

Paul E. Fontenoy, THE CONUNDRUM OF THE AMERICAN CHINA TRADE, 1784-1844. (Under the direction of Dr. Robert J. Gowen) Department of History, April 1995.

American efforts to solve a group of inter-connected problems dominated the history of the first sixty years of United States' trade with China. The Chinese empire was essentially self-sufficient; there were few foreign commodities that the Chinese found desirable. The United States had a voracious appetite for China's products. American merchants believed that China's teeming population offered the prospect of a virtually limitless market if U.S. traders could uncover the single, highly profitable product that was irresistible to the Chinese. The poverty of the general populace, however, rendered this belief illusory. Moreover, Chinese discernment combined with the reality of a narrow consumer base made it perilously easy to oversupply and depress or destroy the market for any product that attained momentary popularity.

For a half-century after 1784 the trade balance was markedly in China's favor, before it reversed to American advantage in the 1830s. The deficit had to be made up in silver, which was in short supply in the United States, increasing the urgency of the need for a widely acceptable product. Americans followed the British in successfully importing opium, illegally, into China, but this created further problems. British control over the major sources of the drug eventually led American participants in the trade to become commission agency firms based in China whose principal business was in Asia itself, thus distancing themselves from the economy of the United States. Opium drained China financially, preventing an expansion of the market for American goods, while American firms' agency status limited their share of the outflow of silver. The very commodity that

bade fair to fulfill American expectations limited their scope.

Most studies of America's China trade have concentrated on its economic or cultural impact on the United States. The operation of the trade, particularly the significance of the shift to agency houses based in China, have been largely ignored. Earlier studies have overlooked opium's overall importance for American trade, and the ironic limitations it imposed on successful expansion into the Chinese market.

THE CONUNDRUM
OF THE AMERICAN CHINA TRADE,
1784-1844

A Thesis

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the Faculty of the Department of History

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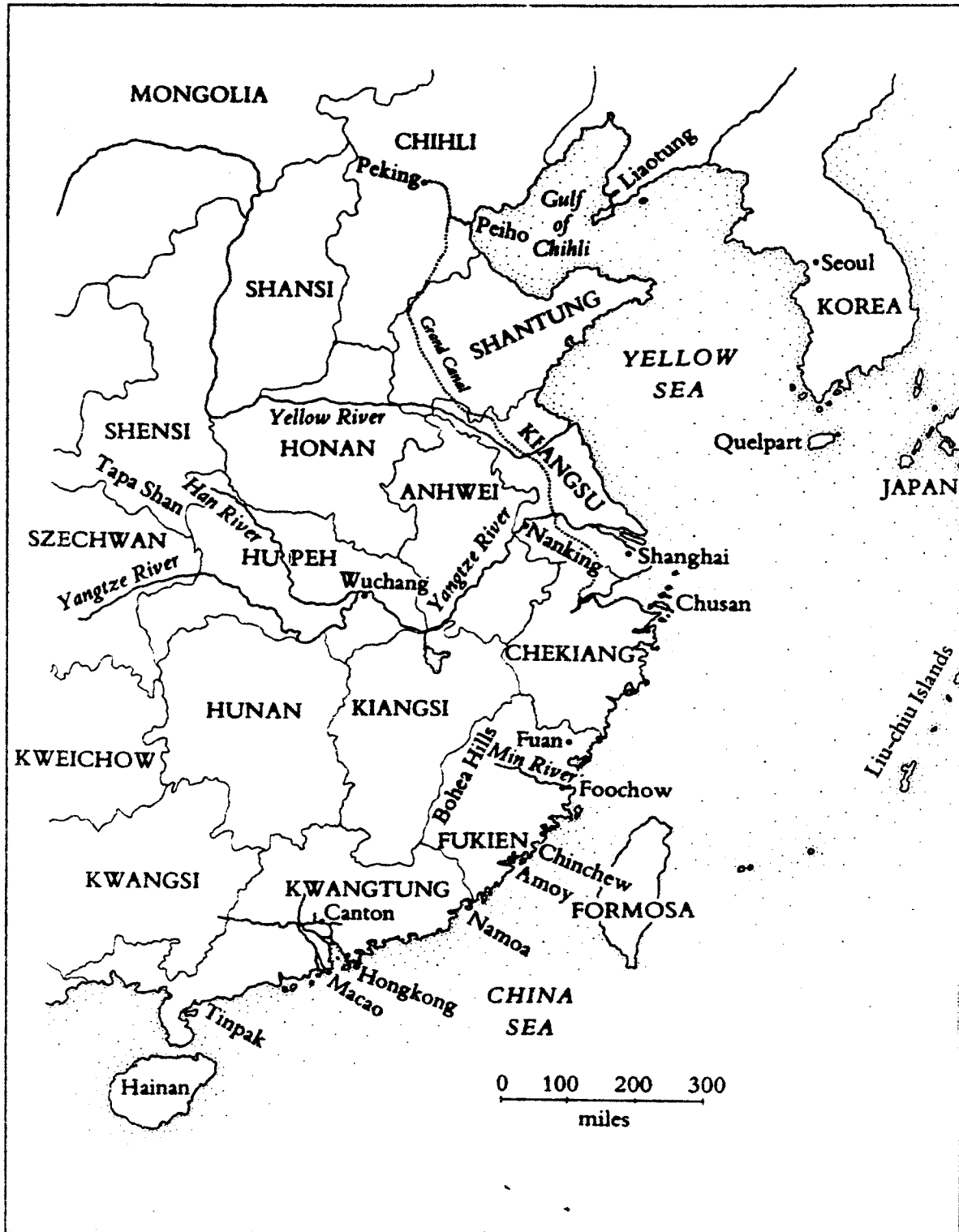
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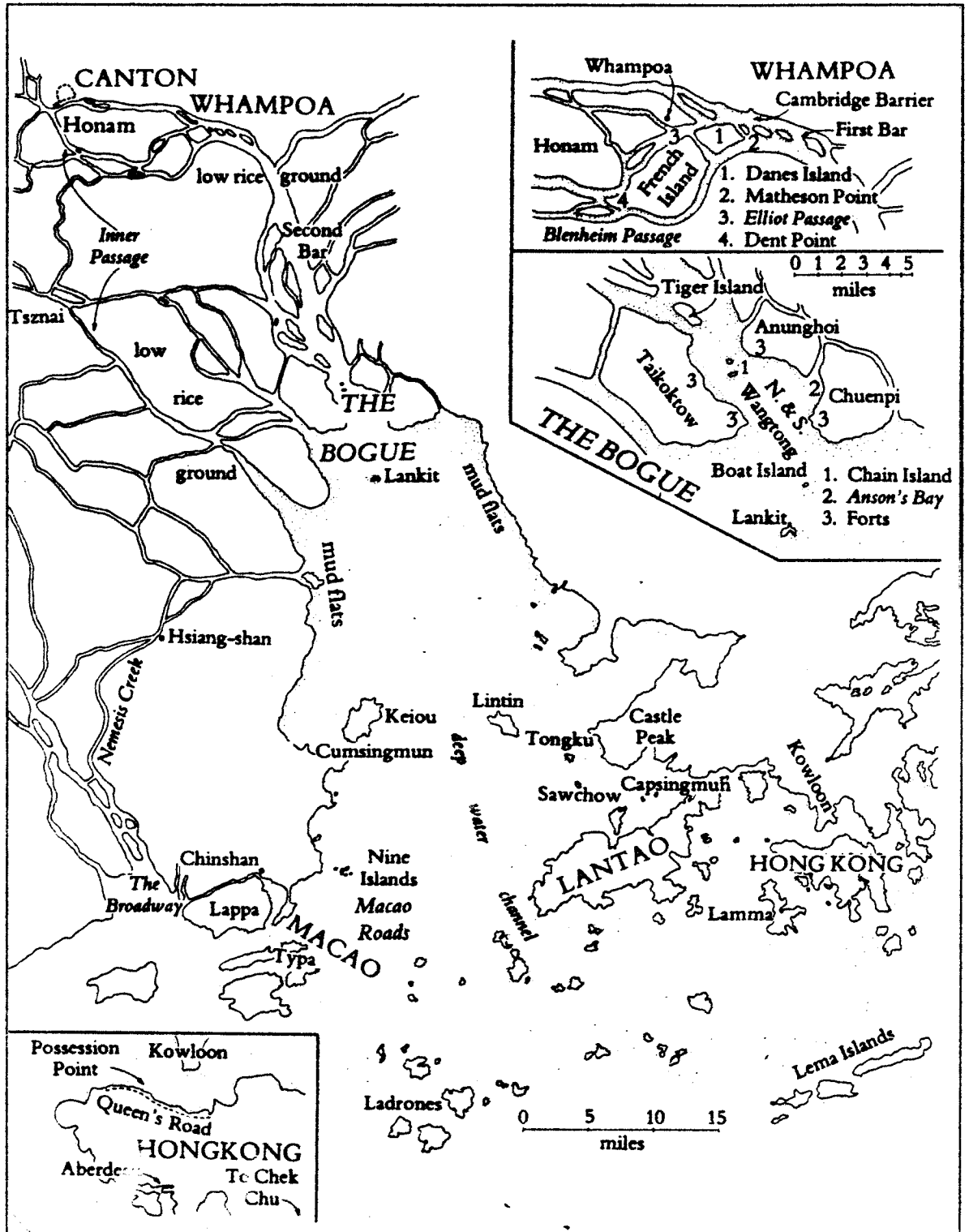
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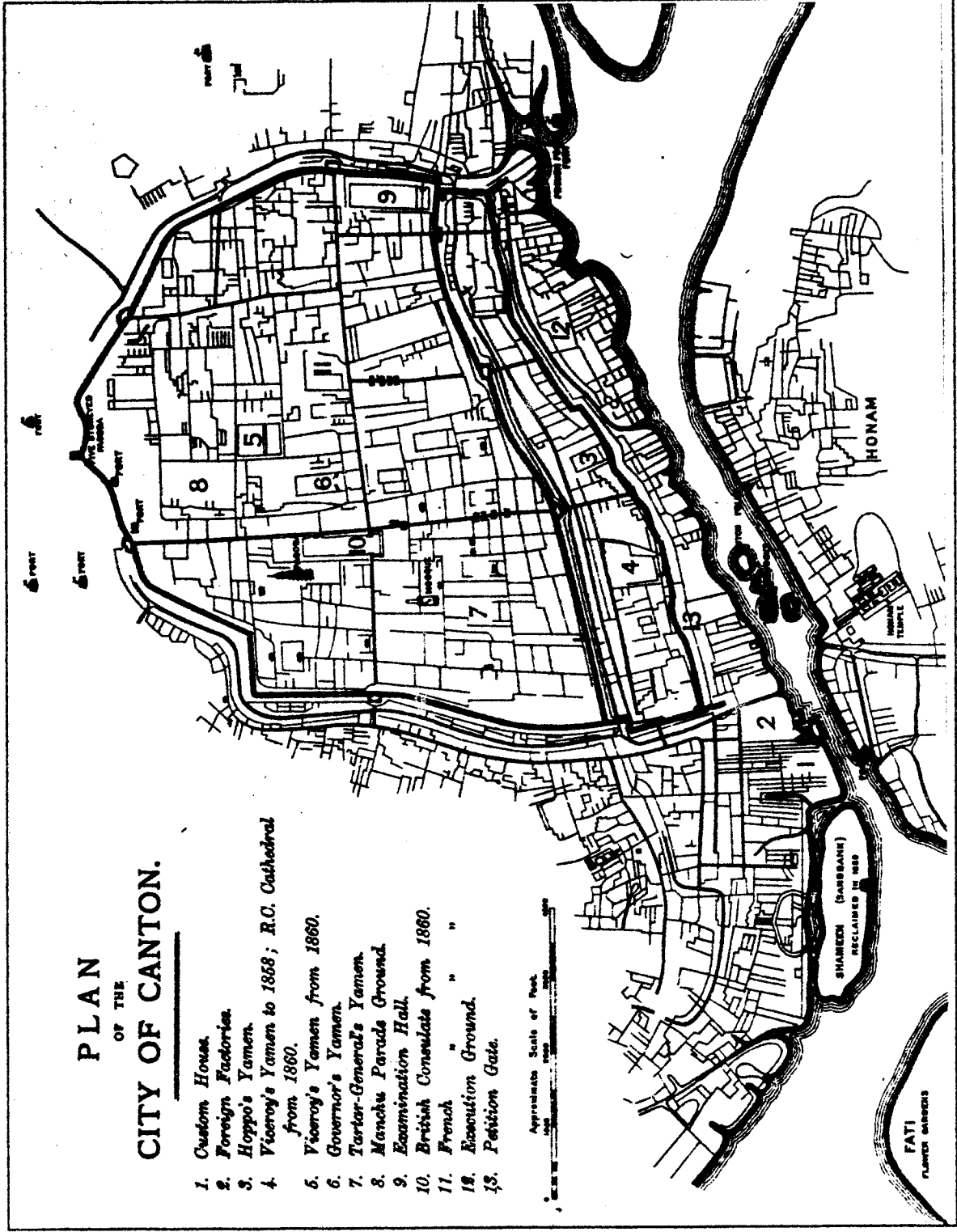
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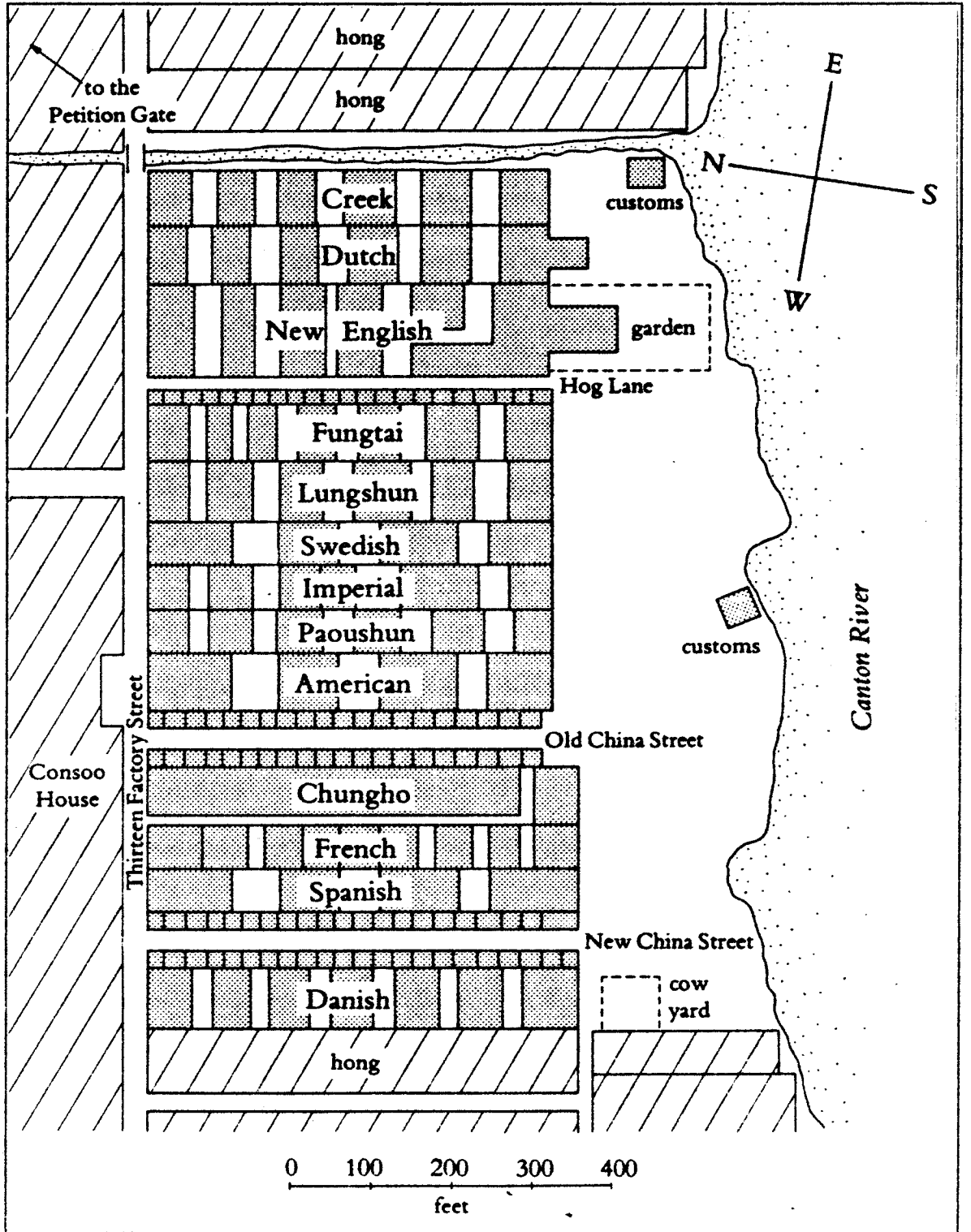


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Chapter 1.

The Conundrum. . . .

The conundrum of the American China trade lay in the presence of an apparently unlimited market that Yankee enterprise proved incapable of satisfying despite having access to products the Chinese found eminently desirable. The myth of boundless potential sales clashed with the reality of virtual self-sufficiency. American attempts to break through to this mythical market relied for success on massive exploitation of every opening, leading to saturation of the market in that product and its consequent collapse, whereupon the cycle was repeated with some other commodity. Reluctant to accept the mythical nature of a limitless Chinese market, and baffled by the failures of successive products to win widespread acceptance, Americans saw the Chinese response to their efforts as proof of fickleness. Britain deployed its military superiority in two wars to tear down Chinese obstacles to free access to the market and the United States followed to ensure co-equal rights: the principle of the "Open Door." A century of adherence to this principle, epitomized by the United States's willingness, in 1941, to fight a major war with Japan over this issue, illustrated the nation's commitment to the myth but did not resolve the conundrum; no means sufficed to create an unlimited market within self-sufficiency.

When American merchants entered the China trade after the United States gained its independence, they were participating in a commerce whose features and conditions had been established during the course of European mercantile interaction with the Chinese empire since the late sixteenth century. They drew in particular on the British

East India Company's 150 years of experience trading with China to assist in their preparations to enter this new market. Americans expected to gain important advantages over their British competitors from their possession of natural resources eminently marketable in China and from their freedom to circumvent the established system. During the years before Caleb Cushing's mission to Peking to negotiate a commercial treaty with China in 1844 American merchants were disappointed in their former hope, frustrated in their latter expectation, and discovered they needed Britain's willingness to use force to open the Chinese door to access the market they anticipated so eagerly in 1784.

An insoluble conundrum emerged during the first sixty years of the American experience of the China trade. The teeming population of China offered the tempting mirage of access to a potentially unlimited market if only U.S. traders could discover a passage through Chinese obstructionism carrying with them some widely acceptable product. Enterprising American merchants had ready access to natural resources, most notably ginseng, luxurious sea otter pelts, and sandalwood, that the Chinese apparently found eminently desirable. They seemed to possess competitive advantages over their foreign rivals in their freedom from governmental regulation of their trade with China, the quality and cheapness of their ships and the navigational skill and commercial ability of their mariners and captains, and the flexibility of their system of diffuse small-scale investment for financing ventures in foreign trade which allowed them to respond quickly

to new opportunities and changing markets.¹ In reality, American merchants faced enormous difficulties in discovering trade goods that were consistently marketable for reliably profitable prices at Canton in sufficient quantities to overcome Chinese self-sufficiency and thus reversing the markedly negative balance of trade generated by the United States's voracious appetite for Chinese exports. Americans experienced the same frustration of their aspirations as other Western merchants before them; this frustration precipitated the British use of military force between 1840 and 1842 in order to open wider access to the Chinese market, only to discover, gradually and reluctantly, that this apparently unlimited market was a myth.

The myth of China as an unlimited market remained powerful throughout the nineteenth century. A nineteenth-century British customs official remarked:

many regard China as a far-distant land, with an immense population, but so wanting in all that others possess as to be ready to purchase, in unlimited quantities, whatever is offered for sale; whereas, what is true is this: China needs neither import nor export, and can do without foreign intercourse. . . . Foreign traders can only hope to dispose of their merchandise there in proportion to the new tastes they introduce, the new wants they create, and the care they take to supply what the demand really means.²

Nevertheless, Americans' vision of the untapped potential of the Chinese market drove merchants and policy-makers in their quest to maintain the "Open Door" to China for a century after Cushing's negotiation of the Treaty of Wang-hsia in 1844. Westerners

¹See Robert G. Albion, William A. Baker, and Benjamin W. Labaree. *New England and the Sea*, (Mystic, CT: Marine Historical Association, 1972), 54-63, 96, 98-112, 140-149.

²Sir Robert Hart, *"These from the Land of Sinim": Essays on the Chinese Question* (London: Chapman & Hall, 1901), 60.

thought that Chinese exclusionary regulations prevented them from realizing the potential of the market. The Opium War in 1840 to 1842 and the Arrow War in 1856 to 1858 broke through those barriers, but the limitless market remained beyond the western merchants' grasp because it was a mirage with no basis in reality.

China was almost completely self-sufficient in both staples and luxury goods; a situation that Western merchants were reluctant to acknowledge. Sir Robert Hart again noted:

The Chinese have the best food in the world, rice; the best drink, tea; and the best clothing, cotton, silk, and fur. Possessing these staples, and their innumerable native adjuncts, they do not need to buy a penny's worth elsewhere; while their Empire is in itself so great, and they themselves so numerous, that sales to each other make up an enormous and sufficient trade, and export to foreign countries is unnecessary.³

Hart correctly identified the significance of the Chinese domestic market to the economic well-being of the empire. Nevertheless, the teeming population of China did not translate into a vast market for basic Western goods. As the British consul at Chefoo reported in 1877:

So long as labour is a drug on the market, and half the people in the country are idle for a great part of the year, so long will hand looms continue to supply the wants of each household. So long as an able-bodied man's wages is only 6d. a-day, so long will the luxuries of Manchester [machine-woven cotton cloth] be utterly beyond his reach.⁴

³*Ibid.*, 61.

⁴Great Britain, Parliament, *Commercial Reports by Her Majesty's Consuls in China: 1877, 1878* (Dublin: Irish University Press Area Studies, 1971), 37.

This vast mass of people, furthermore, had little expectation of ameliorating their situation, which rendered Western prospects of massive commercial penetration of China even more unlikely. A missionary in the 1830s described the condition of Chinese peasants in Shantung as

generally good. We witnessed nothing of that squalid poverty and deep distress, to be met with in other parts of the empire . . . no want, so far as we could perceive, prevailed. We saw no beggars, and few ragged people. . . . The poor people who pursue, from youth to old age, the same monotonous round of toils, for subsistence, never see nor hear anything of the world around them. Improvements in the useful arts and sciences, and an increase of the conveniences of life are not known among them. In the place where their fathers lived and died, they toil and pass away, to be succeeded by another generation in the same manner. The towns, and even the villages, which are noted in the old maps, we found as delineated; unchanged, except by decay, and unimproved in any respect. The people possess few of the comforts of life; neither table, chair, nor any article of furniture, was to be seen in the houses of the poorer classes.⁵

Confucian doctrine displayed a strong anti-mercantile bias; the merchant ranked below the official, the landlord and rich farmer, and even the owner of a workshop in social status among those of the propertied classes.⁶ Its pervasive influence led the government to emphasize stability, manifested as a general populace that was nourished

⁵William Henry Medhurst, *China: Its State and Prospects, with Especial Reference to the Spread of the Gospel: Containing Allusions to the Antiquity, Extent, Population, Civilization, Literature, and Religion of the Chinese* (London: John Snow, 1838), 451-454.

⁶John King Fairbank & K. C. Liu, eds., *The Cambridge History of China* (London: Cambridge University Press, 1978-1983) 10, pt. 1: 33. John King Fairbank, *The United States and China*, 3rd edition (Cambridge, MA: Harvard University Press, 1971), 24-30.

and a flourishing gentry, rather than economic growth. Law and order, national security, and public works took precedence over development.⁷

Nevertheless, commercial enterprise was an essential feature of China's society, as the dominance of Chinese expatriates in the business world of southern Asia demonstrates.⁸ On the mainland, business activities often were combined with a career as an official or scholar; the determinant for participation in commerce was personal wealth or access to capital. The relative rigidity of Chinese society was not an absolute bar to social mobility; enterprising artisans could become wealthy merchants through marketing their products rather than selling their labor skills.⁹

Basic self-sufficiency, a narrow population base for the sale of both Western manufactures and luxury commodities amid the essentially destitute mass of the people, and, at the very least, an attitude of condescension toward entrepreneurship and commercial activity all combined to render the foreign traders' concept of a boundless market ripe for penetration an illusion. It was easy to glut the relatively small demand for foreign goods in a short time. American merchants, initially dependent as they were on a

⁷Alexander Eckstein, *China's Economic Development: The Interplay of Scarcity and Ideology* (Ann Arbor: University of Michigan Press, 1975), 131-132. Fairbank, *The United States and China*, 36-42.

⁸See Kenneth McPherson, "China's Trade with the Indian Ocean to the 19th Century: A Study in Cyclical Relationships," and Claudine Salmon, "The Han Family of Java - Entrepreneurship and Politics (18th-19th Century)," in Quanzhou International Seminar on China and the Maritime Routes of the Silk Roads Organization Committee, *China and the Maritime Silk Route: UNESCO Quanzhou International Seminar on China and the Maritime Routes of the Silk Roads* (Quanzhou: Fujian People's Publishing House, 1991), 55-60, 425-445.

⁹Tan Chung, *China and the Brave New World: A Study of the Origins of the Opium War (1840-42)* (Durham, NC: Carolina Academic Press, 1978), 32-33.

limited range of marketable commodities, proved particularly susceptible to this problem, especially as they exacerbated their difficulties by simultaneously concentrating their export efforts on the same single product which they unanimously viewed as a panacea for their troubles. The Chinese reaction was to slash the price they were prepared to offer, or even entirely to reject the commodity, provoking American complaints of the fickleness of the market in China. The trade of the United States with China between 1784 and 1844 was marked by a succession of cycles in which the market first boomed and then collapsed precipitously.

Chapter 2.

China, Commerce, and the Canton System.

The first sixty years of American trade with China took place within the framework of the "Canton system." The imperial authorities surrounded Western traders with a hedge of regulations, mandates, and edicts to keep them at arm's length, since the Chinese regarded foreigners as both potential threats to national security and barbarians who visited China to acknowledge their tributary status.¹ Americans and private British traders regarded the system as an obstacle both to their penetration of the Chinese market and the profitability of their commerce. Consequently, as American and British private traders had far less at stake than the great European East India companies, they were more willing to attempt to circumvent restrictions on their commercial arrangements. By 1840, the "Canton system" probably regulated only half of foreign trade with China.²

The opening of Western trade with China on a regular basis in the early years of the eighteenth century prompted the establishment of this unilaterally imposed system of regulation and restriction. The Chinese were ethnocentric in the extreme, "they consider China the centre of civilisation, and their Emperor the sovereign of the universe."³ The Chinese government's traditional response to the arrival of foreign traders, starting with

¹Michael Greenberg, *British Trade and the Opening of China, 1800-42* (Cambridge: Cambridge University Press, 1951), 41-46.

