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PREFACE

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Gambling Operations in Late Qing Guangdong

HO HON WAI

Throughout Chinese history, governments, considering gambling injurious to morals and a hotbed for crime, have rigorously sought prohibition. For a long time, the Manchu-Qing regime followed the precedents of earlier periods with their policy of banning gambling, despite the ban's limited efficacy. From the 1860s the Qing government, in accordance with changes in the historical situation, gradually reevaluated its policy of banning gambling. This paper takes Guangdong as the object of research for the following reason.

Given its fiscal importance, the gambling tax, as an element in the structure of provincial fiscal administration, was a source of funds not to be ignored. Whether you look at it in terms of its absolute figures or relative proportion of revenues, the gambling tax held a position in the structure of Guangdong provincial fiscal administration which most sources of revenue in the province, and similar categories of tax in other provinces, could not compare.¹

It should be noted that few serious scholarly studies have been undertaken regarding the gambling operations in the late Qing period. There are two principal reasons for this. First, most scholars have heretofore focussed on prominent mercantile forces that played an active role in history; such as the Shanxi merchants, the Huizhou merchants of Anhui, the salt merchants of Yangzhou and the Co-hong merchants of Guangdong, as well as other merchant groups that displayed signs of growing vitality.² Consequently, scholars have paid comparatively less attention to the gambling syndicates of late Qing Guangdong. Secondly, in the past gambling was censured by public opinion because it was considered to have a corrupting influence on public morals. Since gambling was regarded as taboo, it was seldom mentioned. Therefore, source materials on gambling operations are rare, making the study of this area a difficult undertaking.

This paper aims first to fill an existing historiographical gap and more importantly, to employ the case study of gambling operations in Guangdong, with particular reference to the response they elicited from the provincial authorities, to provide a better understanding of official-merchant relations during the late Qing period. On account of the paucity of written materials, which is the most serious obstacle to this study, I limit myself to threading together available fragments of historical information in order to outline the essential features of gambling operations in late Qing Guangdong. I hope that this study will encourage further debate regarding this issue. Below I briefly outline the sketch I am going to present on the following pages.

Gambling operations in late Qing Guangdong were conducted on the basis of revenue farming. In most circumstances gambling farmers ran their business under the name of *gongsi*, (for Fantan gambling³ the case is slightly different, for details see below), whose relations with the provincial government formed the core of this study. This paper begins with a discussion of the origin, organisation and terms of operation of the *gongsi* as well as the background of the gambling farmers. With regard to the terms of operation, topics covered include types of games, their duration and territorial confines to be franchised. As far as the structure of the *gongsi* is concerned, although the author tries his best to tie all available scraps of information into some kind of coherent story, many intricate details are still obscure. Taking into consideration the availability of data, the

main focus of this research will be on the experience of the Hongfeng *gongsi*. Following this, I will address the *gongsi*'s relations with the provincial authorities. The author finds that although the gambling syndicates paid off the provincial authorities in order to develop their business, they were completely at the mercy of the government that squeezed or bled them whenever necessity arose. Gambling syndicates also encountered vehement competition from illicit and unlicensed business rivals through the connivance of the local constabulary and underlings. Finally, this paper will draw a comparison between the experience of the gambling syndicates and that of other revenue farms in the province, as well as that of other privileged mercantile groups in the country.

Legalised gambling operations in late Qing Guangdong were monopolised by syndicates which advanced a lump sum of franchise tax to the provincial authorities as payment for their right to undertake the enterprise. It is very likely that such a practice was composed of indigenous and foreign practices. According to Lien-sheng Yang, the practice of tax farming can be traced back as early as 486 AD; during the Song dynasty, its wide prevalence can be indicated by the fact that the government farmed out monopolies of liquor, tea and salt, county by county.⁴ Apart from this long-standing origin, the Guangdong authorities might have taken into consideration the practices of farming out gambling in Macao and Southeast Asia, especially that in Siam, when they first adopted the same measure for the *Weixing*, which was a form of lottery on the names of successful competitors in the triennial and provincial examinations of 1885. This was not groundless speculation.

Political leaders of colonial Southeast Asia, whether Europeans or Southeast Asians, depended on revenue farming on account of the inadequacy of the administrative machinery, capital and specialised knowledge to collect revenue themselves, while revenue farming assured them a reliable source of income and a regular means of tax assessment. Because of the weakness of the state, they delegated the collection of taxes to farmers. At the time, it was the Chinese business groupings that had the resources to operate the farms and immigrant Chinese working on mines and plantations. These were the farms' principal targets. In fact, revenue farms represented 27 per cent of total revenues of the VOC in Asia during 1653, in which the role of Chinese gambling is striking.⁵

On the eve of the Sino-French war over Vietnam in 1884, Zheng Guanying, the noted reformer, had been dispatched to Southeast Asia to collect enemy intelligence on behalf of the Guangdong authorities. He arrived in Siam in the 6th moon of the year, and had a vivid account of the tax farming of the *Huahui* gambling⁶ there.⁷ At that time, the Guangdong authorities had placed a ban on all forms of gambling activities within the province. As a result, most of the gambling syndicates moved their business to Macao, where the Portuguese granted them a franchise and collected an annual revenue amounting to about 500,000 dollars in return. A keen observer on this matter was Zheng, a native of Xiangshan, a county in the proximity of Macao. At the end of 1884, Peng Yulin, the imperial commissioner dispatched to Guangdong during the Sino-French war, entrusted Zheng with the task of investigating the *Weixing* gambling and recommending measures to extend the franchise. After much deliberation, Zheng stated that for the farming out of the *Weixing*, it was best for the provincial authorities to follow the practices of the west by means of public bidding; successful bidders were required to pay bills as a deposit in security, while the meddling of underlings and clerks were strictly prohibited.⁸ It is highly probable that the "practices of the west" were, in fact, what Zheng took notice of in the colonial regimes of Macao and Southeast Asia.

In most cases, gambling syndicates in late Qing Guangdong ran their business under the name of certain "*gongsi*", which in essence, was a form of traditional business

partnership that had a long history of growth.⁹ According to Tian Rukang, the term *gongsi* originates in the rural communities of Fujian and Guangdong. Here the practice of entrusting reserved funds or public property to business partners or clan members in rotation was known as *gongsi*.¹⁰ Luo Xianglin further indicates that *gongsi* had something to do with gambling. He asserts that the people in south China, especially the Hakkas, usually formed a partnership known as *gongsi* once they embarked upon business, gambling in particular, in which each partner held shares in proportion to his capital or labour contributed to the enterprise.¹¹ Possibly, it is against this background that gambling syndicates in late Qing Guangdong merely followed old traditions of their forerunners.

Provincial authorities delimited locations where franchised gambling syndicates were allowed to run their business in consideration of law and order. Syndicates were prohibited from extending their operations to those regions where there was a complete absence of their activities heretofore, unless an additional franchise tax was paid. The Guangdong authorities reiterated this stand in 1900, 1901 and 1902.¹² Franchised gambling syndicates set up headquarters in Guangzhou, the provincial capital, and farmed out branch networks in other counties delimited by the authorities within the province. In some cases, branches were also found outside the province and were not solely run by natives. In 1901 there existed an opinion that it was better for branches to be run by natives who could operate the business with greater dexterity and on more familiar grounds than non-natives.¹³ Status of the branches received no recognition from the provincial authorities, which would deal with the head farmers only. In 1901 the Supreme Board of Reorganization stated that it was against all precedents for branches to approach the provincial authorities directly, bypassing the main syndicates. Only on the occasion of a main-branch dispute could the branch appeal to provincial officials for redress. Three years later, the provincial authorities reiterated the same stand, indicating that they would not even accept branches' petitions by mail.¹⁴ For Bantan concession, except for the span when the Huitan *Gongsi* undertook the enterprise, head farmers and main syndicates were absent for most of the time. Contractual licenses were farmed out to individual farmers within a certain area undertaking the business.

