

China and America

The Story of
Their Relations since 1784

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China and America

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Foster Rhea Dulles
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PREFACE

THE purpose of this book is to tell the story of the relations between the United States and China over a period of more than one hundred and fifty years—from the opening of their trade at the close of the eighteenth century to the conclusion of their common war against Japan in 1945.

Throughout this whole period the two great nations have in general been in friendly accord, yet there have been occasions when the United States has been charged with not fully living up to its professed friendship for China. The American people cannot evade their share of responsibility for the semicolonial status which until very recent times was imposed upon China by the western world. Since the beginning of the present century, we have nevertheless stood committed to the two closely interrelated principles, clearly foreshadowed in all our early dealings with China, of the Open Door to trade and of Chinese territorial integrity. Directly reflecting what has been believed to be our own interests in eastern Asia, these commitments were largely responsible for our entry into the Pacific war.

Now we have once again asserted our determination to uphold a fully independent and sovereign China, and to assist her in every possible way in attaining her goal of becoming a strong, united, democratic nation. Upon our present-day efforts to maintain a friendship more than ever necessary for the peace and stability of eastern Asia and the whole Pacific world, the historic course of Chinese-American relations has a direct and important bearing.

There is an almost overwhelming mass of literature on the Far Eastern policy of the United States. But no attempt has been made to treat as a separate subject our relations with China from the origins of our trade at Canton in 1784 to the present day. It is in many ways a difficult undertaking because our Chinese policy cannot be dissociated from our Far Eastern policy in general. Nevertheless it has appeared to be worth

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while to center major attention upon China in this book because our attitude toward her has always been the key to our relations with the other countries of eastern Asia, and Chinese-American relations throw a revealing light on the entire history of international developments in that part of the world.

In so far as possible the author has gone to official documents, contemporary records, the personal accounts of actors on the Far Eastern stage and contemporary newspapers for the source materials of this book. His debt to earlier writers, however, remains very great. Some indication of this may be found in the appended bibliography, and he would especially single out the books of such Far Eastern experts as Tyler Dennett, A. W. Griswold, Owen Lattimore, Nathaniel Pfeffer, T. A. Bisson and Lawrence K. Rosinger in appreciative recognition of their contribution to his own understanding of American-Chinese relations. He would also like to acknowledge an even more direct debt to Jean MacLachlan of Princeton University Press, upon whose suggestion the book was written, and to Marion Dulles for invaluable help throughout the process of writing it.

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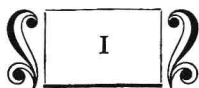
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PIONEERS OF TRADE

ON August 28, 1784, a former privateersman of Revolutionary days, renamed the *Empress of China*, reached the Canton anchorage at Whampoa. She had been sent out on this distant voyage "in the adventurous pursuit of commerce," and from this early period, when America looked to China for teas and silks, until our present-day interest in the immense potential market represented by her more than four hundred million people, trade has been a basic factor in the close ties between the two countries. Our traditional friendship for China grew out of the desire of our pioneering merchants in Canton to promote the commerce inaugurated by the *Empress of China*, and so too did our insistence upon the right to share whatever special privileges other nations exacted from China either by guile or force.

The little 360-ton vessel which first hoisted the American ensign in Chinese waters had made a long and tedious voyage of six months around the Cape of Good Hope and through the Indian Ocean. Her master, Captain John Green, had every reason for proud satisfaction when he gave the foreign shipping already crowded in the Canton anchorage a thirteen-gun salute. Set against the background of the restrictions which Great Britain had imposed on all colonial trade, and the general hazards of navigation in the eighteenth century, his 13,000-mile voyage was a spectacularly daring enterprise in what was for Americans a wholly strange and unknown part of the world.

