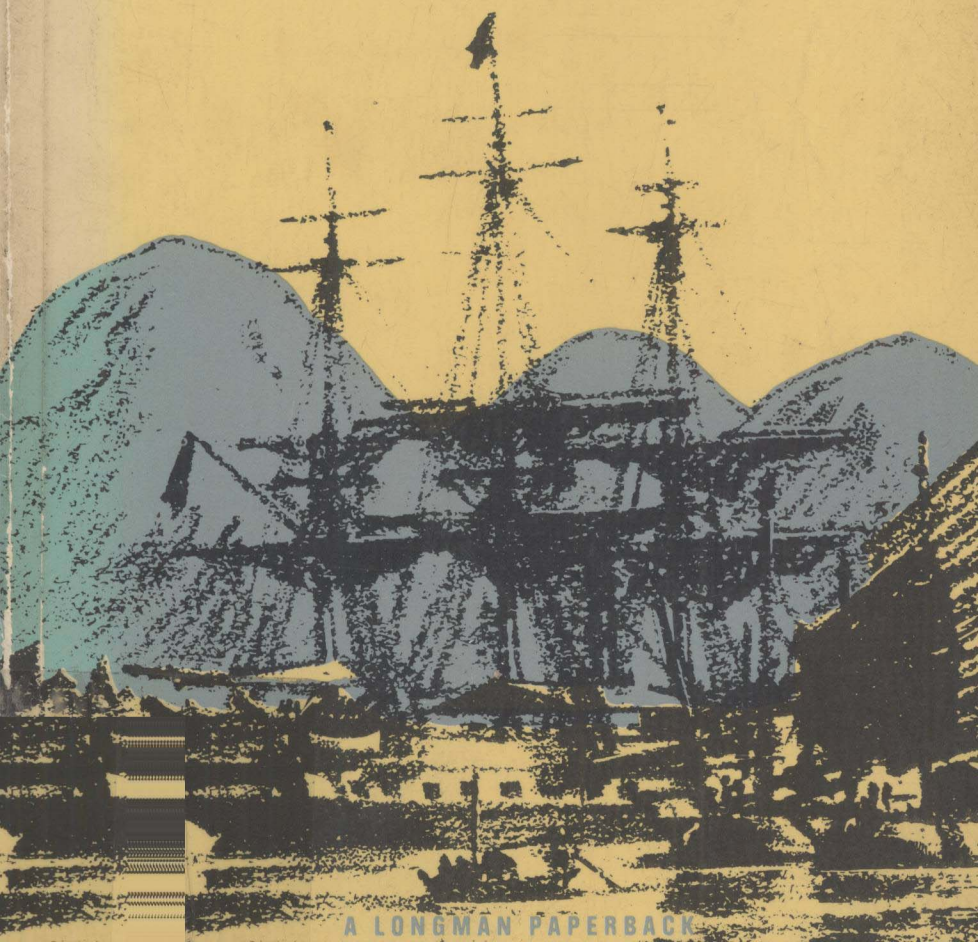


A Survey from 1819 to the Present

BRITAIN IN THE FAR EAST

Peter Lowe



A LONGMAN PAPERBACK

Britain in the Far East: A survey from 1819 to the present

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Britain in the Far East

Preface

The aim of this work is to provide a succinct general survey of British policy in the Far East with the emphasis placed primarily upon policy towards China and Japan; South-East Asia is discussed, particularly in the nineteenth century and the period after 1941, when it is more important to assess developments within the pattern of British advance and retreat in the Far East. In chronological terms the stress has been placed on the first half of the twentieth century as revealed in chapters 4–10; the first three chapters consider the establishment of the British role during the nineteenth century and the final chapter is in the nature of an epilogue on the rapid decline of British interests in the region following the conclusion of the Second World War.

Anyone writing a general account must be deeply conscious of his obligation to those who have laboured before him. I have tried to produce a synthesis based on the principal studies to have emerged in recent years; the extent of the compression has sometimes been considerable, as is unavoidable given the period under discussion. I was originally stimulated while studying the Far East by reading G. F. Hudson's *The Far East in World Politics*; if I have achieved at least some of his lucidity, I shall be well satisfied.