There were marked discrepancies in the duration of business operations among different kinds of gambling activities. Proceeds from the contractual licence for undertaking the Fantan business formed the staple of gambling revenue in late Qing Guangdong, followed by those from franchising the White Pigeon Lottery and the Shan and Pu Lotteries, while that from the concession of the Weixing was in the rear. (For exact amount see below.) It should be borne in mind that the Fantan went on day and night throughout the year, while the White Pigeon Lottery drew once daily; the Shan Lottery four times and the Pu Lottery thrice monthly. As to the Weixing, it happened only when the civil service or the martial art examinations were held. This accounts for the discrepancies in their revenue-generating capacity. It should be noted that the franchise tax for the Fantan, White Pigeon Lottery, and Shan and Pu lotteries were on an annual basis. For Weixing concession, payment of the franchise tax during the 1st term was spread out over six years, while for the 2nd and 3rd terms, payment was made at the civil service and martial art examination. With regard to the duration of the contract, in the cases of the Weixing and Caipiao Lotteries, a term of operation was of six years duration and for the White Pigeon Lottery, it was of four years duration. For running the business of the Shan and Pu Lotteries, each term lasted eight years, whereas for the Fantan, it was merely a span of three years.

As to the background of the gambling farmers, I can only sketch out their general picture from the limited materials, using the Hongfeng *Gongsi*, a syndicate that enjoyed

a franchise for operating the weixing gambling from 1897 to 1903, as an illustration. Prominent partners of the *Gongsì* included Liu Xuexun, Liu Weichuan, Wei Song, Wei Yu and Lu Jiu. The first four partners were natives of Xiangshan county, while Liu Weichuan and the Wei brothers were also fellow villagers. Liu Xuexun earned the *jueren* (2nd degree graduate) qualification in 1879, and obtained his *jinshi* degree in the metropolitan examination seven years later. He held the position of expectant prefect. He was a member on the board of directors of the Imperial Bank of China, which was established in 1897. He had operated gambling businesses, especially the Weixing, in Macao and Guangzhou. In fact, he ran the syndicate that acquired the right to undertake the 2nd term Weixing gambling. Although he was the principal shareholder of the Hongfeng *Gongsì*, he kept himself in the background and brought Wei Song to the forefront due to his embarrassment at failing to meet his obligation during his term of undertaking (see below). Liu Weichuan and the Wei brothers worked for foreign banks as compradors in Hong Kong, Liu and Wei Song for the Hong Kong and Shanghai Banking Corporations, while Wei Yu for the Chartered Mercantile Bank of India, London and China. They were the top echelon of the Chinese community in the colony. All of them were appointed Justices of the Peace, moreover, Wei Yu was appointed to the legislative council from 1896 to 1917 and was knighted in 1919. The Liu and the Wei families were also united in bonds of wedlock. It was reported that in his capacity as comprador of the Hong Kong Bank Liu made a lot of money by clever manipulation of the bill of exchanges. Lu Jiu's father built up his fortune from banking in Macao; nevertheless, he purchased the official qualifications of *linsheng* (salaried graduate of the 1st degree) and *gongsheng* (senior licentiate) for career enhancement. He held such honorific official titles as special appointed prefect and salt controller by purchase. He added to his wealth through commercial pursuits, and also acquired a considerable fortune out of gambling operations in Macao. The Chinese and Portuguese governments bestowed upon him honours in praise of his community service.¹⁵

Based on the above information, I have made the following preliminary observations on the essential features of the Hongfeng *Gongsì*. First, most of its partners came from a higher stratum of society; being thirsty for profit they did not consider it beneath their dignity to operate gambling business. Of these, the most notable figure was Liu Xuexun, who reached the high rung of the ladder of success in his capacity of a *jinshi* degree holder. Second, some of its partners such as Liu Xuexun and Lu Jiu held honorific official appointments, which was an asset in their dealings with provincial officials. It should be borne in mind that merchants were inferior to mandarins in social position in traditional China. Third, to a great extent, its partners were connected together by fellow village relationships. Of the seven shareholders of the *gongsì*, four were natives of Xiangshan county, and what is more, of these four, three had connection to the same village, Qianshan, and their relationship was further cemented by marriage among their family members. This relationship bore the characteristics of the *gongsì*, which originated in the rural communities of Fujian and Guangdong. Last, among the shareholders, Liu Weichuan and the Wei brothers had carved out a career as compradors of foreign banks for themselves. It should be noted that it was a common practice among the compradors of 19th century China to exploit their position for their private ends through questionable manipulation.¹⁶ Liu formed no exception to this phenomenon; money reaped from such a venture was a great help to the *Gongsì* in time of need.

What concerned the provincial authorities the most was whether franchised gambling syndicates would faithfully observe their commitment, especially the payment of franchise taxes and contributions according to schedule. It was not uncommon for gambling syndicates that failed to observe their commitments to forfeit their right to

operate the business. Apart from financial considerations, the provincial government attached great importance to this matter on the grounds that such a measure would screen swindlers from undertaking the task.¹⁷

For those franchised gambling syndicates, the top priority was how to safeguard their monopoly from unlicensed and illicit business rivals. For instance, in 1899, the franchised syndicate for the Weixing gambling, Hongfeng *Gongsi*, lodged a complaint against the large number of illicit bookmakers within its scope of operation, and urged the provincial government to place a curb upon them.¹⁸ When the franchised syndicates for the White Pigeon Lottery and the Fantan gambling faced similar troubles in 1901, they made demands on the authorities to weed out illicit bookmakers.¹⁹

For the Weixing farmers, apart from their concern for competition from illicit bookmakers, they also paid serious attention to the schedule of the civil and martial art examinations on which their immediate interests were more contingent. In 1893, on the occasion of Empress Dowager Cixi's 60th birthday, the Qing government gave consent to the Guangdong authorities to hold two special examinations, one civil service, the other martial arts, on the 8th and 10th moons as an act of imperial grace. The 1st degree (*xiuca*) examination was to be held around the 7th and 8th moon as usual. As these examinations were so closely scheduled, the betting on the Weixing gambling would be adversely affected, so the franchised syndicate asked for the postponement of the *xiuca* examination. Their request met with the provincial authorities' approval.²⁰ This instance indicates that the gambler's interests took precedence over other consideration.

For attracting potential gambling farmers to the business and dispelling their misgiving, the provincial government always assured them that apart from the franchise tax it would ban all other illegal fees and exaction. When the Governor-Generals Zhang Zhidong and Tan Zhonglin invited syndicates to undertake the 1st term (1884-90) and the 3rd term (1897-1904) Weixing lotteries, they made it clear that they would honour their promise on this matter.²¹

Nevertheless, stereotyped formalities and actual situations were entirely different. Gambling farmers undertook the business in the hope that their involvement would bring in fat returns. More often than not, they found themselves caught in a quandary. When the Weixing Lottery was first farmed out, it was stipulated that in fulfilment of the requirement of paying a franchise tax of 4.4 million dollars during the term of operation, successful bidders would be free from all other forms of exaction as these had already been incorporated into the regular tax. However, when Zhang Zhidong initiated minting in Guangzhou in 1888, he forced the Weixing farmers to contribute 800,000 dollars to the purchase of minting machines. This turned out to be an established practice rather than a temporary expedient. In the same year, there were special examinations held in Guangdong; in turn, the business of the Weixing lottery improved. In response to this Zhang imposed a forced contribution of 400,000 taels on the syndicate for the building of a projected textile factory within the province. Forced contributions did not end with Zhang's departure. When he was transferred from Guangzhou to Wuchang, Zhang Zhidong decided to move the projected textile factory there. Nevertheless, he had his eyes on the Weixing syndicate once again. At his insistence, Li Hanzhang, the new Governor-General, levied a forced contribution on the new Weixing syndicate when it took over the business and started its new term of operation, and lent it to Zhang.²² Sheltering themselves under the provincial authorities' influence, gambling syndicates might have been able to fend off extortion and the exaction from underlings and clerks.²³ Nevertheless, they found themselves in a more difficult predicament; they were milked dry by the provincial authorities whenever the government initiated any new undertakings.

