
Hiram Fogg and Co.....	346	6	7	0
Wm G. Pirece.....	50	-	-	-
Frank Foster.....	84	1	6	5
Total.....	118049	9	4	0
Addenda				
F. D. Williams.....	75	9	0	1
Due and owing from F. D. Williams and not included in the foregoing principal award				
Grand Total.....	118125	8	4	1

Dr. Tyler Dennett's statement (Americans in Eastern Asia p. 230) that Molane deducted "a third for losses which the Americans had suffered through the disturbance of the trade and a third for the increase in the value of the specie which had occurred since the 'provisional rules' became operative" is misleading. One-third was deducted for the expenses of collection.

In compliance with this award the American merchants agreed to pay the sums judged due by them into the Consular Court on December 30, 1854. While preparing to meet these debts they took advantage of the final proviso, abovequoted, in McLane's award; and at the beginning of December \$250,000 worth of duty receipts was in circulation at Shanghai, passing from hand to hand sometimes at a discount of 50%. McLane was obliged to point out, through Consul Murphy, that only "the duty receipts for notes paid by the merchants concerned in the award, either at the interior Custom Houses, or at Shanghai, between 7 September 1853 and 12 July 1854, are to be paid as cash to the Superintendent of Customs in part payment of the award, and none other."¹¹²

The State Department cancels the Back Duties. Meanwhile, it appears that McLane "did not forward to the State Department till the 25th November [1854] the correspondence relative to the duty question, with the Consul, Merchants, and Taoutae, and the introduction of foreign officers into the Custom House"¹¹³, and as a result the American Secretary of State, W. L. Marcy, was incompletely informed of the views on which McLane and Bowring had been basing their policy at Shanghai. He¹¹⁴ acknowledged in September McLane's despatch of June 14 in which the customs settlement was only foreshadowed. His next despatch to the Commissioner was dated November 10, 1854: it informed him that a copy of Clarendon's instructions to Bowring to cancel the back duties had been sent to the State Department through the British Minister in Washington. Since Clarendon's "reasons appeared to me to be conclusive" and

112. Murphy to McLane, December 4, and reply December 9, 1854, in Parker's 1, China 11.

113. Parker to Murphy, Jan. 31, 1855, in Parker's 2, China 11.

114. Marcy to McLane No. 10, Sept. 23, 1854, China Instructions Vol. I.

seemed equally applicable to the American back duties, Marcy had therefore on November 8 instructed Consul Murphy at Shanghai to cancel and surrender the bonds. At the same time he had made this instruction known to American merchants interested in the China trade.

The result was that the American Chargé d'Affaires at Canton (Dr. Peter Parker, who took charge December 12, 1854 on McLane's departure), and the American merchants there learned at the end of January 1855 that the American Government had followed the British example. An anomalous situation ensued. At Shanghai all but one of the American firms had already paid up their back duties in full in compliance with McLane's decision; and by a notification of February 12 Consul Alcock published Bowring's orders that all papers regarding the British duties once claimed under the Provisional System (September 7 - February 9, 1854) be finally returned to the merchants. For both British and American merchants the back duties question appeared to be closed. But at Canton Dr. Parker, in response to a query from Russell and Co., issued a circular to the American firms there on January 30, informing them that "advices to this Legation" had been received from the State Department ordering the cancellation of the bonds taken under the Provisional System, as a result of which, said Dr. Parker, "I deem it my duty" to instruct the American Consul at Shanghai "to return the monies collected and cancel all obligations, but on condition that the merchants will give their written obligations to abide any modifications of the Decision of the State Department, which it may deem just and expedient after it shall have been informed of the award of His Excellency, Robert M. McLane." Dr. Parker's despatch the next day to

115. Marcy to McLane No. 11, Nov. 10, 1854, China Instructions Vol. I.

116. Marcy to Goodhue and Co. and others, Nov. 9, 1854, F.O. 17/219: NCH February 10, 1855.

117. NCH February 3, 1855.

118. NCH Feb. 17, 1854.

119. Parker to Merchants, Jan. 30, 1855, in Parker's China 11.

Consul Murphy burst upon the latter out of a clear sky, for he had not yet received Marcy's instructions of November 8, 1854. He was the more incensed because Parker had given the American merchants pressed copies of his despatch to Murphy, yet not sent that officer a copy of his circular to the merchants. The merchants demanded their money back. The Consul refused to act until he received the Department's instructions. ¹²⁰ Russell and Co. and Richard P. Dana protested to Parker. ¹²¹ Parker thereupon on February 26 "officialized" to Consul Murphy a copy of his copy of the despatch from Marcy to the Consul. On March 6 he sent a duplicate to Shanghai in the hands of Robert S. Sturgis of Russell and Co., U. S. Vice-Consul at Canton. Murphy's motives were to him "beyond comprehension." ¹²² The letter's instructions from the Department were indeed sufficiently clear, ¹²³ but the Consul continued to hold his ground pending further instructions.

120. Murphy to Parker, Feb. 15, ibid.

121. Canton, Feb. 26, enclosing Russell & Co. to Murphy, Shanghai Feb. 13; Dana to Parker, Feb. 16, 1855, ibid.

122. "Implicit obedience to plain Instructions from Superiors is always safe . . . should you persevere in your disobedience . . . it will only remain to suspend you from your office, and in the interim to supply the Consulate with one competent to its duties, and who will conform to the directions of the Home Government and its Representative in China. Peter Parker. Acting Commissioner of the U.S.A. China."
(Parker to Murphy March 5, 1855, in Parker's 3, China 11).
On returning to America Parker asked Marcy, "Has the U. S. Commissioner any jurisdiction or control over U. S. Consuls in China? If any, what?"
(Parker to Marcy, No. 1, September 17, 1855, China 11).

