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## Perkins and Company, Canton 1803-1827

AMERICA'S first ship to enter the port at Canton was the *Empress of China*, a New York ship; Major Samuel Shaw of Boston was supercargo. Six months out from New York she arrived at Macao on August 23, 1784. Others of the earliest American visitors to China include Captain Robert Gray sailing the *Columbia*; ship *Hope*, James Magee, Master; and the *Grand Turk* of Salem, Ebenezer West, Master.

But more was needed than able seamen to make China trade a success. As Samuel Eliot Morison points out in his *Maritime History of Massachusetts*, "With the commissions, duties, presents, and graft that must be yielded at every step to hoppo, comprador, or linguist, the cost of doing business at Canton was very heavy. . . . Even after the ropes were learned it was a clever captain who expended less than six thousand dollars at Canton." This situation made it necessary for the American merchants to establish their own mercantile agencies at Canton. The first, Shaw and Randall, was established by Major Shaw on his return to Canton as American Consul in 1786.

In 1803 Perkins and Company was established, a branch of J. and T. H. Perkins of Boston. This was the foremost American house in China until its absorption by Russell and Company in 1827.

Before further discussion of this company it will be of interest to know something of the career of Thomas Handasyd Perkins in his

capacity of merchant in the China trade. In 1789 Thomas Handasyd Perkins went as supercargo on the ship *Astraea* belonging to E. H. Derby of Salem, bound for Batavia and Canton and commanded by Captain Magee. His impressions of Batavia which he recounts most charmingly are included in the *Memoir of Thomas Handasyd Perkins*. Also from the memoir we learn that he remained several months in China, attending assiduously to the business of the ship. He became well acquainted with the Chinese customs of doing business and collected a fund of information concerning trade there in all its branches. He observed the demand for sea-otter skins and other furs from the northwest coast of America, and this knowledge afterwards formed the basis of action for him in planning numerous voyages and directing mercantile operations of great magnitude.

After his brothers James and Samuel G. Perkins had lost most of their property in Santo Domingo during the insurrection there in 1792, he formed a copartnership with his brother James under the firm name of J. and T. H. Perkins. By 1803 J. and T. H. Perkins thought it advisable to establish a branch under the name of Perkins and Company in Canton, and sent out Mr. Ephraim Bumstead, the eldest apprentice in the Boston firm, to care for the Canton business. Mr. J. P. Cushing, nephew of T. H. Perkins, went with Mr. Bumstead as his clerk. He was then only sixteen years old. Soon after reaching Canton the illness and death of Mr. Bumstead left Mr. Cushing to manage the affairs of the house in Canton. When tidings of Mr. Bumstead's death reached Boston, T. H. Perkins immediately decided to go to China himself, as there seemed to him no alternative in such an emergency. Accordingly he made preparations for the trip, but just before he was ready to sail, a vessel arrived from Canton with letters from Mr. Cushing. His reports were so complete and showed such mature judgment and understanding of the business, that T. H. Perkins postponed his voyage and later gave it up entirely. Mr. Cushing, young as he was, needed no aid in performing the duties which devolved upon him. He remained head of the firm in Canton until its dissolution in 1827 and became one of the most wealthy and highly respected foreign merchants in China.

Recently the Business Historical Society has received a highly valuable group of business manuscripts from Shewan, Tomes and Company, successor to Russell and Company in China. Among these manuscripts are two of the letter books of Perkins and Com-

pany. The letters are copies of those sent to various companies for whom they were agents in China. The greatest number are of course to J. and T. H. Perkins of Boston. They cover the years 1820-1823 and are full of information relative to trade between China and the entire western world. Below appear transcripts of portions from several of these letters, but first, in order to appreciate the full significance of their contents, let us recall a few outstanding facts concerning the China trade.

Up to the beginning of the nineteenth century, it was difficult to find western goods which the Chinese would buy. Boston merchants, however, soon discovered the value of sea-otter, seal, and beaver skins, and sandalwood. For the first seventeen years of the nineteenth century these were the chief articles of trade with which Boston merchants paid for their China goods. But Samuel Eliot Morison estimates that even as late as 1805-1806, more than three-fourths of the value of the goods purchased in Canton was paid for in specie brought directly from Boston, New York, and Philadelphia. Boston credit in Canton was a thing unknown — there was no way of building it up. England was the only country that succeeded in maintaining a balance there. This was achieved through the opium trade. As a result, about 1817, when the profit from otter-skins and sandalwood was dwindling for one reason or another, Boston merchants began to ship cotton to England, from there freight English goods to China in competition with the East India Company, and take their pay in goods purchased in Canton. The American competition in carrying English goods finally led Parliament to throw open the trade to all British subjects in 1834.

