

# **The Co-hong and the Company: The Emergence of Quasi-Governmental Institutions in Eighteenth Century Canton**

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## **Abstract**

In the late 1750s, the English East India Company, attempted to test the limits of the China trade by expanding outside of the port of Canton (Guangzhou). This attempt inspired a violent backlash from the Qianlong Emperor, who officially restricted all foreigners to the port of Canton. During the eighteenth century, trade interactions often represented the extent of economic and foreign relations between China and the West. Consequently, trading companies, particularly the English East India Company, gained great power as quasi-governmental institutions (QGI). QGIs are representatives of their respective states that lack official connection to said state's government as a ministry or department might, but, which fulfill a basic national need with its government's approval. In response to the perceived threat presented by the incursion of European QGIs, which were in part vehicles of informal empire, the Chinese emperors began to endow China's merchants with greater power. This eventually facilitated the formation of China's own QGI known as the Co-hong. This study examines the parallels between the Co-hong and the East India Company, arguing that both may be conceived of as QGIs. It asks what a QGI is and how such an entity may influence its own and foreign governments while remaining distinct from the official bureaucracy. This study traces the development of the Co-hong, from its inception in 1720 to its full realization as a QGI in 1760 through the records of the English East India Company and the Qing Dynasty. It also draws on the body of secondary work that has been conducted on the eighteenth century China trade and, building upon this work, pushes understandings of such transnational interplays farther. This study argues that the Co-hong's formation was the result not only of pressures from the Chinese government, but also those deriving from foreign QGIs, specifically the East India Company. Furthermore, it contends that the emergence of the Co-hong as a QGI in 1760 can be explained by the influence of the East India Company and by its perceived threat to China if left unopposed. Thus, QGIs are shown to form out of the tensions unofficial foreign relations engender.

**Keywords:** China, East India Company, Trade

## **1. Introduction**

China's history has long been one of foreign interactions and influences. One of the hallmarks of Chinese civilization has been the way in which it has adapted to each new encroaching force. In this way, Chinese culture as a whole has been preserved, finding a unique expression and identity under each new pressure.<sup>1</sup> New dangers have always been ready to present themselves, however, necessitating a constant readiness to react, on the part of the ruling elite, to each unique challenge. During the reign of China's last dynasty, the Qing, the most perilous of these threats came not from Asia, but from across the sea.

As maritime technology improved and states slowly began to globalize, expeditions to map and trade departed from coastlines the world over. These journeys not only introduced new goods to parts of the world in which they had never been seen before, but also provided a mechanism through which new peoples and cultures could be transported to previously alien regions. What was initially a cultural and monetary exchange grew into foreign relations, making mercantile exchanges a battleground between states whose global influence derived from their economies.

This study argues that Western<sup>2</sup> trading companies, particularly the English East India Company (EIC), gained power and influence in the eighteenth century China trade through their status as “quasi-governmental institutions” (QGIs). QGIs are representatives of their respective states that lack official connection to their government as a ministry might, but which, with the government’s approval, fill a state need. In response to the perceived threat presented by the incursion of European QGIs like the EIC, which were in part vehicles of informal empire, the Qing Dynasty emperors began to endow China’s merchants with greater power. This eventually facilitated the formation of China’s own QGI known as the Co-hong.

This study examines the emergence of Co-hong as a QGI and the forces that drove its formation. It asks what a QGI is and how such an entity may influence its own and foreign governments while remaining distinct from the official bureaucracy. In pursuit of this goal, the development of the Co-hong is traced from its inception in 1720 to its realization as a QGI in 1760. This study argues that the Co-hong’s formation was the result not only of pressures from the Qing Dynasty, but also from foreign QGIs, specifically the EIC. It contends that the emergence of the Co-hong as a QGI in 1760 can be explained by the influence of the EIC and by the potential threat it presented the Qing government. It also maintains that in addition to providing an institution through which foreign merchants, particularly the EIC, and the creeping threat of informal empire could be better controlled, the Co-hong as a QGI conferred significant economic benefits on the Qing; when it had served its purpose, it was the Qing that summarily dissolved the Co-hong before it could present a challenge to Qing trade interests. This study contends that the Co-hong ultimately was, for the Qing, a mechanism of control inspired by the example and actions of the EIC. Through this mechanism, Western interests could be restricted by China, while simultaneously keeping them engaged in and profiting from the China trade, thus providing a continued and regular stream of revenue for the Qing as well as continued protection from Western imperialism.

## 2. Historiography and Theory

The subject of the eighteenth century Canton trade and specifically that of the Britain-China trade has been investigated by a multitude of scholars taking a variety of tacks over the years. This is in large part due to the massive number of primary sources available. A plethora of EIC records are available on the China trade as well as many from other trading companies. Additionally, there are the records of the Qing government’s dealings with the West. However, as historian Wang Eang Cheong notes in *The Hong Merchants of Canton*, there is little in these sources concerning the Hong merchants except “when their debts or the conduct of foreigners become problems.”<sup>3</sup> Primary sources on the Canton trade, therefore, while vast in some ways, are decidedly lacking in others; the availability of sources depends largely on the approach the individual scholar chooses to take.

There are also many secondary works that seek to illuminate the details of the trade. These sources, as articulated by historian Paul A. Van Dyke, fall into four general categories. First, are studies that focus on a specific company or ethnic group; second, are those that revolve around an artifact of the trade or a commodity; third, are examinations of “the social, literary and cultural contributions of the merchants;” fourth, are those focused on the trade in a particular geographic area.<sup>4</sup> For this study in particular, those works that fall into the first and third categories are the most applicable as they provide the most thorough examination of the English East India Company, the Canton merchants, and the relationship the two had with one another, as well as their effects on the trade itself.

Several such works have proved especially valuable to this study. Two older pieces, Hosea Ballou Morse’s *The Gilds of China With an Account of the Gild Merchant or Co-hong of Canton* and his *The Chronicles of the East India Company Trading to China 1635-1834*, provide detailed, though dated, descriptions of the EIC and its dealings with the Chinese as well as a wealth of primary sources buried in the narrative itself and in the appendices. More recently, Ann Bolbach White’s dissertation *The Hong Merchants of Canton* and Wang Eang Cheong’s book *The Hong Merchants of Canton: Chinese Merchants in Sino-Western Trade, [1684 - 1798]*, offer in-depth studies of the emergence of these merchants. Finally, Van Dyke’s *The Canton Trade: Life and Enterprise on the China Coast, 1700-1845* and *Merchants of Canton and Macao: Politics and Strategies in Eighteenth-Century Chinese Trade*, deliver an in-depth look into the details of the trade and a new take on the establishment and effects of the Co-hong,

as well as on Qing foreign policy. These last two studies have been particularly valuable because they work together to challenge the traditional narrative of the monopolistic Co-hong and complicate the relationship between the Co-hong and Beijing.