For the gambling farmers, the franchise tax by itself was a heavy burden even in the absence of forced contributions and other demands. Here, I use the experience of the Weixing syndicates as an illustration. According to the agreement between the provincial government and the Weixing syndicates during the 1st and the 2nd terms of their operations, for each term the franchise tax was fixed at 4.4 million dollars. The syndicate that undertook the 2nd term gambling operation was required to pay an additional tax of 700,000 taels whenever there were special civil service examination and martial arts examination which were held triennially and provincially, apart from the prescribed franchise tax.²⁴ It turned out that the Weixing syndicates for these two terms all ended in a terrible fix. Payment of the franchise tax was in arrears; for the syndicate that undertook the 2nd term Weixing Lottery, tax arrears amounted to more than 1.3 million dollars. Provincial authorities used coercion to make these two syndicates work off their arrears. In fact, before their obligation was discharged, the head of the first syndicate was detained, while that of the second, Liu Xuexun, was deprived of his honorific official title.²⁵

On the expiration of the contract for running the 2nd term Weixing lottery, provincial authorities invited candidates to undertake the enterprise for the next term. Tan Zhonglin, the Governor-General stated that all forms of customary fees and charges were to be spread over the contribution, which nearly tripled from 800,000 dollars to about 2.22 million dollars so that underlings and clerks had no excuse for extortion. Moreover, Tan made it clear that only those who had paid the prescribed contribution in full were permitted to take over the right to operate the Weixing lottery. Because of this requirement, he expected that only candidates of ample means could undertake the task and the unpleasant experiences of the previous two terms would not be repeated.

As the sum involved for undertaking the enterprise was substantial, there was only a lukewarm response to the invitation. In the 4th moon of 1896 a syndicate controlled by Cai Shaode and Zheng Jingfu expressed interest in the matter. Of the prescribed contribution of 2.22 million dollars, it promised to pay 300,000 dollars in advance and the rest in full shortly after. It turned out that the syndicate was unable to fulfill their commitment.²⁶ The provincial authorities were dissatisfied with this situation; however, they had no alternatives but to re-negotiate the matter with the syndicate.²⁷ After much bargaining as to the terms of payment, the syndicate ultimately offered to forward one million taels (about 1.39 million dollars) by the end of the year and all the rest in the next year. In spite of the repeated extensions granted by the authorities, the syndicate was unable to meet its commitment. It merely forwarded 580,000 taels (about 800,000 dollars) by the end of the year and came to a standstill. As a result, it was sacked with the forfeiture of all its prepaid expenses.²⁸ In view of this situation, the provincial authorities offered better terms; although the total sum of the contribution remained unchanged, candidates could take up the business once they forwarded one million taels instead of the whole of the prescribed amount of 1.6 million taels. Provincial authorities indicated that the government would take over the business in case there were no takers.²⁹

Afterwards the syndicate, the Hongfeng *Gongsi*, acquired the right to undertake the Weixing lottery in the 4th moon of 1897 upon the payment of one million taels in compliance with the wishes of the provincial government. According to the agreement, it was required to pay the franchise tax, the contribution and additional tax for special civil service and martial art examinations. It should be noted that apart from the above commitment, the Hongfeng *Gongsi* was obliged to forward a sum of 450,000 dollars in addition to the original quota of 4.4 million dollars.³⁰

Once the Hongfeng *Gongsi* launched itself into business, things did not go smoothly. Incorporation of all forms of customary fees into the contribution brought

limited benefits to the *Gongsi*. The introduction of this measure deprived the local constabulary and underlings of a handsome income. In compensation for their losses they gave tacit consent to illicit Weixing operations, from which they received bribes on a large scale.³¹ The unremitting activities of the illicit weixing bookmakers placed the business interests of the Hongfeng *Gongsi* in jeopardy. Although provincial authorities took measures against such activities at the repeated requests of the Hongfeng *Gongsi*, in view of collusion between the local constabulary and the illicit Weixing bookmakers it seems that the suppression was of limited efficacy.³²

For the Hongfeng *Gongsi*, the challenge from its business rivals was a minor issue in comparison with the heavy burden of the regular franchise tax and the forced contribution. Its involvement in the undertaking of the Shan and Pu Lotteries in the name of the Hongfa *Gongsi* further exacerbated the situation as the financial pressure on it increased substantially (see below). Its right to the operation of the Weixing was due to expire in 1904. On inquiry, the Hongfeng *Gongsi* revealed that it had no intention of carrying on the business for the new term on the grounds that the future of the civil service examination was uncertain.³³ Probably, this was merely the ostensible reason as it was in dire financial straits by that time. To a considerable extent, Hongfeng's precarious solvency relied on the manipulations of its two shareholders, Liu Weichuan and Ma Fat-ting. Liu, in his capacity as the comprador of the Hong Kong Bank, engaged in the illegal practice of bill manipulation without the Bank's knowledge; he advanced a considerable portion of the yield of these bills to the *Gongsi*. In 1904 bills under his charge were found to be dishonoured and his illicit activities were exposed. This entailed disastrous consequences. Heavy liabilities forced him into bankruptcy.³⁴ A chain of misfortune followed. Another shareholder of the *Gongsi*, Ma Fat-ting, manager of the native bank, Lai Hing, was involved in the financial troubles because of his close association with Liu Weichuan in pursuit of profit through bill manipulations. His bank overextended credits to its clients, of which the Hongfeng *Gongsi* was the largest. The bank went into liquidation when it was unable to call back its loans.³⁵ The complete failure of these two shareholders forced the *Gongsi* into insolvency, which in turn, spelled the ruin of another shareholder, Wei Song.³⁶ Beset with insurmountable difficulties the Hongfeng *Gongsi* collapsed in 1905. Even so, the provincial government did not loosen its grip on the *Gongsi*; it ordered the arrest of Leong Cheong-sui, manager of the Hongfeng *Gongsi*, and the confiscation of his property. Nevertheless, Leong had wind of this order in advance and he fled to Hong Kong with all his money.³⁷ Of the shareholders in Hong Kong, only Wei Yu avoided his fate in this storm.

The prospect of the Weixing business was bleak as potential bidders were hesitant to undertake the enterprise during this transition period. In these circumstances, the Guangdong authorities had to reduce the franchise tax in order to elicit tenders. A new syndicate ultimately agreed to undertake the new term of Weixing business from 1905 on at such liberal terms of payment — a much reduced franchise tax of 2.8 million taels during its term of undertaking and a contribution of 530,000 taels in a lump sum. The syndicate was also required to forward an additional franchise tax of 350,000 taels as there were two special examinations in the course of this term. With the abolition of the civil service examination in 1905, this scheme miscarried.³⁸

Relations between the provincial government and the gambling farmers entered a new phase at the turn of the century. The financial position of the Qing government deteriorated further in the last decade of the dynasty. With the launching of new reforms within their jurisdiction and the ever-increasing quota allotments (*tanpai*) from the centre, provincial authorities found themselves running short of means to deal with the situation.

As the potentialities of gambling taxes had not brought into full play, the Guangdong authorities would not let them slip out of their hands. From 1900 on, the provincial government lifted the ban on the White Pigeon Lottery, Fantan, Shan and Pu Lotteries at one stroke and awarded the franchise from their own financial consideration. During this period the provincial government was ruthless in their dealings with the gambling farmers. It treated the gambling farmers as a target for milking and the agreement for undertaking gambling operations as mere formalities. Gambling farmers enjoyed no legal protection at all.

It is here, that the author can employ experiences of the operation of the White Pigeon Lottery, Fantan and Shan and Pu Lotteries as an illustration of the relationship between the provincial government and the gambling farmer during this period. In 1900 the Hongyuan *Gongsi* acquired the right to undertake the operation of the White Pigeon Lottery within the province. The terms were: for a duration of four years it would pay an annual franchise tax of 800,000 dollars as well as a lump sum contribution of 400,000 dollars.³⁹ Afterwards there were other syndicates that offered even better terms for undertaking the enterprise. The provincial government seized this opportunity to increase the franchise tax and coerced the Hongyuan *Gongsi* into submission. The Hongyuan *Gongsi* expressed its willingness to increase the franchise tax by about 300,000 taels (about 400,000 dollars) but received a flat refusal from the provincial government.⁴⁰ By the end of the year the provincial government scrapped Hongyuan's franchise and entrusted the undertaking of the White Pigeon Lottery to a syndicate that offered better terms.⁴¹ Unfortunately, the syndicate turned out to be unable to meet its obligation and forfeited its franchise and its security deposit accordingly. At this critical moment the Hongyuan *Gongsi* made an appeal to Li Hongzhang, the ex-Governor-General who had awarded the *Gongsi* the franchise and was imperial commissioner in Beijing at the time. Through the influence of Li, the *Gongsi* regained its right to undertake the enterprise by raising the annual sum of the franchise tax by 200,000 dollars.⁴² Because of this experience, the *Gongsi* was constantly haunted by the fear of losing its franchise. In 1904 on the eve of the expiry of its franchise, the *Gongsi* indicated that it would make no attempt to carry on the business in the future.⁴³ On that occasion, Cen Chunxuan, the Governor-General, was about to launch a campaign to prohibit the White Pigeon Lottery.⁴⁴ His measure offered a key to the solution of the problems of the *Gongsi*. The White Pigeon Lottery came to a termination once Cen imposed a ban against the game from May 1904.

