

THE COLONIES AND CHINA: EARLY SEA TRADE AND THE PLIGHTS OF MARINERS

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This paper provides an overview of foundational aspects of commercial and business relations between people in the Australian colonies and people in China in the nineteenth century. The historical background is discussed and the initial attempts at regularisation through legislation enacted by the federal Parliament of Australia are noted. A specific case before the colonial Supreme Court of Van Diemen's Land, Wright v Kramer 1843 is examined in order to illustrate commercial, legal and personal problems encountered by mariners on cargo vessels plying between the Australian colonies and China.

I INTRODUCTION

The development of commercial relations between Australia and China is an important aspect of this country's current international trade. Consideration of some of the foundations underpinning the early commercial ventures enhances understanding of the nature of contemporary trade between Australia and China. By opening windows on events of the past a wider appreciation of the present can be achieved. This paper addresses the following topics:

- 1 Maritime skills of the Chinese people
- 2 Promulgation attributed to Emperor Qianlong
- 3 First steps in forging a market in China for Australian goods
- 4 *Wright v Kramer* (1843) the case of a disappointed mariner
- 5 Australian legislation regularising imports and exports

II MARITIME SKILLS OF THE CHINESE PEOPLE

The sea-faring skills of the Chinese people are of importance in considering the contribution to business activities of the Chinese in Australia because it emphasises

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a critical factor in international commercial activities: the transportation of goods by sea. Without the essential expertise for shipping goods from one port to another, inter-trade does not occur. Consequently, importation and exportation would be at a standstill. The Chinese maritime abilities, then, reveal the essential trading tool; the capacity to travel and exchange goods.

There is evidence that the nautical acumen of the Chinese people goes back a long way in time¹, and developed over centuries. For example, archaeological evidence indicates the existence of a functioning shipyard in Canton (Guangzhou) dating back probably to the Chin dynasty². This, in itself, is testimony to essential trading skills such as the creativity and imagination required to envision new products, the ability to produce the products, the inherent courage essential for the exploration of marketability and the self-confidence mandatory for the actual marketing.

The Chinese sea-trading vessels were not small. For example, Liu Wei-p'ing's (1970)³ investigation of the background of Chinese mercantile ventures, reveals Marco Polo's mention of China's ocean-going ships of the 13th century: these required "at least 200 mariners, some of them 300". The precious cargo such vessels carried on the high seas included spices, in particular, pepper. One ship alone could carry between 5,000 and 6,000 baskets of pepper⁴.

Such maritime skills, therefore, meant that the Chinese had the necessary background of adventure and expertise to enable them to sail across the seas to the Australian colonies in search of business opportunities.

III PROMULGATION ATTRIBUTED TO EMPEROR QIANLONG

The Chinese people were not without understanding of the superb quality of their own goods. An example of self-confidence in their marketable products is revealed in the Promulgation attributed to Emperor Qianlong in an address to George III of England:

Our celestial Empire possesses all the things in abundance and lacks no products within its borders. There is therefore no need to import the manufactures of outside barbarians in exchange for our own produce. But as tea, silk and porcelain which the Celestial Empire produces are absolute necessities to European nations and to

¹ Shirley Fitzgerald(1996), *Red Tape Gold Scissors – the Story of Sydney's Chinese*, (Sydney, State Library of NSW), 11.

² Unattributed author article(1978), 'Maritime Archeology in China: a 2000 year old shipyard,' *The Great Circle*, Inaugural Newsletter, October 1978, 38 – 39.

³ Liu Wei-p'ing(1970), 'A study of early Chinese contacts with Australia', *Proceedings of the International Conference on Sinology, Sydney*, 1970, 141.

⁴ Liu Wei-p'ing(1970), 'A study of early Chinese Contacts with Australia' *Proceedings of the International Conference on Sinology, Sydney*, 1970, 141.

yourselves, we have permitted as a signal mark of favour, foreign hongs to be established at Canton.⁵

Whether in consequence of this attributed Promulgation or not, it is a fact that from 1757 Canton was the only port in the Chinese Empire where foreigners could trade⁶.