Taken together, these works and others have helped construct the platform on which this endeavor to provide a tighter focus to the issue of quasi-governmental actors in the Canton trade is built. By employing the records of the EIC as well as those Qing documents that can be unearthed regarding the Co-hong and the EIC, I attempt to identify the precise nature of each actor's quasi-governmental position and bring about an understanding how these contributed to the interactions between China and the West. This work, therefore, seeks to provide a new lens through which the Chinese-Western trade and, more generally, eighteenth century Chinese foreign relations can be viewed. To accomplish this goal, however, it is also necessary to consider some theoretical sources, which serve to buttress the role of quasi-governmental actors in state expansion.

When examining inter-state relations during the eighteenth century, theories of imperialism and empire must necessarily enter into consideration. In England, and indeed in many European countries, the eighteenth and nineteenth centuries were characterized largely by governmental inroads into foreign lands around the world. The mechanisms of control in these various regions were not always the same, but the goal was: to gain control of the region for the benefit of the state.

In his work *Empires*, sociologist Michael W. Doyle argues that empire can be seen as “a relationship, formal or informal, in which one state controls the effective political sovereignty of another political society,” while imperialism is “the process or policy of establishing or maintaining an empire.”<sup>5</sup> For this study, Doyle's definition of empire's “informal” relationship, which he believes can be employed to control other nations, is key. During the eighteenth century the British did not achieve formal control over China and any informal control they had was severely limited. However, Britain *attempted* to exert informal control over China during this period through the East India Company.

When constructing his argument, Doyle notes that control is the all-important factor in an informal empire. Often, he writes, citing Gallagher and Robinson's seminal work on the subject, such control is achieved by economic means.<sup>6</sup> In the case of England, the EIC was not just a trading company favored by the government: it was also an agent of empire, a way to spread British influence around the globe. Moreover, rather than simply enriching the British Empire, the EIC was working to expand it. As Doyle writes, “the extension” of the center of empire's “economic and sociocultural or ideological forces and the institutions that carry them” into foreign lands “provide both an incentive” for imperial powers like Britain to interfere in the politics of the target nation “as a means of penetrating” that nation's “domestic society.”<sup>7</sup> In essence, by trading with China and subsequently bringing British money and culture into the Celestial Empire, the EIC was promoting the expansion of the British Empire and consciously so given the similar expansion taking hold in India at the time.

In seeking to understand the connection between informal empire and “domestic society,” R.E. Robinson's writings on collaboration are extremely useful. Robinson contends that the forces of empire and imperialism are based in relationships. In his essay on collaboration and imperialism, he articulates his view that the “controlling mechanism” of imperialism “was made up of relationships between the agents of external expansion and their internal ‘collaborators’ in non-European political economies.”<sup>8</sup> In other words, the expansion of an imperial force such as Britain's would only be possible in an area where some portion of the native population was inclined toward collaboration. Such a tactic was employed successfully by Britain in India, Robinson notes, but China “provided no such collaborators” and consequently, it “could not be brought under the yoke” of Britain's rule.<sup>9</sup>

It was not until the nineteenth century, Robinson writes, with the rise of “free trade imperialism,” that the European imperial powers finally succeeded in gaining traction in China through partnerships with Chinese merchants, which allowed them “to take over the exposed riverine and maritime branches of Chinese domestic trade.”<sup>10</sup> Even then, however, the Qing's tight control over China's railways reduced the effectiveness of these incursions to a mere annoyance.<sup>11</sup> For Qing China, the descent into informal empire insured through collaboration would not truly occur until the loss of First Sino-Japanese War (1894-1895), which emptied the Qing coffers and forced it to rely on loans from the European powers.<sup>12</sup> Though it took some time for Europeans to gain an imperialist foothold in China, this did not mean that efforts to establish such a foothold had not been taking place for many years before. Indeed, Doyle's and Robinson's theories on empire, imperialism, and collaboration are essential to understanding the complex relationship between Britain and China throughout the first half of the eighteenth century and the key role that the EIC as a QGI played in these interactions.

### 3. The Company

The history of the English East India Company encapsulates the story the great trading companies in Europe. During the eighteenth century, these organizations held prodigious power and influence throughout the ports of the world. Consequently, the primary method of communication between China and the European powers was trade. Among these companies of Europe was one that would grow, by the end of the century, into China's most prolific trading partner: the EIC. The EIC was founded as "The Company of Merchants of London trading into the East Indies," receiving its royal charter on December 31, 1600.<sup>13</sup> From that point on, the Company began to grow in power, wealth, and prestige, until, through mergers and machinations, it emerged as the most powerful trading company in England. Eventually, the EIC established itself within England to such a degree that it alone was permitted to trade with China.<sup>14</sup> It is with the EIC holding a monopoly over the China trade (with regard to other English companies) that affairs stood in the eighteenth century as trade between Britain and China began to gain momentum and value for both parties.

The EIC's status as Britain's exclusive trading partner to China, and the Company's similar status with other regions such as India, put the EIC in a unique position. Many of these states, including China, had few official interactions with the British government and little interest engaging in them. Because of such negligible official communications, the employees of the EIC represented the only English citizens, barring those who served on foreign vessels or arrived as missionaries, with whom the residents and government had contact.<sup>15</sup> As these dealings required some modicum of peaceful cooperation, it was incumbent upon the administration of the EIC to represent not only the interests of the Company, but also those of the British Empire abroad, a directive that more often than not included acting as an instrument of Doyle's informal imperialism and, according to historian John Brewer, an agent of "privatized imperialism."<sup>16</sup> In fact, the Company was so intimately tied to the Crown, that at the time it secured its exclusive charter to the East in 1708, a large proportion of its stock was held by the King of England and the Treasury Lords.<sup>17</sup>

This financial backing by England's elite, coupled with its exclusive trading rights, gave the EIC extraordinary power in its actions abroad. This privilege came with a cost, however, as it tacitly obliged the EIC to act as an unofficial representative of the government that was financing and countenancing its trade abroad and allow itself to function as a "quasi-governmental institution." A QGI is defined as a private entity that acts, with regard to at least one aspect of its operation, in the same capacity as a government (policy formation, foreign relations, economic negotiations, etc.) with the knowledge of that government, but that is not officially associated with said government as a ministry or department might be. Additionally, a QGI must fulfill a function that the government, under which it was established, is not meeting. The employees of a QGI are not paid by a government, but work for a private employer, and while a QGI is not officially associated with the government, it is essentially a part of the bureaucracy: it furthers the goals of and ultimately derives authority from the government.

