The Chinese traders in French Indochina: partners or rivals?

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Introduction

In the early twentieth century, contemporary observers acknowledged that the export trade out of north Vietnam was dominated by Chinese traders. There was considerable public interest in their fortunes expressed by British and Chinese in Hong Kong, the French in Indochina and Chinese in China. This study examines Chinese involvement in the Tonkin rice trade during the French colonial period, tracing the changing fortunes of the Chinese rice merchants of Hāiphōng. It gives special attention to the levels of co-operation which existed between the French colonial authorities and the Chinese merchants.

Haiphong as a French port

The French treaty of 1874 declared the port Hāiphōng in northern Vietnam, or Tonkin as it was then known, open to European and other commerce and allowed the appointment of a French consul and a combined French-Vietnamese customs office. Following French occupation, export companies based in Hāiphōng included the French company Roque Frères, who were the correspondents for Denis Frères; the French shipping company, A.R. Marty, which was based in Hongkong; and numerous English flag-ships which were chartered by Chinese compradors in Hong Kong. Given that the rice trade represented the largest source of export income and it was a severe blow to the Hāiphōng merchants when the Vietnamese government instituted a series of
bans on the export of rice during the years 1876 to 1880. In 1878 the French consul at Haiphong, Champeaux, noted that the Hong Kong firms had lost all hope of the prohibition being lifted. The only exception had been that the Mandarins allowed Tonkin rice to be sent south to Danang.

In 1879 and again in 1880 the Chinese merchants of Haiphong sent a petition to the French consul, stating that if their demands were not met they would be forced to leave the country. They asked that rice be allowed to be exported to all parts of the world; that the navigation on all rivers be entirely free; and that interior customs be abolished. The petition was signed by some twenty Chinese merchants. One of the petitioners was Wang Tai, a prominent Cantonese rice merchant based in Saigon. Another petitioner was Guan-Sing, Hokkien rice merchant, also based in Saigon. At this time there was an indication of common purpose between the Chinese and European traders, demonstrated by the fact that the Chinese listed amongst their demands the opening of Nam-Dinh to European trade. The ban on rice export applied only to the French concession of Haiphong and did not apply to the Chinese merchants of Nam-Dinh. Chinese traders with Hong Kong connections were concerned that their ships would not be permitted to trade out of Nam-Dinh. The Chinese Merchants Steam Navigation Company, for example, sailed under English flag with English captains.

The French consul, writing to the Governor in 1880, explained that already a good number of merchants had left Haiphong. The Chinese, he stated, were demanding the French occupation of Tonkin to bring about greater concessions for foreign trade. The Chinese made it clear that they could not be openly hostile to the Vietnamese government because of the nature of their centuries old relations. Their preference for maintaining favour with the Mandarins, they argued, was all the more necessary given that the French might still decide to abandon Tonkin.

The ban on rice export in this period was not total. The export figures for 1880 indicate that 25,630 tonnes of rice were exported, valued at over 5 million francs. The ban was lifted in 1881, but already it had become clear that the French concession of Haiphong would never achieve economic success while the Vietnamese government continued to give preference to the port of Nam Dinh.

As if in answer to the Chinese demands, within a year, the French did indeed arrive in force and began the conquest of Tonkin. The commandant Henri Rivière came to Haiphong on 2 April 1882 with 450 men. He took Hanoi on 25 April. The Chinese merchants fled from Hanoi and installed themselves provisionally in Haiphong where they could more easily reach the sea and China. The French took the port of Nam Dinh in 1883 and immediately decreed that interior customs would be abolished on the Red River. In April 1883, the French military seized and
occupied the Haiphong warehouses owned by Li Hongzhang of the China Merchants Steam Navigation Company.  