While so-termed foreigners may well have been the ones who bought Chinese goods from the foreign traders, the profits from the sale of Chinese goods went to the Chinese. The foreign trader became a 'middle man' in the commercial transaction: Chinese goods were bought from Chinese sellers and on-sold by the foreign trader to buyers in Canton. The goods were then shipped to foreign countries. Thus, the supremacist attitude towards Chinese goods revealed in Emperor Qianlong's Promulgation of 1757 can be seen to have established a retail stream for Chinese goods outside of China.

IV FIRST STEPS IN FORGING A MARKET IN CHINA FOR AUSTRALIAN GOODS

It could be that the self-sufficiency of China and apparent preference for Chinese goods over foreign goods posed a barrier in the development of commercial links between Australia and China. For example, a letter written by Messrs Jardine, Matheson and Co, an eminent firm in Hong Kong, to Messrs Beck of Adelaide reveals the difficulty for the Australian colonies to co-opt China as a trading partner in the mid 1840's. Dated 16 January 1845, the letter was published in the *Courier*(Hobart) of 14 June 1845. It apparently came in response to enquiries by Australian agents desirous of finding an export market for Australian goods in China. The letter indicated that the Chinese did not want to import goods from *Australia Felix*. Messrs Jardine, Matheson and Co advised that:

The inhabitants of this country(that is, China) make no use of any article eatable or drinkable of European preparation or growth, and their prejudices in favour of everything Chinese are so strong and have now withstood the test of so many years, that we may term them insurmountable, or very nearly so. We understand that parties in your colonies propose sending wool to China but trust we are misinformed as loss would be inevitable.⁷

Such may well have been the climate for Australian goods in China in 1845. However, what the writers of the letter did not understand was that *Australia Felix*

⁵ Shirley Fitzgerald(1996), *Red Tape Gold Scissors – the Story of Sydney's Chinese*, (Sydney, State Library of NSW), relying on H. T. Fry(1978)'Cathay and the West Thither' in G. Martine(ed), *The Founding of Australia: The Arguments about Australia's Origins*, (Sydney: Hale and Ironmonger), 13.

⁶ Shirley Fitzgerald(1996), *Red Tape Gold Scissors – the Story of Sydney's Chinese*, (Sydney, State Library of NSW), 13.

⁷ *Courier*(Hobart Town), 14 June 1845, 4, reprinting from *Port Phillip Herald*, 27 May 1845.

was less a part of Europe than Asia geographically, and with the passage of time it would be perceived as such by both Australia and China.

Prior to World War I, Australia's exports to the United Kingdom were constantly decreasing because of smaller purchases by the United Kingdom and direct shipping to consuming European countries instead of shipping to London for redistribution⁸. Ultimately, with the change in perception that Australia had more in common with Asia than the United Kingdom and Europe, the attitude of China and the Chinese to Australian wares, and vice versa, would culminate in the mutual acceptance of each other's products and more firmly cement the commercial alliance between the two countries.

Initially, however, the trading relationship was mainly unilateral, with the British convict-based population in the Australian colonies seeking Chinese goods, in particular, the beverage, tea, just as Emperor Qianlong had observed in the attributed Promulgation of 1757. From 1788, after the British convict ships deposited their convict cargo in Sydney, and from 1804 Hobart Town, they regularly sailed for Canton to take on cargoes of tea.⁹

Captain T. B. Simpson, a seafarer trading between Sydney and China from 1839 to 1853 in a letter written from Shanghai to his wife Martha, explained that he had bartered a shipment of Australian sandalwood with a Chinese trader in exchange for tea¹⁰. Whether bartering was a typical business methodology used between Chinese and foreign traders is not clear, however it does show that Chinese traders in Shanghai, at least, were happy to accept Australian sandalwood in exchange for tea.

