

# Your beggarly commerce! Enlightenment European views of the China trade

ASHLEY EVA MILLAR

This paper examines the European confrontation with and conceptualization of the China trade in the early modern world, and in particular during the Enlightenment. International trade was of central importance to Enlightenment conceptions of wealth. As Daniel Defoe – the famed champion of the merchant class – wrote, “the rising greatness of the British nation is not owing to war and conquests, to enlarging its dominion by the sword, or subjecting the people of other countries to our power; but it is all owing to trade, to the increase of our commerce at home, and extending it abroad”<sup>1</sup>. European philosophers and a broader set of commentators that included popular geographers and merchants hotly debated international trade. These debates portrayed China as having a more cautious, restricted view of foreign trade. No lesser authority than Adam Smith succinctly expressed this view:

The Chinese have little respect for foreign trade. Your beggarly commerce! was the language in which the Mandarins of Pekin used to talk to Mr. de Lange, the Russian envoy, concerning it. Except with Japan, the Chinese carry on, themselves, and in their own bottoms, little or no foreign trade; and it is only into one or two ports of their kingdom that they even admit the ships of foreign nations. Foreign trade therefore is, in China, every way confined within a much narrower circle than that to which it

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<sup>1</sup> D. Defoe, *The Complete English Tradesman* (London: printed for Charles Rivington, 1726 [1725]), 382-3.

would naturally extend itself, if more freedom was allowed to it, either in their own ships, or in those of foreign nations<sup>2</sup>.

John Hobson labeled the traditional narrative that China turned inward during the Ming Dynasty as “China’s great leap backward”<sup>3</sup>. Proponents of this view maintain that China’s decline relative to Europe began in 1434 when the Emperor Xuande, following the ‘Confucian traditions’ of his father, the Emperor Hongxi, imposed restrictions on foreign trade and navigation. According to this view, by the end of the eighteenth century Europeans recognized the limitations of the Chinese system of political economy, particularly with regards to international trade. Adam Smith’s advocacy of the free market in 1776 and the 1793 failed British Embassy to China under Lord Macartney led to a dominant image of an arrogant China, resistant to the progress of the modernising European world<sup>4</sup>.

Frustration with Chinese policies of isolation, however, dated as far back as Ancient Rome, thus was not a reaction to the rising European faith in the mutual benefits of free trade expressed most famously through Smith. Further, the narrative of Chinese isolation was only part of a wider eighteenth century discussion of the China trade. In fact, early modern European observers and commentators were not assured of their superiority and reflected a range of views on the China trade beyond simple frustration. Recent scholarship examines the interaction between the Qing Dynasty and European states as the encounter of imperial forces, indicating a comparable balance of power<sup>5</sup>.

This paper begins by examining the early modern European sources of information and commentary on the China trade. These sources include the first-hand reports about China (largely written by European missionaries, men of war, merchants and emissaries); the works of Enlightenment philosophers; and the popularisers of information primarily in world geographies. European

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2 A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. E. Cannan (New York: Bantam Dell, 2003), 864-5.

3 J. M. Hobson, *The Eastern Origins of Western Civilization* (Cambridge: Cambridge University Press, 2004), 62.

4 David Porter describes the eighteenth-century encounter between the Europeans and the Chinese, where the former believed in the importance of international trade, and the latter strictly limited international commerce, leading to “a widespread perception among British observers that an unnatural tendency toward blockage and obstructionism was an integral, defining feature of Chinese society as a whole”. D. Porter, “A Peculiar but Uninteresting Nation: China and the Discourse of Commerce in Eighteenth Century England”, *Eighteenth-Century Studies*, 33 (1999-2000), 181-199; James L. Hevia describes the historiographical tradition (from Euro-America as well as China) of viewing the early modern trade relationship between China and Europe as a clash between tradition and modernity. J. L. Hevia, *Cherishing Men from Afar: Qing Guest Ritual and the Macartney Embassy of 1793* (Durham: Duke University Press, 1995), 242; Joanna Waley-Cohen argues that Sinophilia ended, in part, because “the restrictive Canton system of trade went directly against the free world market advocated by Adam Smith in 1776”. J. Waley-Cohen, *The Sextants of Beijing: Global Currents in Chinese History* (New York: W.W. Norton, 1999), 92- 99.

5 See Hevia’s *Cherishing Men from Afar*.

ambitions of achieving a bountiful trading relationship with China, met with the reality of Chinese restrictions. The interplay between optimism and rejection led to a consistent narrative of frustration in many European sources. The remainder of this paper analyses the other prominent narratives attached to the China trade. In addition to a view of Chinese restrictions on foreign trade, which certainly existed, three additional themes were conspicuous. First, Europeans attempted to understand China's unique ability to restrict international trade. Second, they identified obstacles to trade that originated in Europe. Finally, these sources discussed the nature of the trade that did exist, debated the implications of the balance of trade with China, and demonstrated an awareness of China's place in a global trading system. This paper concludes that the overarching image of China was that of a uniquely large and independent country that had the ability to restrict international trade, and when they did partake in it, they maintained a formidable position. Concurrent to this image was the view held by many (but not all) that China would benefit from expanding its international trade, a view supported by the idea that their history of fluctuating trade policies indicated that increasing foreign trade was possible. Further, criticisms of European trade policies reveals that Europeans did not assume the perfection of their own practices.

#### I. FROM EL DORADO TO IMPERVIOUS: TRAVEL AND TRADE LITERATURE ON CHINA

Little information travelled, and even less trade took place, between Europe and China in the period between the collapse of the Sino-Roman trade in the fourth century and Marco Polo's account of Cathay at the end of the thirteenth century. It was only with the expansion of the sea route to the coast of Southern China in 1514 and the rise of the printing press that the demand for goods from – and information on – the Middle Kingdom could be met. In this period, trade, religion (Catholicism), and information on China were intertwined. Portugal, for example, received the *padroado* (patronage) with the *Jus patronatus* granted by a papal bull in 1514, vesting exclusive control of European missionary, political and economic activity in the East with the Portuguese monarchy. Their control of European engagement with the East did not last long, and the Dutch and English quickly expanded their commercial interests. Catholic missionaries from other European states such as Italy, Spain, France and Germany continued to travel to and transmit information on China. In their roles as translators and influencers of Chinese opinions, these European missionaries acted in the interest of their own missionary orders, and at times in their national interests. For instance, in 1697 and 1698 a group of French Jesuits urged the French government to develop a chartered company for the China trade to search for alternative trade routes from those controlled by the English and Dutch<sup>6</sup>.

