

Fostering a Trade in Japan's Northeast: The West Pacific Company at Hakodate in the 1860s

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In this paper I seek to examine the transformative impact of the Treaty Port system on East Asian port cities. In this regard, most studies have focused their attention on boomtowns – Shanghai, Hong Kong and Yokohama in particular – as they left a large imprint as key centres of East Asian trading networks and places where the energies of foreign powers and their merchants were most concentrated.¹ Nevertheless, their experience could hardly be said to be typical for the rest of the Treaty Port network, which consisted of over fifty ports at the end of the nineteenth century.² The focus on the successful ports is an example of selection bias and it has led to a perception that Treaty Ports were catalysts of modern transformation and key drivers of economic growth in East Asia.³ In this paper, I look into whether the Treaty Port system was transformative everywhere by deliberately shifting the lens to a peripheral Treaty Port – reverse selection bias, if you will. Located in the northernmost part of the Japanese realm, Hakodate was one of Japan's first Treaty Ports, having been opened as a supply port for the ships of foreign Treaty Powers in 1855. From 1859 onwards it was open to trade under a regime of low fixed-tariffs and with the merchants of Treaty powers provided with extraterritorial rights.

I argue that in Hakodate, Treaty Port status, though not a hindrance, was not crucial in itself to commercial development and the port's growth. Instead, Hakodate was transformed from what the British minister to Japan described as “a long fishing village” in 1859 into a bustling port of over 50,000 by the mid-1880s,⁴ principally as a result of Japanese regional integration and the expansion of intra-Asian trade, as well as greater efforts to colonise/develop Hakodate's hinterland, the island of Hokkaido (formerly Ezo, or Yesso). The importance of expanding intra-Asian trade has long been stressed by Japanese scholars such as Sugihara Kaoru, Hamashita Takeshi and others who have rightly challenged Western-centricity in much of the literature.⁵ However, whilst supporting their conclusions, my research maintains a focus

¹ For an excellent account focused on Shanghai see: R. Bickers & C. Henriot (eds), *New Frontiers: New Communities in East Asia, 1842–1953*, Manchester: Manchester University Press, 2000. For an excellent account of Yokohama which focuses on the experience of a Japanese merchant see: S. Partner, *The Merchant's Tale: Yokohama and the Transformation of Japan*, New York: Columbia University Press, 2018.

² C. Phipps, *Empires on the Waterfront: Japan's Ports and Power, 1858-1899*, Cambridge: Harvard University Asia Center, 2015, p.8.

³ For representative examples see: R. Bickers & I. Jackson (eds), *Treaty Ports in Modern China: Law, Land and Power*, Abingdon: Routledge, 2016; P. Ennals, *Opening a Window to the West: The Foreign Concession at Kobe, Japan, 1868-1899*, Toronto: University of Toronto Press, 2014; J. Hoare, *Japan's Treaty Ports and Foreign Settlements: The Uninvited Guests, 1858–1899*, Surrey: Japan Library/Curzon Press, 1994; K. Ishii & H. Sekiguchi (eds), *Sekai Shijō to Bakumatsu Kaikō* [The Opening of Japan and World Markets], Tokyo: Tokyo Daigaku Shuppankai, 1982.

⁴ S. Ivings, 'Trade and Conflict at the Japanese Frontier: Hakodate as a Treaty Port, 1854–1884', *Transcultural Studies*, 8/2 (2017), p.107

⁵ S. Akita, 'Gentlemanly Capitalism, Intra-Asian Trade and Japanese Industrialization at the Turn of the Century', *Japan Forum*, 8/1 (1996), pp.51-65; T. Hamashita, *Choko Shisutemu to Kindai Ajia* [Tributary Trade System and

on Western enterprise by examining the case of the short-lived West Pacific Company Limited (hereafter WPC). Such a focus may seem counterintuitive, but the case of the WPC demonstrates how fragile the foothold of Western enterprise was in peripheral Treaty Ports and how the advantages of extraterritoriality and Japan's non-tariff autonomy often counted for little in efforts to develop a stable trade. Furthermore, the WPC demonstrates how the survival of Western enterprise, at Hakodate at least, was predicated on whether Western merchants were able to service intra-Asian trade in existing commodity staples rather than foster new ones.

The second aim of this paper is to move away from the numerous studies on the larger or more enduring Treaty Port firms, most notably Jardine Matheson & Co., and give a 'face' to Western enterprise in more peripheral ports like Hakodate. The reason for doing this is simple: all too often foreign merchants resident in Treaty Ports have been dismissed as a kind of motley rabble of sub-imperialists or derided as "the moral refuse of European nations".⁶ Yet despite this image, very few studies have examined their business activities and their interaction with local authority, local merchants and one another. My aim is to rectify this oversight, not necessarily so as to rehabilitate their image and save treaty porter face; rather because a closer look at their activities is, aside from providing insight into the role of Western traders in nineteenth century East Asia, also an effective means to understanding the growth of intra-Asian trade and to appreciate local agency in the Treaty Port context. My focus on peripheral Hakodate is advantageous to my task of providing a closer look at individual Treaty Port merchants as again somewhat counterintuitively, the small number of resident foreign merchants at Hakodate has produced more documentation of their individual activities than at other ports. This is because, just like at the bigger ports, Treaty Port status invited or required the presence of foreign Consuls and the local arm of central government, in this case the Hakodate Governor (*Hakodate Bugyō*) and after 1869 a branch of the Hokkaido Development/Colonisation Agency (*Kaitakushi*). As is often the case with historical research, the records of government bodies have survived much more frequently than those of individuals or individual firms. The lack of any company archives of Western firms is as true of Hakodate as elsewhere; but as Hakodate only attracted a handful of resident foreign merchants, the detail on each merchant's activities covered in the consular reports and the records of the local authority are striking. In the bigger ports consular staff only had the time, energy and resources to deal with major issues and commercial disputes that their country's merchants encountered. By contrast, in peripheral Hakodate, the Consul was more or less able to report on the business of each firm, providing a closer look at how business was transacted in Treaty Ports, how conflicts manifested and were resolved, and other interesting details about the characters behind the trade. Such details also provide more scope to tracing these firms backwards to their origins.

Modern Asia]. Tokyo: Iwanami Shoten, 1997; K. Sugihara, *Ajia-kan Boeki no Keisei to Kozo* [Patterns and Development of Intra-Asian Trade], Kyoto: Mineruva Shobo, 1996.

⁶ F. de Goey, 'Western Merchants in the Foreign Settlements of Japan (c.1850–1890)', in U. Bosma, & A. Webster (eds), *Commodities, Ports and Asian Maritime Trade since 1750*, London: Palgrave, 2015, p.117.

