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'Decolonisation' on the Periphery: Liu Xiang and Shipping Rights Recovery at Chongqing, 1926–38

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Between 1929 and 1932, Sichuan militarist Liu Xiang pursued his own anti-imperialist agenda in Chongqing, a port city beyond the purview of China's 'central' Guomindang government. In both its autonomy and its defiant tactics, Liu's programme contradicted the Guomindang regime's official strategy of negotiated revision of the unequal treaties. In its concrete objectives, however, Liu's project was strikingly similar to the Guomindang's programme of shipping rights recovery, an effort to reduce the presence and power of foreign shipping in China's coastal waters and an integral part of its agenda for treaty revision. This essay examines Liu Xiang's efforts to eliminate the privileges of foreign shipping, bolster Chinese shipping and extend his regime's oversight over all shipping within his garrison area on the Upper Yangzi River. In examining Liu's local motives as well as his marginalisation of central government institutions like the Maritime Customs, the essay addresses his fraught relations with the centre, yet, in contrast to standard nationalist critique of China's early twentieth-century warlords, it also reveals how efforts like Liu's may have multiplied the sites of resistance to the unequal treaties and achieved a measure of 'decolonisation' on the periphery of central government control.

The Guomindang's (National People's Party) assumption of power in Nanjing in April 1927 was accompanied by a narrowing, or channelling, of official anti-colonial strategy in China. For decades, Chinese nationalists had sought the termination of the 'unequal treaties' that granted nationals of multiple western and Japanese treaty powers trade and legal privileges in China. The Guomindang had risen to power on a wave of mass nationalist demonstrations involving various social groups and confrontational techniques like strikes and boycotts, but the party's turn to the right and purge of the Communist and left-wing elements who had played such an important role in organising this wave also marked a change in the party's approach to the unequal treaties. The Guomindang's Nanjing Regime abandoned militant expressions of nationalism in

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favour of a policy of negotiation with the powers over treaty revision, wherein appeals to principles of international law would be deployed to revise the treaty provisions most damaging to China's sovereignty.[1]

Following the 1916 fall of Yuan Shikai, political authority in China was fragmented into militarist regimes that battled one another for supremacy in different areas of the Republic. Chinese efforts to negotiate treaty revisions during this period had foundered on the treaty powers' objection that China's internal disorder prevented it from being able to guarantee – across China – the enforcement of any promises made during negotiations. The 'warlords' provided a ready pretext for the powers to dismiss China's claims to national self-determination since the powers questioned China's ability to uphold its treaty obligations amidst the chaos of militarist regimes.[2] Guomindang ideology explicitly paired warlords with imperialism as the main obstacles to Chinese nationhood. The Northern Expedition, the military campaign through which the Guomindang came to power, was fought against warlords to reunify the nation under a single, central government. Nonetheless, the challenge that the Guomindang faced in furthering the cause of China's national sovereignty after 1927 was that it had not succeeded in displacing militarist power in many parts of China. Guomindang leaders made expedient alliances with militarists during the campaign that left entire provinces under militarist control throughout the Nanjing Decade (1927–37). Although the Guomindang fought hard to represent itself as a legitimate national and central government, militarist resistance continued to undermine its efforts at treaty revision.[3]

The Chinese nationalist critique of warlords represents them as both the enemies of national unity and the embodiments of an anti-modern 'feudal' backwardness.[4] Historical studies of individual warlords have revealed, however, that several warlords were effective economic modernisers and urban reformers within their own jurisdictions.[5] By examining the case of one militarist who made a significant contribution to the anti-imperialist cause during the Nanjing Decade, this essay reveals the complex relationships among the Guomindang's putative 'centre', the militarists who remained in power on its peripheries and the broad nationalist effort to resist the treaty system. After 1926, General Liu Xiang controlled the Yangzi River port of Chongqing (Chungking) and eventually the stretch of the Yangzi extending from Chongqing to the border of Hubei province. Despite a declaration of allegiance to Chiang Kai-shek at the start of the Northern Expedition, Liu ruled his garrison area with almost complete autonomy between 1927 and 1934.[6] During this period, Liu extended his regime's authority over shipping on the Upper Yangzi River and was able to diminish the treaty privileges that gave foreign shipping companies advantages over Chinese companies. Liu's efforts bore a strong resemblance to the idea known in Nanjing and in the broader nationalist movement as 'shipping rights recovery' (*shouhui hangquan*). Based on the concept that China's national autonomy depended on regaining sovereign rights that were lost to the unequal treaties, the shipping rights recovery agenda targeted the sovereign right of a nation to reserve its domestic shipping routes for vessels under its own national flag, and sought to bolster Chinese shipping while reducing foreign treaty privilege. From 1929 onwards, Nanjing pursued

shipping rights recovery on a national scale, relying primarily upon negotiation with the treaty powers. Beginning in the same year, Liu Xiang drew on the tactics of militant nationalism to persuade the foreign consuls and shipping companies on the Upper Yangzi to relinquish their treaty privileges. While Liu succeeded in transforming shipping conditions in his garrison area, Nanjing's achievements in shipping rights recovery were less conclusive.