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6 D. F. Lach and E. J. van Kley, *Asia in the making of Europe*, 3 vols., 3 (Chicago: University of Chicago Press, 1992), 432.

Although the Jesuit missionaries were primarily concerned with their religious mission, they did provide information highly relevant to the China trade<sup>7</sup>.

Another group that provided information about the China trade – merchants, explorers, men of war and emissaries – was less interested in the Christianizing agenda of the missionaries. The attempts to develop a trading relationship with China led to the arrival of ambassadors from states such as Russia, the Netherlands, France, and England as well as representatives from their respective East India Companies. Between 1552 and 1800 there were 926 Jesuits in China. As early as 1563 there were already 700 Portuguese non-missionaries in Macao<sup>8</sup>. Although these secular travelers offered less insightful commentary than the Jesuits who gained access to the Chinese court, many of these sources were continuously referred to and had a transformative effect on European thought. They were also first-hand witnesses to China's restrictive trade policies and thus, on this topic in particular, their point of view is germane. In the seventeenth century, merchant accounts from China were primarily Dutch, as the Netherlands began to dominate the China trade<sup>9</sup>. By the eighteenth century, British travelers made the most significant contribution to the expansion of non-missionary accounts of China<sup>10</sup>. The interaction between European national interests, missionary activity, commercial concerns, and Chinese policy from the sixteenth century onwards was of great importance to the formation of primary sources, and ultimately European views of China as a political, economic and cultural entity.

These primary sources provided information for the editors of geographies. The growth of these popular works over the seventeenth and eighteenth centuries was in large part driven by the desire for information pertaining to the prospects for international trade, and many of these sources had commercial ideologies embedded in their texts<sup>11</sup>. Richard Hakluyt commissioned Robert Parke's 1588

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7 In particular, the Jesuits Matteo Ricci, Nicolas Trigault, Louis Le Comte and Jean Baptiste Du Halde (who himself had never actually travelled to China, but did have access to Jesuit information), provided first-hand information on the Chinese Empire.

8 A. Rowbotham, "The Impact of Confucianism on Seventeenth Century Europe", *The Far Eastern Quarterly*, 4 (1945): 50.

9 The Dutch fort in southern Taiwan was established in 1624, and though they were anxious to trade with China, the embassies they sent to Peking in 1656, 1667 and 1685 all failed. One of the most widely cited and translated works was Johan Nieuhof's *An Embassy from the East India Company* (1665 Dutch edition, published in English in London, 1669). Nieuhof's work was based on a Dutch East India Company delegation to China, which he took part in from 1655-57.

10 The most popular example in this genre is George Anson's *Voyage Around the World* (1748). The first edition had over 1800 advanced subscribers, by 1776 there had been fifteen editions in Britain alone and it had been translated into French, Dutch, German and Italian, C. Mackerras, *Western Images of China* (Oxford: Oxford University Press, 1989), 47.

11 R. Markley, *The Far East and the English Imagination, 1600-1730*. (Cambridge: Cambridge University Press, 2006), 270.

English translation of the Spanish Augustian Juan González de Mendoza's description of China, which demonstrates this type of demand. Parke dedicated his translation to the English explorer Thomas Cavandish who, he hoped, would find a new trade route to Asia. Parke also praised the teenage King Edward VI for his encouragement of the beneficial trade with the East 35 years earlier<sup>12</sup>. Another example of the connection between trade and information on China is found in the first English translation of the Jesuit Jean-Baptiste Du Halde's description of China, translated by Richard Brookes and printed by John Watts in 1736. While it was the less reliable of the two English translations, of interest here is Brooke's motivation for the quick translation of the work. Brookes dedicated the fourth volume "To the Directors of the United Company of Merchants of England trading to the East Indies"<sup>13</sup>. In this dedication, Brookes noted: "It is a fond mistaken Notion of some" that Britain is self-sustainable and does not need anything from the rest of the world when "the most common Repast must be supply'd with Ingredients from the remotest Parts of the Globe"<sup>14</sup>.

The final group of interested commentators was the philosophers of the Enlightenment who debated the implications of the China trade. Douglas Irwin's intellectual history of free trade is divided into two parts: the pre-Smithian protectionist view culminating in the mercantilist literature of the seventeenth century, and the post-Smithian period of the triumph of the arguments for free trade<sup>15</sup>. While these periods certainly overlapped, the eighteenth century in particular represents a transitional period, which is situated between the apogee of the mercantilist view and the publication of Adam Smith's *Wealth of Nations* (1776). Prior to the establishment of a largely consensus view in favor of free-market trade, philosophers debated policies of international trade.

The primary, geographical and philosophical sources oscillated between optimism and disappointment in their discussions of the China trade. On the one hand, there was an air of hope for the potential wealth that the China trade could generate. The sixteenth century witnessed the start of a search for distant lands that could offer easy profits. Popular literature of the seventeenth and eighteenth centuries expressed the hope of finding foreign lands that offered bountiful trade relationships. Voltaire commented on the dreams of easy profits in his popular novel *Candide* (1759). Upon leaving El Dorado, Candide exclaims: "if we return to our own world with only a dozen of El Dorado sheep, loaded with

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12 J. Gonzales de Mendoza, *The Historie of the Great and Mightie Kingdome of China*, translated by R. Parke, printed by I. Wolfe for Edward White in 1588 (Reprint: Amsterdam: Da Capo Press, 1973), 2.

13 J. B. Du Halde, *The General History of China. Containing a geographical, historical, chronological, political and physical description of the empire of China*, translated by Richard Brookes from the Paris edition, 4 vols., 4 (London: printed by and for John Watts, 1736), Dedication.