It had been undertaken with the backing of Robert Morris, financier of the Revolution, and the New York firm of Daniel Parker & Company. Its sponsors hoped not only to make good profits for themselves, but to open up an entirely new trade

with the Orient. The *Empress of China* was to point the way to economic independence for the young republic which had so recently won political independence. Recognizing the importance of the venture for the entire country, Congress had given the expedition its blessing and armed Captain Green with an official sea letter. It duly informed the "most Serene, Serene, most puissant, puissant, high illustrious, noble, honorable, venerable, wise and prudent, Emperors, Kings, Republics, Princes, Dukes, Earls, Barons, Lords, Burgomasters, Councillors . . . who shall see these patents or hear them read," of Captain Green's status as a citizen of the United States of America and requested them "to receive him with goodness and to treat him in a becoming manner."

The cargo of this pioneering vessel was carefully selected to meet the demands of the Canton market. Fur, raw cotton and lead made up part of the goods laden in the ship's hold, but more important were some thirty tons of the curious drug ginseng, collected in the New England woods, which Chinese mandarins fondly believed would restore virility. It was to be exchanged for tea, greatly in demand among all Americans, and also for Chinese cotton goods, silks and chinaware. The total investment in the voyage was \$120,000.

Aboard ship as supercargo was a young Bostonian, Samuel Shaw, who had served during the Revolution as aide-de-camp to General Knox. "The terms on which I go," he wrote his brother on the eve of sailing, "promise something clever, and I hope to shake you by the hand in two years." When the *Empress of China* returned to New York fifteen months rather than two years after her departure, this "something clever" had been realized. Shaw had succeeded in trading his cargo for 3,000 piculs* of Hyson and Bohea tea, 962 piculs of chinaware, 24 piculs of nankeens and 490 pieces of silk at an over-all profit of \$30,000, or some 25 per cent of the original investment. Even though the financial reward for the owners did not

* A picul is the Chinese "hundredweight," generally equal to 133 1/3 lbs. avoirdupois.

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altogether come up to expectations, the voyage was enthusiastically hailed by New York's *Independent Journal* as "a judicious, eminently distinguished, and very prosperous achievement." The monopoly heretofore enjoyed by the East India Company in supplying America with tea had been broken, and the new commerce of which Robert Morris had dreamed was successfully established.

Within a year of the return of this first vessel in the China trade, five ships sailed for Canton. The *Empress of China* was promptly dispatched on a second voyage; from New York also sailed the *Hope* and the *Experiment*; the *Canton* put out from Philadelphia, and the fifth vessel was the *Grand Turk*, a Salem ship that had already made a voyage as far as the Cape of Good Hope. By 1789, there were fifteen American vessels trading with China, and it was estimated the next year that something like one-seventh of the country's imports was derived from this thriving commerce.

The China trade had been established and developed wholly on the initiative of the merchants involved, but Congress further recognized its importance after the return of the *Empress of China*. Postponements were allowed in paying customs duties on all tea imports, and Samuel Shaw, making a second voyage aboard the *Hope*, was officially designated as our consul in Canton. "Neither salary nor perquisites are annexed to it," wrote John Jay, then Secretary for Foreign Affairs, "yet so distinguished a mark of the confidence and esteem of the United States will naturally give you a degree of weight and respectability which the highest personal merit cannot very soon obtain for a stranger in a foreign land." There was no attempt to open diplomatic relations with the Chinese government, however, and Shaw's consular rank was designed merely to establish his status among the other foreign merchants in Canton.

The early American trade with China was centered upon this southern port for the very good reason that it was the only one to which foreigners were admitted. Even this concession

to the insistent pressure of the West had been made reluctantly by the Imperial Government. While the Canton anchorage was crowded with British, French, Dutch and Danish vessels when the first Americans arrived, the activities of "foreign devils" were carefully restricted by the suspicious mandarins. Through the haughty condescension of the Son of Heaven, they were permitted to trade with a selected group of so-called hong merchants, paying heavy tribute for the privilege, and they could maintain residences and warehouses, known as factories, in one closely segregated district along the river bank. They were not allowed, however, to enter Canton itself or to wander about the countryside. Their ships were forbidden "to rove about the bays at pleasure." On only four days of each moon, and then in "droves" of no more than ten at a time, could they visit certain nearby resorts for "refreshment." And neatly grouping arms and females as elements equally likely to disturb the calm of the Celestial Empire, a further regulation stated that "neither women, guns, spears nor arms of any kind can be brought to the Factories."

