

Canton System

Guǎngdōng Tǐzhì 广东体制

The Canton System refers to the Qing dynasty's practice of confining Westerners who wanted to trade with "The Middle Kingdom" to the confines of the city of Canton (now known as Guangzhou), believing they would be easier to control if confined to one area. The Chinese mandarin kept extremely tight control of foreign trade, keeping a careful eye on foreigners once they set foot on Chinese soil.

The city of Guangzhou (Canton) is located at the mouth of the Canton River just before the river flows into the Boca Tigris estuary, the large waterway that separates Macao and Hong Kong. The geostrategic site of the city gives it a great military and commercial importance beyond its privileged position as the capital of Guangdong Province and the seat of the governor of the province.

Eighty-five years prior to the opening of China in 1842, the Chinese empire had determined to limit the foreign trade of the country to Guangzhou because the city constituted an easy access to the foreign traders ("barbarians of the Western Seas") and especially because the traders were easier to control if they were in one location rather than roaming the entire Middle Kingdom unhindered.

That was the foundation of the Canton System, which coerced Western nations who wished to trade with China to confine themselves to Guangzhou and its regulations under the stultifying close supervision of the Chinese

mandarinate (the office of a public official). The tight control of foreign trade was not only a technical issue of watching the steps of the foreigners after they set foot in Chinese territory, but also a cultural issue derived from Chinese worldview. China never gave high precedence to international trade, preferred its economic autarky (self-sufficiency) over dependence on others, and acted under the conviction that since it was the center of the universe (*Zhong guo*, literally "Middle Kingdom") and their emperor had universal kingship, any foreign barbarian who came to China had to come in submission, provide his goods as if they were part of the tribute that he owed to the Ruler of the Celestial Empire, and take back with him the "presents" that the emperor bestowed on him.

British Domination

Although a Chinese official (*hoppo*) controlled that trade and levied hefty taxes on it, it was in practice conducted by a monopoly of Chinese private companies. These companies—restricted to about twelve in number and known as hong merchants—paid the authorities well for their lucrative permits to trade with their private foreign counterparts, who established parallel "factories" that represented major Western trading companies.

The British, who dominated that trade, were represented by the East India Company, whose monopoly was to be abrogated on the eve of the Opium War in later years. British domination of that trade was derived from the proximity to the China coast of the major Indian ports that were under British dominion. Instrumental in

facilitating that trade were Chinese compradors (buyers), who were accompanied by a crowd of translators, money changers, and clerks. These trade intermediaries between China and the West were to emerge as a powerful mediating class that took the lead in the pioneering modernization of the country.

The hong were organized into a guild (co-hong), which not only paid heavily for its monopoly on trade but also was held responsible to authorities for the conduct of foreigners while they were in Chinese territory during the trading season (October to January), which avoided the seasonal hurricanes (typhoons). All contracts were signed one year earlier and carried out during the trading period when the foreigners arrived in Cantonese waters, loaded the Chinese goods, mainly tea, silk, pottery, lacquer, and rhubarb, and left behind a trickle of British goods (furs, metals, wool) and shiploads of silver currency. When in the early nineteenth century the British began substituting the cheap opium that they grew in nearby Bengal, India, for the silver that had depleted their treasuries since tea had become their national beverage a century earlier, they created massive opium addiction in China, which escalated into the First Opium War (1839–1842).

After the goods were exchanged and paid for, the foreign ships sailed to Macao at the mouth of the Boca Tigris, were provided with food and water, and, after registering their orders for the year after, set sail for their European or U.S. destinations. Western powers, far from adapting to Chinese ways, sought to break the confinement of the Canton System so as not only to spread trade all over the long Chinese coast but also to sail inland along the Yangzi and the Canton rivers and so widen their markets with the help of the compradors whom they were to cultivate in the major ports. But not until the First Opium War broke out

in 1839 against the background of the British attempting to turn the devastating opium trade into a legal and unlimited one, were five more ports opened under the Nanking Treaty, which put an end to the three-year war.

Aftermath

The opening of new ports, which forced China into the international trade system and gave a permanent base in Hong Kong to the British, brought an end to the Canton System after this major port became only one of the five open trading centers. Moreover, the open ports grew into foci of interaction between Chinese and Westerners since the latter obtained concessions that gave them virtual extraterritorial rights and an incentive to widen their rule on Chinese soil. The culture of treaty ports was born and a decade later brought about the opening of yet more ports in the hinterland and the almost complete subjugation of China to foreigners for the century to come.

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Further Reading

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