²*Ibid.*, 50.

³Great Britain, Parliament, *Sessional Papers: 1830* (Dublin: Irish University Press Area Studies, 1971), 5: 69.

the advent of Muslim merchants during the later T'ang and Sung dynasties, was rigorously to confine and closely regulate their activities within certain sections of a restricted number of seaports and to limit their interaction with Chinese merchants and officials both to contain the foreigners' corrupting influence and to make clear their status as vassals. The Arabs, for example, initially had been restricted to certain suburbs of Canton and Quanzhou, and the arrival of the Portuguese in the sixteenth century led to their confinement to Macao.⁴

The Portuguese opened the way for a flood of other European traders. The success of their great competitors, the Dutch and their East India Company, encouraged imitation by the British, French, Danes, Swedes, Russians, and others, all of whom established similar trading companies to exploit the growing European appetite for East Asian goods. Increasing numbers of Westerners traded with China, and exhibited a growing disregard for Chinese sensibilities. An early American trader noted:

When the Europeans first visited this country, they were received by the Chinese with great kindness and hospitality, granting them every indulgence in the pursuits of commerce, which was reasonable. They at first had full liberty to go where they pleased; but the strangers soon began to abuse this indulgence, and conduct themselves in such a manner, by taking liberties with their women, and other gross improprieties which a Chinese can never overlook.⁵

⁴John King Fairbank, *The United States and China*, 126-127, 130-131, 138-140.

⁵Amasa Delano, *A Narrative of Voyages and Travels in the Northern and Southern Hemispheres: Comprising Three Voyages Around the World: Together with a Voyage of Survey and Discovery in the Pacific Ocean and Oriental Islands* (Boston: for the Author, 1817), 530-531. See also Greenberg, *British Trade*, 44-46.

The Chinese government responded by restricting the Europeans to Canton and strictly supervising their trading activities. By the time American merchants started to visit China in the 1780s the hierarchical "Canton system" was fully developed and largely governed their operations until after the Opium War came to an end in 1842.

The "Canton system" surrounded foreign commerce with imperial mandates and edicts intended to keep all participants in their place within the hierarchy. At the bottom of the scale were the "red barbarians," the Western traders. The "Eight Regulations" established the conditions under which foreign merchants could operate. All merchant vessels had to proceed immediately to Whampoa on their arrival, so as to prevent smuggling. Warships, on the other hand, were never permitted to enter the Bogue, the estuary of the Canton River. Merchants were obliged to confine themselves to their factories (warehouse and office complexes) in a suburb to the southwest of Canton outside the city walls and barred from entering the city itself. Within the factories the number of their servants was restricted, women were excluded, and weapons forbidden. To prevent Westerners from spying, the Chinese authorities required them to depart from Canton during the off-season summer months from April to October, prohibited pleasure boating on the river except under stringent control, barred them from contact with most of the native population, and forbade them from learning Chinese. They could not import opium or saltpeter, nor export silver bullion, ironware, or bulk rice. To emphasize their

vassal status, foreign traders could not address government officials directly but had to submit "respectful petitions" through the Chinese Hong merchants.⁶

The Hong merchants formed the next level in the hierarchy. The Cohong, the term for the Hong merchants' association, was an exclusive guild, varying between six and fifteen in number, which the imperial administration established in 1720 to supervise the Southern Sea trade.⁷ They worked together to restrain foreigners and prevent smuggling, but in their commercial operations, they functioned individually under imperial license, venturing their own capital and retaining their separate profits. After 1745 the government required the individual Hong merchants to stand surety for every foreign vessel's payment of all import and export duties and its crew's good behavior while trading at Canton. They provided all necessary interpreters and go-betweens, handled customs duties and requisite gifts to officials, and, because they possessed at least a theoretical monopoly of the sale of all staple goods to foreigners, they set the general prices for these items.⁸ They also owned the factories, leasing them to the various national East India companies.

The factories themselves were long narrow whitewashed buildings stretching from the waterfront to the suburbs below the city walls. Each factory (of which there were ultimately thirteen) contained two or three floors divided into rooms. The business offices, storerooms, vaults, and other commercial facilities were on the ground floor, and the living

⁶William C. Hunter, *The 'Fan Kwae' at Canton Before Treaty Days. 1825-1844* (London: Kegan, Paul, Trench & Co., 1882), 28-30.

⁷*Ibid.*, 34.

⁸Robert Bennet Forbes, *Remarks on China and the China Trade* (Boston: Samuel N. Dickinson, 1844), 10-12.

accommodations on the upper levels. Go-downs (warehouses) were attached to the factories, so each complex covered ten or more acres.⁹

The members of the Cohong obtained their positions through the contribution of substantial sums of as much as 200,000 taels of silver (approximately \$280,000) to the central government at Peking.¹⁰ At first the Chinese regarded an appointment to the Cohong as a "promotion," but by the early years of the nineteenth century, the exactions of corrupt officials and ever more frequent demands for "voluntary" contributions, or "squeeze," for disaster relief, bandit suppression, or public works projects considerably diminished its attractions.¹¹ To assist in covering these extraordinary expenses, as well as later providing for the repayment of debts to Westerners of their bankrupt colleagues, the Hong merchants set up the secret Consoo Fund in 1780. Finance for the fund came from a surcharge on imports and exports, generally 3 percent but raised to as much as 6 percent in emergencies, plus a percentage contribution from the individual profits of each Hong merchant.¹² In 1806 the Cohong reportedly had to pay \$3 to \$4 million annually in bribes and gratuities to various government officials; this sum apparently doubled by the 1830s when Robert Bennet Forbes, a partner in the major American trading house of Russell & Co., reported that each member had to disburse over \$600,000

⁹*Ibid.*, 11.

¹⁰During this period 1 tael of silver was worth approximately \$1.40. See Forbes, *Remarks on China*, 77.

¹¹Great Britain, Parliament, *Sessional Papers: 1830*, 5: 69. Hunter, *The 'Fan Kwae'*, 36. Forbes, *Remarks on China*, 11-13.

¹²Forbes, *Remarks on China*, 13. Greenberg, *British Trade*, 52-53.

each year.¹³ In 1832, for example, they contributed 100,000 taels (\$140,000) for the suppression of an insurrection in a neighboring district and the following year they subscribed a further 120,000 taels (\$170,000) for relief of those suffering from an inundation in Kwangtung province.¹⁴

These depredations, and the sometimes excessive business risks less financially secure Hong merchants consequently took in order to maximize their earnings, often resulted in bankruptcies among their number, banishments to Sinkiang Province (the Chinese equivalent of exile to Siberia), and fluctuations in the numbers of the Cohong due to a general reluctance among potential members to participate. Nevertheless, despite some spectacular business failures--in 1825 the combined foreign debts of three individual members of the Cohong, Hingtai, Mouqua, and Kingqua, totaled almost \$1.4 million, and Manhop, another Hongist, went bankrupt in 1828 owing \$1.5 million--several Hong merchants became extremely wealthy.¹⁵ The most successful seems to have been the younger Houqua. He had considerable dealings with American traders from the time of their first arrival in 1784, particularly J. & T. H. Perkins and Co. of Boston through John Perkins Cushing, their agent in Canton from 1803, and their successors, Russell & Co.¹⁶ Houqua's reputation for punctuality, accuracy, reliability, and honesty enabled him to charge higher prices than his fellow merchants. This, combined

¹³Hosea Ballou Morse, *The Chronicles of the East India Company Trading to China*, 5 vols. (Cambridge, MA: Harvard University Press, 1926-1929), 3: 39.

¹⁴Forbes, *Remarks on China*, 13-14.

¹⁵Hunter, *The 'Fan Kwae'*, 47. Great Britain, Parliament, *Sessional Papers: 1830*, 5: 248. Forbes, *Remarks on China*, 37-40.

¹⁶Greenberg, *British Trade*, 59. Hunter, *The 'Fan Kwae'*, 48-49.

with his frugal way of life, and despite his personal generosity, allowed him to amass a fortune he estimated at \$26 million in 1834.¹⁷

American traders generally were impressed by the civility of Hong merchants with whom they had dealings, and also by their adept handling of business negotiations.

I was highly pleas'd with the polite attention shewn to strangers at Canton, by the Mandarines and Merchants. . . . The Chinese *merchant* is very particular in his business, and very nice in his calculations. . . . In making a bargain they are very *shrewd*; when closed they are *faithful* as to quantity, but for quality you must be constantly on your guard or else 't is certain the Goods will not turn out as expected, and the only satisfaction you will get from them is that you ought to have looked sharper . . . on another Voyage you will be better acquainted with the mode of doing business in Canton. Upon the whole, the Candour that is about the Chinese merchant makes some amends for the general complaint against them, that they *will* cheat you, if they can--therefore your business is to see that *they shall not*.¹⁸

The superintendent of maritime customs for Canton, always, though incorrectly, known as the Hoppo, supervised the activities of the Hong merchants. (Hoppo was actually the Chinese term for the Board of Revenue) He was appointed directly by the emperor in Peking, usually for a three-year term during which he was responsible for collecting all duties on the Canton trade and remitting them to the Board of Revenue in the capital, for which he received a salary of 2-3,000 taels (\$2,800-4,200), "but he enriched himself by exactions and fees; and all the subordinate officers of customs, of which there were many, paid him handsomely for their places."¹⁹ Since the Board of Revenue expected to receive a fixed

¹⁷Hunter, *The 'Fan Kwae'*, 48.

¹⁸John Boit, "Remarks on the Ship *Columbia's* Voyage from Boston (on a Voyage round the Globe)," *Proceedings of the Massachusetts Historical Society* 53 (1920), 265-266.

¹⁹Forbes, *Remarks on China*, 11. Hunter, *The 'Fan Kwae'*, 35-36.

amount there was ample opportunity for the Hoppo to enrich himself from the proceeds. The British East India Company reported that "it took the net profit of the first year of his tenure to obtain his office, of the second year to keep it, and of the third year to drop it and provide for himself." A British trader asserted to Parliament in 1830 that the Hoppo kept one-half of the revenues for himself and sent the other half to Peking.²⁰

At the top of the local hierarchy was the viceroy or governor-general of both Kwangtung and Kwangsi provinces. He, too, was appointed directly from Peking and was endowed with sweeping authority over his subordinates in the system. Like the Hoppo, the viceroy was notorious for his rapacity, but the imperial central authorities' principal concern was that the maximum possible trade revenues be remitted. The viceroy began, as early as 1789, to under-report the actual numbers of foreign arrivals. In part this was motivated by a concern to avoid alarming Peking over the extent of foreign trade, since the government in China traditionally viewed foreign trade as a form of contact with potential invaders. The Emperor K'ang-hsi observed in 1693: "Although it is a grand thing that the foreign states present tributes, it may result in trouble for our future generations." On the other hand, under-reporting foreign trade also presented the viceroy with great opportunity to further enrich himself.²¹ Nevertheless, Canton's foreign trade duties generated revenues of at least \$1.8

²⁰Hosea Ballou Morse, *The International Relations of the Chinese Empire*, 3 vols. (Shanghai: Kelly & Walsh, 1910-1918), 1:34. Great Britain, Parliament, *Sessional Papers: 1830*, 5:103.

²¹C. Northcote Parkinson, *Trade in the Eastern Seas, 1793-1813* (Cambridge: Cambridge University Press, 1937), 58. Tan Chung, *China and the Brave New World: A Study of the Origins of the Opium War (1840-42)* (Durham, NC: Carolina Academic Press, 1978), 34-35.

million annually for the emperor in the early nineteenth century, about 3 percent of all imperial revenue.²²

Trade in teas, textiles, and products the Chinese considered to be drugs (rhubarb, cassia, and camphor) was the monopoly of the Hong merchants; "outside merchants" or "shopmen" supplied Westerners with the other goods they desired to purchase for their home markets. By the time Americans entered the China trade, the "shopmen" had broken into the Cohong's monopoly trades and could supply these controlled goods too, although they had to pay the Hong merchants a commission on their sales.²³ Despite these charges, the "outside merchants" usually could offer more competitive prices than the members of the Cohong because they did not have the same expenses for Consou fund contributions and the array of "voluntary" payments to which the Hong merchants were subject.²⁴

American traders dealt extensively with these "outside merchants" because it offered the potential of enhanced profits. This practice, however, demanded great care and strong nerves because it was riskier than dealing with the Cohong. The "shopmen" were not members of a guild, so there was no guarantee of their commitments to foreign merchants should they fail to deliver or suffer financial collapse. Moreover, when the "outside merchants" traded in

²²Imperial revenues fell from 1766 to 1842, but were between \$51 and \$56 million annually between 1812 and 1842. Chung, *China and the Brave New World*, 177. For estimates of revenues derived from western trade see Morse, *Chronicles*, 2:425.

²³John Gibson, "Observations on the Trade with the Chinese (1807)," John Wain Notebooks, Library Company of Philadelphia.

²⁴Howard Corning, ed., "The Letters of Sullivan Dorr," *Proceedings of the Massachusetts Historical Society*, 67 (1945), 190.

goods monopolized by the Cohong, they did so with the Hong merchants' consent which might be withdrawn without notice. As an American trader remarked in 1807:

They will offer a much higher price perhaps 50 pct. & more flattering Terms in all respects but will cheat you in the price or Qualities of the Goods you take in return or will get the advantage of you in some part or other of the operation, for at this game this Class of Chinaman, are a match for the Devil.²⁵

Nevertheless, by the early 1800s "shopmen" were handling more American commerce than the Hong merchants, particularly imports of furs from the Northwest coast, and by the early 1820s large American and British firms, such as J. & T. H. Perkins and Jardine, Matheson, and Company, had well-established relationships with several major "outside merchants" that persisted into the 1830s.²⁶

Despite the gradual circumvention of its restrictions, the increasing resort to "outside merchants," and the development of the "outer anchorages" (located in the Canton River estuary outside effective Chinese governmental supervision) as a result of the growth of illegal trades, particularly the smuggling of opium, the "Canton system" continued to permit the Chinese authorities to maintain a measure of control over about half of all Western commerce with China into the early 1840s.²⁷ In 1842, however, the British military assault revealed its fragility, and the helplessness of imperial Chinese institutions in the face of Western attackers

²⁵Hezekiah B. Pierrepont, "Notes on the Trade of China, taken chiefly from Observations made at Canton in the Season of 1796 & corrected in London June 1798," 33-34. Constable-Pierrepont Papers, Box 43, New York Public Library.

²⁶Lawrence H. Leder, "American Trade to China, 1800-1802: Some Statistical Notes," *American Neptune*, 23 (1963), 216-217. Hunter, *The 'Fan Kwae'*, 106. Greenberg, *British Trade*, 54.

²⁷Greenberg, *British Trade*, 50.

determined to overthrow all restriction or regulation of their commerce with China. Success in the Opium War opened the floodgates not only to British merchants but also to traders of all Western nations who rode Britain's coat-tails to an open commercial door to China.

Chapter 3.

The Voyage of the Sloop *Experiment* to Canton.

A venture from the United States to China in the late eighteenth-century was a risky undertaking. The absence of a strong market for U.S. goods handicapped American trade. A voyage to Canton also represented a major capital investment. Merchants, therefore, financed this commerce through multiple small-scale investors, to limit individual exposure, and promoted each departure as a self-contained venture. The voyage of the sloop *Experiment* to Canton strikingly demonstrates these salient characteristics of early American commerce with China.

The *Empress of China*, the first American ship in the China trade, returned in triumph to New York on 11 May 1785. Its investors enjoyed a clear profit of between 25 and 30 percent, and refitted the ship for a return voyage to Canton, financed by a new partnership.¹

The success of the *Empress of China* stimulated a group of New York and Albany businessmen to consider their own venture to Canton, employing a small 85-ton sloop appropriately named the *Experiment*. Theirs was a much less ambitious undertaking, but then it was not backed by Robert Morris, the Philadelphian "Financier of the Revolution,"

¹The most thorough account of this first voyage is given in Philip Chadwick Foster Smith, *The Empress of China* (Philadelphia: Philadelphia Maritime Museum, 1984). See also Clarence L. Ver Steeg, "Financing and Outfitting the First United States Ship to China," *Pacific Historical Review*, 22 (1953), 1-12, and William Bell Clark, ed., "The Journal of the *Empress of China*," *American Neptune*, 10 (1950), 83-107, 220-229, 288-297, and 11 (1951), 59-71, 134-144.

who had been the principal supporter of the *Empress of China's* venture. Nevertheless, this was a significant enterprise: it was only the second direct voyage from the new United States to China, the *Experiment* was a very small vessel indeed, particularly in comparison with East Indiamen of 1000 tons or more that European companies employed in the Canton trade. This venture's commercial aspects illustrate important features of the early American trade with China.

The sloop itself was built in the summer of 1784 at Albany for Stewart Dean, who had commanded several privateers during the recent war, and Teunis T. Van Vechten, a prominent Albany merchant. When eventually federally enrolled in the coastwise trade after returning from China, the *Experiment's* dimensions were listed as length -- 58 feet 11 inches, beam -- 19 feet 3 inches, depth of hold -- 8 feet 11 inches, register tonnage -- 85½ tons.² The sloop cleared Albany in mid-July on its maiden voyage, carrying a full cargo of wheat and corn consigned to Shirley, Bangor & Company in Madeira. There Dean loaded with wines and sailed to the West Indies, pausing en route at the Cape Verde Islands to

²Two building sites have been put forward: near the Eagle Tavern by George Coggeshall, *An Historical Sketch of Commerce and Navigation* (New York: G. P. Putnam, 1860), 53, or in Dean's own garden by Richard Henry Greene, *Todd Genealogy* (New York: Wilbur & Hastings, 1867), 29. For ownership, see Dean to John Jones, 26 May 1784, Stewart & Jones Letters Received 1771-1820, New York Public Library, and Jones to Van Vechten & Dean, 12 July 1784, Stewart & Jones Letter Book 1780-1786, New York Public Library. Dimensions from U. S. Customs Service - Records for the Port of New York (RG36), National Archives, Washington. Any New York State documents that may have existed before Federal enrollments were introduced in 1789 were destroyed by the fire at the New York State Library in 1833, so the sloop was not documented until it was operating on the Hudson River after returning from China.

“fill [his] Deck with small Cattle.” The wines and cattle were bartered for rum that was taken to Charleston, South Carolina, which the sloop left on 23 December for New York.³

Dean sold a one-third share of his vessel to the partnership of James Stewart and John Jones in early January 1785.⁴ A financially dismal round trip voyage to Charleston followed: the owners netted less than £50 after paying all operating expenses. This they attributed to “the Kooped condition of the american Trade [which] at present is such that where formerly One American Vessell frequented that or any of the American Ports, there is now Ten, and every place is over Run & Glutted owing to our not having Liberty of the English West India Trade.”⁵ The *Experiment*, therefore, “was Chartered from here [New York] with Passengers for S^t Eustatia for £275 York money and there Discharged.”⁶

The trade situation still had not improved by July 1785. Stewart & Jones wrote to Shirley, Bangor & Company that “The Sloop Experiment, Cap. Dean, we have chartered for Madeira @ 15^s Sterling pr. ton burden to Messrs. Ins, Searle & Co of your Island, our not having a voyage at present for Dean and being confident we should not have a better offer of Freight induced us to close with I.S & Co. We mean She shall call at the Isle of May for a load of Salt on her way back.”⁷ Dean finally returned to New York on 18

³Jones to Van Vechten & Dean, 12 July 1784, Stewart & Jones Letter Book 1780-1786, Dean to James Stewart, 22 Dec. 1784, Stewart & Jones Letters Received 1771-1820.

⁴Stewart & Jones to Van Vechten, 12 Jan. 1785, Stewart & Jones Letter Book 1780-1786.

⁵Stewart & Jones to William Stewart (James Stewart's cousin in New London), 13 Apr. 1785, Stewart & Jones Letter Book 1780-1786.

⁶Stewart & Jones to Joseph Carson of Philadelphia, 6 June 1785, Stewart & Jones Letter Book 1780-1786.

⁷12 July 1785, Stewart & Jones Letter Book 1780-1786.

October and a few days later Stewart & Jones wrote to Van Vechten that "respecting Dean's voyage to the East Indies it's not yet altogether fixed as yet. We are now looking up a good concern of which you will hear further from us when it is finally fixed."⁸

A little over three weeks later, on 15 November, a group of eighteen investors met at Bradford's Coffee House in New York and agreed "to fit out the Sloop Experiment Stewart Dean Master for Canton in China . . . the expences of Vessel & Cargo not to exceed the sum of £10,000 N.Y. Currency. We also agree that when fifteen shares are subscribed for this Business shall be carried into immediate Execution." Guilian Verplanck became their treasurer, Robert Dale, William Laight, and James Stewart joined him to form a committee to handle purchases and payments, and the subscribers decided to meet together each Tuesday in the coffee house at 6:00 P.M. to review their venture's progress.⁹

Seventeen subscribers, who were both individuals and small partnerships or firms, purchased a total of eighteen shares. Only Stewart & Jones subscribed for two shares. This firm, Stewart Dean, and Teunis T. Van Vechten, who were the joint owners of the *Experiment*, took up of the original eighteen shares. Furthermore, a business letter from Shirley, Bangor & Co. in Madeira indicates that, in June 1785, Stewart & Jones and two

⁸Dean's return was noted in Stewart & Jones to Messrs. Jacob Lansing Jun., Guysbert, & Abraham Fonda of Albany, 18 Oct. 1785, and the voyage to China discussed on 24 Oct., Stewart & Jones Letter Book 1780-1786.

⁹Article of Agreement between the Owners of the Sloop Experiment, "The Cost, Outfit, Cargo and Disbursements of the Sloop Experiment, Stewart Dean Master, of 80 Tons Burthen on a Voyage from New York to Canton and Back," New-York Historical Society, hereafter referred to as *Outfit*.

of the other shareholders, Peter Schermerhorn, and Ten Eyck & Seaman, were operating in partnership.¹⁰ This group thus formed no less than one-third of the total shareholding.

The day after the investors agreed to proceed with the venture Stewart & Jones wrote to Joseph Carson in Philadelphia asking him to ship them canvas duck and ginseng. "Its for Dean, of our Sloop Experiment for Canton. Our shares are all full."¹¹ This letter also clearly indicated the two principal concerns of the new "India Company of Experiment"--fitting out their vessel and assembling a suitable cargo for the Chinese market. The first task was placed in Dean's capable hands. Under his supervision, carpenters raised the bulwarks, fitted gunports, and enlarged the stern cabin. A caboose for cooking was either fitted or, more likely, simply relined with new bricks. The carpenters also replaced defective planks and re-caulked the hull.¹²

Some extensive changes were made to the sloop's rig. Dean fitted a new, longer topmast, so that the *Experiment* could spread both a topsail and a topgallant. A jib-boom extended beyond the tip of the bowsprit to carry a flying jib. The new rig provided studding sail yards and booms for the square sail and topsail yards, and gear to hoist a ringtail beyond the gaff mainsail. This rig gave the *Experiment* a very comprehensive suit of sails for light weather. There are two unusual features of the rig: both the fore staysail

¹⁰Shirley, Bangor & Co. to Stewart & Jones, 16 June 1785, Stewart & Jones Letters Received.

¹¹16 Nov. 1785, Stewart & Jones Letter Book 1780-1786.

¹²£0.16.0 were paid to a mason for "Lining a Cabouse with Stuff." Two scows and a crab [crane] were hired by Samuel A[c]kerly while his gang of carpenters was working on the *Experiment*, indicating that some of the men were working over the side. Mason for Cabouse, and S. Ackerly, Carpenter, *Outfit*.

and the jib were fitted with bonnets rather than reefs, and one spar supplied was "a Studdin Sail Mast."¹³ It is possible that this was fitted as an oversize ensign staff, as on some fully-rigged ships, but this seems unlikely since it would have obstructed the boom of the mainsail, so its employment remains mysterious.¹⁴

Since the *Experiment* was sailing into waters considered to be dangerous, the promoters determined to protect their investment. They equipped the sloop with two 10-pounder carriage guns, twelve small arms, four blunderbusses, and two pairs of pistols, together with gunpowder and ammunition, to keep pirates at bay. The company purchased two brass compasses, one of which was "second hand," a "New Wood Compass," and "Charts of Directions for sailing to, from, and in the Indian Ocean" to navigate the sloop safely to China. A "Medsin chest" and supplies costing £7.7.0 were to take care of the crew's health.¹⁵

Procuring a suitable cargo posed a particular problem for the promoters because American merchants had little direct experience to draw upon in selecting the most likely items to sell well in Canton. The sole previous American venture, by the *Empress of China*, had taken out a mixed cargo including thirty tons of Appalachian ginseng, fifty

¹³Data from S. Ackerly, Carpenter, E. Young, Ship Carpenter, and G. Warren, *Sail Maker, Outfit*.

¹⁴There has been extensive correspondence on this issue in reference to Continental frigates in *Nautical Research Journal*, 37 (1992), 116-117, 244-249. See also Antoine Lescallier, *Traité Pratique du Gréement des Vaisseaux* (Paris: chez Clousier, 1791), vol. 2, Plate XII, and William Hutchinson, *A Treatise on Naval Architecture*, 4th edition (Liverpool: T. Billinge, 1794), Frontispiece and Plate I.

¹⁵Guns, Small Arms, Pistols &c, T. Biggs Mathematical Instruments, Charts & Directions, Doctors Bill, *Outfit*.

tons of cordage, and thirty tons of lead, plus planks, cloth, and assorted wines and spirits. This had sold for just over \$270,000; the ginseng alone accounted for \$240,000. In addition, \$20,000 in silver dollars had been shipped in casks to be used for further purchases.¹⁶ Stewart & Jones's letter of 16 November makes it clear that the promoters of the *Experiment* voyage, from the start, viewed ginseng as the principal product to be shipped to China. The evidence of their weekly meetings at Bradford's reinforces this conclusion: on 29 November "It was ordered that if an addition of 2000 lb to the quantity of Ginseng already mentioned can be procured of a good Quality, that it may be purchased by the Committee," and a week later "That 6000 lb of ginseng be purchased even should the Shares exceed £600."¹⁷ The cargo finally carried to Canton included 6116¼ pounds of ginseng purchased from twelve different suppliers for a total of £1164.5.5. "Boxes & Casks & Carting" cost a further £18.13.8, bringing the total expense to £1182.19.1. (\$2957 3/8)¹⁸ Stewart Dean sold this cargo of ginseng on 1 July 1786 to "Chouqua Hong Merchant" for \$6190½, the equivalent of £2476.4.0. This was well below the boom levels prevalent in early 1784, which had been as high as \$15 per pound, or even the price of \$5 per pound realized for the *Empress of China's* cargo.¹⁹

¹⁶John Holker Papers 1777-1822, reel 15, folio 5888, Library of Congress, Washington, DC. Of the other items, only the wines and spirits sold well, five pipes of Madeira fetching \$400 each.

