

# CANTON

First Stop of the Maritime Silk Road



## Introduction

For millennia, China was the world's most prosperous region. Chinese attitudes about trade and openness to foreigners cycled between open and closed as various dynasties rose and fell. For 85 years, between 1757-1842, Chinese attitudes toward trade were more closed, and the "Canton System" turned the Chinese city of Guangzhou, formerly known as Canton in the West, into the single port of entry into the Chinese economy.

Canton, located on the southeastern coast of China in the Pearl River Delta, was first known to have been inhabited by the Baiyue people, who pledged loyalty to the Zhou Dynasty, which was in power from 1146 to 771 BCE. Between 770-476 BCE a walled town was built, then from 339-329 BCE the town was rebuilt and expanded. The town gained the name "Guangzhou" in 226 CE.

Over time, the city became an important trading outpost and entrepot. As its population grew, and its importance in trade increased, the settlement was expanded several times under different dynasties, becoming a large city.

**View of the Canton Factories, circa 1805**

**William Daniell**

**Painting**

**National Maritime Museum**

Canton City (Guangzhou) with the Pearl River and several of the Thirteen Factories of the Europeans.





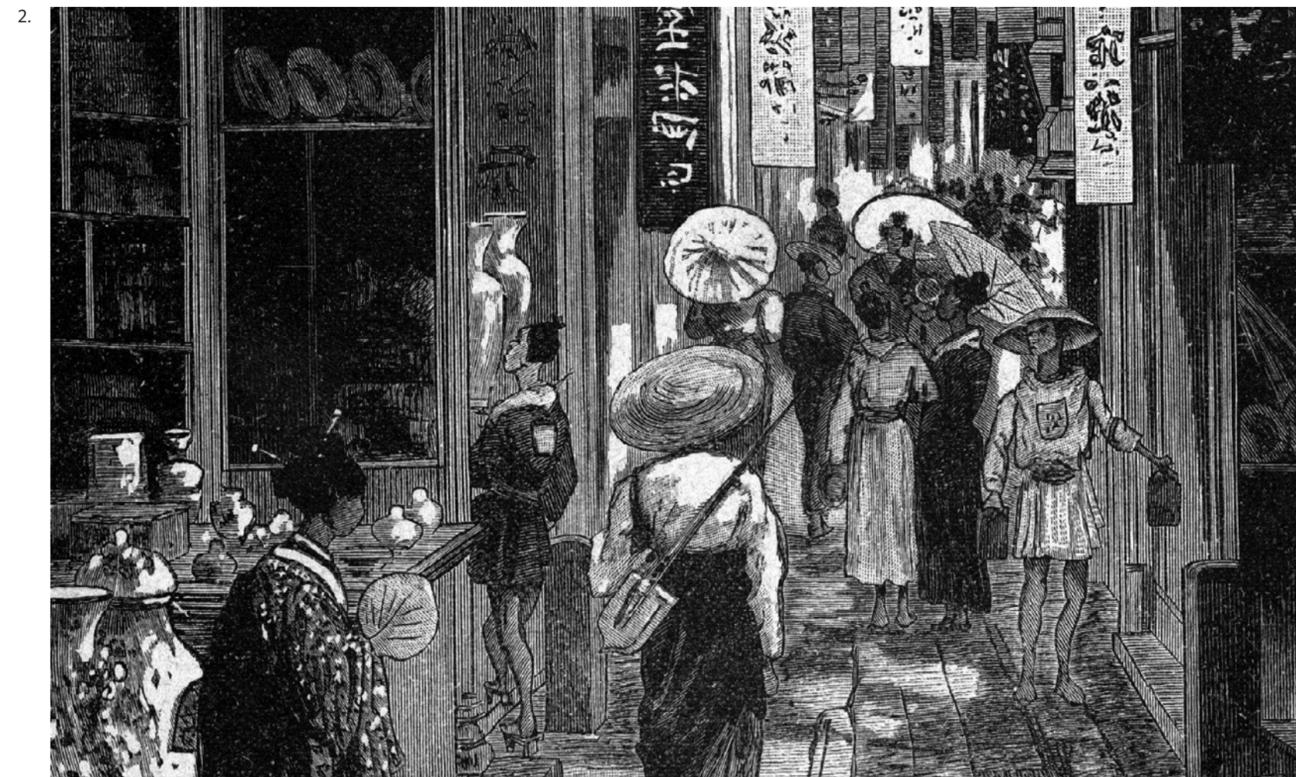
1. **Shop of Tingqua, circa 1855,**  
**Tingqua (Guan Lianchang)**  
**Gouache on paper,**  
**Peabody Essex Museum,**  
 A painting of the gallery of Tingqua, one of the most successful suppliers of "export paintings" for Guangzhou's foreign traders. Common themes included the Thirteen Factories, the Whampoa Anchorage (now Pazhou), and the Sea-Banner Temple (now Hoi Tong Monastery)

2. **Streets of Canton, IX**  
**Unknown Author**  
 A scene depicting citizens of Canton moving and browsing through an alley crowded with merchants selling their wares.