Treaty Port Hakodate

The port of Hakodate is located on the southern tip of Hokkaido, the northernmost of Japan's four main islands. Until 1869, Hokkaido was known as Ezo and formed a somewhat ambiguously placed northern fringe of the Japanese realm. At that time most of Hokkaido was sparsely populated with the indigenous Ainu people who practiced a mixed economy of fishing, hunting and small-scale agriculture. The main Japanese presence was located on the southern tip of Hokkaido, the Oshima peninsula, which was the seat of the Matsumae domain. The Matsumae clan had since the late-sixteenth century maintained exclusive rights to trade with the Ainu and to manage fisheries off Hokkaido's coasts. In practice, however, over time they came to lease out these fisheries to Japanese merchants for a fee, rather than manage them directly. As a result, commercial fishing gradually expanded in the region, creating a number of seasonal fishing posts, which were worked by local Ainu and Japanese migratory labourers. This fishery system – known as *basho ukeoisei* in Japanese – eventually saw Japanese capital penetrate all parts of coastal Hokkaido, often with sad consequences for Ainu communities.⁷ Yet it did not generate any sizeable Japanese settlements beyond the territory of the Matsumae. Instead, this commercial expansion saw a few villages in the Matsumae domain expand as hubs for the marketing of the produce of Hokkaido – most notably dried marine food products such as kelp, abalone, iriko, and also fish-based fertilizers, especially herring meal, which were used throughout Japan.

At the turn of the nineteenth century, with a population of approximately 2,500, Hakodate was one of the larger settlements on Hokkaido, exceeded in size by only Matsumae and Esashi.⁸ However, as foreign ships began to frequent the area in the late-eighteenth and early-nineteenth centuries, a developing territorial dispute with Russia prompted the alarmed Tokugawa government in Edo (Tokyo) to place Hokkaido under its direct authority in 1802. Although the energies that the Tokugawa could devote to its northern border area varied depending on domestic politics and its financial situation, Tokugawa intervention in Hokkaido was a significant development for the region and Hakodate more specifically. Hakodate became home to garrisons belonging to various domains and the administration of the Tokugawa's Hakodate Governor (*Hakodate Bugyō*), which swelled the population to about just under 10,000 by mid-century.⁹ This newfound status was further enhanced when the village was selected, alongside Shimoda, as one of Japan's first Treaty Ports in 1855, due to its spacious natural harbour, ice-free winter anchorage and the easy access it provided to nearby whaling grounds. However, Hakodate and its hinterland's peripheral location and small population offered only limited immediate commercial potential. For the Tokugawa regime, establishing a Treaty Port at peripheral Hakodate allowed them to keep the potentially disruptive foreign presence far removed from the main commercial and political centres. Nevertheless, the vulnerability of the region to foreign incursion prompted the Tokugawa to redouble efforts to fortify the port and

⁷ B. Walker, *The Conquest of Ainu Lands: Ecology and Culture in Japanese Expansion, 1590–1800*, Berkeley: University of California Press, 2006, Chapter 3.

⁸ Hakodate-shi Shi Henshūkai. *Hakodate-shi Shi* [Hakodate City History], Vol. 1, p. 403.

⁹ Hakodate-shi (1980), Vol.1, p. 124.

strengthen its presence in Hokkaido, resulting in a construction boom in Hakodate from the mid-1850s onwards.

Thereafter the port grew steadily throughout the rest of the nineteenth century, passing through a phase in which Western and Chinese traders established themselves at the port in the 1860s, before Western merchants went out of business one-by-one in the 1870s and early 1880s having been unable to carve out a sustainable niche for themselves in the ports' trade.¹⁰ Chinese merchant enterprise hung on into the twentieth century having been able to long dominate the handling of the export of marine products to China, but in truth foreign trade remained a minor part of the port's expanding commerce in which the domestic trade in marine products loomed larger.¹¹ In 1882, total domestic trade at Hakodate stood at just over 15 million Mexican silver dollars according to the records of the British Consul. Foreign trade stood at less than a thirtieth of this level.¹²

The foreign trade of Treaty Port Hakodate was clearly only a minor part of the port's rapid expansion in the second half of the nineteenth century. But whilst Treaty Port status may have eventually mattered little in the port's commercial sense, this was far from certain in the 1860s when several merchants established their businesses there. This paper examines why they came to Hakodate, how they managed their businesses in the Treaty Port, how they sought to foster new trades, and how they attempted to expand their toehold in the ports stables. In the sections that follow, I seek to address these questions by focusing on the case of WPC, a short-lived firm with strong links to Dundee, but which was managed in Hakodate by Englishman Thomas Blakiston. Whilst Blakiston remained in Hakodate long after the WPC was wound up, this paper focuses on Hakodate's first decade as an international trading port and thus a discussion of Blakiston's later business activities is beyond the scope of this paper.

Thomas Blakiston and the West Pacific Company Limited

Thomas Wright Blakiston (1832-1891) was perhaps the most prominent resident foreign merchant in Hakodate during its Treaty Port era. He resided in Hakodate for most of the period 1863 to 1883 and was an adventurous explorer with a passion for hunting, fishing and collecting bird specimens. As a result, he is better known in Japan for his contributions to the study of ornithology and zoology. Far less attention has been given to his trading activities and neither of the firms in which he was involved left behind an archive. Nevertheless, thanks to a handful of his own publications, mentions of his activities in the British consular reports and records of the Hakodate Governor, and hundreds of his letters that survive in the Hakodate City Library, Hokkaido University Library Northern Studies Collection and Hokkaido Prefectural Archive, there is plenty of scope for enquiry into his business ventures.

Blakiston was born in 1832 at Lymington (Hampshire) into a prominent family with a strong tradition of military and public service. After his education in Southsea he enrolled at the

¹⁰ Ivings (2017), pp. 132-135.

¹¹ S. Ivings, & D. Qiu, 'China and Japan's Northern Frontier: Chinese Merchants in Nineteenth Century Hokkaido', *Canadian Journal of History*, 54/3 (2019), pp. 304-9.

¹² National Archives (London), United Kingdom Hakodate Consulate (UKHC) Commercial Report 1883.

