

Sovereign Numbers: The Chinese Tariff and Economic Expertise in the 1910s and 1920s

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Statistics and Economic Diplomacy in Republican China

During the second half of the nineteenth century, the Chinese economy, along with other East Asian economies, was drawn into a transnational trade network and an international political order dominated by Western powers, especially the British Empire. This integration was initially secured through a series of high-level agreements that were later labelled the “unequal treaties.”¹ Such treaties were first concluded between the Qing imperial court and Britain after the First Opium War (1840–1842) and the privileges guaranteed by them were then extended to other major trading partners of the Qing Empire throughout the second half of the nineteenth century.² The socio-legal trade regime that emerged from these treaties in the late Qing Empire, and which persisted into the Republic of China (ROC, 1912–1949), had several salient features. First, tariff rates for most import goods from major trading partners were fixed at comparatively low levels at a maximum of 5 percent, and any modification required the consent of all foreign signatories, usually through an international conference. In practice, since such conferences turned out to be very difficult to convene, this arrangement effectively locked tariffs in place. Second, the treaties opened new trade ports beyond the southern port of Canton, where legal

1 The work on this article was funded by the Deutsche Forschungsgemeinschaft (DFG, German Research Foundation) – Project No. 227068724.

Wang, Discourse. Also *Peters*, Treaties, for an overview of similar treaties outside of East Asia for which the treaties concluded with the Qing served as model.

2 The legal basis for this regime were hence a succession of different treaties, rather than a single overarching agreement, each of which was concluded between the Qing court and a foreign government. Wang provides the following chronology for the conclusion of the most important bilateral treaties leading to the emergence of this legal regime: Britain (1842), the U.S. (1844), France (1844), Sweden/Norway (1847), Russia (1851), Prussia (1861), Portugal (1862), Denmark (1863), the Netherlands (1863), Spain (1864), Belgium (1865), Italy (1866), Austria (1869), Japan (1871), Brazil (1881), Mexico (1899) and Switzerland (1918). See *Wang*, Discourse, 10.

foreign trade had previously been concentrated, and assigned responsibility for administering the tariff to a newly created institution, the Maritime Customs Service (founded 1854). The Customs Service was formally part of the Qing bureaucracy, yet, it was mostly staffed by nationals of the treaty signatories. Due to this fact, it operated with considerable organisational autonomy from the rest of the administration.³ Finally, the treaties granted extraterritorial rights to foreign merchants. As previous scholarship has emphasised, these treaties did not so much “open up” a previously autarkic society as restructure existing transnational commercial networks in the region. As a result, maritime foreign trade, which had previously been concentrated along the southern coast, increasingly moved to the east, particularly to the commercial port of Shanghai.⁴

The emergence of this new trade system coincided with profound changes in the practices of economic diplomacy. The colourful variety of at times elaborate rituals and protocols that had structured earlier economic and political diplomacy in the region, including the famous prostration before the Qing emperor which was demanded of most foreign delegates (*koutou* 叩頭), was replaced by new institutionalised techniques and instruments for negotiating commercial and political agreements and resolving conflicts.⁵ Previous scholarship has shown that, in the new socioeconomic and legal context created by the treaties, the mastery of foreign and international law by Chinese bureaucrats became a crucial prerequisite for successful economic diplomacy. Qing and later ROC diplomats progressively learnt to manipulate the language of international law and Western political philosophy, grounding their demands for treaty revision in Western legal concepts such as the right to equal sovereignty and, after the First World War, the principle of self-determination.⁶

International law, however, was only one of several Western techniques of government which historical actors in the ROC drew upon to advance their own cause in the international arena. In parallel, especially in the years before and after the First World War, ROC politicians and administrators increasingly relied upon economic statistics when they interacted with their Western counterparts. While numbers had long been established

3 *Van de Ven*, Past.

4 *Gipouloux*, Méditerranée; *Xin*, Global.

5 Cf. *Brook/van Praag/Boltjes*, Mandates; *Andrade*, Embassy.

6 *Wang*, China; *Manela*, Moment; *Carrai*, Sovereignty.

among many Western elites as symbols of factuality and truth,⁷ in the post-war years they became increasingly important in European economic diplomacy, especially in negotiations over war guilt and reparations and ultimately the future global economic order,⁸ against the background of the collapse of the social, political and legal institutions underpinning the period of the “first globalisation”.⁹ In this broader context, ROC politicians and bureaucrats, well aware of the rhetorical force of numbers, produced their own statistics to advance their agendas in international negotiations. Research on this political and diplomatic history of statistics in republican China still remains limited, despite a rich historiography on statistics in China more broadly¹⁰ and extensive studies on the increasing role of expert knowledge in transnational economic relations and in the realm of economic administration, which tend to focus on Western actors.¹¹