## Culture

During the 85-year period of the Canton System, the culture in Guangzhou was predominantly Cantonese, but was comparatively cosmopolitan due to the presence of international traders. At the time, the Chinese Empire was administered by a class of scholar-officials who staffed the state bureaucracy, known as mandarins. Becoming a mandarin required passing a series of extremely challenging academic tests.

In Guangzhou, many of the early trading houses were dominated by low-ranking mandarins who viewed Western pressure to liberalize trade as an attempt to subvert their dominance of the local economy. The western merchants in Guangzhou also opened the way for Christian missionaries, whose proselytizing further inflamed tensions with local officials.

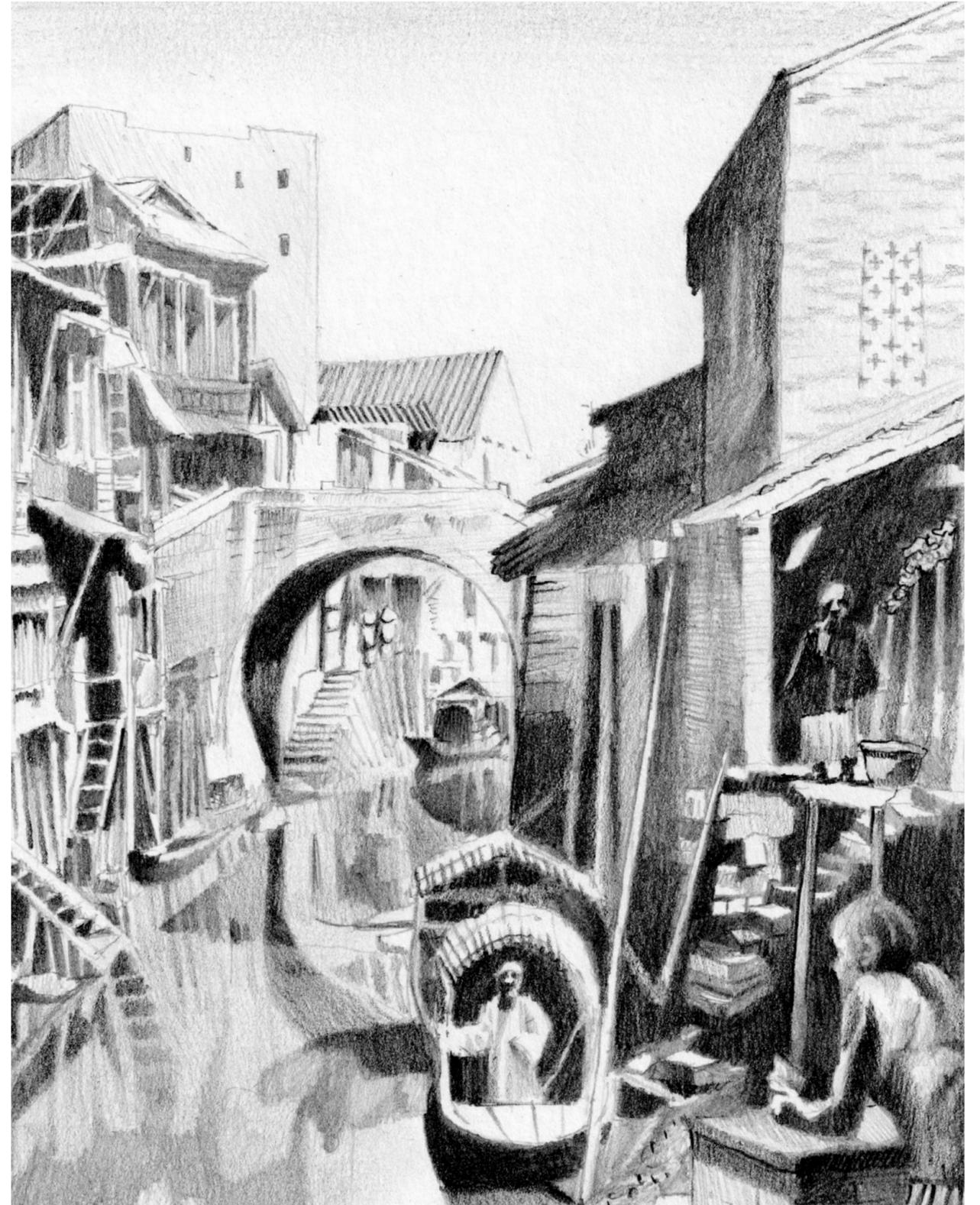


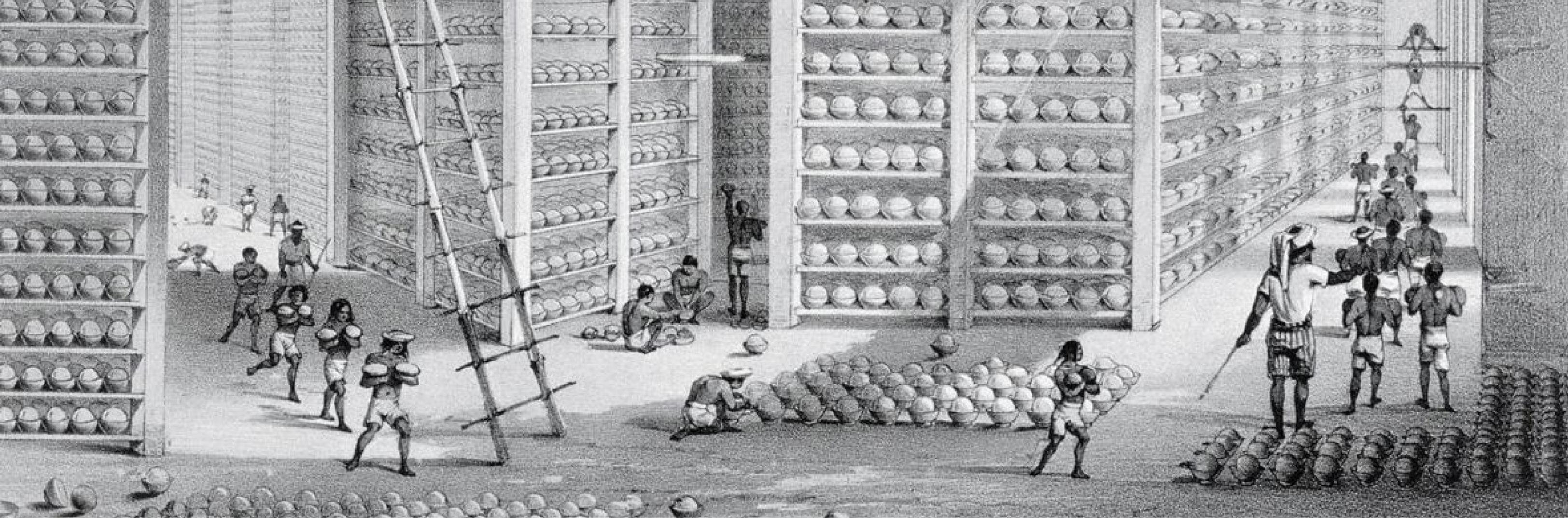
## Economy

The economy of the Canton System had western traders using silver to purchase tea, porcelain, and silk that were in high demand in Europe from the Chinese “Cohong” trade guild. However, the British lost access to their supply of silver that they had been using, which had mostly come through their colonies in North America, after the American Revolution. With the demand for Chinese commodities unabated, but the ability to purchase them increasingly under threat, the British turned to another method of payment: opium. In 1781 the British began to import opium into China through Guangzhou. This opium would be sold in exchange for silver, which would then be used to buy commodities. The opium trade was initially tolerated by the local officials of Guangzhou because it allowed the British to buy more tea, which in turn would be taxed and generate greater revenue for the Chinese state. But eventually the Chinese became concerned about the adverse effects of the drug amongst an increasingly addicted population.

In 1796 opium was banned in China, and in 1799 the governor of Guangzhou ordered a stop to the importation of the drug. British merchants responded by smuggling opium into China illegally. Despite the ban, demand for opium, along with the drug’s awful societal effects, continued to increase in China.

**Canton**  
**Nathan Silver,**  
**Ink on paper,**  
A busy canal in Canton.





**A Stacking Room in an Opium Factory, circa 1850**

**W.Sherwill**

**Lithograph**

A busy stacking room in an opium factory at Patna, India, which would have greatly resembled the ones in Canton.