It should be noted that Chinese names are arranged according to the Wade-Giles system. Japanese names have been rendered with the surname or family name preceding the personal name.

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Peter Lowe
Manchester
December 1979

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Maps 1 and 5 are redrawn from *The Cambridge History of China*, vol. 10, ed. J. K. Fairbank, Cambridge U.P., 1978; Map 2 is redrawn from P. Lowe, *Great Britain and the Origins of the Pacific War*, Oxford U.P., 1977.

Introduction

In 1800 Great Britain occupied a strictly limited role in the Far East. British trade with China was assuming more significance with the growth of the insatiable demand for tea in Britain and with the ominous beginnings of the expansion of the opium traffic from India. The East India Company wished to see commerce flourish beyond the restricted conditions laid down by the Chinese government at Canton. In 1793 Lord Macartney visited China and was received by the Ch'ien-lung emperor in Peking; the meeting was of an amicable nature, despite difficulties over the ceremony of the kowtow, which was regarded as peculiarly embarrassing by Europeans. However, the meeting took place on the basis of traditional Chinese superiority and it was clear that trade would function in Canton on the lines already established.¹ In 1816 Lord Amherst endeavoured to see the Chia-ch'ing emperor without success. There were no British contacts with Japan in 1800, since Japan was firmly protected by the seclusionist policy implemented in the early years of the Tokugawa shogunate. The East India Company possessed a foothold in the Malayan peninsula where Penang had been acquired in 1786; Britain was engaged in rivalry with the Dutch, which was to be serious until the 1820s and which was to linger for some fifty years afterwards.² British interest in Burma was beginning to develop as a consequence of British dominance in India. In 1900 British interests in China were more important than those of any other single power and were largely concentrated in Shanghai and the Yangtze valley; the British lead over other powers was by then declining and was not as striking as it had been a generation before. Nevertheless Britain was in front of others in terms of economic interest down to 1914. In Japan Britain had been extremely active in opening up Japan in the later 1850s and 1860s and possessed more influence than any other country over the development of Japan before 1914.³ The most obvious contrast in looking at the map of the Far East in 1900 and comparing it with that of 1800 lies in the incorporation of Burma, Malaya and British Borneo within the British Empire. This was a development that took from the 1820s to the 1890s to be accomplished, the two principal phases of growth of British influence and authority occurring in the 1820s and subsequently in the 1870s and the 1880s; the 1870s are usually regarded as the crucial period in the case of

Malaya, although one historian has argued that the 1820s can be considered more of a turning-point.⁴

Therefore, in the nineteenth century British might was growing until the last decade of the century and as regards Malaya, British authority was still expanding in the 1890s. In the twentieth century Britain was largely preoccupied with grave crises in Europe and with the repercussions of these crises. In the nineteenth century British ambitions in and towards China had been the most dynamic element in the formulation of British policy in the Far East as a whole. In the twentieth century down to 1945 the emerging powerful and ultimately devastating challenge from Japan was the vital theme in British policy.⁵ Originally Britain and Japan were allies from 1902 to 1923. In the 1930s they were involved in a grave collision of interests, leading to the Pacific war in 1941, which in some respects can be viewed as an Anglo-Japanese war rather than as an American-Japanese war: British economic and territorial interests in the Far East were greater than those of the United States and Japanese animosity was heavily concentrated on Britain between 1937 and 1941.⁶ However, in another sense Britain was not central to the vital decisions taken at the climax of the far eastern and Pacific crisis in 1941; the United States assumed the direction of western policy towards Japan, and Britain did not participate in the Washington talks in 1941, the failure of which led directly to the Japanese attacks on Malaya and Pearl Harbor.⁷ Britain's formal empire in the Far East was not deeply shaken until the Japanese successes in swiftly conquering Malaya, Burma, and Borneo in 1941–42. Opposition to British rule in Burma had admittedly been growing since the First World War and had become strident in the 1930s, when the British gave Burma a constitution as a prelude to self-government. In Malaya nationalism was slower to develop before 1941, although it was marked and vociferous in the case of the Chinese population. The Pacific war demolished the image of the invincibility of colonial empires and Britain's task after 1945 was to negotiate the end of empire. Burma became independent outside the British Commonwealth in 1948 and Malaya secured independence within the Commonwealth in 1957; British territories in Borneo shortly joined with Malaya to form the state of Malaysia. The British role in the Far East rapidly declined after 1945, and, in a meaningful sense, ended with the military involvement in supporting Malaysia against Indonesia during the curious period of confrontation in 1963–64.⁸ British economic interests continued to be important in the late 1970s but British defence was restricted to an essentially nominal presence at Hong Kong.