123. "To cancel all bonds and obligations received by me or my predecessor under the provisional rules for clearing ships issued by Mr. Cunningham with the approval of the late Commissioner on the 9th Sept. 1853, and return them to the parties to whom they respectively belong. You will also immediately rescind the said regulations."
The last sentence is, "you will in the meanwhile keep the Department accurately informed of the course of events."

The Final Settlement, December 1856. At the beginning of 1856, when the French began military operations to dislodge the rebels from Shanghai city, Consul Murphy, anxious for the safety of the money which he held in silver, had invested it, at 6s.2d. and 6s.5d. per dollar, in sterling bills of exchange of the Oriental Bank Corporation and the Merchants Bank of India.¹²⁴ A year later instructions were received from the State Department, by whom the question of McLane's award had been referred to Caleb Cushing as Attorney General, stating that the order "for giving up the bonds was issued after the case was referred to the Umpire, and while the U.S. Government was ignorant of that reference, but the submission of the case by the parties interested to the arbitration placed it beyond the control of that Government, and the mode of adjusting the disputed claim agreed upon by them ought to be carried out."¹²⁵ By that time the value of the sterling bills had been diminished, through an advance in the rate of exchange, by about \$10,000.¹²⁶ and Consul Murphy on the eve of his departure from China instructed his successor at Shanghai, Dr. Melancthon W. Fish, to pay "the full amount of the securities on deposit in the Court, which represent the sum of Eighty-one thousand, five hundred and ninety-two Taels" to the Chinese authorities, Lan Taotai and his predecessor Wu, obtaining their receipt. "Should they consent to this arrangement, it only then remains for you to explain to them that, with reference to the balance due on the award of Mr. McLane, it being in duty receipts, and no one understanding them but me, it is deemed absolutely necessary in view of the interests of all parties, that so much of the award as is represented by duty receipts shall remain to be adjusted by me in conference with them on my return to Shanghai."¹²⁷ Some eight or nine

124. NCH. April 19, 1856; Parker's 2, Jan. 14, 1856, China 11.

125. Parker to Keih, Jan. 18, 1856, in Parker's 4, China 11.

126. NCH. April 19, 1856.

127. Murphy to Fish, Jan. 14, 1856, in Parker's 4, China 11.

thousand taels worth of the duty receipts referred to had been the subject of a spirited and lengthy altercation between Consul Murphy and Augustine Heard and Co., who differed as to their acceptability in payment of the notes held by the Consul. ¹²⁸ After Murphy's departure Heard and Co. appealed to Parker, who had by then become American Commissioner, and received from him a decision in their favour in February 1856. ¹²⁹ The way was almost cleared for a final settlement of all but the duty receipts. Wu Chien-chang's absence deterred the acting American Consul during February and March ¹⁸⁵⁶ from making the final payment to Lan Taotai alone, since it would be contrary to the letter of his instructions. ¹³⁰ After the Consul's mind was at length set at rest by his superior, the United States Commissioner, and an offer finally made to Lan Taotai, the latter was for a time taken aback to find that Murphy's investment in sterling bills of exchange, of which the Chinese authorities had not been apprised, had resulted in a shrinkage of Tls. 8,308. The Taotai was asked to receive Tls. 73, 284 and give a receipt for Tls. 81,592, these being the two sums which represented the eventual and the original values of Murphy's £27,500 sterling. Because of the disparity, blame threatened to attach to either the acting Consul or the Taotai, or both. However, the Taotai had no alternative. After wait-

128. 9 enclosures, Jan. 1855, in Parker's 8, 1856, China 12.
 129. In Parker's 8, ibid.
 130. Fish to Parker, Feb. 14, March 6, 1856, in Parker's 8, China 12.

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ing for his superior's approval, he signed a receipt. On April 10, 1856 the Tls. 73, 284 was paid.

Before the day was out Heard and Co. demanded that an attachment be placed upon the money for a claim of theirs arising from damage done to the American ship Mermaid by the Chinese war vessel Herbert Compton two years before. Consul Murphy, they said, had promised them in October 1855 to issue an attachment for \$3178.75 on the back duties held in the Consulate. Having increased the claim by six months' interest, they now asked \$3400. and inspired the acting Consul to inquire, "Is it according to Treaty for a Consular Court to attach the property of the Chinese Government for a claim of an American citizen?" In reply Parker approved the payment to the Taotai and marked Heard and Co.'s claim for settlement independent of the duty award.

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Contrary to the statement of the North China Herald, McLane's award was not fully settled in April 1856. On May 16 of that year the Department approved Murphy's being charged

131. "I, n, Acting Taotai, Chief Superintendent Customs, Intendent Soo Soong-Tai &c., hereby acknowledges the receipt of Eighty-one Thousand, five hundred and ninety-two Taels (taels 81,592) paid to him this day by M. V. Fish, Acting United States Consul for the port of Shanghai, as part of an Award made by His Excellency R. H. McLane on the 23rd day of November 1854, and further the said I, n Acting Taotai &c., promises that when the whole of the Award shall be settled according to law and equity by Mr. Murphy or his successor that he will on the part of the Chinese Government give a receipt in full satisfaction for all claims against American Merchants at Shanghai for Import, Export and tonnage dues accruing from the 7th September 1853 to the 12th July 1854."