Royal Military Academy at Woolwich where he entered the Royal Artillery in 1847. He served in the Crimean War and afterwards joined an expedition led by John Palliser to explore and survey western Canada – a mountain in the south-western corner of Alberta bears his name as a result. Upon his return to Woolwich, Blakiston published a well-received account of the expedition before being sent to China in 1859 where at Canton he was to take command of an artillery detachment. Before long Blakiston again set off on an exploratory mission, this time to chart the Upper Yangtze. The mission set off from Shanghai on 12 February 1861 and returned on 9 July 1861, having covered approximately 1,800 miles and charted areas hitherto little known to Westerners.¹³

In order to write up his account of the expedition, Blakiston decided to put China behind him, and in the summer of 1861 he boarded a ship for Hakodate. The ship, named *Eva* after a character from *Uncle Tom's Cabin*, was owned by a Dundee firm, George Armitstead & Co, and appears to have arrived in Hakodate in August 1861.¹⁴ The *Eva* was staffed by several Dundonians including David Scott and John Baxter Will, as Captain and first mate, who would later serve as captains for the WPC.¹⁵ Blakiston himself described his snap decision to go to Hakodate as follows:

Two or three nights in succession rendered sleepless from the partiality of China mosquitoes for white blood, and the intense heat of a Shanghai July, caused me to decide on migrating to cooler regions. [...] Transport could then be had to the ports of Nagasaki and Yokohama but my object was to get cool. As luck would have it, there was a vessel on the point of leaving for Hakodate, the third and little-frequented port opened to foreign trade by our treaty with Japan, and situated on the northernmost island, Yezo [Hokkaido]. The barque *Eva* was to sail on the following morning, and so I had but just time to procure a few things, including a tolerable supply of powder and shot, and get myself, bag and baggage, on board.¹⁶

His first impression of Hakodate and its economy was as follows:

On my arrival at Hakodate, I was at once made aware of the principal occupation of the inhabitants, and the consequent trade of the place, by the all-pervading stench of dried fish and seaweed; in the streets, in the houses, on the mountain side, everywhere the same scent haunted me of fish, shell-fish, and sea-weed, fresh, drying, and dried. Even like the eternal cocoa-nut oil in Ceylon, the food, the water, and everything one touched, seemed to be scented in the same manner. At every fishing village on the coast, the shingle is strewed with fish in different stages of decomposition, and kelp is hung out on poles; while oil is extracted from a certain small fish and put up in tubs for market.¹⁷

¹³ H. Cortazzi, 'Thomas Wright Blakiston (1832-91)', in J. E. Hoare (ed.), *Britain and Japan: Biographical Portraits Vol. III*, Surrey: Curzon Press, 1999, pp.52-4; A. Davis, 'A Line in Birds: Thomas Wright Blakiston, Ornithologist and Biogeographer in Early Meiji Japan', *Japan Society Proceedings*, 147 (2009-2010), pp.62-9.

¹⁴ UKHC FO262-27, 20 August 1861.

¹⁵ J. Will, (edited by G. Lensen) *Trading under sail off Japan*, Tokyo: Sophia University Press, 1968, pp.28-9.

¹⁶ T. Blakiston, *Japan in Yezo: A Series of Papers, Descriptive of Journeys Undertaken in the Island of Yezo, at Intervals between 1862 and 1882*, Yokohama: Japan Gazette, 1883, pp.1-2.

¹⁷ Blakiston (1883), p.5.

Despite the stench, Hakodate seems to have been to Blakiston's liking and he stayed there for a number of weeks, finishing his work on the Upper Yangtze before returning to Britain. The abundance of marine products passing through Hakodate and the richness of Hokkaido's fisheries had not escaped Blakiston's notice, but it was the island's timber which really caught his attention as a commodity that might provide a lucrative business opportunity. At the time the prospects for trade in China and Japan seemed promising and some of the port towns were expanding rapidly, so the vast and largely untapped timber reserves of Hokkaido appeared well-suited to supply the building materials for East Asia's expanding ports. Blakiston's time in Canada meant he was aware of how lucrative the timber trade could be, and, perhaps, that he had some knowledge of such enterprise.

Upon his return to Britain, Blakiston published his account of the Upper Yangtze exploration and was decorated with a Royal Medal by the Royal Geographical Society. Blakiston also married soon after his return, but it was not long before he began to make preparations to return to Hakodate for the purposes of establishing a sawmill there. For this purpose, he needed capital and mercantile know-how, and so he linked up with George Armitstead & Co. to form the WPC. Though it is not certain how this arrangement came about, we might speculate that Blakiston's acquaintance with Captain Scott who captained one of George Armitstead & Co.'s ships provided the necessary link; though it is also possible that Blakiston met Armitstead via the Royal Geographical Society as both were members. Regardless of how the connection came about, it is mostly likely that Blakiston, perhaps together with Captain Scott, came up with the initial idea to set up what eventually became the WPC, as the two of them had first-hand knowledge of the conditions and prospects of trade in the Far East.¹⁸

George Armitstead brought to the company funds, credibility and mercantile know-how, having established George Armitstead & Co. as among the most prominent mercantile firms in Dundee. Based at Panmure Street in the Cowgate district at the heart of Dundee's commercial life, George Armitstead & Co. grew steadily in the 1840s to become the leading firm in the Baltic trade. They imported grain, flax and other materials for Dundee's mills from the Russia empire, and provided shipping services to other Dundee firms by connecting the port with London and several North Sea and Baltic ports.¹⁹ As Dundee mills began to increasingly specialise in the manufacturing of various jute-based products and with jute primarily sourced from Bengal, Armitstead's attention may well have been drawn to Asia. Like any other Dundee mercantile firm, Armitstead's firm certainly imported jute, but this was done via London where it was purchased from firms with direct links to Asia. Despite the rise of Dundee as 'Jutepolis' from the 1850s onwards,²⁰ George Armitstead & Co.'s core competency remained in the Baltic trade in which the firm maintained strong personal and commercial networks. This would continue throughout the firm's existence, but, as evinced by the WPC venture, George Armitstead & Co. did make attempts to diversify and move into new trades. As such the WPC

¹⁸ I am very grateful to Andrew Davis for sharing with me the records of the West Pacific Company.

¹⁹ I. Flett, 'Baron George Armitstead of Castlehill, Dundee: Merchant, Politician and Philanthropist', *Scottish Local History*, 61 (2004), pp.39-47. I am very grateful to Ian Flett for his help navigating the historical archives in Dundee and for meeting to discuss George Armitstead.

²⁰ J. Tomlinson, *Dundee and the Empire: Juteopolis 1850-1939*, Edinburgh: Edinburgh University Press, 2014.

could be characterised as a speculative venture, a punt in the direction of the commercially promising new frontier of trade in East Asia. Still this was not a shot in the dark, as before investing in the WPC, Armitstead had already experimented in Asian trade by sending the *Eva* to the Far East in the mid-1850s. It was this ship, chartered at the time by the Shanghai-based Dent & Co. (one of the largest British firms in the Far East), that Blakiston boarded for Hakodate. The reports of trade prospects and the actual financial returns from these early East Asian ventures may have been sufficient to convince Armitstead to invest in the WPC.

The WPC was registered and incorporated with limited liability in Scotland (subject to the Companies Act of 1862) on 12 February 1863. According to the company's 'Memorandum of Association' it was established with the objective of:

purchasing and preparing timber for sale, and erecting saw mills and other necessary works, in Yesso [Hokkaido], or elsewhere abroad, to other foreign parts, or to the United Kingdom; as may be found advisable; and for purchasing goods and commodities for shipment or sale; and generally for carrying on business as Merchants or Commission Agents.²¹

More will be said about this later, but what is striking here is that whilst the WPC vaguely expressed the idea about trading widely, it made specific mention only of Japan, and, in particular, the remote island of Yesso (the old name in English for Hokkaido). It also shows that whilst it sought to replicate the model of many of the existing Western firms in the Far East by engaging in a carrying trade and acting as commission agents, unlike many of these firms, it also sought to become a manufacturer from the outset. Indeed, it expressed as its first objective the desire to forge a timber trade that included "erecting saw mills and other necessary works" for that purpose. This focus on remote Hokkaido, the sparsely populated northern frontier of the Japanese realm, and the desire to manufacture, marked the WPC out as both ambitious and unconventional.

