



2021

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Recommended Citation

Arul, Boopalakrishnan S. (2021) "Far From Heimat: German Nationality, Careers, and Allegiance in Kiautschou Bay," *The Macksey Journal*: Vol. 2, Article 46.

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Far From Heimat: German Nationality, Careers, and Allegiance in Kiautschou Bay

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Abstract

The story of imperialism in China is to a large extent one of war, but it was the century of treaties and follow-up negotiations from the 1840s to the 1940s that delineated the roles and obligations of foreigners in China, translating wartime gains into influence with specific extents and limits. I examine one such episode: the interaction of German nationals with China's Imperial Maritime Customs Service during the lifetime of Germany's Kiautschou Bay Leased Territory (1898-1914). The Customs Service, although a Chinese institution, reserved its managerial and specialist ranks for foreign nationals, the British predominant among them. However, only German nationals were eligible for roles in the Customs office at Qingdao, capital of the German leasehold. To discover what German negotiators, businessmen, and officers hoped to gain from carving out an exclusive space for "their own" within a multinational institution, I examine the attitudes of these constituencies during negotiations with Customs representatives in 1899 and 1905. However, analyses of Customs staff lists show that Germans did not advance any faster through the ranks of the Kiaochow office than was normal elsewhere. Furthermore, during the negotiations in 1905, the Germans outside Customs learned that they could not rely on their compatriots within Customs to unconditionally support the powers and privileges of the German state and German-owned businesses. Still, the right of ethnic exclusivity had an afterlife: Japan established its colonialism in the Kwantung Leased Territory (1905-1945) and Qingdao (1915-1922) on the basis of identical agreements. The Japanese staff of northern China's Customs offices would

mostly defect to Manchukuo and the Wang Jingwei government in World War II, enabling these occupation regimes to inherit mostly intact mechanisms of tax collection.

Keywords: Qing China, Germany, tariffs, management, imperialism

Introduction

In 1906, the directors of the Shandong Mining Company (*Schantung Bergbau Gesellschaft*, SBG) formally renounced their monopoly on mine operation in several of Shandong Province's coalfields. Seven years before, the company's backers in the German naval and diplomatic services hoped to establish a German dominion in Shandong, centered on Germany's Kiaochow Bay Leased Territory on Shandong's southern coast. But by stepping back from its initial hopes, the SBG hoped to end the provincial government's pressure on the company, and finally improve its poor financial returns¹.

The initial promise of Kiaochow Bay was nothing less than a German Hong Kong, where profit and conquest could go hand-in-hand. In their own negotiations with the Chinese over the cession of this territory in 1897, the Germans stood on the foundations established by Chinese, British, French, and American representatives. The concept of the treaty port, the networks of diplomatic contact and pressure, and the Imperial Maritime Customs Service had all existed for decades, and would remain intact until 1949. The Germans were left with sufficient leverage to add unique traits to their colonialism, including the requirement that all foreign-national employees of the Maritime Customs office in Qingdao, the Leased Territory's capital, be of German nationality.

This paper will examine the German relationship with the Chinese Customs Service in

¹John E. Schrecker, *Imperialism and Chinese Nationalism: Germany in Shantung* (Cambridge, MA: Harvard University Press, January 1971), 191.

greater detail. The Customs Service was a powerful organization, supported by other branches of the Chinese government and by the foreign governments, especially the British, whose nationals it hired to fill out its managerial and specialist ranks. The bulk of this paper's original research will prove that based on a survey of the Customs Service's staff lists, there was no decrease in time spent in the Service before promotion to a given rank for Kiaochow officials compared to officials of the same rank elsewhere, and therefore ethnic exclusivity did not give any obvious boost to their careers. Examination of a particular episode, the 1905 revision of Kiaochow tariff laws, will show that benefits expected by Germans outside the Customs Service did not materialize either. The last section of this paper, however, will discuss how although the Japanese were similarly ill-served by the ethnic-exclusivity rule which they copied into their own agreements with China over the establishment of the Kwantung Leased Territory (1905-1945), the Japanese staff of northeast China's Customs offices took center stage in the fraught period after the Mukden Incident (1931), and their defection to Manchukuo augmented the financial and administrative resources of this occupation government.

A note on romanization

I use Hanyu Pinyin where possible. Alternate romanizations popular at the time or in other research about the subject might be given in parentheses, as with the city of Qingdao (WG. Ch'ing-tao, Post. Tsingtao, Ger. Tsingtau) and its names under Wade-Giles, the Postal romanization of the Qing Postal and Customs Services, and contemporary German transliteration.

I use "Jiaozhou Bay" for the geographical area the German colony was based in, and which retains the same name today. I use "Kiaochow Bay" for the German colony as a political entity, since it existed in a specific time period and has no continuity in the present day. In the same period, the Germans romanized the name as *Kiautschou*. The English-friendly romanization is privileged here for the same reasons as Pinyin: it's familiar to the audience I expect, though I'd be

thrilled to have this read more widely.

Germany and China in the 19th Century

The Germans had only a low profile in China until their unification in 1871, which Chinese officials heard about through the journalist Wang Tao's "Pu-Fa zhanzhi" (Record of the Franco-Prussian War). "Germany" became a byword for triumph born from effort and patience, and its diplomatic stature in Beijing rose considerably.

	First Place	Second Place	Third Place
Cargo Transshipped (tons)	Britain, 20.5m	Germany, 2.4m	Sweden, 400k
Number of Firms	Britain, 361	Germany, 92	Japan, 34

Table 1: Comparisons of countries' economic presence in China, 1895. Data from Yokell, "The Eagle and the Dragon," 71

In 1885, the Reichstag granted a subsidy to the German steamship firm *Norddeutscher Lloyd* for its direct shipping lines to China, to break free of reliance on British transshipment. By 1895 the total tonnage (cargo volume) of German-flagged ships in Chinese ports was second only to Britain. The Deutsch-Asiatische Bank (DAB), the first financial institution in China run by non-British foreigners, was established in Shanghai in 1890; by 1896, the Hong Kong and Shanghai Banking Corporation (HSBC), which had for decades been the main vendor and guarantor of Chinese debt in British financial markets, considered the DAB capable of matching it loan-for-loan in a joint offer to the Chinese government².