What was the nature of British imperialism in East and South-East Asia? Why did it develop as it did? In a famous article published in 1953 J. Gallagher and R. Robinson argued persuasively for continuity in British imperialism throughout the nineteenth century. To consider imperialism only by the criterion of formal control was 'rather like judging the size and character of icebergs solely from the parts above the water-line'.⁹ Gallagher and Robinson believed that Britain's political and economic

role in the world expanded in formal and informal terms throughout the century and that the mid-Victorian era was not one of hostility to the development of empire as formerly maintained.¹⁰ The aim was to enhance the prospects for trade in the best way possible and this did not necessitate the extension of formal control: 'Once entry had been forced into Latin America, China and the Balkans, the task was to encourage stable governments as good investment risks, just as in weaker or unsatisfactory states it was considered necessary to coerce them into more co-operative attitudes.'¹¹ In a later article Oliver MacDonagh rightly drew attention to the consistent criticisms of the abuse or alleged abuse of British power expressed by mid-Victorian radicals such as Richard Cobden, John Bright, and Henry Richard.¹² Cobden castigated developments in Borneo, Burma, and China.¹³ D. C. M. Platt has pointed out that for most of the nineteenth century the British government did not wish to involve itself too deeply in trade matters and that Britain did not seek to erect an exclusive sphere of influence in China; indeed Lord Elgin was told in 1858 that, 'Her Majesty's Government have no desire to obtain any exclusive advantages for British trade in China but are only desirous to share with all other nations any benefits which they may acquire in the first instance, specifically for British commerce.'¹⁴ It is clear that Britain wished to open up as many parts of the Far East as she could to the beneficial effects of trade – in China, Japan, Burma, Malaya, Siam – and that British policy-makers hoped that Britain would secure as large a proportion of total trade as possible. Free trade would apply but the assumption was that Britain would obtain a prominent share. The British government did not believe that it should become involved in the business of individual firms or in advocating individual commercial projects; however, this attitude was modified under the spur of growing competition in the 1880s and was virtually abandoned after 1898.¹⁵ Sir John Jordan, the British minister in Peking from 1906 to 1919, spent much of his time advancing business projects, above all railway concessions, but without wishing to become too deeply immersed in individual firms.

J. A. Hobson, the left-wing liberal writer and publicist, put forward an original interpretation of imperialism in 1902 in his book *Imperialism: a Study*; Lenin largely adopted Hobson's analysis while refining it in a Leninist direction.¹⁶ Hobson believed that investors were basically responsible for the acquisition of colonies in tropical regions; they were at the back of the activities of the more overt practitioners of imperialism – the arms manufacturers, missionaries, army officers, administrators.¹⁷ Hobson wrote:

Aggressive imperialism, which costs the taxpayer so dear, which is of so little value to the manufacturer and trader, which is fraught with such grave incalculable peril to the citizen, is a source of great gain to the investor who cannot find at home the profitable use he seeks for his capital, and insists that his Government should help him to profitable and secure investments abroad.¹⁸

Hobson contended that the solution to the unhealthy preoccupation of

investors with imperialist profits lay in the employment of such capital within the domestic economy to remedy the urgent social wrongs of low wages and slums.¹⁹ How great was British investment in the Far East and what did Britain gain in terms of increased trade?