The WPC had an initial capital of £4,400, which was raised by issuing 220 shares valued at £20 per share. Table 1 shows the initial shareholders of the company. Thomas Blakiston was clearly the main shareholder with 100 shares (45 percent of the total), double the level of the second largest shareholder. But whilst Blakiston certainly had a large stake in the company this did not entail effective control. George Armitstead was the second largest shareholder with 50 shares, but this masks the real influence of his firm George Armitstead & Co. on the WPC as the other shareholders were all associated somehow. Thomas Bett effectively operated as George Armitstead & Co.'s agent in London, whilst John and Crichton Milne Baxter were both relatives of George Armitstead via marriage and worked for George Armitstead & Co. The actual influence of George Armitstead was thus much greater than the subscription list would suggest at first glance. The remaining shareholders included fellow Dundonian Captain David Scott who, though we do not know the extent of his relationship with George Armitstead, had worked as a ship's captain for George Armitstead & Co. Elizabeth Keiller, the final shareholder,

²¹ National Records of Scotland (Edinburgh), West Pacific Company Records (WPCR), Memorandum of Association, 6 February 1863.

was a member of the family that owned the famous Dundee confectioners, James Keiller & Son, best known for their marmalade and jams of global fame.²²

Table 1 - Founding Shareholders of the West Pacific Company Limited (6th Feb. 1863)

Source: National Records of Scotland, West Pacific Company Records (WPCR), Memorandum of Association, 6 February 1863.

Name	Address	Occupation	No. of Shares (1 share = £20)
George Armitstead	Dundee	Merchant	50
Thomas Bett	London	Merchant	25
John Milne Baxter	Dundee	Merchant	24
Crichton Milne Baxter	Dundee	Manufacturer	1
Thomas Wright Blakiston	London	Gentleman	100
David Scott	Dundee	Master Mariner	19
Elizabeth Keiller	Dundee	Spinster	1

The first WPC general meeting of shareholders was held on 2 April 1863 at Panmure Street, Dundee, in an office belonging to George Armitstead & Co. It was attended by Thomas Bett, John Milne Baxter, Crichton Milne Baxter and David Scott. George Armitstead, Thomas Blakiston and Elizabeth Keiller were all absent with John Milne Baxter acting as their mandatory. At the meeting, John Milne Baxter was elected as chairman of the company and Crichton Milne Baxter its director. The director was authorised:

to acquire by purchase such vessels, houses & lands as may be deemed necessary for the purposes of the company, and to build and erect thereupon such mills, houses, premises and machinery as may be considered proper for such purposes & for these and all relative purposes to enter into contracts or other deeds necessary.²³

Though not mentioned in the meetings' minutes, it had already been agreed that Blakiston would serve as manager for the company in the Far East with operations based at Hakodate, and David Scott would manage the company's vessels.

Table 2 shows a profile of three newly built ships that were leased to the WPC. All three ships were built by J & J Hall of Arbroath and launched in 1863. Ownership was essentially confined to members or associates of George Armitstead & Co. who also had a stake in the WPC. The names of the ships perhaps offer a few hints into the ambitions of the company.

²² For an account of the firm see: W. Mathew, *Keiller's of Dundee: The Rise of the Marmalade Dynasty*, Dundee: Abertay Historical Society, 1999.

²³ WPCR, 1st General Meeting Minutes, 2 April 1863.

Khankai was named after a lake (now Romanised as Xingkai) on the border between China and the Russian Maritime Province. *Ousuri* was named after the river (now Romanised as Ussuri) that marked a long stretch of the China-Russia border following the Treaty of Aigun of 1858. These two names hinted that the company may have been seeking to eventually expand operations into the Russian Far East and Manchuria, which for the time being were virtually off limits to foreign enterprise. Given the wealth of experience and connections in trading with the Russia Empire, at least among the Dundee-based shareholders, the investors must have thought they would be well placed should opportunities in the Russian Far East emerge. The location in Hakodate certainly served such purposes well. The third ship utilised by the WPC was named *Akindo* (Japanese for merchant) reflecting the initial objective of the firm to establish itself in the Japan trade.

Table 2 – Information on Three Ships Leased to the West Pacific Company Limited

Source: Ships Registry of Dundee, Dundee City Archives; *Dundee Advertiser* 1863

<i>Ship Name</i>	Khankai	Akindo	Ousuri
<i>Basic Information</i>			
Tonnage	137	369	363
Type	Schooner	Barque	Barque
Date and Place of Registry	17 June 1863, Dundee	8 July 1863, Dundee	17 Dec. 1863, Dundee
Shipbuilder	J & J Hall, Arbroath	J & J Hall, Arbroath	J & J Hall, Arbroath
Owner as Described on Ship's Launch	George Armitstead & Co.	George Armitstead & Co.	George Armitstead & Co.
<i>Shareholders at Start of 1864</i>			
John Milne Baxter	8	31	29
George Armitstead	42	18	27
Thomas Bett	14	5	8
David Scott	-	10	-
<i>Remarks</i>	All shares sold to Matthew Blakiston 1 May 1871, then to Thomas Blakiston 12 May 1871	All shares except those of David Scott sold to Mathew Blakiston on 3 Sept. 1868. Wrecked in a storm 13 Oct. 1870	All shares sold to John Palmer Bickell of Liverpool, 30 Aug. 1871, then later that year to Robert Efford Love of London

The West Pacific Company Trading out of Hakodate

After a delay in obtaining the appropriate equipment for the proposed saw mill, the *Akindo* set sail for Japan captained by David Scott and with John Will as mate, arriving in Japan in May 1864 (the other ships arrived later the same year), having travelled via Malaya and Hong Kong where they had transported coal and rice. At Hakodate they “discharged all the saw mill

machinery and boilers and the balance of the Newcastle coal”, then a few weeks later began transporting hardwood timber to Shanghai.²⁴

Blakiston arrived earlier in Hakodate and is rumoured to have travelled overland across Siberia together with his wife. If true, it is unclear why he made such an arduous journey, but it may have been a combination of his lust for exploration together with a desire to scout sources of timber and assess business prospects in the Russian Far East. Whatever the reason, Blakiston reached Hakodate in the summer of 1863 and secured leases for land and storehouses.²⁵ The trip appears to have taken its toll on Blakiston’s wife, however, and she soon returned to London never to return to Hakodate – she separated from Blakiston a few years later. At first Blakiston appears to have been on favourable terms with the local authorities. Indeed, when the sawmill equipment arrived, he let the Hakodate Governor know that:

there will be no hindrance to any Japanese visiting or inspecting our saw-mill; and I hope that His Excellency the Governor will do me the honour of inspecting the mill when it shall be ready to commence work.²⁶

