



## **From Globalization to Liquidation: The Deutsch-Asiatische Bank and the First World War in China**

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### **Abstract**

This article uses the case of the Deutsch-Asiatische Bank and its liquidation during the First World War to examine the challenges faced by German businesses during the war in China and China's involvement in Allied economic warfare. This case suggests the detrimental effect that political crises and global shifts of power had on foreign businesses in modern China's globalized treaty port economy. It also reveals China's role in the global economic warfare of the Allies, showing that China first resisted Allied demands for a full liquidation of the German bank but eventually acquiesced to Allied pressure and handed control over the liquidation to the Allies. As a consequence, China ended up violating the very international law it had put so much value on when entering the war.

**Keywords:** China, World War I, Deutsch-Asiatische Bank, liquidation, economic warfare, international law, foreign banks, Hongkong and Shanghai Banking Corporation

In recent years China's role in the First World War has attracted increasing attention from scholars studying China's internationalization in the political sphere during the early Republican period. Most prominently, Xu Guoqi has argued that many Chinese had great hopes of using international law and China's participation in the war "as an opportunity to join a fair international system" and become an equal member of a new world order (Xu 2005, 164–165). However, little attention has been paid to the impact of the war on foreign—particularly German—businesses in China. Scholarship on wartime economic warfare has so far focused mostly on the British naval blockade, neglecting its global dimension and the implications that China's participation in Allied economic warfare had for its commitment to international law.<sup>1</sup> This article uses the liquidation of the Deutsch-Asiatische Bank (DAB)—the main German bank active in China at the time—to explore both the challenges that German businesses in China faced during the First World War and China's involvement in the economic warfare of the Allies. The case of the DAB reveals the disruptive impact that political crises like war and consequential global shifts in power relations had on foreign

businesses operating in China and the futility of international law in protecting foreign businesses during such crises. It also elucidates the global nature of economic warfare during the First World War and shows that the war had a profound effect on China, not only in the political but also in the economic sphere.



Figure 1. The Deutsch-Asiatische Bank in Shanghai around 1900. *Source:* Deutsche Bank AG, Historical Institute, Frankfurt am Main.

### **The Deutsch-Asiatische Bank and the Coming of War**

On the eve of the outbreak of the First World War, the Deutsch-Asiatische Bank had been active in China for twenty-five years. Since its establishment in 1889 as a joint-stock bank by thirteen of the major German banking houses, it had become one of the leading foreign banks in China. In 1914 its head office in Shanghai and the bank's branch network connected Germany with most of the major commercial centers in China (see figure 1). The bank had also opened several branches in other parts of East and Southeast Asia to facilitate its business in China. The DAB was involved both in exchange banking and the financing of foreign trade. It also provided short- and long-term loans to provincial governments, Chinese officials, and native banks and merchants and attracted deposits from foreign and Chinese businesses. Another important area of its business was floating loans for the Chinese government on the German capital market. By connecting China to Germany's financial

markets, the bank had significantly contributed to making Germany the second-largest investor in China, after the United Kingdom, with an invested capital of US\$263.6 million in 1914 (Ratenhof 1987, 566). Owing to these activities, the German bankers had also established important transnational networks both within the foreign community—with foreign bankers, merchants, and diplomats—and with Chinese officials, bankers, and merchants outside of the concessions. Through these wide-ranging transnational business activities and networks, the bank, together with other foreign and Chinese banks, facilitated the global flows of capital that passed through China's treaty ports and provided part of the financial infrastructure for the “onrush of Modern Globalization in China” that had taken off in the late Qing dynasty (Van de Ven 2000, 175–189).

This all changed in 1914, with the beginning of the First World War in Europe. Most of the maritime traffic between China and Europe stopped, and German and other merchants only gradually managed to adapt to the new circumstances and to resume parts of their business. The consequent decline of the China trade in turn had a negative impact on the DAB's business in trade finance.<sup>2</sup> At the same time, foreign banks and merchant houses belonging to the Entente were no longer allowed to do business with the Deutsch-Asiatische Bank. The bank's branches in Singapore, Hong Kong, and Calcutta, which were under British rule, were closed and later liquidated. In Japan, the DAB branches in Yokohama and Kobe were initially allowed to continue their business with certain limitations but were eventually forced to close in 1916. The bank's Qingdao branch was also closed by the Japanese authorities after the Japanese occupation of the German leasehold in November 1914.<sup>3</sup> As a result, the total assets of the DAB shrank from 76,237,473 Shanghai *taels* at the end of 1913 to only 47,270,927 Shanghai *taels* by the end of 1914 (see table 1). However, the worst was still to come. After China declared war on Germany and Austria-Hungary on August 14, 1917, the bank had to undergo liquidation by the Chinese government and saw most of its assets confiscated and sold.

When China entered the war on the side of the Allies in August 1917, preparations for dealing with the DAB had already been made by both the Allies and China. In fact, one of the main demands of the Allies from as early as April 1917 was that China should sequester all German firms in China (Xu 2005, 193). This was part of the wider economic war between the Entente and the Central Powers, which on the Allied side was mainly driven by Britain (Lambert 2012). Since the 1880s, Britain had feared commercial rivalry with Germany, which threatened its dominant position in global trade (Hoffmann 1933, chapters 3–7;

Kennedy 1980, 41–58, 291–305). At the outbreak of the war, both the British Board of Trade and many members of the British business community saw the war as an opportunity to replace their German competitors and capture Germany's share of trade. In Europe the enthusiasm for this idea among British merchants waned after a few months due to the problems the war caused for British trade (McDermott 1989). It seems to have persisted among British diplomats and entrepreneurs in China, however; when China joined the war, Britain and the other Allies wanted China to actively participate in this economic warfare against German businesses. The Chinese government had also already started to discuss disciplinary measures that should be taken against enemy banks in early 1917.<sup>4</sup> Still, there is no evidence that any decision on specific measures to be taken had been made at this point. In February 1917, the Ministry of Finance was still unsure about how to deal with enemy banks in the case of war and asked the Chinese minister in Japan, Zhang Zongxiang, how Japan had treated German and Austrian banks. Zhang replied only that Japan had ordered enemy banks to stop their operations and had restricted the right of enemy subjects to withdraw money from these banks.<sup>5</sup>

On the day of China's entry into the war, China issued the "Regulations of Treatment for the Deutsch-Asiatische Bank."<sup>6</sup> These regulations stipulated that the DAB stop its business and that all assets of the German government held by the bank be confiscated. All other assets were to be handed over to representatives of the Chinese government for safekeeping. For the moment, enemy subjects were not allowed to withdraw any money and even non-enemy subjects were allowed to access their savings only after approval from the Chinese government. The representatives sent by the Chinese government were ordered to collect the account books of the bank and to create an inventory of the bank's assets. The whole operation was to be carried out jointly by the Ministry of Finance, the Ministry of Foreign Affairs, and the Bank of China. These regulations were meant to be provisional, but they indicate that at this point the Chinese government merely intended to stop the bank's business and confiscate government assets. While it has been claimed that China "immediately liquidated the Deutsch-Asiatische Bank" after the declaration of war to use the bank's assets as a remedy for its own financial situation (Xu 2005, 173–174), these regulations show that China initially wanted only to sequester the bank's assets and had no intention to confiscate all the bank's assets for its own use.

