

## CHAPTER V

### China Trade and Protective Tariff—1784-1805

#### PIONEERS TO THE ORIENT



ON FEBRUARY 22, 1784, eleven weeks after the last British warships had cleared the harbor, the Port of New York made America's first venture into the China trade when the ship *Empress of China*, three hundred and sixty tons, sailed for Whampoa. Friends of the officers and owners were aboard for the run to Sandy Hook, and the guns of "this handsome, commodious and elegant ship" exchanged salutes with harbor batteries during her slow progress down the bay, giving flashes of color to a routine which lacked the maneuvering of tugs, the rattle of anchor chains, and the deep warnings of steam whistles that dramatize it for the observer today.

Behind the sailing of this copper-sheathed vessel— built in Baltimore, financed in Philadelphia, its affairs administered by a Bostonian, but managed and publicized in the Port of New York—lay a story of America's struggle for world trade between the time of the Revolution and the first national tariff act of 1789. Although in this period the China trade was never worth more than fifteen per cent of the total of America's world commerce, it gained the United States immediate recognition as an equal by all the nations represented at Canton, especially by the British, who now found the Americans their only allies when they quarreled with the Chinese.

Of the three men whose initiative and imagination put the new flag into Chinese ports after an earlier Boston attempt had ended with the sale of the ship's cargo at the Cape of Good Hope, Robert Morris was the leader, wrote the government's letter of authority, and raised the money; Major Samuel Shaw planned and executed the trading strategy, and Captain John Green chose the ship, equipped her, commanded her, and arranged for a friendly convoy through the last and most dangerous portion of the run.

Morris administered the financing of the Revolutionary War and was, at various times, called superintendent, dictator, or administrator in the raising of funds for the army. However, his true passion was the "venturesome pursuit of commerce," which, Morris said in a letter to John Jay, had captured his imagination. He had abandoned an earlier idea—to bring Pacific Northwest furs to the Atlantic coast—and had decided on a trading voyage to China.

Major Samuel Shaw, originally from Boston, had served as an officer in the Continental Army throughout the Revolution. He was General Knox's aide-de-camp, and it was perhaps his intense loyalty to all things American that made him favor ginseng, rather than the sea-otter pelts of the Pacific, as an item of export to Canton.

John Green, captain, was an American ship's officer during the struggle with Great Britain. Morris himself signed Green's release from active service, a document dated January 15, 1784, and still in existence. His standing—practically that of a navy officer on furlough—may have earned the cordial helpfulness of Captain d'Ordelin and his staff of the French man-of-war *Triton*, under whose pilotage and escort the *Empress* completed the outward voyage after meeting the French ship at the East Indian Islands.

Morris had a partner that shared equally with him in the investment of one hundred and twenty thousand dollars in cash—the firm of Daniel Parker and Company of Philadelphia. Shaw, who sailed as supercargo, and who did not, in his journal, count himself as part of the ship's complement, took along a friend, Thomas Randall, as assistant supercargo. These five men— Morris and Parker at home, Shaw,

Green, and Randall aboard ship—handled all the important details of this pioneering venture.

### *Flowery-Flag Kingdom*

The new “Flowery-Flag Kingdom”—as the Chinese described the United States—which spoke the same language as the English but obeyed a different government, was about to engage with China in an interesting exchange of commodities, primarily the dried materials to make stimulating hot drinks and, secondarily, furs to warm the Orientals, and fans and silk garments to keep the Yankees cool. Tea, usually the black variety, was the import; and American ginseng, related closely to the Chinese ginseng, was the export. Ginseng, defined as an “alterative tonic, stimulant, carminative, and dimulcent,” grew—at first plentifully—on the floors of those same East Coast forests that furnished timbers for the shipbuilders of New England, New York, and Baltimore.

In the outbound cargo of the *Empress*, not counting the private merchandise of Captain Green, were more than thirty tons of ginseng, about the same amount of pig lead, a ton of pepper, 1270 woolen garments then known as camlets, and 2600 fur skins. Since this did not entirely aggregate the value of \$120,000, Shaw carried, for trading and probably for the necessary bribing of officials, the remainder of his capital in the form of specie. Besides Shaw and his assistant, the ship carried ten officers and thirty-four men before the mast and, in a voyage of nearly sixteen months, lost only one man, John Morgan, carpenter, who died at sea a month before the voyage ended.

Shaw’s journal reports the *Empress* mileage as 18,248 miles outbound, New York to Whampoa, crossing the North Atlantic and joining the French convoy, and 14,210 miles returning, across the South Atlantic and running up the east coasts of the Americas. The entire voyage covered the period from February 22, 1784, to May 11, 1785; the ship was at anchorage at Whampoa for one month of this time.

So sure was this supercargo of his inventories and markets that he paid off his owners on an estimate without waiting for complete returns.

The profit, which he modestly called twenty per cent, was \$30,727 on an investment of \$120,000. But as other China traders bought ginseng more avidly and bid against each other for the Hyson and Bohea teas of the Canton Security Merchants, the margin on which Shaw's 25.605 per cent was based began to disappear.