This chapter aims to mitigate the lack of research on the history of statistics in the ROC, by studying the use of statistics by ROC bureaucrats over the 1910s, in the context of discussions surrounding the Chinese tariffs. Recent studies by Jamie Martin and Allen Lumba have highlighted the ambiguous role of economic, legal and statistical expertise in post-war economic diplomacy.¹² In this context, economic and legal experts did not merely provide rational and apolitical solutions to social and economic problems in international affairs. Instead, experts working for Western governments and for institutions such as the League of Nations often invoked technical knowledge to justify interference in the domestic affairs of newly created or newly independent nations. In this sense, their claims to superior knowledge served to undermine the emerging normative principles of equal sovereignty and self-determination in military and economically weaker polities, and in this way, they contributed to the perpetuation of older patterns of politico-economic domination. The history of Chinese economic experts in post-war diplomacy broadly confirms this picture: although negotiations surrounding the tariffs were framed in a technical language, outcomes ultimately depended more on the military power behind each delegation than on the internal stringency of their argumentation. Yet,

7 E.g., Porter, Trust; Desrosières, Politique; Deringer, Values.

8 Tooze, Economies; Clavin, World; Yee, Stability.

9 Most notably, the gold standard, see Eichengreen, Capital.

10 Bréard, Reform; Lam, Passion; Schillinger, People; Paulès, Âge; Ghosh, Making.

11 Flandreau, Money; Martin, Experts; Slobodian, Globalists; Mallard, Gift; Mulder, Weapon; Bemmman, Weltwirtschaftsstatistik. But see Thornton, Revolution.

12 Lumba, Monetary; Martin, Meddlers.

as we will show, Chinese efforts to gather economic intelligence proved significant, as they laid the foundation for an expansion of statistical work within the economic administration and institutionalised a new socio-type within the administrative apparatus: the economic expert, analysing a steady stream of statistical data in order to inform state action.

Numbers to Confront the Fiscal Crisis

The collection of numerical data in East and Central Asia had a long and proud history well before the First World War, especially in the Qing Empire, as part of the policies dedicated to the prevention and alleviation of famine.¹³ Yet the history of statistics in the region truly began only in the second half of the nineteenth century, through a series of encounters with Western countries. The first step in this development was the creation of a statistical department within the Maritime Customs Service (MCS), which regularly published data on foreign trade. For the first time, numerical data collected in the empire were explicitly labelled “statistics” and made available to a broader readership, both inside and outside the empire.¹⁴ Within the Qing administration, however, the statistics produced by the MCS appears to have attracted little attention from high-ranking officials.¹⁵ A second crucial moment came in 1906, when reformist intellectuals at the Qing court promoted constitutional government and argued that the collection of accurate statistical data—above all population figures—was a prerequisite for economic and social modernisation, and essential if China was to compete with foreign powers on the international stage.¹⁶

The golden age of economic statistics—beyond statistics on foreign trade alone—began in the 1910s and 1920s.¹⁷ The driving force behind the development of this new form of economic information was a severe fiscal crisis. The early twentieth century was marked by a dramatic breakdown in the public finances of the Qing Empire, and this crisis was carried over into the republican era. The difficulties took the form of rising expenditure during a period when the government had increasing difficulty in sustain-

13 *Will/Wong, People; Li, Famine.*

14 *Bréard, Invention; Van de Ven, Past.*

15 *Bréard, Invention.*

16 *Bréard, Reform; Schillinger, People.*

17 *Bemmann, Weltwirtschaftsstatistik.*

ing stable revenues. Several factors contributed to the expenditure crisis. A whole series of socio-political upheavals throughout the nineteenth century, including the White Lotus Rebellion (1794–1804) and Taiping Civil War (1850–1864), had depleted the empire's financial reserves. At the turn of the twentieth century, the financial difficulties of the central government were amplified as a result of the Japanese invasion (1894–1895), the Boxer Rebellion and the ensuing war (1899–1901) and the resulting war indemnities for the Qing court. Beyond the costs of war and unrest, the regime also faced the heavy financial burden of its own modernisation agenda.¹⁸ Under the so-called New Policies reforms (1902–1911), the Qing government had undertaken sweeping administrative changes at an overwhelming cost, including an overhaul of the domestic educational system and the modernisation of the army.¹⁹