Concerning the gambling concession for Fantan in Guangdong under the system in existence before tax was officially imposed in 1900, Fantan dealers had to subscribe a sum of customary fees to the provincial official hierarchy, which in turn, contributed 40 per cent of its receipts from this source to the provincial arsenal for the purchase of machinery. This practice was known as *wenwu yamen sicheng baoxiao* (40 per cent contribution from the provincial civil and military organisations), which was, in essence, a bribe in exchange for the operation of the business. When Tan Zhonglin took office as Governor-General of the province, he felt that this practice compromised the integrity of officialdom. In consequence, he placed a ban on the receipt of customary fees and did away with the item *wenwu yamen sicheng baoxiao*.

The prohibition, however, became a dead letter because of lax enforcement. In view of this, customary fees were restored in 1900 and Fantan gambling was officially legalised from then on; a quota for licensing the Fantan gambling amounting to 1.2 million taels was set up, of which 700,000 taels were to be assigned to Fantan dealers in the provincial capital, Guangzhou, while the remaining 500,000 taels were to be shared out among other dealers throughout the province. Proceeds from the allotment were delivered

to the Supreme Board of Reorganization. In September 1900 the licensing enterprise of Fantan gambling in the province was taken by a syndicate known as the Huitai *Gongsi*, which agreed to subscribe an annual tax of 2 million dollars and a contribution of \$800,000 to the provincial government, while all other kinds of exaction were abolished.⁴⁵

However, this syndicate turned out to be unreliable, while non-approved official exaction went on as before. In 1903 the licensing of Fantan business was put on a *guandu shangban* (official supervision and merchant management) basis. The administration of the provincial fantan gambling was entrusted to the *Jibu jingfei zongju* (General Office for the Expenses for Arresting and Prosecuting Criminals at large), which had been established in 1901.⁴⁶ This organisation solicited new application to run the business; an annual quota of 3 million dollars was assigned to successful new tenders. In 1905 the office was amalgamated with the Supreme Board of Reorganization, and the gambling tax was put under the Board's management. The franchise quota for the enterprise was raised to 4,307,700 dollars.⁴⁷

In fact, such an increase was a flagrant breach of the agreement whose term of validity lasted till 1906. In 1904 it was widely reported that Fantan dealers at the western suburb of Guangzhou, the most prosperous part of the city were offered the alternative of paying higher franchise taxes or losing their rights of carrying on their business.⁴⁸ As a result, their franchise for the concession was raised by nearly 30 per cent, that is, from 820,000 to 1.6 million dollars in 1905.⁴⁹

Compared with that of the Hongyuan *Gongsi* and the Fantan licensing enterprise, the experience of the franchised syndicates that ran the Shan and Pu Lotteries was even more nasty. Their franchise changed hands four times during the last decade of the Qing dynasty (see table below). This phenomenon shows that gambling farmers became milking objects whereas the provincial government was blinded by avarice.

TABLE 1:
Franchised syndicates undertaking the Shan and Pu Lotteries Operation, 1900(?)-1911#

TERMS FOR UNDERTAKING THE OPERATIONS

Span of Time	Names of Syn-				Duration (Years)
11 th moon, 1900-	Hongfa Gongsi	425,000	100,000		8
11 th moon, 1903	Wei Tingxun				
11 th moon, 1903-	Yuyuan Gongsi	1,000,000	200,000		8
11 th moon, 1904	Zhou Yongfu				
12 th moon, 1904-	Zhou Yongfu	1,300,000	1,000,000 tls	360,000	
(?), 1906	Yi Qikang				
(?), 1906-	Yi Qikang	About			
3 rd moon, 1907		2,000,000			
3 rd -10 th moon, 1907	Yonghe Gonsi (Lu Bangyuan)	1,500,000	600,000 tls	480,000	6
10 th moon, 1907-	Shaorong	1,600,000	600,000 tls	480,000	6
8 th moon, 1909	Su Bingshu etc				
8 th moon, 1909-	Su Bingshu etc	2,000,000	600,000 tls	384,000 tls*	6

Source: *Huazi daily*, 4/1/1904; 5/1/1904; 19/1/1904; 25/4/1907; 10/11/1907; *Hong Kong Telegraph*, 9/10/1909.

Notes: # Unless otherwise stated, unit in the table is denoted in dollars.

* Payment on annual basis.

According to the above table, it is discernible that on average each syndicate had a life-span of 2.5 years; of these, the Yonghe *Gongsi* was the shortest, about seven months. Having said that, the Shaorong *Gongsi* was in fact, a derivative of the Yuyuan, which was reorganised after it lost its monopolistic right to Yonghe and renamed it Shaorong. The salient feature is that the quota of the franchise tax was of an upward trend throughout the period, whereas the duration for undertaking the business was shortened from eight to six years. It should be noted that the prohibition of the white pigeon lottery in 1904 and the abolition of the civil service examination next year cost the provincial government a large revenue. It was against this background that the above-mentioned syndicates fell prey to circumstances. In fact, the provincial government did not conceal its real motives behind the successive replacement of gambling syndicates, financial considerations. It stated clearly that, "the Supreme Board of Reorganization takes fiscal considerations into account and accordingly it will entrust the undertaking of the Shan and Pu Lotteries only to those syndicates that can forward higher franchise tax to the government".⁵⁰ Also, it heaped all the blame on those syndicates that failed to meet its new demands; it was because of their stinginess and absence of zeal for the public interests that they lost their franchise.⁵¹

According to the same table, it is notable that for Yuyuan *Gongsi*, its annual tax payment increase doubled and its contribution to the lump sum multiplied nearly seven fold with its enjoyment of the franchise. To a lesser degree, its derivative, the Shaorong *Gongsi* faced a similar experience. Moreover, it was not uncommon for the provincial government to make demands that were not shown in the table upon the *Gongsi*. For instance, in 1905 after much haggling, the Yuyuan *Gongsi* was forced to advance a sum of 300,000 dollars to the provincial government which suffered a depletion of funds.⁵² Next year, the Yuyuan *Gongsi* was ordered not only to increase its franchise tax payment by half a million taels (about 700,000 dollars), but was also forced to agree to advance a loan of one million taels to the provincial government. In spite of this, the provincial government still renounced its agreement with the Yuyuan *Gongsi*, and entrusted the Shan and Pu Lotteries to another bidder, the Yonghe *Gongsi*. The government justified such an act on the grounds that the Yuyuan *Gongsi* was in acute financial difficulties as it had fallen into arrears of tax payment for two months amounting to over 57,000 taels, and had failed to send even a dollar to the projected mandarin enterprises as promised. It was inappropriate for the *Gongsi* to carry on business in these circumstances.⁵³ A drastic change took place seven months later. The Yuyuan *Gongsi* was reorganised and renamed to Shaorong *Gongsi*; it offered better terms than those of the Yonghe *Gongsi* to the provincial government. As the Yonghe *Gongsi* expressed no interest in retaining its control over the franchise, the Shaorong *Gongsi* was rewarded with the right for undertaking the Shan and Pu Lottery operation.⁵⁴

