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Property, Religion and Commerce on the Chinese Frontier

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Max Weber drew our attention to the significant relationship between religion and economy in his book *The Protestant Ethic and the Spirit of Capitalism*, where he argued that Protestantism created the necessary disposition and agency for capital accumulation. Elsewhere he wrote that other world religions, e.g. Confucianism and Taoism, had the opposite effect, dispelling or displacing particular tensions that he believed provided the dynamic for capitalist development (Weber, 1951). Weber's thesis lays at the core of modernization theory and remains a compelling argument. However, the recent success of East Asian economics asks for more specificity. The countries of East Asia have embraced capitalism and made a success of it without necessarily embracing Protestantism, or any other Western ideology. The Protestant Ethic may only be an ideological concomitant specific to capitalist development within Europe and not necessarily a universal criteria for global capitalist development. Some scholars have reversed Weber's assessment of Confucianism and see it as containing a possible capitalist ethic in the context of late industrialization processes. However their explanations lack the psychological insight of Weber's thesis. Also they overlook the fact that for most Taiwanese who have participated in their country's economic development, the principal religion or code of conduct is not necessarily Confucianism *per se*, but a mixture of Confucianist, Taoist, Buddhist and animist

beliefs, jointly referred to as "folk" or "popular" religion.

Anthropologists have examined the significance of folk religion in Chinese social and political organization (Baity 1975, Seaman 1978, Lin 1986, Sangren 1987). Temples form the center of various hierarchically arranged polities, such as the hamlet, village, town and district, creating a cultural infrastructure necessary for social intercourse. Particular gods were the focus of individual corporate groups and associations, which were based on agriculture, occupations, or trade (Sangren 1984). Some historians have drawn a close tie between popular religion and commerce. Town temples were important markers distinguishing commercial centers from the rural hinterland they exploited (Johnson 1985). God cults spread along trade routes, delineating trade networks, their fortunes rising and falling along with the commercial activity they helped to foster (Ng 1983; Vermeer 1990; Clark 1991).

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The Taiwanese anthropologist Lin Mei-rong (1986, 1989) has identified two temple systems, one based on circumscribed territory and obligatory membership, and the other based on non-territorial, voluntary membership of persons attracted to a particular god by its lore of efficacious happenings. I have argued that Lin's temple systems constitute two separate realms of social practice, that of agriculture and commerce (Skoggard 1996). Whereas ceremonial circles emphasize solidarity, voluntary belief circles support a more individual-based social agency. Peculiar to each circle are Chinese notions of affinity (*yuan*) and efficacy (*ling*), respectively. The god as an expression of affinity is similar to Durkheim's classic understanding of religion as an expression of a group's sociality. Believers credited their gods with the power to rally people together in a spontaneous way to defend their commonly recognized interest (Sangren 1987). A god's fame in this regard was sure to attract an even wider following, extending the base for social and commercial intercourse. However, the gods were also spirits with whom individuals could transact private business. The god was a statue in human form, readily approachable by persons who sought an agential blessing for their individual actions (Ahern 1981; Johnson 1985). Herein lay the validation of an individual-based agency which could serve commerce. In a contradictory way the gods expressed the community, while also condoning the pursuit of private interests, which ran counter to the community.

A persuasive element of Weber's argument was his insight into the psychological effect of the incompatibility between held religious ideals and the experienced world. According to Weber, the resulting tension provided the acquisitive drive behind capitalism. This psychological dimension is lost in treatments of a Chinese entrepreneurial ethic, which is depicted as simply a work ethic. However, a look back at Taiwan's violent pioneer era reveals the existence of social tensions which may be related to the developmental dynamic of the postwar years. Sangren (1987) argues that a god's efficacy lies in its ability to mediate between order and chaos, a dialectic which had real referents in the social turmoil of the Taiwan's formative pioneer period.

The frontier was a dangerous place as far as the

Chinese central administration was concerned. Far from being marginal, the frontier represented a direct challenge to state power and authority (Shepherd 1993), because it was on the frontier where property relations were most naked in form and where the state's role in protecting property was most transparent. On the frontier *might made right* with local social groups taking power into their own hands to protect their collective interests. This devolution of power greatly concerned the state, but it had little or no choice in the matter (Shepherd 1993). The state in China was dependent on an entrenched local class system to maintain social order (Wakeman 1966; Fei 1972, Shepherd 1993), a condition which did not exist on the frontier. The major worry of the state was rebellion, led by local power holders who saw themselves no different than the emperor and challenged imperial authority. In Taiwan, rebellions and internecine conflicts occurred on the average of once every three to five years. The Lin Shuangwen Rebellion (1786-1788) was the largest and the Qianlong Emperor (1735-1796) considered its final suppression one of the ten greatest accomplishments of his long reign.

