

# SHIPPING TAIPANS OF THE CHINA COAST

By

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The name “Taipan” is afforded to those who hold the highest reverence and respect in Asian commercial circles. Loosely translated it means “Big Boss”. The emergence of the “Taipan” dates back to when Hong Kong was first colonized by the British in 1842, and the earlier “Hong” of nearby Canton. “Hong” was the name given to those who controlled the warehouses and trading enterprises. In a futile attempt to stem and control the flow of Opium into China, the Chinese limited foreign ships trading with China to the port of Canton.

Of course, no matter what your perspective may be, development of foreign shipping in China is all linked one way or the other to the cessation of the first Chinese Opium War. Trade, shipping and the subsequent opening of five Chinese Ports to foreign trade – these were to become known as Treaty Ports, agreed in the Sino-British Treaty of Nanking in 1842 which ended the first Opium War, the opening of the Treaty Ports was in addition to the island of Hong Kong, which had earlier been ceded to the British in perpetuity by the Chinese.

The establishment of Hong Kong and the Treaty Ports afforded great opportunity to expatriate businessmen in which to expand their ventures, into what was considered a rich untapped market. These ports, other than Hong Kong, included, Canton (Guangzhou), Amoy (Xiamen), Ningpo (Ningbo), Fuchow (Fuzhou) and Shanghai. Accordingly, major trading houses of the times (mostly British) quickly developed these ports into major trading bases, building warehouses, wharfs, and offices for the staff they stationed in these venues, to facilitate their operations. These business enterprises catered for every need of both the expatriate and Chinese community, including essential services, amongst which one of the main was regular shipping services.

As part of the Treaty of Nanking, these expatriate entrepreneurs obtained “most favored” trading status and privilege, allowing them to dominate the market, by what must be considered both scrupulous and unscrupulous means. In most cases there were only a few major players in the race for dominance of the lucrative trade, the “Big Bosses” which became known as “Taipans” by mutually unspoken agreement. Being people worthy of great respect, business ability and achievement, the name “Taipan” was thus generally understood amongst most Oriental ethnic communities of the era. It lives on to this day, although a more modern interpretation may be “Tycoon”.

The foreign trading houses set about founding their own communities within China, which became subject to their own laws and customs, living as if in their country of origin. In real terms, it was a foreign occupation of China in all but name. Where the city had an exclusive area set aside for foreigners, this was called an “enclave”, but in cities with fewer numbers of foreigners then they lived among the local Chinese population. These “enclaves” were also sometimes called “concessions” which implied they were given away by agreement, again this was not always true, since a “concession” was a foreign leasehold where land could not be subleased back to the Chinese, and only chosen Chinese were allowed to enter.

In some of the larger “concessions” such as Canton and Shanghai, foreigners lived in their own settlements under foreign not Chinese law. Many fine buildings were constructed, and an expatriate police force formed with Expatriate Officers in charge. Many of the fine stone buildings survive to this day, most notably along the Bund in Shanghai, Tianjin, and Wuhan. And so, it was, that a few notable British trading houses gained an iron grip on the movement of merchandise through these Treaty Ports and to a large extent was the foundation on which many built their shipping empires of latter years.

It should be remembered that the catalyst for the coming about of the Treaty Ports was shipping, and the rights to trade with China. But with the establishment and mixing of foreign and Chinese influences it only became a matter of time before cheap labor was exploited and immorality, bribery, gambling, drug abuse and the importation of diseases such as Smallpox, Syphilis and Typhoid became common place. It is worthy of note that it was not only the foreigners that benefited from the newfound trading opportunities, but also the Chinese through their subsidiary role as a “Compradores”, many of whom amassed vast fortunes from such activities.