A simple comparison of the outcomes of the two shipping rights recovery programmes, however, obscures the essential tension between them. Liu's programme emerged from threats to his local sovereignty, his measures often competed with rather than supported Nanjing's objectives and the confrontational tactics he employed may have undercut Nanjing's claim to represent China in treaty negotiations. Yet Liu's experience with shipping rights recovery suggests the viability of forms of resistance to the treaty system other than Nanjing's paradigm of negotiated revision. His success suggests that multiple sites of resistance based on local imperatives might have achieved a practical reduction of treaty privileges where appeals to principles of international law in diplomatic negotiations could not. Under a treaty system that historically relied upon a central government for enforcement, militarist regimes were ideal places from which to mount such challenges.[7] Thus it is possible to imagine two different modes of 'decolonisation' in Republican China – one proceeding from the centre and one initiated instead on the periphery of central government control. The inevitable tension between these two modes of decolonisation is exemplified by the fact that many of Liu Xiang's shipping rights recovery goals were achieved by sidelining the Chongqing office of the Maritime Customs, an institution that was both an artefact of the treaty system and one of the few central government agencies operating in Liu's garrison area at the time.[8]

I

The participation of foreign-flag ships in China's coastal and river transport challenged the sovereignty of both Nanjing's and Liu Xiang's regimes, and, like the treaty tariff or extraterritoriality, was an element in the treaty system that nationalists sought to redress. In 1863, the Qing Dynasty (1644–1911) recognised the 'coasting trade' – the right of foreign-flag ships to trade within the network of treaty ports – in negotiations over the implementation of the 1858 Treaty of Tianjin.[9] The Qing's recognition of foreign navigation in Chinese waters allowed the state to draw revenue from a trade that had existed in practice for several decades. Yet, as both European and Chinese observers commented in subsequent years, the foreign presence in China's coastal and inland shipping contravened the principle of international law that reserved the coastal and inland waters of a nation for the ships of that nation's flag.[10]

The recognition of the coasting trade coincided with the introduction of steam navigation to Chinese waters on a substantial scale. Steamships brought to China by foreign trading companies transported the goods of both foreign trade and domestic consumption within the network of treaty ports. Shipping companies run by

firms like Russell & Company, Jardine, Matheson & Company and Butterfield & Swire dominated this trade. Although the government-sponsored China Merchants' Steam Navigation Company competed with foreign companies after 1873 and increasing numbers of private Chinese companies entered coastal and river shipping after the First World War, the British firms of Jardine's and Swire's and the Japanese Nisshin Kisen Kaisha consistently carried the bulk of the trade from the late Qing through the Second World War.[11] These foreign shipping interests enjoyed the backing of their home nations' political clout in China: in the second half of the nineteenth century, the treaty powers (led by Britain) continued to pressure the Qing to broaden foreign shipping rights in Chinese waters by opening new treaty ports. The 1902 Mackay Treaty between China and Britain achieved the longstanding aim of opening all China's inland waters to foreign navigation.[12]

By the turn of the twentieth century, the idea of shipping rights recovery was articulated as a means to reverse this long process of foreign expansion into China's domestic waters. Adopting the language of rights recovery (*shouhui liquan*) that originated in late Qing provincial movements against concessions of railway and mining rights to foreign interests, shipping rights recovery was part of treaty revision efforts from the earliest days of the Republic. The Guomindang's 1929 platform stated that foreign navigation in Chinese waters violated China's national sovereignty and principles of international law, threatened China's security and caused the nation to suffer economic loss.[13] Nanjing tried to negotiate the reduction of numbers of foreign ships and shipping companies in China with the aim of gradually eliminating foreign shipping in Chinese waters.

The Guomindang shipping rights recovery programme also endeavoured to support Chinese shipping and expand the state's role in shipping administration. Strengthening Chinese shipping could improve its competitive power in the short term, as well as counter the treaty powers' claim that China lacked sufficient tonnage to meet its needs in the event of a withdrawal of foreign ships. Nanjing planned to eliminate competition among private Chinese companies by uniting them under a government-subsidised national shipping company. In 1931, the regime nationalised the China Merchants' Company (a private concern since 1912) as an initial step in this process.[14] Nanjing's Ministry of Communications also worked to extend its control over administrative and technical responsibilities that had been carried out by the Maritime Customs' Marine Department since the 1880s, including the lighting and marking of waterways, the regulation of pilots and the inspection, measurement and registration of ships. While the Qing Dynasty had left these tasks to the Maritime Customs rather than establish a separate body to administer modern shipping, Nanjing reclaimed them for the Guomindang state, an assertion that the new regime had the power and technical competence to oversee shipping as would any other modern state.[15] In 1931, the Ministry of Communications set up a network of shipping administration bureaux (*hangzheng ju*) to carry out these functions in China's ports.

The results of Nanjing's programme were mixed. As the Maritime Customs came under Guomindang control, the Ministry of Communications was able to assume the Customs' prior role in shipping administration. But Nanjing was unable to

consolidate Chinese shipping companies and eliminate competition among them. Although nationalisation improved the fortunes of the China Merchants' Company, the nationalised company neither absorbed nor displaced significant private Chinese shipping concerns like the Sanbei Group or the Minsheng Industrial Company, which remained its active competitors.[16] Moreover, it was not until the final abrogation of the unequal treaties in 1943 that China secured any agreement from the treaty powers that China's inland and coastal waters should be reserved for its own ships.