German policymakers and businesses had achieved a secure and profitable status in China with minimal military expense—and so long as China remained stable and friendly, proponents of the policy argued, not much more could be gained in war. These assumptions were invalidated after China's crushing defeat in its 1895 war with Japan. Expectations of a "scramble" in China, to match that which had neatly sliced up Africa, added strength to the

² The above is a paraphrase of Schrecker, *Imperialism and Chinese Nationalism*, 7-10.

perennial demand for a permanent East Asian base for the German navy, which spent the late nineteenth century roving between rented facilities from Fuzhou to Yokohama. Over the next two years, the Emperor Wilhelm II, Admiral Alfred von Tirpitz, and other important officials were convinced that however Germany's role in China's future turned out, it had to start with a single port and it had to start immediately.

On November 1, 1897, two German Catholic missionaries were killed in Shandong, offering Germany a pretext. On November 14, the German Navy occupied Jiaozhou Bay, on Shandong's southern coast³. The resulting cession, ratified within months, granted Germany a 99-year lease on the peninsula on the eastern shore of Jiaozhou Bay, and conceded to German companies the right to build, own, and operate a railway from the new German territory to Jinan, the Shandong provincial capital, and to own and operate mines in all coalfields found within 10 miles of the railroad's planned route⁴. Thanks to the patient years of fieldwork by the geologist Count Ferdinand von Richthofen in the 1860s and 1870s, the planned route of the railroad and its 10-mile buffer wound through all the major coalfields known to exist in Shandong at the time, as well as its main silk and straw braid production and retail centers⁵. The *Schantung Eisenbahn Gesellschaft* (Shandong Railway Company) and *Schantung Bergbau Gesellschaft* (Shandong Mining Company) were soon established by consortia of businessmen.

Maritime Customs: Origins and Role in Kiaochow

The Treaty of Nanjing (1842), signed after the First Opium War, makes the first reference to the reciprocal obligation that would define China's interactions with the world for the next hundred years: so long as the Chinese government allowed international trade at "treaty ports" (a term which eventually lost its literal meaning, coming to describe inland cities as well as cities opened by unilateral declarations of the Chinese government), foreign and

³ Schrecker, *Imperialism and Chinese Nationalism*, 33-37.

⁴ Matthew Allison Yokell, "The Eagle and the Dragon: Tsingtau and the German Colonial Experience in China, 1880-1918" (PhD diss., Texas A&M University, November 2018), 103, <http://hdl.handle.net/1969.1/174566>.

⁵ Schrecker, *Imperialism and Chinese Nationalism*, 16.

native officials would work together to ensure that foreign merchants paid their tariffs.

Although the tariff schedules differed over time, until the declaration of tariff autonomy in 1928 by Jiang Jieshi's then-new national government, China's foreign tariffs were set through bilateral agreements with foreign countries and could not be revised without the assent of both signatories⁶.

This treaty and all that succeeded it outlined three fundamental questions that introduced variation in how duties were to be levied on cargo:

1. Is the ship foreign- or Chinese-flagged? Foreign-flagged vessels of any style, including Chinese boats hired or purchased by foreigners⁷, carried papers attesting to their foreign ownership. Export and import duties on goods carried by these vessels would be assessed by new institutions set up to handle foreign trade. Chinese-owned ships were handled by the extant system of tollhouses, known hereafter as the "Native Customs Service"⁸.
2. If the vessel is foreign, has it come from a foreign or a Chinese treaty port (the only Chinese ports foreign ships were allowed in)? All ships had to pay an export duty upon exiting a port, or an import duty upon entering. Duties were uniform at all ports, set by the most recent treaty. If an outbound ship was headed for a foreign port, the story ended there. If it was headed for another treaty port, it would carry a certificate from the previous port's authorities, verifying that the exporter had paid the export duty. At the next port, the firm importing the cargo would pay a "Coast Trade" domestic shipping duty, levied only on the produce of Chinese origin within the cargo with value equal to half the import duty, instead of the full import duty. Consecutive inspections at different

⁶ Hans van de Ven, *Breaking with the Past: The Maritime Customs Service and the Global Origins of Modernity in China* (New York City, NY: Columbia University Press, February 2014), 215.

⁷ Article 14 of William Frederick Mayers, ed., "Treaty of Peace, Friendship, Commerce, and Navigation Between Her Majesty the Queen of Great Britain and Ireland and the Emperor of China," in *Treaties Between the Empire of China and Foreign Powers, Together with Regulations for the Conduct of Foreign Trade, Conventions, Agreements, Regulations, etc.*, 5th ed. (Shanghai: North-China Herald, Ltd., 1906), 13.

⁸ William Frederick Mayers, ed., "The Chungking Agreement," Additional Article to the Agreement Between Great Britain and China of 13th September, 1876, in Mayers, 210.

ports would be easier if the cargo remained in the same containers holding the same volumes, so there were strict regulations on when repackaging cargo was permissible⁹.

3. Will the cargo pass through the Chinese interior? Since the Taiping rebellion, China's provincial governments charged a toll called lijn (Post. likin), paid upon crossing a dedicated checkpoint. Merchants traveling inland from the coast could gain exemption from lijn by purchasing a transit pass from authorities at the ports, at a cost of 2.5% of the price of the cargo¹⁰. Merchants coming out of the interior could be recompensated if they had in all paid more lijn than a benchmark "treaty transit due" value (equal to half of the export duty) or else be called on to pay extra and meet this benchmark. The Yangtze was defined as an extension of the ocean; provincial governments were forbidden from charging lijn on river traffic, and importers in a riverine treaty port had to pay the Coast Trade duty when taking charge of cargo from a different river port¹¹.

Who would enforce all these rules? In 1854, Shanghai's Chinese district superintendent and French, American, and British consuls transferred the role of duty assessment to a board of three foreign nationals employed by the Shanghai tollhouse. These foreigners were legally Chinese officials, accountable to the Chinese state and not to foreign diplomatic staff, although diplomats could, in conjunction with their Chinese counterparts, hold courts of appeal¹². The Shanghai system extended to all of the nation's treaty ports by 1861. Foreign merchants could interact with "Maritime Customs" officials conversant in European languages, laws, and units of measurement, and native officials and businessmen remained in charge of collecting the duties calculated by Maritime Customs.

⁹ Inspectorate General of Customs, *Provisional Instructions for the Guidance of the In-door Staff*, 5 (Inspectorate General of Customs, Shanghai: Statistical Department of the Inspectorate General, 1878), 16, <https://www.bris.ac.uk/history/customs/resources/Provisionalinstructions.pdf>.