¹⁷Article of Agreement, *Outfit*.

¹⁸Invoice of sundries shipped on board The *Experiment*, *Outfit*.

¹⁹The accounts use a rate of \$1 = 8/-, or \$2½ = £1. Also, amounts less than \$1 were shown as fractions, since each dollar contained 96 cents. Sales of sundries, *Outfit*. Smith, *The Empress of China*, 155.

The appetite for the *Empress of China's* alcoholic offerings seems also to have impressed the subscribers. Four hogsheads of "Jamaica Spirits," at £98.6.6, and four quarter casks of "Old Madeira Wine," for a further £62.3.0, were part of the *Experiment's* cargo, but again the return was dismal--the rum sold for a little over \$80 per hogshead and the Madeira for barely \$50--a gross profit of about \$95 in total. Clearly Chinese enthusiasm for Western wines and spirits had waned enormously during the previous two years: these exotic liquors had outworn their novelty.²⁰

The subscribers also made a token gesture toward satisfying the Chinese taste for luxurious pelts by including a cask of assorted furs. This represented a minimal investment of only £15.14.0 (\$39¼), but Houqua valued them at a mere \$12. His opinion of the four casks of "best Scotch Snuff" was even lower: he paid \$100 for the entire 1078 pounds that had cost the shippers £122.7.0 (\$305), while the single cask of tobacco, of the six they had loaded, was sold in Canton for half its cost in New York.²¹

The remaining goods shipped to China were naval stores--101 barrels of tar, 10 barrels each of turpentine and rosin, 5 barrels of varnish, and 2 barrels of spirits of turpentine--that cost £130.4.2. These stores, together with anchor cables and one of the *Experiment's* boats, were sold to other Western vessels in Canton. In all, the goods loaded aboard the sloop in New York cost the subscribers £1657.3.10 (\$4143), and sold

²⁰Invoice of sundries shipped on board The Experiment, and Sales of Sundries, *Outfit*.

²¹Invoice of sundries shipped on board The Experiment, and Sales of sundries, *Outfit*. The furs were truly an assortment: 1044 gray, black, red, ground, and flying squirrel skins, 10 minks, 3 red and 3 gray foxes, 3 "Wild Catts", 1 "Martin", 1 bear, 6 raccoons, 6 "muskratts", and 4 spotted fawns, all purchased from Abraham Willson 11 Dec. 1785, Acct. of Furr's, *Outfit*.

for \$7549½. Captain Dean, however, incurred expenses of \$4679⁴⁰/₉₆ on the outbound voyage and while in Canton, of which \$241 represented advances on pay to the crew. This drastically reduced the amount he had available for purchases of Chinese goods.²²

The total "Invoice of sundries shipped on board *The Experiment*," however, was for £8860.0.0. "Eighteen Boxes of Spanish Milled Dollars containing 1000 Dollars each" made up the difference.²³ The promoters of this second American voyage, given the uncertain reception of the items available for export to China, relied upon the universal acceptability of specie to ensure a successful venture. Silver coin represented over 80 percent of the value of the cargo they shipped, compared with about 12 percent of the *Empress of China's* cargo, which had cost £37,384.12.0.²⁴ The much smaller size of their vessel--the *Experiment* was about one-fifth of the *Empress of China's* tonnage--may partially explain this huge difference, since the sloop did not have the capacity to transport a more balanced shipment. Nevertheless, it seems that the smaller scale of the venture, and its diverse shareholding, engendered a more cautious and hard-headed approach in assembling merchandise that could be sold profitably in Canton; silver was the only commodity they knew for certain was acceptable in China.

The subscribers gave Dean careful instructions:

On your departure from Newyork you are to proceed to Canton in China, touching at such places as you may Judge necessary for

²²Invoice of sundries shipped on board *The Experiment*, and Sales of sundries, *Outfit*.

²³Invoice of sundries shipped on board *The Experiment*, and Bill of Lading, *Outfit*.

²⁴Holker Papers, Benjamin Franklin Collection, Sterling Memorial Library, Yale University, New Haven, CT.

Refreshment - Keeping in Mind at all times to use your best endeavours to compleat your Voyage as soon as possible.

When you reach the Streights of Sunda, it is recommended to you to keep yourself always on your guard against the Natives of Java and the other Islands, and to endeavour to get through the Streights and to your destind Port as soon as you can. . . .²⁵

To expedite further their venture, on 29 November 1785 the subscribers decided "that Mr. Alsop, Mr. Verplanck, & Mr. Stewart be a Committee to wait upon the Governor & Foreign Minister, to obtain from them such Certificates as may be beneficial in the prosecution of our Voyage." In this they were following the example of the promoters of the previous American voyage to China, although any documents that may have been issued seem not to have survived.²⁶

On 18 December 1785 the *Experiment* slipped away from Murray's Dock on the East River in New York.²⁷ Contemporaries paid little attention to this departure: not one of the city's newspapers reported the sailing. Stewart Dean commanded the sloop, with John Whetten as his first mate, Isaac Seaman as second mate, and a crew of five men and two boys. William Stewart sailed as supercargo. One crew member, who shipped aboard on 24 November, was listed as "Black boy Prince" and clearly was not a slave, since he was paid £2 per month and earned £34.1.4 during the voyage.²⁸ They made a port-call at

²⁵Capt. Dean's Instructions, *Outfit*.

²⁶Articles of Agreement between the Owners of the Sloop Experiment, *Outfit*. Smith, *The Empress of China*, 69-72.

²⁷Date of departure noted in Stewart & Jones to Hans Crevey, 21 June 1786, Stewart & Jones Letter Book 1780-1786.

²⁸Portage Bill - Sloop Experiment, *Outfit*.

St. Iago in the Cape Verde Islands on 21 January 1786 for supplies, purchasing three pigs, two sheep, two goats, "Fowles for Stores," and "Greens for ships use."

The sloop arrived at Canton on 13 June 1786, having sailed around the Cape of Good Hope, across the Indian Ocean, and through the Java and China Seas.²⁹ Dean discovered in Canton that the Chinese assessed very high port charges at a flat rate of \$3166 and disregarded the size of the ship. This put his tiny vessel at a severe disadvantage in comparison with other American ships arriving after him and contributed to the low return realized on this venture.³⁰

Dean's instructions continued:

On your arrival You are to dispose of Your Cargo to the best advantage, and should You be the first American Vessel in Port, the Sale of your Ginseng is most particularly to be attended to. In that case it will be adviseable to embrace the first Offer which You think sufficiently advantageous to the concerned.

The proceeds of your Cargo are to be invested in the Articles enumerated in the List which will be furnished You: And should there be a deficiency in the proceeds to purchase all the Articles enumerated, You are to divide proportionally from such Articles as You Judge the least profitable, and should there be a surplus You are to make additional purchases of those Articles which You think will turn the best Account. . . .

If after compleating your Cargo You find yourself in a Situation to recieve any Goods upon Freight, You are empowered to recieve valuable piece Goods if consigned to the Owners. The freight to be paid there and invested in Goods. Before Your Departure you are to sign three Copies of your Invoice and Bill of Lading, and send Them by different Vessels to the Concerned, one by way of London, the other two direct to America, that there may be proof of Interest in case of Misfortune. . . .³¹

²⁹Rhys Richards, "United States Trade with China, 1784-1814," *American Neptune*, 54 (1994) Special Supplement, 10.

³⁰Sl. Experiment's Disbursements, *Outfit*.

³¹Capt. Dean's Instructions, *Outfit*.

At about the same time Stewart & Jones wrote to Thomas Powell in London regarding the problems they were encountering in purchasing insurance:

on Sloop Experiment from New York to Canton & Back to N. York & have determined to give the 12 Guineas per Cent provided it cannot be effected at a lower premium. . . . The risque we cannot conceive any way to be dreaded more than common upon other Vessels trading to those Ports having the greatest confidence in the Master & knowing the Vessel to be a good one. . . . M^r Seaman has just received advice from his friend in London a M^r William Cowley Merch^t there of having effected the Insurance on his part of the vessel & Cargo at 10 per Cent. We would beg your calling upon M^r Cowley, he is to be heard of at the N. York Coffee house & who may tell you his men. We are in no way apprehensive of a loss in this business but should such a thing happen we might have occassion to reflect that our endeavours had not been exerted for the preservation of our property.³²

The homebound cargo purchased in Canton contained no surprises. Teas made up the major part--308 chests of Hyson and 100 chests of Souchong. The *Experiment* also loaded "26 Chests of China Tea cups & Saucers . . . 5 Chests of Breakfast China," and "80 Bales of Nankeens [cheap lightweight cotton cloth]." Dean obviously negotiated a premium on his Spanish dollars, since the entire cargo was valued at \$20,939.³³

The sloop departed Whampoa on 14 December 1786, again sailing around the Cape of Good Hope.³⁴ On 6 March 1787 they put into St. Helena and purchased three pigs and twelve chickens, and a second stop was made at St. Eustatia in the West Indies on 5 April for provisions, fish, and water.³⁵ On 22 April 1787 the little sloop entered New

³²8 June 1786, Stewart & Jones Letter Book 1780-1786.

³³Invoice of [goods]. . . . ship'd on board the Sloop Experiment at Canton in China by Stewart Dean on acc^t & risque of Mess^{rs} Stewart Jones & co^{ys} of New York. *Outfit*.

³⁴Richards, "United States Trade," *American Neptune*, 54 Special Supplement, 10.

³⁵Sl. Experiment's Disbursements, *Outfit*.

York harbor to scenes of great excitement, and "saluted the city by a discharge of 13 rounds. At the discharge of the last round one of the crew was unfortunately wounded by the match being applied before he had fully charged the piece, but we are assured that he will soon recover and that happily without loss of limb." Captain Dean also "brought home all the hands he took out with him, having had no sickness on board."³⁶ Soon after, Stewart & Jones wrote to Madeira that

Our Sloop Experiment Stewart Dean Master arrived here 3 days since from Canton wth a Load of Tea China & Nankeens. She will make a middle good Voyage we suppose after paying Insurance, will leave us 20 pr. Ct. at wholesale price. . . . We are talking of letting her make a Voyage to Madeira but we have So many to advise with, at present is uncertain whether She will come or not.³⁷

Immediately after the return of their vessel, the sloop's owners were intent upon disposing of the cargo to best advantage. The partners met on 25 April and "agreed that the damaged Tea, the remains of the Tobacco & three pieces of Duck [canvas] shall be immediately sold at Auction by M^r Jay - & that the Sloop with all her Tackle & apparil, as she came from Sea (as p^r Inventory) shall be sold at public Auction on Thursday 3 May next."³⁸ William Laight & Company were appointed to dispose of the bulk of the cargo and, soon afterwards, advertised

Have for SALE, on reasonable Terms for Cash, HYSON TEA of the first quality, SOUCHONG TEA, superior to any hitherto imported, NANKEENS, large pieces, and of the finest kind, CHINA WARE, elegant

³⁶*New-York Journal and Weekly Register*, 26 Apr. 1787. *New York Independent Journal*, 25 Apr. 1787.

³⁷Stewart & Jones to Shirley, Bangor & Company, 23 Apr. 1797, Stewart & Jones Letter Book 1787-1795, New-York Historical Society.

³⁸Transactions at a Meeting of the Owners, *Outfit*.

patterns, pencilled in gilt. Imported in the *Experiment*, Capt. Dean, just arrived from China.³⁹

The "General Account & Final Settlement of the Sloop *Experiment*" indicates that the voyage was not very profitable, returning only about 8 percent. There is reason, however, to believe that the "Final Settlement" understates the success of this voyage, since several of the original investors came together to promote a second venture. They were joined by some fresh participants, among them John Vanderbilt, Thomas Ludlow, and John G. Leake. On 22 October 1787 they met and concluded:

It being presumed that an Advantageous Adventure may be made to China if undertaken with prudence & managed with Economy, The Subscribers do hereby agree to associate for the purpose of fitting out a proper, tho small, Vessel, to be commanded by Cap^t Stewart Dean, on a Voyage to Canton -- The Experience & skill of such a Master must give Confidence to every one concerned, more especially, as both his Property & Person will be hazarded with the Property of each Subscriber.

They went on to agree to invest £1000 apiece, with the total subscription to be not less than £20,000, and those present pledged themselves to 12½ shares on the spot.⁴⁰

William Laight subsequently prepared two projections for the promoters. One he based on again employing the sloop *Experiment* for £2,200, the other on purchasing a "Brig of 150 tuns" for £3,500. The cargoes in each case were to be virtually identical: 30,000 pounds of ginseng purchased at 5/- per pound (£7,500), 20,000 silver dollars (£8,000), and the balance of the £20,000 in total available capital to be spent on "Madeira Wine & other Goods" (£2,300 and £1,000 respectively). He projected net profits at the

³⁹New York *Independent Journal*, 2 May 1787.

⁴⁰Meeting at New-York written by W^m Laight, *Outfit*.

completion of the 2-year voyage of £10,529.16 using the *Experiment* or £9,294.16 if the brig were employed.

Later, Captain Robert Dale prepared a separate projection using only the 12½ shares pledged already. He was even more sanguine in his calculations: the initial £12,500 investment was expected to generate net profits of £16,294 from a very similar cargo mix in which the ginseng was to be reduced to 6,000 pounds.

It is significant that, in all these projections, the investors expected to make far more substantial profits in New York from the sale of the Chinese goods brought back to the United States than from the sale of American goods in Canton. Laight expected to make only about 16 percent profit in Canton but over 88 percent in New York, while Dale projected 35 percent and 108 percent respectively. Given that William Laight was responsible for the sale of the *Experiment's* cargo, it is difficult to accept that he could have so grossly overestimated the retail value of Chinese products in the New York market, which leads one to suspect the first voyage was more profitable than it appears to have been at first sight.⁴¹

Despite these rosy projections, the promoters were unable to generate sufficient further interest, and the venture lapsed. The *Experiment* reverted to the Albany-New York trade and became one of the more popular vessels on which to take passage. Michel-Guillaume St. Jean de Crèvecoeur, the author of *Letters from an American*

⁴¹William Laight's calculations, and Capt. Dale's calculation, *Outfit*.

Farmer and also the French consul in New York, traveled to New Windsor aboard this vessel.

Several reasons made us prefer this sloop to those that customarily plied the river: the fineness of its construction, the unusual comfort of its staterooms, and especially the hope that the conversation of Captain Dean, who had just returned from a voyage to China in that same sloop, would be interesting. We were not mistaken; he told us that if the Chinese customs at Canton had demanded a sum proportionate to the size of his ship, he would have made a profitable trip. . . . [The stateroom] was furnished in Chinese fashion, lighted by candles from that same land, each in its wide-mouthed, short-necked bottle.⁴²

The voyage of the sloop *Experiment* is valuable in illustrating a number of prominent features of the early American trade with China. Financing the venture was diffuse: the "India Company of Experiment" comprised seventeen individual or company shareholders who subscribed to nineteen shares of a little over £600 each to raise its total capital of £11,430. Simultaneously, individual risks were minimized, while the relatively large investment necessary for the venture was raised rapidly. It is worth noting that only thirty-three days elapsed between the first meeting of the participants and the *Experiment's* departure from New York; eighteenth-century businessmen were capable of remarkably decisive and enterprising action.

A second characteristic feature was the venture's self-contained nature. Once the voyage was completed the partnership was dissolved, and all its assets sold and distributed. Those participants who wished to follow up the enterprise had to form a fresh

⁴²Michel-Guillaume St. Jean de Crèvecoeur, *Journey into Northern Pennsylvania and the State of New York*, translated by Clarissa Spencer Bostelmann (Ann Arbor: University of Michigan Press, 1964), 117, 125.

partnership on similar lines, as occurred in this instance. The vessel and its commander might be the same, as also with the second voyage of the *Empress of China* and Captain John Green, but the company's composition would have changed.

Although most future U.S. vessels in the China trade would be larger than the *Experiment*, the sloop's size typified American merchants' preference for using smaller ships than the massive European East Indiamen. During the first thirty years of U.S. trade with Canton the majority of American ships were under 400 tons, while very few approached the size of their European competitors.⁴³ Initially, relatively limited capital availability inhibited American merchants from employing large vessels with greater cargo capacity because of their excessive expense and risk, and the difficulties they encountered in profitably disposing of their merchandise in Canton. Experience later led them deliberately to select smaller vessels as more suitable for the trade: a 400-ton ship was more economical to operate, handier in confined or inadequately charted waters, and offered a faster turnaround.⁴⁴

The over-riding problem facing American merchants was their search for goods suitable for the Chinese market, so as to minimize the quantity of specie they had to ship to Canton. China's economic self-sufficiency rendered this a formidable task, which was

⁴³The only American ships close to the size of East Indiamen to call at Canton were the *Massachusetts* (820 tons) in 1790 and the *America* (700 tons) in 1809. Richards, "United States Trade," *American Neptune*, 54 Special Supplement, 13, 57.

⁴⁴Great Britain, Parliament, *Sessional Papers: 1821* (Dublin: Irish University Press Area Studies, 1971) 7:61-62, Great Britain, Parliament, *Sessional Papers: 1830* (Dublin: Irish University Press Area Studies: 1971) 6:371, 487-489.

exacerbated by Chinese fickleness; a market could evaporate without warning. The *Experiment's* promoters discovered this with rum and Madeira, and the ginseng market collapsed by 1790-91, when prices fell to 35 cents per pound.⁴⁵ This cycle of boom and bust in the marketability of commodities remained a feature of the American trade with China into the 1840s.

Finally, the voyage of the *Experiment* epitomizes the eagerness with which Americans embraced foreign trade after Independence. In early December 1786 the following vessels were "lying at Whampooe, at Captain Dean's departure. American Ships. Empress of China, [John] Green, New-York; Canton, [Thomas] Truxton [Truxtun], Philadelphia; Hope, [Jonas] M'Gee, New-York; Grand Turk, [Ebenezer] West, Salem," all of which had cleared from the United States during that year. The same newspaper report clearly portrays the views of these contemporary merchants.

It was a matter of surprise to the natives, and Europeans in that quarter, to see so small a vessel arrive from a clime so remote from China; and must have given them an exalted conception of the enterprising spirit of the citizens of these United States. The successful and safe return of Captain Dean, has taught us, that fancy oft times paint danger in much higher colours than is found really to exist, and that by maintaining a spirit of enterprize, diligence and activity, we are enabled to surmount difficulties, which, on a cursory view, are deemed fraught with dangers.⁴⁶

⁴⁵Brian L. Evans, "Ginseng: Root of Chinese-Canadian Relations," *Canadian Historical Review*, 66 (1985), 21-23.

⁴⁶*New York Independent Journal*, 25 Apr. 1787.

Chapter 4.

Ginseng, Otter Skins, and Sandalwood.

Strong demand in the United States for Chinese products meant that trade with China offered American merchants the prospect of handsome profits. Success in such ventures, however, would require them to find solutions to two related problems. Americans needed exports that were both cheap for them to obtain and easy for them to sell at high prices in China, in order to earn profits sufficient to overcome their limited access to capital. They also required commodities that would retain their desirability when shipped in large quantities, so that they could limit or even eliminate the necessity of shipping silver to Canton. In general, American merchants had access to capital resources that were significantly more limited than those available to their European competitors and, since they operated smaller vessels, they carried less cargo. A large profit margin, therefore, was important if they were to compete effectively. Between the 1780s and the 1820s, American traders eagerly embraced ginseng, otter skins, and sandalwood, in succession, as commodities fulfilling these requirements. They discovered, however, that their enthusiastic export of these goods soon caused the market for each product to collapse from oversupply, and force them to renew their search.

It was no accident that the earliest trading voyages by American vessels to East Asia and the conclusion of the struggle for independence by the United States almost coincided in time. Merchants from Baltimore to Boston were convinced that international trade could revitalize the economy of the new republic and eager to exploit the new

opportunities presented to them in markets hitherto closed to Americans by British imperial mercantilist regulations. The problem facing them at Canton was finding suitable merchandise to trade: they knew already that the pent-up demand for Chinese products in the United States would prove immensely profitable. For example, an American merchant wrote to France in March 1783 that "there is now no doubt but a good Voyage might be made to China."¹

Apart from ginseng and furs there were no obvious American products for which a ready market in China was known to exist. Merchants recognized that substantial quantities of cash, in silver, were required to supplement their limited trade goods, especially since this had been the experience of the European East India companies throughout their histories.² Precious metals and hard cash, however, were in short supply after the recent war for independence. These factors, combined with the length of time required for the voyage, indicated that substantial initial investment was necessary for a venture to be profitable. Matthew Ridley, for example, estimated that "to do it to advantage will require at least 1,200,000 Livres (£300,000)."³

When American merchants had ventured into new markets in colonial times they usually employed a pattern of operation in which a group of participants invested relatively

¹Matthew Ridley to his correspondent in France, 8 March 1783, cited in Philip Chadwick Foster Smith, *The Empress of China* (Philadelphia: Philadelphia Maritime Museum, 1984), 14.

²In the 1770s, for example, the British East India Company maintained a cash float of some \$500,000 in their treasury at Canton. Hosea Ballou Morse, *The Chronicles of the East India Company Trading to China 1635-1834*, 5 vols., (Cambridge, MA: Harvard University Press, 1926-1929), 2: 5.

³Smith, *The Empress of China*, 14.

small amounts; thereby spreading the risk of speculation in areas with which they had little prior experience. The partnership dissolved on the completion of each venture and any profits were distributed in proportion to the initial amounts invested. If their business had proven profitable, it would be followed by successive ventures, but each one would be backed by a separate group of investors.⁴

After the Revolution, the independence of the United States from the British empire opened many new markets to American enterprise. American merchants continued this same pattern of operation they had employed in the colonial period as they started to enter these previously unexploited areas, such as the Baltic and Mediterranean trades. A distinct group of partners backed each individual enterprise and invested as a syndicate to accumulate a cargo and acquire a ship and crew. At the conclusion of the voyage all the assets, including the ship itself, were sold and the profits distributed according to each partner's shareholding. The next venture, even by the same vessel, required a fresh syndicate, and the process would be repeated at its conclusion.⁵

⁴For further discussion of this aspect of American colonial enterprise, see Thomas C. Cochran, *Business in American Life: A History* (New York: McGraw-Hill, 1972), 20-25; Scott D. Walton, *Business in American History* (Columbus, OH: Grid, Inc., 1971), 30-33; James F. Shepherd and Gary M. Walton, *Shipping, Maritime Trade, and the Economic Development of Colonial North America* (Cambridge: Cambridge University Press, 1972), 51-53.

⁵Ample evidence for this pattern of single syndicated ventures may be found in chapters V and VII of James Duncan Phillips, *Salem and the Indies: The Story of the Great Commercial Era of the City* (Boston: Houghton Mifflin Company, 1947), Clarence L. Ver Steeg, "Financing and Outfitting the First United States Ship to China," *Pacific Historical Review*, 22 (1953), 1-12, and Smith, *The Empress of China*, chapter 15. A notable exception to this pattern was Elias Hasket Derby of Salem, who seems never to have taken a partner for his East Indies venture.

Voyages to China posed the additional problems of requiring both large amounts of specie and much greater total outlay. The voyage of the *Empress of China*, for example, required an investment of £48,231.6.7 at a time when a venture to Europe might require £3,000 to £4,000.⁶ Clearly, few merchants were in a position to finance such a venture by themselves. Furthermore, if they decided to finance a voyage exclusively, they could be risking their entire capital on its success and might tie up the bulk of their funds for its duration.

In spite of the substantial expense and highly unpredictable outcome of such endeavors, even before Dean's return other ventures to Canton were undertaken from the United States. No less than four American ships were at Canton when the *Experiment* departed on its homebound voyage⁷, and recently-published research in the Canton Factory Records and other sources lists forty-one arrivals between 1784 and 1790, including the two by the *Empress of China* and Dean's own venture. Between 1791 and 1800 a further one hundred sixty-six American vessels entered Canton, and, during the next decade, an average of almost thirty-five U.S. ships arrived each year except 1808 when the Embargo was in force.⁸

The principal Chinese export was tea. Western demand grew exponentially during the eighteenth and nineteenth centuries and Chinese teas faced no competition until the

⁶Holker Papers, Benjamin Franklin Collection, Sterling Memorial Library, Yale University, New Haven, CT.

⁷New York *Independent Journal*, 25 Apr. 1787.

⁸Rhys Richards, "United States Trade with China, 1784-1814," *American Neptune* 54 (1994), Special Supplement, 9.

introduction of plantations into the Indian sub-continent in the late 1850s.⁹ Furthermore, Chinese textiles maintained their superiority in both quality and cost over their British and American equivalents well into the 1830s.¹⁰

Before the United States gained its independence, American vessels were barred from trade with China: this was strictly the preserve of the British East India Company. American consumers were well acquainted with the principal Chinese exports and already had a considerable appetite for their teas, fabrics, and porcelains. An average of 200,000 pounds per year of tea was shipped to the colonies during the twenty-five years after 1750. As a result, the London government came to view this trade as a prime target for taxation, thus directly precipitating the infamous "Boston Tea Party."¹¹ Since specific duties were not levied on silks and porcelain there are fewer data available on the quantities imported into the colonies, but written and archaeological evidence attests to their widespread use.¹²

⁹See tables showing growth of British tea imports in Great Britain, Parliament, *Select Committee of House of Commons: 1830* (Dublin: Irish University Press Area Studies, 1971), Appendix. The East India Company began experiments in tea cultivation in India in the 1820s but Indian tea did not begin to compete significantly with the Chinese product until well after the Indian Mutiny. See Michael Greenberg, *British Trade and the Opening of China, 1800-42* (Cambridge: Cambridge University Press, 1951), 4.

¹⁰See the opinions expressed in market reports in the *Chinese Repository*, 2, no.10 (Feb. 1834).

¹¹Benjamin F. Labaree, *The Boston Tea Party* (New York: Oxford University Press, 1964), 331. See also abstract of colonial tea imports in Edward Channing, *A History of the United States*, 6 vols. (New York: Macmillan, 1905-1925), 3: 128.

¹²Jonathan Goldstein, *Philadelphia and the China Trade, 1682-1846: Commercial, Cultural, and Attitudinal Effects* (University Park, PA: Pennsylvania State University Press, 1978), 20-21.

