

# CHINESE BUSINESS HISTORY

Zhongguo Shangye Lishi

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## A Treasury for Chinese Business Historians: the Tianjin Chamber of Commerce Archives

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The Tianjin Chamber of Commerce Archives are a treasury for Chinese business historians. Held in the Tianjin Municipal Archives, the Chamber of Commerce Archives consist of 13,817 folders, each of them comprising from 60 to 200 papers. They cover the period from 1904, when the Tianjin General Chamber of Commerce (*Tianjin Shangwu Zonghui*) was established, to 1950, when it was replaced by the Communist-sponsored Tianjin Confederation of Industry and Commerce (*Tianjinshi Gongshang Lianhehui*). These voluminous archival materials provide historians with a precious primary resource not only for the study of Chinese chambers of commerce but also for the study of the business history of Tianjin, the second largest commercial center of China.

Generally, the materials of the Tianjin Chamber of Commerce Archives can be divided into four main categories. The first category comprises official documents and correspondence sent to the Chamber of Commerce from various agencies of the central and local governments and the Chamber's responses to them. While some of these official documents may be found elsewhere (such as in the government archives), many others appear to be unique to the Chamber of Commerce Archives. Historians will find detailed documentation on how the late Qing,

early Republican and Guomindang governments regulated trade and how the state and merchant organization interacted on important issues, such as commercial taxes, local market crises and currency reforms.

The second category of materials consists of a large number of documents dealing with the organizational structure and the major activities of the Tianjin Chamber of Commerce. Those documents include: the constitutions of the Chamber from different periods as well as various regulations and rules; data on Chamber officials and on individual and group members; internal documents, such as memoranda, meeting minutes, investigations reports and account books; and detailed records on the Chamber's various

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activities in the political, social and economic sectors (such as the 1905 Anti-American boycott, the 1908 resistance against the imposition of the new stamp duty, the organization of the merchant militia in 1912, participation in the 1919 May Fourth Movement, involvement in famine relief efforts, urban

public projects, and coping with successive local market and financial crises and so on). All of these archival materials provide evidence of the unprecedented merchant associational activism in early twentieth century Tianjin. My own research focused on this part of the archives.

The third category of materials in the archives consists of an enormous quantity of information on local commercial conditions, collected by the Chamber's department of commercial research. The materials include data on the volume and value of imports and exports; prices and tax rates for major commodities; statistics on capital, employees, and profits for major commercial and industrial enterprises in Tianjin; investigative reports analyzing the reasons for the increase and decrease in demand for certain goods; and assessments of the potential of local, domestic and foreign markets for local commodities and manufacturing products. Compiled materials systematically record the development of the local as well as the national financial market during the late Qing and the Republican periods. Among these materials are documents on capital investment and the source of such investment; on the operation of native *qianzhuang*, Shanxi *piaohao*, and modern banks; on exchange rates between various currencies; and on the causes, impact and resolution of various financial crises that disturbed late Qing and early Republican politics and society. Another group of documents which belongs to this category is the records of the Chamber's department of arbitration including the many complaints submitted for arbitration by parties in business disputes and the department's mediation records. These materials reveal information about business practice, causes of business disputes and dispute resolution techniques. Overall, these engrossing materials demonstrate that North China was by no means a commercial backwater as some early business historians assumed. This part of the archive is particularly valuable to historians interested in commercial development in North China, an area which has been much less researched than commercial development in the Lower Yangzi and the Southeast Coast regions.

Finally, the fourth category of materials includes a considerable amount of correspondence (including letters and telegrams) between the Tianjin Chamber of Commerce and its counterparts in Shanghai, Guangzhou, Hankou and other cities. Some of these

materials concern the activities of the All-China Confederation of Chambers of Commerce (*Quanguo Shanghui Lianhehui*) established in 1912. Others provide information on trade conditions in other major commercial centers all over the country. Business historians whose research focus is not on Tianjin may still find something interesting here and potentially something they could not find in other local archives. For example, most of the Shanghai Chamber of Commerce Archives were destroyed in 1937 during the war with Japan. But since the chambers of commerce in major trade centers commonly exchanged business information among themselves, some useful materials on the Shanghai financial market can still be found in the Tianjin Chamber of Commerce Archives.