¹⁰ Article 28 of Mayers, "Treaty of Peace, Friendship, Commerce, and Navigation Between Her Majesty the Queen of Great Britain and Ireland and the Emperor of China," 16.

¹¹ Mayers, "Regulations Relating to Transit Dues, Exemption Certificates, and Coast Trade," 217-218.

¹² The above is a paraphrase of van de Ven, *Breaking with the Past*, 28-34.

The Maritime Customs took on new responsibilities: its Marine Department built lighthouses, beacons, and buoys to make travel safer, and its Postal Department extended mail links through China's cities. The Statistical Department tabulated and published data on foreign trade volume, annual volume, and other metrics significant to this sprawling agency¹³.

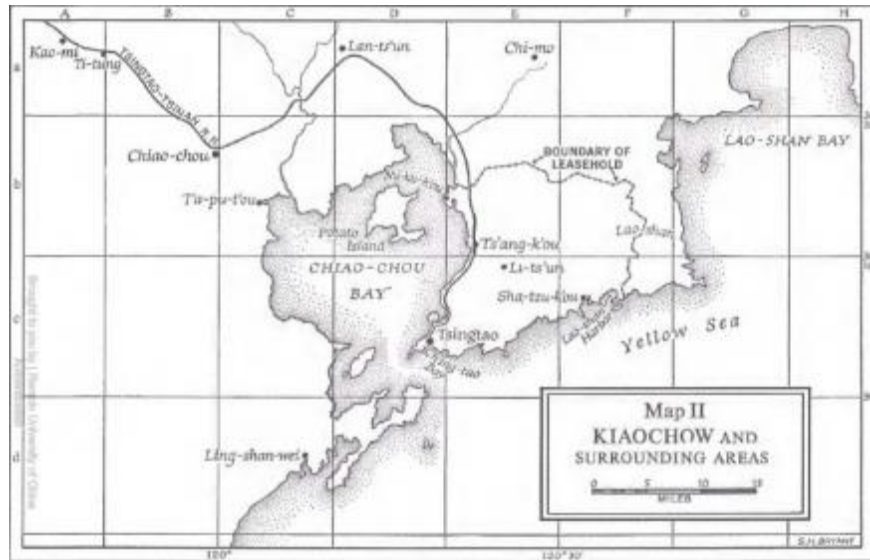


Figure 1: Map of the Kiaochow Bay Leased Territory (though it had influence over a larger zone) and other towns on the bay that served as harbors for junks. Figure from Schrecker, *Imperialism and Chinese Nationalism*, 265.

If German merchants objected to the Maritime Customs's presence in Kiaochow, it was not because they did not want these services (although the German colonial government wished to take these roles for itself, and prevented the Kiaochow Customs office from establishing a Marine Department to look after the harbor). Rather, their petitions reveal a fear of allowing the Chinese state to return in any capacity to a German enclave in which, at long last, German interests were supposed to be unrivaled. Merchants took out articles in the *North China Herald*, alleging that the Customs service planned to surround them with customs offices, or even the lijin-stations that were synonymous with extortion in European coast communities.

The naval officials tasked with governing Kiaochow thought differently. First, in the

¹³ The above is a paraphrase of van de Ven, *Breaking with the Past*, 74-83.

interest of finishing the handover as quickly as possible, Germany accepted a 99-year lease instead of fighting on for permanent ownership as the British had in Hong Kong. Second, whether *de jure* Chinese sovereignty in the Leased Territory was preserved in this way or not, Chinese taxation would have to be instituted somewhere within the area, or goods traveling through Kiaochow would be able to avoid the duties instituted in other ports, depriving the Chinese state of its due. Third, in 1897 Jiaozhou Bay contained only a handful of fishing towns. The city of Qingdao had yet to be built—but where would its center lie?

Ernst Ohlmer, the Commissioner of Customs at Kiaochow from 1898 to 1914, described the situation like this: at a Customs house, cargo had to be unloaded and inspected, so that duties on it could be assessed. Overland cargo transport, consisting of packhorse and mule trains, was arduous and slow; the best option for the train-operators would be to travel at least as far as the Customs house, hand off their cargo, and return home at a quicker pace. If the Customs House was established at the edge of the Leasehold, on the Chinese side, sellers and buyers would congregate in that spot instead of the Germans' new settlement on the coast¹⁴. The German navy's fear of investing millions into their new territory and being stuck with two underperforming towns instead of one great, booming city caused them to include Maritime Customs' cargo inspection and tax collection facilities in Qingdao's earliest architectural plans¹⁵.

At last we may discuss the topic proposed in the Introduction: ethnic exclusivity in Kiaochow's Customs office. The 1898 agreement of German Minister to China Edmund von Heyking and Inspector-General of Maritime Customs Robert Hart placed harbor maintenance and mail delivery in the hands of German colonial authorities. The only tasks of the local Customs office would be collecting duties for the Chinese state, and all foreign nationals

¹⁴ Ernst Ohlmer, "Kiaochow," in *Decennial Reports on the Trade Navigation Industries, etc., of the Ports Open to Foreign Commerce, and on the Conditions and Development of the Treaty Port Provinces, 1902-1911*, vol. 1 (Statistical Department of the Inspectorate General of Customs, 1913), 237.

¹⁵ George Steinmetz, "Qingdao as a colony: From Apartheid to Civilizational Exchange," in *Science, Technology and Modernity: Colonial Cities in Asia, 1890-1940* (Baltimore, MD: Johns Hopkins Workshops in Comparative History of Science / Technology, January 16, 2009), 7, <http://www-personal.umich.edu/~geostein/docs/Qingdaocolony.pdf>.

employed by the office would be Germans. All correspondence between the Customs office and Kiaochow's resident colonial authorities and merchants would use the German language¹⁶. We can now begin to ask if this provision was of any use to either of the parties concerned—namely, German officials employed in their own nation's colonial project, and Chinese Customs officials of German nationality.

Ernst Ohlmer and the Duty-Free Zone

Through the 1898 Heyking-Hart agreement, the participants in the German colonial project—naval officers, diplomats, and businessmen—hoped to make the Kiaochow Customs Office a pliant institution. In this, however, they were to be disappointed, despite the policy of ethnic exclusivity. We may understand this from the role of Ernst Ohlmer, Commissioner of Customs at Kiaochow from 1898 to 1914, in the creation and abolition of Qingdao's status as a free port.