"In testimony whereof he has set his hand and Seal of Office this 10th day of April 1858.

(Signed) I, n &c."

(Fish to Parker, April 10, 1856, in Parker's 10, China 12).

132. Fish to Parker and enclosures, April 17, 1856, in Parker's 10, China 12.

133. Parker to Fish, August 2, 1856, in Parker's 21, China 12.

134. April 19, 1856: quoted in Morse Submission p. 21, note 59.

with the transfer of the duty receipts, which he still held, to the Chinese authorities. These instructions reached Shanghai in August 1856. ¹³⁵ and Murphy who had meantime resumed his duties there, was able to report a final settlement by the beginning of 1857. In a letter of December 18, 1856, Lan Taotai sent receipts, in Chinese and in English, for the total of Tls. 118,125 ¹³⁶ judged due by McLane. In April 1857 Murphy's action was approved by the Department.

From the above it seems plain that the Government at Peking was throughout more concerned to avoid entanglement in treaty revision than to recover the back duties at Shanghai; and in view of the unreliability of the barbarian promises regarding the back duties, the Court's policy, in this case at least, seems justified.

The Fall of Samqua. Heretofore it has seemed possible that the degradation of Wu Chien-chang came as a result of his compliance with foreign wishes at Shanghai, particularly in

135. Parker to Murphy Aug. 9, 1856, in Parker's 21, China 12.

136. Lan to Murphy Dec. 18, 1856, in Murphy to Parker, Jan 20, 1857, in Parker's 3, China 13. Form of receipt:
"Of the Import and Export duties and tonnage dues owing and unpaid by American Merchants from 7th Sept. 1853, to 12th July 1854, Commissioner McLane decided that

T. M c c
118,125. 8. 4. 1.

should be paid, of this first there was received in Sycee

T. m c c
81,592. 2. 0. 2.

also have been received, in receipts due since 7th September 1853, and in papers from Canton, shewing duties there paid 27,455.8.4.5. and now have been received in Sycee 218,4.4.2. Thus making received in all 109,266.4.8.9 to which add the receipts of Heard & Co., 8859.3.5.2 which latter amount has been by me clearly reported to H. E. (the Governor) that he may memorialize the Emperor and request its remission.

"Reckoning the whole in full T. m c c

118,125 8. 4. 1 it corre-

sponds with the sum awarded by Commissioner McLane, winds up and clears off the entire case accordingly as is right. I now give this my Receipt Duplicate to be held (as evidence of the settlement) may it reach him by whom it should be received.

To Consul Murphy. (Seal of the Commissioner
Hean fung 6th year, 11th moon. (of Customs of the
Translated by Bridgman. (Province of Keang-nan".

137. Thomas to Murphy, April 3, 1857, Archive No. A-1,
U. S. Consulate General, Shanghai.

the matter of introducing reforms in the Custom House.

The Chinese material cited above makes this seem less likely.

Wu was impeached in a memorial presented in Peking on July 11 for a variety of crimes, most of them connected with his

malfeasance in the siege of Shanghai.¹³⁹ Subsequently he was found guilty on a number of the charges made in April 1855,¹⁴⁰ and sentence was passed against him in December of that year.¹⁴¹

This, however, was the nadir of his misfortune. Until the end of 1855 he evidently remained near Shanghai while his affairs were undergoing examination. The Imperial decree against him made little difference. Four months later Hsiang Jung (向榮) the Imperial commander before Nanking, petitioned the Emperor that the degraded Taotai "might be left in (the) camp to exert his energies in prosecution of the war", to which the Emperor assented with the threat that otherwise he must be sent to Tartary as decreed.¹⁴² A few days later¹⁴³ appeared another document, or a longer version of the above, in which Hsiang Jung recounted Wu's energy in collecting a fleet at Shanghai, claimed that neither Chierhangah nor Yeh Ming-ch'an had found any proof of his guilt, noted that "the said officer is willing to exert himself in behalf of his country, and that he has from his own resources supplied the necessities of the army to the extent of 193,000 taels", and asked that Wu be temporarily retained in camp. At the end of April 1856 the American Consul at Shanghai received a letter from Wu asking whether certain promissory notes for Tls.10,000

138. Dr. H. B. Morse (Submission p. 24), is careful not to draw a conclusion, although mentioning Wu's banishment in the same breath with the reforms to which he was party.

139. IWSM-HF VIII 15b; Edicts (also July 11) 17a, 18a. op. pass. Syst. at Shanghai, part II, p. 84.

140. Cf. Ibid; Memorial of Huang Tsung-han (黄宗漢), IWSM-HF IX 25a, rec'd. Apr. 4, 1855; Edict (same date) 28a.

141. Edict quoted in Morse Submission p. 24 from NCH Jan. 12, 1856, as translation of Peking Gazette of Dec. 15, 1855. Original in THL-HF XXXVI 1b, dated Dec. 13, 1855.

142. Peking Gazette of March 12, 1856, translation in Miscellany or Companion to the Shanghai Almanac for 1857 (collected from NCH); Edict, (same date) THL-HF XXXVII 6b.