On the revenue side, the central government was put into a precarious position by the growing fiscal autonomy of its own provinces. Here again the socio-political upheavals of the nineteenth century had played a crucial role by amplifying pre-existing centrifugal tendencies. As the historian R. Kent Guy has shown, in the Qing Empire, the provincial governments, previously relatively marginal administrative units, had gradually managed to consolidate themselves as independent centres of political authority.²⁰ The internal crises of the nineteenth century, and in particular the Taiping civil war at mid-century, had escalated these trends, leading to the provinces increasingly taking charge of fiscal affairs. The most significant development in this respect was the creation of new taxes during the Taiping rebellion, which were meant to help the provinces fund their military operations against the rebels. Chief among these new taxes was the so-called *Lijin* (釐金), or internal transit duty, of which the provinces retained the lion's share. Recent scholarship has shown that the *Lijin* expanded the overall extractive capacity of the state,²¹ and can therefore be seen as a driver of the emergence of a more interventionist form of economic governance. Yet, this increase in overall extractive capacity did not directly translate into a stronger central state.²² Rather, it redistributed fiscal power, strengthening the provinces while further weakening the central government's grip on economic affairs.

18 Dong, *Sinews*.

19 *McCord*, *Power*.

20 *Kent Guy*, *Qing*.

21 *Halsey*, *Quest*.

22 *Paulès/Serfass*, *Teleology*.

During this moment of crisis, statistical information became crucially important for the central administration. In the final years of the empire, the Qing court made efforts to centralise information on the revenue of all provinces as a first step towards fiscal reform.²³ Most importantly, in 1911, one year before the republican revolution, the central government organised an empire-wide financial conference to collect data on provincial revenues. At roughly the same time, it set up new administrative offices in the provinces to restructure public finances²⁴. Although the Qing Empire collapsed the following year under the pressure of the Xinhai revolution, this new institutional infrastructure largely survived at both the provincial and central levels.²⁵ At the same time, the Xinhai revolution further exacerbated the already dire fiscal situation of the central administration due to the initial weakness of the newly established republican government. In the course of the revolution, provincial governments had completely stopped remitting fiscal revenues to the centre, escalating the tendency towards fiscal decentralisation that had taken shape over the second half of the nineteenth century.²⁶ Due to the weak credibility of the new regime when it came to dealing with foreign markets and the tight coordination between foreign banks to impose extreme conditionality against foreign loans, the administration could not confront all its financial obligations through the issuance of public debt either.

In this broader context, the tariff on maritime trade became a key preoccupation for ROC administrators and politicians for a variety of reasons. First of all, with the expansion of overseas foreign trade over the second half of the nineteenth century,²⁷ the tariff had quickly grown into one of the most important sources of fiscal revenue and increases in the tariff could raise substantial revenues for the central administration.²⁸ Second, as a foreign-run institution, the MCS, the organisation in charge of administering the tariff, was relatively insulated from the political upheavals that followed the collapse of the imperial socio-political order. Indeed, as several scholars have shown, the MCS not only weathered the revolution but was able to assert an even higher degree of organisational autonomy than before 1912.²⁹

23 Wang, Land.

24 邹进文, 民国

25 劉壽林/孔慶泰/万仁元/王玉文, 民國

26 Van de Ven, Finance; Liu, Changes.

27 Keller/Shiue, China

28 Zhang, Ideological.

29 Osterhammel, China, 227; Van de Ven, Past.

As a result, in the wake of the revolution, the tariff remained an important potential source of revenue, the collection of which was firmly established under the authority of a single central-level institution. Third, from the final decades of the nineteenth century the tariff had become a central *topos* in neo-mercantilist and protectionist thought among local elites aspiring to an industrial future in their own country; the combination of high taxes on internal commerce,—the *Lijin*—, and low taxes on external trade was considered an absurdity by those same intellectuals and merchants.³⁰ Instead, they advocated for the suppression of the internal duties and an increase in the tariff.³¹ To implement these reforms, accurate statistics were not only crucial in order to assess the scope of the fiscal crisis and to compare the costs and benefits of competing courses of action. As we will argue in the remainder of this chapter, they were also crucial parts of the solution, as technical artefacts that would actually permit the government to increase fiscal revenues.³²

The Political Economy of Valuation

In early 1912, even before securing formal recognition from several major international powers, the Ministry of Foreign Affairs (外交部) of the newly created republic approached representatives of treaty signatories to initiate a revision of the Chinese tariff schedule. The legal basis for this demand was the MacKay Treaty concluded in the aftermath of the Boxer Rebellion and the resulting military conflict (1899–1901), which had stipulated that the Chinese tariff could be revised ten years after its signing, a deadline that fell in the first year of the republic. Clause 8 allowed for a tariff increase in exchange for the abolition of the internal transit duties,³³ since these were considered a hindrance to the development of trade with foreign merchants

30 *Feuerwerker*, Industrialisation.

31 林美莉, 西洋

32 In an earlier publication, Mark Jakob and Nina Kleinöder formulated this distinction between diagnostic tools to identify collective threats and courses of actions to actually overcome them with the conceptual pair “frames” and “repertories”; see Jakob/Kleinöder, *Security*. I am borrowing the idea that in many social contexts quantified knowledge can function at once as “repertory” and as “heuristic” from an informal discussion with Leon Wolff, Sven Opitz and Finn Langbein.