The French military administration forced all trade to divert past Haiphong by banning ships from using any river routes to the sea other than the Cua-Câm. Nam-Dinh, now denied direct access to the sea, ceased to be the primary export port, despite its history as a centre for rice collection. In order to control Chinese shipping the French announced a system of permits for all ships. Three French customs depots were established in Haiphong, Hanoi and Nam-Dinh and the first produce to be taxed was rice. In November 1884, the French passed another law, limiting exports to Haiphong, and thus completing the transformation of Haiphong from minor trading port to the major port of Tonkin.

With the French firmly established in Haiphong, they set about creating the infrastructure to support large-scale trade. Between 1885 and 1887 a three kilometre long canal was cut through the town. In the newly shaped Haiphong, the main commercial port, which was almost exclusively European, was situated on the river Cua-Câm, while the smaller Sông Tam-bac came to be regarded as the Chinese port. The Sông Tam-bac was the river route to Hanoi and Nam-Dinh. In 1884 the trip to Hanoi from Haiphong took twenty hours by river, sailing via the Lach-Tray, Lach-Van-Ue, Thai-Binh, Cua-Doc and finally arriving at the Red River.

**Chinese merchants after French occupation**

The Franco-Chinese treaty of Tientsin, signed in 1885, allow Chinese to enter and operate commercially in Vietnam. While the French occupation of Tonkin initially disrupted the Chinese population, it also had the effect of concentrating the Chinese in Haiphong. The Chinese population had been less than 1,500 in 1883, but this figure rose to 4,700 by 1886. Saigon's Chinese population by comparison was roughly double, being 8,853. The Chinese population of Hanoi by contrast had dwindled to 850 persons. Bac-Ninh, once a thriving trading town, with a Chinese population of 1,600 at the time of the French invasion, but by 1887 had only 70 Chinese. Nam-Dinh, once the major port for Chinese traders, now had a Chinese population of only 600. In contrast, the Chinese population of Haiphong grew from 5,600 in 1890 to 20,186 in 1929.

In 1889, the Haiphong Chamber of Commerce was set up with eight European members, one Vietnamese member and one Hokkien member, ship-owner and merchant Guan-Sing. The presence of Guan-Sing, who had been one of the petitioners of 1880, in the Chamber of Commerce indicates that there was some continuity between those Chinese who had asked for the French occupation of Haiphong in 1880 and those who gained prominent office in Haiphong in later years. From 1892-1896 Yuen-Tai-Ling took over Guan-Sing's place in the Chamber and he
too was one of the original petitioners from 1880. It is not clear, however, that the position was anything more than honorary. In 1899 the Chamber of Commerce became exclusively European in membership. Nevertheless the Haiphong Chamber of Commerce continued to support the rice trade, protesting in 1899 over the export tax on rice being higher in Tonkin than in Cochinchina.24

Although Guan-Sing was Hokkien, most of the rice merchants were Cantonese, such as Hang-Wo, who was head of the Cantonese congregation in 1899. As an indication of relative numerical strength of merchants, the Cantonese Kah On Club of Haiphong, opened in 1894, had a membership of 40 merchants and their employees. The Phoc On Club, opened in 1896, had membership of eighteen Hokkien merchants.25 Unlike in Cochinchina, there was initially only one congregation for all Chinese in Tonkin and it was not until 1889 that the Hokkien were allowed to form their own congregation, separating from the Cantonese congregation.

The expansion of the rice trade

In 1889 there were some 65,000 tons of rice exported from Haiphong, almost all being exported to Hong Kong.26 The number of rice merchants in Haiphong at the time was still quite small. In 1891 there were three Chinese rice merchants listed in the official records for Haiphong.27 The overall Chinese population in 1891 had fallen from 5,600 in the previous year to only 2,000. By 1894 there were nineteen Chinese rice merchants, categorized according to patents which ranged from first to fourth class. There were three first class merchants (Khien-Yune, Shun-Tai and Wing-Tuong-Cat) six third class merchants, and ten fourth class merchants.28 The Shun Tai company first appears listed as a 1st class rice merchant in 1892.29 Tam Sec Sam of Shun Tai still appears in 1911 lists as an exporter and ship owner. By 1934, the Shun Tai company is one of the largest in Haiphong. Further details of this company are discussed later in this paper.

