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Trading Patterns, China Seas

Zhōngguó hǎiyù màoyì xíngwéi
中国海域贸易行为

The China Seas, a term coined by European navigators and cartographers, comprise five bodies of water adjacent to the country's 14,000-kilometer-long coastline. Although the Chinese were not generally seafarers, throughout much of China's history the major ports of the China Seas have been important in coastal, regional, and long-distance trading patterns.

During most of its long history Chinese civilization turned its back to the sea and looked inward, towards fertile river basins in which most of its people lived. As a general rule the Chinese were not seafarers. Only a small fraction of the population derived its livelihood from maritime activities—fishing, overseas trade, piracy, or naval warfare. Chinese mariners, with the notable exception of Admiral Zheng He (c. 1371–1433), attempted few long-distance voyages, and China never ruled any of the major oceanic waterways. However, having a coastline of 14,000 kilometers makes maritime defense a major part of any government's security policies, despite the fact that historically, most threats to China came from the north. Even more important, port cities developed along that coastline, many of them in the river estuaries of south and central China. The main economic function of these cities was to organize exchange with commercial communities across the China Seas.

Three Functions of the China Seas

China Seas is a summary term coined by European navigators and geographers. The term is rarely used in China. Chinese maps and geographic manuals distinguish between five expanses of water adjacent to the Chinese coast: the Gulf of Zhili, called in Chinese "Bohai," south of Manchuria; the Yellow Sea, called "Huanghai," between north China and the Korean peninsula; the Strait of Taiwan, called the "Taiwan Haixia," separating that island from Fujian Province; the East China Sea, called "Donghai," into which the Yangzi (Chang) River discharges its waters; and, finally, the South China Sea, called "Nanhai," which is the maritime "foreland" of the southernmost Chinese province, Guangdong.

These five maritime spaces are clearly separated from the high seas of the Pacific Ocean and the Indian Ocean. Yet in an important way they form a connection between both: For centuries after the arrival of European shipping in East Asia, the main route from India into Pacific waters led through the Strait of Malacca and the South China Sea and then around the northern tip of the Philippine archipelago.

This fact points to the triple function of the China Seas, considered in terms of economic geography. First, the China Seas serve as an avenue for China's coastal trade. Coastal trade has always been vital for the integration not only of the various seaboard districts but also of all of China's eastern provinces. Before the advent of the railroad coastal trade was indispensable for transporting bulky goods in a north-south direction. Second, the China Seas are the arena in which regional trade between China, Japan, and the countries of Southeast Asia transpires. No other function is more vital than this one. The China Seas gave rise to and still support a thick network of commerce connecting different economic systems that in many ways complement one another. Third, access to the oceans necessarily leads through the China Seas. In the long run the China Seas' transit function is probably their least important, assuming major importance only with the rise of the Canton (Guangzhou) trade in the early eighteenth century. But at least for modern times, it forms part of the complete picture. By definition the predominant emporia (places of trade) are those that combine all three functions. These major ports are pivots of coastal, regional, and long-distance traffic and commerce.

Trade from the Fourteenth to the Eighteenth Century

Modern scholars have reconstructed the great achievements of Chinese nautical engineering for epochs even earlier than the establishment of the empire in 221 BCE. Only with the Ming dynasty (1368–1644), however, does a comprehensive picture of maritime trade emerge. The basic type of ship, in use for many centuries, had already been developed during the tenth century. This "Fujian ship" (*fuchuan*) was safe, spacious, fast, and admirably suited to the trading conditions in the China Seas. It later evolved into the cheap and popular "shallow-water ship" (*shachuan*), an even more advantageous flat-bottomed watercraft. Southeast Asian shipbuilders also provided technical innovation. The result was the ubiquitous junk (the word *junk* probably originated in Javanese but later was applied mainly to Chinese ships), which shaped European perceptions of the Asian maritime world.