Why focus on Ohlmer? The Customs Service's regulations for the Revenue Department Staff required that routine communications be standardized through printed forms, applications, and certificates¹⁷. The strongest and most influential personality within a Customs office was the Commissioner. Ohlmer was further set apart by his time in office: he presided over the entire lifespan of the Leasehold. An examination of his involvement in Kiaochow affairs, and his points of agreement or conflict with German officials, will allow assessment of how successful Germany was at taming the Kiaochow office.

From 1899 to 1905, Kiaochow was a duty-free port. The set of duties payable to the Chinese state was generally the same as described in the previous section, but duties on cargo entering the Leasehold would be deferred until the cargo left the Leasehold's borders. In other ports, an importer bringing in goods from a foreign vessel would have to pay the import or coast-trade duties right away. In Kiaochow, the duties were instead deferred onto

¹⁶ Yokell, "The Eagle and the Dragon," 220.

¹⁷ Inspectorate General of Customs, *Provisional Instructions for the Guidance of the In-door Staff*, 12-17.

whoever brought the cargo out of the Leasehold and into the Chinese interior¹⁸. If the goods never crossed into China proper, no duties would ever be levied on the cargo.

A similar arrangement, with colony residents enjoying freedom from Chinese taxes while China outside the colony paid for its own trade, was implemented with exports. Products manufactured within Kiaochow paid no duties on export. Products from inland China brought into the Leased Territory paid no export duty on entering; this was deferred onto whoever sent the products out to sea. Kiaochow residents could buy things at cheaper prices than at other Chinese coastal cities and could reduce prices on their exports, incentivizing settlement and investment by Germans and Chinese and furthering the authorities' goal of turning Qingdao into a manufacturing and shipping hub.

This system was first challenged by Germans who felt it did not privilege them enough; in July 1899, the Shandong Railway Company demanded that, since Russia could send materials for its Manchurian railway into China duty-free, the German company ought to have that right as well. Ohlmer initially refused to stop charging duties, arguing that he had no approval from his superiors in China's foreign ministry, the Zongli Yamen. The matter was taken over his head, and in October 1899 the Yamen agreed that rail materials could enter Shandong duty-free¹⁹.

Ohlmer was never hostile to the railroad or the intentions behind it. In his final Decennial Report, written in 1911, Ohlmer would write that Qingdao's first decade was "an object lesson to China and to the Chinese. It proves... what results can be achieved by a good harbour and a single line of railway, with efficient management, under an able

¹⁸ H. O. Bax-Ironside, "Inclosure in No. 284: Extract from the "North China Daily News" of June 12, 1899," Provisional Customs Regulations for the German Territory of Kiaochow, in *Further Correspondence Respecting the Affairs of China*, 1 (March 1900), 241, https://www.google.com/books/edition/Further_Correspondence_Respecting_the_Af/gJcsAAAAYAAJ.

¹⁹ Schrecker, 78.

government”²⁰. At the same time, he was, and would remain, primarily accountable to the institution in which he had spent his entire career. Ohlmer, a native of Hanover, joined the Customs Service at a young age in 1868, seven years after the Service itself was founded²¹. He was of modest means, but this didn’t make him too conspicuous. Many members of the Customs’ founding generation came from the British Consular Service, which Benjamin Disraeli referred to as a “refuge for the destitute” sons of fallen officials²².

Before arriving in Kiaochow, Ohlmer had lived and worked in Customs stations around China for thirty years. Unfortunately, this counted as a point against him among colonial officials and diplomats. In response to a 1905 memo from Ohlmer suggesting that Germany cooperate with the United States and China to restrain an ascendant Japan after the Russo-Japanese War, Kiaochow’s Governor Oskar von Truppel accused Ohlmer of being “more Chinese than Chinese bureaucrats”²³.

More substantial problems with the 1899 tariff system would become apparent. Two joint petitions of Kiaochow’s Chinese firms, made in 1901 and 1903 and transcribed by Wilhelm Schrameier, the colony’s “Chinese Secretary,” outlined a common but troublesome scenario. European firms would import goods in bulk. They split these up and resold them, but each share came with a portion of the original deferred import or Coast Trade duties attached. The last links in the chain would be smaller Chinese distributors and retailers, who dipped into small profit margins to organize transport of these goods to Qingdao’s Customs Office, pay the deferred duties, and organize transport into the Chinese interior²⁴. The 1903 petition further alleged that the Chinese seasonal migrants employed by the colony to do a majority of its labor, who

²⁰ Ohlmer, “Kiaochow,” 260.

²¹ Yokell, “The Eagle and the Dragon,” 225.

²² van de Ven, *Breaking with the Past*, 34.

²³ Steinmetz, 42.

²⁴ Ludwig Wilhelm Schrameier, *Aus Kiautschous Verwaltung: Die Land-, Steuer- und Zollpolitik des Kiautschougebietes* (Jena: Verlag von Gustav Fischer, 1914), 205-206, https://www.google.com/books/edition/Aus_Kiautschous_verwaltung/O2ELAQAIAAJ.

received millions of marks in compensation, preferred not to spend this money on goods in Kiaochow since these came with the expectation that duties would be paid on those goods if they were taken out of the Leased Territory (not paying this extra price made one subject to the penalties associated with smuggling). Instead, they bought goods brought in from the town of Yantai (then known as Chefoo) on which duties had already been paid and included in the price. The Germans' new railroad was neglected since it did not run to Yantai; only traditional transport connected Yantai and Kiaochow²⁵.

The 1903 petition suggested that there be a duty-free zone on the docks where goods in transit could move unhindered, preserving Kiaochow's "waystation" status. When cargo left the docks in either direction, its duties would be paid by the importer or exporter. Settlement of payments and investigations on smuggling could focus on a few large firms based in a small area instead of many small firms spread over land and sea. Clearly, the Chinese firms argued, the colonial government ought to "not let petty points of view and sentimental considerations gain a determining influence...[and instead] be guided by the facts"²⁶. These firms were calling on the administration to abandon its emotive but counterproductive claims to sovereignty and special privilege, and to acknowledge that making business easier and more profitable for Chinese inside and outside the colony would lead to greater success for the German colonial project as well.