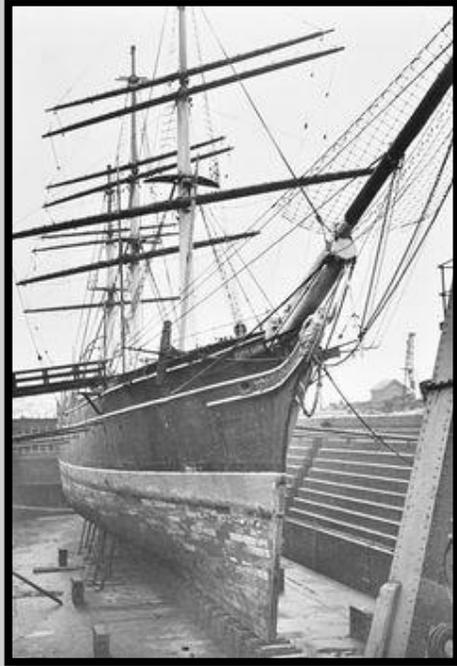
Without going into the minutiae and circumstances of history, suffice it to say that the establishment of the Treaty Ports enabled sailing ship, and later steam ship networks, to become legally established in China, and to those so involved, they became known as “China Traders”.

Between 1845 and 1875 a considerable number of specialized Clipper Ships were built for the China Tea Trade. These ships were distinctive by their rakish bows, narrow beam, and lofty sail arrangements. Some of the more famous ships of the era were the “Ariel”, “Taeping”, “Cutty Sark”, “Fiery Cross”, “Thermopylae” and “Serica”. A first line ship such as “Ariel” or “Thermopylae” could easily set thirty or more sails in favorable conditions, and any clipper taking part in the tea races of the mid-1860s might average 11 or 12 knots in moderate conditions, at a time when the steam fleet made eight or nine knots and would need to coal four or five times on a voyage between Britain and China.



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Tea Clippers at Pagoda Anchorage, Foochow during the mid - 1860s. Foochow was one of the Treaty Ports and featured significantly in the export of tea from China.



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Jardine Matheson House  
Flag and brochure of the  
era.



The fine lines of the Tea Clipper “Cutty Sark” shown whilst in drydock. A clipper ship could achieve a day’s run of over 300 nautical miles, in favorable conditions. A passage time of between 99-105 days from Foochow and the UK was typical for Tea Clippers of the era. Races were conducted by vessels on the highly competitive tea trade route from China to the UK. First arrivals in the UK, carrying the new season tea pickings demanded the highest market prices, and with that went the largest bonuses to Captains and the crews of their ships.

By the start of the 1900s the two largest “Hongs” were Jardine Matheson and Company and the China Navigation Company, both ship owners and traders. Between them lay a “friendly” competitiveness and rivalry. The big bosses of these companies were known as “Taipans”.

Jardine Matheson & Co was founded in 1832 by William Jardine and James Matheson. Working from an initial base in Canton (Guangzhou) they commenced trading in Opium within Asia region, but also Cotton, Tea and Silks, all of which were high value goods. Regular runs were made between Canton and Calcutta. It was during this period experimentations with the new emerging steamships were conducted, which they chartered.

In 1844, only two years after the British Colony was established, they moved their headquarters to Hong Kong, also opening a branch at Shanghai to give access to trade in the Yangtze basin. They used their new bases to develop and expand their trading activities along the China coast, using the Treaty Ports as their main conduits of entry in and out of China. After their early experiments in steam, Jardine’s became more involved in steamships introducing them into services in the mid-1850s on the Bengal - China trade. At about the same point, regular services were introduced along the China coast Treaty Ports with occasional diversions to Japan. So, in 1873 a subsidiary, the China Coast S.N Co. was formed to operate between Chinese ports and Japan.

Jardine had launched a cargo shipping line from Calcutta in 1855 and began operating on the Yangtze River. The Indo-China Steam Navigation Company Ltd. was formed in 1881, and from then until 1939 maintained a network of ocean, coastal and river shipping services, which were managed by Jardine. In 1938, during the Second Sino-Japanese War, the company bought four ships, Haiyuan, Haili, Haichen

and Haiheng from the China Merchants' Steam Navigation Company; these vessels were subsequently operated between Hong Kong and Tientsin (modern day Tianjin).

At the end of the nineteenth century, Jardine, Matheson & Co. had become the biggest and most influential of all the foreign trading companies in the Far East, and had by that time expanded its interests and activities into such sectors including shipping, cotton mills and the construction of railway facilities. The company continued its expansion in China and by the turn of the century and early decades of the twentieth century had ventured into cold storage, packing and the brewing business. By this time, the company had also become the largest cotton spinner in Shanghai.