14 Du Halde, Vol. 4, Dedication.

15 D. Irwin, *Against the Tide: An Intellectual History of Free Trade* (Princeton: Princeton University Press, 1996), 3.

the pebbles of this country, we shall be richer than all the kings in Europe”<sup>16</sup>. The reports of the grand scale of the Chinese Empire, and its significant wealth, came to represent another El Dorado, and a tangible object for the European desire for profits.

However, Europeans expressed a concurrent frustration with the practicalities involved in the China trade. The earliest descriptions of China by European authors reveal a long history of the theme of Chinese isolation. Ancient Romans described a place known as Serica (believed to refer to the north-eastern part of modern day China). Pliny the Elder, for example, claimed “The Seres are of inoffensive manners, but, bearing a strong resemblance therein to all savage nations, they shun all intercourse with the rest of mankind, and await the approach of those who wish to traffic with them”<sup>17</sup>. This history was not lost on eighteenth century commentators, as a popular compendium about China, *The Chinese Traveller* (1772), addressed the antiquity of the view of Chinese isolation: “It is remarkable that the manners of the modern differ not much from those of the ancient Chinese [...] [Pliny] says that the Chinese [...] like wild animals industriously shun any communication with strangers [...]. They are at this day courteous and gentle, but will not suffer merchants of other nations to penetrate into their country”<sup>18</sup>. Indeed, China’s restrictive policies continued into the early modern world. In 1517, Tomé Pires led the first official embassy from a European state (Portugal) to China. The reality of China’s foreign policy quickly moderated the Portuguese enthusiasm when after their long journey the Portuguese emissaries were not granted an audience with the emperor. The Portuguese conquering of Malacca (a tributary state of the Chinese), as well as their thieving and disruptive behavior around Canton led to the Chinese constraints<sup>19</sup>. China sentenced Pires to death because of the actions of his compatriots, and he took his own life in prison. The recurrence of this archetypal embassy by the English, French, Dutch and Russians, despite continuing failures to gain significant trade concessions, demonstrated the European determination to expand the China trade<sup>20</sup>.

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16 Voltaire (François-Marie Arouet), *Candide*, translated by Norman Cameron (London: Penguin, 2001), 52.

17 Pliny the Elder, *The Natural History*, eds. J. Bostock and H. T. Riley (1885), Book VI, Chapter XX, “The Seres”, ed. G. Crane (The Perseus Digital Library, Tufts University), 2036-2037.

18 Author/Editor Unknown, *The Chinese Traveller [...] Collected from Du Halde, Le Compte, and other Modern Travellers*, 1 (London: Printed for E. and C. Dilly, 1772), v.

19 J. E. Wills Jr., *Embassies and Illusions: Dutch and Portuguese Envoys to K’ang-hsi* (Cambridge: Harvard University Asia Center, 1984), 19.

20 Between 1655 and 1795 there were approximately seventeen Western missions that reached the emperor (six from Russia, four from Portugal, three or four from Holland, three from the Papacy, and one from Britain). J. K. Fairbank, “Tributary Trade and China’s Relations with the West”, *The Far Eastern Quarterly*, 1 (1942): 148-149. For more information on failed trade negotiations see Markley, *The Far East and the English Imagination*, Ch. 3 and Wills, *Embassies and Illusions*.

The failure of early modern European trade missions reflected China's ability to resist the foreign overtures. Unlike other parts of the world, threats of violence were insufficient to achieve the European desire for open trade with China. Rather, Chinese trade concessions were erratic and highly dependent on the emperor. The Chinese, according to John Wills Jr., never had anything resembling "a coherent or effective foreign policy"<sup>21</sup>. These inconsistencies were increasingly difficult for Europeans to understand as they rationalized international trade as ordained or natural. Despite the idiosyncrasies of Chinese policy, Europeans attempted to understand the principles behind their reluctance to engage in international trade.

## II. UNDERSTANDING CHINESE TRADE POLICY

Early descriptions of the Chinese, including those by the Jesuits, depicted an arrogant nation who believed they were the center of the world. Addressing the reluctance of the Chinese to partake in international trade, the Jesuits Matteo Ricci and Nicolas Trigault concluded that "[Chinese] pride, it would seem, arises from an ignorance of the existence of higher things and from the fact that they find themselves far superior to the barbarous nations by which they are surrounded"<sup>22</sup>. Or, as Thomas Salmon argued in his popular compendium, they looked upon "the rest of mankind as little better than brutes"<sup>23</sup>. This assertion was supported by the knowledge that the Chinese had access to the compass before the Europeans, and yet explored little in comparison. However, Europeans sought to understand China's motivations for restricting trade beyond simple arrogance.

In the seventeenth century, numerous European observers respected China's policy of limiting international trade. The expansion of European interests overseas, concurrent with internal wars, revolutions and the spread of disease, reminded many early modern observers of the lessons from Ancient Rome, and concerns about overexpansion led some to admire China's restraint. One of the early Iberian accounts of China by Gaspar da Cruz described how the Chinese had a large empire earlier in their history, ruling over Malacca, Siam and Champa in Southeast Asia. He explained their motivations for reducing this empire and turning inwards: "the King of China, seeing that his kingdom went to decay,

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<sup>21</sup> Wills, *Embassies and Illusions*, 20.

<sup>22</sup> Matteo Ricci and Nicolas Trigault's *De Christiana Expeditione apud Sinas* was an important source of information about China at the time, and was one of the most widely cited (or plagiarised) early modern primary accounts of China. First published in 1615, it had 4 Latin editions, 3 French editions, 1 edition respectively in German, Spanish, Italian and English excerpts were reproduced in S. Purchas, *His Pilgrimes [...]* (1625). N. Trigault and M. Ricci, *China in the Sixteenth Century: the journals of Matthew Ricci: 1583-1610* [The compilation by N. Trigault] translated from the Latin by Louis J. Gallagher (New York: Random House, 1953), 23.