V *WRIGHT V KRAMER*¹¹, THE CASE OF A DISAPPOINTED MARINER

The case of *Wright v Kramer*¹², brought before the Supreme Court of Van Diemen's Land in September 1843, is illustrative of the employment problems besieging mariners on cargo vessels plying between the Australian colonies and China.

⁸ *Official Year Book of the Commonwealth of Australia, 1901 – 1918*, Commonwealth Bureau of Census and Statistics, 570.

⁹ Eric Rolls(1992), *Sojourners*, (St Lucia, Queensland: University of Queensland Press), 17.

¹⁰ Shirley Fitzgerald(1996) *Red Tape Gold Scissors – the story of Sydney's Chinese*, (Sydney, State Library of NSW), @ 15 relying on Rhys Richards(1986) 'The easternmost route to China and the Robertson Aikman Charts' in *The Great Circle*, Vol 8, No 1, April 1986, 54 – 60.

¹¹ *Wright v Kramer*, Supreme Court of Van Diemen's Land, 13 September 1843, *Hobart Town Advertiser*, and *Hobart Town Courier*, 15 September 1843 and Bruce Kercher and Stefan Petrow(eds) , *Decisions of the Nineteenth Century Tasmanian Supreme Court*, Division of Law, Macquarie University and School of History and Classics, University of Tasmania, <http://www.law.mq.edu.au/sctas/html/1843cases> Accessed 10/02/2011.

The action was brought by the plaintiff, Captain Wright, to recover the sum of 146 pounds 12 shillings and 8 pence¹³, being for work and labour performed and payments made on behalf of the defendant, Mr Kramer. The ship involved was the barque *Caroline* which sailed from Hobart Town on 5th November, 1842, bound for China with a load of sandalwood.

The owner of the vessel was Dr Baker who initially sailed with the vessel on this voyage from Hobart Town. Not being a mariner himself, Dr Baker entered into an employment arrangement with the plaintiff, Captain Wright, as sailing master, with a salary of 14 shillings per month. Strangely enough, the defendant, Mr Kramer, was not only a passenger on the *Caroline* on this particular voyage, but was also the mortgagee for a sum of money advanced by him to Dr Baker. The money advanced was secured by a mortgage over the vessel *Caroline*.

Unfortunately, Dr Baker met with an accident with a firearm just a short time out of the port of Hobart Town. Dr Baker was seriously injured and subsequently died on board. The *Caroline* put in to Port Jackson, near Sydney and buried Dr Baker. The vessel then continued to Macao, China, with the cargo of sandalwood, arriving there on 17th January 1843.

Captain Wright continued as sailing master, and expended various moneys on the voyage. For example, he advanced 2 dollars each to the nine crew men, paid the labourers who worked for a fortnight to unload the vessel and paid the pilot in Macao. He was not in a position to pay any further money to the crew so he consulted Mr Kramer. The latter then promised the crew 1 pound each if they promised to unload the vessel at Whampoa.

Captain Wright had relied on profit from the sale of the cargo to meet his wages and to secure the refund of the amounts he had advanced to pay the crew, the pilot and the labourers. In turn, Mr Kramer clearly had hoped that the sale of the sandalwood would yield sufficient money to meet the sum due under the mortgage due to Dr Baker.

Alas! The sale of the sandalwood produced a shortfall of 1,200 pounds short of the mortgage moneys due. Captain Wright was upset and wrote a note to Mr Kramer, advising him to sell the *Caroline*.

¹² *Wright v Kramer*, Supreme Court of Van Diemen's Land, 13 September 1843, *Hobart Town Advertiser*, and *Hobart Town Courier*, 15 September 1843 and Bruce Kercher and Stefan Petrow(eds) , *Decisions of the Nineteenth Century Tasmanian Supreme Court*, Division of Law, Macquarie University and School of History and Classics, University of Tasmania, <http://www.law.mq.edu.au/sctas/html/1843cases> Accessed 10/02/2011.

¹³ In the report of the case, currencies alternate between pounds, shillings and pence and dollars.

In the meantime, the *Caroline* took on more freight and sailed to Canton. While there, Mr Kramer ordered the sale of the vessel.