Liu Xiang looked for ways to eliminate the privileges of foreign-flag ships in his nearly autonomous garrison area since these privileges threatened his control of Chongqing's revenue. Liu's efforts shared much with Nanjing's approach: he looked to level foreign privilege, strengthen Chinese shipping and extend his regime's oversight over shipping in the area. Yet, because of the immediacy of foreign shipping's threat to Liu's local control, he showed little interest in the process of a gradual, negotiated reduction of treaty privilege. Instead, he forcefully demonstrated his regime's power to interfere with foreign shipping to persuade foreign companies and consuls to abandon their treaty privileges and recognise the authority of his regime's agencies. Although Liu could not expel foreign ships entirely from his garrison area, he succeeded, between 1929 and 1932, in levelling the advantages of foreign companies and building a powerful, unified Chinese shipping company on the Upper Yangzi River.

II

From the moment that Liu Xiang took control of Chongqing in 1925–26, he was concerned about foreign shipping's ability to complicate his extraction of revenue from the port. The key to any militarist's power was his ability to generate revenue from his territory, and Liu Xiang had just acquired the prize of Chongqing. Although separated from the major downriver Yangzi cities by gorges and treacherous rapids, the port was a crucial entrepôt for goods coming in and out of Sichuan and broader areas of western and south-western China.[17] Chongqing was officially declared a treaty port in an 1890 agreement with Britain, but the challenges of Upper Yangzi navigation delayed the establishment of regular steam communication between Chongqing and downriver ports until 1914. By the 1920s, the Upper Yangzi had become a 'Golden Route' on which British, Japanese, American and Chinese companies competed for high rates of freight.[18]

The competing militarist regimes along the Upper Yangzi affected Chinese and foreign ships on the 'Golden Route' differently. During the Qing and early Republic, Chinese and foreign steamships paid duty and underwent inspection at the Maritime Customs. With the fragmentation of China into multiple militarist regimes, Chinese-flag ships were subject to search and taxation by any regime they encountered, while foreign-flag ships could declare 'immunity from search' based on their extraterritorial status. The principle of immunity from search articulated in this period stipulated that foreign-flag ships could not be boarded or searched by any agency other than the Maritime Customs.[19] While Liu Xiang's soldiers might search Chinese-flag vessels

for any goods that had evaded his tax bureaux, they could not search foreign-flag vessels at all. As a consequence of this disparity, many Chinese-owned ships arranged to fly foreign flags in order to avoid military interference and taxation.[20] The numbers of foreign-flag ships coming in and out of Chongqing thus created a gap in Liu Xiang's control of the port through which goods might come and go without paying his taxes.

At first, Liu tried to enlist the Maritime Customs' help in tightening his grip over Chongqing's revenue. One of Liu's principal sources of funds was the opium grown in Sichuan, Yunnan and Guizhou that passed through Chongqing en route to destinations downriver. At the time, this opium constituted over half of that consumed in China.[21] Seeking to monopolise the flow of opium through the port, he offered the Chongqing Customs a percentage of his opium revenue if its staff would search all ships for opium that did not bear his label.[22] Since the Maritime Customs had the authority to search foreign-flag ships, these ships would no longer provide a means for opium or other goods to slip out of the port untaxed. In proposing such a solution, however, Liu appears to have misjudged the purview of the Maritime Customs. As Inspector-General Francis Aglen explained to the Chongqing commissioner, he could not allow the Customs staff to distinguish between 'labelled' and 'unlabelled' opium on Liu Xiang's behalf when the 'Central Government of China' had declared the opium trade illegal. In the years preceding the Northern Expedition, although warlordism had rendered any regime's claim to be the central government of China moot, the Maritime Customs remained an agency of the Beijing government and recognised it as the central government. Aglen acknowledged that the Customs lacked the power to enforce the Beijing government's ban on the opium trade, yet insisted: 'We must either act in accordance with instructions received from the Central Government, or if we are unable to do so owing to circumstances, then we must stand clear altogether'.[23]

Unable to enlist the Customs' aid, Liu turned to Chinese shipowners and attempted to increase the numbers of Chinese-flag ships trading at Chongqing. In the summer of 1926, Liu 'encouraged' – apparently sometimes at gun point – Chinese-owned ships to revert to the Chinese flag.[24] These reversions both increased the number of ships his soldiers could search for contraband and provided a ready fleet Liu could requisition to transport his opium downriver. As such requisitions were precisely what Chinese shipowners had hoped to avoid by flying foreign flags, Liu offered the additional inducement of allowing Chinese-flag ships to fly his military flag. Under the military flag, these ships became military transports, which exempted them from Maritime Customs jurisdiction. As the Chongqing Customs commissioner noted at the time, these ships carried goods and passengers more often than troops and military supplies. Liu had thus offered them the opportunity to trade without paying Maritime Customs duties in exchange for providing services to his regime.[25] Unable to ally with the Customs, Liu circumvented it to extend his control over Chongqing's trade.

Liu saw foreign-flag shipping as a threat to his revenue from the moment he took control of Chongqing, but it was not until 1929 that he developed a more comprehensive plan to diminish foreign treaty privilege and bolster Chinese shipping on the Upper Yangzi. Two political changes framed Liu's efforts. First, Liu defeated former

subordinate General Yang Sen in 1929 and gained Yang's territories along the Yangzi as far as the Hubei border.[26] Now in control of the entire Upper Yangzi shipping route, Liu feared that the intense competition among shipping companies on it could compromise his revenue and autonomy. Second, the Guomindang regime had by this time established itself at Nanjing and staked its claim to be China's political centre. Since Liu had formally declared allegiance to the Guomindang in 1926, we might expect to see the impact of central state-building initiatives in Chongqing, but Liu continued to pursue an independent course. That Liu's shipping rights recovery project was contingent on the continued marginalisation of the Maritime Customs is evidence of his complex relationship to the centre in this period.