### *Second China Voyage*

The seventy-six-ton sloop *Experiment* undertook the second voyage from the Port of New York to Canton. Receiving the secondary interest of China trade historians, she has been variously reported as carrying ginseng worth five dollars a pound, as making no profit, modest profits, or great profits, as bearing the name *Enterprise* for the previous command of her captain, and as having a crew small, medium, or large. Actually her story is prosaic enough, except that she beat the other enthusiastic imitators of Shaw and Morris by sailing before Christmas instead of in February.

The *Experiment* was built in Albany for the Hudson River passenger service. She was possibly the same sloop *Experiment* that arrived in New York from Bermuda November 10, 1785. For on the eleventh a company was formed to operate her in the China trade, and on December 18 she had loaded dollar-a-pound ginseng, Madeira wine, silver dollars, and other merchandise, and was ready to sail. Under Stewart Dean, master, was John Whetten, first mate, and a crew of eight, two of whom were boys. The *Experiment* left Whampoa December 10, 1786, and arrived at New York April 22, 1787.

### *Northwest Trade*

On September 30, 1787, two vessels, the two-hundred-and-twelve-ton ship *Columbia*, Captain Kendrick, and her ninety-ton tender, the sloop *Lady Washington*, Captain Robert Gray, left Boston for the Pacific Northwest. By April 1 they were near Cape Horn—the season in that latitude was late autumn—and the two ships separated for the long voyage up the Pacific coast. Almost a year out of Boston, they met in

Nootka Sound, a harbor well up on the oceanside of Vancouver Island. Here again it was autumn, the third autumn they had experienced in eleven months, and no furs came to Nootka's trading center until cold weather. Much like Block and his crew on Manhattan Island nearly two hundred years before them, Kendrick and Gray built log huts and wintered on Nootka Island.

The next summer they again parted. Their "trinkets and general merchandise" from Boston were more plentiful than the furs for which they traded. Provisions were low; both vessels could not remain. Kendrick, till then in command of the expedition, ordered Gray to take the *Columbia* and what furs they had. Gray sailed direct for Canton, where he took on tea and completed his circumnavigation under the new nation's flag by sailing into Boston Harbor in the summer of 1790. When he arrived, with some of his tea damaged, he found fourteen competing vessels selling tea to Boston. This circumnavigation—so circuitous is the Horn route—consumed 41,899 miles.

Despite poor profits, Gray made a second voyage, naming the Columbia River for his ship and trying his hand at smuggling into Spanish California by sufferance of the complaisant missionaries there. Kendrick, com-pelled to "live on the country" as an army sometimes does, never went back to Boston, but shuttled between North America and China. Perhaps his emergency rations were insufficient, for scurvy in his crew drove him to land on the Sandwich (now Hawaiian) Islands, where he found and harvested sandalwood, readily salable in Canton. Being out of touch with Boston via Cape Horn, he nevertheless had procured Boston "trinkets and general merchandise" for trade purposes from Boston traders at Mauritius Island (Ile de France), which became an exchange center for international traders.

The voyages of Captain Gray and Captain Kendrick had important repercussions on New York Port. Gray's first loss showed that the nation needed a port whose market would not go to pieces in the presence of fourteen simultaneous cargoes. The export of "trinkets and general merchandise" was becoming more and more to mean the export of miscellaneous goods from the warehouses of South and Pearl streets.

So long as New York goods moved into the Indian Ocean and passed by open bidding into the hands of a Pacific trader like Kendrick and so to the Indians of North America, it mattered less that Kendrick and Gray were Bostonians than that the routing and management of most of the great body of such trade was passing into New York control.

### *End of the First China Trade*

As the China trade, toward the end of the eighteenth century, withered away into that vestige which so tenuously connects the surges of 1785 and 1850, the function of the Port of New York was clarified. The traffic became distinguished from the haul, the flow from the container. Vessels returning to Baltimore, Boston, Providence, or Philadelphia, while earning a freight revenue for owners who might or might not be in New York, sold out their cargo at America's "main entrance," downtown Manhattan, where prices were always steadier and usually higher than elsewhere in the United States.

The tariff weapon, that delicate balance of nuisance and advantage with which nations hold one another at a profitable arm's length, was not America's till July 1789. But meantime her traders had entered Canton on an equal footing with those of other powers, had accepted valuable friendship from one major power (France), and had extended valuable friendship, intelligently and bravely, to another—a late enemy. These were the acts, the traits, the behavior of an adult nation. American sailors returning to New York showed a new pride of nationality in their swagger. A man—officer or seaman—gained stature after a China voyage, his sea chest full of lacquer or porcelain tea caddies, silk handkerchiefs, hair ribbons, carved ivory, and painted fans, his fund of anecdotes likewise enriched, and the devotion of his feminine admirers dramatized by a fast return crossing and a profitable South Street debarkation.