By 1901 the number of rice merchants had grown to twenty-three, all but one being located in the Rue Chinoise, close to the Chinese port. According to a correspondent writing for the Hong Kong Telegraph, the export of rice from Tonkin was entirely in Chinese hands and its organization was 'one of the most perfect in the Far East'. The writer was highly critical of the French government's treatment of the Haiphong Chinese, however, complaining of high patent fees, high taxes, and the requirement to purchase and carry identity cards. He was also critical of French newspapers which regularly attacked Chinese merchants, accusing them of being in league with the Black Flags.30

It is in the nature of the speculative character of the rice trade that it encouraged a high turn-over of merchants. The Chinese names listed over the next twelve years as being involved in
the rice trade change regularly. But there was an overall growth in Chinese involvement and in particular an increase in ship-owners who were also rice traders. The 1911 records include five rice merchants who are also ship-owners: Po-Yuen dit Tchong-vai-Tchine, Kuong-Tac-Hing, Lune-Tai dit Tam-Nang-Siou, Kong-Heng-Long, On-Fat, and Hang-Vo. There are also six Chinese listed simply as ship-owners, Kwong-Sang-Yune dit Luong-Meng, Tze-Soy-Cheong dit Wah-On, Loy-Sing, Tam Sec-Sam dit Shun-Tai, Sine-One et Cie, Ly-Minh et Cie. Unfortunately, in 1917 this detailed information is removed from the Year Books and by the 1920s almost all records of Chinese companies are gone from the Year Books, with even the street name 'rue Chinoise' failing to appear in the street index.

**French attempts to stifle Chinese competition**

In their study of Chinese enterprise in colonial Malaya, Lian Kwen Fee and Koh Keng We describe the period between 1900 and 1940 as one which 'saw a significant shift away from partnership between Chinese entrepreneurs and British rulers'. There appears to have been a similar shift in French Indochina with French protectionism manifesting itself in the form of stricter regulation of Chinese enterprise. On the other hand, in the port of Haiphong, where the Chinese held a clear monopoly over the export trade, the attitudes of the French officials were necessarily tempered by pragmatic considerations as compared with those of the French business.

An example of competition between French and Chinese companies can be seen in the 1903 letter, from the French shipping company A.R. Marty to the Governor General. A.R. Marty complained that they faced fierce competition from a Chinese coalition that had extended its trading sphere to include Haiphong. According to Marty, the Chinese coalition was formed in October 1895 to fight against their French shipping line that traded between Hong Kong, Hoihao and Pakhui. This coalition was instigated by the secret society Tsap Yet. The Chinese company Hop Sing and Co., sailed two ships under Danish flag, while the Tsap Yet, sailed seven ships under German flag, chartered from the German firms Sander, Wieler and Co. and Jebsen and Co.

If in fact there were a close alliance between the German ships trading in Haiphong and the Chinese merchants this relationship was to come under severe strain in 1908. In that year, the Chinese rice merchants of Haiphong established a boycott of Japanese imports in line with policy emanating from China. In May 1908 the German ship, Karl Diederichsen, one of the ships usually chartered by the Chinese, arrived in Haiphong with a load of Japanese products. The Chinese rice
merchants sent a telegram to Speidel and Co. the ship-owners, advising them that if they transported Japanese goods the Chinese would not give any more cargo to German ships.\textsuperscript{34}

At the time Speidel and Co. had four ships trading into Haiphong, the Karl Diederichsen, the Holstein, the Koenigsberg and the Triumph.\textsuperscript{35} An indication of the close trade links between the Speidel and the Chinese merchants is that while all other sea-going vessels came to the main commercial port on the Cua-Câm, the Karl Diederichsen and the Triumph were listed in the newspaper as being moored at the Chinese river port.