III

To address the threat of foreign shipping on the Upper Yangzi, Liu Xiang pursued a strategy of levelling foreign privileges and strengthening Chinese shipping. While his approach was similar to Nanjing's rights recovery programme, Liu's tactics were far more confrontational. He asserted the authority of the Upper Yangzi Navigation Bureau, an agency of his own regime, over all shipping in the area.

Liu became particularly concerned when over-building for the former 'Golden Route' led to a depression in freight rates and cutthroat competition in Upper Yangzi shipping. While the well-capitalised British firms and the state-subsidised Japanese company would survive the crisis, one after another of the small Chinese companies went bankrupt.[27] The instability the competition caused in the fleet of Chinese-flag ships available to Liu was worrisome since a foreign-dominated Upper Yangzi would threaten his access to transport for goods, troops or supplies. In the spring of 1929, Liu called the owners of local Chinese companies together and advocated that they join forces in a single shipping company. He argued that a unified company would eradicate the destructive competition among them and allow them to present a stronger front to the foreign companies. Disappointed by the owners' inability to agree on a means of unification, Liu decided instead to choose a single company and support its expansion to the point at which it could buy out all rivals.[28] He chose the Minsheng Industrial Company – a small firm based in the Jialing River town of Hechuan – reportedly for the intelligence and leadership skills of its general manager, Lu Zuofu.[29]

Liu appointed Lu Zuofu the head of the Upper Yangzi Navigation Bureau (*Chuanjiang hangwu guanli chu*), an agency Liu established in 1926 to search ships for contraband.[30] Under Lu Zuofu, the Navigation Bureau took on the further roles of protecting the interests of Chinese shipowners and extending its oversight to all shipping on the Upper River. Chinese shipping companies faced nearly constant military interference: their ships could be commandeered to carry soldiers or supplies with no reimbursement for lost passenger fares, freights or fuel costs. Even Liu Xiang could not prevent such interference: on a given voyage ships might pass through multiple garrison areas belonging to Liu's adversaries or unruly subordinates.[31] Lu Zuofu called a conference of military leaders in the area and negotiated an agreement under which the leaders were required to pay the cost of fuel, food and discounted

passenger fares for troops when they requisitioned merchant steamships.[32] Lu Zuofu also proposed that the Navigation Bureau administer a central booking office for both foreign and Chinese companies. This booking office would allow the Bureau to control the distribution of cargoes and passengers at times of peace and ensure that the foreign companies contributed a portion of the high freights they earned to the Chinese companies when the Chinese companies were pressed into military service.[33] More generally, under Lu's leadership, the Navigation Bureau earned a reputation for discipline in its work. Lu staffed the bureau with several hundred young men he had trained personally, and used them to search ships and police the notorious Chongqing docks.[34] By placing Lu Zuofu at the helm of this organisation, Liu Xiang guaranteed him a prominent profile in Chongqing business circles, which also may have helped to convince Chongqing shipowners of the benefits of future cooperation with Minsheng.

In the summer of 1929, the Navigation Bureau continued its quest to level the playing field between foreign and Chinese shipping companies by attacking the principle of foreign ships' immunity from search. Lu Zuofu announced that both foreign- and Chinese-flag ships were to be subject to Navigation Bureau searches. The principle of immunity from search invoked extraterritoriality precisely to protect foreign ships against agencies of militarist regimes like the Navigation Bureau, but the principle relied on the assumption that the Maritime Customs would search these vessels instead. Beginning in 1927, the Chongqing office of the Maritime Customs had ceased carrying out regular searches due to severe under-staffing, which increased Liu's suspicion that foreign-flag ships provided a ready means to smuggle opium and other goods out of Chongqing.[35] Although it was clear that the Chongqing Customs was not fulfilling its role in the principle of immunity from search, some companies and consuls challenged the Navigation Bureau's authority to search foreign ships on the basis of defending their treaty right.

Immediately following Lu's announcement, the Japanese consul and Nisshin Kisen Kaisha submitted written protests to the Navigation Bureau. A few days later, on 5 August 1929, Japanese interests precipitated a showdown when Nisshin's ship *Yunyang Maru* arrived in Chongqing with a naval guard on board. The ship's crew refused to allow the Navigation Bureau soldiers on board to conduct a search.[36] The immediate response to this show of Japanese force was a boycott of the *Yunyang Maru* by the stevedores and boatmen that unloaded ships in Chongqing harbour. Since the boycott left the ship stranded in the middle of the river for several days, the Japanese consul demanded that Lu Zuofu call it off, but Lu denied any power to do so. The consul and ship's captain subsequently agreed to allow the Navigation Bureau to search the *Yunyang Maru*.[37]

Despite Lu's protestation of innocence to the Japanese consul, he had in fact staged the boycott. Anticipating that foreign shipping companies might resist search by the Navigation Bureau, Lu Zuofu had arranged with the stevedores' and boatmen's guilds to boycott any ship refusing inspection, and in exchange he agreed to compensate the workers from the Navigation Bureau's funds.[38] In orchestrating the boycott, Lu drew on repertoires of nationalist activity familiar to Chongqing residents from the more militant phase of anti-imperialist protest in the mid-1920s. These residents had responded to the 1925