<sup>23</sup> T. Salmon, *Modern History: or, the present state of all nations [...]*, 3 vols., 1 (London: Printed for T. Longman, T. Osborne, et. al., 1744-46<sup>3</sup>), 15.

and was in danger by their seeking to conquer many other foreign countries, he withdrew himself with his men to his own kingdom”<sup>24</sup>. Edward Gibbon chronicled this notion of internal decay from overexpansion in his influential *Decline and Fall of the Roman Empire* (1776). Several European geographers and philosophers praised China’s policy as wise. In *Relazioni Universali* (1591-1598), Giovanni Botero explained China’s motivations for restricting foreign interaction to protect their customs and government. He commended the Chinese disinterest in international expansion because the author believed “there can be no greater folly than to hazard our own goods, on hope to gain others”<sup>25</sup>. By the eighteenth century a few European philosophers and geographers also explained China’s caution towards entering into relationships with foreign states. For instance, Guillaume-Thomas Raynal reminded his readers of the problems in the Sino-Portuguese encounters during the time of Tomé Pires; under those circumstances, what incentive did the Chinese have to expand their foreign relations<sup>26</sup>? However, by the eighteenth century overseas trade and exploration increased and the potential risks associated with it were outweighed by the perceived benefits.

Another explanation for China’s restrictive policies gained prominence in the eighteenth century, though it originated in earlier sources. It was based on the belief that China’s domestic trade made their Empire self-sufficient thus they had no need for international commerce. Mendoza, who had never been to China himself, was one of the first European authors to popularize this explanation. He described how China’s isolation from international trade was possible because they have sufficient of all things necessarie to the maintaining of human life”<sup>27</sup>. The reports about the activity on China’s rivers and canals astonished Mendoza: “In my opinion it might be said with greater truth and without fear of exaggeration, that there are as many boats in this kingdom as can be counted up in all the rest of the world”<sup>28</sup>. This argument was popularized in the eighteenth century by Du Halde who controversially stated the vastness of China’s domestic

24 *South China in the Sixteenth Century: Being the Narratives of Galeote Pereira, Fr. Gaspar da Cruz, O.P., Fr. Martin de Rada, O.E.S.A.*, ed. C. R. Boxer (Bangkok: Orchid Press, 2004), 67.

25 G. Botero, *Relations, of the most famous Kingdoms and Common-weales through the World [...]* (London: Printed for John Jaggard, 1608<sup>4</sup>), 300 and 295. This excerpt was accurately translated from the original Italian, see G. Botero, *Delle Relazioni Universali* (Venetia: Nicolò Polo, 1602), Parte Seconda, 66.

26 Though in the final edition these paragraphs were found in chapter twenty-one (which has been attributed to Denis Diderot), the paragraphs in question were also in an earlier edition in a section attributed to Raynal. G. T. Raynal and D. Diderot, *A Philosophical and Political History of the Settlements and Trade of the Europeans in the East and West Indies*, translated by J. O. Justamond from the 1780 French edition, 8 vols., 4 (London: printed for W. Strahan and T. Cadell, 1783), 192-193. For the original French see G. T. Raynal, *Histoire philosophique et politique des établissements et du commerce des Européens dans les deux Indes (Tome I. Livres I-V)*, eds. Anthony Strugnell, et.al. (Paris: Centre International d’étude du XVIIIe Siècle and Ferney-Voltaire, 2010), 15.

27 Mendoza, *Histoire [...]* of China, 69-70.

28 Mendoza, *Histoire [...]* of China 12-13.



trade compared to that of the whole Europe: “The inland trade of China is so great, that the commerce of all Europe is not to be compar’d therewith; the princes like so many kingdoms, which communicate to each other their respective productions”<sup>29</sup>. Made during a period of rapid expansion of European trade, this bold assertion was repeated numerous times in popular compendiums<sup>30</sup>.

Philosophical sources differed in their assessment of the claim that China’s domestic trade was larger than Europe’s. Montesquieu believed the argument was irrelevant. In *De l’esprit des lois* (1748), he described the implications of European global expansion. He argued, “Europe has reached such a high degree of power that nothing in history is comparable to it”<sup>31</sup>. Immediately after claiming European power and dominance, he felt the need to challenge the relevance of Du Halde’s contention about the relative size of China’s domestic trade, indicating his view that the claim challenged European supremacy. He argued that China’s internal commerce might be larger than Europe’s but European foreign trade was, in fact, much greater<sup>32</sup>.

A fellow Frenchman, François Quesnay, vehemently contested Montesquieu’s view of China. In a section entitled “Commerce Viewed as Serving Agriculture” in *Le Despotisme de la Chine* (1767), Quesnay used China as a model to attack the belief that “nations must trade with foreigners in order to grow rich in money”<sup>33</sup>. He repeated Du Halde’s assertion that China’s internal trade was greater than Europe’s and that each Chinese province specialised in particular products, making commerce between them necessary. Opposed to the mercantilist view, Quesnay believed foreign commerce was injurious and served only to profit the merchant class. He could not find an example of a nation attached to foreign commerce and provided an example of prosperity. The Chinese system, according to the Physiocrat, represented the Natural Order and thus he praised their elevation of domestic trade above foreign commerce.

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29 J. B. Du Halde, *A description of the empire of China* 2 vols., 1 (London: printed by T. Gardner for Edward Cave, 1738), 334. Accurately translated from the original French see J. B. Du Halde, *Description géographique, historique, chronologique, politique, et physique de l’empire de la Chine*. 4 vols., 2 (La Haye: Chez P. G. Le Mercier, 1735), 169.

30 For instance a direct quotation can be found in *The Chinese Traveller*, 189; C. F. Lambert, *A Collection of curious Observations on the Manners, Customs, Usages, different Languages, Government* [...], 2 (London, 1750), 386.

31 C. L. de Secondat, Baron de Montesquieu, *The Spirit of the Laws*, eds. A. M. Cohler, B. C. Miller and H. S. Stone (Cambridge: Cambridge University Press, 1989), 393. Accurately translated from the original French see C. L. de Secondat, Baron de Montesquieu, *De l’esprit des lois* (Genève: Barillot et fils, 1748), 71.