Ohlmer wrote disparagingly in his 1911 Decennial Report that smuggling (avoidance of duty payments) and harassment of innocent vessels by the Customs' smuggling prevention fleets were endemic in Hong Kong and Macau, whose Customs offices were based in nearby Kowloon and Lappa respectively²⁷. He was pleased to report in the same document that the 1903 plan, adopted in 1905, allowed German colonial officials, Customs officials, and civilians of all nations

²⁵ Schrameier, 207-208.

²⁶ Schrameier, 208-209.

²⁷ Ohlmer, "Kiaochow," 238.

to work rather more efficiently, and with goodwill toward each other²⁸.

In return for allowing a Chinese institution to charge taxes in territory leased to the Germans, the colonial government demanded and received 20% of the Customs Office's revenue, but it had initially demanded 30% and agreed to compromise²⁹. The agreement hurt smaller firms that had benefited from the deferment of duties; as late as 1909 there were calls in the *Ostasiatischer Lloyd*, a newspaper catering to the German community in China, to restore the "privileges we once had"³⁰. Other parties found the new agreement more profitable: checkpoints no longer obstructed travel on the railway, the Customs Service was freed from maintaining those barriers, the Chinese no longer had to cross them, and the larger European importers' downstream buyers had more money to spare.

A rising tide lifted most boats, but a territory that had been established in defiance of Chinese sovereignty had, by 1914, found softening its attitude to be the most efficient option. The Customs office, staffed by Germans but accountable to China, played its own role in that transformation.

Kiaochow Customs Staff Survey: Methods

The next two sections will use data from the Customs Service's annual staff lists to see if the careers of Kiaochow's Customs officials benefited from their office's hiring policies, as measured by the length of an official's career until their most recent promotion. If this is shorter than one would expect based on officials of similar rank in other offices, we may conclude that Kiaochow's officials were helped by local hiring policies.

The largest increases on the German portions of the payroll are among the tidesurveyors, who boarded and inspected inbound or outbound ships, and the examiners, who inspected and repackaged cargo on the shore.

²⁸ Ohlmer, 239.

²⁹ Yokell, "The Eagle and the Dragon," 242.

³⁰ Yokell, 248.

Staff Category		1901	1902	1905	1906	01 to 06
Indoor (Foreign)	Commissioners	1	1	0	1	0
	Deputy Commissioners, Chief Assistants	0	0	1	1	+1
	First Assistants	0	0	0	0	0
	Second Assistants	2	1	0	1	-1
	Third Assistants	0	0	0	0	0
	Fourth Assistants	2	2	3	3	+1
	Clerks	0	0	0	0	0
	Miscellaneous (Revenue, Indoor)	0	0	0	0	0
Outdoor, Jetty/Godowns (Foreign)	Chief Examiners	0	0	0	0	0
	Examiners	0	1	2	3	+3
	Assistant Examiners	3	5	4	5	+2
Outdoor, Boat/Harbor (Foreign)	Tidesurveyors	0	0	0	0	0
	Assistant Tidesurveyors, Boat Officers	1	0	0	0	-1
	1 ^o Class Tidewaiters	1	0	2	1	0
	2 ^o Class Tidewaiters	1	4	2	2	+1
	3 ^o Class Tidewaiters	9	6	6	8	-1
	Probationary Tidewatchers, Watchers, Miscellaneous	1	2	5	7	+6
Postal (Foreign)	Deputy Postmaster	1	1	1	1	0
Total Foreign		22	23	26	33	+11
Total Chinese		113	172	230	236	+123
Total		135	195	256	269	+134

Table 2: Distribution of Kiaochow's foreign and Chinese staff in four surveyed years within, and total change across, the period 1901-06. Data from yearly issues 27, 28, 31, 32 of *China. Imperial Maritime Customs. Service List*, Hai Guan Zhi Yuan Ti Ming Lu (Shanghai: Statistical Department of the Inspectorate General of Customs).

I used Google Books and Internet Archive to find digitized primary sources. I only found complete staff lists for the years 1899-1902 and 1905-1906. However, in 1904, Qingdao opened a new harbor connected to the Shandong Railway. In the same year, the railway reached its planned western terminus in Jinan, the capital of Shandong. The completion of this corridor—

winding across nearly the entire east-west length of Shandong, from its largest city to its largest port, through coalfields, silk markets, and more—marked the fruition of the German plan for the colony’s economic development. From 1902 to 1911, the revenue collected by the Kiaochow customs office increased tenfold as it became China’s seventh most lucrative treaty port³¹.

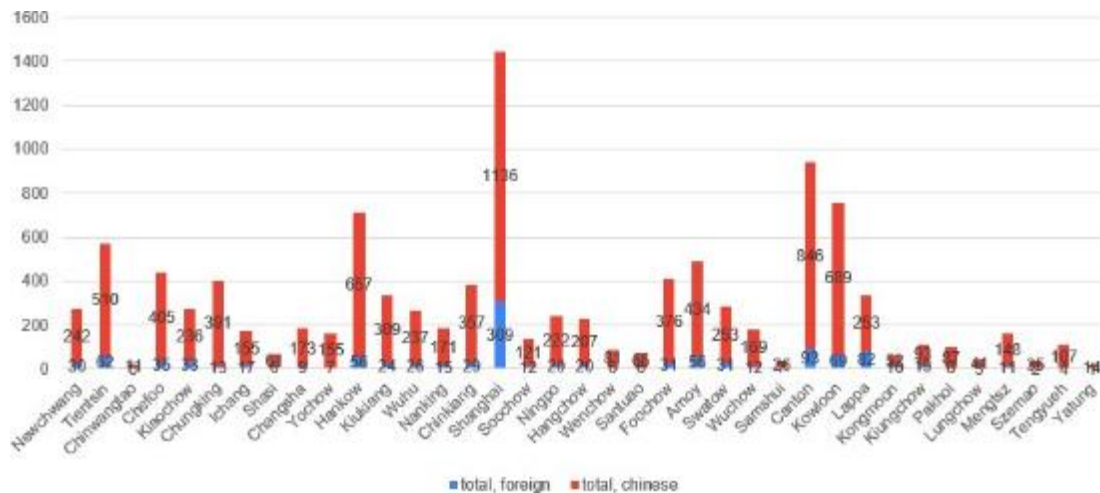


Figure 2: Distribution of foreign and Chinese staff at all Customs offices as of 1906. Data from China. Imperial Maritime Customs. Service List

It is possible that a significant rise in new hires might have occurred after the surveyed period of 1901-06, and analysis of the later period might lead to different conclusions than this study. However, even in 1906, Kiaochow was large enough to be comparable to some of the Customs Service’s largest offices. The averages for counts of foreign and Chinese employees across all 1906 treaty ports not counting Shanghai (which is clearly an outlier, as one sees in Figure 2) are 24.55 and 249.95, close to Kiaochow’s counts. However, there’s nothing wrong with more data. I consider the choice of survey period to be a shortcoming of the current study.