With what is considered to be the first steam-powered sawmill in Japan up and running, the WPC began to process timber and export it to China. As Captain John Will recalled:

[f]or the next two years we traded between Hakodate and ports in China, from Chefoo [Yantai today] in the north to Hong Kong and Whampoa [the Huangpu district of Guangdong today] in the South. At Hakodate we loaded square timber or planks after the saw mill got started.²⁷

Though we do not have the WPC’s accounts, the modest timber trade showed encouraging early signs in its first year. It seemed that demand in China would live up to expectations, and the British Consul’s commercial report for 1864 concluded “there can exist no doubt that the endeavours of the head of the West Pacific Company in Hakodate will be ultimately crowned with a brilliant success” and that thus far “no difficulty has been experienced in obtaining timber”.²⁸

Despite such promise the WPC’s trading activities encountered several problems. First was the lack of demand for imports given the small population of Hakodate and its hinterland. Without a regular cargo to be carried then sold in Hakodate, overall profitability must have been marginal or negative. The third general meeting of the WPC indicates as much. Held on 5 June 1865 in Dundee with only John and Crichton Milne Baxter present, the general meeting saw a formal resolution on the division of the company’s profits. In recognition of “their trouble for conducting the affairs of the Company in the East” Blakiston was to be entitled to 60 percent and Scott 20 percent of net profits. The trouble was, however, that letters received from Blakiston and Scott indicated that losses were being sustained. This may partly be attributable to the late arrival of the *Akindo*, but the general state of the trade since the arrival of all three ships was also described as “unsatisfactory” and a sum of £9,420 was due to George Armitstead

²⁴ Will (1968), p.38.

²⁵ Hakodate City Library, Blakiston Letters (BL), 17 October 1863.

²⁶ BL, 21 May 1864.

²⁷ Will (1968), p.39.

²⁸ UKHC FO 262/93, 1 January 1865.

& Co. as charter fees. The second problem was one of a breakdown in trust between the management at Hakodate and the shareholders in Dundee and London. The latter sent an assistant to Hakodate, in spite of expressed disapproval from Blakiston and Scott, in a move aimed at providing a better monitoring of the business at Hakodate. The move was deemed justified “considering the position of Messrs George Armitstead & Co. as being as so large creditors of the company and their remonstrance at such a lengthened heavy outlay of capital.” The meeting concluded with the decision “to write strongly” to Blakiston and Scott for not remitting due shares of freight charges and other fees when the ships were under charter.²⁹

As John Will’s memoirs make clear, the WPC sought to rectify the lack of a Hakodate-bound cargo by calling at other Japanese Treaty Ports on their return voyages from China. In these ports there was a stronger demand for miscellaneous Chinese and Western produce (often transhipped via Shanghai), and rice, which could not be produced in Hokkaido, could be procured for Hakodate. Increasing the number of ports to the regular route of the WPC’s ships reduced the speed of the Hakodate-China trade but it did ensure fewer ships went to sea without a cargo. In this way, the WPC quickly diversified into providing shipping services to other merchants including a Japanese clientele.

Besides the above, supply problems began to be felt in timber. Despite Hokkaido’s extensive forests and the promising start at procuring timber, several obstacles emerged. Chief among them was the changeable attitude of local authorities towards the exploitation of forestry resources, which was compounded by the non-fulfilment of contracts by Japanese parties with whom the WPC entered into agreements. Local concerns emerged about the speed at which the steam-powered sawmill processed timber and the effect this would have on the forest stock and firewood prices. In late 1864, the Hakodate Governor implemented new regulations restricting the felling of large trees in the southern part of Hokkaido, and so in 1865 the WPC was unable to contract for local timber. Blakiston wrote to the Hakodate custom house to complain about this difficulty and rather than take an aggressive tone he carefully reasoned that the idea that the sawmill affected firewood prices was false. He wrote:

Previous to last year [1864], much valuable hardwood timber was cut on the mountain near Hakodadi and brought on for sale, but during that year certain regulations came into force, and still continue, which prohibit the cutting of large sized timber. These regulations have prevented contacts being made with persons desirous of cutting timber from the mountains [...] from whence it is easily rafted to Hakodadi. [...] It is obliged as a reason for the restrictions that the cutting of large timber tends to raise the price of firewoods and charcoal at Hakodadi, but I believe that such an idea is erroneous [...] For instance a person wishes to cut firewood or wood for charcoal only, he naturally selects smaller trees on account of their being less labour required in felling such, the young trees are now exclusively being cut, instead of being allowed to grow to full size, while those of full growth fit for valuable timber remain standing [...] I may further state that the timber most in demand for exportation is oak, [...] little used of Japanese so that the cutting could have but little effect upon the price of timber generally. Moreover, since

²⁹ WPCR, 3rd General Meeting Minutes, 5 June 1865.

existing regulations have been in force the price of firewood and charcoal instead of falling, has actually risen [...] I am at present desirous of entering into contract for the ensuing season for timber from near Mobitsze, Tobitsze, Kikonai and the vicinity of Hakodadi, but am unable to do so, because the mountain's people are prevented by the existing regulations [...] I have therefore the honour to request that you will be good enough to bring the subject of this letter to the notices of His Excellency the Governor.³⁰

The treaties which opened Japan's Treaty Port's contained a clause permitting subjects of treaty powers to reside in the port but limited travel on land to a 39-kilometre radius. Furthermore, there was no provision by which foreigners could own or gain licence to directly extract natural resources such as timber, coal, marine products, etcetera. Foreign firms were thus dependent on Japanese suppliers for the items they sought to trade or manufacture, or else they needed a special arrangement with the government. Whilst this did happen on occasion in coal mining, an industry in which Japan's technical level was clearly behind the international standard and so cooperation made sense, in the felling of timber no such arrangement was made. Thus, whilst the WPC's steam-powered sawmill gave it an advantage in processing timber, it was at a disadvantage in the procurement of raw materials. Pressure from the British Consul promptly led to the removal of the restrictions of which Blakiston complained. Yet this did not prevent the Governor from using other tactics. Blakiston's letters to the custom house, Hakodate Governor and British Consul over the next two years contain several complaints against local suppliers for failing to deliver the contracted amount of timber, and against the Governor for doing little or nothing to enforce these contracts. Custom house officials were accused of "great neglect" in pursuing contract enforcement, and it was suspected that they even encouraged Japanese suppliers to break contracts or dissuaded contracting with foreigners altogether.³¹

Most of Hakodate's trades were under the control of a handful of government-licensed trading houses (*tonya*), which foreign merchants labelled monopolies. As these houses owed their wealth to their government links, it was easy for the local authorities to exert pressure so as to restrict business with foreign merchants. In late 1865, unable to get a regular supply of timber, Blakiston decided to out-manoeuvre such barriers by forwarding 700-ryo to an individual Japanese merchant, referred to simply as Shōkichi in the correspondence, who was short of funds. With these funds, Shōkichi would be able to secure a government tender to fell 2,700 cedar trees on Mt. Hakodate, 2,000 of which he would then supply to the WPC at a fixed price by the end of November 1865. According to the agreement, in the event of non-fulfilment, the WPC would be entitled to all 2,700 trees.