From the above table, it is discernible that among the syndicate that ran the Shan and Pu lotteries business, the Yuyuan *Gongsi* and Shaorong *Gongsi* had the longest life span; each of them lasted a duration of 3 years and 4 months. It should be borne in mind that the Shaorong *Gongsi* was, in fact, a derivative of the Yuyuan *Gongsi*. Actually, they should be treated as one single entity, the Yuyuan-Shaorong *Gongsi*. In these circumstance, its longevity is even more striking. The crux of the matter is that of its shareholders, some

had good and influential political connection as well as ample means. For instance, Zhou Yongfu, a big shareholder of the Yuyuan *Gongsi*, was the nephew of Zhou Tung-shang, who had also invested 100,000 dollars in the enterprise. It was reported that Tung-shang had decided to be designated as minister to Great Britain but for his father and elder brother's involvement in the embezzlement of funds of the maritime customs of Guangzhou amounting to nearly two million dollars.⁵⁵ The leading figure of the Shaorong *Gongsi*, Su Bingshu, was even more illustrious in wealth and power than Zhou Yongfu. He acquired the official title director of 3rd rank by purchase and became a member of the Provincial Assembly of Guangdong. He owned extensive business interests in Guangzhou and Foshan. In the 9th moon of 1910 Su and a number of provincial assembly member actively lobbied for the business interests of the Shaorong *Gongsi* through the Assembly and met with success. This, in turn, raised a political storm within the province. When he was in financial trouble, it was reported that on account of his extensive business interests, if he declared bankruptcy it would have an adverse effect on the commercial activities of Guangzhou.⁵⁶ It was against this background that when the Yuyuan *Gongsi*'s franchise was forfeited, it could make an appeal to the Ministry of Agriculture, Commerce and Industries and indicted the provincial authorities for false accusation. The Ministry, in turn, ordered the Governor-General of the province, Zhou Fu, to reinvestigate the matter.⁵⁷

Although the Yuyuan-Shaorong *Gongsi* succeeded in retrieving the franchise, the *Gongsi* soon reached the limit of its resources. In fact, according to the above table, the Shaorong *Gongsi* merely outbid its rival, the Yonghe *Gongsi*, by 100,000 dollars for franchise tax payment, whereas for contribution and capital subscribed to the projected mandarin enterprise, there was no increase at all. In the 4th moon of 1909 a new syndicate offered to undertake the business at the terms of 2.4 million dollars for annual franchise tax payment and another 900,000 taels for contribution. Ostensibly, these terms were far more generous than that offered by the Shaorong *Gongsi* at present. Nevertheless, the provincial government had second thoughts despite the fact that the annual franchise tax and the contribution offered by the new syndicate were considerably higher than those offered by the Shaorong *Gongsi*. The terms were, in fact, unattractive in the sense that the contribution was not to be paid in one lump sum, but by instalments spread over six years, and only a month's franchise tax was to be paid as deposit in security. It pressed the two competing rivals to come to terms. For the new syndicate, it was required to pay the contribution in the lump and all its subscribed capital to the projected mandarin enterprise, while for the Shaorong *Gongsi*, it was required to increase the annual franchise tax by 400,000 dollars and to clear off all arrears of payment. As to these counter-offers, they met with a lukewarm response from both the new syndicate and the Shaorong *Gongsi*.⁵⁸ Although ultimately the Shaorong *Gongsi* complied with the terms offered, it indicates that the *Gongsi* had reached its limit at this stage, and for the provincial government the possibility of further revenue-generating from this sources was hedged with practical difficulties.

With the establishment of the constitutional movement at the end of the Qing the Guangdong Provincial Assembly launched a frontal assault on all forms of gambling in the province. The comprehensive ban on gambling was at last instituted in March 1911, and on the whole, the prohibition was strictly enforced.⁵⁹ This event sealed the fate of the business of the Shan and Pu lotteries.

Gambling syndicates coveted the franchise of operation in anticipation of fat returns from the undertaking. Actually, the business of the Shan and Pu Lotteries was lucrative. It was reported that for the Yuyuan *Gongsi*, in 1905, monthly profits from the Shan and Pu Lotteries were as high as 90,000 and 100,000 dollars respectively,⁶⁰ while for

its derivative, the Shaorong *Gongsi*, within the last five months of 1910, profits from the undertaking amounted to more than 600,000 dollars.⁶¹ However, these profits could not make good the deficits resulting from the high expenditure on payment of the franchise tax, the contribution and other items. Although it had reaped good profits from the business, for three months the Yuyuan *Gongsi* was unable to pay its winners in 1905.⁶²

A similar situation also appeared in the case of the Shaorong *Gongsi*. The profit of 600,000 dollars it realized was hardly sufficient to cover half of the arrears of tax payment, which amounted to about 1,040,000 taels (1,440,000 dollars). In addition to this, the *Gongsi* was also in arrears of its payment of capital committed to projected mandarin enterprises amounting to 263,000 taels.⁶³ As the Shaorong *Gongsi* was unable to pay these arrears, the provincial government took it over and deprived Su Bingshu, its head, of his 3rd rank official title. It also detained him into custody and ordered him to clear all its arrears within a month at the risk of his property being confiscated.⁶⁴ Finally, Su settled the issue by selling a great part of his property for compensation.⁶⁵

It was well known that Guangdong was one of the provinces where merchants were most active in undertaking the tax responsibility in view of the growing pressure from the central government to raise revenue, especially that of *likin*, at the turn of the century. It would be useful to make a comparison between the gambling undertakings and other revenue farms within the province. In 1899, Gangyi, the imperial commissioner, was entrusted with the task of financial reorganization in Guangdong. On his arrival he found that annual collection of the provincial reported *likin* revenue had never reached 2 million taels. He asserted that this happened because of the embezzlement and misappropriation of the clerks and underlings. It was against this background that Gangyi farmed out the collection of *likin* revenue throughout the province to the merchant guilds of silk, tea, timber, money exchange and others for an annual franchise tax of 4 million taels from 1900 on under the supervision of the provincial authorities. For Gangyi, such an arrangement not only avoided the above-mentioned abuse but also economised the administrative expenses. Whereas for the heads of the merchant guilds, the arrangement was not inimical to their interests; the increased portion of the new tax was merely what it had been in the past, excessively exacted by the tax collectors. However, the scheme turned out to be futile. According to the agreement, *likin* farmers were forced to forward a portion of the franchise tax amounting to 1,622,222 taels from late June to early November 1900. Nevertheless, only 1,165,240 taels had been delivered; of these 700,000 taels were security in deposit. It was reported that local officials overseeing the levy of *likin* revenue, raised the level of collection arbitrarily at some *likin* stations; consequently, traders launched a boycott against these stations and proceeds of *likin* declined sharply.

In these circumstances, the Guangdong provincial authorities had to abrogate the agreement and to revert the administration of *likin* collection to its original state. Payment of the franchise tax in arrears spanned from late June to early November 1900 and was to be shared between the merchant guilds as well as the local officials concerned.⁶⁶ Gangyi's attempt to reorganise the *likin* collection proved to be counter-productive as he forced up the target to an exorbitant and unrealistic level. As a result merchant guilds failed to meet their obligation and the government took over the administration of *likin*. Nevertheless, the heads of the merchant guilds fared far better than the gambling farmers, for they were in a better bargaining position under the tax responsibility system during the late Qing period. Under such a system, merchant guilds were deemed the organisation most qualified for undertaking the task. According to Susan Mann, "This meant tax farmers had to come from the businesses that were being taxed; they had to be businessmen themselves, preferably respected leaders — 'men of means'".⁶⁷

The above-mentioned experience was by no means unique to the gambling farmers in late Qing Guangdong. Actually, the Liang-Huai salt merchant of Yangzhou, and the Cohong merchant of Guangdong suffered the same fate earlier. As to the total contribution of Liang-Huai salt merchants to the imperial court and the government, it was estimated at 65,091, 491 taels during the reigns of Qianlong and Jiaqing (1736-1820).⁶⁸ In 18th century China, the people were envious of the Liang-Huai salt merchants for their immense wealth.⁶⁹ Yet, on account of incessant forced contribution and official exaction, as well as degeneration on their own part, many of them went into liquidation around 1830.⁷⁰ The Cohong merchants were no match for the Liang-Huai salt merchants in terms of contribution to the court and the government; the grand total of their contribution was estimated at 5,085,000 taels during the period 1773-1835.⁷¹ In addition to this, they were always subject to the ruthless extortion of the Hoppo and other officials, who ordered them to be responsible for the tribute to the imperial court and seized the opportunity to make exacting demands on them. On account of this, some of them were ruined financially, some were put in jail, while some were exiled to Ili.⁷² On other occasions, the Cohong head merchant would practice bribery so that he could be relieved from the burdensome responsibility.⁷³ Even so, they would be reappointed whenever necessary.⁷⁴ No wonder a Hong merchant said, “[I] shall rather be a dog than a Hong head merchant”.⁷⁵ This vividly reflects their predicament.