33 *MacMurray*, Treaties.

and their representatives.³⁴ Yet in 1912, when renegotiation became due, the central administration faced two key obstacles. First, it lacked the authority to compel provincial governments to abolish the *Lijin*. Second, despite repeated efforts by government-appointed fiscal experts since the first decade of the twentieth century,³⁵ the anticipated loss in provincial revenue from abolishing the *Lijin* remained uncertain. It appeared increasingly likely that raising the tariff alone would not suffice to offset the shortfall caused, and that additional revenue sources, most notably commercial and production taxes, would be necessary to sustain the central government's finances.

In this context, the new administration chose to frame the revision of the schedule not as a legal or diplomatic matter, but as a technical issue. The Chinese negotiators would remain within the bounds of the existing legal framework and simply produce new statistics intended to demonstrate that prevailing tariff rates no longer reflected actual economic realities. In other words, the issue was recast not as a matter of legal reform, but of properly implementing the existing regime through more accurate measurement. As a letter to the Chinese delegate in Japan put it: "Revising the tariff schedule is not the same as increasing the tariff [rate]" ("修改稅則與加稅不同").³⁶

The central factor in these efforts was the price of imported commodities. Prior to the Opium Wars, changes in the economic value of commodities were not of central importance in the administration of foreign trade. As economic historian Paul Van Dyke has argued, under the so-called Canton System, in which foreign trade with the Qing Empire was centred on the southern port of Canton (廣州 Guangzhou), all import duties were based on either weight or volume.³⁷ Against this background, the commercial treaties drawn up after the Opium Wars institutionalised a new conceptual distinction between two broad categories: *specific* (從量) and *ad valorem* (從價) duties. In both cases, the treaty stipulated that most commodities should be taxed at 5 percent of their value. However, what "value" meant in each case differed. For many commodities, the treaties included not only a mention of the applicable tariff rate, for example 5 percent, but also an implicit estimate of their monetary value at the time of the negotiations. In this case, the commodity was said to be subject to *specific duties*. For other commodities, the tariff schedule only indicated "5 %

34 林美莉, 西洋

35 Van de Ven, Finance.

36 李景銘, 修改; 「關稅改良會委員籌備銷場產地等稅」(1914), 〈提議修改稅則案〉, 《北洋政府外交部》, 中研院近史所檔案館藏 (IMH), 03-24-001-04-003.

37 Van Dyke, *Canton*, 8-11.

ad valorem”, without any estimation of the market value. This meant that employees of the ROC administration working in the Maritime Customs Service would have to determine themselves how much the commodity was worth at the moment of its arrival on Chinese soil and, accordingly, how much merchants would have to pay in *ad valorem* (import) duties.

Foreign contemporary treatises and commentaries on commercial policy and political economy, some of which were familiar to ROC officials, usually discussed the choice of either an *ad valorem* or specific duty regime in terms of a trade-off between accuracy and ease of implementation.³⁸ Specific duties were considered as relatively easy to implement, but not very accurate. Officials only needed to measure the weight or volume of the imported good, apply the price fixed in the tariff schedule, and calculate the duty accordingly. But because market prices could fluctuate considerably, this fixed price would necessarily diverge, to some extent, from actual economic conditions. *Ad valorem* duties, by contrast, were considered to be more accurate, but less easy to implement. Officials had to estimate the current market price of the good and then apply the tariff rate to that valuation and to the quantity imported. The price used for the administration of *ad valorem* duties was therefore more likely to match prevailing conditions. Yet, to arrive at such an estimate of the price, required additional investigative work that could be avoided in the case of specific duties.

However, beyond these practical considerations, the two kinds of duties differed also significantly in how they distributed political agency over fiscal policy-making. The main question, in this respect, was who was controlling the definition of commodity prices for the purpose of levying the tariff. In the case of *specific* duties, delegates to international tariff conferences would negotiate the relevant prices on the basis of which the duties would be calculated. These prices would then apply until revision by another conference. In the case of *ad valorem* duties, on the other hand, employees working in the MCS in the ROC would have some leverage in determining the market values of imported goods.