32 Montesquieu, *The Spirit of the Laws*, 393. For the original French see Montesquieu, *De l’esprit des lois*, 71.

33 F. Quesnay, *Oeuvres Économiques et Philosophiques*, ed. Auguste Oncken (Paris: Jules Peelman and Co., 1888), 603. For the English translation see L. A. Maverick, *China a Model for Europe* (San Antonio: Paul Anderson Co., 1946), 208. Quesnay published *Despotisme de la Chine* in four consecutive editions of the journal *Ephémérides du Citoyen*.

Adam Smith, who had a great deal of respect for the French économiste, also believed China was uniquely situated for domestic commerce and disagreed with the mercantilist view of wealth, however he did believe in the benefits of foreign trade. Smith argued China's geography deterred it from foreign trade because its neighbors were not rich and

the great extent of the empire of China, the vast multitude of its inhabitants, the variety of climate, and consequently of productions in different provinces, and easy communication by means of water carriage between the greater part of them render the home market of that country of so great extent, as to be alone sufficient to support very great manufactures, and to admit of very considerable subdivisions of labour<sup>34</sup>.

Following Du Halde's and Quesnay's assertion that Chinese products were diversified, Smith argued that China had significant subdivisions of labor. From the Scottish philosopher this was a great compliment indeed, as he asserted in *The Wealth of Nations* (1776) that the division of labour was key to economic growth. However, Smith moderated the assessment of the size of China's domestic trade claiming it was "not much more inferior to the market of all the different countries of Europe put together"<sup>35</sup>. By the end of the eighteenth century with European commerce rapidly expanding, even the tempered claim that China's domestic market was near the size of all of Europe's and the view that China had significant subdivisions of labor from its internal commerce were both complimentary of the Chinese system.

Recognizing China's self-sufficiency did not mean abandoning hope for its engagement in an active international trade. Smith argued that "a more extensive foreign trade [...] could scarce fail to increase very much the manufactures of China, and to improve very much the productive powers of its manufacturing industry" as well as offering externalities such as extensive navigation, technology transfer and "other improvements of art and industry"<sup>36</sup>. It was possible to understand China's reasons and respect its ability to limit foreign trade, and still believe that a profitable trade was in its interest, and indeed was possible.

Primary authors, geographers and philosophers ruminated on China's unique reasons for restricting international trade, as well as its unusual ability to garner significant wealth from internal commerce. China offered a different model for growth that depended almost entirely on domestic consumption and production. European observers and commentators demonstrated a more complex understanding of Chinese policy than ignorant, arrogant isolationism, and they were not assured of the superiority of their own trade practices.

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<sup>34</sup> Smith, *Wealth of Nations*, 865-6.

<sup>35</sup> Smith, *Wealth of Nations*, 866.

<sup>36</sup> Ibid.

While Europeans attempted to understand and even, at times, appreciate China's restrictions on international trade, the policies of the Middle Kingdom also offered an opportunity to analyze European trade practices. Indeed, many observers maintained that the European system itself was at fault for limiting the China trade.

National rivalries, particularly between the Spanish, Portuguese, Dutch and English, led to competing European interests hindering advancements in East Asian trade. During the first half of the seventeenth century, the Dutch began to make their presence in East Asia felt. Unlike the Spanish and Portuguese, the Protestant Dutch (and later the English) were not as concerned with spreading Christianity, but focused their empires largely on commerce. The Dutch East India Company (VOC), formed in 1602, was in direct conflict with the Portuguese-declared monopoly of Asian trade. As such, the VOC was given authority to "wage defensive war, negotiate treaties of peace and alliance in the name of the States General, and build fortresses"<sup>37</sup>. This led to several VOC attacks on the Portuguese establishment at Macao. Ultimately, the Dutch gained a monopoly in the Japan trade and increased their presence in East Asia throughout the seventeenth century. By 1685, with the opening of Canton to foreign trade, the English began to assert their standing in the China trade. The divided London and English East India companies formally united in 1708 giving the British a strong position in the East Indian trade.

The descriptions of European observers reveal the nationalism involved in international trade with China – and the East Indies in general. In the seventeenth century Johan Nieuhof, a VOC purser of a Dutch embassy to China, publicized the tension between the Dutch and the Portuguese in the Far East. He argued his mission to negotiate a free trade with the Chinese government was doomed from that start because the Portuguese at Macao and the Portuguese Jesuits in Peking had portrayed the Dutch as people dwellers without a country who "got their livings by stealth and piracy"<sup>38</sup>. Raynal repeated these descriptions in the eighteenth century, reminding his readers how in 1607 the Dutch tried to open up the China trade but "The Portuguese found means, by bribery, and the intrigues of their missionaries, to get the Hollanders excluded"<sup>39</sup>. It became evident to European commentators, through these sources, that conflicts between European countries greatly affected trading relationships with China.

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37 Lach and Van Kley, *Asia in the Making of Europe*, 45.

38 J. Nieuhof, *An Embassy from the East-India Company of the United Provinces*, trans. John Ogilby (London: Printed by the author at his house in White Friars, 1673<sup>2</sup>), 154.

39 Raynal and Diderot, *A Philosophical and Political History*, Vol. 1, 246. For the original French see Raynal, *Histoire philosophique et politique*, 160.

England expressed similar frustrations over conflicts with the Portuguese and the Dutch. Direct conflicts such as the 1623 Amboyna massacre of twenty men, ten of whom were members of the British East India Company, by agents of the VOC undoubtedly contributed to the tone of tracts on the China trade. The national competitiveness led to a mistrust of information circulating on the China trade: “The difficulty of trading with the Chinese in their own Country, is not so difficult as the Portingals and Hollanders would perswade the World for their own advantage”<sup>40</sup>. The anonymous author of this tract on the East India Company argued that, despite the hindrances by the Portuguese, the English have traded in Canton with great success.