In the eyes of the Qing government, the status of gambling farmers of late Qing Guangdong were never put on the same par with that of the Liang-Huai salt merchants and the Cohong merchants. They were treated as rootless loafers who were not engaged in proper work. Even for those officials who advocated lifting the ban on gambling they merely viewed the measure as a temporary expedient rather than a regular course in consideration of their administrative responsibilities and the pressure of public opinion. What they coveted was revenue derived from legalization of gambling operations. The Guangdong authorities would tear up their agreement with a syndicate if it could not pay the franchise tax in full or increase its contribution to the government when necessity arose. It would then entrust the undertaking to a new syndicate that could make a tempting offer. The fact authorities that accommodated themselves to the requests of the gambling farmers on such an issue as the postponement of special examinations, should not be mistaken for the might of the farmers. Without inhibitions the provincial government pressed repeated demands upon the gambling farmers, who in turn, either tendered their submission or risked the forfeiture of the franchise. Only in one sense were the gambling farmers more fortunate than the salt merchants and the Cohong merchants. They were merely of provincial importance and could step down the stage of history, whereas the names of the salt merchants and Cohong merchants were listed on the rolls of the Board of Revenue, it was extremely difficult for them to be disenrolled.⁷⁶

In the last decade of the Qing dynasty, mercantilism formed the centre of attraction. For the promotion of industrial and commercial development, the Qing government broke all precedents by bestowing generous rewards on the undertakers. It dispatched prominent officials abroad for canvassing overseas Chinese investment in China. And what is more, it reversed its former attitude of showing an open hostility to the formation of association and gave active support and encouragement to the establishment of the chamber of commerce. However, because of their embarrassing status and dubious character the gambling farmers could not reap the full benefits from the surge of mercantilism. By contrast, the provincial government kept a covetous eye on them and they were treated merely as milking targets. Tax farming of gambling was injurious to their long term interests. Their association with the Guangdong authorities affords a clue to the essence

of the official-merchant relations during the late Qing period.

Key differences immediately appear between the way of the operation in the case of late Qing Guangdong gambling farmers and tax farmers of Southeast Asia in the colonial period. In Southeast Asia in the early years as the state was weak in relation to Chinese revenue farmers, “who were not called into being but rather coopted by the state”.

When the farmers failed to meet their obligations in full, often government had few options but to accept reduced or deferral payment. In Howard Dick’s words, “Revenue farming was therefore in the nature of an alliance between the state and the business elite.

Both had something to offer and something to gain”.⁷⁷ With the extension of state power, revenue farming became an increasingly risky business. Even so, European colonial officials, no matter what forms of oppression they might have been responsible for, tended to stick to the letter of the law in their dealings with revenue farmers and gave them a degree of protection. Whereas the experience of the late Qing Guangdong gambling farmers indicates the fact that officials were always able to made demands on them whenever possible.

NOTES

1. For details, see Ho Hon-wai, "Qingmo Guangdong de dubo yu dushui (Gambling and Gambling Taxes in Late Qing Guangdong)", *Bulletin of the Institute of History and Philology Academia Sinica* (hereafter cited as *BIHP*), 66:2 (June 1995), pp.490-1; 546-7. In Guangdong, receipt from gambling taxes amounted to 4.355 million taels, while that from land tax, including surcharges, amounted to 4.628 million taels in 1908. In terms of fiscal importance, gambling taxes were nearly equal to land tax, the largest source of revenue in the province. See Yeh-chien Wang, *Land Taxation in Imperial China 1750-1911* (Cambridge, Mass.: Harvard University Press, 1973), pp.75, Table 4.4; 79, Table 4.7.
2. The most meticulous study on Shanxi merchants during the Ming and Qing periods is Terada Takanobu, *Sansei Shonin no kenkyu* (A Study of Shanxi Merchants). Translated into Chinese by Zhang Zhengming and Dao Feng. (Taiyuan: Renmin chubanshe, 1986). See also Zhang Haiying *et al.* "Shanxi shangbang (Shansi Merchant Groups)", in *idem* ed. *Zhongguo shi da shangbang* (Ten Prominent Merchant Groups in China) (Hefei: Huangshan shushe, 1993). For Huizhou merchants, the best work is Fujii Hiroshi, "Shinan shonin no kenkyu (A Study of the Xin'an Merchants)", Translated into Chinese by Fu Yiling and Huang Huanzong, in Jiang-Huai luntan bianjibu ed., *Huishang yanjiu lunwenji* (Collected Articles on the Study of Huizhou Merchants) (Hefei: Anhui renmin chubanshe, 1985); see also Qin Peiheng, "Huishang kaolue (A Brief Study of the Huizhou Merchants)", in *idem*, *Ming-Qing shehui jingjishi lungao* (A Draft of the Study on the Social and Economic History of the Ming and Qing Dynasties) (Zhongzhou guji chubanshe, 1984); Wang Tingyuan *et al.*, "Huizhou shangbang (Huizhou Merchant Groups)", in Zhang Haiying ed. *op.cit.* For the study of Liang-Huai salt merchants in Yangzhou, the best on the subject is Ping-ti Ho, "The Salt Merchants of Yang-chou: A Study of Commercial Capitalism in eighteenth Century China", *Harvard Journal of Asiatic Studies*, 17 (1954). See also Wang Sizhi and Jin Chengji, "Qingdai qianqi Liang-Huai yanshang de shengshuai (The Prosperity and Decline of the Liang-Huai Salt Merchants during the Early Stage of the Qing Dynasty)"; Xiao Guoliang, "Qingdai Liang-Huai yanshang de shechixing xiaofei ji qi jingji yingxiang (The Sumptuousness of the Liang-Huai Salt Merchants and Its Economic Effects during the Qing Dynasty)", and Xue Zongzheng, "Qingdai qianqi de yanshang", all in *Huishang yanjiu lunwenji*. For Co-hong merchants of Guangdong, see Liang Jiabin, *Guangdong Shisan Hang kao* (An Examination of the Thirteen Hong Merchants of Guangdong) (Taizhong: Tunghai University, 1960); Kuo-tung Anthony Ch'en, *The Insolvency of the Chinese Hong Merchants, 1760-1843* (Nangang: The Institute of Economics, Academia Sinica, 1990). For other regional merchants, see Fu Yiling, "Mingdai Jiangsu Dongting shangren (Merchants of the Dongting area in Jiangsu during the Ming Dynasty)", "Mingdai Shaanxi shangren (The Shaanxi Merchants during the Ming Dynasty)", "Qingdai qianqi dongnan yangtongshang (Merchants Engaged in the Japanese Copper Trade in Southeast China during the Early Stage of the Qing Dynasty)", "Qingdai qianqi Xiamen yanghang (Hong Merchants Engaged in Overseas Trade at Xiamen during the Early Stage of the Qing Dynasty)", in *idem*, *Ming-Qing shidai shangren ji shangye ziben* (Merchants and Mercantile Capital during the Ming and Qing Periods) (Beijing: Renmin chubanshe, 1956). See also Tian Peidong, "Shaanxi shangbang (The Shaanxi Merchant Groups)"; Lin Shujian, "Ningbo shangbang (The Ningbo Merchant Groups)"; Li Hua, "Shandong shangbang (The Shandong Merchant Groups)"; Chen Zhiping and Hu Gang, "Fujian shangbang (The Fujian Merchant Groups)"; Huang Qishen, Deng Kaisong and Xiao Maosheng, "Guangdong shangbang (The

Guangdong Merchant Groups”); Fang Zhiyuan, “Jiangyou shangbang (The Jiangxi Merchant Groups)”); Chen Xuewen, “Longyou shangbang (The Longyou Merchant Groups)”); all in Zhang Haiying ed., *op.cit.*; Susan Mann Jones, “The Ningpo Pang and Financial Power at Shanghai”, in Mark Elvin and G. William Skinner eds., *The Chinese Cities between Two Worlds* (Stanford: Stanford University Press, 1974); Wang Gungwu, “Merchants without Empire: the Hokkien Communities”, In James Tracy ed., *The Rise of Merchant Empires: Long Distance Trade in the Early Modern World* (Cambridge: Cambridge University Press, 1990).