While in appearance an arcane technical matter, or just a question of principle, the revision of the prices used as reference could have a significant impact on governmental finances. In 1912, the majority of imported goods fell under the regime of specific duties.³⁹ This had as consequence,

38 Fisk, Policies; Seligman, Importance.

39 Wright, Struggle, 353–354, 370.

that despite a continuous and consequential rise in prices of imported commodities since the last revision of the tariff, income from import duties had stagnated, since the monetary value of the tax had already been decided upon in the commercial treaty, and could only be revised after having received the accord of all the signatories of the latter. Chinese commentators deplored this fact as the “extreme inflexibility of the Chinese tariff”,⁴⁰ or an ultimate illustration of the lack of Chinese sovereignty, since even apparently empirical phenomena such as price changes were in actuality dictated in a normative manner by treaties. At the turn of the twentieth century, the tariff amounted to between one quarter and one third of central government revenue. According to the estimation by the then inspector-general of customs, Francis Aglen, an increase in prices could raise the applicable customs duties by almost 90 percent.⁴¹ Hence, developing a correct measure of import goods was not a pedantry, but a matter with substantial financial implications.

Building New Networks of Economic Expertise

The collection of data in relation to new prices for import commodities thus stood at the centre of the Chinese strategy to increase customs duties and, incidentally, to protect the infant industrial sector. However, the capturing of these data presented several practical difficulties. In many cases, commodity prices were neither public nor uniform. Indeed, as works in economic history and economic sociology have repeatedly shown, the ability to obtain public, uniform commodity prices cannot be taken for granted. Instead, these conditions can only be achieved through a substantial amount of collective work, including the standardisation and categorisation of commodities⁴² and the development of technical instruments to actually display and communicate the prices to market participants.⁴³ However, in the early years of the ROC, commodity prices were only rarely made public in such a manner. Instead, often negotiations were held in a private

40 *Chu*, Tariff.

41 季景銘, 修改

42 *Cronon*, Nature.

43 *Garcia-Parpet*, Construction; *Cochoy/Hagberg/Kjellberg*, Technologies; *Cochoy/Hagberg/Kjellberg*, Price.

setting, involving only the transacting parties and perhaps a broker.⁴⁴ During the same period, there were some endeavours to overthrow this moral economy of price fixing. Such attempts are well documented after the British colonisation of Hong Kong, where the colonial administration put great efforts into the creation of new market halls, driven by hygienic, traffic-related and socio-economic concerns.⁴⁵ Furthermore, new commodity exchanges emerged in certain coastal towns of the ROC around the beginning of the 1920s, which their proponents presented as a solution to the problem of having to endlessly “haggl[e] over the prices.”⁴⁶ Other examples were the construction of large new market halls in certain commercial cities in order to standardise prices, such as Shanghai, Hangzhou, Suzhou, Beijing and Chengdu, where prices would be at times announced publicly. However, in many documented cases, these attempts to transform market practices in the Republic encountered considerable resistance from both vendors and purchasers.⁴⁷

In the 1910s, for the central administration to gather and publish data on market prices was hence an active intervention in a realm of practice which was considered private to merchants and traders, and could not but raise the spectre of tax increases among market participants. The collection of this kind of data hence presupposed an extension of the realm of state action, which needed to be both logistically achieved and socially legitimised.⁴⁸ This was by no means obvious for the then relatively weak and financially strained central government. Bureaucrats in the administration noted that an alternative feasible approach would have been to observe the prices of goods imported into the ROC in their countries of origin and augmenting these by an estimate of the insurance and shipping fees.⁴⁹ However, employees of the Ministry of Foreign Affairs considered such an option to be equally sensitive. Instead of directly requiring information on prices from its foreign counterparts, the Ministry sent an enquiry to their representatives in Russia, the United States and Japan asking them

44 *Mann*, *Brokers*; *Zhang*, *Timber*.

45 *Tsui*, *Everyday*.

46 *The North-China Herald*, *New Cotton Goods Exchange*.

47 *Wang*, *Myth*; *Wang*, *Modernizing*.

48 *Loveman*, *Modern*.

49 「關稅改良委員會會員吳貴因提議預定貨價辦法請查照辦理」(1913),〈提議修改稅則案〉,《北洋政府外交部》,IMH, 03-24-001-03-006.

to secretly investigate local commodity prices.⁵⁰ A final way to circumvent these difficulties was to use a set of prices which were then called “customs values”.⁵¹ The customs value was the multiplier which customs officials used in order to translate heterogeneous measures of volume or weight of imported goods into a single monetary unit. Upon landing, importers had to fill out an import application, which included a declaration concerning the value of each category of imported goods. This declaration needed to be filled out whether or not the goods fell under the regime of *ad valorem* taxes or specific duties. Thus, even if the good was covered by specific duties, which meant that the tax did not depend on its presumed market value, the administration collected this information anyway, so that it could regularly estimate the volume of foreign trade in terms of its aggregate monetary value.⁵²

From the very outset of the preparatory work for negotiations, it was clear to both Chinese and foreign officials that the question of foreign trade valuation was politically charged. The core issues revolved around who would get to determine the actual value of imported goods. The measurement strategy which the Ministry of Foreign Affairs finally came to champion was the use of real local market prices, meaning commodity prices on Chinese soil, so that the valuation process would be controlled by its own officials. During the preparatory negotiations, the British advocated using *cost of arrival*, the price of a commodity at its point of sale, including insurance and freight. Chinese negotiators rejected this, as it would place the process of commodity valuation outside the formal jurisdiction of the ROC. Foreign merchants could easily falsify shipping documents, and if Chinese officials contested their declarations, they would have no recourse other than to appeal to the consuls of the relevant treaty power for verification.