With regard to its operations in eighteenth century China as can be seen, the EIC fits the definition of a QGI. It derived its monopoly in the East from the British government and enriched the state (or at least key figures in the government) through its successes. In India, the Company went even further: establishing a system of political oversight that would eventually give rise to the British Raj.<sup>18</sup> Consequently the EIC was, for all intents and purposes, the primary representative of the British government in areas like China and India (though British political influence was not yet established on Chinese soil as it was in India). Indeed the EIC held this status in China throughout much of the eighteenth century, largely due to the nature of Qing political power.

### 4. China and the Canton System

For most of the eighteenth century, one of three Qing Dynasty (1644-1912) emperors ruled China: Kangxi (r. 1661-1722), Yongzheng (r. 1722-1735), and Qianlong (r. 1735-1796). Historian Odd Arne Westad writes that "under the Qing, China saw the peak of its power," and by "the 1750s, it had crushed the political and military independence of all the smaller nations on its northern frontier" and created "a much-enlarged China."<sup>19</sup> Moreover, by the mid-eighteenth century, the "empire was at peace" and there had been "considerable economic expansion, especially in agriculture," while "a large manufacturing sector, some of which specialized in porcelain and silk for export," had also emerged.<sup>20</sup> Indeed, one European report from 1736, which claimed that China's foreign trade "scarcely deserves to be mentioned," described the trade within China in the first half of the eighteenth century as being "so great, that that of all Europe is not to be compared herewith."<sup>21</sup>

It was within the context of the Qing's growing power that the Canton System (1700-1842) emerged in Southern China.<sup>22</sup> Situated around the ports of Canton (Guangzhou) and Macao (Aomen), the Canton System arose, according to Westad, when the emperor instituted "a flexible system" designed to "organize the seaborne trade by European merchants," by employing tactics used "with tributary states."<sup>23</sup> During the October to March trading season, all foreigners who wished to trade at Canton were required to stop at Portuguese-held Macao, which was situated at the mouth of the Pearl River Delta.<sup>24</sup> At Macao, the merchants had to secure a trading permit from Qing officials, after which the ships could sail into the delta and anchor at Huangpu, known historically as Whampoa, located just south of Canton.

For much of the existence of the Canton System, foreign traders were required to remain anchored at Whampoa.<sup>25</sup> This allowed the Qing to situate Canton out of gun range and the foreign ships in shallow water that prevented any large merchantman (non-naval commercial vessels) from traversing the river unless it did so with the tide.<sup>26</sup> Such regulations and defenses were designed to reduce the possibility that foreign naval might become a deciding factor in trade negotiations and thus made Canton an ideal port for China's trade. Indeed, during much of the existence of Canton System, Canton would remain the only port foreigners were sanctioned to trade at, a decree made official in 1757 and 1758.<sup>27</sup>

The Canton System was regulated by what William Fredrick Mayers, in his 1886 manual on Chinese government titles, termed "the Superintendent of Customs for the Province of Kuangtung [Canton]," historically referred to as the "Hoppo" (*hubu* 户部), who was a "special officer" in Canton, "appointed from the Imperial Household."<sup>28</sup> The system was also overseen by the governor-general (*zongdu* 总督) also referred to as the viceroy of Guangxi and Guangdong Provinces. The governor-general was a "superior colleague" of the provinces' governors and enjoyed "special powers of control over the military forces in the provinces."<sup>29</sup> The governor (*xunfu* 巡抚) of Guangdong Province, who, according to Mayers, was "a colleague rather than a subordinate of the Governor-General," was charged with the administration of the province and, by extension, with matters concerning the Canton trade.<sup>30</sup>

Throughout the existence of the Canton System, these three officials shared various amounts in the administration of the trade, but always, the merchants of Canton answered to at least one imperial official. These merchants were organized by family businesses, often referred to as Hong (*hang* 行). The Hong merchants, according to Van Dyke, "were the only persons licensed to trade directly with foreigners" and "from 1700 to 1760, there were anywhere from half a dozen to two dozen or more licensed merchants operating in any given year."<sup>31</sup> It is these merchants, who were private citizens for much of the Canton System, and their relationship with the foreigners as well as the Qing government, which would reach its apex with the formation of the Co-hong of 1760, who comprise the core focus of this study.

For this work, historical names in common usage in the literature concerning the China trade, such as Canton for Guangzhou or Hong merchants for *hang* merchants, will be retained for continuity with previous works. Similarly, the term "Co-hong" will be employed to refer to the conglomeration of Hong merchants who initially came together in 1720 and then again from 1760-1771. The name more or less translates to merchant guild.<sup>32</sup> Defining the Co-hong as a merchant guild, however, does not illustrate the full extent of the organization. During its 1760-1771 incarnation as a QGI, the Co-hong was not a collectively owned company or a monopoly, as many foreign traders who held such monopolies in their own countries came to believe. Rather, the Co-hong represented a conglomeration of the Hong merchants, who, according to new research by Paul A. Van Dyke, competed fiercely along factional lines.<sup>33</sup>

## 5. The Co-hong

The Co-hong was constructed as a hierarchy. In the 1760s, this structure was populated by the largest merchant houses, the Hong merchants, who dealt directly with the foreigners, each overseeing a unit of five shopkeepers who also provided goods for this trade.<sup>34</sup> Of the 17 merchant houses that existed before the formation of the Co-hong in the 1760s, only ten were permitted to join the Co-hong, while the rest were forbidden to trade with Western merchants.<sup>35</sup> Those who gained membership, however, tended to be those designated as "security merchants" by the Hoppo.<sup>36</sup> These security merchants were the product of a Qing requirement, which, according to Ch'en, came into force "sometime around 1735" and obliged "all the foreign traders to engage one or two Hong merchants for each ship to stand as sureties for the due payment of their customs," the intention being to ensure "the collection of revenues with the least trouble."<sup>37</sup> Essentially, certain merchants, who had to be both wealthy and financially secure,

were called upon to ensure that no matter the circumstances, the Qing government would receive its fees for every merchantman that anchored at Whampoa.

Traditionally, the Co-hong has been viewed by historians of the China trade as a monopoly created with the intention of wringing as much money as possible out of the foreign trading companies that frequented Canton. This view is supported mainly by examinations of the records of these foreign companies, which protested strongly against the establishment of the Co-hong. Recent scholarship, however, primarily by Van Dyke, argues against this view, positing that not only was the Co-hong not a monopoly, but that it was actually put in place by the Qing as a method by which to prevent such monopolies from forming. Essentially, not only did the Co-hong function as an institution keeping foreign merchants in check, but it did the same for Chinese merchants. Van Dyke supports his position through a detailed examination of the merchant houses around the time of the Co-hong's establishment in 1760, the evidence derived from which, he argues quite convincingly, demonstrates that the Co-hong was created to prevent the dominance of one particular group of merchants and was dissolved when another faction seemed on the verge of dominating the trade.