It was at this juncture that certain relevant conversations took place between Captain Wright and Mr Kramer. Remember that Captain Wright was merely an employee of the late Dr Baker and had no proprietary interest in the vessel.

Mr Kramer offered Captain Wright the option of purchasing the vessel for 1,000 pounds that is 200 pounds less than the current amount owing under the mortgage.

It appears that the Captain could not find the money to accept the offer. But, in a further conversation, Mr Kramer requested from the Captain a detailed invoice of the moneys due to him as wages as sailing master and for refund of the other amounts he had expended on behalf of the ship. Captain Wright duly supplied this invoice.

It is not clear as to precisely when Mr Kramer formally entered into possession of the vessel as mortgagee, but it seems that it was about this time. Certainly, Mr Kramer had no further dealings with Captain Wright and indeed, he replaced Captain Wright with a Captain Clark as sailing master for the return voyage to Hobart Town.

The *Caroline* then sailed home for Hobart Town, with Captain Wright as a passenger, on 9th March 1843.

In the proceedings before Chief Justice Pedder in the Supreme Court of Van Diemen's Land, Captain Wright provided a witness, Mr Burns of the firm Burns and White, to give evidence regarding the procedure for payment of work in the course of a cargo voyage. For example, Mr Burns testified that labourers were paid 20 dollars per day to discharge cargo and pilotage fees for a vessel such as the *Caroline* were 100 dollars. It was usual practice that the Master of a vessel gave the agent an order to pay pilotage fees, and if there was no agent, the Master paid the pilotage fees himself.

Captain Wright's Declaration setting forth the amount he claimed for work and labour performed was duly received and not disputed by the Court.

The Court heard from Mr Kramer's Counsel that throughout the voyage to China with the sandalwood cargo, Mr Kramer had not given any instructions to Captain Wright whatsoever regarding the voyage. Further, immediately upon formally becoming the mortgagee in possession, Mr Kramer had appointed a new master for the return voyage.

An Act of the English Parliament established that a mortgagee not in possession is not liable for the expenses of the vessel nor wages of the crew. This law had been accepted into the law of Van Diemen's Land by an Act of Council.

In Captain Wright's favour the entirety of the conversations between himself and Mr Kramer were led in evidence. Possibly, it was hoped that these conversations established some sort of work relationship between Captain Wright and Mr Kramer, justifying what we would call a '*quantum meruit*' that is, a claim for the reasonable value of services rendered.

However, the Court applied the strict law of contract as then obtaining. Consequently, Captain Wright was non-suited. He could not seek redress from Mr Kramer, the Court said, because there was no privity of contract between himself and Mr Kramer. It will be remembered that Captain Wright had been appointed by the now-deceased Dr Baker.

This case is a sad saga. The Captain's expertise at sea had taken the *Caroline* and her cargo of sandalwood safely to China. Yet his acumen in the maritime industry and his loyalty to the ship offered no assistance when confronted with the law then applying. This was before the days of protective employment legislation and trade union activity.

VI AUSTRALIAN LEGISLATION REGULARISING IMPORTS AND EXPORTS

Upon the coming into being of the Commonwealth of Australia in 1901, the federal Parliament legislated to regularise the importation and exportation of goods. The power to do so rests in s90 of the *Commonwealth of Australia Constitution Act*(Imp) 1900. Particularly relevant early legislation for commerce between Australia and China included the *Customs Act* (Cth)1901, the *Customs Tariff Act* (Cth)1902 , the *Sea Carriage of Goods Act* (Cth) 1904 and the *Commerce (Trade Descriptions) Act* (Cth) 1905.

The *Customs Act* (Cth)1901 came into operation on 4 October 1901 and it established essential administrative matters regarding customs such as where customs duties were to be paid. However, this Act did not determine the actual rates of customs. Thus customs rates were not uniform between states. Consequently, it is not beyond the bounds of imagination that mariners elected to enter and off-load cargo at the port of a state which set the most favourable customs duties. This situation, however, did not continue for long: the *Customs Tariff Act* (Cth)1902 came into operation on 8 October 1902 and imposed uniform rates of customs in all states.