May 30th Incident and the 1926 British bombardment of Wanxian with strikes, demonstrations and boycotts, and the apparent ease with which Lu Zuofu could mobilise Chongqing workers' support for the Navigation Bureau was probably an outcome of their prior experience with such tactics.[39] In addition, the memory of earlier nationalist protests shaped the public perception of the issues at stake: rather than a struggle for the security of Liu Xiang's revenue, the boycott of the *Yunyang Maru* appeared as a protest against the bullying of local soldiers by the Japanese. The *Chongqing Commercial Daily* contributed to this image of the event by publishing the workers' statement of support for the Navigation Bureau and praising Lu Zuofu's clever parries of the Japanese consul's demands.[40] Navigation Bureau employee Chen Jinfan recalled that the Bureau continued to enjoy popular support even months after the incident, when Chinese passengers and workers threatened to boycott an American ship that resisted a Navigation Bureau search.[41]

The British consul and shipping companies were surprisingly silent during the *Yunyang Maru* showdown. Their apparent acceptance of the loss of the principle of immunity from search may be attributed to two significant factors. First, the companies were likely to have been anxious to avoid repeating the experience of the numerous nationalist boycotts directed against British shipping on the Upper Yangzi in the mid-1920s. Swire's Chongqing representative wrote that a sudden boycott like that against the *Yunyang Maru* was 'a weapon against which we should all be entirely powerless'.[42] The consul may have been unwilling to risk challenging the Navigation Bureau because of declining British official support of the principle of immunity from search. In many areas of China, local bodies were increasingly demanding access to foreign-flag ships. These local bodies, often calling themselves Opium Suppression Bureaux, demanded to search foreign ships for contraband opium. British officials recognised that in many cases Opium Suppression Bureaux were in fact engaged in enforcing opium monopolies that financed local governments. Nevertheless, if captains or consuls resisted these searches, the British could be accused of using treaty privilege as a cover for drug smuggling, a position they could ill-afford politically.[43] Although a formal decision to relinquish immunity from search was not announced until January 1930, the Chongqing consul was most likely aware of the official discussion.[44] Given their vulnerability to boycotts, in this context the British companies may have been willing to demonstrate that they were not smuggling by submitting to Navigation Bureau searches.[45]

The weakness of the Maritime Customs at Chongqing was undoubtedly a factor behind the foreign consuls' and companies' concessions to the Navigation Bureau. The British consul advised the British companies not to resist the Bureau's demands, as the Nisshin Kisen Kaisha's capitulation had 'proven the disappearance of Customs authority' in the port.[46] At the time of the *Yunyang Maru* boycott, the Chongqing Customs took no action to defend itself against what the commissioner later described as the Navigation Bureau's 'encroachment on Customs privilege' and hostile attitude towards the Customs.[47] His successor referred to the incident as a case of misdirected Chinese nationalism in which the Customs was seen as a 'foreign' institution from which the Navigation Bureau sought (erroneously) to 'recover sovereign rights'.[48]

While this account certainly reflects the nationalist ideas in which Lu Zuofu cloaked the boycott, the incident also demonstrates the ease with which Liu Xiang's continued to disregard the Customs when it interfered with local sovereignty.

The Navigation Bureau's success in diminishing the treaty privileges of foreign-flag ships both improved Liu Xiang's control over trade revenue and established greater parity between Chinese and foreign shipping on the Upper Yangzi. Liu Xiang and Lu Zuofu then turned their attention to the task of unifying all local Chinese shipping under the Minsheng Company. Six months after the *Yunyang Maru* incident, Lu Zuofu left the Navigation Bureau in the hands of his assistant He Beiheng and returned to the Minsheng Company to attend to its expansion. He moved the company's headquarters from Hechuan to Chongqing and began to acquire the ships of rival Chinese firms.[49] Within two years, Minsheng had acquired the ships of seven rival Chinese companies and extended its services to the main Upper Yangzi route between Chongqing and Yichang.[50]

The Navigation Bureau became an important mechanism through which Liu Xiang's regime supported Minsheng's expansion. Liu granted Minsheng monopoly rights to several shipping routes connecting Chongqing to intermediate ports, as well as exclusive permission to transport 'special goods' (*tehuo* – opium and specie) on behalf of Liu's government. When commercial cargoes were plentiful, the Navigation Bureau would divert shipments of valuable goods such as salt, medicines and mountain products to Minsheng ships. When cargoes were scarce, the Navigation Bureau directed troop shipments to Minsheng ships, so the company could at least collect soldiers' reduced fares.[51] Such privileges both sustained the Minsheng Company and put rival firms under pressure to sell their ships to it.[52] By 1935, Minsheng had a fleet of 45 ships, and had not only succeeded in its original goal of unifying Chinese shipping in the Chongqing area, but had also become one of the largest shipping companies on the entire Yangzi River.

The Navigation Bureau expanded under He Beiheng and continued to exercise oversight over both Chinese and foreign shipping. It established new branches at Wanxian and Yichang as well as inspection stations at smaller ports along the Upper Yangzi. The Bureau administered a rate conference of Chinese and foreign shipping companies, setting freight rates and coordinating sailings among them. It also ran a central booking office for passengers and a travel agency that helped passengers with local hotels and transport connections.[53] Although the level of authority the Bureau had over foreign shipping companies is unclear, there is evidence that some foreign companies benefited from its assistance. Swire's credited the Navigation Bureau with reducing the numbers of unruly hangers-on suspected of smuggling opium on its ships as well as with resolving a lingering boycott of its ships at Wanxian.[54]