Social stability was also a concern of the majority of local farmers and merchants, and the temple system helped to solidify local social relations based on landed property and commerce. As the center of a local corporate group, a god was not only a symbol of group cohesiveness and strength, but also a validation of the groups property claims. In annual inspection tours, the local god was escorted to inspect the encampment of martial spirits occupying the four corners of a hamlet, village or town territory. The local god was often accompanied by a higher-level god whose gaze helped to fix the subordinate party's land claims within the imagination of the larger public. The gods held property relations in check, but in tension, their fierce countenance invoking the violence of the frontier era, and the violence that underlies all property relations.

The resurgence of folk religion in the postwar years suggests that the gods continue to play a pivotal role in mediating the newly emerging social relations based on industrial property. Furthermore the religious space inscribed by the temple system provides the cultural infrastructure for the extensive subcontracting networks that constitute Taiwan's small-scale decentralized

industry. Such networks allow local entrepreneurs to go beyond kinship to mobilize labor, pool capital, access markets and spread risk. In shoe manufacturing, Taiwan's third largest export industry, subcontracting relationships extend across central Taiwan and ultimately connect to trading companies in Taipei. The technology of shoe manufacturing and the practice of subcontracting allowed local entrepreneurs to lay claim to various parts of the shoe industry creating a hierarchical structure in which no shoe is made entirely at any one site. Handwork is done in the homes, stitching, labeling, and printing in various workshops and cutting and lasting in the factory (See Skoggard 1996). Entrepreneurs have played a hero-like role mobilizing labor, organizing production, securing orders, and tapping into the global flows of capital. However, their dual role as friend to labor and junior partner to capital, could not have been possible without the gods, whose mediating role between property and community allowed for commercial and later capitalist, enterprise. It is the tension between property and community which I would argue constitutes in part the dynamic behind human enterprise, although differently configured and represented with respect to specific cultural histories.

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American and British Business Records.

Jacques M. Downs

Without making undue claims for ledgers and letter books, I believe that historians of many stripes can find much profit and little loss in investigating business documents, at least for the period up to the mid-nineteenth century. Although my own experience is limited to American and British China traders in the years between the Revolution and the American Civil War, others have discovered this possibility elsewhere. Most notable, perhaps, is Hosea Ballou Morse, who spent years editing the records of the British East India Company's trade with China. Indeed, he did such a thorough job that for most scholarly purposes, one need no longer go to London to consult the originals. Of course, since commerce was virtually the only connection with foreigners, Morse is a vital source of data for the study of Chinese foreign relations, such as they were. Several historians of British-Chinese relations and commerce have found the Jardine-Matheson archive a mine of information in their field.²

In the course of the past three decades, I have used scores of commercial collections. In the process, I have developed a healthy respect for business documents as a source of political, social and economic data. They can be as varied and as interesting as the personalities of their principals. While this fact should not be surprising, there are surprising reasons for this fact. In the first place, business prior to the industrial revolution tended to be personal. At least until the Civil War, we are still in the era of family capitalism, which is to say that the family was always the primary consideration. It was a very different business world. International trade was conducted by networks of small, interlocking family partnerships which were renewed every few years.³ Business letters were discursive, including local and family news, comments on political and economic matters, literary notes, and sometimes shockingly frank comments on rivals, partners, clients and customers. The practice of confining business letters to business began to

penetrate some larger firms as early as the 1830's. 4 Before that, commercial letters were often full of delightful, sometimes humorous and even scandalous detail. Since daily newspapers and other current media were non-existent for much of the world, such letters were frequently the best source of critical commercial information for busy merchants. Commercial printers recognized this importance and, as time went on, began to turn out lists of prices current in quarto, leaving three pages blank for commercial letters. These price-current-letters make up a large part of the commercial correspondence of the middle part of the nineteenth century.

Certain of Congress' penurious customs made for the inclusion of political data in American correspondence. For example, throughout most of the nineteenth century, the United States was represented by commercial consuls in most of the world. Merchants who had taken up residence in a foreign port received consular commissions for reasons both of convenience and economy. While it made for obvious conflicts of interest and a tendency to place national second to personal interest, it sometimes lent an official quality to a mercantile letter. In fact, commercial and official matters occasionally became confused. In the Carrington Papers at the Rhode Island Historical Society, for example, there are consular records which are unavailable at the National Archives.