Other legislation imposed requirements on the commercial relations between Australia and other countries. For example, the *Sea Carriage of Goods Act* (Cth) 1904 came into effect on 1 January 1905. It defined the responsibility of shipowners, charterers, masters and agents regarding the carriage of goods. Another critical piece of legislation relating to commerce between Australia and other countries was the *Commerce (Trade Descriptions) Act* (Cth) 1905 which came into operation on 8 June 1906. This Act gave the power to compel the proper description

to be attached to certain prescribed goods being imported to or exported from Australia. Thus this legislation had a regularising impact upon trade between Australia and China.

From the 1850's, when Captain Simpson had been bartering Australian sandalwood for tea, there had been an increase in the variety of products Australia sought from China. No longer was bartering the order of the day: Australian currency was paid to the Chinese in exchange for their products.

Statistics for the years 1917 to 1918 bear witness to the increasing variety in Australia's imports from China¹⁴ as revealed in Figure 1 below:

CHINESE IMPORTS INTO AUSTRALIA	AMOUNT PAID IN AUSTRALIAN POUNDS
Apparel and textiles	£313,558
Rice	£59,641
Raw cotton	£45,124
Nuts	£39,092
Oils	£36,627
Tea	£29,845
Ginger	£25,759
Fish	£18,319
Fruit	£12,134
Drugs	£10,223
Fireworks	£6,310

Figure 1: Chinese imports into Australia, 1917 – 1918¹⁵

These Chinese imports to Australia, in the final years of World War I, reveal a predominance of fabric, that is, apparel and textiles, perhaps because of the requirements for service uniforms.

The traffic of goods became increasingly two-way. Australia's exports to Hong Kong¹⁶ and China¹⁷ from 1917 to 1918 reveal a similar variety. For example:

AUSTRALIAN EXPORTS TO HONG KONG 1917 - 1918	AUSTRALIAN EXPORTS TO CHINA 1917 - 1918
Pig-lead £76,968	Butter £77,743

¹⁴ *Official Year Book of the Commonwealth of Australia, 1901 – 1918*, Commonwealth Bureau of Census and Statistics, 568.

¹⁵ *Official Year Book of the Commonwealth of Australia, 1901 – 1918*, Commonwealth Bureau of Census and Statistics, 568.

¹⁶ *Official Year Book of the Commonwealth of Australia*, Commonwealth Bureau of Census and Statistics, 573.

¹⁷ *Official Year Book of the Commonwealth of Australia*, Commonwealth Bureau of Census and Statistics, 574.

Sandalwood £76,093	Pig-lead £27,568
Fish £59,983	Stearine £23,745
Flour £49,567	Leather £17,645
Butter £33,298	Flour £14,812
Leather £26,768	Sheet and piping £12,547
Meats £19,883	Sandalwood £9,857
Soap £8,356	Jams and jellies £8,328

Figure 2: Australian exports to Hong Kong and China, 1917 - 1918¹⁸

The figures reveal that Australian sandalwood was much wanted by the Hong Kong market. Stearine, the solid portion of oil or fat¹⁹, was much in demand by China, presumably for candle-making. Stearine was the end-product of Australia's meat industry and meat-processing, so the Chinese demand for it was a very welcome market.

Pu Shanjuan(2010) posits that it was not until Australia's formal diplomatic relations with China were established in 1972 that Australia's economic interactions with China changed from being mainly wheat-based to energy trade, and Australia and China's bilateral relations moved towards a complementary stage²⁰. In the bigger picture, that is certainly true. Nevertheless, the trends towards a mineral-based Australian energy export can be identified in the early years of the 20th century. The iron-ore pig-lead was the largest export to Honk Kong and the second largest to China: however, the exports to China have the additional 'sheet and piping' which is metal, thus being mineral/iron-ore based. The other Australian export products are essentially primary produce, an indication that during the war years primary production was considered an essential service in Australia.