When considering this rather mild initial treatment of the bank by the Chinese government, it is worth remembering that in 1917 China witnessed a heated debate about

whether or not it should participate in the war, which created a serious constitutional crisis and left the nation divided. During this debate important groups within Chinese society, from business associations to political elites, opposed the severing of relations with and declaration of war against Germany. While Chinese businesspeople mainly feared the disruptive effect the declaration of war would have on their businesses, political elites argued that China was too weak to gain equality with other nations or to uphold international law if it joined the Allies (Xu 2005, 204–222). It is no surprise, then, that even after the declaration of war, members of the German business community in China reported that many Chinese elites seemed to still hold friendly feelings toward Germany and even tried to save German property (Ratenhof 1987, 268). Even the Shanghai manager of the DAB, Heinz Figge, was able to maintain “cordial relations with Chinese officials,” who were “anxious not to do anything that might offend German susceptibilities after the war.”<sup>7</sup>

While the sequestration of the bank was nominally carried out by the Chinese government alone, the Allies—and most importantly Britain—were involved right from the beginning as well. On the day before the declaration of war, the Chinese Foreign Office had already contacted the British minister to China, John Jordan, to arrange for cooperation in dealing with the DAB. Moreover, the Bank of China, which was to carry out the sequestration of the bank on the ground, always sent one of its foreign employees to handle the sequestration of the DAB branches, along with the director of the respective local branch of the Bank of China.<sup>8</sup> While these foreign bankers were employees of the Bank of China, they were also in contact with their legations and kept the Allies updated on their progress in the sequestration of the DAB.<sup>9</sup> As G. Passeri, an Italian employee of the Bank of China and one of the foreign sequestrators, put it, these foreign bankers acted as “guardian[s] of Allied interests.”<sup>10</sup> During the next few months, the managers of the Bank of China together with the foreign sequestrators seized the premises of the different DAB branches and tried to create lists of the remaining assets of the bank (see figure 2).<sup>11</sup> The cash, bank notes, account books, and other assets remained in the bank, but they were declared as having been taken over for safekeeping by the Bank of China. By mid-October the sequestrators had drawn up a detailed balance sheet of the liabilities and assets of the head office of the DAB in Shanghai and reported to the Foreign Ministry that their work was going well so far.<sup>12</sup> The sequestrators at the other DAB branches also submitted detailed statements of the existing deposits and debts of their respective branches.<sup>13</sup>



Figure 2. Closure of the Beijing branch of the Deutsch-Asiatische Bank in 1917. *Source:* Deutsche Bank AG, Historical Institute, Frankfurt am Main.

However, the Allies wanted to make sure that a proper winding up of the DAB was carried out and submitted a note to the Chinese in September 1917 demanding a “complete liquidation” of German businesses.<sup>14</sup> The Chinese authorities did not start to move against other German businesses, but they held a conference that was attended by representatives of the Ministries of Finance and Foreign Affairs; the governor of the Bank of China, Wang Kemin; and several of the foreign sequestrators employed by the Bank of China.<sup>15</sup> The result of this conference was a document entitled “Regulations Governing the Liquidation of the Deutsch-Asiatische Bank,” issued on October 16, 1917.<sup>16</sup> These regulations were much more detailed than those that had existed before. Most importantly, all matters relating to the liquidation of the DAB were to be carried out by the Central Bureau for the Liquidation of the Deutsch-Asiatische Bank, which operated under the control of the Ministries of Finance and Foreign Affairs and was to fix a date from which the liquidation would officially begin. After this date, debtors and non-enemy creditors of the DAB would have one month to claim their deposits or repay their debt, and the local liquidation bureaus set up for each branch of the DAB were given three months from the fixed date to liquidate all claims and obligations. If debtors did not discharge their obligations within a month, they were to be reported to the Central Liquidation Bureau. Enemy subjects were still not allowed to access any of their savings and were allowed to receive only a living allowance every month. While the Bank of China was not officially involved in the liquidation works anymore, several of its foreign and

Chinese employees were still retained to carry out the liquidation work on the ground, including Passeri and the director of the Shanghai branch of the Bank of China, Song Hanzhang, who remained jointly in charge of the liquidation of the Shanghai head office of the DAB.

At first glance, these new regulations seemed to be a much clearer step toward liquidation of the DAB and also treated the German and Austrian customers of the bank more harshly. This was especially true for German businesses, which after 1914 had almost all deposited their funds with the DAB and had no way of accessing these funds to maintain their businesses.<sup>17</sup> In this sense the Allies could be satisfied with the new regulations. However, there was also one important loophole. Article 3 of the regulations stated that “all claims and obligations of enemy subjects shall not be included in the liquidation.” This meant that the liquidators did not intend to pursue the repayment of debts of German and Austrian customers. Moreover, S. E. Lucas, an employee of the Bank of China, later related that it had been pointed out to all the attendants at the conference that “the word ‘liquidation’ was understood as ‘sequestration.’”<sup>18</sup> In a meeting with the British consul-general in Tianjin, William Pollock Ker, Lucas also explained that the Chinese government intended that “the position of the [Deutsch-Asiatische] Bank in China at the end of the war will be that any surplus funds will be returned to it, together with all properties and books, and that it will resume business as a going concern,” which again shows that China had no intention to confiscate all the bank’s assets for its own gain.

This naturally went against the wishes of the British, who wanted to see a full liquidation of the bank, including the realization of all its premises, grounds, and property, so that the bank would be unable to resume business after the war.<sup>19</sup> While the new regulations suggested that China had acquiesced to Allied pressure to a certain extent in not allowing enemy individuals and businesses full access to their funds, the Chinese government still seemed to have no intention of carrying out a full liquidation of the DAB. Rather, it tried to follow a strategy of compromise between giving in to the Allies and protecting the assets of the DAB and other German businesses. And indeed, in January 1918, the Central Liquidation Bureau declared that most of the liquidation work at the different DAB branches had been done and reduced the number of employees in the local bureaus.<sup>20</sup> As it would turn out later, this declaration took place despite the fact that most of the debtors, especially German individuals and businesses, had not yet paid back their debts.<sup>21</sup> It seemed as if, for now, the

Chinese government was still able—within limits—to resist the pressure from the Allies to fully liquidate the DAB.