I conducted research on the Tianjin Chamber of Commerce Archives for my dissertation between May and October 1992. Based on my personal experience, research in the Tianjin Chamber Archives can be both rewarding and frustrating. It is rewarding because these archives provide invaluable sources not only for the study of Chamber of commerce activities but also for the reconstruction of the business history of the largest commercial center in North China. It is frustrating because there are some ridiculous rules governing the use of the archives and other inconveniences. To begin with, access to the catalog is not permitted. A xerox machines is available, but researchers must often wait days and even weeks for official approval to photocopy archival materials. Foreign researchers will, in particular, find it annoying that they are expected to pay excessive fees for access to the archives. A Japanese scholar I met paid 500 *yuan* for each day he spent reading in the archives and gave up on the third day of his research because, as he told me, he really could not afford what amounted to the highest rate of fees of any Chinese archive that he had ever visited. In this respect, the situation now appears to be worse than two years ago as many Chinese archives have become money hungry.

I have a few words of advice for any colleagues who may be contemplating exploring this immense treasury. First of all, one needs a sponsor institution (*danwei*). To contact the Tianjin Municipal Archives directly for the use of these archives, one has to be prepared to pay as much as the Japanese scholar I mentioned earlier, if not more. Having a sponsor

institution will not only reduce the fees substantially but also help you pass smoothly through the various bureaucratic hurdles. The History Institute of the Tianjin Academy of Social Sciences (TASS) is a good institution to consider approaching. TASS' History Institute has been working with the Municipal Archives for more than a decade to organize the archives and to publish some of its materials. Second, a careful prior reading of the *Tianjin Shanghui dang'an huibian* [Selected Materials from the Tianjin Chamber of Commerce Archives] is critically important because it will give you a general idea about what topics can be profitably researched at the archives. It helped me a lot. Without access to the catalogue, I could still ask the archive staff to retrieve materials I required by topic. To date, a total of six volumes of selected materials from the Tianjin Chamber of commerce Archives have been published. They are a wonderful guide for further research in the Chamber of Commerce Archives.

*Xiaobo Zhang is a Ph.D. candidate at Columbia University, working under Professor Madeleine Zelin. His dissertation is a study of associational activities of the Tianjin General Chamber of Commerce from 1904 to 1937. He is presently teaching modern Chinese history at George Mason University VA.*

### Research Opportunities in Tianjin.

The History Institute of Tianjin Academy of Social Sciences, is now organizing a research center for business history. It is headed by Professor Hu Guangming, deputy director of the History Institute. The participation of foreign scholars and institutions is welcomed, and the Chamber of Commerce Archives will be available. An international conference on Chinese chambers of commerce is also scheduled for May 1995. Colleagues interested in this research program or in the conference may contact Professor Hu directly at History Institute, TASS, Tianjin, or contact Zhang Xiaobo, History Department, George Mason University, Fairfax, Virginia 22030.  
Fax: 703-993-1251  
Office phone: 703-993-1262  
Home phone 703-323-4188

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## Perspectives on Chinese Business Development in South East Asia, 1830-1990

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University of London

One can readily identify the four phases of Chinese financial development in South East Asia in the period 1830-1990. The first phase coincided with Chinese dominance in revenue farming. Early Chinese banks founded by revenue farm syndicate members included the Chino-Siam Bank of Kim Seng Lee in Thailand, the Bank Be Biau Tjoan and the Deli Bank of revenue farmers in the Netherlands East Indies (NEI). These banks were often part of a large highly centralized family enterprise with dialect affiliations across borders. They provided a range of financial functions including the handling of remittances to China and of trade finance. Such operations introduced three important traits into Chinese financial growth. First, these banks were never isolated from other commercial and industrial activities. This traditional of "mixed" banking with connected layers of diverse economic ties survives to the present day. Second these financial cartels which pooled vast amounts of revenue farm capital to finance diverse economic activities also controlled the recruitment of Chinese immigrants, in effect producing locked factor markets and suppressing competition. The only competition was from western capital, but even here the institution of the *compradore* assisted in funnelling western capital into these cartels. The intervention by Triads further helped to dispose of any competition. Thus the early Chinese banks were inefficient, open to fraud and nepotism and more seriously left a legacy of financial instability.

