The previous parts in this collection consisted largely of runs of certain types of Customs documents, such as the Inspector General’s (IG) Circulars (Part 1) and Semi-Official Correspondence (Part 3). In the case of Part 2 we included series of Letters, Semi-Official Correspondence, private Z Letters, as well as Confidential Letters generated over time between the Non-Resident Secretary in London and the Inspector General in Beijing or Shanghai.

For Parts Four and Five, we have opted for a thematic approach, as we will do for Parts Six and Seven. Parts Four and Five consist of files relating to the Chinese Maritime Customs Service’s involvement in the policing of China’s trade. The next two will deal with the Customs during the Sino-Japanese War (1937-45) and the Civil War (1945-1949) periods.

To understand the role of the Customs in the regulation of China’s trade, it is important to realise that the Service’s responsibilities were initially limited. Only after the 1911 Revolution did it begin to collect the duties on China’s international trade, something which until then had been done by the Superintendent, a prominent Chinese local official for whom the oversight of the Customs Service was only one of his responsibilities. Until 1912, the Service mainly recorded the values of China’s imports and exports as reported by merchants, assessed the duties on it in accordance with the Tariff stipulated in agreements between China and foreign countries, checked cargo manifests and import and export applications, and once a designated bank had notified the Customs that the relevant charges had been paid, it
issued documents enabling merchants to proceed. Customs personnel also watched goods as they were moved between vessels and the shore. Similarly, although the Customs assisted local officials in the suppression of trade in contraband carried on foreign vessels (initially especially arms) low tariff rates made the smuggling of non-contraband goods financially unattractive. In the prevention of smuggling, Commissioners of Customs had to cooperate with local Chinese officials who had their own policing forces as well as foreign consuls, whose cooperation was necessary because foreign merchants enjoyed extraterritoriality and were hence immune from Chinese jurisdiction.

Due to the significance of the Superintendents in the management of China’s international trade, the first section of this part of the collection consists of communications between them and Customs Commissioners in Ningbo, Xiamen, Wenzhou, and Wuhu during the second half of the nineteenth century. The documents in these files are rare owing to the destruction, by the Boxers, of the Inspectorate archives in 1900 and because archives of Superintendents themselves were either destroyed during various instances of warfare during the twentieth century or remain locked away in the archives of China’s contemporary Customs Service, as at Shanghai, Tientsin, and Xiamen. This is doubly so because woodworms have eaten their way through many of these documents made from rice paper. Before they could be microfilmed, they had to be painstakingly restored by the Preservation Department of the Second Historical Archives. In a number of cases the damage proved too extensive and unfortunately, we therefore cannot provide long runs of despatches between the Superintendent and Commissioner of any given place. Nonetheless, the documents we reproduce here have much to tell us about the relationship between Superintendents and Commissioners, the range of concerns addressed in their communications, the way that the Customs Service fitted into the broader Qing bureaucracy, and cooperation between Superintendents and Commissioners in the suppression of the smuggling of contraband.

The next section concerns the Shanghai River Police. Its origins go back to 1868, when Robert Hart instructed his London agent to hire seven men from England from the Thames Police `chiefly in the hope of being thereby able to put a stop to the thefts from which cargo boats are
constantly suffering in the Shanghai anchorage’ (Despatch of 4 May 1898, Documents Concerning the Shanghai River Police, file 679/824). As Shanghai’s trade grew in the late nineteenth and early twentieth centuries, the Shanghai River Police expanded accordingly. As late as 1912, though, its constables and sergeants had to rely on sampans - small flat bottomed wooden boats propelled by an oar thrust into the water from its side - to perform its major functions of regulating traffic in the harbour and along Suzhou Creek, keeping waterways clear, and watching cargo as it was loaded and unloaded.

As Shanghai developed into one of the five largest ports of the world in the 1920s and 1930s, the Shanghai Police Force rapidly increased in size, acquired motorized launches, and became responsible for tasks ranging from the enforcement of regulations governing waterborne traffic and the safe storage of flammable or explosive materials such as kerosene, to the prevention of the dumping of waste, fighting fire in the harbour, assistance with raids on shops suspected of involvement in smuggling, and apprehending smugglers on the Huangpu River and in the Suzhou Creek. The files reproduced here give information on the internal organization of the Shanghai River Police; the scope of its activities; court cases in which it was involved, including some arising from acts of brutality inflicted by its own staff on members of the public; smuggling; and conflicts with other police forces in Shanghai, including the Municipal Police of the Shanghai Municipal Council as well as various policing arms of local Chinese authorities.