3. This is a gambling game in which a heap of cash is placed under a bowl and players bet on what will be the remainder when it has been divided by four. Stakes are paid to those who choose the right number.

4. Lien-sheng Yang, “Buddhist Monasteries and Four Money Raising Institutions in Chinese History”, in *idem*, *Studies in Chinese Institutional History* (Cambridge, Mass.: Harvard Yenching Institute, 1961), pp. 198-9; *Zhongguo wenhua zhong bao zhi yiyi* (On the Significance of Bao in Chinese Culture) (Hong Kong: Chinese University Press, 1987), p. 18.

5. For revenue farming in Southeast Asia, the best work is John Butcher and Howard Dick eds., *The Rise and Fall of Revenue Farming: Business Elites and the Emergence of the modern State in Southeast Asia* (New York: St Martin Press, 1993), esp. Part I. See also G. William Skinner, *op.cit.*, pp. 20 and 125; Yen Ching-hwang, *A Social History of the Chinese in Singapore and Malaya 1800-1911* (Singapore: Oxford University Press, 1986), pp. 121 and 240-1.

6. *Huahui* is a form of gambling in which names of 34 to 36 historical and legendary figures are taken. Of these, one is secretly placed in a receptacle after which the gamblers make their selection. Those who bet on the one in the receptacle win about 30 times their stakes.

7. Zheng Guanying, *Nanyou riji* (Diary of a Tour in the South), p. 45; see also G. William Skinner, *Chinese Society in Thailand: An Analytical History* (Ithaca, New York: Cornell University Press, 1957), p. 122 on this subject.

8. Ho Hon-wai, *op.cit.*, pp.513, 518.

9. In this sense, *Gongsi* bears a certain similarity to the autonomous and brotherhood associations, *Kongsi*, among the Chinese during Southeast Asia in the 18th and 19th centuries, and differs greatly from the modern company. For characteristics and historical significance of the *Kongsi*, see Wang Tai-peng, *The Origins of Chinese Kongsi* (Selangor Darul Ehsan: Pelanduk Publications, 1994), esp. pp.4-6, 22 and 47; Carl A. Trocki, *Opium and Empire: Chinese Society in Colonial Singapore 1800-1900* (Ithaca: Cornell University Press, 1990), ch. 1, esp. pp. 12-9, 27-8.

10. Tian Rukang, “Shiba shiji moqi zhi shijiu shiji moqi xi Kalimantan de Huaqiao gongsi zuzhi (Organization of Overseas Chinese Kongsi in West Borneo from the late 18th to the late 19th Centuries)”, in *idem*, *Zhongguo fanchuan maoyi yu duiwai guanxi shi lunji* (Collected Articles on the History of Chinese Junk Trade and Foreign Relations) (Hangzhou: Zhejiang renmin chubanshe, 1987), p. 60.

11. Luo Xianglin, *Xi Borneo Luo Fangbo deng suo jian gongheguo kao* (A Study on the Republic Founded by Luo Fangbo and Others in West Borneo) (Hong Kong: Zhongguo xueshe, 1961), p. 29, n. 6.

12. *Shenbao*, No.9785, 14/7/1900; No.9892, 29/10/1900; No.10499, 18/5/1902; *Huazi daily*, 2/4/1901; 30/12/1902.

13. *Huazi daily*, 18/3/1901; 21/1/1904.

14. *Shenbao*, No.8656, 24/5/1897; *Huazi daily*, 21/9/1901; 8/10/1904.

15. Liu Fujing, Wang Mingkun, *Jiu Guangdong yan du chang* (Opium-smoking, Gambling and Prostitution in Old Guangdong) (Hong Kong: Zhonghua shuju, 1992), p. 103; Carl Smith, *Chinese Christians, Elites, Middle-men and the Church in Hong Kong* (New York: Oxford University Press, 1985), pp. 67-8, 135-6, 162, 165 and 167; “Compradors of the Hong Kong Bank”, in Frank H.H. King ed., *Eastern Banking, Essays in the History of the Hong Kong and Shanghai Banking Corporation* (London: The Athlone Press, 1983), pp. 103-6; Zhongguo renmin yinhang Shanghai shi jinrong yanjiushi ed., *Zhongguo deyijia yinhang — Zhongguo Tongshang yinhang de chuchuang shiqi (1897-1911)* (The First Chinese Modern Bank - The Imperial Bank of China at Its Initial Stage of Establishment 1897-1911) Zhongguo shehui kexue chubanshe, 1982), pp. 12, 107; Arnold Wright ed., *Twentieth Century Impressions of Hong Kong, People, Commerce, Industries and Resources* (Singapore: Graham Brash, 1900), p. 109; *Xinhui Chaolian Lubian Lushi zupu* (Genealogical Table of the Lu Clan of Chaolian in Xinhui County) (deposited at Fung Ping Shan Library, University of Hong Kong), 1:24, 36.
16. Yen-ping Hao, *The Comprador in Nineteenth Century China: Bridge between East and West* (Cambridge, Mass.: Harvard University Press, 1970), pp. 93, 159-61 and 169.
17. *Huazi daily*, 24/6/1897; 19/1/1904; Tan Zhonglin, *Tan Wenqin gong zougao* (*Drafted Memorials of Tan Zhonglin*) (Taipei: Chengwen Publishing Company, 1968, reproduced from 1911 ed.), 18:18b; 19:24.
18. *Shenbao*, No.9446.2/8/1899.
19. *Huazi daily*, 4/4/1901; 26/8/1901.
20. “Pakhoi Intelligence Report to 21 October 1893”, Fraser to O’Connor, 21/10/1893, FO228 (Great Britain, Foreign Office Embassy and consular Archives), 1132.
21. Zhang Zhidong, *Zhang wenxiang gong quanji* (Complete Works of Zhang Zhidong) (Taipei: Wenhai chubanshe, 1963, reproduced from Beijing, 1937 ed.), 11:6b; 114:10; Tan Zhonglin, *op.cit.*, 18: 18b. Because of the Boxer uprising, civil service examinations were suspended for the year 1900. As a result, contract for running the 3rd term weixing gambling was extended to 1904.
22. For details, see Ho Hon-wai, *op.cit.*, pp. 544-5.
23. It should be noted that in 1901 some local defense forces and irregular forces in Guangzhou created trouble and plundered branch syndicates when their vested-interests were threatened. See *Shenbao*, No.10145, 17/7/1901.
24. *Huazi daily*, 24/6/1897. It should be noted that the franchise tax for the 1st term was made in annual installments, while that for the 2nd term it was made on the occasion of each examination.
25. Tan Zhonglin, *op.cit.*, 17:14; 18:17b, 21; “Canton intelligence Report Quarter Ended March 1896”, Fraser to Beauclerk (Charge d’Affaires), 1 April 1896, FO228/1223, p.255b.
26. *Shenbao*, No.8234, 20/8/1896; Tan Zhonglin, *op.cit.*, 17:14.
27. In the 6th moon of the year, a bidder named Chen Ruizhang came forward and handed in a bill of 600,000 taels (about 830,000 dollars) as deposit in security. After intensive investigation, the provincial authorities found that the bill was spurious. See *Shenbao*, No.8236, 22/8/1896.
28. Tan Zhonglin, *op.cit.*, 18:18b-19; *Huazi daily*, 10/2/1897; “Canton Intelligence Report for the Quarter Ended 31 March 1897”, Fraser to MacDonald, 5 April 1897, FO228/1249, pp. 413-4.
29. Tan Zhonglin, *op.cit.*, 18:19, 21b. It should be noted that earlier that the provincial authorities had indicated that they would not accommodate the terms for undertaking the weixing gambling to cater the needs of the bidder. See *Shenbao*, No.8236, 25/3/1896.

