The partnership of the British and Cantonese Transnational Merchant Diaspora in Modern East Asia and its rivalry with Japanese capital

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Topic

• What?
  → The formation and expansion of the Western merchant network and the Cantonese merchant network
  → the change of their partnership before and after the rise of Japanese capitalism.

• How?
  → Methodological access: transnational merchant diaspora groups.
  → Case study: Taikoo, B&S, a British merchant and Tongshuntai, a Cantonese merchant in Chosŏn Korea.
• Western Company in China 洋行：imperialist capital → scot in China

• Western young and adventurous people in Asia, with searching for the opportunity to make fortune and raise social status

• Cantonese capital : comprador capital, the agency of imperialism, the agency of Yangwu clique in the late Qing, National capital during the early republican era → transnational merchant diaspora

• Overseas Chinese 華僑

• Western Overseas 歐僑?
• The successful win-win policy under the treaty-port system in East Asian trade

• The challenge of Japanese industrial capitalism and *Shōsha* 商社 capital
  → dissolution of the long-lasting partnership
  → a reshuffle of Cantonese capital both in China and the rest of East Asia.
• The Tongshuntai firm (同順泰號)

: a representative Chinese company in Korea (1885?–1937)

: Tongshuntai Loan (同順泰借款) in 1892

: the head office (本號, Seoul) - branches (分號, Incheon, Jeonju and Gunsan)

Correspondent partners (聯號) in Shanghai, Canton, Hong Kong, Nagasaki, Kobe and Yokohama.

: Tan Jiesheng 譚傑生, ranked as No. 1 in taxpayer lists in Seoul in 1923

Photo of Tan Jiesheng offered by his grand-grand son, Mr. Frank Tan working in Google, San Jose
<table>
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<tr>
<th>Purchase Date</th>
<th>Book-dealer</th>
<th>Commercial Designation</th>
<th>Number of volumes</th>
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<tr>
<td>December 20th, 1933</td>
<td>Park Bongsu 朴鳳秀</td>
<td>Tongshuntai wangfu wenshu</td>
<td>1 vol.</td>
<td>10 Yen</td>
<td>Tongshuntai wangfu wenshu</td>
<td>35 vols.</td>
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<td>December 22nd, 1933</td>
<td>Park Bongsu</td>
<td>Tongshuntai wenshu</td>
<td>4 vols.</td>
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<td>Park Bongsu</td>
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<td>Park Bongsu</td>
<td>Tongshuntai huowu mulu</td>
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<td>26 Yen</td>
<td>Jinkou ge huocang koudan</td>
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<td>Jiawunian gebu laihuo zhibendan</td>
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<td>Lunchuan gongsi gupiao</td>
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<td>6 Yen</td>
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<td>August 13th, 1934</td>
<td>Park Bongsu</td>
<td>Tongshuntai shoushuhan</td>
<td>19 vols.</td>
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<td>Tongshuntai laixin</td>
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<td>July 8th, 1937</td>
<td>Lee Seong’ui 李聖儀</td>
<td>Tongshuntai bao hao ji</td>
<td>1 vol.</td>
<td>3 Yen</td>
<td></td>
<td>1 vol.</td>
<td>SNU, Rare Books &amp; Archival Collections</td>
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A Total of 67 volumes in 7 Collections
Tongshuntai correspondences
Italian - 18th July 1874

My dear Tom:

Things are all most alarming through the wine selling in the market. The within the class and the Chinese are the very least able to put up, and even they will not got up next time I think.

Just now we are going to try an experiment giving extended credit to our sugar buyers with a view to increasing the uptake. It will necessitate increased responsibility on the superintendent's part and I should like to know we are fully reared. I think £10,000 would not be too great an amount for his security.

Our transactions in sugar are pretty big.

Yours truly,

A. Swire
Human networks of Tongshuntai and Taikoo
long-time executive members in CNA in Shanghai best friends

Tang Jie-cheng
J&M Manager

Liang Lun-Qing
TT Manager

Zheng Guan-ying
CNC/CNSMC Manager

Tang Ting-shu
CNSMC Manager

Zheng Yi-zhi
CNC/TS Tianjin Manager

Tan Jie-sheng
TST Manager

Tang Shao-yi
Staff of KMC
Consul, Seoul

Yuan Shi-Kai
head of Chinese legation in Seoul/ executor of Qing policy in Korea

Li Hong-zhang
head of Yangwuclique

head of financial agency service for public money remittance
Liang Lunqing and Zheng Yizhi on Zheng Guangying’s will
Zheng Yizhi in the Swire papers called as Yikkee Tientsin E. F. Mackay. Esqu, → Shanghai, Wright 1901.11.27.
JSS BOX A31 JSS 2 1 15 j
Zheng Yizhi property in Tianjin
Fo 678/693 (National Archives, London) Lot No.37 Title Deed
鄭翼之→ Butterfield & Swire. 1903, Butterfield & Swire→
John. Swire Ltd. 1917, John. Swire Ltd.→ Chartered Bank,
1932
Tang Shaoyi & Liang Ruhao
唐紹儀 & 梁如浩

* Xiangshan native (Canton)
* the third party of CEM, 1874 (MA, USA)
* Chinese staff of Korean Maritime Customs (Incheon)
* diplomat recruited by Yuan Shikai (Seoul)
* official promotion during New Policy period of Qing (Tianjin)
* survived in the Republican Government (Peking)
• personal network of Tongshuntai was interwoven with Xiangshan compradore group.
• Tongshuntai’s marriage relationship has the same feature.
• Human resource: Cantonese in native places, English skill, Compradore career, experience of studying abroad, affiliation with Qing’s officialdom in modernization movement
Relationship of Tongshuntai and Taikoo in Business
Main import goods during the treaty port era in East Asia