³¹ Ohlmer, “Kiaochow,” 237-243.

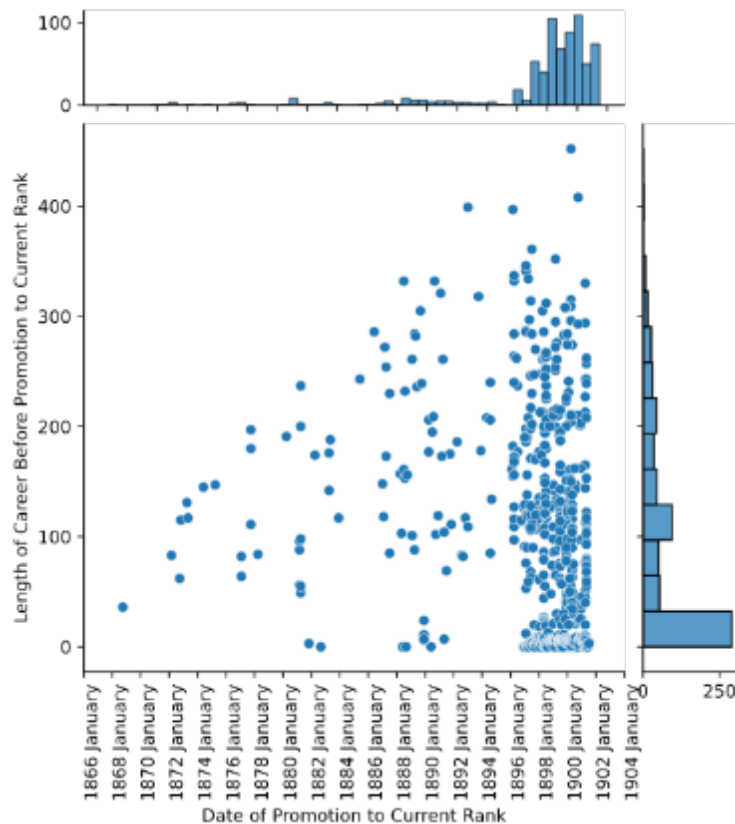


Figure 3: Graph of date promoted to current rank against length of career before that date as of 1901, both precise to the level of individual months. Every dot represents one of 701 foreign-national Customs employees who have been promoted at least once before. Data from China. Imperial Maritime Customs. Service List

Another noteworthy characteristic of the data is the increasing variance seen in Figure 3, where every year people take longer to be appointed to their current rank. As the Service aged, it was able to make seniority a criterion in advancement. The difference between time slices introduced into the variable I am measuring—length of career before promotion to current rank—would violate the assumptions of the difference-in-means t-test, which assumes relatively equal variance in the two samples in which one is testing for a difference. However, I would not be able to use the t-test here anyways because the datasets (time-slices of the total data) are small and skewed-right, as one can see in Figure 3. The mean is not a reliable measure

of center.

The next section will report and interpret the results of nonparametric tests, which are better suited to data of discrete counts (which the current datasets qualify as, since the dates in the Service Lists are precise only to the nearest month) and small data sets. This quality arises from the exact magnitude of difference between two data points not being as important in nonparametric tests as the relative order or rank of data points³².

1. The sign test for median will be used to see if Kiaochow's hires are significantly different in career length from Germans employed in all other offices in 1901. The median career length of the larger set will be used as a population median. This could explain whether the distribution of Kiaochow's career lengths differs from that of Customs' Germans in general due to random chance (in which case the smaller group can be considered to be of the same population as the large, subject to the same environmental conditions) or due to a difference in policy.
2. The Mann-Whitney U test, also known as the Wilcoxon Rank Sum Test, will be used to compare the career lengths of Kiaochow officials in 1901 with those in 1906. Due to probable differences in conditions across time, these groups should be considered as samples from two populations that may be similar or different.

Hypotheses	Intended Purpose/Justification
$H_0 : \tilde{x}_{Kiaochow} = \tilde{x}_{German}$ $H_1 : \tilde{x}_{Kiaochow} < \tilde{x}_{German}$	if Kiaochow officials benefited, should have significantly lower median career-length
$H_0 : Kiaochow_{1901} = Kiaochow_{1906}$, $H_1 : Kiaochow_{1901} > Kiaochow_{1906}$	1906 may be more right-skewed, as seen in Figure 3; if it is generally less than 1901 anyways, then that is important result

Table 3: Summary of methodology.

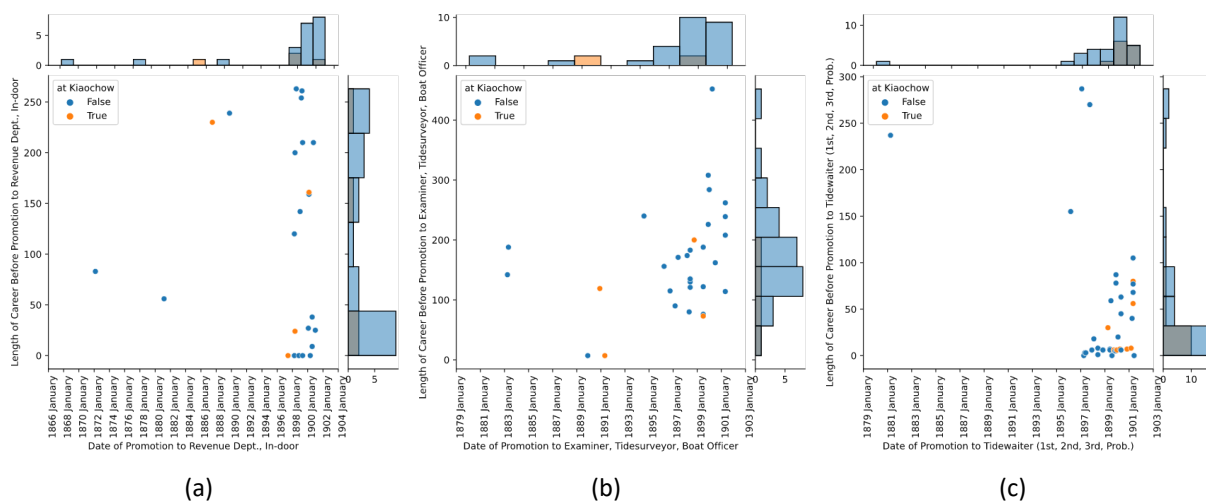
9. ³² For more information, see Chapter 14 of Richard J. Larsen and Morris L. Marx, *An introduction to mathematical statistics and its applications*, 6th ed. (Boston: Pearson, 2018), ISBN: 9780134114217.