## Governance

In 1745, the Chinese emperor began reforming the maritime trading system that his predecessor had put in place. In doing so, he established a system of governance that effectively outsourced management of affairs to private organizations. This system would further evolve when, in 1757, British East India Company employee James Flint's attempts to get better deals at various open Chinese trading ports agitated the Chinese and led to the closing of all of the trading ports except for Guangzhou.

After the closing of all other ports to foreign trade, the next change that was introduced was that of the "Ocean Trading House System."

This system required a Chinese merchant or trading house, known as a "hong," to be responsible for the captain, crew, and cargo of each trading vessel that docked in Guangzhou's port. This merchant was also required to guarantee the tax payments that would be due to the government from the vessel's cargo. This system further evolved in 1760 when ten of these trading houses merged into a guild, which the emperor formalized with an edict declaring this guild to be a trade monopoly named the "Cohong." Limited to a specific suburb of Guangzhou, the Cohong served as an intermediary between the Chinese government and Western traders, with the power to set tariff rates and collect taxes due to a local Board of Revenue.

## Governance Changes

The Canton System would eventually end when it was faced with powerful foreign opposition. In 1839, an official named Lin Zexu was appointed by the emperor to eradicate the opium trade. Within just a few months he arrested thousands of Chinese opium traders, and ultimately took British opium stocks by force and threw them into the sea. Tensions continued to rise, and soon Guangzhou was cut off to the British completely, who responded by sending a military expedition to reopen trade by force.

Guangzhou's status as the only port open to foreign trade in China ended with the First Opium War in 1842. After a series of defeats at the hands of the British, the war ended with the Chinese agreeing to open five ports to foreign trade and the ceding of the island of Hong Kong to the British indefinitely, thereby ending the Canton System that made Guangzhou so important. Hong Kong would ultimately become an enormous success as a trading city in its own right, eventually overtaking Guangzhou.

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