This scheme turned out to be a big mistake as the merchant, inexperienced in such an undertaking, soon ran out of funds. By the end of December, Blakiston claimed that only 1,100 out of the 2,000 trees had been delivered. In February 1866, having lodged a complaint and received no definitive response, Blakiston sought to take the remainder from the mountain on the WPC's own account. Nevertheless, logs felled in this way were later hauled away to the government yard and though the intervention of the British Consul led the custom house to

³⁰ BL, 8 September 1865.

³¹ Hokkaido Prefetural Archive (Sapporo), Records of the Hakodate Governor (RHG), 13 June 1866.

recognise the agreement. This was a rare victory, but the WPC was still only able to obtain 1,712 of the 2,700 trees due and the initial 700-ryo outlay was never recovered. Suspecting foul play on the part of the government, who Blakiston claimed “had prevented the contractor from cutting the full amount”, an attempt was made to recover losses from the government albeit to no avail.³² Lesson learned, Blakiston sought to bypass the Hakodate merchants and Governor by engaging the Nambu domain (on the other side of the Tsugaru strait) to supply the WPC with timber. This must have added to costs, but as Nambu was more or less beyond the control of either the Hakodate merchants or Governor, Blakiston was at least able to procure a more reliable supply.

In 1866 and 1867 a less confrontational approach towards the local authorities and mercantile community was taken. Relationships were fostered with a clientele for shipping services to export marine products to other Japanese ports and China. Enterprising Japanese merchants such as Yanagida Tōkichi, a relative newcomer to Hakodate who went on to play a big role in the development of Eastern Hokkaido,³³ were quick to realise the benefits of foreign merchants’ shipping services, particularly in perishable goods. Western ships, both steam and sail, surpassed Japanese coastal vessels (*kitamaesen*) in terms of speed and ocean-going capabilities, giving Western merchants an advantage in providing reliable shipping services to carry cargo between Treaty Ports in Japan, and onwards to China – a journey that foreign ships, unlike their Japanese counterparts, were free to make.

The advantage held by Western merchants in shipping did not last long, however, as in the 1870s Japanese firms such as Mitsubishi already began to offer competition having acquired, and in some cases built, their own Western-style steam and sail ships. Moreover, whilst Western and Chinese merchants were only able to visit Treaty ports, Japanese firms faced no such restrictions, allowing them to directly reach markets or sources of bulk export items. Nonetheless, in the mid-to-late 1860s and early 1870s, Western merchants were able to tap into a niche, and Blakiston’s letters indicate that the bulk of business was exporting marine products (particularly kelp) to Shanghai, Hong Kong and Nagasaki. Cargo typically included marine products traded on the WPC’s own account together with consignments from other Western, Chinese and Japanese merchants alike. Yanagida Tōkichi in particular is known to have shipped consignments on the WPC’s ships.³⁴

Winding Up the West Pacific Company and Starting Blakiston Marr & Co.

Though the WPC was yet to make a big success in Hakodate, the stabilisation of its activities in 1866-67 gave its manager, Thomas Blakiston, the confidence to establish another firm, Blakiston Marr & Co. (hereafter BMC), in March 1867. BMC was founded together with James Marr – of whom little is known, except that he was from Methlick, Aberdeenshire, and had graduated from the University of Aberdeen. He had spent some time in China, working for a

³² RHG, 19 June 1866.

³³ S. Okuda, *Ezo Kyōshōden: Bakumatsu Ishin to Fūunji Yanagida Tōkichi* [Heroic Merchant of Ezo: Yanagida Tōkichi and the Turbulent Bakumatsu-Meiji Restoration Period], Sapporo: Hokkaido Shuppan Kikaku Sentaa, 2008. pp. 52-7.

³⁴ BL, 27 December 1867.

British firm in Shanghai, Stephenson & Co., before that firm sent him to Hakodate, most likely in 1864 or 1865.³⁵ Marr appears to have acquired some knowledge of Japanese, allowing him to handle some of the day-to-day dealings and oversee the Japanese staff of BMC, which was described by Blakiston as “general and commission merchants”.³⁶

The establishment of BMC was also linked to the demise of the WPC. The minutes of special meetings of WPC shareholders held in November 1865 and May 1866 show that George Armitstead was now actively seeking to wind up the company and liquidate its assets in order to recover debts it had incurred with him. The balance sheet provided by Blakiston and Scott for 1866 apparently showed the company had liabilities of \$30,846 (\$15,521 of which was due to George Armitstead & Co).³⁷ Debts of this scale, when other evidence suggests Blakiston was personally doing well enough, indicate a classic principal-agent problem. That is until we consider that Blakiston was the largest individual shareholder in the WPC. This position, as both lead principal and local agent, perhaps emboldened Blakiston to act freely, including the use of George Armitstead & Co.’s three ships.

With almost no way of effectively monitoring operations in East Asia or enforcing payments, Armitstead was evidently growing frustrated with the WPC. The shareholders in Britain decided upon an action to wind up the company; and this likely prompted Blakiston to establish BMC, and purchase *Akindo* and *Khankai* with the assistance of his elder brother, Matthew Blakiston, a prominent railway engineer. After much wrangling over the settlement of liabilities, which inevitably left George Armitstead and his associates unable to retrieve everything due, the WPC was wound up on 7 June 1869.³⁸ This experience did not hold George Armitstead & Co. back, though, nor did the Japan link die entirely. Armitstead’s business interests continued to thrive and his firm had a habit of selling off their ships after a few years’ service to Japanese buyers. Furthermore, George Armitstead was elected as one of two Dundee MPs in the 1868 General Election and became a close friend of Prime Minister William Gladstone, even serving as one of the pallbearers at the renowned liberal politician’s funeral.³⁹

At the time of the establishment of BMC, Blakiston still saw the main potential of Hakodate and its surrounding area in the development of its forest resources. Rather than wrangle with the government, Blakiston sought to deal directly with them in an attempt to obtain a reliable source of timber, approaching them with the following proposition:

Should the government be agreeable to deliver timber at Hakodadi, I am prepared to enter into large contracts with them for a certain term of years, or year by year as they might consider advisable. At the present time I can offer for timber to be cut during next winter [...] Or I would agree to take delivery of timber at the mouth of rivers along the coast [...] this port has superior advantages for receiving timber for Nippon and for shipping to foreign ports besides the demand for sawn timber in the town itself. Could a regular and large supply be depended on here, heavy contracts

³⁵ UKHC FO 262/93, 16 Feb. 1865

³⁶ BL, 25 March 1867.