Unlike the EIC, the Co-hong, writes historian Weng Cheong, cannot be said to have been "coherent enough to be recognizable even as a regulated company."<sup>38</sup> While the Co-hong developed a hierarchical structure, it was still comprised solely of the Hong merchants, each of whom controlled his own house and business with various degrees of autonomy.<sup>39</sup> However, the formation of the Co-hong of 1760 did allow the Qing government to act indirectly through it. Like the EIC, the Co-hong, upon its establishment, began to serve officially as the single conduit through which European governments could communicate with the Qing.

It is important to note, however, that prior to the late 1750s the Hong merchant's importance and responsibilities of had been growing, not until around 1760 did Beijing recognize these responsibilities. It was only once this recognition was received that the Co-hong began to truly function as a QGI. The new QGI's government backing came in the form of a proclamation from Emperor Qianlong that officially designated the "Regulations for the Control of Trade at Canton."<sup>40</sup> It should also be recognized that as a representative of the trade, the Co-hong's functions included both the securing of a steady stream of revenue for the Qing state and the controlling of the foreign trading companies.

The EIC and other trading companies took notice of the increase in the merchants' collective power indicated by the formalization of the Co-hong. In a 1760 letter from the EIC supercargoes (officials in charge of the trade) to the Company's Council of Bombay and of Fort St. George, the officials complain of "Encroachments of the Mandarines and Merchants," which

are become so Burthensome that unless the several Companys Trading here should fall on some Scheme to defeat their projects, we are very doubtfull the Terms will in a few Years be too exorbitant and too disadvantageous to continue the Sending Ships [*sic*].<sup>41</sup>

While the situation was in reality less dire than the EIC believed, the letter provides an illustration not only of the sentiments of the trading companies toward the establishment of the Co-hong, but also of their concern that merchants were backed by "Mandarines" (Qing officials).

## 6. The Co-hong of 1720

To fully understand the Co-hong's emergence as a QGI, as well as its duties and powers, its origins in 1720s must be examined. In the Canton trade, the Co-hong of 1720 marked an important shift in the way Chinese merchants approached their interactions with Western merchants and with one another. In her dissertation on the Hong merchants, historian Ann White notes that before 1720, the Canton trade was not characterized by united merchant efforts to gain advantage over the foreign traders through monopoly. Rather, most took a distinctly individualistic approach, in which solitary merchants strove to attain virtual monopolies on goods through bribes paid to officials overseeing the trade. These officials in turn allowed the merchants to charge higher prices and to assume "that their exalted position" would give "them monopoly rights over the European cargoes."<sup>42</sup>

In 1720 European trade showed a marked increase in Canton and one of the most powerful individualist merchants died, a confluence of events that allowed for the formation of Canton's first Co-hong.<sup>43</sup> This short-lived conglomeration of merchants, while powerful, was fundamentally different from its 1760 successor in that it seems to have been neither instituted, nor even noticed by the Qing. Indeed, as White writes, "Chinese government records never mention the Canton cohong [*sic*] of 1720."<sup>44</sup> This lack of notice by Qing authorities is one of the chief reasons

the Co-hong of 1720 cannot be classified as a QGI. By definition, a QGI must have the government's tacit approval of its actions and such approval requires knowledge of the institution's existence. Thus, the silence of the Qing regarding the Co-hong of 1720 coupled with the organization's relatively short lifespan (it was dissolved the next year at the behest of the foreign merchants), indicate that the Co-hong of 1720 was not a QGI.

While not a QGI itself, the Co-hong of 1720 was key to the development of the 1760 QGI. Indeed, the Co-hong of 1720 provided a template for subsequent efforts to control foreign traders. This template derives in part from the organization's charter, which firmly established the Co-hong as a conglomeration of merchants, working together for mutual benefit.<sup>45</sup> Moreover, the regulations dictated that the merchants who were members of the organization would not betray one another by dealing with specific foreign merchants. While this was acceptable, the other merchants in the Co-hong were entitled to a percentage (one half) of the total profits.<sup>46</sup>

Not only did the 1720 Co-hong deeply influence the way the Hong merchants conceived of joint mercantile ventures, it also influenced the Western trading companies subject to its dominance. While it only existed for a short time, the Co-hong of 1720 burned itself indelibly into the memories of these companies. As historian Earl Hampton Pritchard notes in his *Anglo-Chinese Relations During the Seventeenth and Eighteenth Centuries*, the Co-hong represented the first real restriction that had been placed upon their trade at Canton.<sup>47</sup> As a result, the European traders, specifically the EIC, "protested against the Co-hong" from "the outset," writes Pritchard, "and in 1721 they refused to allow their ships to be measured until it was abolished."<sup>48</sup>

Clearly, the EIC felt threatened by the establishment of the first Co-hong, which appears to have been far from impotent.<sup>49</sup> Nor were only Westerners disturbed by the Co-hong: its opponents also included less powerful Chinese merchants, whom the Co-hong had pushed aside, and other Qing officials who saw the Co-hong as a project of the Hoppo and opposed it to prevent the growth of his power.<sup>50</sup> Indeed, the European traders shared this last concern as well. The EIC employees on the *Macclesfield*, a Company vessel which arrived at Whampoa in July of 1721, reported that it was "the Hoppo" who "published a Chop forbidding all the inferior class of Merchants," those "not of the Company, to deal or trade with any Foreigner."<sup>51</sup>

At this point in the history of the Canton trade, these factions managed to dissolve the Co-hong before it gained too much momentum, but its demise would not prevent powerful merchant collaborations within the Canton trade. Indeed, the Co-hong of 1720 was just the beginning of this trend, which would reach its pinnacle in 1760. In the next forty years, the power of the merchants would grow ever greater and Beijing would begin to take a greater interest in the actions of Westerners in China's southern ports.