For both tests, the officials considered will be split into three categories of job titles³³.

The scheme for this is the same as in Table 2 except for one difference: Assistant Tidesurveyors and Boat Officers were grouped with the Examiners, to even out the sizes of the three subsets.

Kiaochow Customs Staff Survey: Results

The basic assumption of the sign test is that, regardless of where the mean might be, a value drawn from some set has a 50% chance of being greater than the median of the set. The p-value (the probability of seeing a similar or more extreme outcome given a particular hypothesis, in this case an estimate for the median) can be expressed as a cumulative binomial probability, with chance of “success” 0.5. One can reject the estimate if the probability associated with the observations is lower than some threshold.

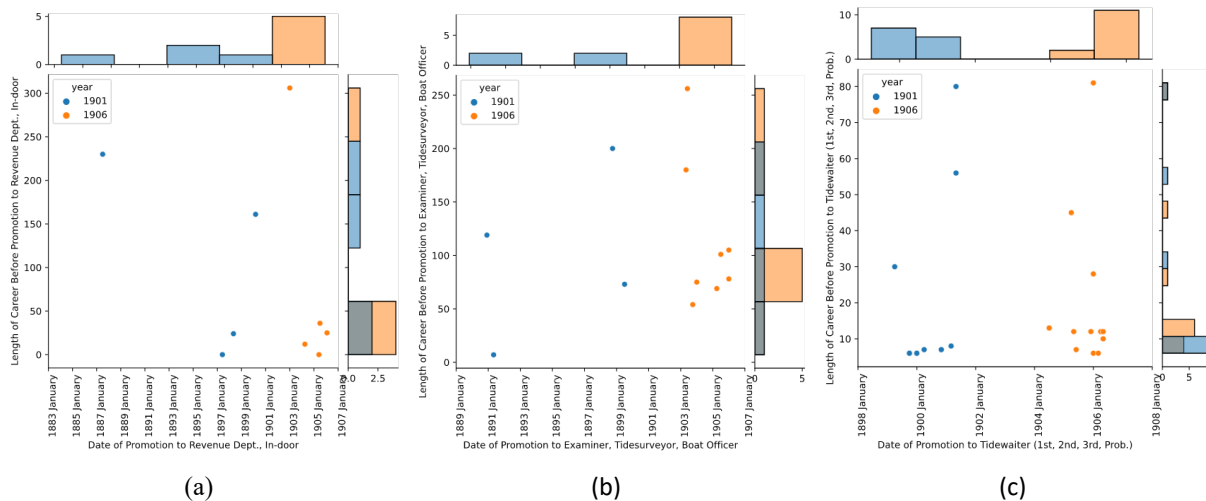


	a)	b)	c)
$x \sim_{German}$	83	156	7
fraction of Kiaochow values greater than $x \sim_{German}$	2/4	¼	4/12
p-value	0.6875	0.3125	0.1938

Figure 4: Results of sign test as applied to Kiaochow officials and all other German employees of the Customs Revenue Department in 1901, split among 3 groups of related occupations: a) Indoor, b) Examiners, Asst. Tidesurveyors, Boat Officers, and c) all other Outdoor Harbor officials.

³³ The Indoor Customs staff had higher salaries, influence, and social status than the Outdoor staff. For more information, see van de Ven, *Breaking with the Past*, 188-192.

Based on Figure 4 and the accompanying table, out of the three job categories, only the Harbor category shows some sign that x_{German}^{\sim} may not be a good estimate for $x_{Kiaochow}^{\sim}$. There is insufficient evidence to assume that, in 1901, Kiaochow Customs employees enjoyed greater career advancement than Germans elsewhere in the Customs.



	a)	b)	c)
Mann-Whitney test statistic	10.5	15.0	50.5
p-value	0.4511	0.5674	0.9356

Figure 5: Results of Mann-Whitney U test as applied to Kiaochow officials in 1901 and 1906, split among 3 groups of related occupations: a) Indoor b) Examiners, Asst. Tidesurveyors, Boat Officers, and c) all other Outdoor Harbor officials.

Based on Figure 5 and the accompanying table, there is also insufficient evidence that things changed significantly for the Kiaochow office between 1901 to 1906.

Overall, we can conclude that at no point during the surveyed period did the Kiaochow Customs Office's ethnic exclusivity benefit the careers of its employees. If we can say of Ernst Ohlmer that he felt no overriding loyalty to Germany, having struggled upward through the Customs Service's ranks without its help, we could also say the same of other staff members in his office.

Epilogue: Japan in Northern China, 1905-1937

In 1895, Japan waged war against China for the Liaodong peninsula, and demanded it be ceded in perpetuity; in 1905, Japan returned to Liaodong, but demanded only to receive the transfer of Russia's lease on the territory. Japan's rule in the "Guandong Leased Territory" was therefore in the same category as the German lease, and the provisional military administration looked to Kiaochow for precedent and guidance. On May 30, 1907, a Customs House opened in Dalian under a copy of Kiaochow's 1905 agreement: there was a free zone at the docks, the leasehold government was entitled to a share of Customs revenues, and every foreign-national staff member was Japanese.

After a decade, this agreement was also imposed by the Japanese on Kiaochow itself after it conquered Germany's possessions during World War I. Japan returned most German possessions to China, but the province's coal mines fell under the "Sino-Japanese" management of the Lüda Company, which faced three separate expropriation attempts from the Shandong provincial government on the basis that the Company's Chinese investors were no longer able to influence its activities³⁴. Japanese businesses remained dominant in Qingdao; in 1922, a Decennial Report described their investments and construction works, with measurements given in Japanese units like *tsubo* for area and Yen for currency.