In 1909 all European traders became openly competitive in their dealings with the Chinese merchants. A possible catalyst for this was the change in administration. In September 1908 a new Governor General, Antony Klobukowski, was appointed. Klobukowski had lived in Vietnam twenty years earlier and had left to take up the position of French consul in Yokohama.\textsuperscript{36} His return to Haiphong was marked by an unusual degree of interest in shipping practice. In January 1909, the maritime commissioner at Haiphong informed French shipping company Roque that a message had been sent by the new Governor General, stating that Roque was in breach of the Maritime Law of 1902 which required ships to have a French captain. The ship Benthuy was about to sail with a Chinese captain and was consequently refused permission to leave port.\textsuperscript{37} Roque ignored the ban and the ship left port, despite being denied the services of a pilot. This minor incident suggests that the new Governor General had quite strong opinions about the Chinese and was determined to see French interests protected.

In April 1909 the Chinese merchants of Haiphong announced that they were boycotting all European shipping companies, following the announcement by the German, English and French shipping companies that they were raising the cost of freight between Haiphong and Hong Kong by thirty percent. Given that almost all Haiphong's rice was exported to Hong Kong this would have had a crippling effect on the rice trade.\textsuperscript{38} A Chinese merchant interviewed by the Avenir du Tonkin stated that with the price of rice being so low they would not be able to afford higher freight costs. As a result the rice merchants had formed an association to become shipowners so that they could export their own rice directly to Hong Kong.\textsuperscript{39}

The Chinese rivalry with Japanese traders became clear when Japanese merchant, seeing a potential opening in the market, expressed interest in expanding trade between Japan and Haiphong. He suggested that first it would be necessary to improve the quality of local rice by bringing in Japanese farmers to train the Vietnamese farmers.\textsuperscript{40} Nothing further came of this however, and shipping figures for Haiphong indicate that Japanese trade did not become significant until after 1913.\textsuperscript{41}
The Chinese rice merchants were successful in launching their own ship and were thus able to maintain their boycott of the European shipping lines. On 25 April 1909 the Steamer 'Tri' belonging to the 'Société Chinoise de Riz' left for Hong Kong with 18,000 sacks of rice. No rice was shipped on European ships. This action by the Chinese threatened to ruin European trade in Haiphong and not surprisingly the French took action to protect themselves. In September 1909 the Haiphong Chamber of Commerce asked the government to ban the export of rice from Tonkin. Newspaper reports indicate that the ban was passed by the Governor General with the explicit intention of breaking the Chinese boycott.

**French responses to Chinese traders 1925-1934**

The nationalist sentiments of the local French authorities are clearly expressed in a letter of complaint to Shun Tai in 1925 from the Mayor of Haiphong who accused him of lacking respect for French traditions by failing to raise the flag in honour of the national holiday. The young Tam Seng Sec, signing himself as Shun Tai responded with an elegant and apologetic letter, stating that in regards to his two ships the New Mathilde and the Borneo, he had assumed that the captains knew the requirements without being reminded by him on each occasion and that he was sorry for having forgotten to go and check the ships on the wharf. Although he signed himself the humble servant of the Mayor the tone, in my opinion, seems to suggest that he regarded such complaints as trivial. In fact, it was a very short stroll from the Shun Tai shopfront on 149-151 rue Chinoise to the wharf.

In 1925 the export of rice from Haiphong was restricted and rice traders were forced to apply to the Resident Superior of Tonkin for permission to export rice. Many requests were for permission to export 1,000 tonnes but the largest requests in 1927 came from Kwang Man Yuen of Hong Kong, asking to export 10,000 tonnes in 1927 and Shun Tai, exporting 10,000 tonnes to Hong Kong. A second request was submitted from the Tam Seng Sec, but this request was made in his role as Director of the rice mill Rizerie Tchoune Yeck in Haly on the outskirts of Haiphong.