The Americans were naturally compelled to submit to these confining regulations along with all other foreigners. They were to find them, and especially those relating to trade, increasingly irksome as time went on. Samuel Shaw nevertheless thought the commerce of Canton "to be as little embarrassed, and is perhaps, as simple as any in the known world." However supercilious the attitude of the silk-gowned mandarins, the hong merchants were quite aware of the profitable nature of the trade in which they were engaged, and they were willing to meet the Westerners more than halfway in combating the petty annoyances imposed by officialdom. "As respectable a set of men as are commonly found in other parts of the world . . ." was Shaw's testimony. "They are intelligent, exact accountants, punctual to their engagements, and, though none the worse for being well looked after, value themselves much upon maintaining a fair character."

These American and Chinese merchants got along well from

the very first. Trade was their common interest and it drew them together in spite of all differences in race, background and outlook upon the world. The attitude of the Americans seems to have been singularly free of the racial prejudice which already marked British dealings with the peoples of the Orient. In many instances real bonds of friendship were formed. Just as the Americans considered the hong merchants to be honest and reliable, so did the latter apparently find the Americans fair-dealing and trustworthy. However, an interesting and perhaps highly significant sidelight upon conditions in Canton is revealed in Shaw's account of a conversation with one Chinese merchant:

" 'You are not Englishmen?' said he. 'No.' 'But you speak English word, and when you first come, I no can tell difference; but now I understand very well. When I speak Englishman his price, he say "So much—take it—let alone." I tell him, "No, my friend, I give you so much." He look at me—"Go to hell, you *damned* rascal; what! you come here—set a price my goods?" Truly, Massa Typan, I see very well you no hap Englishman. All Chinaman very much love your country.' "

"Thus far it may be supposed," continues Shaw, "the fellow's remarks pleased me. Justice obliges me to add his conclusion: 'All men come first time China very good gentlemen, all same you. I think two three time more you come Canton, you make all same Englishman too.' "

This was a shrewd reflection. Many Americans undoubtedly swung over to a more superior attitude toward the Chinese as time went on. Moreover, the later policy of demanding for the United States whatever privileges Great Britain could wring from the Imperial Government gave even greater point to the comment that Americans "make all same Englishman too."

The small size of the vessels that pioneered in the China trade became a characteristic feature of our Far Eastern commerce. The brigs and brigantines, sloops and schooners, that were found rounding Java Head and beating their way up the China coast during the fall monsoon seldom displaced more

than one or two hundred tons. They were adventure craft, sailing by dead reckoning or the crudest of nautical instruments, and in every instance they were heavily armed against attack by pirates or unfriendly natives. Their crews were young men and boys whose average age was in the early twenties.

The *Experiment*, second vessel to sail for Canton, under command of Stewart Dean, was an 80-ton sloop originally built for trade on the Hudson, and she carried a crew of eight men and two boys; the brigantine *Hope*, which Joseph Ingraham brought into the Whampoa anchorage in 1792, was described as "being only seventy tons and slightly built"; the *Betsy*, commanded by Edmund Fanning, was 93 tons and, among her crew of thirty, not one was over twenty-eight years old; and the *Union*, a sloop-rigged vessel of 89 tons, anchored at Canton in 1795 in the course of an around-the-world voyage under command of twenty-year-old John Boit, Jr. The English sailors aboard the great thousand-ton East Indiamen were constantly amazed at the size and seaworthiness of these tiny craft, and English merchants were no less astounded at the skill with which their youthful masters carried on their trade.