³⁷ WPCR, Special Meeting Minutes, 20 November 1865 and 8 May 1866.

³⁸ WPCR, Extraordinary General Meeting, 7 June 1869.

³⁹ Flett (2004), pp. 43-4.

to deliver timber might be made with government and private parties in China, and as the comparative cheap and superior qualities of Yesso timber become more known the demand would increase.

In the same proposal, Blakiston went beyond seeking a supply of timber, and also mooted the idea of a new sawmill to be established and run as a joint venture with the Hakodate Governor. Blakiston concluded the proposal stating that:

besides attending to the saw mill and timber trade, I should be agreeable to give my advice and assistance in any military or other government works for the development of the resources of Yesso, for, having the intention of residing permanently in the country, I have its interests at heart.⁴⁰

At this point, Blakiston had put his previous antagonism towards the government-political merchant control of commercial activity aside and sought to get in on the act himself by cultivating a relationship with officialdom.

Furthermore, Blakiston also attempted to get involved in the Iwanai coal-mine project near Hakodate, which was being developed with the assistance of foreign experts including a British engineer, Erasmus Gower. Blakiston knew Gower personally, and thus he was well aware of the potential of this mine and so sounded out the government on the potential of exporting Iwanai coal to China. Blakiston was all too aware that a shortage of coal was often felt by steamers in East Asia as there were no large-scale coal mines being exploited in the region at the time. Costly imports from Europe – especially from Cardiff and Newcastle – made coal expensive and with the anticipated growth in intra-Asian trade the shortage was likely to intensify. If Iwanai proved to be viable there was an excellent business opportunity to be had to diversify and BMC was well placed to link Hokkaido coal with the principal market in Shanghai. In September 1867, Blakiston offered the inspection services of a coal dealer who was visiting Hakodate, and to send the *Khankai* to Iwanai and take a cargo to China for trial sale.⁴¹

Blakiston seems to have had his efforts frustrated by the government, which by this time was on the verge of collapse as the political situation turned against the Tokugawa. The Shogun effectively resigned his government in November 1867 and the political intrigue that followed this eventually led to the outbreak of a civil conflict known as the Boshin War. The conflict started in the southern part of Kyoto in late January 1868 and later spread to the Kanto area and then the northeast of Japan. Blakiston's immediate hopes of collaboration with the Tokugawa regime's local government in Hokkaido were thwarted and frustrated as the Tokugawa regime had more pressing concerns; but the armed conflict in Japan also provided an opportunity to Western merchants.

⁴⁰ BL, 4 June 1867.

⁴¹ BL, 21 September 1867.

After the West Pacific Company: Boshin Bonanza, Meiji Frustration

Just as the WPC was being wound up the Boshin War provided an excellent opportunity for BMC. The British consular reports from Hakodate show that Blakiston, like other foreign merchants at the treaty ports, attempted to profit from the conflict of 1868-69, which heralded the Meiji Restoration. Supplying arms, selling ships and conveying the troops of desperate domains around Japan's northeast, which saw intense fighting, offered Hakodate-based Western merchants a risky but lucrative business opportunity. The consular reports detail some of these activities, including an order placed by Blakiston with French firm Fabre Boeme & Co. for 50 cases of rifles,⁴² and the chartering of the three ships to convey troops and weapons for the Nambu, Akita and Shōnai domains from Hakodate to their home territories.⁴³

In June 1868, the Meiji government sent a small force to occupy Hakodate prior to its full capture of the northeast. This was achieved without active resistance; however, the Meiji government's hold on Hakodate was tenuous and it was powerless to disrupt the activities of northern domains in Hakodate in acquiring arms. In helping these domains flee and arm themselves, BMC was aiding a would-be enemy of the Meiji regime and as the British Consul remarked this "annoyed the authorities here very much". Yet the BMC was certainly not picking sides, and soon took on charters from the Meiji government and domains that supported it.⁴⁴ Hakodate would be retaken by a Tokugawa force in December 1868 and occupied until June 1869, when the Meiji forces finally retook the port in the final phase of the Boshin War. According to John Will's memoirs the three ships at BMC's disposal (excluding *Akindo*, still the property of George Armitstead & Co.) helped the troops of the Meiji government and its supporters flee Hakodate when the Tokugawa force invaded. They also regularly sent ships to Aomori where the Meiji regime based the force that would later retake Hakodate. Here it is likely that they picked up timber, though the port was technically not open, and perhaps even relayed intelligence to the Meiji force about the situation in Hakodate.⁴⁵ Though unconfirmed, the long-serving United States Consul at Hakodate somewhat jealously reported to the US minister to Japan in the capital that Blakiston may have been relaying information to the Meiji forces gathered in Aomori:

I have reliable information that Captain Blakistone [sic], late of the English Artillery, and resident here, for important services rendered as a spy [...] received from the present Mikado [Meiji] Government (\$1,000) one thousand dollars, (2,500) twenty-five hundred piculs of rice, and a free pass all expenses paid to visit any part of this island.⁴⁶

The Boshin War had clearly provided a short-term bonanza for many of the Western merchants at Hakodate. They found their shipping services in high demand and could convey troops at exorbitant rates; and they were finally able to sell high value Western products, namely arms and military stores. The longer-term legacy of the Boshin War bonanza was not, however,

⁴² UKHC FO262/146 28-29 Sept. 1868.

⁴³ UKHC FO262-146 27 Sept., 7 & 10 Oct. 1868.

⁴⁴ UKHC FO262-146, 28 Nov. 1868.

⁴⁵ Will (1968), p.49.

⁴⁶ United States Consular Reports (USCR), 24 January 1870.

a positive one. The conflict proved to be short lived and the demand for weapons and conveying troops plummeted. Many of the contracts for weapons and ships concluded with Japanese domains simply turned bad as they faced financial difficulties following the conflict. In late August 1871 the Meiji government dissolved the domains, replacing them with newly established prefectures in what was a major reorganisation of national and local government. The result of this was that Blakiston found himself among a chorus of Western merchants hounding their Consuls and the Japanese authorities over the next decade to redeem funds advanced to now defunct domains with little success.