By 1789 this sharp focus of drama, adventure, and profits had begun a slow diffusion that was to continue to the almost complete fog of 1815-50. Though the trade was New York's largely, the fleet was only

fractionally so. As an important palliative, the China trade had helped to bridge the gap, and now a new and solid weapon was to replace it permanently.

### *The Road to Protective Tariff*

John Adams, representing the United States at the Court of St. James's, described the precarious condition of American commerce in 1784 when he wrote in a letter: "This being the state of things you may depend upon it the commerce of America will have no relief at present, nor in my opinion ever, until the United States shall have generally passed navigation acts; and if this measure is not adopted, we shall be derided; and the more we suffer the more will our calamities be laughed at."

Adams' use of the word "generally" implies two things which clarify the problem—that the states would be acting independently in any tariff legislation, but that the several states following the same general combative tariff line would, in a strong sense, be acting as a legislative unit. His letter was an initial force, the beginning of a progression of thought and action that led to the first Federal tariff act, passed on July 4 by the Congress of 1789, meeting in the City of New York.

This act set a few duties, cut ten per cent off them for ships owned and built by Americans, cut half or more from the rate on tea when imported directly from China, and adjusted other schedules so as to give Americans anything from small favors in the London haul to monopoly in the coastwise traffic. But this was only a beginning. Every tariff has a "nuisance" or combative value. The first tariff act served notice on the powers of the world that the states were uniting, were learning the power of their tariff weapon, and would use it. For the first time the question, "What will America do?" was a valid parliamentary query during tariff debates in Europe.

Washington favored the general tariff program Jefferson had initiated and Madison and others had introduced in Congress. In the July 4 act and those which inevitably followed, not only America's goods and

ports gained protection, but also her registry, her bottoms, and the potential future of her shipyards. Ships built, owned, and manned by foreigners paid a tax of fifty cents a ton; if American-built but foreign owned and manned, the tax was thirty cents a ton; if American-built, owned and manned, the tax fell to six cents.

An act in the same series, passed in 1790, guarded the rights of American seamen, many of its provisions still remaining in force. The act allowing only American-built vessels to register under the United States flag remained in effect until 1912.

The maritime enterprise of the Atlantic seaboard responded magnificently to legislative encouragement, its trade penetrating to Europe, the Baltic, the Mediterranean, California, and the islands of the Pacific. The Port of New York made its final stride to first place during this commercial upsurge. Besides exporting such staples as wheat, flour, hides, and lumber, it distributed wines, spirits, tea, coffee, cocoa, chocolate, sugar, molasses, nuts, fruits, raisins, spices, indigo, and cotton to New Jersey, Pennsylvania, the New England States, and the interior.

Available statistics indicate the striking results of this important early legislation. Between 1789 and 1799 American deep-water shipping tonnage rose from 123,893 to 576,733, while the tonnage figures for British shipping engaged in United States commerce fell from 94,110 to 19,669 in the years between 1789 and 1796.

In 1789 American bottoms carried 17.5 per cent of the nation's exports and 30 per cent of its imports; in 1794 the percentage had risen to 91 of exports and 86 of imports. The Port of New York's registered tonnage in 1790 was 37,712; in 1794 it was 71,693, and by 1812 it had risen to 265,548.

The Port's exports were valued at \$2,505,465 in 1790-91 and at \$5,442,483 in 1783-84; by the year 1800 the figure was \$19,851,136. The figure for imports—\$1,169,809 in 1792—had risen to \$2,000,689 by 1795.

Besides the novel, colorful, and spectacular ventures into strange seas, there was also the solid bulk of United States trade, which was with the first-class powers of Europe. This trade was soon threatened



by the reopening of war between France and Britain. The President's proclamation of neutrality offended both belligerents, but France found it expedient to swallow her indignation and commission American ships in her fight against the British blockade.

In an attempt to mitigate the conditions that carried the threat of a possible new war, Washington sent John Jay to England in 1794. The resulting treaty did not take effect till 1797, and most of the "reciprocal and perfect liberty of commerce and navigation" was in its preamble rather than its provisions. However, the profits that Americans gathered under this benevolent overlordship of England offended France, and, without actually declaring war, she began to imitate the British search-and-seizure practices by turning upon our West Indies shipping the attacks of her fleet in those waters. Earlier, French privateers and the French navy had harassed American shipping with a little color of legality, but increased attacks in 1798, openly lawless, led the United States government in July to abrogate all treaties with France and to commence attacking and seizing French vessels on sight. This undeclared war came to a climax when the U.S.S. *Constitution* whipped but failed to capture the larger French *Vengeance*, a frigate of forty guns. France lost twenty-four armed vessels and then signed a treaty February 2, 1801, ending a war never formally begun.

This war served to cement again the friendship and cooperation between the merchant marine and the American navy. The peace diverted attention from France, and once more Great Britain loomed up as the world power whose commercial interests were most directly and actively opposed to those of the United States.