The second phase from 1913-32 saw a dramatic expansion in Chinese banking: five major banks were established in Malaya and Straits Settlements, two in Thailand, two in the NEI. All these banks had branches throughout Asia, tapping the intra-Asian Chinese networks. Banking failures were rampant,

largely through the over extension and fraud. The Kwong Yik failed in 1913, Deli Bank in 1921, Bank Be Tjoan in 1927, and the four major banks in Malaya failed in 1930 and 1932.

The reasons for this Chinese financial collapse are clear. The unregulated banking environment, the diverse banking activities, the size and distribution of loans which ignored constraints of the banks' own capital, the confusion surrounding liquidity, capital and reserve ratios, were further compounded by a Chinese preference for speculation.

The Great Depression was an important turning point of Chinese financial growth. With the collapse of the commodity trade and with rising economic nationalism directed against the Chinese, particularly in Thailand, Chinese financiers had to restructure their activities. This led to the rise of joint stock banks under family control, such as Overseas Chinese Banking Corporation. The OCBC saw a steady rise in its reserves from \$10.6 million in 1933 to \$13.2 million in 1940 and deposits rose from \$34 million in 1934 to \$59 million in 1940.

Against this picture of rapidly changing Chinese banking growth and development, one has to note the stability of intermediate credit institutions, such as *hui* (rotating credit associations), pawnbroking, traditional moneylending, and financial assistance provided by dialect guilds and Chinese Chambers of Commerce. Such autonomous financial institutions were always based on family and dialect loyalties and revealed little dependence on foreign capital.

In the decades since 1945, the Chinese financial elite have been positioned to act as important intermediaries for Western, Japanese and Korean capital inflows into South East Asia. They have also acted as crucial agents for the South East Asian state (bureaucratic, politician, military caucuses). Chinese financial groups formed with European, American and Japanese multinationals, began to channel funds into South East Asian industrialization in the late 1960's. Chinese have also benefitted from the growth of international offshore banking, receiving offshore deposits from their own as well as from foreign and refugee sources. The prominence of these Chinese financial networks is a reflection of both Chinese commercial strength as well as indigenous weakness.

### Suggested Reading

Brown, Ian, *The Elite and the Economy in Siam, c. 1890-1920*, Singapore 1988.

Brown, Rajeswary Ampalavanar, *Capital and Entrepreneurship in South-East Asia*, London, 1994.

Butcher, John and Dick, Howard, eds., *The Rise and Fall of Revenue Farming: Business Elites and the Emergence of the Modern State in South-East Asia*, London, 1993.

Geertz, Clifford, "The Rotating Credit Association: a Middle rung in Development", *Economic Development and Cultural Change*, 10 (1962), 243-262.

Van Gutem, V.B., "Tjina Minding" *Koloniale Studien*, 1 (February 1919).

Short, Brock K., "Indigenous Banking in an Early Period of Development: the Straits Settlements, 1914-1943," *The Malayan Economic Review*, 16 (April 1971).

Suchiro, Akira, *Capital Accumulation in Thailand, 1855-1985*, Tokyo, 1989.

Tan, Ee Leong, "The Chinese Banks Incorporated in Singapore and the Federation of Malaya," *Journal of the Malayan Branch of the Royal Asiatic Society*, 42, 1 (1969).

Rajeswary Ampalavanar Brown is a Research Fellow at the School of Oriental and African Studies. She received her Ph.D. from the University of London. Her most recent book *Capital and Entrepreneurship in South-East Asia*, (MacMillan Press, April 1994) traces the growth of capitalism in South East Asia between 1870 and 1941. It focuses on three questions: Why was indigenous capitalism so weak in colonial South East Asia? What were the institutional weaknesses in an otherwise dominant Chinese capitalist class, and why did it fail to transform itself into a modern industrial elite? What was the impact of western colonialism and Japanese economic penetration on South East Asia's prospects for achieving sustainable economic growth. She is currently editing a book on Chinese business enterprise in Asia.

## Announcements

First International Conference on the  
**Westernization Movement**  
Fujian Development Zone  
end of November, 1994.

sponsored by the Fuzhou Mayi Development Zone,  
Fujian Normal University and other organizations.