Though a detailed account of the activities of BMC after the dissolution of the WPC is beyond the scope of this paper, it could be said that its activities largely returned to the pattern established by the WPC in the 1860s. The BMC maintained a portfolio of exports primarily in marine products together with more marginal amounts of timber and wooden planks, whilst providing shipping services to other merchants based at Hakodate shipping consignments of marine products to Chinese and other Japanese ports. These were boosted by the occasional charter from the Meiji government in transferring colonial settlers to remote parts of Hokkaido and Sakhalin, carrying Iwanai coal to the Sado island gold mine, and the salvaging of occasional shipwrecks in Hokkaido, which proved lucrative if irregular business.⁴⁷ Sadly, James Marr died in May 1871 in Hakodate, where he is still buried, having contracted an unknown illness. He was just 29 year of age at the time. Whether his business partner's death or the wrecking of the *Akindo* in a storm October 1870 had an impact or not is unclear, but, in a letter in late 1872, Blakiston appeared resolved to disposing of his property in Hakodate and leaving the port altogether.⁴⁸ This did not materialise and Blakiston continued to trade out of Hakodate for more than a decade. Yet the number of legal suits involving Blakiston recorded in the British consular records, against Japanese and Western merchants alike, and the Japanese government, indicate that business was far from smooth in the 1870s and early 1880s. Blakiston left Hakodate for good in 1883 not a particularly wealthy man. He settled in United States having remarried with the sister of long-term friend Edwin Dun, an advisor to the Hokkaido government and later United States Minister to Japan. Blakiston passed away in San Diego in 1891 aged 58.

Conclusion

The case of the WPC shows that not all Treaty Port firms comprised “the moral refuse of European nations.”⁴⁹ In Thomas Blakiston the WPC had a local manager at Hakodate who was well educated, well connected, widely travelled and came from a respectable social background. Furthermore, the WPCs main investors were all involved in or associated with George Armitstead & Co., a Dundee firm prominent in the Baltic trade with strong connections there as well as in London, and headed by a man who went on to become an MP for Dundee and close associate of the Prime Minister. The WPC had credibility and the British Consul fully expected it to succeed. Nevertheless, the WPC's ambitious plan to operate a sawmill and establish a timber trade failed and it was soon dissolved. Blakiston established his own

⁴⁷ Will (1968), pp.64-73.

⁴⁸ BL, 11 November 1872.

⁴⁹ de Goey, (2015) p.117.

enterprise, largely abandoning attempts to manufacture lumber in Hakodate for export and focusing instead on commission-agency business, as was typical of many smaller Western firms operating in Treaty Ports.

Chapman has argued that such “agency houses were a dynamic economic movement that were in the vanguard of exploitation of global opportunities”, and that their strength came from “intimate local knowledge [which] was united with the maintenance of close links with Britain—or, rather, the home port (London, Glasgow, Liverpool, or Manchester).”⁵⁰ Though only one case, the experience of the WPC suggests that this is only partly correct. One of the principal problems of the WPC was that the home port (Dundee) was unable to exert significant influence over the business in Hakodate, nor did an active trade linked to the UK emerge. Instead the WPC, and its successor BMC, traded or shipped the existing staple commodities of Hakodate in what was an intra-Asian trade – exporting kelp and other marine products from Hakodate to Shanghai and southern Japanese ports, then returning with rice. In this way the WPC was part of a vanguard of Western firms that, often in cooperation with Chinese and Japanese firms, better connected Chinese and Japanese markets in an era when the Treaty Port system was altering their existing trade relations.⁵¹

The position of Western enterprise at Hakodate was dependant on its access to superior shipping and its market access to China. As Japanese firms rapidly caught up in shipping and as the Sino-Japanese trade relationship was expanded in the 1870s, the niche that Western commission agents exploited closed. In addition, the Treaty Port system, a network of trade enclaves in which Westerners enjoyed extraterritoriality, but crucially not freedom to travel in the interior, rather than promote and protect the activities of Western merchants, actually acted as a non-tariff barrier preventing their economic penetration.⁵² Western enterprise in Hakodate, the WPC included, was dependent on Japanese staff and associates to procure export items, and then on Chinese staff and associates to market commodities upstream in China. This situation meant that, if they so wished, local mercantile interests and the local authorities could cut off supply lines so as to frustrate Western enterprise. Local actors always maintained a strong agency. Blakiston himself acknowledged as much when he stated that rather than being the result of Western enterprise or foreign trade:

the growth and modernisation of Hakodate can only be attributed to the advantages it possesses as a mercantile base for Yezo [Hokkaido], and the enterprise and intelligence of its citizens stimulated by the infusion of the ideas of new Japan.⁵³

⁵⁰ S. Chapman, ‘British Free-Standing Companies and Investment Groups in India and the Far East’ in M. Wilkins & H. Schröter (eds), *The Free-Standing Company in the World Economy, 1830-1996*, Oxford: Oxford University Press, 1998, p.204; R. Davenport & G. Jones (eds), *British Business in Asia since 1860*, Cambridge: Cambridge University Press, 1989, p.204.

⁵¹ Ivings & Qiu, (2019) pp.295-301.

⁵² S. Sugiyama, *Japan's Industrialization in the World Economy, 1859-1899; Export, Trade and Overseas Competition*, London: The Athlone Press, 1988, pp.52-5.

⁵³ Blakiston (1883), p.8.

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Commodities of Empire is a joint research collaboration between the University of London's **Institute of Latin American Studies (ILAS)** and **School of Oriental and African Studies (SOAS)**. These two institutions form the nucleus of a growing international network of researchers and research centres. Commodities of Empire is a British Academy Research Project

The mutually reinforcing relationship between 'commodities' and 'empires' has long been recognised. Over the last six centuries the quest for profits has driven imperial expansion, with the global trade in commodities fuelling the ongoing industrial revolution. These 'commodities of empire', which became transnationally mobilised in ever larger quantities, included foodstuffs (wheat, rice, bananas); industrial crops (cotton, rubber, linseed and palm oils); stimulants (sugar, tea, coffee, cocoa, tobacco and opium); and ores (tin, copper, gold, diamonds). Their expanded production and global movements brought vast spatial, social, economic and cultural changes to both metropolises and colonies.

In the Commodities of Empire project we explore the networks through which such commodities circulated within, and in the spaces between, empires. We are particularly attentive to local processes – originating in Africa, Asia, the Caribbean and Latin America – which significantly influenced the outcome of the encounter between the world economy and regional societies, doing so through a comparative approach that explores the experiences of peoples subjected to different imperial hegemonies.

The following key research questions inform the work of project:

- 1) The networks through which commodities were produced and circulated within, between and beyond empires;
- 2) The interlinking 'systems' (political-military, agricultural labour, commercial, maritime, industrial production, social communication, technological knowledge) that were themselves evolving during the colonial period, and through which these commodity networks functioned;
- 3) The impact of agents in the periphery on the establishment and development of commodity networks: as instigators and promoters; through their social, cultural and technological resistance; or through the production of anti-commodities;
- 4) The impact of commodity circulation both on the periphery, and on the economic, social and cultural life of the metropolises;
- 5) The interrogation of the concept of 'globalisation' through the study of the historical movement and impact of commodities.

<http://commoditiesofempire.org.uk/>

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