## 7. Intervening Years: The 1730s and 40s

While its numerous opponents quickly destroyed the Co-hong of 1720, the larger trend of merchants working together for mutual benefit continued over the next few decades. One hallmark of this time period was the strenuous competition necessary to survive in the Canton trade. Between the 1730s and the 1750s, Van Dyke writes in his *Merchants of Canton and Macao*, there were "20 to 30 houses handling most of the foreign trade" leaving "no room for passivity."<sup>52</sup> While the Hong merchants had increased in power, this power and the vicious competition made it all the more challenging for the individual to prosper without collaboration with his peers. As Van Dyke notes, it was necessary to find a way to "standardize the advances from foreigners," which would make them "more predictable" so that they could not be "used to entice customers away from competitors."<sup>53</sup>

The European trading companies, however, were still on edge following their brush with the first Co-hong and fiercely opposed any cooperative enterprises between Chinese merchants. In 1725 the EIC issued orders to its supercargoes, noting that it had been

We hope they will not make another attempt that way [to form a monopoly at Canton]; but if they have already, or should do, while you are there, you must also strenuously oppose it in the best manner you can...you are under positive orders not to be ty'd to buy of any particular people [*sic*].<sup>54</sup>

Clearly, though it had been several years since the dissolution of the short-lived first Co-hong, the EIC was not taking any chances. Indeed, in decades leading up to the establishment of the second Co-hong, the Company lived in fear of the emergence of just such an institution.

One significant development that emerged in the interim period between Co-hongs and would eventually lead to the emergence of the Co-hong of 1760 as a QGI was the development of the institution of the "security merchant," (*bao shang* 保商). According to scholar Kuo-tung A. Ch'en, this institution first emerged "sometime around 1735,"

as “the Chinese government began to require all” foreign traders “to engage one or two Hong merchants for each ship” who would “stand as sureties for the due payment of customs.”<sup>55</sup> The first reference to such a practice in the EIC records seems to come in 1736, when the existence of “Merchants that are security for their respective Ships”<sup>56</sup> was noted, as was the names of these merchants: “Honqua and Tucksia [*sic*] (the Merchants that are Security for our Ship).”<sup>57</sup> The fact that the payments made to these merchants were made “as last Year”<sup>58</sup> and “as usual,”<sup>59</sup> confirm that the security merchant system had indeed emerged at least one year before, in 1735.

While the security merchant system emerged in the mid-1730s, however, it was not codified into official policy until 1745. At this time, Ann White writes, Ce Leng, governor-general, “memorialized the throne,” to establish “‘security merchants’ for each foreign ship that entered Whampoa.”<sup>60</sup> The value of the security merchants derived largely from the insurance they provided the Qing. A security merchant was responsible for paying the duties and fees owed by foreign companies that traded at Canton, vastly reducing the potential risk for the Qing and shifting the difficulties of procuring duties onto the merchants, which proved unpopular with both the European companies and the Hong merchants.<sup>61</sup> The system was of great benefit for the Qing, however, as regardless of what might transpire in the course of trade, the Qing was guaranteed profit from the transaction.

The security merchant system was key to the construction of the second Co-hong. This is largely due to Beijing’s increased level of involvement in the Canton trade indicated by the institution’s codification. Though the officials who oversaw the trade had been established for some time before this, Beijing’s involvement in the trade had been minimal and, according to White, such intervention would not be seen again for over ten years.<sup>62</sup>

## 8. The 1750s

The 1750s marked an important shift in the Canton trade, for which the EIC was chiefly responsible. The Company had been concerned about the restrictions of the Canton System since the first Co-hong and, in the 1750s, it began to test the boundaries of the system. Prior to the 1750s, Britain had caught Beijing’s attention when, in 1745, in the context of the War of the Austrian Succession, British privateers sought to force the French out of the China Sea. In a report the sub-prefect of Macao, Yin Kuang-ren, noted that the governor-general responded by ordering the Chinese navy “to prevent an attack by the Red-haired Barbarians [the British] from the sea.”<sup>63</sup> According to Yin, these efforts were successful in repelling the privateers, but nevertheless, the British attempt to disrupt the Canton trade was noted.

Ten years later conflict with the Qing intensified. In 1755, the EIC sailed to the port of Ningbo, historically Ningpo, located further north along China’s coastline than Canton, in an attempt to trade. The EIC’s expedition to Ningbo was a direct response to a tightening of trade restrictions in Canton. As Morse writes in his *Chronicles*, a joint “mandate from the Viceroy and the Hoppo” comprised of “five articles for the regulation of trade, either new or stating categorically what the authorities considered to be existing practice,” was issued.<sup>64</sup> The reason given for this action was that “neither Hongist, Interpreter, Shopkeeper or Compradore” had been governing “himself according to the rules and Orders” a “deviation” that was seen to be a “growing evil.”<sup>65</sup> As a result, the role of the security merchants was further codified, while “Shopkeepers,” who were of a lower rank than the Hong merchants were forbidden from “buying or Bartering with the Europeans for any sort of Goods imported under Hong Dispatch.”<sup>66</sup>

Needless to say, the EIC was none too pleased with the new restrictions. In a letter to the EIC Council, which oversaw the workings of the EIC in China, one Mr. Misenor complained that “the real design” of the mandate was “to throw the whole business of the place into the hands of a few Merchants,” who then might “levy as a Recompence what prizes [*sic*] they please,” thus establishing “a Monopoly which in the End must prove fatal to our Trade.”<sup>67</sup> The fate that the Company had been dreading since the first Co-hong’s dissolution seemed to be arriving and, as it had done in 1720, the EIC turned to fight against the intruding tides of monopoly.

In an attempt to augment the China trade, the Company sailed to Ningbo,<sup>68</sup> which it hoped to use as a bargaining chip to fight the monopoly in Canton.<sup>69</sup> Qing records indicate that in 1755 “a ship of the Red-haired Barbarians came to the harbor of Ning-po for trade,”<sup>70</sup> and the next year, Emperor Qianlong voiced his opinion on the matter, stating that orders had been dispatched “to prohibit foreign ships from coming again.”<sup>71</sup> Qianlong also revealed his concern that such deviations from the traditional trade were hurting the Canton trade, noting that “this year” the foreign ships arriving for trade in Canton were “quite few.”<sup>72</sup>

Here, concerns about collaboration and informal empire begin to reveal themselves, for Qianlong’s main concern was not that the EIC had come to Ningbo, but rather the Chinese “ringleaders” who brought the Company there.<sup>73</sup>



Such betrayal had been a concern some time. In 1748, reports of foreigners in China's Jiangsu Province prompted similar concerns from Qianlong that foreign influence would “deceive our ignorant people into lawlessness.”<sup>74</sup>

Nor did this fear of collaboration originate with Qianlong: it was also apparent during the reign of his father, Yongzheng. In 1724, the viceroy of Liangguang<sup>75</sup> voiced his concern that though “the Westerners in China have not violated our law,” their cultural influence (science, mathematics, and religion) might cause “our foolish people” to be taken in and converted to the Western way of thinking.<sup>76</sup> As a consequence, the viceroy urged caution when allowing Westerners access to the common people on a long-term basis. At the time, the subjects of concern were Western missionaries in China, but the core issue remained the same thirty years later: foreign influence from the West was a threat that could undermine Qing authority. As historian Kai Cheong Fok notes, the Qing government's “greatest worry over the matter of foreigners penetrating into the Interior [of China]” was less “the menace created by their presence there” and more “that this would almost inevitably lead to treacherous people in the Interior aiding and abetting the foreigners.”<sup>77</sup>