When the Nationalists seized power in 1928, the tasks of the Customs Service and its reach changed radically. The aim of the Nationalists was a nation with a clearly defined border, a national economy, a tariff protective of China’s industry, and a single set of rules governing trade throughout the country and applied uniformly to foreigners and Chinese alike. Despite the fact that the Customs Service was dominated by foreigners, the Nationalists nonetheless found it useful to exploit it in the attempt to realise their vision. In 1930, the Nationalists ordered the Customs Service to police not just the Treaty Ports but the entire 5000 plus miles of coast. The Customs was also ordered to take over the management of the Native Customs (常关) and Lijin Barriers (厘金) in order to eliminate them and so achieve a continuous border and a single market. The Customs was a useful tool because it
was backed by foreign countries with gunboats in China’s harbours and waterways, while the reach of the Nationalists themselves was limited to the lower Yangtze area.

Lijin Barriers had been established during the Taiping Rebellion (1850-1864) by local authorities to tax trade and so finance local contributions to the suppression of the Taiping insurgency. Afterwards they proved difficult to abolish. The Custom Service had been ordered to assume control over some within a 25 kilometre radius of Custom Houses after the Boxer Rebellion when their revenue had been allocated to service the Boxer Indemnity. But the Service had not been able to make that control effective. As civil warfare spread during the 1920s, local military and civil authorities stopped remitting assigned quotas of Lijin revenues.

When the Foreign Inspectorate was established, its task was to supervise the recording of foreign trade at the Maritime Stations (海关) of the Qing bureaucracy that collected duties on domestic as well as overseas trade. Its other stations from then on became known in Chinese as 旧 (Old) or 常 (Standard) Barriers and as the Native Customs in English. Following the issue of new international and domestic loans after the 1911 Revolution, the revenues of some Native Customs were hypothecated to the service of these and were to be remitted to the Inspectorate. As in the case of Lijin revenues, however, these revenues were also increasingly retained locally. Thus, when the Nationalists ordered the Customs to assume control over Lijin Barriers and Native Customs stations, their goal was not just a unified Customs administration and a single market; they also sought to make use of the Customs Service to eliminate the revenue flows on which their opponents depended.

If these new responsibilities and the extension of its geographical span of operations increased the burdens of the Customs Service, so did the rapid increase in smuggling that followed the introduction of high import tariffs, announced on 1 February 1929. Previously, most imports had been taxed at a nominal 5% of value, although in reality rates were lower, both because the value of silver fell over time and also because for a significant number of goods tariff rates were expressed not in terms of value but at a set rate, often lower than actual market values. A further problem for the Customs was that in Manchuria, north China, Guangdong and
Guangxi, and Fujian, regional authorities, sometimes in collaboration with foreign countries such as Japan, resisted the Nationalist Government in Nanjing. Not infrequently, their own armed forces shipped goods on government transports from which Customs personnel were barred, or declared imports to be government material exempt from taxation.

The Confidential Correspondence between the Inspector General and the Kuan-wu Shu (关务署, pinyin Guanwu Shu), an agency of the Ministry of Finance that oversaw the Customs Service, is valuable because these confidential letters discussed the ramifications of the introduction of the new tariff, the creation of new institutions under the Customs Service (such as the Preventive Service and the Chief Inspection Bureau to deal with smuggling as well as minor and major incidents such as the seizure in 1930 of the Tientsin Custom House by northern warlords) the consequences of the Japanese occupation of Manchuria in 1932, the Fujian Rebellion of 1933-34, and the outbreak of total war in 1937. This series of documents then is fundamental to understanding the development of the Customs during a new phase of its history.

The Preventive Service and the Chief Inspection Bureau were the most prominent new institutions developed by the Customs in the 1930s to combat smuggling. The Preventive Secretariat was formed in 1931, following investigations of smuggling all along the China coast. It developed a substantial fleet of nearly 100 ships, of which 13 were over 140 feet in length. Assigned to four commands along the China coast, their movements were directed centrally. Rapid communication was made possible by a radio net managed by the Customs’ Wireless Service, some of whose radio masts continue to adorn the China coast. The idea was to throw up a coastal cordon to prevent smugglers from even reaching China’s ports. The Preventive Service frequently acted on information supplied by informers (who received substantial rewards) as well as an embryonic intelligence service, with agents for instance operating in Japanese-occupied Taiwan. Plans for a Customs air force existed, but were never realised.

Files reproduced here detail the development of the Preventive Service and illustrate its activities.

According to Preventive Service reports, by 1935 the Customs Service was beginning to win its war on smuggling between south China and Hong Kong and Macao as well
as between Taiwan and Fujian Province. However, the Customs was barred from operating in significant parts of north China because of the 1935 He-Umez agreement between Japan and China whereby the Nationalists agreed to withdraw their armed forces and government institutions from parts of Hebei Province. Tientsin became a major centre of Japanese-sponsored smuggling.