While the Allies were pressuring the Chinese for a full liquidation of the bank, China also received pressure on another front. Frans Beelaerts van Blokland, a Leiden-educated lawyer and Dutch minister to China who represented German interests in China after March 14, 1917, tried his best to defend the bank against Allied and Chinese efforts to sequester or liquidate it. As the historian Maartje M. Abbenhuis has shown, it was important for the Netherlands, as a neutral country, to uphold and strictly abide by international law and to urge all belligerents to do the same (Abbenhuis 2006, 35). Accordingly, Beelaerts van Blokland challenged the Chinese to adhere to international law throughout the whole process of sequestration and liquidation of the DAB, from the moment when China declared war against Germany. The Hague Convention of October 1907 on Laws and Customs of War on Land, which China had co-signed, prohibited belligerents to “destroy or seize the enemy’s property, unless such destruction or seizure be imperatively demanded by the necessities of war.”<sup>22</sup> In its declaration of war, China had explicitly proclaimed that it would “respect the Hague Conventions.”<sup>23</sup> After China had started to sequester the assets of the DAB in August 1917, Beelaerts van Blokland reminded China of its pledge to adhere to the Hague Conventions. He argued that China had no right to sequester any of the property of the bank, as the bank was a “purely private” business and the protection of private property was one of the most important principles of the Hague Conventions.<sup>24</sup> In a meeting with Beelaerts van Blokland, Chinese foreign minister Wang Daxie objected that the DAB had a “special relationship” with the German government and therefore its business needed to be taken over by the Chinese government.<sup>25</sup>

The key question was, therefore, what the bank’s relationship with the German government was exactly. Like most other foreign banks in China, the DAB had always maintained relatively close contact with its home government, and most German government agencies in China held accounts with the DAB. However, the bank had always remained a private business and even Lucas, who was eager to see the bank fully liquidated, admitted to Ker that “nothing has been found to indicate any connection between the bank and the German Government.”<sup>26</sup> Therefore, the Dutch minister was correct that sequestering the assets of the DAB was illegal according to international law. The Chinese replied that they were following the precedent of how other Allied countries were treating enemy banks and were not violating the Hague Conventions.<sup>27</sup> The problem with this argument was that both

the Allies and the Central Powers had ceased to adhere to international law early on in the war and, as the Dutch minister pointed out, their actions did not change the fact that the sequestration and liquidation of the DAB's assets was illegal according to international law.<sup>28</sup>

After the liquidation regulations were published in October 1917, Beelaerts van Blokland made it clear to the Chinese Foreign Ministry that a liquidation of the DAB would be a “serious violation of international law.”<sup>29</sup> He continued his protest throughout 1918 and 1919 but was ultimately unsuccessful in preventing Chinese and Allied actions against the DAB.<sup>30</sup> Beelaerts van Blokland's protest based on international law is of great significance, as China had based its entry into the war and its striving for an equal position in a new world order on international law and China's adherence to it (Xu 2005, 164–165). It turned out, however, that sequestering the assets of the DAB and thereby becoming involved in the economic warfare of the Allies meant that China had started to violate the very international law it had promised to respect. When China increasingly lost control over the liquidation process after the end of 1918, this contrast between China's commitment to international law and the realities of its treatment of German businesses became even clearer.

### **The Allied Takeover of the Liquidation**

As A. G. Brent, a banker of the Hongkong and Shanghai Banking Corporation (HSBC), later reported, between January and September 1918 the Shanghai liquidation bureau “lapsed into a state of coma,” with very little activity being carried out. Payments were received only from those willing to repay their liabilities, and the liquidators visited the Shanghai head office of the DAB infrequently, leaving the retained German staff of the bank in control of all account books and documents.<sup>31</sup> This changed in October, when the *London Times* and newspapers in China like the *North-China Herald* reported on the insufficient state of the liquidation.<sup>32</sup> These reports mainly focused their criticism on the liquidation works at Shanghai, where the DAB head office was located. It was reported that so far no liquidations had taken place, none of the German firms had been required to repay their debts, and German bankers were still retained at the bank. These newspapers claimed that this was mainly due to German influence over the Chinese government in Beijing and the unwillingness of Chinese officialdom to aid the Allies. They also specifically criticized article 3 of the liquidation regulations, which excluded enemy debtors from the liquidation. The *Times* article called on the Allied governments to “enforce the liquidation of the Deutsch-Asiatische Bank,” which it called the “keystone of the German commercial system

in China.” It concluded that there was no way of “destroying, or even countering German trade and influence in China while this state of affairs is permitted by Peking.” The *North-China Herald* reported that it had even been suggested by certain people that China “should be excluded from the Peace Conference” if it did not “mend her ways.”

The source behind these newspaper articles was Passeri, the foreign liquidator of the Shanghai head office. From September onward he had started spreading rumors in Shanghai that the Bank of China and the Central Liquidation Bureau were pro-German and were hindering the work of the liquidators in Shanghai, specifically mentioning article 3 of the liquidation regulations and claiming that he had been forced to retain the German employees of the DAB at the German bank’s Shanghai head office. As it turned out later, Passeri had not previously opposed the liquidation regulations of the Chinese authorities and had insisted that the German employees of the DAB be retained to help with the liquidation work. The reason why he suddenly started to spread these rumors was that the Bank of China had informed him in August 1918 that his employment contract would not be renewed, as he was not carrying out any work for the bank anymore. Having received this notice, Passeri tried to portray the Bank of China and the Chinese government as pro-German to depict his dismissal as the result of a “German intrigue” in Beijing and to pressure the bank to extend his employment.<sup>33</sup> While it was soon understood that Passeri had acted only for personal reasons and had made up some of the rumors, the fact that the liquidation had been carried out in what the Allies regarded “a slack and inefficient manner” had become evident and was now widely known.<sup>34</sup>

When Passeri started to spread rumors and information about the state of the liquidation, one of the first people he talked to was George E. Morrison, China correspondent of the *London Times*.<sup>35</sup> Apart from writing the aforementioned article for the *Times*, Morrison, a longtime opponent of German trade in China, communicated the state of the liquidation to the British China Association, which represented British China merchants and was keen to eliminate German trade in China. Morrison had asked the association to “telegraph home in order that the matter might come up in Parliament.”<sup>36</sup> The result was that the liquidation of the DAB was indeed brought up in the House of Commons on November 6, 1918, when Walter Faber, a member of the Conservative Party, asked Foreign Secretary Arthur Balfour “why the Deutsch-Asiatische Bank, which is the keystone of the German commercial system in China, has not been put into liquidation; and when it is likely to be so put?” Balfour’s reply was that the Allied ministers to China had already “called the attention of the Chinese Government to the inadequacy,” which they had indeed done on October 30.<sup>37</sup>