Relations between the French officials and the Chinese merchants of Haiphong reached something of a crisis point in August 1927 when anti-Chinese riots broke out in Haiphong, lasting several days. Some one hundred and fifty people were arrested and while reports vary as to the number of deaths, figures suggest about 100 Chinese were killed by Vietnamese. The Haiphong branch of the Kuomingtang appealed to the Chinese Nationalist government, asking them to send a war ship to protect their citizens. In 1928, Chu Chao Hsin, the Vice Minister of External Affairs
of the Nationalist Government in China, sent a delegation to Haiphong to inquire as to amount of financial loss sustained by the Chinese merchants there and to demand that the French government of Indochina pay indemnities.  

The French authorities intercepted and translated letters, many sent from Nam Dinh, the closest river port to Haiphong where Chinese had fled for safety. One letter was sent to parents in Macao, another to Saigon and another to Canton. The extent of the Chinese networks in this period was such that the Central Committee of the Kuomintang in Nankin then sent letter to all sections of the Kuomintang, including places such as Phnompenh, describing the plight of their 'emigrant brothers'.

The French authorities had compiled a list of 69 Chinese shops, factories, companies, ships and junks which were pillaged, giving details of the owners and the extent of the damage. This ranged from broken windows to complete destruction; one business estimating the damage at 6,000 piastres. Luong-Cheong-Hoi and Kwong Vo Hinh, rice mill owners, had sacks of rice stolen. Two junks in the Chinese port on the Song-Tam-Bac river were pillaged and one junk from Quang Yen on the Canal Bonnal was completely burnt. The Fong Ly Seng rice mill had 600 sacks of rice stolen and $3000 in cash. The attacks were directed at all Chinese and not merely big businesses. Victims included butchers, pharmacies and opium sellers. Despite the severity of the crisis, the French business sector remained virtually untouched. Of the 22 European-owned factories only the Rizerie Indochinoise was closed for 12 days. Of the 20 Chinese-owned factories all were closed on the 20 August and most stayed closed until the 28 August. These included five rice mills owned by Shun Tai, Hop-Long, Shun-Fat-Yune, Fong Ly Seng, and Luong Cheong Hoi.

Soon after this incident, the Chinese Nationalist Government showed its concern for the Chinese expatriate community by concluding the Nanking convention of 1930 which gave Chinese residents in Vietnam the status of foreigners with special privileges. These special privileges were of little use, however, in protecting Chinese merchants from the onset of the world depression. During the depression Chinese merchants suffered heavy financial losses, forced to sell rice at low prices to meet liabilities with colonial banks. Martin Murray notes that between 1929 and 1932 there were 236 bankruptcies and 24 legal liquidations in Saigon and Cholon.  

The Resident Superior of Tonkin, Tholance, wrote to the Governor General of Indochina explaining that the hardest hit by the economic crisis were those involved in the export trade in Haiphong, which was almost entirely in the hands of the Chinese. He explained that amongst all the companies that had gone bankrupt, the failure of Shun Tai would be literally catastrophic for
trade in Haiphong. He noted that the company had suffered difficulties in 1921 when the head of the company, Tam Tsec Sam died. Shun Tai was then taken over by his widow and his eldest son Tam Seng Sec. The current debt with the Bank of East Asia was $120,000. He noted that as the Bank of East Asia had closed their Haiphong branch they were unwilling to consider Tam Seng Sec's proposition.

The Governor General wrote to the French consul in Hong Kong, asking that he speak with the Bank of East Asia and ask them to lift their veto. He asked that they listen to Tam Seng Sec and hoped that if the bank understood the market in Tonkin better that they might take a stance more favourable to Chinese commerce. There is some irony in the French colonial government being forced to plead for more favourable conditions for Chinese commerce, negotiation between a Cantonese bank and a Cantonese merchant. This aspect of Chinese-French cooperation was clearly the result of the unprecedented financial crisis brought on by the world depression.

