forty-four foreign vessels had arrived during the same period.”@@1 By degrees, however, the manifold advantages as a port of trade possessed by Shanghai attracted merchants of all nationalities; and from the banks of the Hwang-p’u arose handsome dwelling- houses, which have converted a reed-covered swamp into one of the finest cities in the East.

The number of foreigners, other than British, who took up their abode in the British settlement at Shanghai made it soon necessary to adopt some more catholic form of government than that supplied by a British consul who had control only over British subjects, and by common agreement a committee of residents, consisting of a chairman and six members, was elected by the renters of land for the purposes of general municipal administra­tion. It was expected when the council was formed that the three settlements—the British, French and Americans—would have been incorporated into one municipality, but international jealousy prevented the fulfilment of the scheme, and it was not until 1863 that the Americans threw in their lot with the British. In 1853 the prosperity of the settlements received a severe check in consequence of the capture of the native city by the T’ai-p’ing rebels, who held possession of the walls from September in that year to February 1855. This incident, though in many ways disastrous, was the cause of the establishment of the foreign customs service, which has proved of such inestimable advantage to the Chinese government. The confusion into which the customs system was thrown by the occupation of the city by the rebels induced the Chinese authorities to request the consuls of Great Britain, France and the United States to nominate three officers to superintend the collection of the revenue. This arrangement was found to work so well that on the reoccupation of the city the native authorities proposed that it should be made permanent, and H. N. Lay, of the British consular service, was in consequence appointed inspector of the Shanghai customs. The results of Mr Lay’s administration proved so successful that when arranging the terms of the treaty of 1858 the Chinese willingly assented to the application of the same system to all the treaty ports, and Mr Lay was thereupon appointed inspector-general of maritime customs. On the retirement of Mr Lay in 1862 Sir Robert Hart was appointed to the post.

From 1856 to 1864 the trade of Shanghai vastly increased, and its prosperity culminated between 1860 and 1864, when the influx of Chinese into the foreign settlement in consequence of the advance E. of the T’ai-p’ing rebels added enormously to the value of land. Both in 1860 and again in 1861 the rebels advanced to the walls of Shanghai, but were driven back by the British troops and volunteers, aided by the naval forces of England and France. It was in this connexion that General Gordon assumed the command of the Chinese force, which under his direction gave a reality to the boastful title of “ ever-victorious army ” it had assumed under the two American adventurers Ward and Burgevine. To Shanghai the successful operations of Gordon brought temporarily disastrous consequences. With the disappearance of the T’ai-p’ings the refugees returned to their homes, leaving whole quarters deserted. The loss thus in­flicted on the municipality was very considerable, and was intensified by a commercial crisis in cotton and tea, in both of which there had been a great deal of over-speculation. But, though the abnormal prosperity was thus suddenly brought to an end, the genuine trade of the port has steadily advanced, subject of course to occasional fluctuations. For example, in 1880 the value of trade was £8,223,017, and in 1908 it was £40,400,000. The total burthen of foreign steamers which entered and cleared at Shanghai during 1884 was 3,145,242 tons, while in 1908 it was over 15,000,000 tons. The principal items of import are cotton yarns, metals, sugar, petroleum and coal; of export, silk, representing in value 34% of the total exports, cotton, tea, rice, hides and skins, wool, wheat and beans. Great Britain and the British colonies supply nearly 31 % of the imports, Japan 12½%, and the United States 12%; and of the exports Great Britain and the British colonies take 18%, the United States 12% and Japan 10%. Shanghai, moreover, is not only a port of trade, but is rapidly becoming a large manufacturing and industrial centre. In this category the first place must be given to cotton mills, which, though not very numerous, give promise of con­siderable development. The demand in China for cotton yarn, chiefly the produce of the Bombay mills, has been steadily on the increase. On the other hand, China produces raw cotton in indefinite quantity and has hitherto been the main source of supply for the Japanese mills. Cloth weaving has been tried in two of the mills, but abandoned in favour of spinning. Next in importance is the

*@@@1 The Treaty Ports of China and Japan,* by W. F. Mayers.

reeling of silk cocoons by machinery. This is gradually supplanting the wasteful method of native reeling, giving a much better finished and consequently more valuble article. Shanghai also contains three large establishments for docking, repairing and building ships. Among minor industries are match factories, rice and paper mills, ice, cigarette, piano, carriage and furniture factories, wood carving, &c.