Pressure in Britain and China was mounting. On November 1, 1918, the British Chamber of Commerce sent a letter to Everard Fraser, the British consul-general in Shanghai, complaining that the liquidators had not taken any steps to recover money owed to the bank from enemy firms and organizations by selling the collaterals held by the DAB, such as the building of the German Club or the warehouses of German firms like Carlowitz & Co. The letter goes on to say that “the proper liquidation of the Deutsch-Asiatische Bank presents a very favourable opportunity to the Chinese Government of dealing a serious blow to German interests in China.” Therefore, they asked Fraser to bring “strong pressure” to bear on the Chinese government to fully and thoroughly liquidate the bank.<sup>38</sup> Shortly after, this letter was endorsed by the Shanghai branch of the China Association and its Chairman Alexander Gordon Stephen, head manager of the HSBC in Shanghai. Stephen called on the British diplomats to pressure China to properly liquidate the DAB in order to fulfill its obligation as an Ally and to give full assistance “toward the crippling of Germany and the prevention of its economic recovery after the conclusion of peace.”<sup>39</sup> By now, the proponents of Britain’s economic war with Germany had come to the fore and made the liquidation of the DAB their main objective.

With pressure increasing both at home and within the foreign community in China, Jordan, the British minister to China, had to take more drastic measures to ensure that the liquidation was carried out properly. In November he contacted and accused the Chinese government of having favored Germany and delayed the liquidation of the DAB and other German businesses. He urged them to take the liquidation seriously to ensure that German firms could not resume their business now that the war had ended, in order to guarantee that it was Britain alone who would reap the benefits of the China trade after the war.<sup>40</sup> At the same time, Allied diplomats in Beijing felt that it had to be made clear to the Chinese that, unless they cooperated with the liquidation, they would receive little help from the Allies “when their so-called delegates” reached Europe for the peace conference.<sup>41</sup> By now, the Chinese government was also starting to fear that Britain would not support China at the postwar peace conference, attendance at which had been one of the main reasons for China’s entry into the war.<sup>42</sup> The Chinese tried to concede by removing the German DAB employees from the liquidation works in Shanghai, allowing enemy debtors to be included in the liquidation process, and sending Lucas to Shanghai as a representative of Britain to replace Passeri and to conduct the liquidation with Song Hanzhang.<sup>43</sup>

Despite these concessions, Jordan and the China Association remained dissatisfied. The China Association was anxious to see a quick liquidation of the DAB and its chairman, Stephen, urged the British consul-general in Shanghai, Fraser, that a speedy and effective liquidation would be possible only if someone not in the employ or affiliated with the Chinese government carried it out.<sup>44</sup> Jordan had also early on suggested that he would prefer a British banker and someone not under the control of the Bank of China to be involved in the liquidation, and so on December 14 he asked Fraser to inquire whether Stephen would be interested in carrying out the liquidation himself.<sup>45</sup> Stephen agreed with great enthusiasm.<sup>46</sup> Jordan had already persuaded the other Allied ministers to support Stephen, and now the Allies approached the Chinese and suggested that Stephen should take over the liquidation.<sup>47</sup> In a meeting with the Chinese deputy minister of foreign affairs, Chen Lu, on December 16, Jordan argued that Stephen, who as Shanghai manager of the HSBC belonged to an independent organization, would be able to liquidate the bank much more swiftly than Passeri or Lucas. He also pointed out that newspapers and the foreign public at the time had a very negative opinion of the Chinese government, and if Stephen were appointed liquidator of the DAB's head office this would surely solve the problem.<sup>48</sup>

The minister of finance, Cao Rulin, first wanted to appoint Passeri as a Bank of China employee together with Stephen.<sup>49</sup> However, in the end he gave in to the mounting pressure from both the Allied ministers and the press. On December 20, the Central Liquidation Bureau appointed Stephen to act as liquidator of the DAB head office in Shanghai together with Song Hanzhang.<sup>50</sup> Jordan had succeeded in having one of the foremost proponents of British economic warfare against German businesses in China appointed as liquidator of the main target of such endeavors, the DAB head office in Shanghai. Before he took up his position on January 1, 1919, Stephen addressed Jordan with certain demands he deemed necessary for a successful liquidation. Most importantly, he wanted the regulations to be amended to give him full power over the liquidation without being responsible to the Central Liquidation Bureau. Moreover, he wanted the assets of the DAB Shanghai to be moved to the HSBC and to be made the sole liquidator without having any Chinese co-liquidator.<sup>51</sup> This would have taken even more control over the liquidation away from the Chinese. Jordan was hesitant with regard to all three demands. While he very much supported British control over the liquidation, Jordan did not want the operation to look purely foreign from the outside. For him, "it [was] essential that [the] character of the operation as a Chinese government and not a foreign undertaking should be maintained." He explained, rather, that Stephen's letter of

appointment allowed him to act on his own in urgent matters. Therefore, he should act as he saw fit; if the Chinese complained, he could be assured that the Allied ministers would back him.<sup>52</sup> However, at least in the matter of his Chinese co-liquidator, Stephen got his way. After Song Hanzhang handed in his resignation in December 1918, the Chinese authorities did not appoint a new Chinese co-liquidator for Shanghai.<sup>53</sup>

Stephen took over the liquidation of the DAB in Shanghai on January 1, 1919, but he appointed HSBC banker Brent to handle the actual liquidation work.<sup>54</sup> At first, the main objective of Brent and his assistants was to create lists of the outstanding debtors of the DAB, which included in particular German debtors, whose debt repayment had previously not been pursued. The greater part of the cash balance of the DAB Shanghai, which the German bankers had transferred to an account under the name of the Dutch legation to protect it from the liquidation, was also retransferred to an account under the name of the DAB.<sup>55</sup> They then started to pursue outstanding debtors for repayment. Debtors were given up to a month to repay their debts before legal proceedings were started against them at the International Mixed Court in Shanghai.<sup>56</sup> This practice had already been started by Lucas when he was briefly co-liquidator in Shanghai in November and December. By mid-December 1918, two hundred cases of outstanding debtors had been brought before the Mixed Court.<sup>57</sup> Beelaerts van Blokland protested against this practice. Besides the fact that the liquidation of the DAB was illegal, he argued that giving debtors only one month to repay their debt had the sole purpose of “destroying the business of German merchants,” as most of them had run out of sufficient funds because of the war and had no way of transferring the necessary money from Germany in such a short time. He also protested that if China wished to file legal proceedings against debtors, they should at least be carried out before Chinese courts, instead of mixed courts, which were dominated by the Allies and biased against the Germans.<sup>58</sup> In fact, after China’s entry into the war in August 1917, China had declared that enemy subjects were to be tried before Chinese courts if they committed crimes (Xu 2005, 169).