Because of these fears of foreign influence and by extension the forces of informal empire, the Qing took a stand on trade at Ningbo. While the EIC continued sending ships to the port, the Qing began to test different methods of dissuading them from this action. Rather than strictly forbidding the trade at Ningbo, Qianlong first levied high taxes to make the trade unprofitable. When this tactic failed, the Emperor turned to more direct measures, announcing in 1757,<sup>78</sup> “if we do not make laws to prohibit it, we fear that in the future, foreign ships will arrive [at Ningbo] in greater number,” which might cause it to “again become a port where foreign ships assemble,” and finishing, “the naval defense of our Interior is highly important.”<sup>79</sup> There followed a 1758 edict from the governor-general of Canton, who declared that “in the future all Ships must come to the Port of Canton.”<sup>80</sup> EIC ships continued to sail for Ningbo through 1759, however, and a meeting was ordered between the European companies that frequented Canton and the Qing officials who oversaw the trade.<sup>81</sup>

During this meeting, which occurred on October 24, 1759, the Qing officials dispensed with the implicit warnings that had characterized their earlier attempts to arrest the EIC's forays to other Chinese ports. Instead, they were explicit, telling the Europeans,

you need many commodities from our Interior, but We, the Celestial Empire, do not need goods from your countries...you are absolutely not allowed to go into the region of Ningpo. If you go there again you must be expelled<sup>82</sup>

Thus, when persuasion and disincentives failed, the Qing turned to threats. While it certainly wanted the money from the Canton trade, which it desperately needed, in its presentation of this ultimatum the Qing gave no hint of this weakness.<sup>83</sup> To insure the containment of Western influence to Canton, however, one further step was taken, one the EIC had feared for forty years: the establishment of the second Co-hong.

## 9. The Co-hong of 1760

The Co-hong of 1760 emerged as a direct result of the EIC's attempts to push the boundaries of the Canton System and the Qing's concern that these attempts could undermine its power. The Qing was concerned that these changes could allow Western influence to penetrate the Interior, which, according to Doyle's and Robinson's theories, could have opened the door to collaboration and the institution of informal empire within China. The Qing, however, faced a predicament. It felt a show of force was necessary to quell the EIC's impulse to expand, but it did not want to lose trade, especially with the EIC, which was fast becoming the most successful player in the Canton trade. Thus, the Qing needed to restrict trade to Canton (accomplished by edict) and to designate a powerful force (the second Co-hong) that could keep the EIC in line, while simultaneously maintaining the profitability of trade.

According to White, the specific origins of the Co-hong of 1760 are unclear, especially in Chinese sources. She writes, “later hoppos” stated “that the cohong had been founded by imperial edict,” but these “assertions were intended to impress the barbarians with the cohong's legitimacy” and consequently “cannot be construed as an accurate record of the facts.”<sup>84</sup> What can be said of the second Co-hong, however, is that its construction was hierarchical and codified.

The Co-hong of 1760 had a president (Poankeequa of the Dafeng/Tongwen Hong), whose job it was to be in communication with the governor-general as well as the Hoppo, so that yearly permission to trade could be secured. It also had a treasurer (Chetqua of the Guangshun Hong), a tax accountant (Swetia of the Taihe Hong), who was charged with paying the Hoppo the appropriate import and export duties, and a secretary (Semqua of the Yifeng Hong), who dealt with the merchants of the Interior on whom the Hong merchants relied for goods.<sup>85</sup> These

officials, according to Van Dyke, would decide on “all particulars of the trade” but would have to submit these suggestions to Qing representatives and negotiate until a binding agreement for all merchants had been reached.<sup>86</sup>

Additionally the security merchant system established in the 1730s and 40s would prove quite important in the establishment of the Co-hong. These merchants were by definition both wealthy and financially secure (their job was to take financial risks so the government would not have to). Consequently, it was mostly security merchants who constituted the second Co-hong, which secured the power of the institution.<sup>87</sup> Here, then, an explicit connection between the Qing government and the Co-hong of 1760 may be seen. While the Co-hong of 1720 did not even merit mention in Qing records of the time, despite its apparent power, the second Co-hong drew its membership from the Hong merchants designated as responsible for insuring the economic wellbeing of the Qing. This fact tied these merchants much more closely to the government than their predecessors and allowed the Co-hong of 1760 to emerge as a QGI.

While the Co-hong of 1760 has traditionally been characterized as a collective company that held a monopoly over the Canton trade, recent research by Paul A. Van Dyke suggests that the truth is much more complex. Van Dyke argues that the Co-hong of 1760 actually served as a “system of checks and balances” which kept “small groups from dominating trade.”<sup>88</sup> Essentially, the systems that Western observers condemned as monopolistic were actually designed to insure the universal profitability of the Canton trade. When the Co-hong had served its purpose, Van Dyke argues, and actually began to act like a monopoly, the Qing authorities dissolved it.<sup>89</sup>

If this view is expanded upon, it provides valuable insight into the Co-hong of 1760 as a QGI. The Co-hong of 1720 did not qualify as a QGI because the Qing government had seemingly no role in either its construction or administration. Rather, the first Co-hong seems to have been largely the product of the Hong merchants’ aspirations to increase their ability to trade with the European merchants coupled with the greed of the Hoppo, who allowed the Co-hong as a means to enrich his person.<sup>90</sup> By contrast, the Co-hong of 1760 was recognized by the Qing government and was almost certainly created due to the imperialistic and economic threat that Britain’s QGI, the EIC, presented to the Qing during the latter half of the 1750s.

In her 1967 dissertation on the Hong merchants, however, Ann White cautions against viewing the merchants as “essentially government agents.”<sup>91</sup> Ultimately, while the government’s “interests in foreign trade” were important, White writes, “the hongists were merchants first and quasi-officials second.”<sup>92</sup> But, the Co-hong was an integral part of the Qing government’s program to control the foreigners. To achieve this control, however, Qing could allow the Co-hong to put its commercial interests first as long as it did not monopolize the trade. In doing so, the Co-hong provided a mechanism that tightly controlled the European trading companies in China, without driving those companies (and their money) away. Essentially, the Qing allowed the Co-hong to look after its commercial interests because the institution fulfilled a basic need that the government had (the tight control of the European trade in China) and also offered the Qing a steady influx of revenue.