In 1902 British business investments in China have been estimated by C. F. Remer at 150 m. US dollars; by 1914 this had risen to 400 m. US dollars and by 1931 to 963 m. These investments comprised between 30 per cent and 40 per cent of total business investments in China in the period indicated.²⁰ To these figures have to be added the foreign holdings of government obligations in China. In 1902 Britain contributed 110 m. US dollars; in 1914 207 m. US dollars; and in 1931 211 m. US dollars. These constituted almost two-fifths of the total foreign holdings during this period.²¹ British imports from China amounted to about £9.5 m. on average in the period 1854–63, to nearly £12 m. from 1864 to 1873, and to over £13 m. from 1874 to 1883.²² British exports to China were over £3 m. on average between 1854 and 1863; just over £8 m. from 1864 to 1873; and nearly £8½ m. from 1874 to 1883.²³ Between 1884 and 1893 British exports to China overtook imports, the value of the former being £8.5 m. to £7.5 m. for imports. Thereafter the balance of trade swung heavily in favour of Britain: in 1913 British exports to China amounted to £19.5 m. and imports to under £5.5 m.²⁴ Tea and raw silk were originally prominent in Chinese exports to Britain, but these declined in value after 1890 as Indian tea displaced Chinese tea in the British market. Cotton goods were the most important British export to China in the second half of the nineteenth century, usually constituting about 65 per cent of exports.²⁵ The proportion was falling at the beginning of the twentieth century: between 1898 and 1913 British cotton textiles averaged 35 per cent of China's imports.²⁶ Opium was a major British export until the end of the nineteenth century; in 1857 31,907 chests were imported into Shanghai. In 1878 opium amounted to 45 per cent of Chinese imports. By 1898 opium imports had fallen to slightly under 50,000 piculs, valued at 29 million taels*; this was approximately 14 per cent of the value of Chinese imports.²⁷ The British share of China's shipping was appreciable, comprising 60 per cent in 1899 and 41 per cent in 1913. Over half of the coastal shipping was British in 1913 and British vessels carried over 60 per cent of the total value of cargoes. Before 1880 the British comprised over 50 per cent of the foreign population of China; in 1899 the proportion was 32 per cent. In 1865 the British population of Shanghai was 60 per cent of the total foreign population; in 1900 it was 40 per cent. The British population of the treaty ports of China totalled 8,966 in 1913 to which has to be added about 5,000 in Hong Kong.²⁸

According to figures cited by Herbert Feis, British foreign investment in Japan (long-term publicly issued British capital investment) amounted in 1914 to almost £63 m.²⁹ Japan was not as important for British trade as China. British exports to Japan were worth nearly £4 m. in 1880, just

*One picul = 133½ lbs (60.453 kgs). One tael = 1.208 English ounces of pure silver.

over £4 m. by 1890, and £15 m. in 1913 (the latter including Korea, Formosa, and Kwantung). Japanese exports to Britain amounted to less than £2 m. per year before 1902; in 1913 Japanese exports were worth almost £4½ m.³⁰ The principal imports from Britain were cotton piecegoods, machinery, metals, woollens, and chemicals; from 1896 to 1913 Japan offered a better market than China for machinery, metals, electrical goods, and chemicals.³¹ Between 1900 and 1913 the nature of trade with Japan varied: British exports included more machinery, iron and steel, and woollen piecegoods, while cotton goods declined.³² The various parts of the British Empire contributed significantly; raw cotton was supplied by India, rubber by Malaya, wool by Australia, and timber and pulp by Canada. The British Empire provided about 26 per cent of Japan's total imports in 1913 and took over 8 per cent of Japan's exports; the direct British share constituted almost 17 per cent and 5 per cent respectively.³³

In Malaya, the Straits Settlements were distinctly poorer than the Federated Malay States. In 1913 the revenue of the former was 12 m. Malayan dollars while the Federated Malay States provided 44 m. Malayan dollars. Tin was originally the backbone of the Malayan economy: in 1904 56 per cent of the world's total production came from Malaya. The rubber industry grew dramatically after the introduction of rubber seeds from Brazil via Kew. By 1914 the rubber acreage was 1,168,000 and exports amounted to 46,652 long tons. In 1904 the foreign trade of the Straits Settlements was worth £64 m. and in 1914 over £107 m. Rubber exports by 1914 were worth about £11 m. and tin about £7 m.³⁴ British exports to Malaya totalled over £3 m. in 1900 and over £7 m. in 1913. Imports from Malaya amounted to £7 m. in 1900 and to over £19 m. in 1913.³⁵