Over the course of the eighteenth century, national rivalries were less prominent explanations for the inability to establish a flourishing China trade. European commentators began to argue the largest problem on the European side of the trade was not the competition between countries, but rather the lack of competition between companies, and the inability of any one European power to impose a monopoly over the trade of China against rivals. This was a result of the rising power of the European East India companies. The debate over the impact of chartered companies and monopolies in the China trade featured prominently in eighteenth century British popular sources, where many argued against the monopolies and for the rights of individual merchants. For instance, a letter addressed to the Aldermen of the City of London in 1754 attacked the claim that free merchants did not have the ability to carry on the East India trade in the same manner as the East India Company. The anonymous author argued that “every one knows, that the trade to China may be carried on from Britain directly, as it is from Sweden, and that, without a Company the same may be done from all other parts”<sup>41</sup>. The high level of country trade (local trade that took place in the East Indies) conducted by free merchants indicated their ability to be successful and “they do not ruin themselves, nor do they lose the trade, or give away all the profits to the natives”<sup>42</sup>.

In contrast to the idea that China was solely responsible for limiting the number of ports where international trade could be conducted, some believed this was a decision made by European East India companies. Joshua Gee, an English merchant, argued that the English East India Company was at fault for limiting the China trade, and in particular, the number of ports at which international trade was conducted. He believed that although the sales of British woollen goods would be higher in the colder, northern Chinese provinces, the

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40 Unknown Author, *The East-India trade* [n. p.] [1641?] (The Making of the Modern World, Thomson Gale, University of London Research Library Services), 8.

41 *Letters relating to the East India Company* [...] (London: Printed for W. Owen, 1754), 24. This work has been attributed to John Campbell.

42 *A Third Collection of scarce and valuable Tracts, on the most interesting and entertaining subjects* [...], 4 vols., 3 (London: Printed for F. Cogan, 1751). 212.

English captains chose to stay at Canton. According to Gee, private traders knew better: “But when private traders had liberty to go to China, they were of another opinion; they went to those places where they could get most money”<sup>43</sup>. Indeed, in reality, the East India companies hindered the China trade. E.H. Pritchard points out that the English abandoned their factories at the ports of Amoy and Chusan in 1707 and 1710 respectively because of the favorable possibilities of trade at Canton. This was well before the 1757 official Chinese restriction of foreign trade to Canton<sup>44</sup>. A popular dictionary of trade in the eighteenth century described the “inducement which the European merchants have to frequent Canton” in comparison to Amoy, namely that whole fleets “may be freighted in a short time there, and are not in danger of being delayed til the monsoon sets in [...]”<sup>45</sup>. By 1740, the British met with a solid monopoly in Canton, the Hong Merchants (a small group of elite merchants who dominated the entire Canton trade). By 1762, to combat the strength of the Hong monopoly, the English East India Company created one unified council to regulate all of its ships. Thus the trade was a dual monopoly where the interests of both China and Britain were represented, and vehemently defended.

Enlightenment philosophers, especially those of the Scottish Enlightenment, devoted a great deal of time to analyzing the distorting nature of these chartered companies. David Hume was one of the first prominent scholars to point out those European actions that hindered the China trade (particularly as expressed by the varying prices in gold and silver): “Thus the immense distance of China, together with the monopolies of our India companies, obstructing the communication, preserve in Europe the gold and silver, especially the latter, in much greater plenty than they are found in that kingdom”<sup>46</sup>. Later, Adam Smith also pointed to the negative impact of the monopolistic system. If, as he argued, “rich and civilized nations can always exchange to a much greater value with one another than with savages and barbarians”, he had to explain how Europe has “derived much less advantage from its commerce with the East Indies from that with America”. To answer this puzzle he did not turn to descriptions of

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43 J. Gee, *The Trade and Navigation of Great Britain considered [...] A new edition [...] by a merchant* (London: printed for J. Almon, 1767), 61; A. Dalrymple, *A Plan for extending the Commerce of this Kingdom, and of the East-India-Company* (London: printed for the author, 1769), 7 also describes the high demand for wool in China but being limited by the trade at Canton, which was further away from the cold areas of the empire.

44 E. H. Pritchard, *The Crucial Years of Early Anglo-Chinese Relations, 1750-1800* (1936), reprinted in *Britain and the China Trade, 1635-1842*, ed. P. Tuck, 10 vols., 5 (London-New York: Routledge, 1999), 114.

45 R. Rolt, *A New Dictionary of Trade and Commerce, compiled from the Information of the most eminent Merchants, and from the works of the best writers* (London: printed for T. Osborne, J. Shipton, et. al., 1756), 130.

46 D. Hume, “Of the Balance of Trade”, in *Essays Moral, Political, Literary*, ed. E. F. Miller, with an appendix of variant readings from the 1889 edition by T. H. Green and T. H. Grose, revised edition (Indianapolis: Liberty Fund, 1987).

isolationism, but rather blamed the fact that the “Portuguese monopolized the East India trade to themselves for about a century” and when the Dutch began in the seventeenth century to expand in that area, “they vested their whole East India commerce in an exclusive company”. He continued on:

The English, French, Swedes, and Danes have all followed their example, so that no great nation in Europe has ever yet had the benefit of a free commerce to the East Indies. No other reason need be assigned why it has never been so advantageous as the trade to America, which, between almost every nation of Europe and its own colonies, is free to all its subjects<sup>47</sup>.

While Smith recognized the Chinese reasons for restricting foreign trade, he also attributed some of the blame to the European system of national monopolies.

European observers and commentators recognized the European policies that hindered the China trade, particularly the influence of national rivalries and the existence of competing monopolies. The China trade was used to reflect on the flaws in their own theories and policies. Europeans did not assume their foreign trade practices were superlative. Smith believed China would improve if it expanded its foreign trade. However, he also argued European countries would grow if they revised their own trade practices.

#### IV. POWER DYNAMICS IN THE CHINA TRADE

Although the primary sources, geographers and philosophers attempted to understand the limitations of the China trade (both from the Chinese and European perspectives), they were also aware that some international trade did exist. In this trade China maintained a strong position and Europeans debated whether this commerce hindered or helped expand the wealth of their own countries.