143. Gazette of March 17 in Miscellany ... 1857 as above. Chinese version not found.

odd had been accounted for in McLane's duty award. ¹⁴⁴ The American Commissioner when asked replied that they had been included, and that T. F. Wade, Esq., former Inspector of Customs at Shanghai, corroborated the fact. ¹⁴⁵ In June the Consul "communicated" this view to Wu, ¹⁴⁶ who was evidently not so far away as to be incommunicado. In September he was at Shanghai negotiating for steamers to go up the Yangtze against the rebels, and on the 23rd accompanied his successor ¹⁴⁷ Ian Tactai to an interview with the American Commissioner. About the same time Iliang memorialized ¹⁴⁸ asking that Wu might again be taken into favor inasmuch as he had made a present to the government of certain munitions of war, - to wit, 57 cannons weighing between 200 and 1,100 catties each, 200 flintlocks, 24 percussion muskets, 50 jingals, 1900 catties of gunpowder, 2,000 catties of shot, and a large supply of swords, bamboo shields, fighting hats, and suits of armor.

It is plain that Samqua's opulence had stood him in good stead. His understanding of the barbarians also was apparently too valuable to be dispensed with. In 1858 he was still at Shanghai with the rank of expectant Tactai (hou-pu tao 候補道), taking an active part in the negotiations and combating barbarian wiles as of old. ¹⁴⁹ There is no indication that the part he played in founding the Foreign Inspectorate of Customs was a factor of importance in causing his degradation in 1854.

144. Fish to Parker, April 30, 1856, in Parker's 21, China 12.

145. Parker to Fish, May 26, ibid.

146. Fish to Parker June 30, 1856, in Parker's 21, China 12.

147. IWSM-HF XIII 28a, memorial of Iliang et al., rec'd Oct. 11, 1856.

148. Gazette of Oct. 20, 1856, Miscellany ... 1857.

149. Cf. IWSM-HF, XIX, 10a, 9; also XIX 20a and XX 2b.

4. A Further Interpretation.

Since personal judgment has already been extensively exercised in the selection of the evidence presented above, a further analysis may help to clarify the point of view with which this account has been written and so leave the reader more free to form his own conclusions.

Of the background of western economic aggression in China it is hardly feasible to write at length. The mills of Lancashire, free trade, the clipper and the steamer, bills of exchange, the opium traffic, all were aspects of an accelerated expansion of western civilization which still continues and is still but partly understood. On the coast of China in 1854 expansion was the law of life for both merchant and missionary. The treaty port trader was the economist's "economic man" par excellence. So closely were his ideas and emotions geared to profit and loss that in the scenes described above he can almost be accepted as a constant and predictable factor, young, energetic, adventurous, - responsible to his contracts, his narrow community, and his consul, - assertive of his rights, bent upon gain. His presence was the reason for the consular establishments and the diplomacy with which this paper is mainly concerned.

In the events outlined above, four countries were involved, but of these France had really no interest in trade and functioned only as a silent diplomatic partner of Britain. Of the other three, England and the United States were alike primarily interested in the safety and expansion of their trade with China, to which their diplomacy was ever a faithful handmaiden. But although American commerce at Shanghai had suddenly grown to rival the British, it never received a corresponding amount of fostering care from Washington.

The State Department followed throughout either the lead of the American officials in China or of the Foreign Office in London, whichever might first present persuasive arguments. The diplomatic initiative on the foreign side, therefore, remained with one of three groups, - the American officials in China, or the British, or the Foreign Office in London.

The position of the American officials was made the stronger by their relative freedom from bureaucracy. They could assert themselves. Consul Murphy lacked experience and even an interpreter, yet he succeeded in dominating his American community and in time was hailed for his energetic tactics as "the Palmerston of Shanghai".¹⁵⁰ Robert McLane, an unusually able diplomat, established in a few weeks as close contact with the Chinese higher authorities as the British had gained in years. No doubt his way was smoothed by the contemporary crisis and by the fact that he represented barbarians less dangerous than the British; even so his personal qualities gave him a position by no means inferior to that of the British Minister. Able as the American officials were, however, it was impossible for them to acquire one priceless ingredient of British diplomacy, namely, the experience of things Chinese amassed over long years by men like Rutherford Alcock. As a result the American policy in China, insofar as its objectives coincided

150. NCH July 28, 1855, Murphy (to Parker, January 22, 1855, in Parker's 2, China 11) was conscious that he played a lone hand: "...Diplomacy with the Chinese is a game at which Western Nations must play at a great disadvantage, not being allowed by their rules of honor and integrity to resort to means, which are acceptable, and always adopted by others when necessary. While H. E. Mr. McLane was here I did all in my power to forward his views, without reference to my own. But so soon as he left, I have fallen back on the Supreme law of the land, the Treaty, and there I propose to base all my movements, using all the means in my power to compel a strict compliance therewith, whenever necessary."

with the British, had to take its cue from the latter. In the matter of customs administration, McLane and Bowring in April set as their objective the maintenance of the treaty stipulation that duties should be collected in the port according to treaty tariff. After McLane came to Shanghai, Alcock on May 1st suggested how this might be done, - by putting a foreign element into the Custom House. McLane was thereafter of invaluable assistance, in his interviews with Iliang and later, in giving effect to the idea; but there can be little doubt that it was originally Alcock's inspiration.¹⁵¹ This was typical. England had the intelligence service, the codes of regulations, the archives full of precedents, the trained consular establishments necessary to the pursuit of a broad policy over a period of years, and just as British merchants were in the majority and set the tone of treaty-port life, so British diplomacy tended to draw American into its train. After the United States gingerly subscribed to the Anglo-French cooperative program for treaty revision, it was inevitable and indeed, in view of their similar interests, desirable that Great Britain should continue to lead the way.