Canton, Oct. 25, 1820.

To Mess. J. & T. H. Perkins  
Boston

. . . We note your remarks on the possibility of British Trade from hence to the Continent being thrown open, should it be the case it will exclude our Countrymen entirely from that branch of Trade . . . it would [however] operate so much against the [East India] Company's interest here, that we cannot but think they will oppose it with all their influence.

The East India Company evidently did oppose the action for another fourteen years.

Mess. J. & T. H. Perkins  
Boston

Canton Nov. 17, 1821.

Gen<sup>l</sup>. It appears from some recent measures adopted by the Government of this place, . . . [that the Government is determined to] prevent the introduction of opium & the Hong merchants have notified foreigners that in the future before a ship will be permitted to trade a bond must be given to the Agent accompanied by a declaration or oath that no opium is on hand or was imported in the vessel and the bond to be forfeited & the vessel turned out of the port in case it should afterward appear that a false representation was made. Although the Co Hongs are pretending to make a very pious business of it we are of opinion that it will end like all their other acts of similar nature. It may be acted upon for two or three months [they] will then relent and suffer the article to be imported as openly as has hitherto been the case; The vessels now in Port which have it on board, or those that brought any are to be ordered off immediately and are not allowed to take any Export Cargo whatever. . . . We think it would not be prudent or advisable under these circumstances to meddle with opium without it could be had at a very low price say  $3\frac{1}{2}$  to 4 \$ pr. lb. at the extent and in case it was sent, to order the vessel that brings it to proceed up to Lintin & on no account to report or ask a pilot at Macao. By proceeding in this way the Captain could communicate with the agent here before it would be known that the vessel had arrived & in case the introduction of it should be attended with too much risk the vessel might proceed elsewhere without having any questions asked; the captain should be instructed to use the word *gum* instead of opium in his communications, as the fast boats are often times examined by the Mandarin boats & in case letters are found on board of them, they are taken to the authorities here . . . , it is therefore very important to guard against any accident of this nature, which would be attended with very serious consequences. The Mandarins here at present appear to be determined to make as much difficulty as possible with foreigners & we should not be much surprised if they get into serious difficulty with the English before the end of the season. The same difficulty exists at Macao with regard to opium & the only possible way in which it can be disposed of at present is for the vessel that has it on board to remain in Macao Road or amongst the Islands to the Eastward & even under this arrangement it would be very difficult to find purchasers as all the Dealers in the article have disappeared in consequence of the measures taken by the government for their apprehension. . . .

Mess. J. & T. H. Perkins

Canton Jan. 3, 1822

. . . The English Company are in difficulty with the Government in consequence of some Chinese having been killed at Lintin by the English frigate *Topaz*. Their trade is at present suspended, but we think the business will be adjusted as soon as the frigate departs. . . .

From these letters we can see how long opium had constituted a serious problem in China trade before the final explosion came in 1840.

The material which Shewan, Tomes and Company has been able to save for the Business Historical Society is of unquestioned value. We only regret that we cannot have the complete set of Perkins and Company letter books 1803-1827. Perhaps they may yet be discovered.

## Use of Pictures in a School of Business Administration

DR. ABRAHAM FLEXNER, a year ago, sought in his general criticism of American education to put the Harvard Graduate School of Business Administration in what he thought to be its true and lowly place, by stating that all the Business School was accomplishing was to short-cut experience. "Exactly," says the Business School, "that *is* our aim. We hope to lay a foundation of principles by which the future business administrator may make decisions more keen than a lifetime of trial and error would have made possible." But the function which Dr. Flexner so minimizes is recognized by the Business School as a colossal task, and the members of the faculty are ever seeking devices to aid them in their work.

One of the recent developments along this line has been the ever growing use of pictures as an aid in supplying a certain background for courses given. The type and use of these pictures fall into three main categories: pictures which show the historical development of technological improvements, methods of work, etc.; pictures which are used to bring out the human factor in industry — to show the relationship between labor and capital; and the use of motion pictures of factory processes to provide a background for teaching that will hold the discussion close to real facts.

The first type has been in process of accumulation since the Business School started. Dean Donham, recognizing the importance and desirability of appropriate pictures for the class rooms and offices, appointed a committee to search for such pictures. The results have been gratifying. There have been brought together pictures comprising historical studies on numerous subjects: railways, fire engines, canal transportation, and manufacturing. There