Between 1929 and 1932, Liu Xiang achieved a form of shipping rights recovery on the periphery of Guomindang control. His reorganisation of the Navigation Bureau under Lu Zuofu was a factor that precipitated the foreign powers' abandonment of the principle of immunity from search. Through his support of the Minsheng Company's unification of Chinese companies on the Upper Yangzi, Liu strengthened the competitive position of Chinese shipping in this region. The Navigation Bureau also extended his regime's authority over foreign shipping in the area, redistributing

the burden of military interference more equitably among foreign and Chinese companies, and administering the Upper Yangzi rate conference. These three aspects of Liu's efforts nearly parallel Nanjing's shipping rights recovery objectives of treaty revision, unification of Chinese shipping and the recovery of shipping administration by its own network of bureaux (*hangzheng ju*). Yet, as Liu's pursuit of local control, confrontational tactics and marginalisation of the Maritime Customs show, despite the parallels between the two programmes, they were hardly mutually reinforcing.

Liu Xiang's independent pursuit of shipping rights recovery might be dismissed as a warlord's inability act in concert with national interests and the nationalist framing of the Navigation Bureau's activities might be dismissed as the manipulation of nationalist sentiment by a warlord regime. Both Liu and the Navigation Bureau's leaders, however, had a far more complex relationship with the centre and the nation at large. In his study of Liu's regime, Robert Kapp argues that Liu believed that provincial problems needed to be solved before Sichuan could be integrated into the nation, which may explain the persistant unease of his alliance with Nanjing. In 1931, Liu initiated closer relations with the centre, offering support to Chiang Kai-shek and requesting a large loan that he never received.[55] In 1934, Liu once again cooperated with Chiang Kai-shek in campaigns against the Communists in south-west China. Although this stage of the alliance brought a greater number of central government institutions and reforms into Sichuan, the province's relations with the centre remained fraught until Liu's death in 1938.[56] The equivocal nature of this centre-periphery alliance is also evident in the activities of the Navigation Bureau. In 1930 and 1931, the Navigation Bureau's periodical *Xingcha zhoukan* ('Star-Raft Weekly' – addressed to Chinese shipowners in Chongqing) drew on the language and rhetoric of Nanjing's shipping rights recovery programme to promote the unification of Chinese shipping on the Upper Yangzi, representing the unification effort as a contribution to the national programme.[57] Lest this seem like a cynical attempt to represent Liu's agenda as the will of the centre, the Navigation Bureau's leaders tried to gain recognition as part of the national project. He Beiheng travelled to Nanjing in 1931 to request that the Navigation Bureau be accepted as one of the Ministry of Communications' new shipping administration bureaux, but was refused.[58] Even before his involvement with Liu Xiang, Lu Zuofu had articulated the goals of the Minsheng Company in explicitly nationalist terms, declaring that the company's mission went beyond profit to the transformation society and nation, and that the company would serve to connect geographically and politically isolated Sichuan to the rest of China.[59]

This ambivalence toward the centre affected the Chongqing Customs long after the Navigation Bureau's assumption of the right to search foreign vessels in 1929. The Customs shared many of its former powers with the Navigation Bureau for another decade. One year following the *Yunyang Maru* incident, the Chongqing Customs commissioner made an effort to undo the 'irregularities' brought about by the Navigation Bureau's activism and to re-establish Customs rights and procedures. At the time, Navigation Bureau leader He Beiheng agreed to assist, 'in order to show the Central Government that Sichuan is an orderly state'.[60] By the next year, however, rather than having recovered the Customs' former authority, its staff was searching ships alongside

Navigation Bureau soldiers and sharing rewards for the seizure of smuggled goods with them.[61] A 1944 retrospective report on the Chongqing Customs acknowledged that it had been unable to free itself from the influence of militarist regimes in the area, having 'found it essential to entertain and please the [Sichuan] leaders, big and small, to win their tolerance of the Customs'.[62] Donna Brunero describes the Customs after 1930 as a 'service in decline', as the result of both Chiang Kai-shek's lack of control and continuing Japanese aggression in China.[63] The history of the Chongqing Customs suggests that, despite the periods of cooperation between Liu Xiang and Nanjing, the central government could not defend Customs authority against local bodies like the Navigation Bureau.

Central to the argument that Liu's programme of shipping rights recovery was an instance of 'decolonisation' rather than a straightforward case of local resistance to central authority is Liu's aim to decrease the treaty privileges of foreign shipping. Unlike other militarists of the period, during this process Liu did not contest the centre's claim to the Customs' *revenue*, he merely disputed the Customs' role in preserving foreign ships' immunity from search.[64] By doing so, he diminished the threat foreign ships posed to his local sovereignty by closing off the avenue they provided for goods to evade his taxation. In the process, the foreign shipping companies accepted the Navigation Bureau's authority not only to search their ships, but to oversee rates, schedules, freight distribution and ticket sales for both foreign and Chinese companies on the Upper Yangzi. These measures, along with Liu's support and development of the Minsheng Industrial Company, constituted a practical achievement of shipping rights recovery in the Chongqing area. Rather than coordinating with Nanjing's approach, Liu's shipping rights recovery efforts multiplied the sites of resistance to the treaty system across China. Furthermore, by the early years of the war with Japan it was apparent that Liu Xiang's development of Chinese shipping at Chongqing provided Chiang Kai-shek a crucial lifeline in the form of the Minsheng Company itself. After the retreat of Chiang's regime to Chongqing in 1938, the Minsheng Company provided a transport infrastructure – well adapted to the exigencies of Upper Yangzi navigation – that connected the new wartime capital to points downriver. Minsheng ships carried munitions, supplies and troops to the front lines as well as transporting entire industries from downriver cities to Chongqing.[65]

As the provincial elites who 'recovered' railway concessions granted to foreign interests in the late Qing Railway Protection Movement also demonstrated, resistance to the system of unequal treaties that emerged from local imperatives could be as effective as demands for treaty revision on a national scale. Liu Xiang's shipping rights recovery programme at Chongqing suggests that, although not all may have made such a contribution, the 'feudal' warlords so despised by modern nationalists were in a perfect position to carry out this form of decolonisation on the periphery.