British policy presents a curious paradox in that it was the officials near at hand in China who were really farsighted and creative and those at a distance in London who often failed to grasp the fundamental issues involved. As the Foreign Office was then organized, the officials who guided policy toward China had no first-hand experience of

151. A comparison of Alcock's and McLane's despatches makes it difficult to support Dr. Dennett's surmise (Americans in Eastern Asia, p. 128) that "it is therefore probable that to McLane belongs the credit of having devised the general plan and initiated it, while to Alcock, as the senior consul in Shanghai and as obviously the best fitted to do it, fell the work of drawing up the details." The situation seems rather to have been the other way around: Alcock probably deserves credit for the idea, and McLane because of his rank was best fitted to begin to carry it out by approaching Iliang. The idea is first mentioned by Alcock after McLane's arrival at Shanghai; but it is never given much importance by McLane.

the country, and because of distance, their response to events in Shanghai was always three months late. Yet this did not invalidate the finality of their decisions nor make them less susceptible to the lobbying of merchants in England. As a result Clarendon could follow principle, demand the revision of the treaties and most-favoured-nation treatment, but he could not easily take advantage of circumstance. Bowring's bargain at Shanghai, by which China would get the back duties and England an efficient custom house, was a brilliant stroke: collection of a proportion of the back duties would undoubtedly have strengthened the moral authority of the Custom House, and a strong legal case could have been presented on China's behalf to sustain such a proceeding. It was unfortunate that the files of correspondence on which the Foreign Office had to base its conclusions contained neither the evidence to support China's claim to the back duties nor a persuasive explanation of the vital need of a Foreign Inspectorate, - which was, of course, not conceived in time for the Foreign Office even to deliver a blessing at its birth. Clarendon's final decision in July to cancel the back duties reflected three points of view, - the merchants' complaints, the reports of Sir G. Bonham, and the opinion of the Law Officers, - all of which considered the duty question purely on its own practical or legal merits and without reference to the larger scene surrounding it. Alcock and Bowring, on the other hand, showed true statesmanship and in creating the Inspectorate on their own initiative laid a foundation for the facile expansion of British trade.

For ten years Alcock had been daily confronted with the problem of securing an efficient customs administration in the treaty ports of China. More than anyone also, he realized both the need of such an administration and the dif-

difficulties standing in its way. He realized that to allow the taxation of China's foreign trade at points outside the treaty-port, where the British Consul could not be at hand to check irregularities and squeeze, would go far to nullify the treaties. To prevent that, he had in September 1853 devised the Provisional System, as a means of maintaining the principle that customs duties were to be collected in the treaty port and not outside. From the consular administration effected by the Provisional System it was really but a step, though a long one, to the Foreign Inspectorate; and the same fears of inland taxation which had impelled the Consul toward the former temporary solution continued to work upon him and eventually, after the collapse of Wu's Custom House in March 1854, forced him to devise the experiment of July that in time became a permanent solution. In the last analysis there was for the British officials no alternative between a custom house in the treaty port, and taxation of trade outside the port under terms which would inevitably be set by the Chinese, in a manner reminiscent of the period before 1842. But if in the treaty port, then the duties must be levied according to tariff impartially upon all nations and persons. Even since the inauguration of the treaties in 1842-43, this problem, how to make the Chinese Custom House impartial and efficient, had defied all efforts at a solution. But unless the idea of equal opportunity embodied in the most-favoured-nation clause and later in the Open Door was to be scrapped (and its scrapping would probably have called for British political control in China), there was no alternative to the establishment of an efficient Custom House. Under these circumstances, it is difficult to see how any other solution of the problem could have been as effective as the Foreign Inspectorate

which Alcock conceived.

The weakness of the Chinese Custom House was due to so many causes that the fates seem almost to have conspired against it. Considering the role for which the Chinese customs collector was cast by the Treaties, it may be doubted if he ever had a chance to be efficient. At Shanghai Wu Chien-chang had to distinguish carefully between the legal trade, in which evasion of duties might occur, and the opium trade, which had no official existence. If legally dutiable goods were smuggled onto opium receiving ships, as happened at Wusung in February 1854, Wu could neither overcome the superior armament of the receiving ships in a pitched battle, nor find legal means of coercing their captains; for foreigners could be touched only through their consuls and British Consuls were officially unable to recognize the existence of the opium trade. Legal powers were not all that the Chinese Superintendent of Customs lacked. When he did have legal rights, as in the case of the Aristides in March 1854, he needed also the determination to assert them. Asserting his rights would often have necessitated his using force, and to use force against one adventurous merchant in a treaty-port where the opposition of foreign and Chinese interests was always tightly drawn might easily have roused all the foreign community against him. Wu's administrative path, in short, was set with thorns, which were not made less sharp by the fact that he often could not see them. He was expected under treaty to fill a role which the Foreign Inspectors themselves were to find far from simple, and yet to do it without a trained and well-salaried staff of subordinates, without an adequate language in which to communicate, without a detailed knowledge of his legal position, and without, worst of all, sufficient incentive to exert himself. ^{This exemplified not only} The weakness of the

mandarinate, - averse to the barbarian invasion and even more averse to conflict which might not stem it, - - but also the weakness of the decaying Oh'ing administration, which had not developed rapidly enough to keep pace with the growing foreign trade, and in which political climbers like Wu Chien-chang could rise to power outside the examination system and be left in times of crisis to their own opportunist devices.