In preparation for the negotiations, since accurate data about market prices was not readily available to the administration, the central government was compelled to develop new forms of expertise about the economic realities on its territory. This implied first and foremost the need to build a series of new social networks that would allow the administration to

50 「希密查來華洋貨出口價值製表寄部」(1913),〈提議修改稅則案〉,《北洋政府外交部》,IMH,03-24-001-02-022.

51 「關稅改良委員會會員吳貫因提議預定貨價辦法請查照辦理」(1913),〈提議修改稅則案〉,《北洋政府外交部》,IMH,03-24-001-03-006.

52 *Wright, China*.

redirect the flow of economic information to some of the country's most important commercial cities. As sociologist Gil Eyal has argued, *expertise* should not be understood primarily as the property of exceptional individuals, such as experts or intellectuals. Rather, expertise is the outcome of extensive social networks of collaboration. Within such networks, so-called experts mobilise non-experts to secure critical resources, such as funding and information, which enable the production of authoritative truth-claims. Furthermore, expertise only genuinely exists insofar as experts are capable of creating publics that function as the audience for their discourse.⁵³ In such networks of expertise, authorship, along with the accompanying social legitimacy and authority, is typically attributed to experts alone, even though the truth-claims themselves are in fact the product of collective labour.⁵⁴

At the centre of this emerging network of expertise stood the newly established Tariff Improvement Commission (關稅改良委員會 *Guanshui Gailiang Weiyuanhui*), a joint body composed of representatives from the Ministry of Finance, the Ministry of Industry and Commerce, the Ministry of Transport and the Ministry of Foreign Affairs.⁵⁵ The commission was at the apex of a chain of command in which customs offices in major cities were instructed to collect data on prices, a task that these stations, in turn, delegated to local chambers of commerce.⁵⁶ The Chinese chambers of commerce, tasked with leading the investigations on the ground, were themselves relatively recent creations, whose history was closely tied to earlier negotiations of treaties concerned with foreign trade and tariffs. The chief negotiator of the 1902 MacKay treaty, Sheng Xuanhuai 盛宣懷, had, by his own admission, been impressed by the tight and effective collaboration between foreign negotiators and merchant communities at the time. After the conclusion of negotiations, Sheng successfully called for the legalisation and promotion of chambers of commerce, believing that they would allow merchants to support the government's reform efforts in economic modernisation, especially for upcoming international negotiations concerned with trade.⁵⁷

53 Eyal/Buchholz, *Sociology*; Eyal, *Sociology*.

54 Cf. Reed, *Power*

55 李景銘, 修改, 28.

56 上海市工商业联合会, 上海, 286; 大公報天津版, 函告調查商貨

57 Fewsmith, *Guild*; Chen, *Network*, 57.

From the administration's perspective, the cooperation with the chambers of commerce was valuable not only because their members were deemed to possess intimate knowledge of market conditions. It was also useful because the chambers could shoulder some of the financial burden of the investigative work, or at least advance funds for a while, in a context where the government itself was already financially stretched. This cooperation relied on a combination of state coercion and on overlapping economic interests. Indeed, the archives of the Shanghai General Chamber of Commerce show that it made repeated complaints that the government was falling short on its obligations and reimbursing funds for investigation either too late or at a much lower amount than what was needed. For instance, in February 1914, the chamber had advanced around 1,000 taels to fund the investigative works.⁵⁸ By the summer of 1914, expenses were estimated at 5,000 taels, but the central government had only allocated 2,000 taels. However, despite conflicts around the issue of funding, in public statements during Spring 1914, members of the chamber continued to underline that the reform of tariff valuation would serve Chinese business interests and that the chamber thus had a stake in knowing what prices would be used.⁵⁹

Ultimately, the preparatory work for the tariff revision conference did not result in any tangible modification of Chinese tariff policy. This was, first and foremost, due to the sudden outbreak of war in Europe and the interruption of conference preparations. According to an official memoir recounting the negotiations, discussions only resumed after the Allied powers proposed in April 1917 that China's entry into the war should grant it the right to reopen tariff negotiations.⁶⁰ In fact, inside the ROC administration, preliminary efforts to revise the tariff policy had begun prior to China's formal declaration of war in late 1916, with renewed demands from the administration to the chambers of commerce to provide it with recent price data; only robust and verifiable data would persuade foreign powers to revise the tariff schedule. To ensure the credibility of the statistics, the administration required the chambers to use standardised forms and provide documentary evidence, such as entries from account books or receipts.⁶¹

58 上海市工商业联合会. *上海*, 296.