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Notes

[1] Fung, *Diplomacy of Imperial Retreat*, 157–60.
[2] Ibid., 26–27.
[3] One of the most dramatic cases of militarist resistance undermining treaty revision was the 1931 revolt of two North China militarists, which, along with the Japanese annexation of Manchuria, brought an abrupt end to Nanjing's negotiations with Britain over extraterritoriality. Ibid., 165–66, 236.
[4] Fitzgerald, *Awakening China*, 159.
[5] Gillin, 'China's First Five-Year Plan'; Stapleton, *Civilizing Chengdu*, ch. 7; Zhang, *Quanli, chongtu yu biange*.
[6] Kapp, *Szechwan and the Chinese Republic*, 7.
[7] The political disintegration of China in the warlord era significantly weakened instruments of treaty enforcement and foreign intervention since there was no central authority that could be held accountable for local incidents involving foreigners. Osterhammel, 'China', 647–48.
[8] Kapp, *Szechwan and the Chinese Republic*, 70.
[9] Fairbank, *Trade and Diplomacy*, 313–19; Dean, *China and Great Britain*, 62–63; Wright, *Hart and the Chinese Customs*, 206–07.
[10] Wright, *Hart and the Chinese Customs*, 431– 32, n.19; Feuerwerker, *China's Early Industrialization*, 117; Remer, *Foreign Investments in China*, 87.
[11] Even with the expansion of private Chinese companies on all routes after 1911, foreign flags still accounted for 62 per cent of China's steam tonnage in the early 1930s. Fan, *Zhongguo lunchuan hangyun ye de xingqi*, 320–23; Clark, *Economic Rivalries in China*, 35.
[12] Although the potentially radical impact of this treaty provision was blunted by a set of rules drawn up by Robert Hart, it allowed foreign companies to participate in a number of important inland shipping routes. See Wright, *Hart*, 760–61.
[13] Fang, 'Foreign Shipping in Chinese Waters', 254–45; Otte, 'Shipping Policy in China: Part II', 486–88; Bau, *Foreign Navigation in Chinese Waters*, 20–21.
[14] Chu, *China's Postal and Other Communications Services*, 124–25. For a detailed chronology, see *Guoying zhaoshangju*.
[15] On the Maritime Customs' assumption of these duties in the 1880s, see Wright, *Hart and the Chinese Customs*, 296–303. On the Ministry of Communications' recovery of these responsibilities, see Wang, *Zhongguo shuiyun zhi*, 271–80; Chu, *China's Postal and Other Communications Services*, 145–47.
[16] The Nanjing Government pressured private companies to reduce competition among themselves. In 1937 it stipulated that Chinese companies working the same routes had to charge the same rates, divide their profits equally and coordinate their shipping schedules. Companies refusing to participate could have their licenses revoked. Chu, *China's Postal and Other Communications Services*, 139–40.
[17] Kapp, *Szechwan and the Chinese Republic*, 39, 42.
[18] Jiang, *Changjiang hangyun shi*, 391.
[19] A description of the principle of immunity from search can be found in 21 Jan. 1929 and 18 Mar. 1929, Great Britain. Public Record Office Foreign Office Series (hereafter FO) 228/4012.
[20] Chinese-owned companies commonly employed a foreigner to claim ownership of the company and register it with his consul so that the company's ships could fly a foreign flag. Fan, *Zhongguo lunchuan hangyun ye de xingqi*, 339, 427–28.
[21] Baumler, 'Playing with Fire', 48.
[22] Marti to Aglen 10 Sept. 1925 and Gilbert King to Marti 9 Sept. 1925, Second Historical Archives of China, Nanjing, Chinese Maritime Customs Collection (hereafter SHAC) 679(1), 32046.
[23] Aglen to Marti n.d., filed with 10 Sept. 1925 Marti to Aglen, SHAC, 679(1), 32046.
[24] Marti to Edwardes 9 Sept. 1926, SHAC, 679(1), 32046.