Chinese policy is of course the least clear aspect of the scene. It was somewhat similar to American policy in being the creation of the officials on the spot, who bore responsibilities but were not burdened with detailed instructions from above. To the Chinese provincial authorities in 1854, however, diplomatic policy was a defensive rather than an offensive weapon. The barbarians might plan revised treaties, request interviews, demand communication with the Emperor, pursue every activity that would expedite the onrush of imperialism, but for their Chinese opponents such constructive activity was impossible. Primarily, the Chinese authorities in the 1850's were concerned with the Taipings and not with the western barbarians at all. More than at any time since then, China was absorbed in her domestic affairs. With over half the country in the power of a rival, the ruling dynasty could recall all too clearly the fate of its predecessors. In 1854 the situation at Shanghai, so important for the future, could not bulk large and explicit instructions regarding it were hardly to be expected from Peking, - even supposing, as was seldom the case, that the Imperial instructions were likely to be explicit. Instead, Chinese policy regarding the Shanghai Customs appears to have emanated chiefly from Wu Chien-chang while he was in power and from Chierhangah thereafter. Wu's motives were of the most questionable but of his

ability there is little doubt. To a rare degree he was in touch with barbarian opinion, acquainted with barbarian ways, and even open to advice. Having quite evidently achieved his position by shrewd opportunism, it may be imagined that he was not likely to abandon opportunism for principle. He had beguiled his rather fatuous superior, Hsu Nai-chao, into giving him a free hand and had proceeded privately to feather his own nest at the same time that he displayed energy in collecting a fleet of cutthroats from his native district for use against the Triads besieged in the city of Shanghai. By temperament and antecedents he was thus unusually well fitted for the role he played in the founding of the Inspectorate. Faced by difficulties at Shanghai which had already made his custom house an object of general contempt and now threatened to deprive him of a revenue necessary both to himself and to his superiors, overawed moreover by the presence of a foreign military force which had proved its prowess only three months before, he had every reason, as an opportunist more selfish than anti-foreign, to bow to circumstance and consent to employ foreign Inspectors. No doubt he recommended the proposition to Iliang when he accompanied McLane to his interview of June 21 at K'un Shan. Surely his influence must have been thrown on the side of Alcock's proposal rather than against it. It is certain that he followed Alcock's program in subscribing to the Minutes of June 29, the Inspectorate's charter, and in issuing the subsequent letters of notifications that officially installed it. Whether another official would have cooperated so fully is a question.

The personality of Sir John Bowring was equally a favorable factor. He was an individual of cosmopolitan interests. He translated the poetry of China as he had

translated that of other countries. With the high mandarins he desired to establish relations of cordiality and mutual respect such as he had had with the celebrities of Europe. A career official like Bonham would not have been so sympathetic to the Chinese case, would not have sought so eagerly to win the esteem of oriental Viceroye and Governors. On the other hand, he would have read the instructions sent to his predecessor. Supposing that the Foreign Inspectorate was made possible only by Bowring's promise to collect the back duties, it might be held that only an egotist possessing Bowring's self-confidence could have assumed without question that he was authorized to make such a convenient promise.

This brings us to the question posed at the beginning, - was the employment of foreigners in the Chinese Customs an inevitable development or an accident? That it has influenced the fate of China and the world there can be little doubt. To discuss what might have happened instead involves perhaps too much philosophical speculation as to the nature of historical processes to be worth it. But by way of summary it may be possible to indicate, perhaps to balance, the long-time and short-time factors in the situation that produced the Inspectorate. There can be little doubt, for instance, that the British would eventually, in one way or another, have secured the efficient customs administration, the impartial and regular levy of duties according to tariff, which the Inspectorate eventually provided. That the Chinese Government could have provided such an administration without acquiescing either in foreign assistance or in foreign domination seems doubtful. Perhaps the employment of foreigners expressed an age-old Chinese instinct for using barbarians to control barbarians which would sooner or later have found embodiment in an institution. Given

such general tendencies, the circumstances of 1854 were certainly urgent enough to overcome the recalcitrance of everyone concerned: a common opportunity seen from London and Washington, a common danger felt at Shanghai, facilitated Anglo-American cooperation; the pressure of the Taiping advance, of foreign threats, and of the Emperor's imminent wrath made the provincial authorities unusually tractable, yet even so the fact remains that Alcock, Bowring, and Melane, Iliang, Chierhangah, and Wu Chien-chang were, each in his own way, unusual personalities, whose conjunction on the spot in 1854 must be considered in large measure fortuitous and, in retrospect, extremely fortunate.

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PART II
(1854-1858)

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IX The first Year: Thomas Francis Wade and the Inauguration of the Experiment. (July 1854 - June 1855).

1. Internal Administration.

The Inspectors. The three men who entered upon their duties as Inspectors of Customs at Shanghai on July 12, 1854, had all been servants of their respective governments, - Smith as Interpreter in the French Consulate, Wade as British Vice Consul, Carr as a member of the American Commissioner's suite. Of the three Wade was the most vigorous, and Smith the steadiest, while Carr appears to have been neither, and left no ascertainable trace of his presence in the institution.