Extended trading networks covering the South China Sea emerged as a result of two developments that occurred in the fifteenth century. First, the Chinese government dispatched several huge fleets under the aforementioned Admiral Zheng He to establish contact with numerous countries in Southeast Asia and on the Indian Ocean. Although the government soon discontinued this policy, several of the links formed by these naval missions were maintained as "tribute" relationships, in which ritual, diplomacy, and commercial interest interacted in a complicated way. The best example of a tribute relationship with a strong economic content was the Sino-Siamese (Thai) tribute trade, conducted officially between the Siamese royal court and imperial representatives in South China. Its material underpinnings were the complementary structures of the two economies: Siam produced rice, which was needed to feed the rapidly growing population of the southern provinces of Guangdong and Fujian. The Chinese demand for rice, in turn, was partly the result of the conversion of rice paddies into fields for cotton, tea, and mulberry trees for silk—all commodities used at home and in trade. In the opposite direction Siam imported copper from mines in the Chinese province of Yunnan. This trading pattern persisted until the middle of the nineteenth century.

Second, during the fifteenth century emigration from Guangdong and Fujian seems to have increased. Chinese merchant communities settled in various parts of insular and continental Southeast Asia. The Ming dynasty viewed them with suspicion, and after the Chinese authorities restricted maritime commerce much of their trading activity was considered illegal. This ban did not prevent a flourishing trade in spices, silk, timber, copper, tin, skins, gold, medicinal materials, and other goods. Apart from Chinese merchants, many local groups, Arab traders, Indian businessmen (many of them from Gujarat), and even Japanese ships participated in these commercial transactions, many ultimately driven by demand in an increasingly thriving Chinese market. For example, the famous pepper trade to Europe found its equivalent in vast exports of pepper from Sumatra and other islands to China.

The arrival of European ships altered the established trading patterns within the region without overturning them. The main advantage of Europeans lay in the size and armament of their ships. After a brief period of intrusive violence, the Portuguese understood the wisdom and even the necessity of partially adapting to Asian trade. The Dutch and later the British developed their own forms of "country trade," conducted by private European trading firms along intraregional trading routes. European traders were closely dependent on indigenous producers, merchants, and providers of credit. Long-distance trade to Europe remained in the hands of the European chartered companies. Whereas the East

Container ship in the South China Sea. For centuries after the arrival of European shipping in East Asia, the main route from India into Pacific waters led through the Strait of Malacca and the South China Sea and then around the northern tip of the Philippines.
PHOTO BY JOAN LEBOLD COHEN.

India Company (EIC) preferred direct contact with Chinese merchants in Guangzhou and other south Chinese ports, the Dutch Verenigde Oost-Indische Compagnie (Dutch East India Company or VOC) relied on Batavia (present-day Jakarta) as its central emporium and collecting point in the East. Thus, Batavia served as a link between the various Eastern networks and the transoceanic shipping routes.

Little statistical evidence exists for the scope of trade in the China Seas in the early modern era. Data on maritime customs revenue collected at ports in south China, however, indicate that the volume of trade multiplied between the 1500s and the 1820s. The expansion of foreign trade facilitated regional specialization all around the China Seas and thus had a huge effect on economic activity in the entire region. The rise of port cities, with their cosmopolitan communities of sailors and traveling merchants, contributed greatly to social differentiation. Yet China made no steady progress in opening up to the world. Japan's Tokugawa shogunate, the military government in power from 1600/1603 to 1868, drastically limited Japan's foreign trade from the 1630s onward, and although Chinese maritime commerce flourished after about 1720, many noncolonial entrepôts (intermediary centers of trade and transshipment) in Southeast Asia lost their dynamism at about the same time. Trade in the China Seas not only constantly changed its patterns in space but also went through long-term as well as short-term cycles of expansion and contraction. These cycles were partly driven by political and military factors because the market economy of maritime Asia in early modern times operated under conditions set by rulers and nations.

Treaty Ports, Steam Ships, and the Global Market

The opening of China and the establishment of the earliest treaty ports (ports designated by treaty for trade) in 1842 were soon followed by the introduction of steam shipping to Chinese coastal and riverine traffic. Although Chinese-type sailing vessels proved remarkably resilient and were completely superseded hardly anywhere, steamers had advantages that had a great impact on trading patterns. Their carrying capacity was virtually unlimited; they could easily operate on the sea as well as on major rivers; and their deployment could be organized by large-scale capitalist enterprises. In the China Seas, especially in the south, steam and sail continued to coexist. The most dynamic lines of business, however, were captured by modern forms of transportation.