In response, the Customs established the Chief Inspection Bureau with the task of checking cargo carried by rail southward from north China. This required the cooperation of railroad authorities, which was not always forthcoming, and involved the Customs in regular conflicts with well-organised gangs of runners, who simply occupied whole train carriages to carry their wares. Nonetheless, according to Customs reports, even if the Service could do little about smuggling in north China itself, by 1937 it had succeeded in stemming the most significant flows of goods southward. The files reproduced here consist of Handing Over Charge Memoranda and the Semi-Official Correspondence generated by the Bureau.

With respect to the Customs Service’s take-over of Native Customs stations and Lijin barriers, we include documents relating to its management of these at Tientsin, Shanghai, and Canton from after the Boxer Rebellion into the 1920s and 1930s as well as its assumption of control over the Fengyang and Yangyu (Yangyou) Collectorates after the beginning of Nationalist rule. The last two were among the largest Native Customs Collectorates in China. The nineteen barriers operated by the Fengyang Native Customs collected duties on trade flowing through north and northwest Anhui Province along the Huai River, the Long-Hai and Jin-Pu Railroads which intersected at Bengbu, and roads and rivers connecting northern Anhui to the Yangtze River. The Yangyu Collectorate, headquartered in Yangzhou City in Jiangsu Province, covered northern Jiangsu. The files included here provide insight into the Native Customs themselves and the difficulties the Customs Service encountered as it attempted to establish control over them.

During the 1930s, the Customs Houses filed monthly reports on smuggling. These offer discussions of the most prominent categories of smuggled goods, details of major smuggling cases, illustrations of the most prevalent modes of smuggling, and reports on relations with other local military and civilian authorities. They also provide information on responses of local merchants and populations to the
Customs’ efforts to prevent smuggling. We have selected runs of reports from Custom Houses at Canton, Kowloon, Macao, and Shanghai to provide details of counter-smuggling operations by the Customs Service during the 1930s.

The opium trade was a significant feature of China’s modern history. Nationalist policy was contradictory. The opium trade was illegal, but its licensing through a state monopoly brought in much needed revenue. Actual policy therefore opted formally for eradication over time after it had been brought under state control. With opium grown in many areas where the control of the Nationalists was limited, permits to ship to coastal markets were also a tool the Nationalists used in their management of relations with warlords. The Customs therefore faced a complicated situation of considerable danger as smugglers, parts of the National Anti-Opium Suppression Bureau, and the forces of local military and civilian authorities could be well armed.

The opium trade threatened the Customs Service in other ways as well. The temptation of Customs personnel to hunt for smuggled opium was high, as they received as seizure reward a large part of the proceeds of the sale of confiscated opium. This could embroil them not only in serious armed conflict, but also lead to overzealousness and diversion from less lucrative assignments. The files relating to opium included in this collection include some that relate to the Customs approach to the opium trade during the second half of the nineteenth century, but most concern the complicated situation of the 1920s and 1930s, in which not a few Commissioners argued that the wisest course of action was to remain as detached as possible. It should be noted that the archives contain many files dealing with individual cases of opium smuggling, but these have not been reproduced here.

These two parts, in short, illustrate the activities of the most significant Customs organisations involved in the regulation of China’s trade and focus especially on the suppression of smuggling after the introduction of high tariff rates and before the outbreak of the War of Resistance against Japan in 1937. Due to space limitations during the microfilming project, significant topics were omitted. The Quarantine Service was important in the combat of epidemics which spread as communications facilities improved within China as well as between China and other
areas of the world. Files relating to fraud and bribery by Customs members themselves have also been excluded. We have omitted files illustrating the Marine Department, responsible for the erection and maintenance of lights and buoys along China’s coast and rivers; the survey of its routes of navigation; the publication of maps; and the issue of Notices to Mariners. Corruption became a major issue during the War of Resistance due to the financial collapse of the Nationalists and the general scarcity of even basic commodities. Hyperinflation during the Civil War undermined Customs discipline even further, despite the best efforts of Lester Knox Little, Inspector General from 1942 to 1949. Parts Six and Seven will provide information on these developments.

It should finally be stated that researchers should not forget that previous Parts contain much information relevant to the topics set out in this introduction. IG Circulars laid down general principles that guided the staff of the Customs Service, while the Semi-Official correspondence written by Commissioners frequently discussed issues relating to smuggling and the policing of trade. The files made available here, therefore, should not be consulted in isolation, but read together with the rest of the collection.