From knowledge of active Chinese encouragement of foreign trade, to the numerous ways in which Europeans and Chinese merchants could exchange goods without formal permissions, Europeans of the Enlightenment realized that while China restricted its trade, the country it was never completely isolated. During the Ming Dynasty, European sources described how some foreign trade with China occurred under the guise of tribute, a context that gave the Chinese a dominant position in the relationship<sup>48</sup>. However, the Europeans sent few missions to the court of China, and the missions that were sent did not submit to tributary status. There was also an understanding that policies did not always dictate reality and subterfuge trade existed. For instance, Richard

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<sup>47</sup> Smith, *Wealth of Nations*, 564.

<sup>48</sup> For instance see O. Dapper, *Atlas Chinensis*, trans. John Ogilby (London, 1671), 2. Note the title page misattributes this work to Arnoldus Montanus, whose text on Japan was published by Ogilby the previous year. Dapper's work was a second edition to Nieuhof's account of the Dutch East India Company embassy to China.

Rolt in a dictionary on trade and commerce noted “the exportation of gold is prohibited in China; but the magistrates, notwithstanding, will privately sell it to the Europeans”<sup>49</sup>. Finally, primary reports indicated the Chinese took part in country trade<sup>50</sup>.

With the transition from the Ming to Qing Dynasty in 1644, primary sources of information reported China’s active encouragement of international trade. The Jesuit Louis Le Comte’s *Nouveaux Mémoires* (1696) was one of the first sources to explain the effect that dynastic change had on the China trade. He described the tenth “principle maxim” of Qing policy “to encourage trade as much as possible thro’ the whole empire [... and] to increase commerce, foreigners have been permitted to come into the ports of China, a thing till lately never known”<sup>51</sup>. In the eighteenth century, Du Halde reiterated these changes in Chinese policy and pointed out that the ports had been opened to all nations, though adding the qualifications that it was only the port of Canton that is open to Europeans, and then only at certain times of the year, and even then they must anchor outside the port<sup>52</sup>. In spite of these limitations, a belief remained that China still offered opportunities for trade. The secular primary authors also described China’s active encouragement of foreign trade. For instance, a description of Laurence Lange’s envoy to China in 1717 published in John Green’s *A New General Collection of Voyages* (1745-7) claimed the Kang-Hsi Emperor gave money from his own treasury to encourage Chinese merchants to trade with the visiting Russians. He also reported that when the Russians could not find vent for their goods the Emperor removed duties on trade, which cost him 20, 000 ounces of silver<sup>53</sup>. Thus, Europeans were aware of the trade that existed and of the changes in the Chinese policy.

Whether the China trade was beneficial to European countries, however, was a more contentious topic. From 1699 to 1751 an estimated ninety percent of British exports to China was silver<sup>54</sup>. In exchange for the silver, the English primarily

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49 Rolt, *A New Dictionary*, 130.

50 L. Le Comte, *Memoirs and Observations typographical, physical, mathematical, mechanical, natural, civil, and ecclesiastical, made in a late Journey through the Empire of China [...]*, translated from the Paris edition (London: Printed for B. Tooke and Sam Buckley, 1697), 290. Accurately translated from the original French see L. Le Comte, *Nouveaux mémoires sur l’état présent de la Chine*, 2 vols., 2 (Paris: Chez Jean Anisson, 1697<sup>2</sup>), 74; Thomas Salmon’s reiterated this point in the eighteenth century, describing how the Chinese carried merchandise within the Indian seas, particularly to India, Japan, the Philippines, and Java, where they then trade with Europeans. Salmon, 461.

51 Le Comte, *Memoirs and observations*, 290. For the original French see Le Comte, *Nouveaux mémoires*, Vol. 2, 73.

52 Du Halde, *A Description of the Empire of China*, Vol. 1, 335. For the original French see Du Halde, *Description géographique*, Vol. 2, 173.

53 Astley and Green, *A New General Collection of Voyages and Travels*, Vol. 4, 579.

54 H. B. Morse, *Chronicles of the East India Company Trading to China, 1635-1834*, 4 vols., 1 (Oxford: Clarendon Press, 1926-29), 307-313.

received luxury goods from China such as porcelain, silk and tea<sup>55</sup>. The China trade was large enough that it enabled the development of a *chinoiserie* trend in Europe, and caused some concern over the balance of trade<sup>56</sup>. Though antithetical to the idea that China was isolating itself from significant European trade, the commerce with China occasioned debate over the implications of the massive influx of Chinese luxury goods in exchange for European precious metals.

Before the sea route to East Asia was sufficiently opened to expand the China trade in the seventeenth century, there was little discussion about the balance of trade. For instance, in the sixteenth century, Mendoza did not express concern about the influx of goods from China, but this is not surprising as the significant flow of goods from China was yet to begin, and there was still hope that China would begin to accept European manufactured goods (not just silver). However, as trade increased, the debate over balance of trade intensified and by the seventeenth century, foreign trade was an extremely divisive topic. The group referred to as the mercantilists were diverse and the common traits that bind them historiographically are disputed<sup>57</sup>. A sub-category of mercantilists labeled “bullionists” viewed the outward flow of silver in terms of the export of wealth (an idea that originated in earlier Spanish debates).

The varying views of the intrinsic value of money fundamentally shaped the balance of trade debate. Revisionist economic historians argue that silver should be regarded as a commodity rather than ‘money’. Many primary authors and Enlightenment geographers and philosophers agreed with this perspective and recognized the arbitrage profits from the silver trade to China. Thomas Astley’s popular travel collection described how Europe’s increasing trade with China led to goods such as “cloths, crystals, swords, clocks, striking-watches, repeating-clocks, telescopes, looking-glasses, etc” becoming “as cheap as in Europe [...] so that at present there is no trading to Advantage with any-thing but Silver in China; where considerable profit may be made by purchasing gold, which is a commodity there”<sup>58</sup>.

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55 H. Furber, *Rival Empires of Trade in the Orient, 1600-1800*, 2 vols., 2 (Minnesota: University of Minnesota Press, 1976), 127 and 175.