Arthur-Jean-Jacques Smith was a man of great civility and moderate ambitions. As the representative of a third and non-trading treaty power, he was placed in a position to hold the balance in cases of Anglo-American friction and so to form a neutral and stable core to the Board of Inspectors. For this reason his name had been mentioned first, when Alcock proposed the appointment of a single inspector. Later, when three were appointed, Smith was regarded as the senior member of the Board. While his colleagues dropped out or grew restless after a few months, he continued for three years to carry on much of the routine business of the office, although he left the conduct of its foreign relations largely to the successive British representatives. A brief biography of him based on the French archives, all that appears to exist, states that he was a "licencié en lettres et en droit, avait été secrétaire ou sous-chef de

1. N.C.H. July 15, 1854, gave the order of seniority as Wade, Smith, Carr (quoted in Morse Submission, p.23 in order Smith, Carr, Wade). N.C.H. Jan. 27, 1855, confessed, "We observe in looking over our List of Hongs, an error has been committed in enumerating the list of Inspectors. M. Arthur Smith is the Senior, then Mr. Wade, and Mr. Carr". Seniority does not appear to have carried with it any special functions, privileges, or prestige.

cabinet de plusieurs ministres de l'Instruction publique, et conservateur-bibliothécaire à la Sorbonne, travaillait à un dictionnaire chinois, avait fait un formulaire complet du cérémonial et des usages à observer dans les relations avec les autorités chinoises." ² After reaching Shanghai in 1850 or 1851, ³ M. Smith had performed for some time the duties of interpreter at the French Consulate, receiving a formal appointment as such on April 1, 1854. This he declined, and on July 12 he ceased to act as interpreter. After receiving the Tactai's formal appointment as Inspector on Aug. 13, ⁴ he appears to have had no formal connection with the Consulate.

Of the American Inspector, little or nothing has been recorded. Mr. Carr apparently came to China in an official position under Mr. Mc Lane. During the latter's trip to Nanking in the U.S.S. "Susquehannah" in May 1854, Mr. Carr and Dr. Bridgman (as interpreter) were selected to deal with the local Chinese authorities. At Chinkiang, after a shot from the rebels across her bows had moved the Susquehannah to clear for action, "Lieut. Duer and Mr. Lewis Carr of the Legation" accompanied by two interpreters went ashore, Mr. Carr bearing the verbal instructions of Mr. McLane. The same was done at Nanking. ⁵ Judging from the meagre evidence at hand, the American Inspector appears to have been an able man. But his ignorance of Chinese inevitably handicapped him as a servant of the Tactai, and it is uncertain how long he remained connected with the Inspectorate. In fact there is no evidence that he ever took any part in its activity. His

2. Maybon and Fredet, Hist. de la Concession Francaise de Changhai, p. 59, footnote 2.
3. Maritime Customs, V Office Series, no. 30 Foreign Legations in China 1517-1889, p. 15, lists "M. Arthur-Smith" as an attaché to the French Legation "1850-51". Maybon states "il parait être arrivé à Changhai vers 1851", op. cit. note 2 above.
4. ibid.
5. N.C.H. June 10, 1854.

relation to the American Government after the departure of Mr. McLane from Shanghai remains equally obscure.⁶

Thomas Francis Wade belonged to the first generation of British Consular officers in China, - a group of men who lived their lives on the battlefront of nineteenth century economic imperialism, and in character and courage were one of the best aspects of it. Born into a military family, he had spent half his boyhood at Mauritius and the Cape. After five years at Harrow and one at Trinity College, Cambridge, he had returned to army life and joined his father's regiment, the 42nd Highlanders, with whom he served two years in Ireland and the Ionian Islands. In June 1842, at the age of 23, he arrived in Hongkong as a lieutenant in the 98th regiment of foot. Already the marked linguistic talent which had made him a student of Italian and modern Greek had led him to begin the study of Chinese, and Colin Campbell (Lord Clyde) had appointed him interpreter to the regiment. In 1842 foreigners who had even a smattering of Chinese were at a premium in China, and it is not surprising that, after Wade had returned with his regiment from the attack on Chinkiang, he was made interpreter to the garrison at Hongkong. An illness which sent him to England did not dim his interest in the language; in 1845 he was appointed interpreter in Cantonese to the Supreme Court at Hongkong, and in 1846 nominated by Sir John Davis to be assistant Chinese Secretary in the Superintendency of Trade.⁷ In this post he did vigorous work, of which his "Note on the Condition and Government of the Chinese Empire in 1849"⁸ is an indication. Sinology in that day was still inchoate, and Thomas Wade's part in forming it was not small, in spite of his career as a consular administrator. Chinese teachers were scarce, and

6. In 1855 Carr was in London, Cf. Infra ch. XI 3.

7. D N B, art. by R.K. Douglas.

8. Printed in N.C.H. Aug. 1850, and separately.

not very useful when found; textbooks were rudimentary. As Wade confessed in 1857, it was not until his fifth year of study that he knew what books to read; an acquaintance then formed with Thomas Taylor Meadows began "a new era" for him.⁹

In 1852 he was appointed Vice-Consul at Shanghai under Rutherford Alcock. In the troubled times that followed he led the British community as captain of the Volunteers, notably in the Battle of Muddy Flat, and when he resigned from the British service to enter the Tactai's employ, he retained his position as commanding officer of this corps "whose sole conflict", as the Herald pointed out, "was against the Imperial troops and who are every day liable to be engaged on a similar service." As the writer remarked,¹⁰ "This may be a fair specimen of Shanghai neutrality." It may also serve to indicate the anomalous and indeterminate status in which the Inspectors found themselves, which will be discussed in the next chapter.