The impact of war upon trade relations can not be underestimated. For example, comparison of Australia's payments to China and Hong Kong for imports and payments received by Australia from Hong Kong and China, for exports between the years 1894 to 1918 reveals increase and decrease in accordance with ramifications of global tensions. This is shown in Figures 3 and 4 below, where both the amount of money in Australian pounds currency, together with the percentage of the total Australia - China and Australia - Hong Kong imports and exports, are compared:

¹⁸ *Official Year Book of the Commonwealth of Australia*, Commonwealth Bureau of Census and Statistics, 573 – 574.

¹⁹ *Penguin English Dictionary*, 2nd edn, (Australia: Penguin,1974), 688.

²⁰ Pu Shanjuan(2010), *Primary Resources and Australian Values: Media Analysis of the Reports on Exports of Energy Products to China in the Australian Newspapers*, (Australian Studies Centre, Beijing Foreign Studies University, Beijing, China @ www.library.uq.edu.au/ojs/index.php/asc/article/viewFile/1694/1678, 8, viewed 17/02/2011

	1894-1898	1899-1903	1904-1908	1909-1913	1917-1918
Australian imports from China:	£271,799	£249,940	£70,887	£83,628	£24,923
% of all Australian imports	0.98%	0.64%	0.16%	0.12%	0.41%
Australian imports from Hong Kong:	£374,974	£299,872	£279,030	£297,127	£396,531
% of all Australian imports	1.36%	0.76%	0.63%	0.44%	0.65%

Figure 3: Australia's imports from China and Hong Kong, 1894 - 1918²¹

	1894-1898	1899-1903	1904-1908	1909-1913	1917-1918
Australian exports to China:	£25,030	£237,376	£340,726	£161,527	£225,828
% of all Australian exports	0.07%	0.50%	0.53%	0.20%	0.30%
Australian exports to Hong Kong:	£414,326	£403,776	£747,025	£741,365	£391,025
% of all Australian exports	1.17%	0.85%	1.16%	0.98%	0.52%

Figure 4: Australia's exports to China and Hong Kong 1894 – 1918²²

Obviously, Hong Kong was both the bigger exporter to Australia and the bigger importer of Australian products than China. It can also be seen that, when compared

²¹ *Official Year Book of the Commonwealth of Australia, 1901 – 1918*, Commonwealth Bureau of Census and Statistics, 565-566

²² *Official Year Book of the Commonwealth of Australia, 1901 – 1918*, Commonwealth Bureau of Census and Statistics, 571-572

with Australia's total imports and exports, the trade with China and Hong Kong was in its infancy. It is from these small beginnings that the great trade alliance between Australia and China has developed in one century. Importantly, however, the comparison emphasises the sensitivity of import-export relations between countries to the total global climate. Exports and imports were clearly adversely impacted upon by the occurrence of World War 1.

V CONCLUSION

As Broadbent, Rickard and Steven(2003)²³ point out, the trade between Australia and China was substantial during the years 1788 to 1850.

The legacy of priceless works of art residing in some of Australia's museums and grand houses bears adequate testimony to the quality of wares bought from China during these years. Moving on from these early years, the first Chinese Consul General arrived in Melbourne in 1909 and in 1921 Australia established representation through a Trade Commission²⁴.

As the journey of establishing commercial and business relations between the nation states of Australia and China is considered, and can be seen to be continuing to flourish, it is worthwhile to pause a moment and remember some of the many small, often painful steps, taken in the early part of the journey: for example, the danger faced on the seas by cargo vessels, adversity when market prices fluctuated below expectations and disappointment when the wages of mariners were not met.

²³ James Broadbent, Suzanne Rickard and Margaret Steven(2003), *India, China, Australia: Trade and Society 1788 – 1850*, (Glebe: Historic Houses Trust of New South Wales).

²⁴ *Australia's Diplomatic Relations with China*, Fact Sheet 247, undated, (Australian Government, National Archives, Canberra)