A new service from Hong Kong to Manila was opened in 1885. The Indo-China Steam Navigation Company Ltd. was formed in 1881, and from then until 1939 it maintained a network of ocean, coastal and river shipping services, which were managed by Jardine.

The ensuing years saw the further development of their businesses in China, including shipping, save for WW2 war years, but after the war and the creation of the People's Republic of China in 1949, conducting business within China became more difficult, so in 1954 Jardine Matheson and Company withdrew from China and refocused on Hong Kong, where they reconsolidated their business and made the headquarters. A Far East - Australia service was introduced by the company once operations had returned to normal after WW2. Due to increasing competition by the end of 1955 passenger trade between the Far East, Straits and Bay of Bengal was abandoned and the same year, Auckland was added to the Australia service.

Shipping always played an important role in the expansion years of Jardine and in 1835 the firm had commissioned construction of the first merchant steamer in China, the "Jardine". She was a small vessel intended for use as a mail and passenger carrier between Lintin Island, Macau, and Whampoa Dock. However, the Chinese, draconian rules relating to foreign vessels, were nervous about a "coal fired ship" steaming up the Pearl River to Canton, so an edict was issued by the Chinese warning that she would be fired on if she attempted the passage. On the Jardine's first trial run from Lintin Island the forts on both sides of the Bogue opened fire and she was forced to turn back. The Chinese authorities issued a further warning, insisting that the ship leave China. In any event, by this time the "Jardine" required repairs and was sent to Singapore.

However, increasing competition from Indian and Japanese companies caused a steady decline in business and in 1974 ICSNC, London was liquidated. ICSNC, Hong Kong moved into the bulk shipping business in conjunction with the Wah Kwong Group and became involved in the Gearbulk consortium and pool of container ships. At this point the company diversified into other avenues of business.



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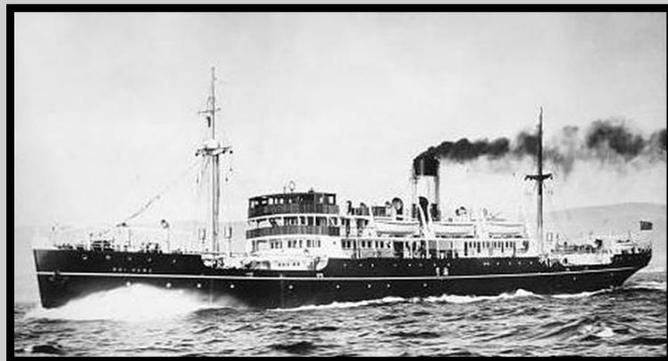
Typical crowded Pearl River scene ca 1915 showing various river steamers



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The small Jardine ship "Liwo" built at Hong Kong by Whampoa Dock Company in 1938. She became a casualty of WW2 when in action off Singapore during 1940.

The steamer "Hai Heng" purchased by Jardine in 1938 from the China Merchants S N Company and used on the Hong Kong to Tientsin (Tianjin) route.



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From a Jardine brochure advertising their fast regular Far East China Coast service with sister ships "Wosang" "Esang" "Yusang" and "Mingsang"



Another brochure from Jardine, advertising their China and Indo-China services.

They operated a handsome fleet of small to medium sized cargo ships throughout South East Asia during the 1950-60s. However, a few of their ships did occasionally carry passengers.

In their heyday Jardine ships could be seen in India, Indo China, Thailand, Hong Kong, Chinese coastal ports, South Korea, the Philippines and as far south as Australia on a regular basis.

In later years when they became associated with Wah Kwong and Gearbulk, their ships could be seen globally, as not only did they facilitate regular Far East regional services, but they also became engaged in the tramp market with their bulk carriers.

There can be no doubt that Jardine Matheson was, and still is, considered one of the original founding "Hongs" of Hong Kong shipping and business circles. They have since acquired widely diversified business interests, not only in Hong Kong but throughout Asia and Europe.