In Burma rice was the foundation of the economy. The oil industry began to develop at the end of the nineteenth century and by 1913 production had reached about 277 m. gallons with exports of 22 m. gallons valued at £142,000. British exports to Burma totalled nearly £3 m. in 1900 and nearly £6 m. in 1913. British imports from Burma totalled more than £2 m. in 1905.³⁶

Thus, to sum up the economic position before 1914, the China market had not fulfilled the hopes of those who had ardently urged the opening of China in the middle of the nineteenth century. China was too poor and self-sufficient in essentials to offer the vast commercial expansion talked about by the more naive politicians and merchants. Money could certainly be made in China, as the success of Jardine, Matheson and of the Hong Kong and Shanghai Bank exemplified. However, collectively the commercial prospects in China were not as promising as had been hoped. Japan was less lucrative than China and Japan's rapid modernisation resulted in a change in the pattern of trade with Britain. Malaya was the most valuable single area for British investment, which was originally attributable to tin and subsequently to rubber as well.

Therefore, how significant was the economic motive in precipitating

British expansion in the Far East? It is rarely possible to say that one aspect alone is responsible for a great historical development. Economic interests and aspirations were certainly important, particularly in China. A combination of political, strategic and economic motives contributed to the process of expansion. The part played by individual initiative was often fundamental: the man on the spot had considerable freedom in the nineteenth century when communications with superior authority and particularly with London were slow and cumbersome. Captain Elliot and Sir John Bowring in China, Rutherford Alcock and Harry Parkes in Japan, and Sir Harry Ord and Sir William Jervois in Malaya frequently had to cope with situations as best they could or as they saw fit. The latter point in the previous sentence can be separated from the former point; officials in the Far East in the nineteenth century thought of themselves as pioneers performing a great work and one imperfectly comprehended in London or Calcutta. Stamford Raffles revealed this attitude and one of his successors in Malaya, Sir Andrew Clarke, went on record in the 1890s as saying with reference to his own work in Malaya twenty years earlier that the minds of men in London sometimes had to be made up for them by the man on the spot.³⁷ As D. K. Fieldhouse has aptly remarked, 'almost any European living on or beyond the frontier of "civilized" government became a compulsive empire-builder'.³⁸ The strategic factor of safeguarding interests or possessions from other powers was frequently significant. Britain was suspicious of the intentions of France, Russia and Germany at various times in China during the nineteenth century; rivalry with France influenced British attitudes in the 1860s and 1870s towards China and Japan and was extremely important in the final annexation of Burma in the 1880s; there were recurring anxieties about foreign interest in Malaya from the 1870s to the 1900s. Of all the elements concerned, the strategic aspect was probably the most important in determining colonial annexations or consolidation. In China and Japan the economic incentive was initially the most effective in stimulating British advance: economic and strategic considerations combined to explain the new emphasis on spheres of interest in China from 1898. In the twentieth century, British policy-makers confronted by the rise of an increasingly bellicose Japan after 1931 realised that Britain could not abdicate responsibility for defending British interests in China because of the presence of the British Empire in India and South-East Asia. Appeasement of Japan at the expense of China and of British interests in China would simply encourage Japan to demand more and would decisively discredit Britain in the eyes of the inhabitants of India, Burma and Malaya. The accuracy of this assessment was borne out by the consequences of the collapse of the British forces in South-East Asia in 1941-42; Malaya and Burma were conquered by the Japanese army and the leaders of Congress in India launched the 'Quit India' movement in the summer of 1942. The strategic motive in the twentieth century meant that Britain's informal empire in China had to be defended in order to sustain the formal empire in India and South-East Asia. It was in many ways remarkable, after the savage blows suffered by

Britain at the hands of Japan, that India and Malaya elected to remain within the British Commonwealth when they obtained independence and that only Burma, to the personal regret of the Burmese leader General Aung San, chose finally to sever the ties with the successor to the British Empire.