Conclusion
This overview of some fifty years of Chinese trade in northern Vietnam suggests some sense of continuity in terms of the relationship between Chinese business and French colonial officials. In 1880 the Chinese rice merchants of Haiphong were asking the French authorities to intervene on their behalf against the ban on rice trade, in this case to colonise Tonkin so as to create conditions more favourable to Chinese trade. In the 1930s, in the face of the world depression and yet another threat to Chinese trade, the Chinese merchants again sought French intervention. Undoubtedly the French are motivated to help because they recognise that without Chinese trade, the port of Haiphong will provide little profit for the French empire. In classic interpretations of the role of Chinese business in Southeast Asia, scholars speak of the Chinese intermediary or 'middleman' serving the European colonisers. They point to the gradual breaking-up of that relationship as the Europeans gained a firmer foothold in the colonies and anti-Chinese ideologies became more prominent. While there was evidence of such anti-Chinese sentiments within the French administration, this study has shown little evidence of a relationship that might be referred to as 'intermediary'. Rather, where the French collaborate with Chinese merchants it is as foreign nationals who provide a source of income. On the other hand, the strong links between the Haiphong Chinese and the British in Hong Kong suggests that this port needs to be understood as a part of British colonial history where the French remain, at least to some extent, outsiders. Certainly the connection between Indochina and Hong Kong deserves further investigation if we are to understand the nature of Chinese trade on the Water Frontier.
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4. Ibid., pp. 84-5.
6. Le Centre des archives d'outre-mer (CAOM), Amiraux 13177, Consulat de France à Hàiphong to l’Amiral Gouverneur et Commandant en chef, 13 August 1878.
7. CAOM, Fond ministerials, Serie geographique, Indochine, Ancien Fonds, A00 (16)
   Signatures include Guan-Sing and Yuen tai Sing.
8. Li Tana, notes taken from Wang Qing Hai wai bi ji xuan, p.34
10. CAOM, Indochine, FM SG. Anciens fonds, Carton 1, Dossier, A00 (16). Champeaux, Consulat de France à Hàiphong to Monsieur le Gouverneur, 1 May 1880.
12. CAOM, GGI Amiraux 13229, Consulat de France a Hàiphong to Le Gouverneur, 26 July 1881.
15. Ibid., p. 158.
23. Ibid., p. 201.
27. L' Annuaire, 1891, p. 76.
29. L' Annuaire, 1892, p. 129.
32. CAOM, GGI 6153, A.R. Marty to GGI, 2 June 1903.
33. The Danish flag ships were the 'Alwine' and 'Activ' and the German ships were the 'Cosmopolit', 'Triumph', 'Mathilde', 'Apenrade', 'C. Diederichsen', 'J. Diederichsen', 'Michael Jelsen'.
34. 'Le boycottage des produits japonais', Avenir du Tonkin, 10 May 1908, p. 2.
11

April 1909, p. 2.
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41 Raffì, 'Haiphong, Origines, Conditions', p. 602.
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45 Archives diplomatiques de Nantes, RSTAF, 36457, Shun Tai to Monsieur L'Administrateur
Maire de la ville de Haiphong, 16 November 1925.
46 'L'Annuaire', 1905, Liste Generale de fonctionnaires, commerçants industries, etc. de la Ville
de Haiphong.
47 Hanoi National Archives no. 1, RS Tonkin, 33677, 40864, 40880, RS Tonkin.
48 Archives diplomatiques de Nantes, Pekin Ambassade, Serie A, 288, 6 September 1927.
49 In 1899 the name Luong-Cheong-Hoi dit Shun-Ly appears on the *Annuaire* list as a rice
merchant, p. 246-7. In the 1901 Annuaire, Shune Ky dit Luong-cheong-Hai is listed as a rice
merchant in 156, rue Chinoise.
51 Martin J. Murray, *The Development of Capitalism in Colonial Indochina (1870-1940)*,
52 Archives diplomatiques de Nantes, Hong Kong Consulate, 64 liasses (27), Resident Superior of
Tonkin to Governor General of Indochina 11 July 1934; Governor General of Indochina to
French Consul, Hong Kong. 17 July 1934.