Immense profits were made in the cargoes carried back to the United States. It was nothing unusual for an owner to recover the total cost of his investment in a single voyage. New York, Philadelphia, Baltimore, Boston and especially Salem were the ports principally engaged in the commerce, and imports from China had no little to do with their reviving prosperity in the years after the Revolution. Many a New England fortune, which was later to be invested in cotton mills, was founded upon tea.

Take the voyage of the *Experiment*. Her cargo, assembled at a total cost of £8,860, consisted of 18 boxes of silver dollars, 50 boxes and 15 casks of ginseng, a considerable quantity of furs and several small shipments of tar, turpentine, tobacco, snuff and Madeira. At Canton these goods were exchanged for a return cargo of 308 chests of Hyson tea, 100 chests of Souchong, 80 bales of nankeens and 31 chests of chinaware

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which sold at New York for £37,000. That same year the *Grand Turk*, from Salem, took out a more varied cargo of goods: kegs of pork, beef and hams; 483 iron bars and 50 cases of oil; boxes of prunes, chocolates, cheese and spermaceti candles, barrels of flour and casks of brandy, and many hogshheads of tobacco, sugar and good New England rum. The total cost was £7,183, but the return cargo of Hyson, Souchong and Bohea teas was valued at £23,218.

Tea, nankeens and chinaware were not the only products brought back from China. Cassia bark and rhubarb were imported, and on private account of owner, captain, members of crew or other individual venturers, a vast miscellany of other goods was packed into the bulging holds of the returning China vessels. Paper hangings, lacquer tea trays, silk handkerchiefs, bundles of hair, boxes of pictures, tubs of candy, china dishes, Canton shawls, floor mats, ivory boxes, satin scrolls—these and many other such articles had their place. As an introduction to Americans of the products of Chinese handicraft, they were an important link between the two countries. Few were the well-to-do households in the Atlantic ports that did not have some such direct evidence of China's existence.

The chief difficulty which American merchants faced in their trade was in finding products for which there was any real demand in Canton. Eventually the problem was solved by the shipment of cotton manufactures, and Lowell sheetings and drillings were exchanged for tea and chinaware. But until the development of the New England textile industry, the China traders were driven to scour the entire world for goods that could be profitably sold to the hong merchants. On the voyage about the Cape of Good Hope, they called at the island of Mauritius, dropped anchor in Indian ports, traded at Batavia in trying to collect a suitable cargo for Canton. Sailing westward about Cape Horn, they exchanged home manufactures all along the South American coast for silver specie.

Far more profitable, however, were the consequences of discovering on the Northwest Coast of America the easy availa-

bility of sea otter furs. For these rich and glossy pelts could be cheaply obtained in trade from the Indians, and then sold to the hong merchants at Canton for fabulous prices. Blankets, iron chisels, muskets and rum were the staples in this commerce. On one occasion, however, the Indians were found ready to exchange the fur of a sea otter for a handful of green glass beads, and on another they "instantly stripped themselves, and for a moderate quantity of large spike nails, we received sixty fine skins." Here were profits of which even the tight-fisted Yankee traders had never dreamed.

The voyage of the ship *Columbia*, Captain Robert Gray, opened up this branch of the old China trade at the close of the 1780's. She had been sent out by a group of Boston merchants who had heard of the potentialities of the fur trade and it was quickly found that they had not been exaggerated. After a voyage which first carried the American flag around the world, the *Columbia* and four other vessels then returned to the Northwest Coast in 1790. The discovery of the river to which Captain Gray gave his vessel's name was the most important result of the *Columbia's* second voyage, but the new impetus given to the China trade was a more immediate consequence. Between 1790 and 1818, no fewer than one hundred and eight American vessels visited the Northwest Coast to load their holds with sea otter skins for the Canton market.