After direct trade commenced from the United States consumption of tea rose enormously, averaging over 2,545,000 pounds annually between 1790 and 1800, and increasing further to more than 3,360,000 pounds per annum during the next twelve years. During the 1820s average annual consumption of tea rose still further to over 6,330,000 pounds, and in 1833 the domestic market absorbed an enormous 12,927,043 pounds. In addition, American merchants, each year from 1801 to 1830, except during the years of the Embargo and the War of 1812, re-exported on average in excess of 1,500,000 pounds of tea to Europe, primarily to England. Between 1821 and 1833 the average value of U.S. imports of tea was over \$2,600,000. Re-exports, mainly to Europe, averaged \$750,000.¹³

Although teas dominated Chinese exports to the United States, American vessels also brought back substantial quantities of fabrics. Nankeen cottons were much favored in the early years of the trade, with an average of over 2,500,000 pieces being shipped in the early 1800s before the outbreak of war with England in 1812. After the restoration of peace this trade revived and reached a peak of 3,135,700 pieces worth over \$1,400,000 in 1819, but fell off rapidly thereafter in the face of competition from first British, and then American-produced cotton textiles. Silk fabric was also a popular commodity in the United States. In 1805 Canton exported 25,000 pieces on American vessels, and this business increased rapidly after the termination of the Embargo: in 1811 over 110,500 pieces were shipped. After the War of 1812 the trade grew substantially. American

¹³Timothy Pitkin, *A Statistical View of the Commerce of the United States of America* (New Haven: Durrie & Peck, 1835), 246-247.

merchants shipped 201,500 pieces valued at almost \$2,240,000 from Canton in 1817. Subsequently, their shipments increased rapidly to 381,400 pieces worth over \$3,140,000 in 1822 and to almost 620,000 pieces in 1825. Silk fabric imports fell to just over 421,000 pieces in 1827, and dropped to an average of 228,000 pieces thereafter.¹⁴ In addition, America imported considerable quantities of finished silk goods--umbrellas, fans, shoes, slippers, and robes--from China.¹⁵

The value of these textile imports gradually declined from a peak of almost \$5,000,000 in 1819 to an average of just under \$3,000,000 annually during the 1820s. Much of this decline resulted from reduced imports of nankeens, whose value fell from over \$1,000,000 in 1819 to an annual average of \$338,000 during the period from 1824 to 1829. The 1830s witnessed the complete collapse of this nankeen import business; its value fell from a little over \$175,000 in 1830 to just over \$30,000 three years later. Silk imports, by contrast, averaged almost \$2,500,000 in annual value throughout the 1820s and maintained an average value of about \$1,500,000 during the 1830s, although more significantly, the unit value of these imports plummeted from about \$10 per piece in 1824 to about half that in subsequent years.¹⁶

At first, American traders returned with relatively small quantities of porcelain. Often, boxes of china formed the ballast below the valuable tea cargoes, although the

¹⁴Robert Bennet Forbes, *Remarks on China and the China Trade* (Boston: Samuel N. Dickinson, 1844), 26.

¹⁵Adam Seybert, *Statistical Annals embracing Views... of the United States of America, Founded on Official Documents* (Philadelphia: Thomas Dobson & Son, 1818), 172-211.

¹⁶See Table 2, U.S. Exports from Canton (in dollars). Pitkin, *Statistical View*, 301, 305.

many fine individual pieces in various museum collections indicate that customized sets were also a regular feature of the trade. By the early 1800s this commercial area, too, had expanded: an annual average of some 500,000 pounds of porcelains were shipped between 1805 and 1813. Immediately after the return of peace there was a boom, with over 1,500,000 pounds being shipped in 1816, but this was short-lived and soon reverted to the earlier level into the mid-1820s. Competition from the cheap potteries of Great Britain eventually reduced the import of Chinese porcelains. In 1844 Robert Bennet Forbes, the erstwhile head of Russell & Co. at Canton, regarded porcelain as "an inconsiderable item. . . . only a fancy set occasionally comes to this country."¹⁷ The yearly values of porcelain imports illustrate the wild fluctuations of this trade: in 1817 china imports were valued at \$172,305, in 1823 at \$4,040, and in 1830 at \$6,276.¹⁸

Spices formed the final group of Chinese exports to the United States. Camphor, cassia, and, occasionally, sugar and candies were imported in quite considerable quantities. During the period from 1804 to 1830 American merchants imported an average of 100,000 pounds of camphor each year, although these imports sometimes were as much as five times this average level. During the same period, cassia imports varied between 650,000 and 2,250,000 pounds; their annual values ranged from a low of \$68,922 in 1820 to a high of \$270,155 in 1825. After 1830 this trade, too, experienced a decline; the annual average value of cassia imports between 1830 and 1833 was only \$48,735. Sugar

¹⁷Forbes, *Remarks on China*, 26.

¹⁸Pitkin, *Statistical View*, 301, 305.

was an even more volatile commodity. Over 2,000 tons, with an annual value well in excess of \$300,000, were imported in both 1818 and 1819 and almost 1,500 tons, worth almost \$190,000, entered the United States from China in 1825. In contrast, the values of Chinese sugar imports in 1823 and 1827 were only about \$5,000.¹⁹

While American merchants had a very clear concept of what they wished to import from China, initially they were very unsure of the desirability of their potential exports, because they had no direct experience to draw upon in selecting the most likely items to sell well in Canton. They had some indirect evidence of Chinese eagerness to purchase ginseng. The British and French North American colonies had shipped ginseng to China under the aegis of their respective East India companies from the 1720s, with varying degrees of success.²⁰ Reports circulated among American merchants interested in trading with China that Swedish merchants were prepared to purchase ginseng for \$8 per pound to ship to Canton aboard their own Indiamen.²¹ Meanwhile, Colonel Sears of Boston, in late 1783, sent out his sloop *Harriet*, under Captain Hallett, to Canton with a full cargo of ginseng. At the Cape of Good Hope he encountered a British East Indiaman who was so

¹⁹Forbes, *Remarks on China*, 26-27. Pitkin, *Statistical View*, 301, 305.

²⁰There was a boom in this trade in the 1750s, particularly in Quebec. See Brian L. Evans, "Ginseng: Root of Chinese-Canadian Relations," *Canadian Historical Review*, 66 (1985), 10-21, and Morse, *Chronicles*, 1: 292.

²¹Daniel Parker to Robert Morris, 10 Feb. 1784, Parker Papers, Massachusetts Historical Society, Boston, MA.

eager to obtain these aromatic roots that Hallett was able to exchange his cargo for twice its original cost in Hyson tea.²²

Many of the earliest American vessels dispatched to China carried ginseng as a major component of their cargoes because European experience led merchants to believe it to be the American product the Chinese found most desirable. Samuel Shaw, the *Empress of China's* supercargo on its first voyage and subsequently the first U.S. consul at Canton, reported that American ginseng sold for \$30 per pound there in 1783.²³ The most valuable item by far in the *Empress of China's* cargo in 1784 was some thirty tons of Appalachian ginseng that realized \$240,000 of the \$270,000 the whole cargo made in Canton.²⁴ This large amount accounted for 50 percent of all ginseng imports that season and flooded the market so that by the time Stewart Dean arrived with the *Experiment* in 1786 he found that his 6116¼ pounds of ginseng were worth barely \$1 per pound.²⁵ The five American ships that arrived in Canton during the 1786 season brought a total of over 45,000 pounds of ginseng.²⁶ No statistics survive for American ginseng imports in 1787,

²²Turnbull, Marmie, & Co. of Boston to Daniel Parker, John Holker Papers 1777-1822, reel 11, folio 4262, Library of Congress, Washington, DC.

²³Josiah Quincy, *The Journals of Major Samuel Shaw, the First American Consul at Canton, with a Life of the Author* (Boston: Wm. Crosby & H. P. Nichols, 1847), 351, 355-356.

²⁴Holker Papers, reel 15, folio 5888.

²⁵Morse, *Chronicles*, 2: 95-96. Sales of sundries, "The Cost, Outfit, Cargo and Disbursements of the Sloop Experiment, Stewart Dean Master, of 80 Tons Burthen on a Voyage from New York to Canton and Back," New-York Historical Society, New York, NY.

²⁶Morse, *Chronicles*, 2: 119.

but 142,000 pounds arrived in 1788, 274,000 pounds in 1789, and 53,000 pounds in 1790.²⁷

The Chinese prized ginseng, in part, for its rarity. This massive American importation of over 575,000 pounds between 1784 and 1790 flooded the market, and prices collapsed to 42 cents per pound in 1789 and still lower, to 32 cents, in 1790.²⁸ Furthermore, American importers faced problems in supplying roots of acceptable quality for the Chinese market.²⁹ The French consul in Canton, M. de Guignes, did not hesitate to identify the culprits who had ruined the ginseng trade: "because of the Americans, the price has dropped so low that it hardly covers the import duties. One has to deal illegally to make anything."³⁰ In December 1791 British East India Company officials complained that formerly ginseng "gained an enormous profit and the Commanders and officers could not carry out a sufficient quantity. Since the Independence of America of which country Ginseng is the product so much has been sent that the Chinese pretend to have discovered that it has no Virtue, and it is actually become unsaleable."³¹ The small scale of American ginseng shipments during most of the 1790s supports this assertion; only 4,000-7,000

²⁷See Table 3, U.S. Imports at Canton (by pounds weight or piece).

²⁸Morse, *Chronicles*, 2: 174, 180.

²⁹Evans, "Ginseng," 23-25.

³⁰Chrétien Louis Joseph de Guignes, *Voyages à Peking, Manille et l'Île de France fait dans les années 1784 à 1801* (Paris: Imprimerie Impériale, 1808), 3: 270.

³¹Second Report of the Select Committee appointed to take into consideration the Export Trade of Great Britain to the East Indies. *House of Commons Sessional Papers of the Eighteenth Century*, 91, *East India Co., 1793-96*, Sheila Lambert, ed. (Wilmington, DE: Scholarly Research Inc., 1975), 57.

pounds arrived each year from 1791 to 1796 except in 1795, when 12,000 pounds entered, and in 1793, when Americans carried no ginseng at all to China.³²

The same East India company officials asserted:

It is generally admitted that no market varies more than that of China, the prejudice of the Natives operating most powerfully upon their Conduct. Of this the Article of Ginseng is a striking Proof. The Moment it was offered in quantities larger than usual and by Persons from whom the Chinese were not accustomed to purchase, it became unsaleable; and . . . [we] are confident that American Ginseng will never be consumed in China as heretofore.³³

This confident prophesy proved to be mistaken; American ginseng shipments to China increased again to 12,000 pounds in 1797, peaked at almost 300,000 pounds in 1802, and generally remained at about 200,000 pounds annually until Jefferson's imposition of the Embargo ruined the 1808 season. Shipments recommenced subsequently at the same 200,000 pound level, were negligible during the War of 1812, and boomed thereafter into the 1820s and early 1830s, hitting a new peak of over 800,000 pounds in 1824.³⁴

Although there was a boom in ginseng shipments after the War of 1812, prices remained low in the post-war years, averaging 42 cents per pound and dipping as low as 16 to 22 cents per pound in the period from 1824 to 1827.³⁵ Moreover, while exports of American ginseng had staged a solid recovery in terms of absolute volumes shipped each year since 1800, its relative importance had been greatly reduced since the original boom

³²See Table 3, U.S. Imports at Canton (by pounds weight or piece).

³³Lambert, *East India Co.*, 58.

³⁴See Table 3, U.S. Imports at Canton (by pounds weight or piece).

³⁵See Table 5, Commodity Prices at Canton.

years of the 1780s when, for example, five out of fifteen U.S. ships arriving at Canton in 1788 carried the root exclusively.³⁶ Between 1817 and 1832 the value of ginseng shipments to Canton made up an average of just over 2 percent of all American exports to China and never exceeded 5 percent.³⁷ American ginseng failed to provide an adequate return that would enable U.S. traders to pay for their purchases of Chinese commodities.

Furs formed the alternative merchandise for potential traders to consider when outfitting their vessels for Canton. Luxurious sea otter furs were known to be eminently marketable in China. John Ledyard, on his return from his adventures in the Pacific with Captain James Cook of the Royal Navy, observed that "the skins we had brought with us from the N. W. continent of America, were of nearly double the value at Canton, as at Kamchatka."³⁸ Midshipman George Gilbert noted during the same voyage that "We sold the remainder of our furs to much greater advantage than at Kamchatka, the Chinese being very eager to purchase them and gave us from 50 to 70 Dollars a skin; that is from £11.5s to £15.15s for what we bought with only a hatchet or a saw."³⁹ Ledyard was soon busily engaged in drumming up support for a voyage to China via the northwest coast, where

³⁶ Morse, *Chronicles*, 2: 174.

³⁷ See Table 4, U.S. Imports at Canton (in dollars).

³⁸ John Ledyard, *A Journal of Captain Cook's Last Voyage to the Pacific Ocean and in Quest of a North-West Passage between Asia & America; Performed in the Years 1776, 1777, 1778, and 1779* (Hartford: Nathaniel Patten, 1783), 200.

³⁹ Christine Holmes, ed., *Captain Cook's Final Voyage: The Journal of Midshipman George Gilbert*, (Honolulu: University Press of Hawaii, 1982), 154. See also John Rickman, *An Authentic Account of a Voyage to the Pacific Ocean Performed by Captain Cook, and Captain Clerke, in His Britannic Majesty's Ships, the Resolution, and Discovery, in the Years, 1776, 1777, 1778, 1779, and 1780* (Philadelphia: Robert Bell, 1783), 224.

pelts could be collected for extraordinarily profitable sale in Canton.⁴⁰ This scheme, backed by the financier Robert Morris, became the genesis of the first American venture into the China trade, the voyage of the *Empress of China* in 1784-85 to Canton, although Ledyard's plan for collecting furs in the northwest Pacific regions for sale to the Chinese eventually was dropped, due to a combination of reduced investment, delays in outfitting the vessel, and, probably, a desire to simplify this first venture into an untested market.⁴¹

British traders were the first to exploit the potential of a lucrative trade in furs between the northwest coast of America and Canton. John Henry Cox dispatched the small brig *Sea Otter*, sailing under the Portuguese flag to circumvent the East India Company's monopoly and commanded by James Hanna, from Macao in late April 1785 to the northwest coast to trade for sea otter pelts. He returned in January 1786 with 500 whole skins and 240 "slips and pieces," which fetched a total of \$20,600. Since outfitting the *Sea Otter* had cost \$17,000 the voyage did not generate an extraordinary profit but it was sufficient to cause Cox to send Hanna back with a larger ship.⁴² Between 1785 and

⁴⁰Jared Sparks, *The Life of John Ledyard, The American Traveller* (Cambridge, MA: Hilliard & Brown, 1828), 126-128.

⁴¹Goldstein, *Philadelphia and the China Trade*, 26-27. Smith, *The Empress of China*, 15-19, 43-44.

⁴²W. Kaye Lamb and Tomás Bartoli, "James Hanna and John Henry Cox: The First Maritime Fur Trader and his Sponsor," *BC Studies*, 84 (Winter 1989-90), 5-18. William Beresford, *A Voyage Around the World; But More Particularly to the North-West Coast of America; Performed in 1785, 1786, 1787, and 1788, in the King George and Queen Charlotte. Captains Portlock and Dixon*, edited by George Dixon (London: G. Goulding, 1789), 315, lists the prices in Canton for Hanna's pelts as:

prime skins	\$60	second quality	\$45	third quality	\$30
fourth quality	\$15	fifth quality	\$10		

1788 there were no less than nineteen further British ventures, including the two sponsored by Cox, into this new fur trade.⁴³

In September 1787 the first American venture to follow up on Ledyard's suggestion, the ship *Columbia* and the sloop *Lady Washington*, departed Boston for the northwest coast and Canton. The *Columbia*, commanded by Robert Gray, arrived at Whampoa in November 1789 and departed the following February for Boston, becoming the first American vessel to circumnavigate the world. This voyage was not a great success; East India Company officials reported that the *Columbia* brought ginseng only to Canton, and Gray himself wrote to his owners that "Our Expedition, Gentlemen, will not be equal to your expectations nor is there any American Ships here but will make bad voyages."⁴⁴

The following year two American vessels, the *Eleanora* and the *Grace*, arrived at Canton from the northwest coast with furs, and the *Lady Washington* entered Macao; all three ships subsequently sailed for further cargoes of pelts, although their ventures in the fur trade had not proved very successful.⁴⁵ American hopes for the northwest coast fur trade suffered another blow in 1791. Due to the outbreak of border hostilities between

⁴³James R. Gibson, *Otter Skins, Boston Ships, and China Goods: The Maritime Fur Trade of the Northwest Coast, 1785-1841* (Montreal: McGill-Queen's University Press, 1992), 299.

⁴⁴Morse, *Chronicles*, 2: 174. Frederick W. Howay, ed., *The Voyages of the "Columbia" to the Northwest Coast, 1787-1790 and 1790-1793* (Boston: Massachusetts Historical Society, 1941), 129.

⁴⁵Richards, "United States Trade with China, 1784-1814," 12-13. Morse, *Chronicles*, 2: 180.

China and Russia, the Chinese "informed the Committee [of the East India Company in Canton] that a Chop [edict] had been issued by the Hoppo prohibiting the importation of Sea Otter Skins, it originates from an Idea that they are purchased of the Russians."⁴⁶ Prices for prime skins collapsed from \$40 or more to less than \$15, provided a buyer could be found, and American captains had to smuggle their cargoes ashore.⁴⁷

From 1792 the trade stabilized, since the Chinese withdrew their prohibition on the import of sea otter pelts. That year American vessels brought in 9,579 fine furs (beaver and sea otter pelts), 67,288 rabbit skins, and started to import sealskins. Most of their beaver and sea otter furs sold for an average of about \$5.50 apiece, but rabbit skins were worth only about 45 cents and sealskins fetched as little as 25 cents.⁴⁸ The *Columbia*, which returned to Canton in the course of its second circumnavigation, was much more fortunate on this occasion than its compatriots; its 2,000 sea otter pelts sold for \$90,000.⁴⁹ Clearly, few of the other American fine furs were of top quality, since prime sea otter pelts were fetching an average of \$20-30 apiece during this season.⁵⁰ Thereafter, there was a rapid increase in the volume of furs shipped by American vessels: in 1794 they imported over 43,700 sea otter and beaver pelts and the annual average settled at about 25,000 for

⁴⁶Morse, *Chronicles*, 2: 185.

⁴⁷Joseph Ingraham, "Journal of the Voyage of the Brigantine *Hope* From Boston to the North-West Coast of America, 1790 to 1792," entries for 30 Nov. 1791, 22 Jan. 1792, Library of Congress, Washington, DC.

⁴⁸Morse, *Chronicles*, 2: 193, 202.

⁴⁹John Boit, "Remarks on the Ship *Columbia's* Voyage from Boston (on a Voyage round the Globe)," *Proceedings of the Massachusetts Historical Society*, 53 (June 1920), 264.

⁵⁰Gibson, *Otter Skins*, 317.

the rest of the century, while sealskin imports rose from 24,000 to 140,000 each year over the same period.⁵¹

The American sea otter, beaver, and sealskin trades boomed in the early years of the nineteenth century. Between 1800 and 1807 an average of over 35,000 fine furs were imported into China each year, and prices for prime sea otter furs remained close to \$20 apiece. The fine fur trade revived after the Embargo and rapidly reached its former size, only to collapse again with the outbreak of the War of 1812. After the return of peace American ships brought about 20,000 pelts to China each year from 1817 to 1822, except for the aberrant import of only 6,000 skins in 1820. This branch of the fur trade then collapsed abruptly; imports fell to about 5-7,000 pelts each year during the remainder of the 1820s and still further to 2-3,000 skins in the early 1830s before finally fading into oblivion by 1840.⁵²

The American trade in seal furs hit its highest point in 1801 with the importation of 426,750 skins to Canton. Average imports until 1807 were about 150,000 pelts annually and were negligible between 1808 and 1810. The volume rose again to 173,000 in 1811, and then settled at an average annual level of about 60,000 skin until 1821. The sealskin trade subsequently dropped abruptly to well under 30,000 skins per year through to 1829, fell to 6,000 pelts in 1830, and ceased completely immediately thereafter.⁵³

⁵¹See Table 3, U.S. Imports at Canton (by pounds weight or piece). Morse, *Chronicles*, 2: 202, 256, 295.

⁵²Gibson, *Otter Skins*, 315.

⁵³Pitkin, *Statistical View*, 250-251. Forbes, *Remarks on China*, 28. Gibson, *Otter Skins*, 315.

Although American fur traders entered the market too late to receive the boom prices of the 1780s, which were as high as \$91 for a prime pelt, the best quality sea otter skins sold at Canton for an average of over \$21 each in the 1790s, as much as \$27 apiece in 1800, and remained at about \$20 until 1807. After 1808 the scarcity of top-quality sea otter skins drove up their price into the \$30-35 range, except in 1810-1811 when the market was glutted by huge American imports and the price dropped back to \$21 to \$23 per pelt. In the 1820s and 1830s the unit prices for the best quality sea otter pelts rose still further from \$38 in 1820 to as much as \$75 in 1831.⁵⁴ American participation in this trade, however, was diminishing rapidly by this date in the face of determined competition on the northwest coast from the Hudsons Bay Company, which had committed itself "to oppose them [the Americans] with a well regulated steady opposition" whose "first object [was] to obtain possession of the trade" through a policy of "taking every means in [their] power to annoy them [the Yankees] and prevent them from getting furs and to raise the price so high that what they do get will yield no profit."⁵⁵ By 1834 this policy bore fruit; American ships were rarely seen on the coast, and the Hudsons Bay Company faced only limited competition from the Russians in Alaska.⁵⁶

⁵⁴Gibson, *Otter Skins*, 317.

⁵⁵Duncan Finlayson, "Journey Across to the Columbia 1831," Duncan Finlayson Journals, 1831-1838; George Simpson to the Governor and the Committee, 10 Aug. 1832, Governor George Simpson Official Reports to the Governor & Committee in London, 1832; Fort Simpson Post Journal, 1834-1838, 19 Apr. 1837, Hudsons Bay Company Archives, Manitoba Provincial Archives, Winnipeg.

⁵⁶Gibson, *Otter Skins*, 62-83.

The significance of furs from the northwest coast for Americans engaged in the China trade may be assessed from the limited data available on their relative value. In 1800 American traders imported furs that sold for almost \$400,000 and their total exports from Canton were \$2,522,000. In 1801 the corresponding figures were \$690,000 and \$3,742,000. The sale of furs thus represented about 17 percent of the purchase cost of American exports from China at this time.⁵⁷ In the 1820s, when the sales of furs averaged \$290,000 annually, the mean of U.S. exports from China had risen to about \$6,250,000, and the contribution of fur sales to their purchase had tumbled to about 4½ percent.⁵⁸ By 1831 beaver and seal furs prices had plummeted in China; beaver sold for \$4 in Canton but fetched \$8 in Boston, causing at least one owner to order his captain to "get all your Furr's home excepting the Sea otters as the difference between the Canton & U States price is, in itself, a voyage."⁵⁹

The fur trade responded to two pressures: the availability of sea otter and beaver skins on the northwest coast and sealskins in the Pacific islands, and the readiness of the Chinese market to accept them. As their numbers were reduced by ruthless hunting, the acquisition of sea otter and seal furs became an expensive proposition, particularly in the face of the Hudsons Bay Company's determination to monopolize the trade. Meanwhile, the glutting of the Canton market, as well as competition from British woolen goods,

⁵⁷Pitkin, *Statistical View*, 250-251.

⁵⁸*Ibid.*, 251, 305-306.

⁵⁹William Boardman to Captain Seth Barker of the *Hamilton*, 7 Oct. 1831, Boardman Letterbook, Baker Memorial Library, Harvard Business School, Boston, MA.

reduced the prices these pelts fetched in China and rendered the trade unprofitable.⁶⁰ Americans turned to other products for sale in China or moved into new trades, particularly whaling, in the Pacific.

The rapid collapse of the ginseng market and the noticeable decline in the unit prices offered for pelts induced American traders to seek out alternative merchandise for sale in China in order to limit the requirement for shipping large quantities of silver there. They also sought a product with similar characteristics to those of both ginseng and pelts, a product that was relatively cheap at its point of origin but highly desirable to the Chinese so that they would pay dearly to obtain it.

China had long formed the greatest export market in the world for sandalwood. The Chinese used this product for secular purposes, such as the manufacture of perfumes, cosmetics, and medical preparations, as well as for constructing luxury decorative items. Its principal consumption, however, was as an incense wood to be burned on religious and ceremonial occasions. Chinese, Arab, and Persian merchants initiated an active trade in this precious commodity from India and the East Indies by overland caravan or by sea as early as the sixth century. The Portuguese entered the trade when they wrested control of the Indian Ocean and the East Indies routes from the native operators, and were followed by the Dutch and the British. By the mid-eighteenth century sandalwood was forming a appreciable part of East India Company cargoes to Canton, although it probably did not

⁶⁰Margaret C. S. Christman, *Adventurous Pursuits: Americans and the China Trade 1784-1844* (Washington: Smithsonian Institution Press, 1984), 27.

contribute greatly to the profits of a voyage, since the wood was relatively expensive in India itself due to a strong local demand for its consumption.⁶¹

Exploration of the Pacific revealed the existence of considerable virgin stands of sandalwood on the Fijis, the Marquesas, and the Sandwich or Hawaiian islands.⁶² Even the best of this sandalwood was of poorer quality than that grown in India or the East Indies.⁶³ Nevertheless, it offered the great advantage of availability for little more than the cost of the labor required to cut it.⁶⁴

American traders began to exploit the rich sandalwood resources of certain of the Pacific islands in 1804, when they imported over fifty tons from Fiji. The following season an officer of the East India Company noted:

An American Ship lately arrived from the South Seas has imported between Two & Three Thousand Peculs [120-180 tons] of Sandalwood the

⁶¹In 1792 the Company made a profit of 8.3 percent on its sandalwood sales at Canton: six times its rate of return on English goods from England but only one-eighth its return from other Indian products. Morse, *Chronicles*, 2: 192. See also *Chronicles*, 1: 37, 238, 283, 292 for English dealings in sandalwood between 1672 and 1753.

⁶²Ingraham, "Journal of the Voyage of the Brigantine *Hope*, 26 May 1791, states Captain William Douglas of the schooner *Grace* left two men on Kauai in August 1790 to collect sandalwood, and he was also told that Captain Metcalfe of the *Eleanora* loaded sandalwood in early 1790 at Kealakekua. George Vancouver, *A Voyage of Discovery to the North Pacific Ocean in the Years 1790, 1791, 1792, 1793, 1794, and 1795*, 5 vols. (London: John Stockdale, 1801), 1: 378-379, 406-408, related finding three men at Kauai in March 1792 who had been left to collect sandalwood by Captain John Kendrick of the sloop *Lady Washington* in October 1791.

For the discovery of sandalwood in the Fiji Islands, see Deryck Starr, *Fiji: A Short History* (Laie, HA: Institute for Polynesian Studies, Brigham Young University-Hawaii Campus, 1984), 9-12.

⁶³Amasa Delano, *A Narrative of Voyages and Travels in the Northern and Southern Hemispheres: Comprising Three Voyages around the World; together with a voyage of Survey and Discovery, in the Pacific Ocean and Oriental Islands* (Boston: for the Author, 1817), 106, 156-157.