59 申報, *本埠新聞全國商會聯合會開會記*, March 20, 1914.

60 李景銘. *修改*

61 天津市档案馆, 天津社会科学院 and 天津市工商业联合会. *天津*, 1937.

Institutionalising Economic Expertise in the Administration

Gathering the information and empirical material to support a quantitative argument was one thing. Getting foreign negotiators to accept a case was a whole different issue. The emerging network of expertise around the Tariff Improvement Commission never got the chance to test the solidity of its claims, since negotiations were temporarily interrupted by the onset of the Great War. Another opportunity arose, however, at the end of the war, when the ROC administration succeeded in scheduling a new international conference for tariff revision. Before the conference, the administration once more created a specialised group of fiscal experts with a similar portfolio of responsibilities as the pre-war Commission, the so-called Import Tax Revision Committee (財政部修改現行進口稅則委員會 *Caizhengbu Xiugai Xianxing Jinkou Shuize Weiyuanhui*), led by Zeng Shuqi 曾述榮, Li Jingming 李景銘 and Lai Faluo 賴發洛. Of the three, Li Jingming was arguably the best-known official and most publicly recognised as a “financial expert.” Before the revolution, Li had been an imperial civil servant. After the revolution, he was elected to the National Assembly and then gone on to gain experience in fiscal affairs through posts at the Taxation Office, the National Tax General Planning Office and the Audit Office. The committee’s inaugural meeting on 5 January 1918 included officials, mainly consuls and customs administrators, from Belgium, the United Kingdom, the United States, France, Japan, Russia, Denmark, the Netherlands, Italy, Norway, Sweden, Spain, Portugal and Brazil.

The strategy of the Chinese delegation during the conference was once more to present the issue of import price actualisation as distinct from treaty revision and thereby to circumscribe a specific realm of competence for the committee, justified by its purported superior technical knowledge of the matter at hand. This strategy was generally promising insofar as it could potentially align the interests of the Chinese and foreign negotiators, since it would empower all the negotiators at once, allowing them to make independent decisions without requiring the approval of their respective governments.⁶²

Shortly after the onset of the conference, Zeng and Li complained about the bad faith of merchants who had provided them with price data. They accused both foreign merchants and domestic importers of reporting prices

62 U.S. Department of State, *Papers*, Document 619; U.S. Department of State, *Papers*, Document 644.

that were far below actual market levels, since both groups were seeking to pay lower import taxes and expand their businesses in China. Zeng and Li therefore suggested to gather data from local producers of Chinese substitutes for imported goods, who would profit from tariff increases and thus had incentives to report higher, and possibly more accurate prices than Chinese importers. Accordingly, they contacted the National Goods Protection Association 國貨維持會, an association of Chinese producers which had long called for protectionist measures,⁶³ requesting recent price data. However, as the Chinese delegation would quickly discover, the negotiations were not simply a technical debate. In the end, the agreement about the tariff was the result of geopolitics and economic and military superiority. Thus, the international conference ultimately settled on the proposal from the Japanese delegation.

Initially, the Japanese had proposed averaging customs values from the years 1911 to 1916. This was contentious not only because it relied on customs values, widely seen as flawed and not only by the Chinese, but also because the selected timespan favoured pre-war years when prices were lower and excluded 1917, when wartime inflation had peaked. Julian Arnold, the American commercial attaché and head of the US delegation, objected strongly to this proposal. He stated that he was “unqualifiedly opposed” to using customs valuations in principle, since these figures were full of discrepancies, having been based on importers’ applications without proper verification. Faced with opposition, the Japanese delegation slightly revised its proposal, suggesting instead an average based on prices between 1912 and 1916, to be drawn from “customs valuations and all other available evidence.”⁶⁴ The Chinese representative to the conference, Cai Tinggan 蔡廷幹, ultimately acquiesced to this modified proposal. While technical expertise and accuracy did not help to strengthen the case of the Chinese delegates, the former became relevant again when the ROC delegation tried to use the little room for manoeuvre with which the Japanese proposal had left them. Indeed, the reference to “other available evidence” had created some hope among Chinese officials that they still would be able to raise the tariff by some amount by providing better price data than that offered by the customs value. However, in many cases the data compiled by Chinese investigators was rejected by foreign delegates, who claimed it lacked a grounding in factual evidence.