It is to Dalian, however, that we return to give the final verdict on ethnic exclusivity rules in the Chinese Customs Service. In 1931, the Guandong Army, Dalian's security force, conquered Northeast China and established the "Manchukuo" occupation government. For half a year of war, the Chinese Customs staff in Manchuria stayed on the job. In March 1932, Japanese authorities came bearing carrots and sticks. Arthur H. F. Edwardes, a former candidate for Inspector General of Chinese Customs, became a salaried "Counsellor to the Department of Foreign Affairs" in Manchukuo³⁵. Less cooperative officials faced threats,

³⁴ Tim Wright, "Sino-Japanese Business in China: The Luda Company, 1921-1937," *The Journal of Asian Studies*, 39, no. 4 (1980): 720-721, ISSN: 00219118, 17520401, <http://www.jstor.org/stable/2055179>.

³⁵ Donna Brunero, *Britain's Imperial Cornerstone in China: The Chinese Maritime Customs Service, 1854-1949*

imprisonment, and raids on their homes and offices by soldiers seeking important files or the keys to safes.

The strategy of Inspector-General Frederick William Maze was to try to convince his superiors in Jiang Jieshi's national government to give the Customs Service time to work out an agreement with Manchukuo, even if it meant that a branch of the Chinese government would be negotiating with this illegitimate state:

The chief consideration is to maintain the integrity of the Customs Service in the General interest of all—including Japan... to endeavour to avoid raising major questions; give way, if necessary, in the case of minor questions; and try and localise the issue as much as possible.³⁶

However, far from opening another port or settling for a lease, Japan had done something no other nation had dared to do in the last century: steal a territory the size of France and Germany combined, housing tens of millions of people, from China. Of the three Axis conquests that marked each member's definitive break with the international community, Japan's conquest of Manchuria was the first, coming four years before the Italian war in Ethiopia and seven years before the German partition of Czechoslovakia. The sort of ambitions that the Customs Service had been set up to "localise" were being replaced, in China and in Europe, with a new kind that accepted no limits.

Maze persisted in his last-ditch effort to save the Customs Houses, and one of his allies in this task was himself Japanese. Over the hectic months of early 1932, Jinzaburo Fukumoto, Commissioner at Dalian, was able to get in contact with an impressive array of people, including a former Customs employee who had by then become the chief secretary of a large

(Routledge, 2006), 129, ISBN: 978-0-415-32619-3.

³⁶ Brunero, *Britain's Imperial Cornerstone in China*, 123-124.

chamber of commerce in Japan, as well as an advisor to Manchukuo. He and another Customs employee, Ding Guitang, were even allowed to state the Service's case directly to the Manchukuo government. To all who would listen, Fukumoto argued that aggression was ultimately against Japan's best interests, because it would damage future prospects of trade³⁷. Even if the Manchukuo elite's disdain for trade and private enterprise as motivations for national policy were not yet apparent, it seems unlikely that this argument would resonate with conquerors who had acted on their own initiative³⁸. However, Fukumoto, a Customs man since 1905³⁹, may have sincerely believed this strategy would work. Rational economic interest had been the basis of his twenty-seven-year career.

In June 1932, the flow of revenue from Dalian, 6-9% of the total Customs revenues from all of China, finally stopped. The Yokohama Specie Bank held all the revenues of the Dalian Customs office, and during this crisis it refused to hand the accounts to Fukumoto or his superiors. On June 24, the Customs Service dismissed Fukumoto, and Manchukuo used this pretext to seize the Customs Houses within its territory⁴⁰. The gesture was hollow to begin with, since by the Dalian office's rules only Japanese nationals could staff the office.

So then, did a country finally benefit from carving out an exclusive slice of China's most multinational institution? Possibly—but then again, the Japanese staff of the Customs offices also did not switch sides *en masse* until the situation in the north had become clear to all.

Conclusion

Today, the world is covered in diasporas. Populations with roots in many nations may be found in many others. Nativists in one country might portray local immigrant populations as a local arm of foreign influence—or they might be seen, for better or worse, as expressions of a

³⁷ Brunero, *Britain's Imperial Cornerstone in China*, 122.

³⁸ For more on Manchukuo's ideological origins and shifts, and the way these were exported to Japan, see Janis Mimura, *Planning for Empire: Reform Bureaucrats and the Japanese Wartime State*, 1st ed. (Cornell University Press, 2011), ISBN: 9780801449260, <http://www.jstor.org/stable/10.7591/j.ctt7zjn3>.

³⁹ <http://www.bris.ac.uk/history/customs/resources/careersah.html#Fukumoto>

⁴⁰ Brunero, *Britain's Imperial Cornerstone in China*, 126.

country's worldwide "soft power". Anxieties may arise among observers of a diaspora, or from within the community itself, that its members are being transformed by their experience, and may become irreconcilable in habits and mindset to the land of their origin.

This study could have approached this issue by looking at a more "organic" diaspora population than the ones formed by the need of the Qing and Republican Customs Service to keep recruiting foreigners. However, looking at populations whose origins were so patently political, and examining the success and failure of their home countries' efforts to enlist them in its own political projects, can set a benchmark to which other examples of a "home country" attempting to recontact its diaspora can be compared.

Overall, the present study finds that Germany's attempt to secure institutional privileges for its nationals in China was not a very significant gesture. Customs employees advanced in their careers had already found their own way in the Service without their homeland's patronage, attaining a station that might have been beyond their aspirations at home. Meanwhile, employees who were just starting their careers or were in the middle of their careers were affected more by the standards to which their superiors held them, than by poorly focused interventions from abroad.

Neither in the German case, nor in the Japanese case examined in search of a contrary conclusion, did a country's securing of ethnic exclusivity for its nationals in Chinese Customs offices affect the values, expectations, and interests on which the Service ran. The reconstitution of the Service by Japanese occupation authorities did accomplish this goal, but this was a far cry from the suave maneuvers with which Germany and Japan had hoped to reintroduce themselves to countrymen who had moved away, and simultaneously gain some advantage for themselves.

In the end, the experiment of ethnic exclusivity ended with the following result: if all else fails, it is quite easy to obstruct, cajole, or threaten a group of middle-aged bureaucrats into following your lead.

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