⁶⁴Dorothy Shineberg, *They Came for Sandalwood: A Study of the Sandalwood Trade in the South-West Pacific, 1830-1865* (Melbourne: Melbourne University Press, 1967), 2.

produce of the Fajee Islands where it is said immense Forests of the same species of Wood have lately been discovered. Although the Wood of the present importation is of good quality . . . we do not find that it is likely to obtain in the market a price altogether equal to that which has been given this Season for the Canara and Mysore produce. It is reported however that the expense of collecting the Cargo of this Vessel has not exceeded the very moderate sum of 3,000 Dollars.⁶⁵

This cargo was estimated to have a market value of over \$450 per ton; sandalwood at this price offered American traders the generous profit margins they sought. As a result there was a rush to exploit Fijian sandalwood resources, which peaked in 1812, when American vessels imported over 1,100 tons into Canton. Thereafter, imports from Fiji declined abruptly as a result of over-exploitation of the islands' resources; by 1814 commercial logging of Fijian sandalwood was no longer a paying proposition.⁶⁶ Sandalwood prices also fell as the supply increased. The East India Company was accustomed to making a profit of 60 percent or more on its sandalwood sales at about \$600 per ton in the early 1800s before the Fijian wood entered the market. In 1809 Indian sandalwood sold for \$440 per ton, was worth only \$185 per ton in 1812 in the face of the massive American importation that year, and rose again to \$220 per ton in 1815 as the Fijian supply diminished. By contrast, the American traders received only \$225 per ton for their sandalwood in 1809, \$95 in 1812, and \$105 in 1815.⁶⁷

⁶⁵Morse, *Chronicles*, 3: 3-4. See also Table 3, U.S. Imports at Canton (by pounds weight or piece).

⁶⁶Shineberg, *They Came for Sandalwood*, 7. Starr, *Fiji*, 10. See also Table 3, U.S. Imports at Canton (by pounds weight or piece).

⁶⁷Morse, *Chronicles*, 2: 321-322, 347, 357, 388, 400, 3: 104, 174-176, 226-228.

As supplies of sandalwood from the Fiji Islands started to diminish, American traders began to exploit other sources of supply. Cutting sandalwood in the Marquesas commenced in 1814; by 1817 this source had been stripped.⁶⁸ The other major center for this trade was Hawaii where the brothers Nathan and Jonathan Winship, and their partner William Davis, initiated the large-scale shipment of sandalwood to China in 1811. After the return of their ship, the *Albatross*, from Canton in 1812, the partners entered into an agreement with King Kamehameha giving them a monopoly on the export of sandalwood for ten years in exchange for which the king would receive 25 percent of their net profits in cash or in "such productions and manufactures of China as the said Tamaahmaah, his successors or assigns, may think proper to order."⁶⁹ The outbreak of the War of 1812 frustrated their hopes. All three of their vessels voyaged to Canton in 1813, but British cruisers then virtually closed the port to American ships until the peace was signed.⁷⁰

The return of peace initiated a new expansion of trade in the Pacific. In Hawaii, King Kamehameha retained his own monopoly on the sale of sandalwood, proclaiming all the trees to be the property of the government and placing a taboo on the felling of young and small examples, while abrogating the Winships' restrictive control in favor of a policy offering open access to the market to all-comers.⁷¹ Boston and New York firms, including

⁶⁸Shineberg, *They Came for Sandalwood*, 7.

⁶⁹[William Dane Phelps, attrib.], "Solid Men of Boston," Bancroft Library, University of California, Berkeley.

⁷⁰Richards, "United States Trade with China, 1784-1814," 63-66. Morse, *Chronicles*, 205-225.

⁷¹Ralph S. Kuykendall, *The Hawaiian Kingdom*, 2 vols. (Honolulu: University of Hawaii Press, 1968), 1: 88-90.

such major players as John Jacob Astor, J. & T. H. Perkins, and Bryant & Sturgis, entered the sandalwood trade, often combining such a venture with a voyage to the northwest for furs.⁷² In 1818, for example, Captain James Hale of the brig *Ann* received instruction to call at Hawaii and:

If you can sell the King any articles of your cargo on advantageous terms, to receive your pay in Sandal Wood when you return from the [northwest] coast we think you had best do it. . . . You have probably double the number of muskets and more Powder than is wanted on the coast and it would be well to dispose of some at the Islands. . . . When you return from the coast to the Islands, if you have any trade left, endeavour to exchange it for Sandal Wood, of which we hope you may obtain a full cargo, and to do this it may be advisable to remain some time at the Islands.⁷³

American imports of sandalwood at Canton rose rapidly to almost 1,000 tons in both 1817 and 1818 before declining as a result of famine in Hawaii, which led the king to restrict the harvesting of the wood.⁷⁴ The death of Kamehameha, however, led to a change in royal policy. His successor, Liholiho, abandoned the royal monopoly, permitted the chiefs a share in the trade, and removed the previous restraints on indiscriminate felling.⁷⁵ American sandalwood imports into China increased again, reaching almost 1,500

⁷²Kenneth Wiggins Porter, "John Jacob Astor and the Sandalwood Trade of the Hawaiian Islands," *Journal of Economic and Business History*, 2 (1930), 495-519. Carl Seaburg and Stanley Paterson, *Merchant Prince of Boston: Colonel T. H. Perkins, 1764-1854* (Cambridge, MA: Harvard University Press, 1971), 179.

⁷³Bryant & Sturgis to Capt. James Hale, 31 Aug. 1818, Bryant & Sturgis Letter Books, Baker Memorial Library, Harvard Business School, Boston, MA.

⁷⁴See Table 3, U.S. Imports at Canton (by pounds weight or piece). Kuykendall, *The Hawaiian Kingdom*, 1: 88-89.

⁷⁵Gilbert Farquhar Mathison, *Narrative of a Visit to Brazil, Chile, Peru, and the Sandwich Islands, During the Years 1821 and 1822* (London: Charles Knight, 1825), 467.

tons in 1821, then gradually fell once more. This decline was exacerbated by a civil war on Kauai in 1824 which virtually halted the sandalwood harvest and almost all trade in the Hawaiian islands for several months, causing imports into China to collapse to less than 185 tons the following season.⁷⁶ Thereafter, the trade revived, and imports at Canton grew to almost 800 tons in 1827, boosted by an 1826 Hawaiian tax law that required every able-bodied male in the kingdom to deliver half a picul (66 pounds) of good sandalwood or an equivalent value to the royal authorities by September 1827, which opened the remaining sandalwood forests to exploitation by the entire adult population.⁷⁷ The following year exports exceeded 1,000 tons, sufficient to pay the Hawaiian rulers' debts twice over, according to one American agent.⁷⁸ Nevertheless, not only did the chiefs incur further debts but also the assault on the sandalwood forests so devastated them that the trade effectively ceased by 1829 due to over-cutting.⁷⁹

Sandalwood's importance in the American China trade peaked in 1812 when the wood made up 7½ percent by value of all U. S. imports into Canton. Even at its peak volumes in the 1820s, sandalwood never exceeded 3½ percent of the value of the goods

⁷⁶See Table 3, U.S. Imports at Canton (by pounds weight or piece.) Dixey Wildes to Josiah Marshall, 17 Sept. 1824, Josiah Marshall Manuscripts, Widener Library, Harvard University, Cambridge, MA. James Hunnewell to J. R. Cooper, 4 Nov. 1824, Hunnewell Manuscripts, Baker Memorial Library, Harvard Business School, Boston, MA.

⁷⁷U.S. Congress, *House Reports*, 28th Cong., 2d sess., 1827, No. 92, 18-19. King Kamehameha III enacted this tax, under U.S. Navy pressure, in an attempt to pay off the enormous accumulated debts that both the monarchy and the chiefs owed to American traders. See Kuykendall, *The Hawaiian Kingdom*, 1: 90-92.

⁷⁸J. C. Jones to Josiah Marshall, 29 June 1827, Josiah Marshall Manuscripts. See also Table 3, U.S. Imports at Canton (by pounds weight or piece).

⁷⁹See Table 3, U.S. Imports at Canton (by pounds weight or piece) and Table 4, U.S. Imports at Canton (in dollars). Kuykendall, *The Hawaiian Kingdom*, 1: 92.

carried by American traders into China, while large volumes had the usual effect of glutting the market and depressing the price; the record quantity imported in 1821 fetched \$170 per ton, but prices crashed to \$113 per ton the following year, rose as imports lessened, and fell again to \$118 per ton in 1828. Sandalwood's popularity with American merchants lay more in the profit margins it offered than in its contribution to solving the problem of finding a readily acceptable product for the Canton market that would halt the drain of silver to China.

American merchants sought out other sources for merchandise to trade for Chinese goods. Starting in 1788, American vessels began to arrive at Canton with partial cargoes of cotton fabric that they purchased in India en route to China. Cheap Indian cotton goods started to fill, in part, American needs for a readily salable commodity for the Chinese market. Over 1,000 tons arrived in U.S. vessels during 1789 and considerable quantities continued to be shipped until the 1820s, when they were replaced by British cotton goods carried aboard American vessels.⁸⁰ By the mid 1830s an average of 100,000 pieces of English cloth was imported annually, together with about 20,000 pieces from the new mills at Lowell. American shippers largely replaced the English goods with cotton fabrics from Massachusetts by 1837. During the First Opium War, in 1842 and 1843, even larger quantities of American cottons were shipped, in the anticipation of new Chinese ports being opened. This so overstocked the market that, as Forbes noted, "by October 11, 1843, the price was so far below the cost of manufacture at Lowell or

⁸⁰Morse, *Chronicles*, 2: 173.

Manchester, that the goods would pay a good profit to return them whence they came."⁸¹ American ships also carried mercury and lead to China, the former from Europe. During the fifteen years from 1815 an average of 325 tons of mercury and almost 700 tons of lead was shipped annually, although the amount varied greatly each year since the productivity of native Chinese mines largely determined the market for these metals.⁸²

The demand for Chinese products, particularly tea, continued to expand, and more and more American merchants ventured into the China trade to exploit this potential for profit. Ginseng, fine furs, and sandalwood all had held out the promise of ready acceptance in Canton on profitable terms, but the rush into each trade led to successive gluts of the market followed by a collapse in prices. As the American China trade matured in the early years of the nineteenth century merchants still were forced to rely on relatively scarce silver to an extraordinary extent for the purchase of goods at Canton for sale in the United States.

⁸¹Forbes, *Remarks on China*, 28-29.

⁸²Forbes, *Remarks on China*, 27-28. Delano, *A Narrative of Voyages and Travels*, 396-400.

Chapter 5.

The American Opium Trade and the East India Company's Monopoly.

By 1805 American trade with China was a relatively mature business by 1805. Participants were thoroughly acquainted with its two most significant problems. They faced great difficulties in providing commodities for the self-satisfied and fickle Chinese market that were both readily salable and highly profitable. In consequence, they also incurred the constant requirement of exporting a steady flow of specie, itself in short supply in the United States, in order to purchase Chinese goods for American domestic consumption. Expanding American trade with China increased the urgency of their discovering a solution for their commercial problems.

American merchants needed to find a highly-profitable product of wide general acceptability to the Chinese that would retain its hold on the market and offer the prospect of long-term expansion. During the first twenty years of their participation in the China trade Americans single-mindedly had pursued the glittering prospects offered successively by ginseng from the Hudson Valley and the Appalachian Mountains, the Pacific northwest's fine furs, and sandalwood from the islands of the South Seas. Each had attained substantial yet momentary popularity in Canton, but all had failed to generate consistent sales and arrest the trade imbalance in China's favor. American traders urgently required some alternative product that would succeed in seizing a solid market for itself.

The rapid growth of American trade with China added to the urgency of the search for such a commodity, since it exacerbated the drain of silver from the United States to China. No

reliable information is available on the amount of specie shipped to China from the United States before 1804, although an English merchant reported that, during this period, "[t]o Bengal the Americans may be computed to send about half a million sterling [approximately \$1,250,000] annually in Spanish dollars, and about the same sum to China, which is certainly much more than is sent from Great Britain."¹ In 1804 American merchants carried \$2,902,000 in silver coin to Canton, while their merchandise exports were valued at a total of \$2,653,818. Specie thus represented 52 percent of all American exports. During the period leading up to the outbreak of war with England in 1812, this situation became more unfavorable, with silver dollars making up at least 75 percent of total exports each year from 1805 to 1807, and again in 1810. In 1809 and 1811 silver exports accounted for a slightly smaller proportion of all goods shipped; 58 percent in 1809 and 60 percent in 1811. Only in 1808 was more merchandise than bullion shipped to China, but that year, together with the period of the War of 1812, marked the nadir of American trade to China, with total exports below \$500,000.²

American merchants labored under a further competitive disadvantage until well after the War of 1812 since, generally, they were unable to substitute bills of exchange drawn on London firms for specie.³ Such bills, which were readily accepted by the Chinese Hong

¹Alexander Baring, *An Inquiry into the Causes and Consequences of the Order in Council and an Examination of the Conduct of Great Britain Towards the Neutral Commerce of America* (London: J. M. Richardson & J. Ridgeway, 1808), 99.

²See Table 5, U.S. General Trade at Canton (in dollars). Timothy Pitkin, *A Statistical View of the Commerce of the United States of America* (New Haven: Durrie & Peck, 1835), 303.

³Bills of exchange functioned in a similar fashion to modern checks, since they were issued by individuals or businesses in payment for their purchases. They differed, however, in that they were also negotiable instruments that changed hands frequently between the time of their issue and

merchants in Canton, enabled their competitors from England and India to reduce the quantity of coin they had to ship to China, since the East India Company's treasury would redeem those the Cohong presented it for silver. In part, the provisions of the British Orders in Council prevented Americans from using bills of exchange but the restrictions of the various Embargo Acts compounded the problem. Some limited use of drafts by U.S. traders was recorded in 1810, but it did not become a regular feature of their dealings until well after 1815 with the resumption of peaceful relations with Britain, and then only in the face of reluctantly-yielded opposition from the East India Company. The Company noted in 1812 that

[i]n the Season 1810-11 the American Traders first brought Drafts to any considerable amount to Canton on Mercantile Houses in London, with the Proceeds of which they had to provide their returning Cargoes. If the Americans were annually provided with an extensive Credit on Houses of respectability in England, we are not aware of any Circumstances to deter the Indian Capitalist from remitting the proceeds of his Speculations in the China Market by means of the Bills which might be purchased in Canton in preference to returning his Property to Calcutta and from thence transmitting it thro' the Company's Treasury to England especially under the limitations which the Opening the Bengal Treasury for remittance to Europe is regulated.⁴

By the mid-1830s bills of exchange drawn on London virtually replaced the export of silver coin. This greatly eased the trading situation for American merchants, particularly as the imbalance between merchandise and currency carried to China persisted, with goods making up only about 48 percent of exports.⁵

their redemption. Furthermore, bills of exchange invariably could not be redeemed before their due date, which usually varied between 30 days and six months into the future.

⁴Hosea Ballou Morse, *The Chronicles of the East India Company Trading to China, 1635-1834*, 5 vols. (Cambridge, MA: Harvard University Press, 1926-29), 3: 179.

⁵Pitkin, *Statistical View*, 303. See also Table 5, U.S. General Trade at Canton (in dollars).

American merchants were not unique in facing the problem of large annual trade imbalances with the consequent obligation to export large amounts of bullion: all Europeans trading with China, including the British East India Company, had long confronted this same difficulty. The British in particular, who had by far the largest stake in the China trade by the end of the eighteenth century, had a pressing interest in finding an effective method for rectifying this unfavorable balance in their commerce. By the time the first American traders reached Canton opium already was showing the promise of providing the solution.

Opium was not always contraband in China. The Arabs introduced the opium poppy into China in the late seventh or early eighth century, and they may have imported the drug itself as early as the fourth century.⁶ The government considered opium a medicine and, from the late sixteenth century, levied duties on its import.⁷ As the scale of European imports increased it provoked concern over the detrimental effects of the drug's use on both individuals and society. In 1729 the entry of some two hundred chests caused the Emperor Yung Chang to issue an edict proscribing the domestic sale and use of opium throughout the empire.⁸ Around 1700 the East India Company had started carrying opium for sale in the East Indies but

⁶Wen-Tsao Wu, *The Chinese Opium Question in British Opinion and Action* (New York: Academy Press, 1928), 7. Michael Greenberg, *British Trade and the Opening of China, 1800-42* (Cambridge: Cambridge University Press, 1951), 108.

⁷Hsin-pao Chang, *Commissioner Lin and the Opium War* (Cambridge, MA: Harvard University Press, 1964), 17.

⁸John Phipps, *A Practical Treatise on the China and Eastern Trade: Comprising the Commerce of Great Britain and India, Particularly Bengal and Singapore, with China and the Eastern Islands* (Calcutta: Baptist Mission Press, 1835), 208. David Edward Owen, *British Opium Policy in China and India* (New Haven: Yale University Press, 1934), 51. The penalty for dealers was one month in the cangue (a heavy wooden yoke about the neck) and compulsory frontier military service; for opium den proprietors, it was strangulation. See Chang, *Commissioner Lin*, 219.

there is no evidence of British sales of the drug this early in China.⁹ Nevertheless, the Chinese proscription caused the Company's officers at Canton to issue their own prohibition:

Taking into Consideration that . . . the profit made on Ophium to China might induce the Commanders or Officers to purchase some for that market, not being sensible of the dangerous consequences that would attend their so doing. . . .

It having been a usual thing heretofore, for shippes bound from Fort St. George [Madras], to carry ophium with them for sale to China . . . we think it our Duty (lest you should be a stranger to itt) to acquaint you with the late severe laws enacted by the Emperour of China for y^e prohibition of Ophium, the penalty, should any be seiz'd on board your Ship, being no less than y^e confiscation of Ship & Cargoes to the Emperour, as well as death to the person who should dare to offer to buy it of you; upon these considerations therefore, & the more effectually to prevent any such like misfortune attending of us, you are hereby required to take the best measures you possibly can, by a strict enquiry & search in your ship, to be well informed whether there be any such thing on board or not . . . since upon no consideration whatsoever, you are neither to carry, nor suffer any of it to be carry'd in your Ship to China, as you will answer the contrary to the Hon^{ble} Company at your peril.¹⁰

During the middle years of the eighteenth century the East India Company's officers gained a private and unofficial monopoly over the production of opium in the Ganges Valley. In 1773, Warren Hastings converted this into a public monopoly, and the East India Company thenceforth maintained legal control over opium production and marketing in India and a substantial unofficial influence over the sale of the drug in China. It advanced native growers the necessary capital to assure planting of the poppies, oversaw the harvest's conversion into opium, and conducted sales of the drug in India.¹¹

⁹Morse, *Chronicles*, 1: 136.

¹⁰*Ibid.*, 1: 215.

¹¹Owen, *British Opium Policy*, 20-28.

The East India Company generally maintained its deliberate policy of not transporting the opium itself. From about 1775 English and "country" vessels (specially licensed ships privately-owned by European and native residents of the East India Company's Indian possessions) started to carry Bengal opium to Canton. The Company itself very briefly participated in this carrying trade with two vessels in 1781 when the exigencies of war cut off its normal supply of bullion. A French privateer captured one ship whose captain was able to escape with the \$59,600 realized from sales of some of his opium in Sumatra. The other vessel's cargo sold for more than \$80,000 less than its purchase and freight costs: a loss of almost 19 percent. The unhappy experiences of this excursion rapidly induced the Company to revert to its previous policy of remaining aloof from the actual transportation of opium into China.¹²

During the late eighteenth century the volume of the drug shipped from India was insufficient to eliminate China's positive trade balance with the East India Company, but opium made a noticeable contribution to reducing its size. In 1800 the Company's drug exports to Canton were valued at approximately \$4,500,000, compared with other merchandise that realized \$3,550,000, specie shipments of \$2,265,000, and bills on London and Calcutta totaling \$4,550,000.¹³

The profitability of the business encourage the growth of the opium market despite the efforts of the imperial government. Although opium once again became a dutiable import in

¹²Morse, *Chronicles*, 2: 75-79. Owen, *British Opium Policy*, 54.

¹³Morse, *Chronicles*, 2: 321-327. Owen, *British Opium Policy*, 62.

China by 1753, the emperor re-issued the earlier edict proscribing its sale and consumption in 1780.¹⁴ A more stringent imperial edict of 1796 prohibited the importation of opium "as a drug pernicious to the Health and Morals of the Chinese."¹⁵ The domestic market, however, was so lucrative that the Cantonese Hong merchants were eager to purchase the drug at high prices and willing to bribe as many officials as necessary to maintain the flow of this trade. Furthermore, an East India Company report observed, "as it produced great fees to the Hoppo who clandestinely encourages this contraband Trade, effectual means [of interdiction] are not intended." It did note, however, that since the "Viceroy of this Province is said to have taken a very active part in this business [the issuance of the imperial edict] and may perhaps find some favorable opportunity to renew the Subject," it was essential that the ban on the Company's vessels carrying opium between India and China be re-issued and rigorously enforced.¹⁶

During the decade following the entry of U.S. ships into the China trade there is no evidence of American traders participating in the opium traffic, even though they quickly appreciated its potential for profits. Samuel Shaw, the *Empress of China's* supercargo, observed that a "good market" existed for opium in China that would provide a "handsome profit," and that it could be "smuggled with the utmost security."¹⁷ The East India Company granted American vessels relatively unrestricted access to both the India coastal trade and the

¹⁴Friedrich Hirth, "The Hoppo-book of 1753," *Journal of the North-China Branch of the Royal Asiatic Society* New Series 17 (1882), 1: 225. Chang, *Commissioner Lin*, 219.

¹⁵Morse, *Chronicles*, 2: 316. Chang, *Commissioner Lin*, 219.

¹⁶Morse, *Chronicles*, 2: 316-317.

¹⁷Josiah Quincy, *The Journals of Major Samuel Shaw, the First American Consul at Canton, with a Life of the Author* (Boston: Wm. Crosby & H. P. Nichols, 1847), 265, 238.

"country" traffic between its territories and China. Nevertheless, the Company rigorously excluded them from the opium business, and maintained this exclusion, despite the Americans' well-documented propensity for smuggling and evading regulations, due to its monopoly of the drug's supply and its authority over the "country" trade.¹⁸

The United States, through Jay's Treaty in 1794, formally assented to British conditions for access to its Indian market:

It is expressly agreed, that the Vessels of the United States shall not carry any of the articles exported by them from the said British Territories to any Port or Place, except to some Port or Place in America, where the same shall be unladen . . . It is also understood that the permission granted by this article is not to extend to allow the Vessels of the United States to carry on any part of the Coasting Trade of the said British territories. . . .¹⁹

The treaty was to remain in force for the next ten years and its rigid enforcement would have barred American traders from carrying goods from British territories to any place other than a U.S. port, thus excluding them from trades to which they had had access since 1784. In reality, its provisions were not enforced rigorously, but the East India Company continued to exclude American merchants from participation in the opium traffic between Bengal and Canton during the period to 1804.²⁰

The earliest American ventures into the opium trade thus did not occur until about 1804, although one Yankee vessel, the *John Jay*, had carried a single chest into Providence,

¹⁸Charles Clarkson Stelle, "Americans and the China Opium Trade in the Nineteenth Century," Ph.D. diss., University of Chicago, 1938, 7-10.

¹⁹David Hunter Miller, ed., *Treaties and Other International Acts of the United States*, 8 vols. (Washington, DC: Government Printing Office, 1931-48), 2: 255-256.

²⁰Stelle, "Americans and the China Opium Trade," 11.

presumably for medicinal purposes, in 1794.²¹ As the expiry date for the commercial clauses of Jay's Treaty drew near, U.S. merchants chafed at their restrictions. J. & T.H. Perkins of Boston asserted to their Canton agent that, when the articles that "proscribed our Intercourse in India and restricted us in the coasting trade" expired, then "we sh'd have a right to prosecute [undertake] voyages from Brit. Settlements in India to Canton and elsewhere."²² They followed up this assertion by dispatching several vessels to engage in the "country" trade between India and China and also initiated the firm's dealings in the opium trade (in which it was to become the pre-eminent American player) with a series of ventures from India to the East Indies.²³

Meanwhile, as Americans increased their trade with the Mediterranean and the Levant they discovered in Turkey a source for the supply of opium in which they could traffic without restrictions.²⁴ The East India Company's monopoly prohibited all privately-owned English vessels from the direct trade between any part of Europe and China. Moreover, the Company,

²¹Gertrude Selwyn Kimball, "The East-India Trade of Providence from 1787 to 1807," *Papers from the Historical Seminary of Brown University*, 6 (1896), 13-17.

²²J. & T.H. Perkins to Ephraim Bumstead, 12 Dec. 1803, "Extracts from Letter-Books of J. & T.H. Perkins et Al, 1786-1838," compiled by James E. Cabot, Perkins Manuscripts Collection, Massachusetts Historical Society, Boston, MA.

²³See letters from J. & T.H. Perkins to Bumstead, 24 Feb. 1804, and to Sam'l Williams, 24 Sept. 1805, and from Charles Cabot (one of their captains) to the firm, 7 Dec. 1804, in L. Vernon Briggs, *History and Genealogy of the Cabot Family, 1475-1927*, 2 vols. (Boston: for the Author, 1927), 2: 515, 527, 1: 403. J. & T.H. Perkins to Cabot, Jan. 1804, "Extracts from Letter-Books of J. & T.H. Perkins."

²⁴Thomas Handasyd Perkins wrote on 16 June 1805 to John Perkins Cushing, his nephew, at Canton requesting "information respecting the article of Turkey opium." He followed this up on 23 Sept., advising Cushing that it was available at Smyrna for \$2 per pound (about \$270 per case) which indicated that "if as much in repute in China as the Opium of India, great profit may be made on it," and asked him "Is it to be got on shore with little risk? What is the price pr. chest to the Mandarins for getting it on shore?" "Extracts from Letter-Books of J. & T.H. Perkins."

as already noted, absolutely proscribed its ships from carrying opium. Its officials reiterated both policies in no uncertain terms on 22 October 1799 and 3 January 1800. Sailing orders issued to commanders of Indiamen departing from Bombay warned:

You must take the most particular care that no Opium is laden on board your ship by yourself Officers or any other Persons as the importation of that Article at China is positively forbid and very serious consequences may attend your neglect of this injunction.

The Canton supercargoes, in their annual report to the Court of Directors, observed that:

Being desirous to guard against every accident by which the Hon'ble Company could in any manner be implicated in the charge of illicit trade [we] requested that a peremptory order might be issued at the Presidencies [the East India Company's administrative centers] to forbid any Opium in future being taken on board Company's Ships bound to China. . . . We have therefore repeated our desire to the Governments in India respecting the interdiction to the Commanders and Officers of the Hon'ble Company's Ships and we submit to the Hon'ble Court whether it may not be proper to attach some Penalty to the Importation of Turkey Opium which has sometimes found its way (tho' in small quantities) directly from England to this Quarter.²⁵

The impact of this combination of policies was to free American traders who ventured into the Turkish opium market from any effective competition. The brig *Pennsylvania* departed Smyrna in March 1805 for Batavia in the Dutch East Indies with a cargo including fifty chests of opium.²⁶ In June and July 1806 the first direct American opium shipments from Smyrna arrived at Canton aboard the brigs *Eutan* of Baltimore and *Sylph* of Philadelphia, consisting of some 130 chests in total. This event occasioned some alarm among the officers

²⁵Morse, *Chronicles*, 2: 326-327.