Trading along this bleak, rocky and fog-bound shore was highly dangerous. There was not only the constant risk of shipwreck as the little vessels threaded their way through innumerable bays and inlets. The Indians were often even more treacherous than hidden rifts and swift currents. Every ship carried cannon mounted on her deck, and the crew kept close at hand their muskets and pistols, cutlasses and pikes. When the Indians came out to trade in their long canoes, boarding nets were swung out and only a few were allowed to come aboard ship at a time. The treatment accorded the Indians by the whites was in part responsible for the former's hostility, but wherever the

responsibility lay, the Nor'westmen learned that eternal vigilance was the price of safety.

Captain Gray of the *Columbia* lost one of his men at Murderer's Harbor on his first expedition, and three of his crew were killed during the second voyage. When Captain John Salter, cruising along the coast in the *Boston* with a cargo of English cloth, beads, looking glasses and rum, made the fatal error of letting too many Indians come aboard, he met even worse misfortune. Only two of his crew survived an attack so sudden that the seamen had no time to seize their weapons. In 1811 the ship *Tonquin* had a similar experience, after a quarrel between her captain and one of the native chiefs had stirred up bad blood. A group of apparently peaceful Indians all at once drew knives from their bundles of furs and cut down the crew almost to the last man in a swift and bloody massacre.

There were other occasions when ships and seamen effected miraculous escapes. Captain Richard Cleveland, trading along the Coast in a 50-ton cutter, was once surrounded by twenty-six canoes, with perhaps five hundred heavily armed savages, as his little vessel lay helplessly becalmed. He loaded his four cannon with bags of musket balls, served out two muskets and two pistols to each of his crew, and fearfully awaited the attack he could hardly hope to repel. The Indians held off until evening, apparently awaiting reinforcements, and when a slight breeze sprang up Captain Cleveland quietly got his vessel under way and somehow succeeded in slipping off in the darkness. His good luck also held another time when the cutter was dangerously impaled on a sunken reef and an attack would have been wholly disastrous. Fortunately no Indians put in an appearance and after spending ten agonizing hours with the vessel canted at a 45-degree angle, "at half past twelve in the night we had the indescribable pleasure of seeing her afloat again."

In spite of all such hazards, there was no daunting the Boston seamen who largely monopolized this trade. They came to know the rocky shoreline of the Northwest Coast as well as they

knew their own native New England shores; they explored every inlet and bay from Alaska to California. Their insatiable hunger for the furs which fetched such high prices in Canton was proof against all risks. On the eve of the War of 1812, John Jacob Astor, at this time one of the foremost fur traders in the country, founded Astoria to develop the trade still more intensively. Together with Captain Gray's discovery of the Columbia River, Astor's settlement became a basis for our later claims to the Oregon country. In part a consequence of the demands of the China trade, a new American empire was carved out in the Northwest.

Off the coast lay Hawaii. Its friendly and hospitable climate, and no less friendly and hospitable natives, were tremendous attractions and the Nor'westmen soon began to winter at the islands in the course of their voyages. Moreover, they discovered in Hawaii another product that could be sold in Canton. Special contracts, payable in rum and muskets, were made with King Tamaamaah for collecting sandalwood, and while the Yankee sailors idled on the beaches with the beguiling Hawaiian girls, the natives stored the vessels' holds with this fragrant commodity. It was as a way station on the route between the Northwest Coast and China that Hawaii first became of interest to the United States, starting a train of events that a century later was to lead to annexation.

The hunt for still other products that might appeal to Chinese tastes soon led these pioneers of trade to explore the length and breadth of the whole Pacific. If it were not furs or sandalwood, it might be tortoise shell and mother of pearl, the edible birds' nests that tickled mandarin palates, or *bêche de mer*, a sea slug the Chinese prized for making soups. Again natives would be persuaded to collect these exotic commodities in exchange for so many gross of iron chisels, knives or needles, so many bolts of calico. It all meant just so many more chests of Hyson and Souchong, bales of nankeens, and boxes of china-ware to be brought back to American markets.

There was hardly a South Sea island that the China traders