When the Board of Inspectors assembled, it may be imagined that Wade, as the British representative, and as the individual best qualified by knowledge of both local administrative problems and the Chinese language, naturally took the lead. It was he in particular who had the cooperation and advice of Consul Alcock and the well organized establishment which that official represented. The first year of the inspectorate may properly be called the period of Wade's administration.

The Establishment. The newly appointed Inspectors had been given one very practical objective, - to collect the revenue due from the foreign trade of Shanghai, completely and without

9. Wade to Bowring, Mar. 11, 1857, in Bowring's 123, F.O. 17/265.

10. N.C.H. July 13, 1854, anon. letter.

regard for persons, and turn it over to the Taotai. To effect this, it was necessary first of all that they should have a Custom House, a revenue cutter, and a staff of subordinates, ~~after which it would be necessary first of all that they should have a Custom House, a revenue cutter, and a staff of subordinates,~~ after which it would be necessary to work out the various aspects of their administrative procedure.

By a joint notification of July 6, 1854, the three treaty-power consuls informed the foreign community that the reorganized custom house administration would begin to function on July 12, at "the Custom-house on the Soochow Creek, where the duties will for the present be collected." ¹¹ This was in all probability the same custom house that the harrassed Wu Chien-chang had established in a house rented from a foreigner outside the then limits of the settlement in February 1854. For at least two months the Inspectorate was obliged to function in these temporary quarters, and not until September 23, 1854, did the Herald announce that "business is now once more being conducted at the Chinese Imperial Custom House, - the buildings however are still far from being completed."

In accordance with his promise in Articles 3 and 9 of the Minutes signed on June 29, - "to forward within ten days an official communication, giving the details" of the new customs establishment, - Wu Taotai, on July 4, 1854, and presumably after receiving explicit suggestions from Alcock or another of the foreign Consuls, had given notice that his ¹² staff would consist of the following:

	Annual
"Three Inspectors of Customs at an annual	cost
Salary of \$6000 each.....	18000
Three first class linguists possessing	
knowledge of Chinese and English, at	
\$100 per mensem.....	3600
Three Chinese Writers at \$20 each per	
mensem; Office runners; Expenses of	
Books and paper, & c. say.....	1000
Three Foreigners to be employed as Tide	
Waiters at a salary of from \$50 to \$80	
per mensem, say.....	2400

11. N.C.H. July 8, 1854
 12. N.C.H. July 15, 1854

A Revenue Cutter, with a Captain in charge	
at \$150 per mensem, and manned by six	
sailors at \$30 per mensem say.....	5000
Total Expenses s.....	<u>\$10000</u> "

This list included every item mentioned in the Minutes except a Foreign Interpreter, who was to be employed only if the Inspectors possessed insufficient command of the language, and a chief officer for the revenue cutter.

How much of this establishment was actually brought into existence in 1854 is not entirely certain. Like the powers of the Inspectors which will be outlined below, it existed on paper in its ideal form, and in practice must inevitably have fallen short of that perfection. For an insight into the actual working of the experiment, we must rely almost entirely on an ancient record book preserved in the Shanghai Custom House, from the cryptic jottings in which it is possible to deduce or to infer some of the details of the new administration. In this volume, which appears to have been kept at first by Wade, the dated entries begin on October 5, 1854, and record the substance of communications made by the Inspectors, "We", to the Tactai, "Your excellency". Up to the 30th of January, 1855, when the entries stop altogether after achieving extreme brevity of style, there are some 80 such communications noted, from which it is possible to reconstruct a picture of the establishment as it was actually organized.

"A Revenue Cutter, well manned by Foreign Sailors and under the command of a trustworthy and intelligent Master," had been a chief necessity of the Custom house envisaged by the Minutes. It had been laid down that the Cutter should be armed, "small enough to work quickly in the river and overtake vessels leaving the port without due authority, and large enough to go with safety to Gutzlaff

13. "Letter Book I, 1855 - 1858", Customs Archives, Shanghai (cited below as Letter Book I).

14. Gutzlaff Is. (大戢山) in the Yangtze estuary.

if required." Accordingly the Tactai's Notification of July 4, quoted above, had provided for a cutter with Captain at a salary of \$150 a month and six sailors at \$30, although it omitted the Chief Officer originally mentioned in the Minutes.

It may be assumed that the six sailors, if they received \$30 a month, would be foreign and not Chinese; but it is unlikely that either foreign sailors or foreign salaries were indulged in. Under date of January 19, 1855,¹⁵ there is an entry. "Pass for rice for revenue boats crew"; The master, Captain Warden, appears to have been a vigorous and competent officer, and it is doubtful if more would have been gained by employing foreign sailors.

No other foreigners are mentioned at this time among the Inspectors' subordinates. Reference is made to "the linguist Le kip hee," "the head tidewaiter," "Pang the clerk" and "Pang, shoopan" or writer; also to the "Sien Seng" or teacher, whose pay was ever in arrears.

A further idea of the size of the establishment may be derived from its cost in salaries per month, namely \$2262. The salaries were payable by the Superintendent of Customs and appear to have been applied for promptly at the end of every month and paid shortly thereafter. On October 6th for instance the Tactai's check for \$2262 was received. And on October 30 salaries were again applied for by the Inspectors. Under date January 5, 1855, we read, "applies for payment of salaries for December, viz. \$2262.00 as usual, \$8 arrears to coolie, \$20 for Sien Seng". Under January 8, "repeats above applic." Since the full establishment outlined by the Tactai on July 4, would have

15. Letter Book I. Quotations below ibid. unless otherwise noted.