[25] Marti to Edwardes 9 Sept. 1926, SHAC, 679(1), 32046. A later complaint that these ships were conducting trade under the military flag is Watanabe to Edwardes 22 Jan. 1927, SHAC, 679(1), 32047.
[26] Kapp, 'Chungking as a Center of Warlord Power', 155–56.
[27] For Liu Xiang's concerns about Upper Yangzi shipping, see 'Chuanjiang Hua lun tongyi zhi fuyin', 4–10; 'Hangwu chu chengbao Jiao-bu', 16; Dong, 'Jinnian lai Yangzi jiang shangyou hangye gaikuang', 1–7.
[28] Zhang, *Quanli, chongtu yu biange*, 268–69; Liu, *Rong mu ban sheng*, 174.
[29] Liu, *Rong mu ban sheng*, 175–76. See also Tong, 'Minsheng lunchuan gongsi', 85–86 and 'Huiyi Minsheng', 149.
[30] Liu, *Rong mu ban sheng*, 174; Lin, *Minsheng gongsi shi*, 29.
[31] Kapp, *Szechwan and the Chinese Republic*, 44.
[32] Lin, *Minsheng gongsi shi*, 27–28; G. Lu, *Wo de fuqin*, 100.
[33] Z. Lu, 'Yizhuang candan jingying de shiye', 548; G. Lu, *Wo de fuqin*, 99.
[34] G. Lu, *Wo de fuqin*, 100.
[35] Ibid., 94.
[36] Liu, *Rong mu ban sheng*, 177.
[37] For overviews of the incident, see G. Lu, *Wo de fuqin*, 98–99; Lin, *Minsheng gongsi shi*, 21
[38] Lin, *Minsheng gongsi shi*, 31.
[39] By 1929, Liu Xiang had driven out the Communist and Guomindang labour organisers who had mobilised dockworkers for boycotts in 1925 and 1926, but these protest tactics were clearly still familiar to the workers. Kapp, *Szechwan and the Chinese Republic*, 78–80; Remer, *Study of Chinese Boycotts*, 98, 100. On the mobilizing power of repeated boycotts, see Gerth, *China Made*, 168.
[40] *Chongqing Shangwu ribao*, 1.
[41] Chen, 'Chuanjiang yandu zousi jianwen', 565.
[42] 13 Sept. 1929, John Swire and Sons Archives, School of Oriental and African Studies, London (hereafter JSS) III.
[43] 21 Jan. 1929, 18 March 1929, 13 May 1929, FO 228/4012.
[44] 1 Jan. 1930, FO 228/4224.
[45] In previous years, some British ships had submitted to military searches on the Upper Yangzi when captains suspected contraband could have been loaded on their ships without their knowledge. 18 March 1928, FO 228/4012; 4 April 1930, FO 228/4224.
[46] 13 Sept. 1929, JSS III.
[47] Hya to Maze 27 June 1930. SHAC, 679(1), 32050. Here, by 'privilege' the Customs refers to its exclusive duty to search foreign vessels. The Navigation Bureau's searches of Chinese-flag ships would not duplicate Maritime Customs searches since the two organisations defined contraband differently: the Navigation Bureau searched for goods that had evaded Liu Xiang's taxes while the Maritime Customs searched for goods that had evaded its own duties and enforced bans on certain goods set by the central government. 4 April 1930, FO 228/4224.
[48] Li to Maze 20 July 1931, SHAC, 679(1), 32051.
[49] Z. Lu, 'Yizhuang candan jingying de shiye', 549.
[50] Ibid., 550. Minsheng often purchased its rivals' ships outright, offering the owners the price of a new ship to purchase an old one. Sometimes Minsheng offered inducements such as managing a ship on another company's behalf, offering an owner Minsheng stock or offering jobs to the former employees of other companies. Liu, *Rong mu ban sheng*, 178.
[51] Tong, 'Huiyi Minsheng', 149–50; Lin, *Minsheng gongsi shi*, 32
[52] Zhang, *Quanli chongtu yu biange*, 271–75. Lu may have had some reservations about appearing as the beneficiary of Liu Xiang's patronage, since he insisted that all funds borrowed from Liu during the expansion process would be returned over time. Several of Liu Xiang's officials were Minsheng shareholders, but Lu ensured the shares were distributed such that no one from Liu

Xiang's regime held a controlling share. Lin, *Minsheng gongsi shi*, 29–32. Z. Lu, 'Yizhuang candan jingying de shiye', 551.

[53] Dong, 'Jinnian lai Yangzi jiang shangyou hangye gaikuang', 6–7.

[54] 13 Sept. 1929, JSS III.

[55] Kapp, *Szechwan and the Chinese Republic*, 82–83.

[56] Ibid., 133.

[57] 'Hangwu chu chengbao Jiao-bu', 17–19. Throughout its two-year run, the periodical reported on all correspondence with Nanjing's Ministry of Communications, the progress of Nanjing's rights recovery programme and the nationalisation of the China Merchants' Company.

[58] Li to Maze, 22 Apr. 1931, SHAC, 679(1), 32051. Under Nanjing's plan for shipping administration, the port of Chongqing was supposed to be under the jurisdiction of a larger bureau at Hankou. Both He Beiheng and Liu Xiang hoped Nanjing would recognise the Navigation Bureau instead. Li to Maze 28 Oct. 1931, SHAC, 679(1), 32051.

[59] Tong, 'Huiyi Minsheng'; G. Lu, *Wo de fuqin*, 60–65; Li, 'Minsheng gongsi ershisi niandu keyun', 2–5.

[60] Hya to Maze 27 June 1930, SHAC, 679(1), 32050.

[61] Li to Maze 24 Sept. 1931 and 4 April 1934, SHAC, 679(1), 32051. The Navigation Bureau continued to search ships until 1938. Chen, 'Chuanjiang yandu zousi jianwen', 558.

[62] Fu Chang Chin to Little 10 Feb. 1944, L. K. Little Papers, Houghton Library, Harvard University, MS Am 1999.1 Letters, Memoranda etc relating to Customs Affairs, 1941–1944. Many thanks to Robert Bickers for providing this source.

[63] Brunero, *Britain's Imperial Cornerstone*, 118.

[64] For cases of other militarists' seizures of Customs revenue, see Brunero, *Britain's Imperial Cornerstone*, 21, 119–29.

[65] Jiang, *Changjiang hangyun shi*, 483–91.

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