Apart from recovering debts, Stephen’s other main goal was selling the buildings of the DAB and the German Club in Shanghai, the latter having held a DAB loan of 280,000 Shanghai taels secured by a mortgage on the club building.<sup>59</sup> For Stephen, these buildings were the main symbols of the German presence in Shanghai, and he believed that their sale would unmistakably show the Chinese that “the Germans are beaten and that their political influence is at an end.”<sup>60</sup> Although the Central Liquidation Bureau had initially proven reluctant to sell the buildings, the Chinese eventually agreed in February 1919, after Stephen

asked Jordan to urge them to authorize the sale.<sup>61</sup> Beelaerts van Blokland wrote to the Chinese Foreign Office that the sale of the bank building violated international law, but his objections once again remained unheeded.<sup>62</sup> The buildings were put up for sale by public tender in March 1919, and offers were submitted to the Chinese Central Liquidation Bureau in Beijing. The Central Bureau decided to give the option for the bank building to the Bank of Communications and the option for the German Club building to the Bank of China. The bank building was sold for 800,000 Shanghai *taels* and the German Club building for 485,000 Shanghai *taels*. As Stephen and Jordan were anxious that the Chinese might resell the property to Germans, the Bank of Communications and the Bank of China had to give a written guarantee that they would not rent or sell the property to any German subjects.<sup>63</sup> With the sale of the buildings, Stephen succeeded in completely destroying the bank's business in Shanghai; as the Shanghai manager of the DAB, Figge, had early on stated, the sale of the bank's premises in Shanghai would be a "deadly blow" for the bank.<sup>64</sup>

In the following months, the liquidation work in Shanghai progressed swiftly, and by May 1919 Stephen was sure that liquidation work could be concluded within a month.<sup>65</sup> In June he reported that "considerable progress [had] been made with selling enemy property and real estate" and a total amount of 2.25 million Shanghai *taels* had already been realized in this way since January.<sup>66</sup> Of this amount, 1.59 million Shanghai *taels* came from the sale of the German Club, the premises of the bank in Shanghai, and the premises of the Jinan branch of the bank.<sup>67</sup> The rest of the money came from the realization of property of mostly German individuals and businesses in Shanghai and elsewhere that were debtors of the DAB in Shanghai. One example is the property of the Hamburg-Amerika Linie—an important German shipping company and competitor of British shipping—whose property at Wuhu was sold for 63,300 Shanghai *taels* to repay an overdraft it had with the DAB.<sup>68</sup> In a number of cases, however, the liquidators were not able to successfully pursue debtors. For example, Stephen reported that the premises of the German trading house Diederichsen & Co. in Hankou had not been sold, and he blamed this on the merchants' connections to Chinese officials there.<sup>69</sup> Still, Jordan was very pleased with the work Stephen had done, and by June the liquidators in Shanghai were able to reduce their personnel and start to conclude the operations.<sup>70</sup> As Stephen put it, the bank's "organisation at Shanghai [had been] completely broken up."<sup>71</sup>

While the Allies and especially Britain had exerted their influence on the Chinese government's dealings with the DAB right from the time when China entered the war, the

months from October 1918 to June 1919 saw the almost-complete takeover of the liquidation process of the DAB's head office at Shanghai. Once news of the state of the liquidation reached British interest groups such as the China Association and other British China merchants in Britain and China, the move for more Allied control gained rapid momentum. When this pressure mounted, the Chinese—who were most afraid of losing Allied support, especially with regard to the peace conference—gave in to Allied demands. By appointing Stephen as liquidator, they effectively handed control over the liquidation to the Allies and especially to those British interest groups that wanted to use the war to eliminate German businesses in China. The ways in which Stephen could use British minister Jordan to exert pressure on the Chinese, and the little resistance the Chinese put up toward Allied demands, show how little control the Chinese government eventually retained over the liquidation. While China had joined the Allies to gain the status of an equal nation in a new world order, by the end of 1918 it had become fully involved in the economic warfare of the Allies in China, not as an equal partner but as an unequal servant to Allied interests. This also made it impossible for China to adhere to those principles of international law that it had pledged to uphold when entering the war.

### **The Consequences of the Liquidation**

The liquidation of the DAB naturally had the greatest consequences for the bank itself. The bank never received full compensation for the liquidation. It was only after the conclusion of a Sino-German treaty regarding the settlement of reparations between Germany and China in 1924 that the bank received 6 million silver dollars in compensation from the German government and regained its account books and remaining real estate (Müller-Jabusch 1940, 254–281). This meant that the bank's competitors in China gained a head start when the China trade took off again after the war. As a consequence, many former customers of the bank moved to other British, Japanese, or Dutch banks (Van der Putten 2001, 38; King 1988, 81; Ratenhof 1987, 283). Moreover, the bank was not reinstated as one of the banks servicing loans for the Chinese government, which took important working capital away from it (Wright 1935, 159). The only branches the bank had left after the war were those in Beijing and Hankou, as the liquidators had eventually also managed to sell the Tianjin bank building.<sup>72</sup> When the board of directors finally issued a new yearly report to its shareholders in 1928, they estimated the loss caused by the liquidation at 10 million Shanghai *taels*, which even the compensation from the German government and the business of the postwar years

had not been able to compensate for.<sup>73</sup> Although the bank resumed operations in China, its business never reached prewar levels again. Table 1 shows the development of the total assets of the bank between 1900 and 1932 and demonstrates the extent to which the bank's postwar business lagged behind the heights it had reached before the war. The main cause for this was the great losses the bank had suffered due to the bank's liquidation in China.

Table 1. Total assets for the Deutsch-Asiatische Bank, 1900–1930 (in millions of Shanghai taels)



Source: Müller-Jabusch (1940, table opposite p. 326).

It is more difficult to estimate the impact of the liquidation on German businesses and German trade more generally. What is certain is that German trade with China suffered greatly during the First World War. However, there were other factors contributing to this besides the liquidation of the DAB. Most importantly, Germany's trade with China suffered from the liquidation of German businesses in Hong Kong and the Chinese ban on trading with Germany after August 1917 (Ratenhof 1987, 268). The liquidation of the DAB can therefore be seen as only one of the factors that negatively influenced German trade in China. Also, despite the best efforts of the Allied liquidators, their activities always had limitations. It seems that other big German trading firms in addition to Diederichsen & Co. also managed to draw on their contacts with Chinese political elites and business partners to save their property. One example of this is the German trading house Carlowitz & Co., which saved its property in Shanghai from being sold by having one of its Chinese business partners pay off its debt with the DAB.<sup>74</sup> Moreover, after the disappointment the Chinese suffered at the Paris Peace Conference, their willingness to cooperate in the liquidation of the DAB seems to have

waned. The British demand that all German businesses in China be liquidated to repay all debts of German firms with the DAB was never followed.<sup>75</sup>