30. Tan Zhonglin, *op.cit.*, 17:14.
31. *Shenbao*, No.9446, 2/8/1899.
32. *Ibid.*, No.9802, 31/7/1900.
33. Ho Hon-wai, *op.cit.*, pp. 528-9. It should be borne in mind that the martial arts examination had been abolished in 1901.
34. For details of this episode, see Carl Smith, *Chinese Christians, Elites, Middlemen and the Church in Hong Kong*, p.165; "Compradors of the Hong Kong Bank", pp. 104-8; *Hong Kong Daily Press*, 18/8/1905, p. 2; 15/1/1906, p. 3; *South China Morning Post*, 26/7/1906, p. 5; 10/4/1906, p. 5; 8/8/1906, p. 5; *China Mail*, 14/7/1908, p. 4.
35. *South China Morning Post*, 14/7/1905, p. 2; *China Mail*, 7/7/1905, p.5.
36. *Hong Kong Daily Press*, 11/12/1905, p. 2; Carl Smith, *Chinese Christians, Elites Middlemen and the Church in Hong Kong*, p. 167; "Compradors of the Hong Kong Bank", p. 106.
37. It should be noted that Leong had wind of this beforehand and he fled to Hong Kong. See *Hong Kong Daily Press*, 6/11/1905, p. 2.
38. It should be borne in mind that in order to offer an outlet for the 1st degree licentiates after the abolition of the civil service examination, the Guangdong authorities arranged two special examinations in 1907 and 1910 respectively. On these two occasions, the Weixing operations were farmed out at the respective sum of \$335,000 and \$300,000. Compared with what it was revenue from the Weixing operation dwindled to a significant degree. For the whole episode, see Ho Hon-wai, *op.cit.*, p. 529 and n. 179-81 on the same page.
39. *Ibid.*, p. 527. It should be noted that the Hongyuan *Gongsi* was operated by the noted gambling farmers in Macao, Lu Jiu, and his family.
40. *Shenbao*, No. 9831, 29/8/1900; No. 9934, 10/12/1900.
41. *Ibid.*, No. 10004, 26/2/1901, Supplement. According to the agreement, the syndicate was required to pay an annual franchise of 1.6 million dollars for a duration of 8 years as well as a contribution in the lump of 1.3million dollars. It is noticeable that its offer doubled that of the Hongyuan *Gongsi*; possibly this explains why it could not meet its obligation afterwards.
42. *Ibid.*, No.10043, 6/4/1901; No.10742, 19/3/1903.
43. *Ibid.*, No. 11103, 18/3/1904; *Huazi daily*, 19/1/1904.
44. For details, see Ho Hon-wai, *op.cit.*, pp. 529-30.
45. *Ibid.*, pp.521-7.
46. *Guangdong quansheng caizheng shuomingshu* (Financial Reports of the Guangdong Province) (Beijing: Jingji xuehui, 1915); "Suiru bu: zhengza ge juan", pp. 27-8.
47. Liu Jinzao comp, *Qingchao xu Wenxian tongkao* (Sequel to the Encyclopedia of the Historical Records of the Qing Dynasty) (Shanghai: Commercial Press, 1936, Wanyou wenku ed.), p. 8030.
48. For details, see *Huazi daily*, 26/10/1904; 27/10/1904; 1/11/1904; *Shenbao*, No.113336, 6/11/1904.
49. *Huazi daily*, 27/10/1904; *Hong Kong Daily Press*, 4/1/1906, p. 3.
50. *Huazi daily*, 22/11/1907.
51. *Ibid.*, 19/1/1904.
52. *Hong Kong Telegraph*, 27/12/1905, p. 3.
53. *Huazi daily*, 25/4/1907.
54. *Ibid.*, 22/11/1907; *South China Morning Post*, 26/11/1907, p. 7.
55. For details, see *China Mail*, 7/10/1905, p. 5; 17/10/1905, p. 5; *Hong Kong Daily*

Press, 4/1/1906, p. 3; 9/10/1906, p.2.

56. For details, see Ho Hon-wai, *op.cit.*, pp.535-6; *Hong Kong Telegraph*, 25/1/1911, p.4; 27/1/1911, p.5; 28/1/1911, p.5; 9/2/1911, p. 3; 1/3/1911, p. 5; 18/3/1911, p. 9; *Hong Kong Daily Press*, 27/4/1911, p. 3; 28/8/1911, p. 3; *South China Morning Post*, 23/1/1911, p.8; 24/3/1911, p.7.

57. *Huazi daily*, 18/6/1907. Maybe this also explains why Lu Jiu and his family could retrieve its right for running White Pigeon Lottery if his official connection was taken into consideration.

58. *Ibid.*, 25/4/1907.

59. For details, see Ho Hon-wai, *op.cit.*, pp.531-41.

60. *Hong Kong Daily Press*, 27/12/1905, p. 3.

61. *Huazi daily*, 11/2/1911. It should be borne in mind that the Guangdong authorities were launching vigorous campaign against gambling at that time. It is very likely that profits would be even higher before launching campaign.

62. *Hong Kong Telegraph*, 16/1/1906, p. 4.

63. *Huazi daily*, 14/2/1911; refer also to note 48.

64. *Hong Kong Telegraph*, 25/1/1911.p.4; 27/1/1911, p. 5.

65. *Huazi daily*, 21/1/1911; 11/2/1911, *Dagong bao* (Tianjin), No. 3074, 21/2/1911, 2nd sheets, pp.3-4. It was well reported that before his arrest and prosecution, Su had hid part of his assets amounting to around 535,000 dollars under the name of another business institution. For details, see *Huazi daily*, 11/2/1911.

66. For details of this episode, see Ho Hon-wai, "Cong Qingmo Gangyi Tieliang nanxun kan xhongyang he difang de caizheng guanxi (Late Qing Centre-Province Relations as Seen in the Imperial Missions of Gangyi and Tieliang in 1899 and 1904)", *BIHP*, 68:1 (March 1997), pp.79-80 and 85.

67. Susan Mann, *Local Merchants and the Chinese Bureaucracy, 1750-1950* (Stanford; Stanford University Press, 1987), p. 161.

68. Chen Feng, *Qingdai yanzheng yu yanshui* (Salt Administration and Salt Revenue in Qing China) (Zhengzhou: Zhongzhou guji chubanshe, 1988), p. 220.

69. Ping-ti Ho has estimated that of the salt merchants of Yangzhou, for transport merchants, annual profit on average was at about 250,000,000 taels, while that for salt works merchants was at about 1.5 to 2 million taels during the latter half of the 18th century. For details, see *idem*, *op.cit.*, pp. 149, 152 and 168.

70. Wang Sizhi and Jin Chengji, *op.cit.*, in *Huishang yanjiu lunwenji*, pp. 471-5.

71. Kuo-tung Anthony Chen, *op.cit.*, pp. 93-5.

72. *Ibid.*, pp. 97-100, 121-31, 136, 143-45, 157-58, 301-306, 345, 351, 364; Liang Jiabin, *op.cit.*, pp. 113-4, 118-9, 136, 151-2, 165-6, 187-8, n. 69 and n. 70, 208, 226, 238, 269, 271-7, 292, 295-7 AND 308.

73. Kuo-tung Anthony Chen, *op.cit.*, pp.126, 315; Liang Jiabin, *op.cit.*, pp. 239, 244, 317.

74. Kuo-tung Anthony Chen, *op.cit.*, p.316; Liang Jiabin, *op.cit.*, pp. 130-1, 209, 212, 287.

75. Quoted from Kuo-tung Anthony Chen, *op.cit.*, p.255.

76. A supercargo of the English once remarked, "When once a man entered the Hong, he became a prisoner for life". The India Office Record indicates that a Hong Kong merchant mentioned if he could step down he was willing to donate four-fifth of his property to the government. See Kuo-tung Anthony Chen, *op.cit.*, pp.255-6, 316.

APPENDIX

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