63 Gerth, *China*.

64 U.S. Department of State, *Papers*, Document 637.

In the end, the production of economic expertise by the administration would prove more or less irrelevant to the tariff negotiations. However, the efforts undertaken by the administration would turn out consequential within the broader administrative history of the ROC, as it laid the groundwork for the institutionalisation of a new form of fiscal, statistical and economic expertise within the administrative state. Following the conference, the head of the Chinese delegation, Cai Tinggan, proposed that permanent investigators employed by the Ministry of Finance should be stationed in Shanghai. These investigators would conduct monthly price surveys, the results of which would be published and distributed to foreign merchants by the Ministry of Finance. Three officials were assigned to carry out this work: Guo Shen from the Jiangsu Stamp Duty Office 江蘇印花稅處, Yan Jiazhao 嚴家灼 from the Shanghai Songjiang Salt Inspectorate 上海松江稽核所, and Sheng Jun 盛俊, a former imperial official who had graduated from Fudan University and gone on to study in Japan. This price-gathering work was soon institutionalised through the establishment of a new agency: the Bureau of Markets 財政部駐滬調查貨價處, which was financed through customs revenue⁶⁵ and divided into two sections, one for general affairs and one for statistics, the latter headed by Sheng Jun.

These developments would prove of crucial importance in the 1920s. During the Washington Conference in 1921 and 1922, for instance, the Republic was finally granted the right to measure import prices for tariff schedule revisions via the Bureau of Markets. Later, when China regained full authority over tariff policy in 1929, former Bureau employees Sheng Jun 盛俊 and Shou Jingwei 壽景偉 joined the expert council of the National Tariff Commission 國定稅則委員會, which went on to shape the direction of Chinese tariff policy in the following years. The eventual success rested on the visibility of the Bureau to foreign merchants and officials, as well as the capacity of the Bureau to integrate emerging international circuits of economic expertise, particularly those centred on the League of Nations' Economic and Financial Section.⁶⁶

In this regard, this author supports the observation of economic historian Dong Yan that it was in interactions between Chinese officials and foreign actors that foreign-educated experts first gained significant leverage

65 財政部統計科, '訓令江海關監督駐滬調查貨價處月支經常費按照新定預算數目自二月分起在常稅項下撥發列入計算書呈報候核文', 財政月刊, 10.111 (1923), pp. 17–18.

66 *Bemmann, Weltwirtschaftsstatistik.*

in the republican state. These actors were valued because they spoke the languages of their international counterparts. This also underpins the observation by Patricia Clavin, that after the First World War a broader shift in economic diplomacy occurred in which statistical knowledge and technical expertise became increasingly central in negotiations, even if initially only at a rhetorical level.⁶⁷ Finally, from the perspective of Chinese fiscal transformation, this new form of expertise heralded the gradual emergence of a fiscal regime in which fiscal extraction would increasingly follow economic dynamics and would be informed by economic data that was more systematically and frequently collected than previously.⁶⁸

Conclusion

The historian Philip Kuhn has famously argued that political history in the late Qing Empire and early Republic of China was marked by a general tendency “to resist foreign domination by using some of the foreigners’ own technologies of dominance, both material and societal.”⁶⁹ Among such technologies, Kuhn included not only military and industrial tools, but also “political technologies.”⁷⁰ Subsequent historical and legal scholarship has substantiated this claim by examining the strategic use of international law by the ROC’s administrators, which foreign powers had used to integrate the Qing Empire into the emerging global economy. In this body of work, scholars have shown how late Qing and ROC reformers learned to speak the language of international law in order to defend their own interests. In the realm of the governance of foreign trade, previous work has emphasised the use of international legal discourse, particularly appeals to the equal “sovereignty” of Qing and ROC political authorities that underpinned Chinese demands for “tariff autonomy.”⁷¹

However, this was not the only strategy employed by ROC administrators in this context. A parallel approach, which thus far has received limited attention in the historiography, centred on another mode of justification

67 Clavin, *World*, 21.

68 Analogous to what has been described by Kotsonis, *States*; Wansleben, *Uncertainty*. Compare for instance Zhang, *Foundations* and Yeh, *Tax*.

69 Kuhn, *Origins*, 1.

70 Kuhn, *Origins*, 66–67.

71 Carrai, *Sovereignty*.

and relied on different networks of expertise. At the heart of this strategy were statistics, arguably as much “political technologies” as the law.⁷² Within this argumentative framework, rather than directly challenging the existing legal order, officials sought to demonstrate its improper implementation, since it was based on economic data that no longer reflected prevailing economic conditions. They thereby attempted to shift the debate from normative claims to empirical investigations of economic realities. While initially ineffective in international negotiations, these institutional efforts fostered new networks of expertise and produced new cultural artefacts, most notably statistics documenting short-term economic changes, that would go on to shape fiscal and social policy in the Republic of China during the 1920s and 1930s.

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72 Bréard, Reform.

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