Of course, during a war or following an international incident or when Congress decided to send an emissary, local business records can be especially informative, including material which never found its way into diplomatic or consular reporting. Without the Forbes, the Kinsman, and the Heard Papers, we would have only the dry, diplomatic account of the mission of Caleb Cushing to China in 1843. And yet in the appointment of a China mission and in the terms of the eventual treaty, the role of China traders was central. In fact, I believe that US relations with many countries now carelessly designated as "Third World" were begun and largely determined by commerce unless and until overshadowed by larger considerations such as land hunger (Manifest Destiny) and war.

It is essential for an historian using these records to master the terms of reference - the organization of

work, the slang, current events, popular literature, names and nicknames of merchants, family connections, customs, and other matters which are of little or no consequence in modern business affairs. To speak in this manner is to convey by implication more than we sometimes realize at this historical distance. It means that at the time, expectations, mores, customs, rules of the road were different. As a modest example, nepotism was not so much a sin as a family duty, and it often remained so even after the merchant had become a manufacturer, railroader or financier. Relatives were generally preferred as employees. When success led many a firm to expand beyond the bounds of blood, friendship and apprenticeship stood next in the order of preference for new employees or partners. This kind of data is possibly most conveniently found in casual memoirs like Joseph Scoville's *Old Merchants of New York City*, 5 vols. (New York, 1870. Reprint: Greenwood Press, 1968) or the reminiscences of William C. Hunter. More proper merchants, more concerned about their reputations, also have produced useful memoirs, and their internal censors do not usually affect matters of organization and commercial custom.

Memoirs, diaries, and sustained reminiscences are very useful, where they exist, but such writings rarely detail the history of a firm or even much about the trade. For that information, business records are indispensable. I am unclear as to why families preserve such documents, sometimes for centuries, but I suppose business paper is like everything else (at least in the northeastern corner of the US). Yankees throw nothing away old photos, shabby furniture, ancient vehicles, tools, old clothes, outworn institutions; they save it all. Thus, New England has become the center of the American antiques industry. In my work, I have had occasion to visit a great number of libraries, historical societies, professional associations, and other repositories of documents. The quantity of extant business records is simply enormous. Probably the single richest source is the Jardine Matheson Archive at Cambridge, but the Boston area is at least as important a mine of information because of the number of collections available. Other coastal cities: Providence, New York, Philadelphia, and Baltimore also contain many important collections. Moreover, a considerable number are still in private hands.⁶

Next to diaries and memoirs, commercial letters are undoubtedly the most accessible records left by merchants, but ledgers, accounts current, profit and loss statements, and even day books can be useful. The bookkeeping system should daunt no one. It is essentially modern, although everything is handwritten. It is easily mastered and understood, and it is possible to trace a transaction through the various company books. Certainly the pickings are substantially slimmer in these more narrowly focused records. Of all the strictly business records, commercial letters, whether or not collected into bound letter books, are the richest single source. Thus an historian using them should be aware of the circumstances of their creation.

Typically, one of the partners in a firm would compose directly into a blank book. Then copyists, who were relatively cheap and were still hired for their traditional "round old commercial hand" would make three fair copies to go by different vessels to insure reasonably prompt delivery. In a letter book draft, it is sometimes possible to see the thinking of the partner as he wrote the letter through his emendations and additions. Finally, letter book letters are generally more informative than are letter files of later date. Not only are they less formal and more free-ranging, but being bound together, they have more coherence, more organic unity than disparate documents. Alas, with the invention of the letterpress and even more with the typewriter, the letter book became a thing of the past. With the gain in office efficiency, some of the older charm and much information not essential to the immediate purpose of the letter was lost.

Although the letter-writing partner was generally the filter through which most data was transmitted, other members of a company "family" (the usage is contemporary) include the "outside man," who weighed and measured cargoes, supervised loading, hired crews and officers, inspected ships and goods, registered marine protests and in general, performed all kinds of work which required leaving the countinghouse for the wharf. Hence, such persons tended to be former captains, persons with blue water experience, who were less likely to be bamboozled by the assorted maritime characters with whom he had to deal. Naturally the "books" or bookkeeper was a person with special skills. He spent his days with columns of figures and

preparing the various financial records necessary to the running of a business. Sometimes he was a partner, but books were also often salaried employees. At Canton, other partners in the larger firms tended to specialize in different cargoes - tea, opium, silks in which they developed skills which made them valuable. When one of these specialists turned to letter writing, his information on his subject was the most reliable an historian is likely to get. Some firms hired tea-tasters, but others relied on the taste of (an) experienced partner(s).⁷

Younger employees of a firm were often called apprentices, a term which, to some degree really applied to them. Apprenticeship was considerably more than a form of labor or vocational training. Clerks were at the same time often surrogate sons, whose education and moral welfare was a concern of the partners. At Canton, where the company family was perforce closer than in less restricted ports, partners were probably more concerned about their apprentices, well being. Moreover, they were often relatives or members of merchant families whose business the firm wanted to cultivate. Nevertheless, an apprentice had to work; lazy or vicious youngsters did not usually last long. An apprentice acquired his "commercial education" (a contemporary phrase) from his firm, and graduated to become a supercargo, managing his employer's property over long distances and making critical decisions. He was better able to do so, having served several years in the countinghouse. A restless apprentice might elect to sail before the mast and pick up his business training from the supercargo and captain of the vessel. In either case, they were schooled in a firm, and the partners might back them if they decided to settle in a foreign port and become independent commission merchants.