By allowing the Co-hong enough free rein to create trials and tribulations for the EIC and other companies, the Qing found a way to flex its muscles and put the European companies in their place. Because the trade was valuable to the Qing, however, the Co-hong could not be allowed the total autonomy it had enjoyed during its first incarnation. Instead, the Qing regulated the Co-hong by making sure there was always healthy competition between factions within the institution.<sup>93</sup> Additionally, when it felt the Co-hong’s power had grown too great, the Qing stepped in as it did in 1764, when, according to Van Dyke, “the governor general and Hoppo declared” the Co-hong, “a monopoly of the highest degree and contrary to the law.” This resulted in the Qing granting “30 percent of the tea trade to the inland merchants,” a move that effectively undermined the monopolistic tendencies of the Co-hong.<sup>94</sup>

Similarly, the Co-hong’s dissolution in 1771 was closely tied, as is argued convincingly by Van Dyke, with the resurgence of a monopoly. A year earlier, the leader of one of the Co-hong’s primary interior factions had died, after which the competing faction, led by the president of the Co-hong, Poankeequa, asserted almost total dominance.<sup>95</sup> Soon afterward, in February of 1771, the governor-general declared the dissolution of the Co-hong, a decision that he did not have the authority to make on his own.<sup>96</sup> Rather, given the fact that Beijing was well aware of the second Co-hong’s existence, the disbandment<sup>97</sup> of the institution is much more likely to have been sanctioned by Qianlong.<sup>98</sup>

## 10. Conclusion

Thus, the Co-hong of 1760, unlike its ancestor of 1720, did constitute a QGI, for it regulated the foreign influences in the Canton trade and kept the threat of informal empire presented by the EIC at bay. As four decades separate the two Co-hongs, it is apparent that both the need for a QGI and the mechanisms by which such an entity could be

created took time to develop within Qing China. What is also clear is that Chinese-Western relations during these decades heavily influenced this development. The Qing slowly became more defensive and focused on tightly controlling the Canton System as foreign QGIs, most notably the EIC, attempted to expand their influence into China's interior, acting in many ways as agents of informal empire. Consequently, the development of eighteenth century China's QGI, the second Co-hong, was the direct result, at least in part, of the functioning of Britain's QGI.

Without the EIC, the Co-hong of 1760 could not have emerged as it did, for it was the EIC's growing power and influence on the Canton trade coupled with its ambitious forays into Ningbo, that inspired the government crackdown on the trade that led to the establishment of the Co-hong of 1760. In this, the foreign policies of China and Britain can be seen to be inextricably linked, despite the fact that there would be no official contacts between the two until the Macartney Embassy of 1793 sought to secure more relaxed trade restrictions.<sup>99</sup> Consequently, the power of the QGI in eighteenth century China may be observed. Ultimately, it allowed for informal interactions between governments and was developed by China for this very purpose and served as an invaluable instrument for the maintenance of Qing control over foreign relations in the China trade.

## 11. References

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- 2 When discussing "Western" countries or companies, I am referring to entities based in contemporary Western and Northern Europe, including Portugal, England, France, and the Netherlands.
- 3 Weng Eang Cheong, *The Hong Merchants of Canton: Chinese Merchants in Sino-Western Trade, [1684 - 1798]* (Richmond: Curzon, 1997), 351.
- 4 Paul Arthur Van Dyke, *The Canton Trade: Life and Enterprise on the China Coast, 1700-1845* (Hong Kong: Hong Kong University Press, 2007), xi.
- 5 Michael W. Doyle, *Empires* (Ithaca, N.Y.: Cornell University Press, 1986), 45.
- 6 *Ibid.*, 32.
- 7 *Ibid.*, 129.
- 8 R.E. Robinson, "Non-European Foundations of European Imperialism: Sketch for a Theory of Collaboration," in Roger Owen and Bob Sutcliffe, (eds), *Studies in the Theory of Imperialism* (1972): 120.
- 9 *Ibid.*, 120.
- 10 *Ibid.*, 127-128.
- 11 *Ibid.*, 127-128.
- 12 *Ibid.*, 131.
- 13 John Keay, *The Honourable Company: A History of the English East India Company* (London: Harper-Collins, 1993), 10.
- 14 Kuo-Tung A. Ch'en, *The Insolvency of the Chinese Hong Merchants, 1760-1843* (Guangzhou: Institute of Economics, Academia Sinica, 1990), 31.
- 15 Cheong, 12-13.
- 16 John Brewer, *The Sinews of Power: War, Money, and the English State, 1688-1783* (Cambridge, Mass.: Harvard University Press, 1990), xv.; Rosemarie Zagari, "The Significance of the "Global Turn" for the Early American Republic: Globalization in the Age of Nation-Building," *Journal of the Early Republic* 31, no. 1 (2011): 10.
- 17 Keay, 182.
- 18 The "British Raj" is a term often used to refer to British rule of the Indian subcontinent, which spanned from 1858 to 1947.
- 19 Odd Arne Westad, *Restless Empire China and the World Since 1750* (New York: Basic Books, 2012), 6.
- 20 *Ibid.*, 8.
- 21 J.B. du Halde quoted in K.N. Chaudhuri, "Reflections on Organizing Principle of Premodern Trade," in James D Tracy ed., *The Political Economy of Merchant Empires* (Cambridge; New York: Cambridge University Press, 1991), 430.
- 22 Arguments have also been made for the establishment of the Canton System around 1760, when the Qing began to restrict the Westerner traders to Canton. See Kai Cheong Fok, *The Macao Formula: A Study of Chinese Management of Westerners from the Mid-sixteenth Century to the Opium War Period* (University of Hawaii, 1978), 188.
- 23 Tributary states of the Qing included Korea and Burma; Westad, 6.
- 24 See maps on pages 2 and 3.
- 25 Van Dyke, *The Canton Trade*, 10.
- 26 *Ibid.*, 16-17.
- 27 Hosea Ballou Morse, *The Chronicles of the East India Company Trading to China 1635-1834 Vol. 5* in *The Britain and China Trade 1635-1842*, (New York: Routledge, 2000), 54 and 62.
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- 29 *Ibid.*, 34-35