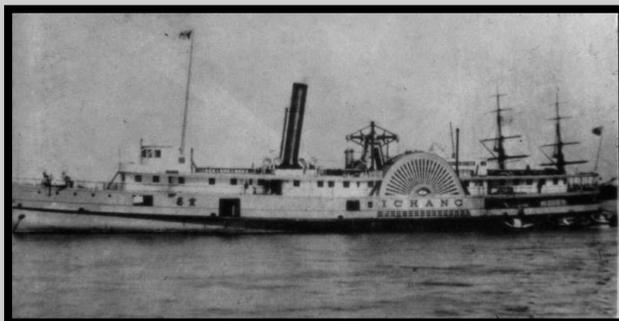
They are irrevocably intertwined with Hong Kong and Asia and will remain as one of the founding companies which influenced trade and shipping in the Far East. Not only do they retain their iconic business status but will also continue to have their Chief Executive known as the "Taiwan".

Another one of the founding “Hongs” was the **China Navigation Company**, known simply as **CNCo**. The company was founded by John Samuel Swire with the view to providing paddle steamer services along the Yangtze River. By the early 1870s John Samuel Swire was convinced that there was an opening for increased steam shipping on the Yangtze River and as he was unable to interest other shipping companies to develop the trade, he decided to establish a new company himself to expand the business opportunities he envisaged. Hence, **The China Navigation Company** was incorporated in London in 1872.

In 1973 CNCo had 3 ships on the Yangtze River trade, since their acquisition of the Union SN Company secured them 2 additional vessels, as well as leases on properties in Shanghai and other Chinese river ports. This was a period of intense expansion for CNCo and by the mid-1870s their scope of operation had been increased to include Canton and Pearl River ports and by the late 1870s encompassed the Shanghai to Ningpo and Shanghai to Tientsin routes. This, however, was a period of fierce competition causing some operators to pool their ships. So, in 1883, the “Coastal Boat Ownery”, which had been formed as a sort of co-operative to look after coastal traders and their ships, was absorbed into CNCo. This merger gave CNCo greater access to ships and by 1890 their expanded fleet consisted of some 29 ships. The enlarged fleet enabled CNCo to broaden its field of operation which by this time included Yangtze River ports, most south China coastal ports as far as the Pearl River, the Philippines, greater South East Asia, Australia, and Japan.



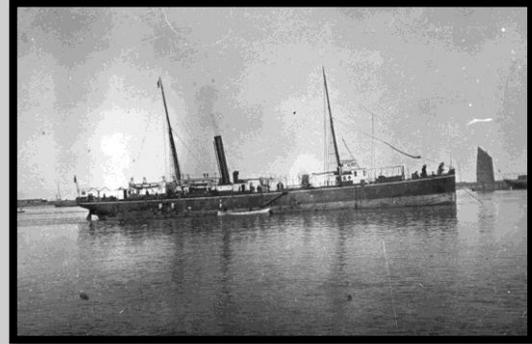
An early China Merchants SN Company brochure advertising their passenger services to Tsingtao and Pootoo by “SS Poo An”



The paddle steamer “Ichang” built in 1873 for the China Navigation Company.

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The “Newchang” built in 1877 and operated by the “Coast Boat Ownery” until she became one of the vessels transferred to CNCo in 1883, forming part of the fleet’s expansion.



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The 20<sup>th</sup> Century created many difficulties for shipping concerns operating in the China and South East Asia trades. These campaigns against non-Asian owners usually took the form of increased nationalistic sentiments, boycotts, and disruption to their shipping routes due to China’s internal civil instability. CNCo continued to operate until 1940 at which point their ships were requisitioned by the British Admiralty for war service. In late 1945, at the conclusion of hostilities, the CNCo fleet was returned to their owners’ which enabled the company to resume operations at Shanghai and Hong Kong. Once ships and property that had been seized by the Japanese was returned, normal working operations slowly resumed.



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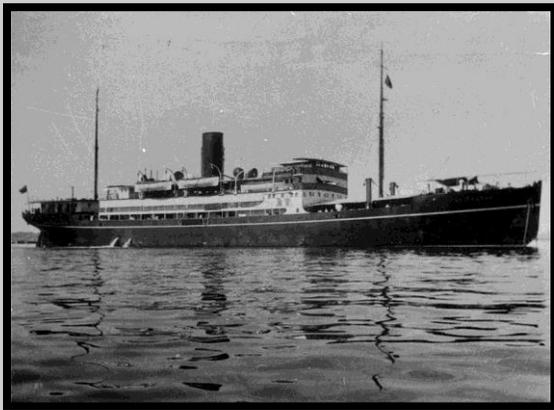
“SS. Whang Pu” built in Hong Kong for CNCo in 1920, by their subsidiary company Taikoo Dockyard. Over ensuing years of CNCo’s expanding shipping business, Taikoo Dockyard built many vessels for the company over coming years.