²⁶A chest contained 135 pounds of opium.

of the East India Company, although, to some degree, Britain's prohibitions against its nationals' participation in the traffic fostered American exploitation of this trade from Smyrna.

The speculations of the Americans in the Trade of Opium from Smyrna to China have not failed to attract our attention and are probable, if carried to any extent, to prove injurious to the Hon'ble Company, we should have endeavoured to check the importation had the measure appeared practicable.²⁷

Turkish opium, which the Chinese considered to be of lesser quality than the Indian drug, still found a ready market in Canton, albeit at a lower price of about \$500 per chest. Initial American exports to China were small and valued at about \$50,000 in 1805, \$100,000 in 1806, and \$75,000 in 1807. These quantities represented between 5 and 10 percent of the value of all merchandise shipped to Canton by American merchants in these years. During this period the drug itself was not only transported directly from Turkey to China but also shipped from Smyrna to American ports, where merchants incorporated the opium into their cargoes for Canton.²⁸ The East India Company believed that the American entry into the opium trade posed little threat to its own dominant position in China. Because of

the very inferior estimation in which the Turkey Opium is held by the Chinese, comparatively with the produce of Bengal, we do not conceive the speculations of the Americans are likely permanently to interfere with the Interests of the Hon'ble company, altho' from the advantageous sale of the Article at the close of the last Season [1806], it is probable they may for a time be extended and produce some temporary injurious effect on the Market. The Turkey Opium is we believe used entirely for the purpose of adulterating the produce of Bengal, and for this purpose a small quantity, perhaps 100 peculs [13,333 pounds], will find a ready sale, but a considerable importation will be unsaleable, nor will

²⁷Morse, *Chronicles*, 3: 72-73. Charles C. Stelle, "American Trade in Opium to China, Prior to 1820," *Pacific Historical Review*, 9 (1940), 430-431.

²⁸Stelle, "American Trade in Opium to China, Prior to 1820," 432-433. Morse, *Chronicles*, 4: 384. See also Table 5, U.S. General Trade at Canton (in dollars).

such prices be given as will repay the Speculators, except when the Opium from Bengal is selling on very favorable terms.²⁹

Jefferson's Embargo Act in 1807, greater concern in Calcutta about the success of American competition that found expression in tighter regulations sanctioned by Parliament, and the war with England that started in 1812 all combined to eliminate American merchants from participation in the opium trade until 1815, although they landed opium valued at about \$100,000 in 1811 and \$50,000 the following year.³⁰ The Treaty of Ghent, which ended the war, and the 1818 Anglo-American Convention formally re-imposed the ban on American participation in the trade between India and China.³¹ This exclusion thus encouraged Yankee merchants to return to the Smyrna opium business in force. American shipments of opium to Canton increased dramatically from about 500 chests in 1816, worth approximately \$250,000 in China, to about 1,900 chests in both 1817 and 1818, which were valued at almost \$1,000,000.³² Opium thus represented an average of 66 percent of the value of merchandise

²⁹Select Committee of the East India Company at Canton to the Secret Committee of the Court of Directors at Calcutta, 24 June 1807, published in Morse, *Chronicles*, 3: 72-73. John P. Cushing, J. & T.H. Perkins's agent at Canton, noted that, in his long experience, the Turkish and Indian varieties of opium "do not interfere with each other except in a very trifling degree, The former is consumed almost wholly in the Northern provinces where they require a stronger description than the Bengal or Malwa." Perkins & Co. to J. & T.H. Perkins, 27 March 1820, Perkins & Co. Letterbooks, Baker Memorial Library, Harvard Business School, Boston, MA.

³⁰The East India Company prohibited American vessels from the carriage of goods from India "to the territory of any Indian or Chinese potentate or power," and required them to take out bonds in India against their evading these restrictions that could be canceled only by a British consul at their port of final destination in the United States. Pitkin, *Statistical View*, 208-210. Charles Gutzlaff, *A Sketch of Chinese History*, 2 vols. (London: Smith, Elder & Co., 1834), 2: Appendix.

³¹Miller, *Treaties*, 2: 597, 660.

³²See Table 3, U.S. Imports at Canton (by pounds weight or piece). See also Morse, *Chronicles*, 3: 323-324, 329, 339-340. Gutzlaff, *Sketch*, 2: Appendix.

shipped to China by American merchants in this period. It is important to note that bullion shipments still greatly exceeded the value of all goods landed at Canton; silver coin exports to China rose from \$1,922,000 to \$5,601,000 during the same period and accounted for about 80 percent of all American exports to China.³³

The growth in American opium importations into China paralleled a similar expansion in British shipments, the increase arising from the arrival of greater quantities of Malwa opium from western India.³⁴ This provoked two reactions from the Chinese: periodic official crack-downs on opium smuggling, and simultaneous unofficial demands for larger bribes to overlook the practice. The viceroy started to order regular searches of foreign vessels at Whampoa to check for the presence of the drug. The Cohong, which the authorities held liable for all such infractions and subjected to penalties including fines of up to \$1,000,000, determined to demand a bond of all ship commanders "engaging that he will not smuggle Opium. . . . It is their intention to demand the same of the Commanders of the H.C. Ships, asserting that this Measure has received the Sanction of the Viceroy." In general, foreign vessels resisted these official measures at this time, but bribery became ever more necessary; the Portuguese at Macao went so far as to levy a \$40 per chest assessment to create a fund that could be distributed among the local Chinese officials to ensure they turned a blind eye to the opium traffic.³⁵

³³Pitkin, *Statistical View*, 303. Table 5, U.S. General Trade at Canton (in dollars).

³⁴Morse, *Chronicles*, 3: 339-340.

³⁵Morse, *Chronicles*, 3: 318-324.

Chinese interference with what was already a highly speculative trade tended to reduce its attraction for smaller operators, leading to the American trade becoming concentrated in the hands of larger, better-financed firms that were more able to tolerate periodic disruptions of their business and to wait out fluctuations in the market. Before the 1820s the largest firms in the trade were J. & T.H. Perkins of Boston and the New Yorker, John Jacob Astor. The Boston house was one of the American pioneers in the opium business and was in a particularly strong position to dominate the trade. It was very well financed, had established agencies in Turkey and China with first-class staff and excellent connections, especially at Canton, and had intimate connections with both other Boston firms, particularly Bryant & Sturgis, and important English financiers, most notably the Barings.³⁶ Astor's involvement in the opium trade to China after 1816 was so great that J. & T.H. Perkins declared in 1818 that "we know of no one but Astor we fear." By 1821 Astor had withdrawn from this business, apparently due to the renewed opposition to the trade displayed by the Chinese central government that year and the inconvenience and marketing delays prevalent before the initiation of the receiving

³⁶The firm's Canton agent, Perkins & Co., was headed by John P. Cushing who developed extremely close connections with Houqua, the most important member of the Cohong between 1790 and 1830. Recommendations from "our friends Houqua & Perkins & Co." regarding opium transactions regularly appear in the firm's correspondence. For details of the firm's business operations see "Extracts from Letter-Books of J. & T.H. Perkins," Perkins Manuscripts Collection, Massachusetts Historical Society, Boston, MA; Perkins & Co. Letterbooks and Bryant & Sturgis Letter Books, Baker Memorial Library, Harvard Business School, Boston, MA, and Part III of Carl Seaburg and Stanley Paterson, *Merchant Prince of Boston: Colonel T. H. Perkins, 1764-1854* (Cambridge, MA: Harvard University Press, 1971).

ships, to concentrate on his other interests in the United States, particularly shipping and ferries in the New York area.³⁷

Not all the opium carried to China by American merchants at this time originated in Turkey; new sources for the drug were uncovered and exploited in the Persian Gulf. Astor seems to have pioneered this trade, sending a ship there in 1817 whose cargo subsequently proved unsaleable at Canton, due to its poor quality. J. & T.H. Perkins sent one of their own vessels on a far more successful venture to the gulf the following year. They purchased 80,000 pounds of the local drug at a lower cost than was then prevalent at Smyrna, and sold it at Canton for a price per chest almost 25 percent higher than that fetched by Turkish opium.³⁸

The combined British, American, and other foreign shipments of opium into China during the 1817 and 1818 seasons proved to be temporarily too great for the market to absorb. In 1818, Canton and Macao received 3,178 cases of the Bengal drug, 1,800 cases of Malwa, and almost 2,000 cases of Turkish and Persian opium.³⁹ Total shipments in the 1819 season diminished substantially to 2,400 cases of Bengal opium, 1,200 cases of Malwa, and about 180 cases from Smyrna.⁴⁰ Cushing, to the annoyance of the East India Company, shipped \$300,000 in silver to Calcutta, "where he sold the dollars and exchanged the proceeds with his

³⁷J. & T.H. Perkins to Frederick W. Paine, their agent at Leghorn, 24 March 1818, "Extracts from Letter-Books of J. & T.H. Perkins." Kenneth Wiggins Porter, *John Jacob Astor, Business Man*, 2 vols. (Cambridge, MA: Harvard University Press, 1931), 2: 599-600, 613-614, 666.

³⁸J. & T.H. Perkins to Paine, 24 March 1818; and to Woodmas & Offley, 16 June 1819, "Extracts from Letter-Books of J. & T.H. Perkins."

³⁹Morse, *Chronicles*, 339-340, 344-345.

⁴⁰Cushing to J. & T.H. Perkins, 23 Jan. 1820 and to Paine, 23 March 1820, Perkins & Co. Letterbooks. Morse, *Chronicles*, 365. Gutzlaff, *Sketch*, 2: Appendix.

correspondents in Bengal for Bills on mercantile Houses in Canton . . . to meet which drafts a quantity of [Bengal] Opium has been consigned to China in the ["country"] Ship *Hastings* and a cargo of Cotton in another Vessel," thus both evading British prohibitions against American participation in the "country" trade and gaining access to a supply of the far more valuable Bengal opium.⁴¹ In 1820 total shipment rose again, largely due to much greater imports by the Portuguese at Macao, but American firms did not participate in that season's trade, probably due to a combination of fears of increased Indian production by the Company, leading to a consequent drop in opium prices at Canton, and a general slump in U.S. trade, particularly with China.⁴² The 1820 season witnessed a dramatic decline in overall American trade to Canton; the total value of U.S. imports at Canton fell from \$8,185,000 in the previous season to \$5,392,795.⁴³

A surge in Chinese governmental concern at the general impact of the opium trade on the country distinguished the early 1820s. The central authorities already viewed American vessels with considerable suspicion as a result of the *Wabash* incident in 1817. Pirates pillaged this Baltimore opium ship on 26 May while it was anchored in Macao Road, killing five of the crew.⁴⁴ The American consul at Canton, Benjamin Chew Wilcocks, supported by the English Committee, prevailed upon the Viceroy to offer a reward of \$3,000 for the apprehension of the

⁴¹Morse, *Chronicles*, 359, 365. Bengal opium sold for \$1,260 per case at Canton, Turkish for \$1,000.

⁴²Stelle, "Americans and the China Opium Trade," 34-35.

⁴³Pitkin, *Statistical View*, 303.

⁴⁴Morse, *Chronicles*, 3: 318.

perpetrators. The Canton magistrate held a trial of several suspects, to which he invited Wilcocks and Christopher L. Gantt, the *Wabash's* commander.

It appears that eleven men have been apprehended; one of the Ringleaders, it is said, is to be cut into 24 pieces, and four others to be decapitated. The Viceroy . . . gave from his private purse 4,000 Dollars, and returned to the American Captain 824½ Dollars which were recovered from the Criminals. Puiqua [the Hong merchant who had stood surety for the *Wabash*] likewise presented him with 2,000 Dollars.⁴⁵

Two of the linguists⁴⁶ who dealt with American traders gave a written declaration to the Viceroy "that, to their knowledge, the American ships commonly brought opium."⁴⁷ The Viceroy, therefore, refused to provide any further compensation for the pillaged goods because

It is ascertained that it all arose from the said foreign Merchants bring Opium, which is a prohibited commodity. Gant brought the Calamity upon himself, if any other vessels do not bring Opium they can have nothing to apprehend.⁴⁸

As a result of this episode, the viceroy fined the Hong merchants almost \$1,000,000, leading them to inform the foreign merchants that they had determined "not to secure any Ship whose Commander has not signed a Bond, engaging that he will not smuggle Opium."⁴⁹ Wilcocks himself was advised directly that

⁴⁵*Ibid.*, 3: 319.

⁴⁶Linguists were not only officially appointed interpreters (although they actually spoke only Chinese and "pidgin English") but also had considerable administrative responsibility within the Chinese bureaucracy for ensuring that all documentation for foreign ships was in order. See William C. Hunter, *The 'Fan Kwae' at Canton Before Treaty Days, 1825-1844* (London: Kegan, Paul, Trench & Co., 1882), 50-53.

⁴⁷Morse, *Chronicles*, 3: 319.

⁴⁸Mandate issued by the Viceroy to the Hong merchants 24 July 1817, cited in Morse, *Chronicles*, 3: 320.

⁴⁹Morse, *Chronicles*, 3: 320.

foreign opium is not allowed to come to Canton; if it is presumptuously brought, the moment it is discovered, it will immediately involve the security merchants; and the cause of the said vessel bringing the dirt for smoking to Canton will also assuredly be examined into; and a prosecution begun which will impede her departure.⁵⁰

The authorities also attempted to institute thorough searches of all foreign ships in Chinese waters but were dissuaded by the foreigners' determined refusal to permit this operation, the summoning of the British frigate *Orlando* to Canton by East India Company officials, and also, it would seem, some \$100,000 in bribes.⁵¹

In 1821, a second episode involving an American vessel was a significant element in precipitating an escalation of Chinese efforts to halt the illegal shipments of opium. An American seaman, Francis Terranovia, was accused of throwing an olive jar at a Chinese woman, striking her on the head and knocking her overboard from her bumboat, so that she drowned. On 6 October, the Canton magistrate held an inquiry aboard the Baltimore ship *Emily*, on which Terranovia was serving, found that he was indeed guilty of the crime, and demanded that he be handed over for trial. Eventually, he was handed over to the Chinese authorities on 24 October, tried two days later, and executed by strangulation on the morning of 28 October.⁵²

The Terranovia incident focused Chinese attention on the *Emily*, leading to the discovery that

⁵⁰Memorandum cited in Jonathan Greenberg, *Philadelphia and the China Trade, 1682-1846* (University Park, PA: Pennsylvania State University Press, 1978), 59.

⁵¹Morse, *Chronicles*, 3: 321-323.

⁵²*Ibid.*, 4: 11-13, 23-27.

it contained merely about 1,000 Catties [approximately 1,350 pounds] of foreign tin worth scarcely anything, and it paid for the Port charges, upwards of 1,400 Taels [\$1,950], from which it appears the said vessel came for no purpose, but to sell Opium. Infinitely detestable! Rightly did Heaven send down punishment, and cause Francis Terranovia to commit a crime for which he was strangled. This Ship should be punished most severely.⁵³

Almost simultaneously, a minor government official seized this opportunity to take his personal revenge on the Hong merchant Puiqua, who had stood security for both the *Wabash* in 1817 and now the *Emily*. This official had narrowly escaped total disgrace and severe punishment over the *Wabash* incident. He had also been

the medium thro' whom the local Officers of the Macao district received their fees for connivance in the Opium trade, and thought when apprehended, that his personal impunity would be promoted by implicating the officers of Govt. in acts of public delinquency.

The disclosures made by this person it is supposed rendered it imperative upon the Governor of the Province to adopt some measures for the suppression of the Opium trade.⁵⁴

The Viceroy of Kwangtung and Kwangsi provinces re-issued the imperial mandate of 1796 to both the local government administrators and the Cohong and emphasized that

if one vessel brought Opium that vessel and her whole cargo should be rejected, and her trading interdicted; if all the vessels brought Opium, then, they must all have the whole of their cargoes rejected, and their trading interdicted, and the Ships expelled from the Port. . . . As to all those Merchants who carelessly secure every Ship that has Opium, by rights they should be broken [on the rack], and their crime punished. . . .

The Celestial Empire permits tea, rhubarb etc. to be sold to keep alive the people of the said Nations . . . yet these foreigners feel no gratitude, nor wish to render a recompense, but smuggle in prohibited Opium, which flows, and poisons the land. . . .

⁵³Edict issued by the Viceroy to the Hong merchants on 2 Dec. 1821, in Morse, *Chronicles*, 4: 46-49.

⁵⁴Report of the Select Committee to the Governor-General of the East India Company, 10 Dec. 1821, in Morse, *Chronicles*, 4: 41-43.

They should hereafter rouse themselves to zealous reflection, to bitter repentance, to reformation; and alter their inhuman and unreasonable conduct, then . . . they will for ever, receive the Gracious Bounty of the Celestial Empire!

Let the Hong Merchants in obedience to this Edict, carefully and minutely inculcate its contents to all foreign Ships . . . requiring them to know and understand it.⁵⁵

As a result of these incidents, the *Emily* and three other vessels were expelled from Canton after forfeiting half their cargoes, and the Hong merchants, under threat from the Chinese authorities but also for form's sake, adamantly refused to continue their involvement in the trade. The Hong merchants wrote:

We approach to State that Opium is a commodity which the laws have heretofore prohibited most strictly, and we have before respectfully received commands to order all the respective Ships that they must not bring it. This has occurred not a second nor a third time only. . . . We will trouble the Chief and Committee to send a letter to the Comp^y and to India and to the Marts, informing every one that, Opium must not be smuggled into Canton, for if reverently orders be received to search and discovery ensue, the Ship will be rejected and not allowed to trade, and if this year any Ship not knowing the prohibition should bring Opium we beg you to inform her that She must not on any account enter the Port but set sail immediately, for if She do enter and we find it out, we positively cannot become security, but must assuredly and immediately report it to the great Offices of Gov^t, that the Affair may be prosecuted according to law. This is an Affair which concerns our persons, families, and lives, and we are compelled to proceed in the straight road of management.⁵⁶

During the 1821 season, before the Chinese started to enforce their prohibition of its import, British merchants landed opium to the value of \$4,166,250 at Canton. Much of this was brought in through Macao, but it still represented almost 30 percent of British trade with

⁵⁵Morse, *Chronicles*, 4: 44-49.

⁵⁶Hong merchants to the Select Committee, 6 Mar. 1822, in Morse, *Chronicles*, 4: 49.

China for the season.⁵⁷ Clearly, the threat posed by China's stepped up measures against the illegal trade in Canton could not be accepted with equanimity by the English mercantile community at Canton. As a result, the British introduced "receiving ships" which were vessels maintained, usually at anchor, off the coast at Lintin, near the mouth of the Pearl River. Opium cargoes were transported to these receiving ships from India for sale to Chinese dealers. The British gained two great benefits from this new arrangement; the sites were completely under their own control, unlike the situation at the Canton factories, and their risks dropped immensely, since final sales were made at the counting house in Canton for deliveries of opium to purchasers that were made at the receiving ships themselves. The Chinese dealers undertook responsibility for smuggling the drug ashore at a more opportune moment, bribing all necessary officials to ensure its passage, and became the parties at risk in the event of complications.⁵⁸

American trading companies, particularly Perkins & Co., quickly appreciated the advantages of this system. In 1823, John P. Cushing, by then both the United States Consul at Canton and the head of Perkins & Co., stationed the brig *Cadet* at Lintin to act as a receiving ship for American opium consignments.⁵⁹ Chinese merchants and local officials connived in this new situation. A contemporary report noted:

⁵⁷Morse, *Chronicles*, 4: 20.

⁵⁸James Matheson was the initiator of this system, stationing his ship *Hooghly* off Lintin for five months from October 1821, when all the opium ships were forced to quit Canton after the Terranova incident, until the end of the following March. Morse, *Chronicles*, 4: 15, 61. See also, Jacques M. Downs, "American Merchants and the Opium Trade, 1800-1840," *Business History Review*, 42 (1968), 428-429.

⁵⁹Morse, *Chronicles*, 4: 107.

[e]very facility is there [at Lintin] afforded to the Opium Traffic and smuggling transactions to a considerable extent in other articles are carried on. A Vessel frequently remains there until a cargo of Opium is delivered and a lading of Rice has been obtained which according to the fiscal regulations lately established in this Country gives an exemption from Port charges. . . . The fees formerly paid to the Officers of the Government for their connivance have been very materially diminished, the Opium Trade has nearly entirely forsaken Macao and a security has been given to it at Lintin which it has never previously possessed.⁶⁰

American opium traders also were able to use the new situation further to strengthen their hold on the market for the Turkish drug. Cushing noted that "the English Country vessels would be liable to seizure if found with Turkish Opium on board by their own ships of war & would of course object to receiving it."⁶¹ During the mid-1820s there was a substantial increase in the volume of opium shipped from Smyrna, to a minimum of 1,000 chests each year until the expiry of the East India Company monopoly in 1834, with shipments rising to over 1,700 chests in the 1824 season alone, and possibly exceeding that figure in 1829.⁶² The trade also became virtually completely concentrated in the hands of Boston merchants, notably J. & T.H. Perkins and Bryant & Sturgis, who were closely related by business and marriage ties, and succeeded in driving most of their American competitors out of the business.⁶³

⁶⁰Brig *Venus* to Bengal Government, 30 Jan. 1826, in Morse, *Chronicles*, 4: 107.

⁶¹Perkins & Co. to J & T.H. Perkins, 25 June 1823, Perkins & Co. Letterbooks, Baker Memorial Library, Harvard Business School, Boston, MA.

⁶²Downs, "American Merchants," 431-433. Charles C. Stelle, "American Trade in Opium to China, 1821-39," *Pacific Historical Review*, 10 (1941), 63-68.

⁶³Downs, "American Merchants," 429-431. Stelle, "American Trade in Opium to China, 1821-39," 63-65. Magniac & Co. reported to a Parliamentary Committee in 1830 that "the Turkish Drug is almost entirely in the hands of one American house, who have nearly a monopoly of it in China. By holding such large quantities, they have great command of the market there." Great Britain, Parliament, *Sessional Papers: 1830* (Dublin: Irish University Press Area Studies, 1971), 6: 421.

The use of receiving ships served also as a means for American merchants to circumvent the British ban on American participation in the trade from Bengal. Initially, they encouraged "country" traders to sell their opium by outbidding the East India Company or taking up small quantities that the Company was unwilling to purchase. As this development proved successful, aggressive firms started to send representatives directly to Indian traders and encouraged them to consign their cargoes to the American receiving ships. The Philadelphia merchant Benjamin Chew Wilcocks again seems to have been the pioneer in this effort. In 1824 he brought John R. Latimer from Philadelphia to run his operation in China, so that he could go over to India to expand his sources of supply.⁶⁴

Although Latimer developed his firm into a substantial operator in the Indian opium trade, the major American player in this field was Russell & Co., founded at the end of 1824. With the active assistance of Perkins & Co., the firm immediately embarked on the aggressive exploitation of the Indian market. Soon after John P. Cushing left for the United States in 1828, Thomas T. Forbes, who succeeded him as head of Perkins & Co., drowned in a typhoon, leading to the company's dissolution in 1830. It was arranged for their business to be taken over by Russell & Co., and the deal was cemented when John Forbes, one of Thomas Handasyd Perkins's nephews, became a partner, and Robert Bennet Forbes, yet another nephew, was sent out to China to command the receiving ship *Lintin*. Under the capable guidance of Robert B. Forbes and his fellow partners, Augustine Heard and William Low, the

⁶⁴Downs, "American Merchants," 434-435.

firm soon dominated American trade at Canton, with the partners "picking up 30 m dolls [\$30,000] pr annum" apiece in personal income.⁶⁵

By the early 1830s British imports of opium into China had risen in value to \$11 to \$12 million annually. Direct American imports from Smyrna were no more than \$1,000,000 during the same period. American traders, however, were now able to access the market in bills of exchange drawn on London because of the volume of their commissions from transactions in Indian opium. The volume of these bills was so great by the early 1830s that Jacques M. Downs estimates that this American opium business alone may have been as much as one-sixth of British sales (\$2,000,000) in addition to their profits from the Smyrna drug.⁶⁶

Further evidence of the impact of opium trade profits may be found in the visible shift in the volume of specie shipped from the United States to China during the 1820s. From 1821 to 1825 specie constituted an average of 67 percent of the value of all American shipments to Canton. During the next two seasons there was a dramatic rise in the contribution of merchandise to total American imports into China from about 27 percent in 1825 to 47 percent in 1826 and 45 percent in 1827. The breakthrough in American trade came in the 1828 season when merchandise landed in China exceeded bullion shipments for the first time; goods made up 66 percent of imports, specie 18 percent, and bills on London contributed 16 percent.

⁶⁵R.B. Forbes to A. Heard, 30 Apr. 1831, Heard Manuscript Collection, Baker Memorial Library, Harvard Business School, Boston, MA.

⁶⁶Downs, "American Merchants," 433-434.

Thereafter, bullion constituted an average of less than 20 percent of total American shipments to Canton; a pattern which remained valid until 1834.⁶⁷

In that year the East India Company's monopoly expired, which presented American traders with the entirely new challenge of unrestricted private British competition. The American monopoly over the trade in opium from Turkey terminated with that of the Company over British trade between Europe and China, since English merchants no longer faced any Parliamentary restrictions on their ventures into Oriental markets. The uncertainty this engendered slashed American capital investment in this branch of the opium business. Some of this capital transferred into the traffic in Indian opium, but the great Boston houses generally moved out of the China trade entirely, transferring their interests to American firms based in China itself. The collapse of the positive balance of merchandise over specie in 1834 illustrated the unpreparedness and relative weakness of the American merchants' position when confronted by British competitors freed from the East India Company's shackles.⁶⁸

The expiry of the East India Company's monopoly marked the end of the first phase of American involvement in the opium trade. Two features characterized this era: American merchants relied for their success on exploiting fields rendered secure against competition from other traders by the Company's monopoly itself, such as the Smyrna-Canton trade, and they followed, often cautiously, the innovations of private British traders in the face of Chinese intransigence. The collapse of their position in 1834 dramatically illustrated to what extent the

⁶⁷Pitkin, *Statistical View*, 303. Table 5, U.S. General Trade at Canton (in dollars).

⁶⁸Stelle, "American Trade in Opium to China, 1821-39," 72-74.

success of American traders depended on their ability to take opportunistic advantage of British policy, a pattern which also characterized their subsequent recovery through the exploitation of British responses to stiffening Chinese resistance to the importation of opium during the following decade.

Chapter 6.

Riding British Coat-tails to the Open Door.

