

# **THE EXPANSION OF TRADE IN CHINA**

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The Expansion of Trade in China by T. H. Whitehead

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**T. H. WHITEHEAD**

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OF TRADE IN CHINA**



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IN CHINA.

BY

T. H. WHITEHEAD

MEMBER OF THE LEGISLATIVE COUNCIL, HONG KONG.

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# THE EXPANSION OF TRADE IN CHINA.

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## I. CHINA'S UNOPENED TRADE MARKETS.

WHEN an attempt is made to speak about China, the oldest and in some respects the greatest empire in existence, with a venerable and historic civilisation, and about her intelligent, hardy, sober, ingenious, enterprising, thrifty, and industrious people, it is perplexing to decide where to begin, and it is difficult to determine where to stop. The population of the Chinese Empire is estimated at 400,000,000, or not far short of the entire population of Europe, while the area of China proper and her dependent territories, viz. Manchuria, Mongolia, Thibet, Jungaria and East Turkestan, extend to about 4,200,000 square miles, or rather more than one-twelfth part of the entire land surface of the globe. The area of the Chinese Empire is about thirty-five times larger than the area of the United Kingdom of Great Britain and Ireland, and it is difficult to form an adequate idea of its vastness. In the following remarks which you have been kind enough to invite me to make, it will be my endeavour to deal in a business way with the commercial problems that now present themselves in China, including the opening-up of her inland waterways to steam navigation, and the urgently needed fiscal reform, which should practically result in the markets of the whole of the Chinese Empire and its dependencies, including Manchuria, being thrown open to trade. The great majority of the

natives are essentially industrial and commercial, notwithstanding the impediments which surround the transport of produce and the interchange of merchandise of every description. In the markets of the Chinese Empire—many of which in the interior are not yet tapped—there is to be found an outlet not only for British but for the whole world's surplus products. The area of the province of Szechuan alone is 167,000 square miles, and its population is estimated at about 68,000,000.

#### 2. SCANT KNOWLEDGE AT HOME.

During six months' sojourn in England and Scotland circumstances have brought me into contact with a large number of people. Speaking generally, it is perfectly evident that popular knowledge in Great Britain as to the immense issues at stake in China is of the most elementary kind, and hardly any means exists for educating the people on this question. Lord Rosebery when Prime Minister rightly predicted that "the Far Eastern Question is one which, in its essential importance and the magnitude of the interests concerned, bids fair to overshadow all other subjects of international debate." It is of supreme importance that the China League, in dealing with the responsible work which it has commenced, should, in a measure, follow the methods of the Navy League, a body whose services to the Empire cannot be over-estimated. By so doing it would be the more likely to accomplish its object. But it is essential also that Chambers of Commerce and other public institutions throughout the United Kingdom should lend their cordial co-operation and active support to this most important movement. Such action would do much to educate, and



would in time tend to create a sound public opinion. In consequence of the present state of parties in Great Britain it is principally by the weight of public opinion that the Government in office for the time being can be influenced to adopt a clearly defined and continuous line of policy on a question of such magnitude. There can hardly be said to be any public opinion at home regarding the British Empire's extensive commercial interests in the Far East. Consequently successive Governments have not for a long period followed any decided line of action. Their policy has been one of waiting on events, and if this is allowed to go on it may ultimately lead to grave complications or the sacrifice of our interests in that part of the world.

### 3. FOREIGN TRADE: CHINA, JAPAN, AND INDIA.

**China's** Foreign Trade has increased from Hk. taels 127,000,000, or at 6s. 6d. = £41,275,000, in 1870, to Hk. taels 461,000,000, or at 3s. 0½d. = £70,000,000, in 1899—an expansion in taels of 263 per cent. This increase has taken place in face of the hindrances and the numerous exactions levied in the shape of likin and kindred inland taxation on all merchandise.

**Japan's** Foreign Trade has increased from yen 34,000,000, or at 4s. 6d. = £7,650,000, in 1869, to yen 435,000,000, or at 2s. 0½d. = £44,406,250, in 1899—an expansion in yen of 1179 per cent.

**British India's** Trade has increased from rupees 890,000,000 in 1869, or at 2s. = £89,000,000, to rupees 1,811,000,000 in 1899, or at 1s. 4d. = £120,733,333—an expansion in rupees of 103 per cent.

The annual figures of the trade of the three countries from 1869 are given in tables appended.