Suggested topics cover a number of subjects related  
to the influence of Western ideas and institutions on  
Chinese society, administration, and economics.  
They include the Westernization movement and Qing  
government finance; Western enterprise and foreign  
capital; Western enterprise and markets; capital  
flows; changes in social and economic structures; and  
cities.

For more information, contact  
Professor Lin Qingyuan, History Department,  
Fujian Normal University, Fuzhou 350007.  
Fax: 86-0591-442840

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**International conference in Tianjin on  
Chinese chambers of commerce, sched-  
uled for May 1995. See p. 3**

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**The Last Half Century of the Chinese Overseas  
(1945-1994): Comparative Perspectives.**

University of Hong Kong, October 19-21, 1994

Paper proposal deadline was January 1994.  
For more information, contact: Elizabeth Sinn,  
LHCCO Conference Secretary, c/o History  
Department, University of Hong Kong, Hong Kong,  
Tel: 852-859-8942; Fax: 852-817-0052

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**Fifth International Conference on  
Cross-Cultural Communication:  
East and West**  
Heilongjiang University, Harbin,  
August 15-19, 1995

Themes: Ethnicity, Language, and Communication  
across Culture: East and West. Suggested topics are  
broadly interdisciplinary but include *business across  
cultures*.

**Proposal deadline: October 15, 1994.** Contact:  
Professor John H. Koo, Secretary General, c/o  
Department of Foreign Languages & Literature,  
University of Alaska, Fairbanks, AK 99775-1020  
U.S.A. Fax: 907-474-5956

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**The Chinese Environmental History Newsletter  
and Network**, in English and Chinese, will facilitate  
communication among scholars of East Asian envi-  
ronmental history. It will publish both "notice-  
board" items (news of upcoming conferences, publi-  
cations, etc.) and mini-articles, queries, "reflections",  
etc. The second issue (fall 1994) will include a  
directory of subscribers.

"Environmental history" will be interpreted quite  
broadly. Contributions on current research on the  
environmental history of neighboring regions as well  
as from ecologists and others with a research or  
practical interest in environmental questions in  
contemporary China will be welcome.

E-mail subscriptions will be free; hard copy will be  
available for a small annual payment. It is hoped  
that, besides the twice-yearly newsletters, a network  
will be created through which communications can be  
sent at other times. For subscriptions, send name,  
address, e-mail address, a brief statement of research  
interests, and (if desired) telephone and fax numbers  
to **Helen Dunstan, History Department, Indiana  
State University, Terre Haute IN 47809, U.S.A.**  
e-mail: [HDunsta@Ruby.indstate.edu](mailto:HDunsta@Ruby.indstate.edu).

Copy should be sent to the same address.

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**Book Review: *Blood, Sweat, and Mahjong: Family and Enterprise in an Overseas Chinese Community*, Ithaca & New York: Cornell University Press, 1993, 270 pp.**

Ellen Oxfield's study of a Hakka Chinese community in Calcutta will be of interest to students of Chinese business enterprise. It focuses on the role of family and kinship in an entrepreneurial community of leather tanners but also addresses connections between business and social activities. The book also provides a wealth of references to anthropological material related to business enterprise and entrepreneurial values.

The Hakka Chinese tanners in the Dhapa district on the edge of Calcutta have carved out a prosperous niche in the city's economy, but because of their "impure" occupation, they lack status, or even a place, in the Indian caste system. They also lack political influence as was particularly evident during and after the Sino-Indian War, 1962 when Chinese, including Indian citizens, were, at the least, restricted in movement. Many were arrested, deported, or interned.

Largely as a result of their low social and political position, status among the Dhapa Chinese is determined almost entirely on wealth. Preference is to own a business rather than work for someone else, and attaining this goal places value on entrepreneurial activity. Because of their position as "outsiders," family and kinship are particularly important in the pursuit of these goals. Family structure replicates the basic Chinese pattern. It is patrilocal and patrilineal with partible inheritance among brothers. Likewise, Oxfield finds that the developmental cycles of Chinese families in Calcutta resemble those of rural Chinese families studied by Myron Cohen and others (p. 22). Brothers cooperate, and brothers quarrel. Joint families split into conjugal families usually after the death of the parents. Links with affines and married daughters are employed to further family well-being. Through family histories, Oxfield analyzes how this Chinese family structure works in an urban business community.

