

Canton system vs. treaty port system



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According to an article at [www. evrything2. com](http://www.everything2.com), the Canton System was a system of trade between China and Britain. Canton is the westernized name for the city of Guangzhou which was the city through which all (legal) transactions were made. The British East India Company, which had a monopoly on trade from Britain, wanted tea from China which was the largest export from Canton whose value amounted to 3. 6 million pound sterlings by 1800..

Because the Chinese were not interested in any of the manufactured goods that Britain could provide, the British payed mostly in silver and silk. It really pissed off the Brits that the scale was tipped in China's favor, and they needed a solution to this problem. The balance of trade was always unfavourable to Britain until the British found their opium import into China. On the Chinese side, the monopoly of trade resided in a small group of merchants known as the hong merchants.

In 1720 they formed themselves into a monopolistic guild known as the Cohong with the function of regulating prices and strengthening their position in the dealing with Chinese government authorities and foreign merchants. In 1760 this system was officially recognised and the Canton authorities had set up the security merchant system. It was instituted that every foreign ship had to find one hong merchant to assume responsibility for its conduct and duties. A foreign ship had to obtain a permit and a pilot in Macao before it entered the Bogue.

The ship then set sail and anchored at Whampoa where the business transactions were done through the hong merchants. The ship had also to

pay some specified duties and charges such as the ship measurement duty, the cumsha (present), the charge for the pilotage, and the fees for the comprador and linguist. After the unloading and reloading (if any) of goods, the ship had to obtain a port clearance (ch'uan. p'ai) in order to depart from Canton. In an article from www.exeas.org.

org, few of the new British traders were willing to endure the rules and restrictions of the Canton System. Yet the Chinese remained adhorrent to changes. The free traders were then determined to tear down the undesirable Canton System and to strike away the outmoded tribute diplomacy of China, thus, they started the Opium Trade which started the Opium War. Thus, when China lost to the Western powers, in order to change the framework of the existing foreign trade, the Canton system was abolished and the Treaty Port system was set into motion.

Through this system, the Chinese government lost the right to set its own tariffs, had to extend extraterritoriality to foreign residents of China, paid large indemnities, and granted the most-favored-nation clause to all treaty signatories. This last treaty right made it impossible for China to negotiate individual terms with individual countries: the clause demanded any right gained by one signatory be extended to all treaty signatories; consequently, China found it could not escape the weight of the unequal treaty system.

While the brunt of the treaties was in the economic realm, they also affected the social realm; the treaties established missionary rights, setting the stage for cultural imperialism. China was not able to escape semi-colonial status until the mid-20 th century. Economic and cultural imperialism brought gains

to treaty signatories but fueled hostility toward foreigners and stoked nationalist sentiment on the part of the Chinese population.