## 4. THE FOREIGN TRADE OF CHINA.

AMERICAN, BRITISH, GERMAN, JAPANESE AND RUSSIAN.

British commercial supremacy has hitherto been conspicuous in the markets of Asia, but the fact should not be lost sight of that the British people have enjoyed the advantage of being first in the field in those markets. According to the Imperial Maritime Customs returns, China's foreign trade for 1899 aggregated Hk. taels 461,000,000; and in this, including India, Canada and our Colonies, the trade under the British Flag shared to the extent of Hk. taels 286,000,000, or at 3s. 0½d. about £43,000,000—that is to say, 62 per cent. of the total—while that of all the other countries in Europe and America combined amounted to £27,000,000, or 38 per cent. of the whole. The value of the carrying trade in Foreign Imports for 1899 aggregated Hk. taels 273,756,000, and was divided between the following flags:—

|                           |           |             |    |             |          |
|---------------------------|-----------|-------------|----|-------------|----------|
| British . . . . .         | Hk. taels | 157,585,000 | or | 68          | %        |
| German . . . . .          | "         | 30,501,000  | or | 13          | %        |
| Japanese . . . . .        | "         | 24,940,000  | or | 11          | %        |
| American . . . . .        | "         | 2,488,000   | or | 1.07        | %        |
| Russian . . . . .         | "         | 149,000     | or | .06         | %        |
| Other countries . . . . . | "         | 15,258,000  | or | 6.87        | %        |
|                           |           |             |    | <u>100.</u> | <u>%</u> |

These percentages are reckoned after deducting the Chinese share, viz. Hk. taels 42,840,000, from the total of the trade, viz. Hk. taels 273,756,000.

The shares taken by Britain, Japan, Germany, Russia and America, in the *carrying trade* between the Treaty Ports of China in 1899 were as follows:—

|                   | Tonnage<br>Outward | Export Duties<br>paid | Outward<br>Tonnage<br>dues paid | Tonnage<br>Inward | Coast Trade<br>duties paid |
|-------------------|--------------------|-----------------------|---------------------------------|-------------------|----------------------------|
|                   |                    | Taels                 | Taels                           |                   | Taels                      |
| Britain . . . . . | 8,307,000          | 8,493,000             | 76,000                          | 8,313,000         | 1,110,000                  |
| Japan . . . . .   | 705,000            | 144,000               | 7,000                           | 705,000           | 86,000                     |
| Germany . . . . . | 459,000            | 884,000               | 9,000                           | 469,000           | 94,000                     |
| Russia . . . . .  | 87,000             | 8,000                 | 2,000                           | 90,000            | 3,000                      |
| America . . . . . | 80,000             | 4,000                 | 1,000                           | 15,000            | 1,000                      |

After deducting from the total, viz. tons 28,275,615, the Chinese share, viz. tons 8,733,880, in the *carrying trade, outwards and inwards*, between the Treaty Ports of China in 1899, the tonnage and the percentages of the said five flags were as follows :—

|                    | Total Tonnage | Percentage |
|--------------------|---------------|------------|
| British . . . . .  | 16,620,680    | 85 %       |
| Japanese . . . . . | 1,411,748     | 7 %        |
| German . . . . .   | 928,420       | 5 %        |
| Russian . . . . .  | 178,700       | 90 %       |
| American . . . . . | 44,209        | 28 %       |

##### 5. CHINA'S RESOURCES, MEN, MATERIAL, &c.

To describe even in the most succinct form the immense resources of China, in men, in agriculture, in variety of climate, in facilities for transport by water, &c., would fill a somewhat big volume; while the mineral wealth of the country is enormous, even when compared with Europe as a whole. The following extracts, however, will give some idea of their magnitude. The learned Abbé Huc, in his classic work, "The Chinese Empire," translated into English in 1855, said :—

"It may be that it would be possible to find in China all the elements necessary for organising the most formidable army in the world. The Chinese are intelligent, ingenious, and docile. They comprehend rapidly whatever they are taught and retain it in their memory. They are persevering and astonishingly active when they choose to exert themselves, respectful to authority, submissive, and obedient, and they would easily accommodate themselves to all the exigencies of the severest discipline. . . . The Chinese possess also a quality most precious in soldiers, and which can scarcely be found as well developed among any other people—namely, an incomparable facility at supporting pri-