Several major developments had a substantial impact on the American trade with China during the 1830s and early 1840s. The termination of the East India Company's monopoly on the trade between Britain and the Orient both vastly expanded the market open to American merchants for their Chinese goods and forced them to compete with aggressive British private traders for access to the China market itself. Britain's successes during the Opium War from 1839 to 1842 led to the opening of additional American trade and legitimized the pre-war trend toward a geographic expansion of U.S. economic penetration of China. Furthermore, the new arrangement of treaty ports terminated the old "Canton system" with its range of regulations and restrictions on the activities of the "red barbarians," reversing their relationship with their Chinese counterparts and placing Western traders in a position of relative superiority. The 1830s also witnessed the solidification of the shift in the pattern of American commercial operation in China toward Chinese-based American-owned firms to whom the United States was but one, albeit by far the largest, of a number of markets in which they had strong interests, a tendency that was foreshadowed earlier in the 1820s by the development of the system of receiving ships in the Canton River estuary.

British actions and commercial decisions, both private and governmental, decisively influenced America's China trade during the 1830s. The termination of the East India Company's monopoly, Britain's decision to fight in 1839, and the fruits of its

military intervention all were matters completely outside the control of the United States that had far-reaching consequences for American trade in the region. The shift towards trading firms based in China was more the result of imitation of British private commercial practices. Just as Perkins & Co. had followed James Matheson's 1821 example by stationing the *Cadet* as a receiving ship at Lintin in 1823, so American agencies, under the pressure of British competition, imitated firms such as Jardine, Matheson & Co., and evolved into trading firms with a Chinese center of gravity.

This shift in the emphasis of America's trade resulted in a parallel re-assessment of the United States government's views of its concerns and interests in China. When the commerce was in the hands of merchants in the United States, China was but one of the range of available markets, and their decision to trade there was governed by the likely profitability of the venture when compared with their other options. Under these circumstances the merchants expected little more from the United States government than minimal consular services at Canton and naval protection of their vessels in eastern waters, and the government maintained a generally disinterested attitude towards Chinese commercial issues. The emergence of powerfully connected firms based in China itself changed this situation. Oriental commercial conditions, particularly in China, dominated the merchants' operations and became the focus of their concerns. In response the government emphasized the negotiation of formal commercial agreements between the United States and local rulers for the benefit of its traders, a process accelerated by

Britain's gains from the Treaty of Nanking in 1842, which precipitated Caleb Cushing's mission to China in 1843 to obtain the same advantages for American merchants.

The termination of the East India Company's monopoly stimulated an overall increase in the volume of goods imported into Canton. Including \$20,500 in specie, British merchants imported goods worth \$23,476,793 in the 1833 season, the last during which the Company's privileged position prevailed.¹ The following year British imports fell slightly to \$20,387,822 (including \$60,000 in silver) but they rose to \$32,426,623 in the 1835 season, a trend that continued until the 1839 season and the coming of war. Furthermore, while opium imports represented a little less than half of the value of all British imports in both 1833 and 1834, drug imports made up over 55 percent of their earnings for the succeeding seasons before the war.²

Competition from British traders freed from the East India Company's restrictions had a substantial initial impact on American commerce with China. American dominance of the Turkish opium trade evaporated. In 1835 British merchants imported almost 1,000 chests of Turkish opium worth \$500,000 into Canton; American imports were one-tenth of that amount.³ The relative position of American traders improved substantially the following season, but the total quantities imported were small, and this temporary improvement ended in 1837. The Turkish opium traffic ceased to be an American

¹Hosea Ballou Morse, *The Chronicles of the East India Company Trading to China, 1635-1834*, 5 vols. (Cambridge, MA: Harvard University Press, 1926-29), 4: 369.

²*The Canton Register and Price Current*, 8, no. 44 (3 Nov. 1835), 176-177; 9, no. 43 (25 Oct. 1836), 177-178; 10, no. 44 (31 Oct. 1837), 1750-176; 11, no. 44 (30 Oct. 1838), 177-178.

³*Canton Register*, 9, no. 43 (25 Oct. 1836), 177-178. Charles C. Stelle, "American Trade in Opium to China, 1821-1839," *Pacific Historical Review*, 10 (1941), 73.

preserve and its significance in their trade with China came to an end as agency houses concentrated on their dealings in the Indian drug.⁴

This competition also had a significant impact on the overall health of the American China trade. Total American imports into Canton in 1834 fell by almost 40 percent from their peak level of almost \$10 million the previous year to less than \$6 million. Merchandise imports fell even more abruptly from \$5.2 million to \$1.8 million: a drop of over 64 percent, which reduced the contribution made by goods to total American import earnings from an average of well over 50 percent in the six previous seasons to slightly more than 30 percent. American trade with China revived thereafter, rising to almost \$7.5 million in 1835 and still further to \$9 million the next season, before declining as tensions increased in the period before the outbreak of the Opium War in 1839.⁵

The new situation resulting from the termination of the East India Company's monopoly also created opportunities for American traders. Most significantly, it increased their potential access to the English tea business by removing the Company from its monopolistic control over the direct trade between China and Great Britain. The smaller, private British firms became the market competitors for U.S. merchants. Americans had been able to re-export an average of 1.5 million pounds of tea annually to England from

⁴American vessels imported 446 chests from Turkey in 1836 compared with 292 imported by the British. The total value of Turkish opium imports was only \$377, 118. *Chinese Repository*, 6, no. 6 (Oct. 1837), 280-284. Stelle, "American Trade in Opium to China, 1821-1839," 73.

⁵Isaac Smith Homans, *An Historical and Statistical Account of the Foreign Commerce of the United States* (New York: G.P. Putnam & Co., 1857), 180-181. Kenneth Scott Latourette, "Voyages of American Ships to China, 1784-1844," *The Connecticut Academy of Arts and Sciences*, 28 (1927), 269-271. See also Table 5, U.S. General Trade at Canton (in dollars).

1821 to 1833; the end of competition from the Company in importing teas held out the prospect of increasing this amount.⁶ American exports of tea from Canton jumped from 14.5 million pounds in 1833 to 16.25 million pounds during the next season, an increase of over 11 percent which was maintained almost every year before the war. American merchants succeeded in more than doubling their re-exports to Britain to an average of well over 3.25 million pounds annually during these years, even as domestic consumption of tea in the United States declined.⁷

The emergence of American-owned trading houses at Canton whose operational focus was in the Orient in place of companies centered in the United States that traded with China was an extended process. Early American firms in China, such as Perkins & Co., were established as agents for home-based parent companies. Their subsequent adoption of the British innovation of receiving ships in the early 1820s provided facilities for carrying out useful commercial operations on a year-round basis. The ships served as floating warehouses, making possible the holding of commodities in order to reduce their susceptibility to market fluctuations, and also permitting American firms to participate in the trade in Indian opium by accepting consignments from Indian merchants. During the late 1820s and the 1830s these trading houses developed commercial networks within the Orient that linked their business interests in India, the Dutch East Indies, and the Philippines with Canton, and such activities themselves generated further profits that could

⁶Timothy Pitkin, *A Statistical View of the Commerce of the United States of America* (New Haven: Durrie & Peck, 1835), 246-247.

⁷Robert Bennet Forbes, *Remarks on China and the China Trade* (Boston: Samuel N. Dickinson, 1844), 25.

be employed to purchase Chinese products for the United States market. This phenomenon paralleled similar developments, somewhat earlier among the private British companies such as Jardine, Matheson & Co., firms whose home continued to be in China itself.⁸

The concrete foundation for the success of this transition was the trade in opium. Unequivocal evidence of the drug's dominance in the commercial thinking of the most important American firms operating in China emerges from even a cursory glance through the reminiscences of Robert Bennet Forbes or William C. Hunter, both of whom played significant roles in the commercial success of Russell & Co.⁹ Forbes, a nephew of Thomas Handasyd Perkins, commenced his China trade career with J. & T.H. Perkins, commanding various of their opium carriers on voyages both between Turkey and Canton and within the Orient itself.¹⁰ In 1830, when Perkins & Co. closed and transferred its business interests to Russell & Co., Forbes became a partner in the new firm and took

⁸William C. Hunter, *The 'Fan Kwae' at Canton Before Treaty Days, 1825-1844* (London: Kegan, Paul, Trench & Co., 1882), 78-79, 94-95, 112-113. Carl Seaburg and Stanley Paterson, *Merchant Prince of Boston: Colonel T. H. Perkins, 1764-1854* (Cambridge, MA: Harvard University Press, 1971), Part III. Michael Greenberg, *British Trade and the Opening of China, 1800-42* (Cambridge: Cambridge University Press, 1951), 95-97, 144-152.

⁹Robert Bennet Forbes, *Personal Reminiscences: Second Edition revised; to which is added: Rambling Recollections Connected with China* (Boston: Little, Brown, and Company, 1882), *Notes on Navigation* (Boston: James F. Cotter, 1884), and, on a more impersonal note, *Remarks on China*. William C. Hunter, *Bits of Old China* (London: Kegan Paul, Trench & Co., 1885), and *The 'Fan Kwae' at Canton*. Also very illuminating on Americans and the opium trade in China in the 1830s are C. Toogood Downing, *The Fan-Qui in China in 1836-7* (London: Henry Colburn, 1839) and David Abeel, *Journal of a Residence in China* (New York: Leavitt, Lord & Co., 1834). All these authors devoted at least one-third of their commentary to descriptions of the opium trade's operation at this time.

¹⁰Forbes, *Notes on Navigation*, 8-9, *Personal Reminiscences*, 111, 127.

command of the receiving ship *Lintin*.¹¹ After two years in this lucrative position he moved to other duties with the firm and became head of the house in 1840.¹² Hunter went out to China in 1825, was employed by Perkins & Co. until 1829, and then moved to Russell & Co., where he was "placed . . . in charge of the books and accounts" in 1831. He became a partner in the firm in 1837 and returned to the United States in 1844.¹³ The memoirs of these two "old China hands," when studied together, provide a broad overview of both the operational and financial aspects of the business affairs of the most important American trading company in China during the 1830s.

Further indications of the important position of opium in American commerce after the end of the East India Company's monopoly come from the statistics of exports from the United States from 1834. These demonstrate a dramatic decline in the volume of merchandise exported to China that originated in the United States. Between 1827 and 1832 American exports of goods to China were between \$2.4 million and \$2.9 million (1833 was an extraordinary year when exports were \$5.2 million). Between 1834 and 1843 only once, in 1842, did American merchandise exports reach \$2.4 million; in most of these years the value of goods shipped from the United States to China was \$1 to \$1.5 million, while in 1836 barely \$600,000 worth of U.S. products reached Canton.¹⁴ During

¹¹Forbes, *Personal Reminiscences*, 134. Hunter, *The 'Fan Kwae' at Canton*, 156.

¹²Forbes was earning \$30,000 a year while commanding the *Lintin*. R.B. Forbes to A. Heard, 30 Apr. 1831, Heard Manuscript Collection, Baker Memorial Library, Harvard Business School, Boston, MA. Hunter, *The 'Fan Kwae' at Canton*, 157.

¹³Hunter, *The 'Fan Kwae' at Canton*, 1-3, 118-119, 122-125, 156-157.

¹⁴Homans, *An Historical and Statistical Account*, 180-181. Latourette, "Voyages of American Ships to China, 1784-1844," 269-271.

this period there is no indication of a corresponding rise in the export of bullion to China, while imports from Canton were well in line with those of the previous decade.¹⁵ No data on the volume of American imports of opium into China survive for this period. The demise of the East India Company at Canton terminated the reports prepared by its supercargoes in the Factory of the season's trade.¹⁶ Because opium was contraband, no other comprehensive records of its import exist. It is reasonable, however, to assume that a large proportion of the deficit must have been made up from profits derived from the trade in opium, since Americans had largely abandoned participation in the carriage of British cloth into Canton, the fur and sandalwood trades were dead, and no other eastern product which might be procured through regional commerce was as readily marketable in China.

As Western trading houses more extensively developed their concept of the use of receiving ships to handle opium cargoes, they transformed the mechanics of the drug trade to their own advantage. Under the fully-evolved "outside" system all purchases of the drug were made at the factories in Canton and paid in cash or through bills of exchange drawn on London or Calcutta.¹⁷ The purchaser was responsible for collecting his opium

¹⁵Forbes, *Remarks on China*, 24.

¹⁶The supercargoes were roughly the equivalents of private firms' agents but possessed considerably broader powers over the admission of vessels to trade. They were responsible for preparing annual reports to India of all commercial activity at Canton, both by the Company's vessels and by private firms of all nations. Their reports included fairly comprehensive details of opium imports despite the trade's illegality.

¹⁷The "outside" system was so called because the receiving ships were almost outside the Canton River estuary and beyond the effective control of the Chinese authorities, since Lintin was some twenty miles south of the Bogue and its forts.

from the receiving ship, transporting it to its final destination, and making all necessary arrangements for its safe arrival by bribing the appropriate officials to ignore its passage.¹⁸ The receiving ship system allowed Western traders to transfer all the risks of dealing in contraband to Chinese operators and to limit their own to the dangers of the oceanic passage to the mouth of the Canton River.

American firms increased their active participation in the Indian opium trade during the 1830s, partly as a consequence of their reduced commitment to the Turkish drug, but also because the sophisticated "outside" receiving ship system facilitated their access to this business since they could thereby bypass regulations excluding them from routes between the sub-continent and China. The involvement of American firms in the Indian branch of the business took two forms during the 1820s and early 1830s. They dealt on their own account in quantities of the drug purchased in India shipped to Canton in British or "country" vessels (since American ships were barred from this route) and sold there. They also encouraged Indian dealers to consign their shipments to American receiving ships. Their profits in the first situation derived from the normal process of buying cheap and selling dear. In the case of consignments delivered to their receiving ships the firms' profits came from a combination of commissions, demurrage, and "cumshaw." "Cumshaw," which translates as "gold sand," was a flat-rate charge of \$5 per chest levied on the Chinese purchaser; demurrage was a \$2 per chest penalty for failure to pick up a purchase within seven days of placing the order.¹⁹

¹⁸Hunter, *The 'Fan Kwae' at Canton*, 64-66.

¹⁹*Ibid.*, 65.

Commissions and demurrage were the American traders' major weapons in their battle with their British competitors for the business of Indian opium merchants. Russell & Co. were particularly aggressive in courting Indian dealers in the early 1830s through rebates and offers of commissions on consignments the Indians might persuade their compatriots to ship. Augustine Heard, one of the firm's principals, proposed to Aushootos Day, a Parsee merchant in Calcutta,²⁰ that he would "allow a part of our commission on any consignment, of op.[ium] that he might influence to us or Ship himself, Say a quarter or a third, & that we should charge 3% on such assignments although our usual Com.[mission] on Op.[ium] sales was 2."²¹ Russell & Co. employed concessions on demurrage in two different forms: offering a proportion of their demurrage earnings to the consignor, or waiving its levy to encourage delivery to the *Lintin* whether the opium were consigned to them or a different firm, since they still would collect "cumshaw" on each chest.²²

As a result of the East India Company's demise in 1834 American penetration of the Indian market became simplified, since Calcutta merchants ceased to be under even the previous obligation, largely nominal, to deliver their opium cargoes to British agents in

²⁰Parsees were Indian members of the Zoroastrian religious sect who formed a powerful entrepreneurial class in western India.

²¹Heard to Day, 30 July 1831, Letterbook 52, Heard Manuscript Collection, Baker Memorial Library, Harvard Business School, Boston, MA.

²²In 1831, Heard offered another Parsee, Hormaju Dorabju, \$½ per chest per month of earnings from demurrage from any opium he consigned or influence to be consigned to Russell & Co. Two years later, William H. Low, the firm's co-founder with Heard, proposed to waive all demurrage charges on opium sent aboard the *Lintin*, even when consigned to another firm. R.B. Forbes to Heard, 14 Aug. 1831; Wm. H. Low to Heard, 29 Sep. 1833, Heard Manuscript Collection, Baker Memorial Library, Harvard Business School, Boston, MA.

China. Capital investment in opium cargoes by merchants based in the United States began to fade as they began to pursue less risky, more attractive propositions closer to home. In early 1834, J. & T.H. Perkins let Russell & Co. know that they were disinclined to pursue the opium trade much longer and their final major venture into the Indian drug market took place in June of that year.²³ Other U.S. based firms followed suit in subsequent years, and the opium business of American trading houses in China became dominated by their dealings with Parsee merchants in Calcutta, emphasizing the gradual severance of their commercial ties from the United States.²⁴

Growth in the Indian opium trade was a consequence of the exploitation of a wider Chinese market as the traders began to smuggle the drug into ports other than Canton. Records for much of the early history of this expansion of Western operations "up the coast of China" are murky because the business was doubly illegal; not only was opium itself contraband but commercial venture outside Canton were strictly prohibited by the imperial authorities. British private operators ventured to the east coast as early as 1822 and increased in the years following despite their discovery that "the difficulty of carrying on an intercourse with the Natives is said to encrease in proportion to the number of vessels engaged, every obstacle being opposed by the Mandarines to prevent a

²³Samuel Russell to Heard, 15 Mar. 1834; J. B. Higginson to Heard, 4 Jan. and 6 June 1834, Heard Manuscript Collection, Baker Memorial Library, Harvard Business School, Boston, MA.

²⁴Stelle, "American Trade in Opium to China, 1821-1839," 73-74.

communication between the Chinese boats and the vessels thus engaged.”²⁵ In May 1824 the activities of some of these “country” ships led to

an affray between some Chinese engaged in the Opium Trade upon the Confines of the Province [Kwangtung] and the Mandarin Officers in which it is reported that one of the latter lost his life. The Viceroy is understood to have despatched a considerable force to the neighbourhood for the purpose of bringing the Offenders to Punishment.²⁶

In spite of the dangers arising from the opposition of the imperial authorities and also from navigation in uncharted waters, the British persisted in these ventures on an increasing scale because they discovered:

No opposition whatever has been made to individuals landing daily at the towns or places adjacent to the anchorages of their Ships, provisions are freely tendered, and more than ordinary attention is reported to have been displayed by those Chinese with whom any communication has taken place . . . the principal part of which payment [received for deliveries of opium] was made in Sycee Silver (almost 100% pure ingots).²⁷

Americans were encouraged by these reports to consider venturing into this new territory themselves. J. & T.H. Perkins speculated on the possibilities offered by such a voyage in July 1824 but eventually dropped the idea.²⁸ The first known American foray into the opium trade outside Canton was probably by the same firm in early 1827 when they sent Robert Bennet Forbes “up the coast of China” in the *Nile*.²⁹ By the mid-1830s the trade in opium along the east coast of China had become so regularized that Hunter,

²⁵David Edward Owen, *British Opium Policy in China and India* (New Haven: Yale University Press, 1934), 122-123. Morse, *Chronicles*, 4: 93.

²⁶Morse, *Chronicles*, 4: 93-94.

²⁷*Ibid.*, 4: 93.

²⁸J. & T.H. Perkins to J. P. Cushing, 16 July 1824, Samuel Cabot Collection, Massachusetts Historical Society, Boston, MA.

²⁹Forbes, *Personal Reminiscences*, 111.

with an English guest from Macao, was able to accompany one of Russell & Co.'s smuggling captains as if the entire voyage were a yachting cruise.³⁰

Hunter's description of this voyage aboard the topsail schooner *Rose* in 1837 provided much useful information on the operation of the business by this date. Western traders had established two receiving ships, one at Amoy or Chinchew and the other at Namoa, to which the smugglers made deliveries of opium as they proceeded along the coast in one direction and from which they collected their proceeds as they returned. In addition, the smugglers' small fast vessels, the famous opium clippers which were known as "coasters" to their operators, made direct sales to Chinese purchasers in other locations. Hunter described the formalities of their dealings with local authorities; the Chinese navy's commodore at Namoa came aboard the *Rose*, heard their explanation that they "had been compelled, through contrary winds and currents, to run for Namoa to replenish her wood and water," offered them provisions and warned that "when they were on board, not a moment must be lost in sailing for Whampoa, as the Great Emperor did not permit vessels from afar to visit any other port," and, after extracting it from his boot, had a formal imperial edict to the same effect read to the *Rose*'s commander. After replacing the edict in his boot, the commodore signaled for all his entourage except his secretary to depart and

proceeded to business. The Mandarin opened by the direct questions, 'How many chests have you on board? Are they all for Namoa? Do you go further up the coast?' intimating at the same time that *there* the officers were uncommonly strict, and were obliged to carry out the will of the 'Emperor of the Universe,' &c. . . . Everything being thus comfortably

³⁰Hunter, *The 'Fan Kwae' at Canton*, 66-70.

arranged, wine drunk, and cheroots smoked, his Excellency said 'Kaou-tsze' ('I announce my departure'). We escorted him to the side . . . and in a short time [he] rejoin[ed] his junk.

Chinese buyers came on board freely the moment they saw the 'official' visit had been made. . . . It was a good illustration of the entire confidence existing between the foreign seller in his Factory at Canton and the Chinese buyers.³¹

It is impossible to delineate accurately the volume of this coastal trade. Annual opium imports into China soared to about 35,000 chests from 1835 until the outbreak of the war in 1839, more than doubling the yearly average of approximately 15,000 chest imported during the period from 1828 to 1834.³² It is unclear what proportion of this increase was absorbed at Canton, but there is good reason to believe that much of this addition went to fulfill the needs of the coastal trade.³³ This supposition is enhanced by the anecdotal evidence; Hunter, for example, noted that there were two other smugglers of similar size at Namoa when the *Rose* arrived, indicating that the three vessels together simultaneously landed about one thousand chests of opium worth over \$1 million in a matter of days.³⁴

Despite this general reaction from local officials, the Chinese central government became increasingly alarmed by the volume of drugs entering the country during the late 1830s. In part this was a consequence of the geographic expansion of the opium traffic's

³¹*Ibid.*, 67-69.

³²Morse, *Chronicles*, 4: 181, 195, 248, 271, 339, 372. Morse, *International Relations of the Chinese Empire*, 2 vols. (Shanghai: Kelly & Walsh, 1910-1918), 1: 210.

³³Jacques M. Downs, "American Merchants and the China Opium Trade, 1800-1840," *Business History Review*, 42 (1968), 440-441. Charles Clarkson Stelle, "Americans and the China Opium Trade in the Nineteenth Century," Ph.D. diss., University of Chicago, 1938, 60-61.

³⁴Hunter, *The 'Fan Kwae' at Canton*, 66-67.

market, bringing its operations more obviously to the attention of the imperial court, which previously had been more or less oblivious to the importation of contraband in the far southern reaches of the empire.³⁵ The government was also very concerned about the economic impact of the smugglers' successes; silver flowed out of China in an expanding torrent to pay for drug imports. Between 1829 and 1840 British interests imported \$7.3 million in silver into China but exported almost \$56 million in specie and bullion.³⁶ The silver shortage not only directly reduced the empire's liquidity but also produced severe side effects: inflation, a reduction in government revenues, and commercial depressions. Central government revenues may have fallen by as much as 17 percent between 1812 and 1840 and severe commercial depressions occurred in central and eastern China during the late 1820s and early 1830s. The official rate of exchange was 1,000 copper to 1 silver tael (the government's basic currency unit), but the shortage of silver led to a nation-wide inflation of the number of cash demanded for 1 tael, thus devaluing the copper coinage. By 1837 an average of over 1,400 cash were required to obtain 1 tael of silver, and much higher rates, reaching as high as 2,5000 cash per tael, were demanded in some coastal areas such as Soochow. This had serious consequences for the mass of the Chinese populace. The peasants' customary currency was copper cash, but they had to pay taxes

³⁵Great Britain, Parliament, *Parliamentary Papers: 1840* (Dublin: Irish University Press Area Studies, 1971), 36, Correspondence Respecting China, 154.

³⁶*Ibid.*, 36, Statement of Claims of British Subjects Interested in Opium, 42. For Chinese reaction, see P.C.A. Kuo, *A Critical Study of the First Anglo-Chinese War* (Shanghai: Commercial Press, 1935), Ch. 4 & 6; Peter Ward Fay, *The Opium War, 1840-1842* (Chapel Hill: University of North Carolina Press, 1975), 114-120, 128-129.

in silver. Silver inflation imposed a severe hardship upon them, raising concerns in Peking about potential unrest in addition to its depressing impact on the economy.³⁷

The imperial government was also alarmed by the spread of opium addiction among the populace. One imperial administrator estimated that 10 to 20 percent of central government officials were opium smokers, as were 20 to 30 percent of local officers and 50 to 60 percent of private secretaries, the functionaries who handled matters of law, punishment, and taxation. In 1838 Lin Tse-hsu, before his appointment as Imperial Special Commissioner at Canton, advised the emperor that opium smokers were most common among those in official circles; as many as eight or nine out of every ten secretaries, clerks, orderlies, and their relatives were addicts. The problem was even more severe in the army; a debacle in 1832 during an attempt to suppress the Yao rebels caused the two commanders to be sentenced to hard labor in exile in the far west of the empire, despite one's advanced age that would normally have been grounds for his sentence's commutation. This event was followed by an imperial edict in 1833 ordering the extirpation of opium smoking in the army, although there is little indication that this effort was any more successful than earlier attempts in eliminating the problem.³⁸

Although the moral problems of opium addiction were clearly of grave concern to the imperial government, the wording of the edict appointing Lin to Canton clearly

³⁷Tan Chung, *China and the Brave New World: A Study of the Origins of the Opium War (1840-42)* (Durham, NC: Carolina Academic Press, 1978), 175-178. Hsin-pao Chang, *Commissioner Lin and the Opium War* (Cambridge, MA: Harvard University Press, 1964), 36-46.

³⁸Chang, *Commissioner Lin*, 34-36. Chung, *China and the Brave New World*, 144-150. Chung calculated that opium addicts formed .33 percent of the population in the decade 1821-1830 and that this proportion more than doubled to .7 percent between 1831 and 1840.

demonstrates the overriding importance of the impact of the trade on China's economic health.

Since opium has spread its baneful influence through China the quantity of silver exported has yearly been on the increase, till its price has become enhanced, the copper coin depressed, the land and capitation tax, the transport of grain and the gabelle [salt tax] all alike hampered. If steps are not taken for our defence . . . the useful wealth of China will be poured into the fathomless abyss of transmarine regions.³⁹

Lin's determination to stamp out the opium trade led to his blockade of the factories and the confiscation of 20,000 chests of opium in 1839, and aroused the ire of the Western commercial community, particularly the British merchants.⁴⁰

The war that ensued, fought by British government forces, resulted in a drastic change in the trade situation in China. Canton ceased to be the sole port of entry for foreign goods with the opening of Amoy, Foochow, Ningpo, and Shanghai to Western trade, and Hong Kong became a permanent trading base from which Western merchants could expand the geographic scope of their operations.⁴¹ Almost immediately, American firms started to ship opium, still illegally, into new markets north of Fukien province. Nine months before Shanghai was opened to outside trade, Russell & Co. ordered the schooner *Mazeppa* there under Captain James Prescott with a cargo of the drug. Two months later, he took the brig *Antelope* to "the East coast where I have now a good

³⁹*Chinese Repository*, 8, no. 6 (Oct. 1839).

⁴⁰Chang, *Commissioner Lin*, 120-217. Fay, *The Opium War*, 142-210.