Nevertheless, the liquidation did have a profoundly negative impact for German businesses in Shanghai and elsewhere. By June 1919, the liquidators had already managed to sell property worth 660,000 Shanghai *taels* belonging to German individuals and businesses. The long list of debtors whose property had been liquidated also shows that the liquidation mostly hit small businesses and must have had a decisive impact on the ability of these small firms to resume their China business after the war. One such case was that of the soap manufacturer Gustav Boehm, who had an overdraft of almost 150,000 Shanghai *taels* and whose manufactured goods were seized and sold after a judgment by the International Mixed Court on January 9, 1919.<sup>76</sup> William Kirby has rightly pointed out that German businesses managed to reestablish themselves in the early 1920s in China “in an unexpectedly rapid fashion” (Kirby 1984, 17). However, we should not forget the profoundly negative impact China’s entry into World War I generally and the liquidation of the DAB specifically had on German commerce in China. German imports to China returned to prewar levels only in 1925, and German exports to China only in 1926. Moreover, even during the Nanjing decade, direct German business investments in China failed to reach the prewar amount of US\$136 million (Ratenhof 1987, 561–562; Hou 1965, 225). Clearly, the proponents of Allied economic warfare in China succeeded in dealing a decisive blow to German commerce.

Finally, as the DAB had been an integral part of China’s financial system, its liquidation naturally affected Chinese businesses as well. Using the available archival records, we can make some inferences as to how the liquidation influenced these businesses. Most importantly, the bank had built long-standing business relations with native banks in Shanghai and other Chinese financial centers, which depended on receiving loans from the DAB to run their business. In August 1917 native banks still had outstanding loans with the DAB in Shanghai worth 1,633,177 Shanghai *taels*, most of which were taken over by the Bank of China after the declaration of war.<sup>77</sup> While this fits the general shift in capital supply for native banks from foreign to modern Chinese banks that occurred during this period (Li 2008, 181; Nishimura 2005, 130), it also demonstrates the importance of the DAB as capital supplier for native banks before 1917. The supply of these loans was normally dependent on long-standing networks with native banks that the DAB had built up through their compradore, who either owned the native banks himself or was connected to them in some way. Therefore, those native banks connected to the DAB would have needed to establish

new connections to other foreign or Chinese banks. This must have been especially difficult for Xu Xingquan, the Shanghai compradore of the bank, whose family had worked for the DAB ever since it opened for business in Shanghai in 1890.<sup>78</sup>

Another aspect of the liquidation was that after the closure of the bank, native banks that had deposited money with the DAB also could not access it for a period of time. The Tong Feng and Shun Kang banks, for example, which had deposited silver *sycee* worth 8,000 Shanghai *taels* with the DAB in Shanghai, were at first not allowed to retrieve these *sycee*, which were important capital for their business, after the DAB was closed. It was only in October 1917, after the Shanghai Chamber of Commerce intervened with the Chinese Foreign Office on their behalf, that the boxes of *sycee* were returned to them.<sup>79</sup> A last common problem that Chinese businesses encountered was that German businesses were unable to repay their debts to the Chinese, as they were not allowed to access funds that had been deposited with the DAB.<sup>80</sup> While these examples cannot provide a full picture of the impact of the liquidation on the DAB's former Chinese business partners, they still show that the liquidation of a bank that had been an integral part of the Chinese financial system created a great disturbance among Chinese businesses. Clearly, the liquidation impacted not only German businesses and the bank itself but also those many Chinese businesses to which they were connected.

## Conclusion

As we have seen, the Deutsch-Asiatische Bank got caught up in the geopolitics and economic warfare of the First World War after China's entry into the war in August 1917. At first, China only wanted to temporarily sequester the assets of the DAB, but it subsequently gave in to Allied pressure to liquidate the bank. Initially, however, this liquidation was merely sequestration in disguise, not intended to prevent the bank from resuming business after the war. This all changed when news of the inadequate state of the liquidation spread at the end of 1918 and brought to the fore important British interest groups, who wished to use the war to do away with their German competitors. The fact that the DAB supplied an important part of the financial infrastructure for German business in China made it the perfect target for the many proponents of British economic warfare. They realized that a thorough liquidation of the DAB would not only destroy the bank's business and the financial infrastructure it provided but also hurt the many German businesses that were connected to it. When the Chinese gave in to Allied demands and appointed Stephen as liquidator, they

handed most of the control over the liquidation to the Allies, thus sealing the fate of the DAB. The liquidation not only kept the DAB from regaining its former position as a leading bank in China but also contributed to the difficulties that German businesses faced when they tried to reestablish themselves after the war. It also had a detrimental effect on Chinese businesses connected to the DAB and other German businesses.

The liquidation of the DAB reveals the vulnerability of modern China's globalized treaty port economy to political crises and global shifts of power. The economy of the treaty ports depended on a "politically and legally stable environment" that made the international flows of capital and commodities passing through these ports possible (So 2011, 5). Due to the weakness of the Chinese state, an important element in the structure of the treaty ports was the relative equality of power among the different foreign powers contending for influence there (Taylor 2002, 133). For foreign businesses and their Chinese business partners, this relative power equilibrium protected them from arbitrary actions by other foreign powers against their businesses and guaranteed free competition and cooperation in business. As a consequence, the treaty port economy of the China coast was tied not only to the fluctuations of international markets but also to the global balance of power of the prewar era that was reflected in the treaty ports.

The beginning of the war in 1914 and the subsequent disintegration of the global economy and decline of the China trade had already hurt foreign businesses in China. However, it was China's entry into the war in 1917 that completely upset the balance of power in the treaty ports and brought the shift in global power relations to China. This meant the end of the political and legal stability of the treaty ports based on the power equilibrium among the foreign powers. The DAB and other German businesses were left without a home government to rely on for protection and with only international law and a weak Chinese state to defend them. Unwilling to carry out a full liquidation of German businesses, China at first tried to adopt a strategy of compromise between acquiescing to Allied demands and making it possible for the DAB and other German businesses to resume their operations after the war by merely sequestering the assets of the DAB. However, the weak position of the Chinese state in the treaty port economy manifested itself in its inability to maintain this strategy in the long run. Due to its dependence on the good will of the other Allies, China was eventually compelled to allow the full liquidation of the DAB by Britain and the other Allies. Evidently, not only in Europe and the United States but also in China, international law proved futile in protecting private businesses from the global nature of economic warfare

during the First World War.<sup>81</sup> As was the case elsewhere in the world, the end of the prewar order of power and the conflict between the Allies and the Central Powers proved detrimental for global business and economic globalization in China.<sup>82</sup>

The Deutsch-Asiatische Bank's liquidation can also provide some insights into China's involvement in the First World War outside the economic sphere. When China declared war against Germany, it justified its entry into the war with its respect for international law and its desire to "establish [itself] amidst the family of nations" as an equal member.<sup>83</sup> However, if we look at whether or not these idealistic goals were realized in China after the declaration of war, the picture becomes much more complicated. While China's entry into the war allowed it to regain some of its sovereignty by recovering the German and Austrian concessions, this did not change the fact of China's political weakness compared to the other Allies. As a result, just as the Chinese were not treated equally at the Paris Peace Conference, so they were not treated as equals at home. The Allies—especially the British—wanted to extend their economic warfare to China and expected German businesses to be eliminated as one of China's contributions as an ally. While China's initial compromise of only sequestering the assets of the DAB already meant violating international law, China later was forced to allow the full liquidation of the DAB by the Allies, despite its reluctance to move against German businesses. Eventually, China was not only again denied equality; by moving against the DAB and later permitting its liquidation, it also ended up violating the very international law it had put so much value on when entering the war.