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- 30 *Ibid.*, 35.
- 31 Van Dyke, *Merchants*, 9.
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- 33 See Van Dyke's *The Canton Trade: Life and Enterprise on the China Coast, 1700-1845* and his *Merchants of Canton and Macao: Politics and Strategies in Eighteenth-century Chinese Trade*.
- 34 Morse, *Chronicles Vol. 5*, 38.
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- 38 Cheong, 269.
- 39 Van Dyke, *Merchants*, 57.
- 40 "Regulations for the Control of Trade at Canton, 1760" in Morse, *Vol. 5*, 94.
- 41 "Letter from Supercargoes to President and Council of Bombay and of Fort St. George, October 30, 1760" in Morse, *Vol. 5*, 93.
- 42 White, 37.
- 43 *Ibid.*, 41.
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- 45 "为便公私利益界划清楚起贝, 爰立行规, 共相遵守。" 李国荣 and 林伟森, 清代广州十三行纪略 (*Chronicle of the Hong Merchants in Canton during Qing Dynasty*) (广州市: 广东人民出版社, 2006), 22. See also: Hosea Ballou Morse, *The Chronicles of the East India Company Trading to China 1635-1834 Vol. 1 in The Britain and China Trade 1635-1842* (New York: Routledge, 2000), 163-164.
- 46 "夷船欲专择某商交易时, 该商得承受此船货物之一半, 但其他一半归本行同仁摊分之。" *Ibid.*, 23.
- 47 Earl Hampton Pritchard, *Anglo-Chinese Relations During the Seventeenth and Eighteenth Centuries* (New York: Octagon Books, 1929), 109.
- 48 *Ibid.*, 110.
- 49 *Ibid.*, 110.
- 50 White, 44.
- 51 "Report from the *Macclesfield* which arrived at Whampoa on July 22, 1721," quoted in Morse, *Vol. 1*, 166.
- 52 Van Dyke, *Merchants*, 50.
- 53 *Ibid.*, 51.
- 54 "Instructions to the supercargoes, December 24, 1725," quoted in Morse, *Vol. 1*, 169-170.
- 55 Ch'en, 9.
- 56 "Supercargo records Dec. 4, 1736," quoted in Morse, *Vol. 1*, 247.
- 57 "Supercargo records Jan'y 6, 1736," quoted in Morse, *Vol. 1*, 247.
- 58 "Supercargo records Dec. 4, 1736," quoted in Morse, *Vol. 1*, 247.
- 59 "Supercargo records Jan'y 6, 1736," quoted in Morse, *Vol. 1*, 247.
- 60 White, 48.
- 61 Ch'en, 9.
- 62 White, 48.
- 63 "10:8:9 (Sept. 4, 1745) British Privateers Chase French Ships Outside the China Sea," in Lo-shu Fu, *A Documentary Chronicle of Sino-Western Relations, 1644-1820*, (Tucson: Published for the Association for Asian Studies by the University of Arizona Press, 1966), 177.
- 64 Morse, *Chronicles Vol.5*, 29.
- 65 "Translation of the first Edict concerning the European Trade at Canton," in Morse, *Chronicles Vol.5*, 38.
- 66 *Ibid.*, 38-39.
- 67 "Letter from Mr. Misenor to Mr. Palmer's Council," in Morse, *Chronicles Vol. 5*, 30.
- 68 The EIC also made attempts to trade at Amoy (Xiamen), but as Ningbo was the port at which the EIC's overtures were most persistent and the Qing reaction the strongest, Amoy need not be examined here. For more on Amoy see Kai Cheong Fok, *The Macao Formula: A Study of Chinese Management of Westerners from the Mid-sixteenth Century to the Opium War Period* (University of Hawaii, 1978), 125.
- 69 Morse, *Chronicles Vol. 5*, 49.
- 70 "20:5:29 (July 8, 1755) Foreign Sailors without Queues Come to Ning-po," in Fu, 200.
- 71 "21: Intercalary 9:10 (Nov. 2, 1756) Foreign Ships at Canton Are Fewer Than Ever," in Fu, 201.
- 72 *Ibid.*, 201.
- 73 *Ibid.*, 201.
- 74 "13: Intercalary 7:7 (Aug. 30, 1748) Westerners Are Discovered in Kiangsu," in Fu, 184.
- 75 Lianguang refers to both the provinces of Guangdong, where Canton is located, and Guangxi.
- 76 "2:10:29 (Dec. 14, 1724) K'ung's Memorial," in Fu, 139.

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77 Fok, 127.

78 While 1757 was a disappointing year for the Company in China, it was not so in India. In 1757 the Company became the “supreme power in Bengal.” A development, which, according to historian John Wills helped propel “the expansion of the British tea trade to China.” It would not be too far of a reach, then, to speculate that part of the Company’s confidence demonstrated in pushing the limits of the Qing government’s patience stemmed from its recent successes establishing control in India. See John E. Wills, “Maritime Asia, 1500-1800: The Interactive Emergence of European Domination Review,” *The American Historical Review* 98, no. 1 (February 1993): 97.

79 Qianlong quoted in Fok, 127.

80 “Abstract of an Edict from the Tsongtoc of Canton” in Morse, *Chronicles Vol. 5*, 62-63.

81 See “24:6:27 (July 21, 1759) The Natives of Chekiang Are Ordered not to Trade with the English,” in Fu, 215 and “24:8:23 (Oct. 13, 1759) An English Ship Again sails for Chekiang,” in Fu, 219.

82 “24:9:4 (Oct. 24, 1759) The Imperial Commissioners Give Supercargos of Various Countries an Audience,” in Fu, 222.

83 Pritchard, 127.

84 White, 53-54.

85 Van Dyke, *Merchants*, 57.

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87 Ch’en, 10-12.

88 Van Dyke, *Merchants*, 2.

89 *Ibid.*, 62.

90 White, 43-44.

91 *Ibid.*, 182.

92 *Ibid.*, 182.

93 Van Dyke, *Merchants*, 58-59.

94 *Ibid.*, 58.

95 *Ibid.*, 62.

96 *Ibid.*, 63.

97 One common account of the Co-hong’s demise, given mainly scholars working from the records of the EIC, holds that the EIC paid a bribe of 100,000 taels to have the Co-hong dissolved. Van Dyke takes issue with this tale, however, because he finds it extremely unlikely that a one-time bribe could have dissolved the Co-hong. Instead, he posits that the organizer of the bribe, Poankeequa, the president of the Co-hong, correctly predicted the Co-hong’s impending disbandment and sought to take advantage of it by playing the EIC for fools in an effort to ensure his own financial security. See Van Dyke, *Merchants*, 62.

98 Van Dyke, *Merchants*, 62.

99 One member of the embassy, George Staunton, complained “as long as the Chinese merely tolerated foreign trade as an act of charity toward pitiable barbarians, they could hardly be expected to pursue it with the zest and zeal of a nation that properly appreciated the reciprocal advantages a ‘mutual traffic and intercourse among mankind’ might entail.” This commentary on Qing China in 1793 serves to demonstrate that even though some twenty years had elapsed since the dissolution of the Co-hong of 1760, the Qing still maintained tight control over the Europeans in the Canton trade. See David Porter, “A Peculiar but Uninteresting Nation: China and the Discourse of Commerce in Eighteenth-Century England,” *Eighteenth-Century Studies* 33, no. 2 (2000): 188.