The vastness of British interests in China and the large British population at Shanghai gave rise in 1865 to the establishment of a British supreme court for China and Japan, Sir Edmund Hornby, then judge of the British court at Constantinople, being the first judge appointed to the new office. Now, by virtue of extra-terri­torial clauses in the various treaties, all foreigners, subjects of any treaty power, are exempted from the jurisdiction of the Chinese authorities, and made justiciable only before their own officials. As there are now fourteen treaty powers represented at Shanghai, there are consequently fourteen distinct courts sitting side by side, each administering∙the law of its own nationality. In addition, there is also a Chinese court, commonly called the Mixed Court, though it is no more mixed than any of the others in an international sense, except that a foreign assessor sits with the Chinese judge in cases where any of his own nationality are interested as plaintiffs. At first sight this arrangement seems somewhat complicated, but the principle is simple enough, viz. that a defendant must always be sued in the court of his own nationality In criminal cases there is, of course, no difficulty. For the British, English law alone prevails, and they can only be tried and punished in the British court, and so on for every nationality. In civil cases, where both parties are of the same nationality, there is also no difficulty, *e.g.* for British sub­jects the British court is the forum, for German subjects it is the German court. In cases involving cross actions with mutual accounts, say between an Englishman and a German, if the German constitutes himself plaintiff he must sue his opponent before the British court, and vice versa. The greatest anomaly, however, in respect of the government of Shanghai is the local municipal control. This is exercised by the foreign community as a whole without regard to nationality, and is a share of the power which properly belonged to the Chinese local authorities, but which by convention or usage they have allowed to fall into foreign hands. It is exercised only within the area termed the foreign settlements, which were originally nothing more than the “ area set apart for the residence of foreign merchants.” Of these “ settlements ” there were and are still only three—the British, acquired in 1845, the French, acquired in 1S49, and the American, acquired in 1862. At an early date, as a foreign town began to spring up, the necessity of having some authority to lay out and pave streets, to build drains, &c., for the common benefit, became evident, and as the Chinese authorities shirked the work and the expense, the foreigners resolved to tax themselves voluntarily, and appointed a committee of works to see the money properly laid out. In 1854 the consuls of Great Britain, France and the United States drew up a joint code of regulations applicable to both the then settlements, British and French, which being ratified by the respective governments became binding on their respective subjects. The two areas thus became an international settlement, and the subjects of all three nationalities—the only powers then interested—acquired the same privileges and became liable to the same burdens. The code thus settled was acquiesced in by the Chinese authorities and by other nationalities as they came in, and it conferred on the foreign community local self-government, prac­tically free from official control of any description. In 1863 the area covered by the regulations was extended by the addition of the American settlement, which meanwhile had been obtained by that government from the Chinese. But about the same time, 1862, the French decided to withdraw from the joint arrangement, and promulgated a set of municipal regulations of their own applicable to the French area. These regulations differed from those appli­cable to the joint settlement, in that a general supervision over municipal affairs was vested in the French consul-general, his approval being made necessary to all votes, resolutions, &c., of the ratepayers before they could be enforced at law. Since the above date there have, consequently, been two municipalities at Shanghai, the French and the amalgamated British and American settlements, to which the original regulations continued to apply. The area of the latter now amounts to some 9 or 10 sq. m. The regulations have been altered and amended from time to time, and they have been accepted expressly or impliedly by all the treaty powers which have since come into the field. The settlements have thus lost their original character of British or American, and become entirely cosmopolitan. The consuls of all the treaty powers rank equally, and claim to have an equal voice in municipal affairs with the British or American consuls.

The powers of self-government thus conferred on the foreign community consist in exclusive police control within the area, in draining, lighting, maintenance of streets and roads, making and enforcement of sanitary regulations, control of markets, dairies and so forth. To meet these expenses the foreign ratepayers are authorized to levy taxes on land and houses, to levy wharfage dues on goods landed or shipped, and to charge licence fees. Taxes are payable by every one living within the settlements, Chinese included, though the latter have no voice in the local administration.