



Western Merchants and Intra-Asian Trade: John Henry Duus at Treaty Port Hakodate

(Part One 1861-68)

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Abstract

This article examines the business activities of John Henry Duus, a long-standing foreign resident of the treaty port of Hakodate. In the first of this two-part article, I trace Duus' background and focus in on his efforts to conduct business at Hakodate in the 1860s. Though Duus' efforts to foster trade between Japan and western countries proved largely fruitless, he played an important role as a local agent for Chinese and China-based western firms and thus was active in fostering intra-Asian trade. As an Asia-born Anglo-Dane who first came to Hakodate as a British merchant but later switched allegiances to Denmark and served as Danish consul, Duus' career also points to the cosmopolitan background of western treaty porters at the more peripheral treaty ports such as Hakodate.

Introduction

In this two-part article I examine the business activities of John Henry Duus, a long-standing foreign resident of the treaty port of Hakodate in order to get a closer understanding of the role and activities of Western merchants at the more marginal Japanese treaty ports. Duus first came to the port in 1861 as the agent of Lindsay & Co, one of the largest Western mercantile firms in China. Though Lindsay & Co. soon went out of business, Duus would continue to serve as a commission agent at Hakodate for several China-based Western firms, besides providing protection and services for Chinese firms and engaging in his own trading activities. In addition, though he first arrived as a British merchant, from August 1867 onwards Duus served as the Danish consul at Hakodate and was intermittently the acting consul at Hakodate for various nations, including France, Switzerland and the United States, before his death at Hakodate in 1889.

With the rate of attrition high among Western treaty port firms, few materials recording their activities and transactions have survived. Company archives and histories of such firms are virtually non-existent—Jardine Matheson & Co. being a notable exception¹—and thus Duus' long continuous residence at Hakodate, where several

¹ The Jardine Matheson archive is housed in the Cambridge University Library and is accessible to researchers, subject to an application. Jardine Matheson & Co. has been subject to several studies including official company histories such as Maggie Keswick ed., *The Thistle and the Jade*,

important archival materials on the port's trade have survived, makes possible a closer examination of the career of a minor trader in the treaty port environment. Until now scholars have largely focused on the larger treaty port firms and thus the focus on a minor player provides several insights into the mercantile environment of treaty port Japan. Stretching across almost three decades, Duus was active in an era that saw Japan pass through several major changes, most notably the transition from the Tokugawa (Edo) to the Meiji period (to be covered in Part Two). An examination of his activities utilizing fragments of his correspondence with the Japanese authorities together with the consular records that both he and other foreign consuls left behind allows us to gain an understanding of the conduct of business in treaty port Hakodate and provides several insights into how the more marginal of Western merchants sought to prosper in what was a turbulent era.²

Furthermore, the case of Duus highlights how some Western merchants, instead of developing an active trade with western countries (though Duus did try), tended to play an important, albeit temporary, role in facilitating intra-Asian trade before being almost entirely squeezed out by local competition. Historians of the treaty ports have long stressed the growth of intra-Asian trade in the latter half of the nineteenth century, but the assumption has been that this was largely a by-product of the expanding treaty port network established through Western gunboat diplomacy. In this system, Western merchants are thought to have limited themselves to trading in items that involved their home countries, exporting teas and silk to Europe and the United States, and importing textiles and miscellaneous western technologies such as steamships and modern armaments. As such intra-Asian trade was thought to have been the almost exclusive province of Asian, particularly Chinese, merchants who utilized the expanding network of treaty ports to further their business interests.³ Items destined for consumption within Asia, including various dried food products, were often thought of as too marginal for Western merchants to engage in, and, also somewhat out-of-reach because of their limited understanding of Asian consumption patterns and their limited capacity to market the produce beyond the treaty ports. Examining Duus' career, however, points to a different picture. I argue that when we look at individual traders like Duus located at the more provincial ports, it becomes clear that some Western merchants in fact largely concentrated on intra-Asian trade, in which they played the role of trade facilitators as well as direct traders.

In Part One of this two-part article, I examine Duus' family background, and his early career in China and Japan before the Meiji restoration. Here I detail the process by which he came to Hakodate and sought to establish an active trade, and, wherever possible, give his views on the conduct of that trade within the wider commercial environment in the late Tokugawa period. Ultimately, I argue that Duus' background in China was an important factor in his success in fostering an active export trade in kelp and other marine products from Hakodate to Chinese treaty ports such as Shanghai, and suggest that his career may indicate a greater participation in intra-Asian (in this case Sino-Japanese) trade by minor western merchants than previously thought. In part two, I examine his later career with a particular focus on the impact of the transition from Tokugawa to Meiji on the business of Western merchants like Duus.