The opening of China and British expansion in South-East Asia, 1818–1853

The most important developments in Britain's role in the Far East in the first half of the nineteenth century occurred in China. This is not to underestimate the significance of the acquisition of Singapore in 1819; the rivalry with the Dutch leading to the treaty of 1824; or the encroachment upon Burma. These aspects were certainly to contribute in a major way to the subsequent growth of Britain's formal empire in South-East Asia and will be considered later in this chapter. However, China was the principal magnet; Britain took the chief part in opening up China, a process that was accelerated by the first Anglo-Chinese war of 1840–42 and the ensuing treaty settlement. The clash between Britain and China represented the confrontation between two wholly diverse and uncomprehending civilisations — between the brash dynamism of the Industrial Revolution and the serene confidence of Confucian superiority. The experience comprised a protracted and painful realisation of occidental superiority for China and the Chinese government was faced with numerous other problems: the western menace, spearheaded by Britain, simply appeared as one of the difficulties and not the most dangerous.

China in the nineteenth century had entered a phase of decline characteristic of the later stages of dynasties in her ancient history. The Ch'ing (Manchu) dynasty enjoyed its greatest success in the reigns of the K'ang-hsu (1662–1722) and Ch'ien-lung (1736–96) emperors. In the eighteenth century China was vigorous and assertive; it was a period of cultural flowering. Decline had, however, already set in during the latter part of the reign of the Ch'ien-lung emperor. From the beginning of the nineteenth century all the familiar features of dynastic decline were revealed: less competent rulers, growing corruption throughout the government, the neglect of public works, maltreatment of the peasantry. These traditional manifestations were accompanied by a new and more threatening development — rapid population growth. It has been estimated that China's population grew from approximately 100 million at the beginning of the Ch'ing dynasty in 1644 to about 430 million by 1850. Population growth thus provided the most revolutionary ingredient to the transformation of China and one that was only dimly appreciated by those in government.¹ The Ch'ing court and officials believed that the difficulties with which they were contending, in the domestic and foreign

contexts, were evanescent and could be surmounted. The British and other foreigners were regarded as insolent barbarians who did not understand their place in the Confucian world. China was the true centre of world civilisation and the further a country was from Peking, the less civilised it was by definition. The new strength of the occidental powers was not grasped.

British trade with China was centred in the southern port of Canton from 1760 to 1834. The Ch'ing government permitted trade to function on terms that allowed the Chinese authorities to control what happened without themselves being in direct contact with the foreign merchants. Chinese traders known as the 'cohong' constituted a monopoly and dealt with the foreigners; the members of the cohong were responsible to the superintendent of maritime customs at Canton, described by western merchants as the 'hoppo'.² British trade was conducted by the East India Company as a direct extension of the Company's authority in India.³ The balance of trade was heavily in favour of China for many years. Tea and textiles were sold by the cohong in exchange for commodities such as woven cloth. The tea trade grew rapidly in the last quarter of the eighteenth century, as the British acquired a taste for this form of refreshment. Tea sales increased enormously and in 1785 over 15 million pounds of tea were sold: the increased consumption was facilitated by the sharp reduction in tea duties effected in 1784. The entire basis of the East India Company rested on tea sales in the final stages of the Company's history.⁴ The term 'country trade' was used to describe commerce between India, the East Indies, and China. This commerce was crucial to the functioning of the China trade. The East India Company issued licences to private merchants in India to pursue trade with China: this system was used to supply the necessary finance for the tea trade. India sent items such as cotton and opium to China, obtaining in return lower valued commodities such as sugar and tutenag (zinc, prominent in S.E. Asian trade). The financial benefit lay clearly with India, the surplus amounting to approximately £1 million in the early nineteenth century.⁵ It was this favourable balance that acted as a counterweight to the trade of the East India Company, therefore paying for the tea purchases. The principal arrangement used to finance the complex triangular trade was for the Company to exchange bills on the court of directors in London or on the government of Bengal for the specie from country merchants, these bills being much desired by the merchants as a method of sending their funds to Britain or India.⁶ Tea supplies were carried only in Company ships. The system was supported by both sides, because the Company could finance its activities and the country merchants could abstract their profits.⁷

According to figures cited by Michael Greenberg for the year 1828, total British imports at Canton were 20,364,600 Spanish dollars; of this figure 4,518,957 dollars were on the Company's account and 14,364,600 on private account. Nearly half of the Company's imports came from the west (2,189,237 dollars, including 1,764,217 dollars in woollens) and