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### Notes

- 1 For two examples of studies on the British naval blockade, see Vincent (1985) and Lambert (2012). For two studies that take a more global perspective on British economic warfare, see Offer (1989) and Dehne (2005).
- 2 "Geschäft-Bericht für das Jahr 1914," April 29, 1916, Geschäftsberichte Deutsch-Asiatische Bank, DB.
- 3 "Geschäft-Bericht über die Jahre 1915–1927," September 21, 1928, DB.

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- 4 Xu Tian, “Dui deou canzhan,” JDSZL, 55.
- 5 Zhang Zongxiang to Waijiaobu, February 13, 1917, WJBDA, 03-36-128-01-001.
- 6 “Chuzhi dehua yinhang fangfa,” August 14, 1917, WJBDA, 03-36-174-07-053.
- 7 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank Shanghai,”  
April 22, 1919, TNA, FO228/2842, Vol. 1, 134:3.
- 8 Waijiaobu to Waijiaobu Special Commissioner of Foreign Affairs in Shanghai and  
Waijiaobu Commissioners of Foreign Affairs in Tianjin and Guangzhou, August 14,  
1917, WJBDA, 03-36-114-01-001.
- 9 See, for example, Lucas’s memorandum to Jordan: “Memo: Deutsch-Asiatische  
Bank,” January 22, 1918, TNA, FO228/2842, Vol. 1, 3.
- 10 Italian Legation to British Legation, October 31, 1918, TNA, FO228/2842, Vol. 1, 42.
- 11 “Memo: Deutsch-Asiatische Bank,” January 22, 1918, TNA, FO228/2842, Vol. 1, 3.
- 12 Waijiaobu Commissioner of Foreign Affairs in Jiangsu to Waijiaobu, October 16,  
1917, WJBDA, 03-36-114-01-014; Bank of China to Waijiaobu, August 18, 1917,  
WJBDA, 03-36-114-01-032.
- 13 Central Liquidation Bureau to Waijiaobu, October 16, 1917, WGYHDA, 412–435.
- 14 Allied Ministers to Waijiaobu, September 7, 1917, WJBDA, 03-37-001-07-001.
- 15 Lucas to Jordan, December 29, 1918, TNA, FO228/2842, Vol. 1, 89.
- 16 “Qingli dehua yinhang banfa,” October 16, 1917, TNA, FO228/2842, Vol. 1, between  
67 and 68.
- 17 German Vice-Consul in Hankou to Chancellor Bethmann-Hollweg, March 29, 1916,  
BArch, R 901 4990, 146–156.
- 18 Lucas to Jordan, December 29, 1918, TNA, FO228/2842, Vol. 1, 89.
- 19 Ker to Jordan, January 29, 1918, TNA, FO228/2842, Vol. 1, 8.
- 20 “Translation of Regulations Governing the Retrenchment of Various Bureaux of  
Liquidation for the Deutsch-Asiatische Bank,” January 18, 1918, TNA, FO228/2842,  
Vol. 1, 102.
- 21 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank Shanghai,”  
April 22, 1919, TNA, FO228/2842 Vol. 1, 134:32.
- 22 “Laws of War: Laws and Customs of War on Land (Hague IV); October 18, 1907,  
Art. 23,” ALP.
- 23 “Presidential Proclamation,” August 14, 1917, ODRW, 14.
- 24 Beelaerts van Blokland to Waijiaobu, August 20, 1917, WGYHDA, 459–460;  
Memorandum Beelaerts van Blokland, November 29, 1918, WJBDA, 03-36-114-01-  
022.
- 25 “Record of Meeting between Foreign Minister Wang Daxie and Beelaerts van  
Blokland,” September 19, 1917, WGYHDA, 347–348.
- 26 Ker to Jordan, January 29, 1918, TNA, FO228/2842 Vol. 1, 9.
- 27 Waijiaobu to Beelaerts van Blokland, August 28, 1917, WGYHDA, 461–462.
- 28 Beelaerts van Blokland to Waijiaobu, September 11, 1917, WGYHDA, 463–464. On  
the protection of enemy property by international law and its violation by the Allies  
and the Central Powers during the First World War, see Marina Mancini (2015, 993).
- 29 Beelaerts van Blokland to Waijiaobu, November 6, 1917, ODRW, 194–195.
- 30 Beelaerts van Blokland to Waijiaobu, November 18, 1918, WGYHDA, 472–474;  
Beelaerts van Blokland to Waijiaobu, January 17, 1919, WJBDA, 03-36-114-03-046.
- 31 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank Shanghai,”  
April 22, 1919, TNA, FO228/2842 Vol. 1, 134:3.