“SS Shenking” built in 1931 by Scotts of Greenock for CNCo. Depicted alongside at one of the Chinese river ports, circa mid 1930s

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The Far East interests of Swire’s was placed under the stewardship of their Far East Trading Company “Butterfield and Swire” and managed through their principal offices in Shanghai and Hong Kong. The B&S office in Shanghai tended to assume responsibility for the management N and S China coastal ports and shipping services whilst the B&S office in Hong Kong did likewise for Indo-China, Thailand, the Philippines and the Straits shipping and trading affairs. The management of Taikoo Dockyard and Taikoo Sugar Refinery was assumed by their Hong Kong office.



A Taikoo Shipyard built ship for CNCo “SS Shuntien” launched in 1934. She was later torpedoed by submarine U-559 in 1941. She had a sister vessel “SS Shengking” .

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A fine vessel with more trending lines of the times, built for CNCo during the 1960’s by Taikoo Shipyard, “MV Kweilin” built in 1962, as one of several sister vessels. Photographed at Hong Kong.



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The “MV Kuala Lumpur” passenger vessel operated between 1960-71. She was the ex - Troopship “Dilwara”, purchased from the British India SN Company. The vessel was engaged in cruising then as a “Haj” ship carrying pilgrims, primarily from Malaysia to Jeddah

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Above, CNCo’s popular passenger cargo liner ‘MV Changsha’, a regularly engaged on the Far East – Australia run during 1960-70s, she had a sister vessel “MV Taiyuen”.

Also, in the 1960s, CNCo initiated a passenger cruising business creating a specialist market operating seminar cruises from Japan. CNCo successfully dominated this market for almost 20 years.

In 2003 Bank Line Ltd of London (an iconic British tramp and liner shipping company) was acquired by Swire and operated as part of their shipping conglomerate until 2009, when Bank Line ceased all operations.

Bank Line had for many years provided a westbound round-the-world liner service linking Europe to the South Pacific Islands and Papua New Guinea. During later years, this service was operated by 4 x 20,000 DWT Finish built ships named Speybank, Arunbank, Foylebank and Teignbank which were converted in the United Kingdom for the South Pacific service. These ships, while still managed by Bank Line, were renamed to Mahinabank, Tikeibank, Gazellebank and Boularibank, and sent to Singapore for drydocking and extensive refits prior to integration into the CNCo fleet. However, due to the economic downturn of

2009 the round-the-world cargo liner service was terminated and all 4 of these vessels were sold out of the fleet in late 2009.

The end of Bank Line's ships was not without incident. On 28 April 2009, on her last complete voyage in round-the-world service, Boularibank was attacked by Somalian pirates 120 miles northeast of Socotra Island at the entrance to the Gulf of Aden. Fortunately, this attack was foiled, whilst another converted Finish built ship, Foylebank, briefly featured in the 2000 drama film "Cast Away" as the ship that rescues the character portrayed by the American actor Tom Hanks



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Swire operated (ex - Bank Line vessel) the Finish built "MV Mahinabank"



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Another of the ex-Bank Line Finish built vessels operated by the CNC, "MV Boularibank"

So, it was in 2009 that CNCo relocate its headquarters to Singapore and established The China Navigation Company Pte Limited, as a subsidiary of The China Navigation Company Limited (UK registered parent company). Thus, Singapore assumed the role as Far East Headquarters, away from their traditional Hong Kong base. The company has evolved since its inception in operating niche trades on the Yangtze River and along the China coast to establish its current position as one of the leading providers of multipurpose liner shipping services with a specific focus on Papua New Guinea, Australia, New Zealand, and the Pacific islands.

End

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References: Various, Swire Group, Jardine Matheson, and Bank Line archival records available for public scrutiny.