• British Cotton clothes
• Sugar: Chinese and Indian traditional sugar
  → Hong Kong sugar (Yihe and Taikoo)
• How to circulate and distribute those in East Asian Market?
  → via Shanghai, by Cantonese merchants
• Trade: British industrial product, British navigation companies (Yihe and Taikoo), British Banking system (HSBC)
The rise of Japanese industrial capital and Shosha capital

• The 1st Sino-Japanese war (1894-1895)
• Domestic market (import substitution industrialization) 1880s
  → Winning Korean market (1895 -)
  → Advance to Chinese market (1900s)
  → growing share in Chinese and Indian market (1910s, The 1st world war)
  → Counterattack of Yanghang and challenge of Chinese and Indian national capital (Minzuziben, Cantonese investments in Shanghai) (1920s)
Shipping of 1907 from Shanghai in *Tongshuntai Baohaoji*

- Taikoo shipping for consignment toward Korea as many as 11 times out of 20 times in total.
- a lot of cases that Tongshuntai and Tongtai paid fees to Taikoo Ship compradore (賬房) for carrying goods personally.

→ tax evasion and smuggling.
Trade during 1883-1907

• Tongshuntai documents: account books and business correspondences

• Two kinds of cotton clothes: British cotton 洋布 and Chinese traditional cotton clothes 土布

• Two kinds of sugar-related goods, Chetang (車糖, Kuruma-to in Japanese) and Tangjiang[糖姜, sugared ginger slices, the traditional local products of Chaozhou(潮州)].
Observing overall trend in Tongshuntai’s import business

sugar

• the decline of sugar import with peak of 1895.
• larger share of refined sugar in the earlier stage and disappearance in 1907.
• economic factors of fundamental change in East Asia sugar production since 1895.
1880-1890

- Java raw sugar and Hong Kong refined sugar to dominate East Asia market
- The wholesale agents and retailers in treaty ports of East Asia: local Cantonese compradore and Chinese merchants.
Japanese sugar refinery business After the obtain of Taiwan in 1895

• After the obtain of Taiwan in 1895, Meiji government designed the plan to produce raw sugar in Taiwan and refine it in Japan.

• a large amount of subsidy(2.67 million yen during 1902-1911) + heavy protective tariff to imported sugar.

• replace Hong Kong sugar in domestic market and in overseas market, mainly Korea and China.
• Refined sugar imported by Tongshuntai and Cantonse merchants in Korea probably was Hong Kong sugar, mainly Taikoo sugar.

• In short, the cause of disappearance of refined sugar, maybe Taikoo sugar in 1907 import invoices was not in distribution but in production.
Tongshuntai-Baogaoji in 1907
cotton cloth & sugar

• cotton cloth: no more than about 250 (257.495) silver liang, less than 1% of total import value of Tongshuntai. All was Chinese hand-crafted cotton cloth (土布)
• British cotton cloth disappeared.
• = sugar’s case
After the collapse of Sino-British partnership

• British merchants and Cantonese merchants: division of roles between production and distribution

• the growth of Japanese industrial capital and Shosha (Japanese styled trading company) capital → the collapse of Sino-British partnership
Change of main items

• main trade items: British modern commodities → traditional Chinese products, as like silk, linen, Chinese cotton cloth and Tangjiang

• welcomed Chinese traditional products in Korean market until 1920s

• even after 1910, Sino-Korean trade continued to increase more than before.
Hero of National Goods?

• Chinese overseas, in Korea, were praised in Chinese medias as heroes of National Goods (國貨)

• Chinese in home country and Chinese overseas assumed the respective role of production and distribution, even though the items were not so modern and fancy.
New moves of Some Cantonese overseas: Overseas Cantonese investments as Manufacturers

• to return to China and to build the modern industry by themselves like cotton textile factory.
• assume the role of British merchants
• one aspect of the birth of National Capital.
• Guangdong provincial government’s Sugar Refinery project since 1933: Fengrui and Mo family in Hong Kong (Taikoo sugar compradore) against Japanese sugar
“The development of sugar mills in Kwangtung and Kwangsi may incommode us eventually, but we scarcely think their output is likely to be a serious menace for some time to come. In the meantime we are glad you have been in touch with Dr. Feng Rui, as it clearly behoves us to come to terms with the Monopoly, although we shall be surprised if they succeed in eliminating the independent smugglers altogether.”


Taikoo sold totally 19,000 picul in September, 1935 in China and Manchuria, out of which 8,100 picul was sold to Guangdong provincial government though the mediation of Mo family and Feng Rui.

B&S Hong Kong→Messrs. John Swire & Sons, Ltd. London, 1935.10.11. JSS BOX 26A(2) From Hong Kong, JSS 5-1-10. Sugar Refinery letters
Epilogue
Cantonese: the Tongshuntai

- the general trend with growth of import trade between Korea and China
- Tongshuntai reduced the share of trading business and concentrated investments on real estate and communications.
- Silk and Linen importers and traders was mostly Shandongese merchants.
Cantonese in Korea

• After breaking the Sino-British partnership, rewritten by me as British-Cantonese partnership, Cantonese merchants could not benefit as much as before from compradore status and networks with Hong Kong and Shanghai. Shandong traders’ geographically merit that Shandong is close both to Korea and to Japan became more effective.
Thanks for listening!
鳴谢！감사합니다!