At Canton, a young man "raised" in a major U.S. China house was a good candidate for employment or even partnership, and ex-apprentices who had become captains were valuable especially as "outside men." If he was fortunate enough to be engaged by an American Canton firm, even a very young man could expect to take home a nest-egg fortune of something like a *lac* (\$100,000) in about seven years. Commonly called a "competency" this sum was also the goal of traders in other ports, where a longer residence and greater luck

was required. Such wealth made a man independent for life. He could continue in commerce as a stateside merchant, or seize one of the opportunities opening up in manufacturing, finance, or transportation. After all, America was a fast-developing country with vast natural resources. Alternatively, a nabob could invest his fortune and settle down to become a gentleman of leisure and philanthropy.

The fast road to fortune and respectability ran through the countinghouse in early national America, and the young men at Canton⁸ wrote their letters and went about their business with this realization always in mind. Thus, in using commercial letters written in China - and probably elsewhere between the capes - an historian is dealing with ambitious youngsters who had often been introduced to the commercial world in a substantial American firm or in China itself, if they were well-connected. They wished to get their *lac* in as short a time as possible and return home. With this motivation, they can hardly be expected to have been students of China, her government, or her people. Yet on the trade and each other, they are expert witnesses.

Other characteristics of the creators of early American business records will occur to every user: they were invariably young men and generally came from the Northeast; they were heavily but with exceptions, not enthusiastically Protestant; they were generally better educated than most of their fellow-citizens; and they were patriotic, anti-imperialist and anti-slave, albeit not abolitionist. Yet, with all these other qualities, business always came first. No consideration of religion, national loyalty, political or ideological commitment interfered with a trader's primary reason for being in China. A letter might contain a wealth of personal, literary and sociological information, but it was first and foremost, a business letter.

Endnotes

1. *The Chronicles of the East India Company Trading to China, 1635-1834*, 5 vols. (Oxford: 1926-29; reprint, Taipei: Cheng-we Publishing Co., 1966-69).
2. See W.E. Cheong, *Mandarins and Merchants* (London and Malmo: Curzon Press, 1979); several

articles in *Business History*; Michael Greenberg, *British Trade and the Opening of China, 1800-42* (Cambridge University Press, 1951; reprint, 1969); Edward Lefevour, *Western Enterprises in Late Ch'ing China* (Harvard University Press, 1968).

3. Note the scope of the family alliance I have called the "Boston Concern" in my work: J & TH Perkins and Bryant & Sturgis in Boston, Perkins & Co. (later Russell & Co.) in Canton, Baring Brothers & Co. in London, Russell & Sturgis in Manila, etc. In Canton this alliance included the famous Houqua (aka Howqua, Wu Ping-chien, or Wu Bingjian) the greatest of the Hong merchants.

4. With the advent of John C. Green as principal partner in Russell & Co., Canton.

5. The 'Fan Kwai' at Canton before Treaty Days, 1825-1844 (London, 1881; reprint, Taipei: Cheng-we Publishing Co., 1970) and *Bits of Old China* (London, 1855; reprint, Taipei: Cheng-we Publishing Co, 1976). These, like Scoville's work are lively rambling memories which have been criticized for inaccuracies, but such as they are, they remain useful. In any case in matters of company organization, they are quite sound. Also, most of the criticisms strike me as petty. All reminiscences are faulty, but the old men who jot down their recollections are perhaps the best source we have for the personal relations, the ambience, the way firms were run and words were used. For sheer contextual knowledge, reminiscences are invaluable.

6. See the bibliography in my forthcoming work *The Golden Ghetto: The American Merchant Community at Canton and the Shaping of American China Policy, 1783-1844* (Bethlehem, PA: Lehigh University Press, 1997) for a more detailed listing of the resources available and their locations. Also see Liu Kwang-cheng, *Americans and Chinese* (Harvard University Press, 1963).

7. Somewhere, John Heard III confessed in a letter that he never had really mastered tea-tasting, but had often selected the company's teas anyway and volunteered further that he had always thought that there was some "humbug" to it.

8. The eldest I have found at Canton was venerable 52.

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