From the 1820s through the 1870s illegal and, from 1858, legalized shipments of opium from India to China dominated China's foreign trade. This trade used the South China Sea for transit but hardly affected Southeast Asia, where different networks of drug traffic existed. An important change occurred with the economic development of the European colonies in that area of the world during the last quarter of the nineteenth century. The introduction of large-scale plantations and of mechanized mining as well as the intensification of peasant production for export integrated Southeast Asia much more into the world economy than ever before. Expatriate entrepreneurs of Chinese origin were pivotal in forging these connections. By this time an impoverished China was no longer the promising market it had been. China now became important as a supplier of cheap labor. Chinese emigrants took advantage of the agricultural and mining opportunities in insular and continental Southeast Asia and beyond. The migration of contract labor from southern China to various overseas destinations, termed the "coolie trade" by contemporaries, was largely organized by Chinese recruiting firms, although transport remained in the hands of European-owned steamship companies.

A structural hallmark of Chinese foreign trade between the First Opium War (1839–1842) and the establishment of the People's Republic in 1949 was that indigenous shipping companies secured a substantial share of the market in coastal and inland transport but never succeeded in entering overseas shipping. China's lack of a merchant navy was symbolic of the country's subordinate position in the international economy. Another new feature of the early twentieth century was incipient industrialization. British sugar factories in Hong Kong and Japanese sugar factories in colonial Taiwan exported their products to countries around the China Seas. Part of the factories' raw sugar came from the Dutch East Indies.

Fall and Rise of Maritime Commerce

The Great Depression of the 1930s, along with Japanese aggression against China and the Western colonies in Southeast Asia, severely strained the trading networks in the region. Exports of conventional commodities fell sharply during the Depression as demand fell in Asia, Europe, and the Americas. Chinese emigration, formerly a mainstay of steam traffic in the South China Sea and also between north China and southern Manchuria, declined. After the Japanese occupation of Manchuria in 1931, the activities of Japanese shipping companies became ever more imperialistic. The formation of a Japanese-dominated trading sphere known as the "yen bloc" was a bid for autarky (self-sufficiency) and protected export markets. In the early 1940s the Japanese restructured large segments of long-distance trade according to the needs of their war economy. The United States' petroleum embargo against Japan, imposed in July 1941, made it clear to the Japanese that a self-sufficient empire unaffected by the world market was an impossibility; economic factors such as this contributed to Japan's aggression on all fronts of war in the Pacific (the War of Resistance against Japan, often called the Second Sino-Japanese War) and World War II itself.

The collapse of the Japanese empire in 1945, the Chinese revolution of 1949, and the disappearance of European colonial rule in Southeast Asia after World War II ruled out a return to prewar patterns of maritime commerce.

Only Hong Kong survived as a first-rate emporium, now with a substantial industry of its own. A large part of the People's Republic of China's trade with Southeast Asia and Europe was channeled through Hong Kong. At the same time the Communist government in China began the long-term process of reestablishing China's lost military sea power and mercantile presence in the China Seas and on the world's oceans. Today that process continues.

Jürgen OSTERHAMMEL

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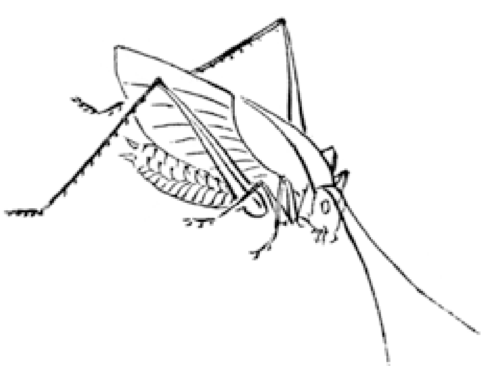

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