While the family is at the center of business enter-

prise, other familiar Chinese institutions, notably surname associations, "credit associations" (*qi hui*), and partnerships play a role. All of these contributed to the success of the first generation of Hakka tannery owners. However, most of the early twentieth century immigrants who became tannery owners got their start as "tenants" or "contract operators" in another's factory. Oxfield explains, "Tenants pay a fee to the tannery owner for each piece of leather they produce. In return, they are allowed to use the tannery owner's machines, although they hire their own employees" (p. 128).

Family division plays a prominent role in the lives of the descendants of the first generation owners. Oxfield devotes a chapter to this process, bringing out complicating factors, such as family size, personal relations among brothers, and emigration. Another chapter entitled "Wife's Wealth" addresses the question of the woman's role in the family business, including sexual division of labor, contribution of assets, and mother-son relationships. And while sons are essential to these patrilocal, patrilineal family businesses, we find that most Dhapa Chinese families want at least one daughter and will adopt if necessary. An obvious reason to students of Chinese society is the connections which married daughters provide. But Oxfield finds that "both mothers and fathers emphasized the added zest that married daughters and their families added to their lives [and to] family gatherings" (p. 204).

For me, the most interesting part of the book is the chapter "Profit, Loss, and Fate" which connects entrepreneurial values to religious practice and gambling. Hard work, frugality, trustworthiness, and reliability are the admired qualities in this entrepreneurial community and coincide with familial values. The possession of these qualities ideally leads to the accumulation of enough wealth to fulfill one's obligation to one's parents in this world and in the spirit world. The children of one family provided their deceased father with a burnt offering of a life-size paper model of a Fiat car with a three-dimensional chauffeur and with wads of paper money to pay the chauffeur's salary and to buy gas. This offering not only fulfilled a filial obligation but also constituted an impressive display of wealth in a community where wealth determines status. It was talked about for days, particularly "the cost of the entire production" (105).

The preferred form of gambling in Dhapa is mah-jong. It is segregated by income and sex. People of similar economic status gamble with each other. On festive occasions, such as New Year's, wealthy entrepreneurs play for high stakes. Oxfield examines at length how this practice fits into the entrepreneurial values of the community, and a summary cannot do justice to her arguments. On one level, gambling can be viewed as an entrepreneurial "game" which requires risk in order to make gains and which requires both skill and luck. The ability to participate in high stakes gambling also shows that an individual has achieved his entrepreneurial goal. Hard work, frugality, and wise investment have led to achievement of the "ultimate aim ... to be beyond want, to earn enough money to enjoy the luxuries of life, and to not worry about economizing."

Throughout her study, Oxfield introduces various concepts and studies which address the questions she raises. As a result, the book also serves as a guide to anthropological and other literature on the subjects covered. And last but not least, I found the book very readable. *Andrea McElderry*

## Directory

**Lin, Man-houng**, Institute of Modern History, Academia Sinica, Nankang, Taipei, Taiwan. Recent research: Taiwanese merchants trading across the Taiwan Straits, 1895-1945

**Millward, James A.**, Department of History, University of Arizona, Tucson, AZ. Chinese merchants in Qing Xinjiang and Mongolia (some of which will appear in the next issue); Shanxi merchant operations.

**Skully, Michael T.**, Department of Banking and Finance, Monash University, Caulfield East, 3145, Australia. Pawnshops and pawnbrokers in China; insurance industry in China; Shanghai as a financial center.

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## Subscriptions

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is the bulletin of the Chinese Business History Research Group, an affiliate of the Association for Asian Studies. Executive Committee: Wellington Chan, Robert Gardella, and Andrea McElderry.

The bulletin seeks to develop a more comprehensive understanding of Chinese business history and practices. We welcome submission of research notes, "thought" pieces, information on research materials, and conference reports. Manuscripts should be no more than 1200 words. Editors: Robert Gardella, Andrea McElderry and Louis Sigel.

**Deadline for announcements for next issue:**

**February 15, 1994**

**Coming in the next issue:**

**James Millward on  
*Han involvement in Sinjiang's  
commercial development***

**Cynthia Brokaw on  
*Lineage-based publishing  
in 18th & 19th century Fujian***

**Welcome to**

**Louis Sigel**

**who has joined the editorial staff**

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