⁴¹Fay, *The Opium War*, 356-364.

knowledge. I think the prospect is very fair this year for making say four thousand and perhaps more, so you can have a small idea of my chances here."⁴²

Until the 1830s, when the participants in America's Chinese trade moved their base of operation to China itself, the United States government devoted little attention to its diplomatic relations with Oriental nations. Merchants, who centered their operations in the United States, viewed China as but one of the lucrative markets open to their operations which they could enter and leave at will according to commercial conditions and prospects. Consequently, the main services required of the United States government were consular, which were usually fulfilled on part-time basis by one of the merchants themselves, and trade protection by the U.S. Navy. No U.S. warships entered Chinese waters until March 1820, when the frigate *Congress* arrived at Lintin and spent the next six months engaged in cruises between China and the Philippines.⁴³ Twelve years later, the frigate *Potomac* became the second U.S. Navy vessel to visit China "from Coast of Sumatra, whither she proceeded for the purpose of obtaining satisfaction on account of an American Merchantman which had been cut off by the Malays."⁴⁴

The emergence of Asia-based American trading firms expanded the services demanded of the U.S. government. These houses' prosperity depended upon the state of the local commercial environment; they could not switch their operations to another, more lucrative market without risking severe dislocation of their Asian business. They required

⁴²James Prescott to Henry Prescott, 2 April 1843. Howard A. Krumwiede Collection of Stampless Ship Covers, Mystic Seaport Museum, Mystic, CT.

⁴³Morse, *Chronicles*, 3: 360-361, 373-374.

⁴⁴*Ibid.*, 4: 326.

more than trade protection from the U.S. government; they needed its support for the regularization of their business environment through diplomatic negotiations leading to formal commercial treaties with the Asian nations in which they operated. In 1832, the sloop-of-war *Peacock* brought Edmund Roberts to Southeast Asia in the first American essay into trade negotiations with Oriental nations, an indication of the shift in the United States government's opinion of the importance of trade in the area and the need for effective commercial agreements.⁴⁵

Roberts himself was well aware of this new thinking:

The China trade . . . constitutes a very important branch of modern commerce: this trade has always been carried on, and still exists, under circumstances peculiar to itself: it is secured by no commercial treaties, regulated by no stipulated rules: mandates, and edicts not a few, there are on "record," but these all emanate from one party; still, the trade lives, and, by that imperial favour which extends to "the four seas," flourishes. . . .⁴⁶

Toward the end of the Opium War, Commodore Lawrence Kearny took the frigate *Constellation* from the East Indies station to China to protect American interests. Public opinion in the United States generally considered the war as an Anglo-Chinese dispute over opium, regarded the trade itself with opprobrium, and concurred wholeheartedly with the mistaken Chinese opinion that American were entirely free from complicity in the business.⁴⁷ Kearny received instructions to make it clear to the Chinese that his principal

⁴⁵Morse, *Chronicles*, 4: 326. Edmund Roberts, *Embassy to the Eastern Courts of Cochin-China, Siam, and Muscat; in the U.S. Sloop-of-War Peacock*. David Geisinger, *Commander, During the Years 1832-3-4* (New York: Harper-& Brothers, 1837), 63, 136-139.

⁴⁶Roberts, *Embassy to the Eastern Courts of Cochin-China*, 126-127.

⁴⁷Stelle, "Americans and the China Opium Trade in the Nineteenth Century," 82.

objective was "to prevent and punish the smuggling of opium into China either by Americans or by other nations under cover of the American flag."⁴⁸

This was, in part, a response to U.S. public opinion, but two further factors played a role in the crafting of these instructions. One was the perceived abuse of the American flag by drug traffickers. Because the British government itself engaged, to some degree, in the interdiction of the opium smugglers, a newspaper report in 1840 noted "the great scarcity of the drug caused by British cruisers,"⁴⁹ traders started to operate under the cover of spurious American flags, since the scarcity of U.S. warships in Chinese waters virtually reduced to nil their chances of interception. Furthermore, large numbers of small, fast vessels with American ownership and registry were being dispatched to China by R.B. Forbes and others for deployment by British houses in the opium smuggling business.

The second additional element behind the U.S. government's public display of its opposition to the opium trade was its appreciation that British successes in their war would lead to a revision of Anglo-Chinese trading relations to the former's advantage. If it were to obtain similar commercial benefits, it was vital that the United States should not miss this opportunity to impress its friendship upon the Chinese. As early as May 1839 merchants in China had memorialized the Congress of the importance of ensuring that Americans would enjoy the same commercial gains as the British anticipated.⁵⁰

⁴⁸Charles Oscar Paullin, *Diplomatic Negotiations of American Naval Officers, 1778-1883* (Baltimore: Johns Hopkins Press, 1912), 191.

⁴⁹*Chinese Repository*, 8, no. 11 (Mar. 1840)

⁵⁰U.S. Congress, House, *Memorial of Forbes & Others*, 26th Cong., 1st sess. H. Doc. 40.

Kearny, therefore, wrote to the U.S. Consul at Canton a few days after arriving in China asking him to

cause to be made known . . . to the Chinese authorities . . . that the government of the United States does not sanction "the smuggling of opium" on this coast, under the American flag, in violation of the laws of China. Difficulties arising therefrom in respect to the seizure of any vessel by the Chinese, the claimants certainly will not, under my instructions, find support or any interposition, on my part, after the publication of this notice.⁵¹

The British viewed this proclamation as an American attempt to curry favor with the Chinese at a time when they themselves were engaged in hostilities with the empire's forces, an opinion that the response of the imperial authorities tended to support:

[American] vessels hitherto engaged in the commerce of Canton have always been confined to the legitimate and honorable trade, and never concerned with the carrying of opium. This is what all the people of Canton know. . . . That which is said . . . about an American ship being engaged in carrying opium, is probably a mere report, made up by some vagrants, for the purpose of deception. It is by no means certain that any such thing exists.⁵²

Kearny further endeared himself to the imperial authorities by arresting an American schooner, the *Ariel*. Before Kearny departed from Chinese waters, however, he failed in his attempts to intercept Prescott's *Mazeppa*.⁵³ Nevertheless, Kearny's actions laid the groundwork for Caleb Cushing's mission to negotiate a commercial agreement with the Chinese empire. He also wrote to the governor of Canton, urging that "the importance of their [the Americans] trade will receive consideration and their citizens . . .

⁵¹ U.S. Congress, Senate, *Kearny Correspondence*, 29th Cong., 1st sess., 1843. S. Doc. 139, 7.

⁵² *Ibid.*, 8.

⁵³ *Ibid.*, 36-39.

be placed upon the same footing as the merchants of the nation most favored," to which the Chinese responded by assuring him that "decidedly it shall not be permitted that the American merchants shall come to have merely a dry stick."⁵⁴

Cushing and the Chinese signed the Treaty of Wang-hsia on 3 July 1844. This agreement granted trade concessions that closely paralleled those gained by the British in their earlier Treaty of Nanking, and also included an agreement by the United States government to a prohibition on American participation in the opium trade. Kearny and Cushing jointly laid the foundation stone for the later American "Open Door" policy toward trade with China.⁵⁵

Three characteristics dominated the American China trade during the 1830s and early 1840s. There was an almost symbiotic relationship between two of these features: the transfer of the commercial center of gravity to China itself, and the crucial role played by opium in the success of business ventures in the area. Each made the other possible, and they further enhanced each other's opportunities and advantages. The feature, however, which most clearly determined the progress of American trade in China was the example of the British. Innovations introduced by English traders and the concessions extracted from the Chinese by Great Britain's force of arms opened the doors for Americans to exploit the situation the British had created.

⁵⁴*Ibid.*, 21-22.

⁵⁵David Hunter Miller, *Treaties and Other International Acts of the United States*, 8 vols. (Washington, DC: Government Printing Office, 1931-1948), 4: 560-576.

Chapter 7.

... The Conundrum

A new era in Sino-American commercial relations opened with the signing of the Treaty of Wang-hsia in 1844, but the conundrum that had been a constant since 1784 remained as resistant to solution as ever. China remained self-sufficient, the mass of its populace still too poor to afford Western manufactures, and the market for luxury goods continued to be readily susceptible to glut. The appetite of the United States for Chinese products, either for its own consumption or for re-export, persisted. Americans still wanted Chinese goods but continued to produce nothing essential to China.

The success of opium in redressing the balance of trade to foreign advantage, through its drain of silver from China, created a new paradox. The opportunities for American traders to penetrate the Chinese market, even within the expanded commercial environment created by the treaties, were limited by their difficulties in finding affluent purchasers for Western goods. Opium's depredations diminished China's financial liquidity. In 1844, Robert Bennet Forbes, who had overseen the boom in the opium trade during the late 1830s, remarked:

We must materially increase the consumption of tea and silks in this country, before we can expect to enlarge materially our trade to China . . . After we have paid for ten or twelve millions pounds of tea, and a few hundred thousand dollars' worth of silks, matting, cassia, &c., by giving in exchange our domestics, lead, &c., there must be an end of profitable trade with China . . . after [England] has paid for her thirty-six to forty millions pounds of tea, and what little raw silk she requires from China, by exchanging her cottons, woollens, &c., there also is an end of profitable trade to her. We can neither of us afford to bring away bullion, or to

return with bills in our pockets. Therefore it is clear, that we can only sell in China, profitably, just as many goods as will pay for the articles of export from China, . . . All the spare *cash* to be had in China, is needed to pay for the opium . . . Could the opium trade be abolished, there is no doubt that a compensation would be found in the increased sale of manufactured goods, because there would be more ready cash, and more industry in the country to pay for them.¹

The shift in the pattern of American trade to China-based agency houses compounded the problem. The bulk of the specie from the sale of opium flowed not to the American firms, which rarely owned the goods themselves and, instead, earned commission, "cumshaw," and demurrage on their transactions, but to the dealers and producers of the drug who were primarily in India. Furthermore, the American houses, because they were firms trading within the Orient, diverted a large part of their profits to their business within Asia itself; these earnings failed to contribute directly to the balance of trade between the United States and China.

The signing of the Treaty of Wang-hsia marked the end of an era in the United States's trade with China. Hitherto this trade had been carried on, as the first U.S. Commissioner to Cochin-China and Siam Edmund Roberts had written in 1837, "secured by no treaties, regulated by no stipulated rules."² The negotiation of a commercial treaty with China ended the situation in which merchants operated subject to the mandates and edicts of the Imperial administration that were designed to control their activities and keep

¹ Robert Bennet Forbes, *Remarks on China and the Chine Trade* (Boston: Samuel N. Dickinson, 1844), 56-57.

² Edmund Roberts, *Embassy to the Eastern Courts of Cochin-China, Siam, and Muscat; in the U.S. Sloop-of-War Peacock, David Geisinger, Commander, During the Years 1832-3-4* (New York: Harper & Brothers, 1837), 126-127.

them at arm's length while simultaneously extracting from them a healthy revenue for the government. Henceforth mutually agreed terms would govern commercial relations with China, and the balance of power in negotiations would lie with the Western nations.

The changes to the system of commerce with China resulting from the treaties were drastic. Five additional ports were opened to Western traders, which widened the opportunities for commercial penetration of the empire to encompass two-thirds of its coastline. The "Canton system" disappeared; the Cohong was abolished and the role of its members as security merchants for foreign vessels was taken over by their consuls at each port. The treaty fixed import and export duties, they no longer could be altered arbitrarily, and established binding regulations governing the operation of commerce.³

In spite of these changes, China conceded only one item of major substance in the treaty: the principle of mutual judicial extraterritoriality. Americans still were confined to closed areas in the newly-opened ports, permitting them consuls continued China's traditional approach that foreign communities ought to be supervised by leaders chosen from among themselves, and the treaty made no mention of the institution of formal Sino-American diplomatic relations in the shape of the stationing of ambassadors in their respective capitals.⁴ American expectations of great gains from the changes wrought by their commercial treaty were over-optimistic, as Forbes foresaw:

³David Hunter Miller, *Treaties and Other International Acts of the United States*, 8 vols. (Washington, DC: Government Printing Office, 1931-1948), 4: 560-576.

⁴Peter Ward Fay, *The Opium War, 1840-1842* (Chapel Hill: University of North Carolina Press, 1975), 363-364.

the Chinese are unchanged in their natures, . . . They have been obliged to enroll themselves among the nations of the earth, *by treaty*, and have agreed to terms; but from our experience of Chinese cunning and Chinese diplomacy, we cannot but believe that the vexatious exactions which have so long existed at Canton, will be continued there and at the new ports, only under slight modifications. . . . [The trader] will have permission to trade at five ports instead of one; but he will find himself directly, or through the Chinese merchant he deals with, . . . hampered by local difficulties.⁵

During the period from 1784 and 1844 American merchants succeeded in transforming trade between the United States and China from a highly speculative business to "a very important branch of modern commerce."⁶ The trade's value increased fivefold, from about \$1 million in 1794 to \$5 million in 1843. Commerce with China in the early 1840s had declined due to the Opium War and its immediate aftermath; the American China trade was worth \$8 to \$10 million in the mid-1830s.⁷ During the 1840s the trade revived, regaining the volume prevalent in the 1830s, before booming immediately after 1849 when the British repeal of the Navigation Acts opened England's direct tea market to American competition.⁸

Until the 1830s American trade operated at a deficit in the value of goods shipped to China. This entailed the export of large quantities of silver to compensate for the shortfall in commodity earnings. Consequently, the quest that dominated American

⁵Forbes, *Remarks on China*, 56.

⁶Roberts, *Embassy to the Eastern Courts of Cochin-China*, 126.

⁷J.D.B. DeBow, *Statistical View of the United States . . . A Compendium of the Seventh Census . . .* (Washington, DC: A.O.P. Nicholson, 1854), 188. Isaac Smith Homans, Jr., *An Historical and Statistical Account of the Foreign Commerce of the United States* (New York: G.P. Putnam & Co., 1857), 180-181.

⁸Homans, *An Historical and Statistical Account*, 130-131.

merchants was the discovery of the one product which would be so desirable to the Chinese and so profitable that it could eliminate the necessity for exporting specie to Canton. After ginseng, sea otter furs, and sandalwood had failed to meet this requirement, opium seemed to provide the solution. The flow of silver reversed itself, becoming a torrent pouring out of China into foreign hands.

Opium's success was doubly ironic. American traders had contributed strongly to the failures of previous panaceas by flooding the market and depressing their prices. The flood of opium imports into China led to periodic gluts and American withdrawal from the market: a repetition of previous mistakes. Nevertheless, opium sales remained generally strong, but this success so drained China financially that it directly inhibited the growth of the United States's export trade to the empire. The economic and moral consequences of the opium trade for the empire also provoked strong opposition from the imperial government, leading to war with Britain, China's defeat, and the establishment of a new treaty-based commercial system in place of the earlier structure that was imposed unilaterally by the Chinese authorities.

The new arrangements, begun in 1844, continued many of the restrictions from the older structure of trade. American merchants, however, were mistaken in considering the previous obstacles of the "Canton system" and the new impediments of the commercial treaty environment to be the causes of their persistent failure to gain access to the huge market that China's teeming population seemed to represent. The poverty of most of the populace and their keen appreciation of both value and quality-strictly limited the volume

of cheap Western goods that could be sold in China, as a later British consular report, discussing the impact of a famine on imports, makes clear:

the consumption of Manchester [cotton] goods has fallen so little below the average, we are justified in saying that the consumers of these goods are people above the class directly affected by the famine. . . . The whole of their clothing, upper as well as under, is cotton, and nothing but cotton (with the exception of the few who can afford to wear silk), . . . The rest of their clothing is home-made, and the reason why they prefer it is simply because it is more economical. Yard for yard, the native-made stuff is dearer, but when it comes to washing, the durability of the latter becomes at once apparent. A coat made of native-woven cotton will outlast two or three of those made from ordinary Manchester fabrics.⁹

Markets for foreign luxury goods were equally discriminating. Prices for ginseng, furs, and sandalwood had collapsed not only because Americans had increased greatly the volumes they had shipped of these goods but also as a consequence of the arrival of lower quality products. Chinese self-sufficiency constituted a powerful obstacle to market penetration by Western products of doubtful quality. The changed trade environment created by the commercial treaties of the 1840s did not alter the realities of the Chinese marketplace; foreign goods were never necessities, the populace as a whole was highly discriminating in its purchases, and the general level of poverty in the empire offered only a narrow opening for the sale of Western products.

The conundrum of the American China trade remained unresolved in 1844. The limitless Chinese market remained unattainable: a mirage. Opium succeeded in establishing itself as the single product for which the Chinese displayed an unrestrained

⁹Great Britain, Parliament, *Commercial Reports by Her Majesty's Consuls in China: 1877, 1878* (Dublin: Irish University Press Area Studies, 1971), 36-37.

appetite. This provided a solution to the urgent requirement of American merchants for a product that was both highly profitable and readily acceptable, and therefore would obviate the need for silver shipments to balance China's trade advantage. Americans, however, chose to operate in a niche of the trade as agents, thus reducing the benefits to themselves of the flow of specie the business generated. Furthermore, in an ironic twist, opium's very success inhibited Americans' chances of expanding their access to China's market with other goods, since it absorbed the empire's liquid assets. The "solution" had worsened the problem.

The conundrum is unresolved today. China remains largely self-sufficient, the limitless market created by an enormous population is still illusory, and the Chinese continue to resist the importation of American goods, preferring to adopt and adapt Western technology to their own production requirements. More than two centuries of U.S. trade with China has not altered the basic terms of the relationship. Americans still want Chinese commodities but produce little that the Chinese either need or can afford.

Tables.

- Table 1. U.S. Exports from Canton (by pounds weight or piece).
- Table 2. U.S. Exports from Canton (in dollars).
- Table 3. U.S. Imports at Canton (by pounds weight or piece).
- Table 4. U.S. Imports at Canton (in dollars).
- Table 5. U.S. General Trade at Canton (in dollars).

year	teas (pounds)	raw silk (pounds)	silk (pieces)	nankeen (pieces)	sugar (pounds)	cassia (pounds)
1792	1538362	3333	155	69600	610118	
1793	1881953	4800		255000		
1794	1438231	400		220000		
1795	2819530	0	9000	685000		
1796	3446314	12933		475000		
1797	3114055	37732		200000		
1798	5673858	8133		1530000		
1799	5664925	0		735000		
1800	4749215	4667		6366p		
1801	5450397	18400		1400000		
1802	5164138	0		750000		
1803	2371674	1467		630000		
1804	7320084	7466	9385	2648000	253327	552386
1805	1170250	7333	24960	2808000	16533	417990
1806	8770314	533	17680	1764000	117997	192929
1807	7835804	5733	20400	2922000	225328	278393
1808	1083706	16800	9132	345000	0	83598
1809	9736823	1867	53273	3769000	136797	517854
1810	2885661	48799	77710	2048000	0	274793
1811	3570311	0	110521	425000	0	353724
1812	1407431	0	12670	201000	71998	89998
1813	878911	0			0	0
1814	951043	0	160p	547p	0	0
1815	7071823	0	115939	640000	122397	445989
1816	1173970	0	114147	1794000	1113306	699183
1817	2255183	22666	201536	1469000	1668892	346258
1818	1539961	4933	291396	2577000	5688124	671717
1819	1019267	74665	270573	3135700	6634367	388257
1820	9939752	0	137334	685000	355191	425589
1821	8420989	2667	335114	1776700	2066482	757048
1822	1130345	9333	381430	1139207	856112	1150638
1823	1015201	0	350000	252200	66665	1062907
1824	1328166	12666	372167	536000	499854	1251702
1825	1282127	72665	619614	721000	2965259	1348766
1826	8575919	34666	303885	308725	601852	577186
1827	1050733	35599	421136	619182	279993	897178
1828	9850820	43732	211703	392500	299059	387457
1829	8826979	46266	186653	350000	656650	
1830	7251285	37999	262107	125750		
1831	1118318	14533	268677	122285		
1832	1632719	19200	215219	39000		

Data from Morse, *Chronicles*, Pitkin, *Statistical View*, Seybert, *Statistical Annals*.

Table 2.

U.S. Exports From Canton (in dollars).

year	total	tea	raw silk	silk	nankeen	sugar	cassia
1804	3842000						
1805	512700						
1806	4294000						
1807	3476000						
1808	808000						
1809	5715000						
1810	2973000						
1811	2771000						
1812	620000						
1813							
1814							
1815	4220000						
1816	5703000						
1817	6777342	3290439		2239260	734500	89377	72716
1818	9057033	3472534		3842412	1099392	304157	141064
1819	8173107	3029015	228150	2909463	1407360	343237	80556
1820	4715696	2437990		1702770	402500	21560	68922
1821	7563644	3385720		3172562	904332	139743	125928
1822	7523492	3072615	25900	3144036	627413	22385	195592
1823	5677149	3217645		1828094	181138	5000	175384
1824	8501119	4584872	38950	3035494	360060	28117	206536
1825	8752562	4485788	250700	2987517	500950	188879	270155
1826	4429377	2128353	98800	1806476	216107	38564	73800
1827	6559925	3235620	67510	1874663	367150	65249	103943
1828	4552200	2777318	144320	988307	324982	70262	61516
1829	4108589	2496683	138700	894235	250173	44325	40961
1830	4263551	2014402	85500	1496272	80944	27000	21528
1831	5857732	3667565	40330	1528382	72082	10544	39935
1832	8225375	5925541	50400	1085490	30775	42300	92517

Data from Morse, *Chronicles*, Pitkin, *Statistical View*, Seybert, *Statistical Annals*.

Table 3. U.S. Imports at Canton (by pounds weight or piece).

year	ginseng	sandal- wood	Indian cotton	quicksilver	fine furs pieces	cotton picces
1792	5867	0	655984	0	9579	
1793	0	0	0	0		
1794	6667	0	0	0	43770	
1795	12266	0	0	0	7477	
1796	4000	0	0	0	19846	
1797	12000	0	0	0	26316	
1798	23599	0	0	0	102257	
1799	70932	0	0	0	35234	
1800	118264	0	0	0	411167	
1801	124397	0	0	0	444087	
1802	297193	0	0	0	388746	
1803	136530	0	0	0	186779	
1804	250660	119997	562519	0	269756	
1805	202262	213328	106677	6400	195600	
1806	227728	359991	0	222928	298600	
1807	196662	266660	623984	7600	130400	
1808	0	266660	273327	0	50500	
1809	181862	241994	236754	2400	49500	
1810	155196	66132	253994	0	83500	
1811	207595	150142	982509	3867	366300	
1812	33333	253807	487988	0	122700	
1813	0	0	0	0		
1814	0	0	0	0		
1815	391057	333325	73332	59999	140300	
1816	342658	986642	0	133063	64600	
1817	213461	210994	0	431989	84200	
1818	181729	198315	80131	1239569	163000	
1819	87864	134303	258046	673583	76600	
1820	268793	800647	504254	525054	44500	
1821	334125	357617	487988	576519	177300	
1822	685850	275366	118397	381190	80000	
1823	56932	112050	142663	1094639	168000	
1824	805180	991709	209995	860245	100800	
1825	447589	412923	0	498388	65800	
1826	338525	890644	135997	375324	73300	61981
1827	164263	176862	174262	1191170	81500	81237
1828	233861	242740	0	849845	8200	
1829	0	0	0	752381		85395
1830	257860	0	0	752515		
1831	359724	0	0	1372632		
1832	334258	0	0	1353833		

Data from Morse, *Chronicles*, Pitkin, *Statistical View*, Seybert, *Statistical Annals*.

Table 4.

U.S. Imports at Canton (in dollars).

year	total imports	ginseng	sandal-wood	fine furs	Indian cotton	quicksilver	cotton pieces
1804	3555818						
1805	5326358						
1806	3877362						
1807	3940090						
1808	479550						
1809	5744600						
1810	2898800						
1811	3132810						
1812	1453000						
1813							
1814							
1815	2527500						
1816	5609600						
1817	7076828	144090	174075	320009		324000	
1818	9867208	77770	91368	362296		747600	38450
1819	8185800	38040	101228	245405	359044	395520	60400
1820	4035000	171275	67133	340991		295075	450000
1821	8199743	209610	269320	490081	42192	194736	358225
1822	8339389	231480	139408	319231	9876	180017	305064
1823	6315127	29890	67232	269443	19260	492600	389550
1824	8962045	181170	66942	270669	31500	374216	430794
1825	7776301	100710	32518	258235	3802		434412
1826	4243617	66388	83500		14280		261700
1827	6238788	25980	211070	243636	16991	696852	357386
1828	4030865	127460	127442	269398		446180	174413
1829	3917632		43228	191006		395010	405980
1830	3054976	109544	39000	78471	39252	395080	
1831	3050937	159550	7000	166736	1890	720650	
1832	3590455	146054	28000	133085		629548	

Data from Morse, *Chronicles*, Pitkin, *Statistical View*, Seybert, *Statistical Annals*.

Table 5.

U.S. General Trade at Canton (in dollars).

year	specie	bills	goods	total	percentage specie	percentage bills	percentage goods
1804	2902000		2653818	5555818	52.23		47.77
1805	4176000		1150358	5326358	78.40		21.60
1806	2895000		982362	3877362	74.66		25.34
1807	3032000		908090	3940090	76.95		23.05
1808	70000		409850	479850	14.59		85.41
1809	4723000		3414600	8137600	58.04		41.96
1810	2330000		568800	2898800	80.38		19.62
1811	1875000		1257810	3132810	59.85		40.15
1812	616000		837000	1453000	42.40		57.60
1813							
1814							
1815	1922000		605000	2527000	76.06		23.94
1816	4545000		1055600	5600600	81.15		18.85
1817	5601000		1475828	7076828	79.15		20.85
1818	7414000	200000	2603151	10217151	72.56	1.96	25.48
1819	6297000		1888000	8185000	76.93		23.07
1820	2995000		2397795	5392795	55.54		44.46
1821	5125000		3067768	8192768	62.56		37.44
1822	6292840		2046549	8339389	75.46		24.54
1823	4096000		2364000	6460000	63.41		36.59
1824	6524500		2437525	8962025	72.80		27.20
1825	5725200		2056101	7781301	73.58		26.42
1826	1841168	400000	2032449	4273617	43.08	9.36	47.56
1827	2640300	300000	2454617	5394917	48.94	5.56	45.50
1828	740900	657000	2667770	4065670	18.22	16.16	65.62
1829	1123644	423656	2793982	4341282	25.88	9.76	64.36
1830	183655	1168500	2871321	4223476	4.35	27.67	67.98
1831	2480871	667252	2383684	5531807	44.85	12.06	43.09
1832	682519	4772516	2907936	8362971	8.16	57.07	34.77
1833	1029178	3656290	5202033	9887501	10.41	36.98	52.61

Data from Morse, *Chronicles*, Pitkin, *Statistical View*, Seybert, *Statistical Annals*.

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Note. Two major bibliographic sources are essential starting points for any survey of the literature on Sino-American trade between 1784 and 1844. These are: Kwang-ching Liu's *Americans and Chinese* for manuscript resources, and the second volume of Elizabeth Bateman Bond's dissertation "America's China Trade" for published material.

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