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- 32 “German Influence in China,” *London Times*, October 30, 1918, 5; “The German Bank Liquidation,” *North-China Herald*, October 26, 1918, 191–192.
- 33 Lucas to Jordan, December 29, 1918, TNA, FO228/2842, Vol. 1, 89.
- 34 Jordan to Fraser, November 6, 1918, TNA, FO228/2842, Vol. 1, 46.
- 35 Lucas to Jordan, December 29, 1918, TNA, FO228/2842, Vol. 1, 89.
- 36 Fraser to Jordan, October 24, 1918, TNA, FO228/2842, Vol. 1, 40.
- 37 “Commons Sitting of Wednesday, 6th November, 1918,” PD, col. 2088. For the note of the Allied ministers to the Waijiaobu, see “Memorandum: China as a Co-Belligerent,” October 30, 1918, WJBDA, 03-36-177-02-005.
- 38 British Chamber of Commerce to Fraser, November 1, 1918, TNA, FO228/2842, Vol. 1, 50.
- 39 China Association, Shanghai Branch, to Fraser, November 5, 1918, TNA, FO228/2842, Vol. 1, 51.
- 40 Jordan to Waijiaobu, November 15, 1918, WJBDA, 03-36-114-01-019.
- 41 Daniele Varè to Sidney Barton, November 28, 1918, TNA, FO228/2842, Vol. 1, 68.
- 42 Guowuyuan to Waijiaobu, November 18, 1918, WGYHDA, 471.
- 43 Fraser to Jordan, November 26, 1918, TNA, FO228/2842, Vol. 1, 60; Central Liquidation Bureau to Waijiaobu, November 4, 1918, WJBDA, 03-36-114-01-017; Fraser to Jordan, December 10, 1918, TNA, FO228/2842, Vol. 1, 78.
- 44 Stephen to Fraser, December 13, 1918, TNA, FO228/2842, Vol. 1, 79.
- 45 Jordan to Fraser, November 26, 1918, TNA, FO228/2842, Vol. 1, 60; Jordan to Fraser, December 14, 1918, TNA, FO228/2842, Vol. 1, 75.
- 46 Fraser to Jordan, December 15, 1918, TNA, FO228/2842, Vol. 1, 76.
- 47 Jordan to Fraser, December 14, 1918, TNA, FO228/2842, Vol. 1, 75.
- 48 “Cizhang huiwu yingguo zhugongshi wenda,” December 16, 1918, WJBDA, 03-36-114-01-024.
- 49 “Interview with Minister of Finance,” December 18, 1918, TNA, FO228/2842, Vol. 1, 82:4.
- 50 Central Liquidation Bureau to Stephen, December 20, 1918, TNA, FO228/2842, Vol. 1, 82:3.
- 51 Stephen to Jordan, December 23, 1918, TNA, FO228/2842, Vol. 1, 85.
- 52 Jordan to Stephen, December 24, 1918, TNA, FO228/2842, Vol. 1, 86.
- 53 Stephen to Jordan, December 23, 1918, TNA, FO228/2842, Vol. 1, 85; “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank Shanghai,” April 22, 1919, TNA, FO228-2842, Vol. 1, 134:6.
- 54 Stephen to Jordan, January 22, 1919, TNA, FO228/2842, Vol. 1, 99.
- 55 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank Shanghai,” April 22, 1919, TNA, FO228/2842 Vol. 1, 134:6.
- 56 Beelaerts van Blokland to Waijiaobu, November 29, 1918, WJBDA, 03-36-114-01-022.
- 57 Fraser to Jordan, December 12, 1918, TNA, FO228/2842 Vol. 1, 78.
- 58 Beelaerts van Blokland to Waijiaobu, November 29, 1918, WJBDA, 03-36-114-01-022.
- 59 Stephen to Jordan, January 22, 1919, TNA, FO228/2842 Vol. 1, 99; “Assessor’s Judgement,” January 21, 1919, attachment to Stephen to Jordan, January 22, 1919, TNA, FO228/2842, Vol. 1, 99.
- 60 Stephen to Jordan, January 22, 1919, TNA, FO228/2842 Vol. 1, 99.

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- 61 Stephen to Jordan, January 23, 1919, TNA, FO228/2842 Vol. 1, 100; Stephen to Jordan, February 27, 1919, TNA, FO228/2842, Vol. 1, 105.
- 62 Beelaerts van Blokland to Waijiaobu, February 20, 1919, WJBDA, 03-36-154-01-009.
- 63 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank, Shanghai,” April 22, 1919, TNA, FO228/2842, Vol. 1, 134:43–44; “Report on Work of Liquidation of Deutsch-Asiatische Bank, Shanghai, Period—1st April, 1919–30th June 1919,” June 30, 1919, TNA, FO228/2842, Vol. 2, 13:1–2, 15.
- 64 Jordan to British Foreign Office, May 3, 1919, TNA, FO228/2842, Vol. 1, 136.
- 65 Jordan to British Foreign Office, May 19, 1919, TNA, FO228/2842, Vol. 1, 146.
- 66 Fraser to Jordan, June 14, 1919, TNA, FO228/2842, Vol. 2, 6.
- 67 “Report on Work of Liquidation of Deutsch-Asiatische Bank, Shanghai, Period—1st April, 1919–30th June 1919,” June 30, 1919, TNA, FO228/2842, Vol. 2, 13:15.
- 68 “Report on Work of Liquidation of Deutsch-Asiatische Bank, Shanghai, Period—1st April, 1919–30th June 1919,” June 30, 1919, TNA, FO228/2842, Vol. 2, 13:15.
- 69 Stephen to Jordan, May 8, 1919, TNA, FO228/2842, Vol. 1, 146.
- 70 Jordan to Stephen, May 8, 1919, TNA, FO228/2842, Vol. 1, 137; “Report on Work of Liquidation of Deutsch-Asiatische Bank, Shanghai, Period—1st April, 1919–30th June 1919,” June 30, 1919, TNA, FO228/2842, Vol. 2, 13:2.
- 71 Fraser to Jordan, June 14, 1919, TNA, FO228/2842, Vol. 2, 6.
- 72 “Geschäft-Bericht über die Jahre 1915–1925,” September 21, 1928, DB; Jordan to British Foreign Office, August 19, 1919, TNA, FO228/2842, Vol. 2, 18.
- 73 “Geschäft-Bericht über die Jahre 1915–1925,” September 21, 1928, DB.
- 74 Fraser to Jordan, December 5, 1918, TNA, FO228/2842, Vol. 1, 66.
- 75 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank, Shanghai,” April 22, 1919, TNA, FO228/2842, Vol. 1, 134:49.
- 76 “List of Debtors to the Deutsch-Asiatische Bank, Shanghai outstanding 14th August 1917 with Balances still unpaid,” April 22, 1919, TNA, FO228/2842, Vol. 1, 134.
- 77 “Report on the Works of Liquidation Bureau Deutsch-Asiatische Bank Shanghai,” April 22, 1919, TNA, FO228/2842, Vol. 1, 134:36.
- 78 “Qin Runqing tanhua jilu,” July 1957, SHQZSL, 37–38; “Huzhou xujia,” SHQZSL, 743–744.
- 79 Waijiaobu Commissioner of Foreign Affairs in Jiangsu to Waijiaobu, October 8, 1917, WJBDA, 03-36-114-02-001; Waijiaobu to Waijiaobu Commissioner of Foreign Affairs in Jiangsu to Waijiaobu, October 15, 1917, WJBDA, 03-36-114-02-002.
- 80 Central Liquidation Bureau to Waijiaobu, September 6, 1918, WJBDA, 03-36-114-02-1-113.
- 81 For a detailed study of the treatment of private businesses in Europe by the Central Powers and the Entente during the war, see Armstrong (1922). For the United States, see Alien Property Custodian, United States (1919).
- 82 On the disintegration of the global economy and its impact on global business following the outbreak of the First World War, see Jones (2004, 40).
- 83 Xu (2005, 164) cited from “Presidential Proclamation,” August 14, 1917, ODRW, 13.

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