56 The extent to which China was isolated is debated by a group of global economic historians deemed “Eurocentrists” such as E. L. Jones, *The European Miracle* (Cambridge: Cambridge University Press, 1981) and D. Landes, *The Wealth and Poverty of Nations* (New York: W. W. Norton and Co., 1998) who maintain that China turned inwards; and “revisionists”, such as J. M. Blaut, *Eight Eurocentric Historians* (New York: The Guilford Press, 2000), who admits that the Chinese government discouraged, and at times prohibited, oceanic trade, but nonetheless argues an intense level of trade occurred in spite of these restrictions.

57 See D. C. Coleman, “Mercantilism Revisited”, *The Historical Journal*, 23 (1980): 773-791 for a review of the historiographical problems surrounding the study of mercantilism. E. F. Heckscher, *Mercantilism*, ed. E. F. Söderlund, 2 vols. (London: George Allen and Unwin, 1955<sup>2</sup>).

58 Astley and Green, *A New General Collection of Voyages and Travels*, 4 vols., 125. The same argument was made in *The modern part of an universal history* [...], 44 vols., 8 (London: Printed for S. Richardson, et. al., 1759), 238.



The drainage of specie to China did not concern Adam Smith, as the staunch anti-mercantilist viewed silver as a commodity. He argued that there were two consequences of the annual exportation of silver to the East Indies: the first was that plate was somewhat more expensive in Europe, and the second that coined silver rose in value. However, Smith maintained that these consequences were “too insignificant to deserve any part of the public attention”<sup>59</sup>. Not all philosophers agreed. In 1732 Richard Cantillon, an Irish author, argued for maintaining a favorable balance of trade, which to him meant exporting manufactured products<sup>60</sup>. He believed the East India trade was profitable to the Dutch Republic, at the expense of the rest of Europe, because the Dutch traded the Eastern goods to Germany, Italy, Spain and the new World in return for money, which they sent to the Indies to buy more goods. While his view on the balance of trade slowly lost currency, Cantillon was an early observer of the global dimensions of the trade network and the place of the East India trade within it<sup>61</sup>.

Popular geographies also identified the importance of China in global trade. For instance, a geography by Joseph Randall, a schoolteacher and agriculturalist, published in 1743 demonstrated awareness that trade was not bilateral and deficits should not be considered in isolation of the global system. Describing the East Indies trade, he argued British exports to China, India and Persia, which included bullion, clothes and several other items were exchanged for goods such as china-ware, tea, and cabinets “of which, ‘tis supposed, as much is re-exported to foreign nations, as repays all the bullion carried to these places, and a considerable balance besides”<sup>62</sup>. Discussion of global trading linkages reveals the integral part that China had in the international trade system. In this sense, Eurocentrism and Sinocentrism both misrepresent the diversity of European worldviews in the eighteenth century, where many contemplated the multiple poles involved in global trade.

Over the course of the eighteenth century, as the support for mercantilism waned, there was less concern over the negative balance of trade with China. Although China sold European luxury goods in exchange for precious metals, the trade was recognized as part of a larger system of global commerce. Views of the China trade were not stagnant over the early modern period. European observers also understood that China’s trade policy changed and the Middle Kingdom was not as absolutely chained to their ancient maxims as previously supposed. The actual trade reflected an image of China as powerful and not entirely inflexible.

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59 Smith, *Wealth of Nations*, 565.

60 R. Cantillon, *Essai sur la Nature du Commerce en Général*, ed. and transl. H. Higgs, C. B. Reissued for The Royal Economic Society by Frank Cass and Co., LTD. (London, 1959), Part III, Chapter I: ‘Of Foreign Trade’.

61 Montesquieu also described the global trade system that connected the Americas, Asia, Africa and Europe. Montesquieu, *The Spirit of the Laws*, 392. For the original French see Montesquieu, *De l’esprit des lois*, 71.

62 J. Randall, *A System of Geography; or, a Dissertation on the Creation and various Phenomena of the Terraqueous Globe [...]* (London: printed for J. Lord, 1744), 344.

## VI. CONCLUSION

By the end of the eighteenth century Europeans were still looking for solutions to expand the China trade. Alexander Dalrymple – a Scottish born East India Company traveler and researcher who spent time in Canton tirelessly trying to develop a more open international commerce – argued in 1769 that the China trade should be moved from Canton to Balambangan Island, near Borneo, where the duties would be less and trade would be freer. He pointed out this was also in the interest of the Chinese merchants who could be freed from the Hong Merchants, whom they had to pay to preserve their privileges<sup>63</sup>. In a neutral land, *both* the British and Chinese merchants would benefit from independence from their respective governments. This perspective allies the interests of the British and Chinese governments against British and Chinese merchants. Dalrymple's suggestion reflects how the linear story of Europeans entering the modern world with Smith's advocacy of the free market while the Chinese stagnated due to isolationism, fails to capture the nuanced views and various agendas of eighteenth century observers.

The comments in geographical, philosophical and primary works available in Europe indicate a well-rounded and complex understanding of China's policy towards foreign trade. First, there was an appreciation of China's motivations and unique ability to focus inward and rely on internal markets throughout the seventeenth and eighteenth centuries. Second, the problems contributing to the difficult trade relationship were not always seen as stemming from the Chinese. National rivalries and the monopolistic system of the European trading companies were deemed hindering forces on the European side. Finally, there was awareness of actual trade and of active Chinese encouragement of foreign trade, as well as knowledge that China's formal policy did not always dictate reality. The debate over the balance of trade with China reveals an understanding of the multiple poles involved in global commerce. The narrative of Chinese isolation was not a post-Enlightenment construction; however, it reflects only part of a wider context of the early modern discussion on the China trade that points to European commentators and observers who understood China's unique capacity to gain wealth from domestic trade; who did not assume the superiority of their trading policies; and who recognized China's integral place in the early modern world.

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<sup>63</sup> Alexander Dalrymple, *A Full and Clear Proof that the Spaniards can have no Claim to Balambangan* (London: J. Nourse, 1774), 13-16 and 96.