(London: Frances Lincoln, 2008); as well as scholarly studies of their activities. For a classic study of their activities in Japan see: Ishii Kanji, *Kindai Nihon to Ijirisu shihon – Jaadin Maseson shōkai wo chūshin ni* [British Capital and Modern Japan: The Case of Jardine Matheson], (Tokyo: Tokyo Daigaku Shuppankai, 1984). In addition to Jardine Matheson & Co. there are several studies in on the career of one of their former agents at Nagasaki, Thomas Blake Glover such as Sugiyama Shinya, *Meiji Ishin to Ijirisu shōnin Tomasu Gurabaa no shōgai* [The Meiji Restoration and the Life of British Merchant Thomas Glover], (Tokyo: Iwanami Shoten, 1993). Alexander McKay, *Scottish Samurai: Thomas Blake Glover, 1838-1911* (Edinburgh: Cannongate, 1993).]

² This study is primarily based on archival materials such as correspondence and other documents available at the Historical Collection of Hakodate City Library, the Records of the Hakodate Governor (Hakodate bugyō monjō) available at the Hokkaido Prefectural Archives in Sapporo, and the Records of the British Consulate at Hakodate which are part of the British Foreign Office Archives held at the National Archives at Kew, London. The Jardine Matheson archive has also been consulted and the author would like to thank Rashaad Eshack for his assistance in accessing these materials.

³ For a discussion of this with reference to Chinese in Japanese treaty ports refer to: J.E. Hoare, "The Chinese in the Japanese Treaty Ports, 1858-1899: The Unknown Majority" in *Proceedings of the British Association for Japanese Studies* 2 (1977), 18-33.

Background and Early Life

John Henry Duus was born the eldest son to a Danish father, Nicolay Duus (hereafter simply Nicolay), and a British mother, Sophia Jarvis. Though he eventually became an active merchant and store owner in Chinese trading ports, the early career of John Henry Duus' father Nicolay is somewhat obscure. Nicolay was born in Hals, Denmark, and married Sophia Jarvis in Holborn, London, on 18 November 1833.⁴ Sophia was the sister of Hercules Cross Jarvis, a prominent merchant in the Cape Colony at the time of the marriage and later the Mayor of Cape Town (between 1848 and 1860).⁵ Nicolay's marriage to Sophia and the fact that his masonic home lodge was in the Cape Colony is suggestive of a preexisting connection with Sophia's influential brother and perhaps a former residence in the Cape Colony itself.⁶ Whatever the case, Nicolay's career after the marriage demonstrates a strong connection to British overseas colonial and commercial interests. Like many European merchants, Nicolay, despite his Danish roots, utilized the expansion of the British empire and its trading network to make a career for himself.⁷

John Henry Duus was born in 1834 in Calcutta nine months after his parents had married. It is not known how long the family resided in India but by 1836 the family had most likely already relocated to Macao as this was where their second son, Edward Hercules Duus (the middle name most likely a tribute to Sophia's brother), was born. At some point, both John and Edward were sent to Denmark for their education. We know this because they were enumerated in Copenhagen in the Danish census of 1850.⁸ At the time of the census John Henry was fifteen and Edward thirteen, and they were resident at 52 Østergade in the bustling Købmander district of Copenhagen. The brothers were listed as foster sons (pleiesøn) of the household head, Wilhelm Friedenreich, whose occupation was given as professor/headmaster. The household was evidently reasonably wealthy as besides Wilhelm Friedenreich's wife (17 years his junior), sister-in-law and two infant sons, they had a female nurse and two servants' resident with them. Exactly when John and Edward were sent to Denmark and when they returned is not known, neither is it clear how they came to stay with a headmaster. Nevertheless, it shows that Nicolay had the means to send his children to Europe for their education—with the privilege of residing with a headmaster—and, by choosing to send them to Denmark, that he still maintained a strong connection to the country of his birth. Furthermore, it suggests that Nicolay's sons would have been remarkably experienced travelers and cosmopolitan in nature as Asia-born Anglo-Danes who had split their formative years between China and Denmark. Though educating sons in Europe was common enough among the European mercantile communities in Asia, the years spent in China before starting their careers was atypical of the European or American merchants who flocked to the open trading ports of China in the decades after the Opium War, when the Canton system was replaced by a more extensive network of treaty ports.⁹

Having arrived in China in the mid-to-late 1830s, Nicolay was among the generation of merchants who witnessed this new trading relationship with China unfold, and he was certainly quick to react to the opportunities it entailed. With Hong Kong ceded (leased) to Britain when the Treaty of Nanking was signed in August 1842, Nicolay swiftly relocated from Macao to the newly established British colony. Nicolay was one of the earliest foreigners to

⁴ This information on Duus' family background was obtained online from geni.com:
<https://www.geni.com/people/Nicolai/600000017247211035>

⁵ Ibid.

⁶ Patricia Lim, *Forgotten Souls: A Social History of the Hong Kong Cemetery*. (Hong Kong: Hong Kong University Press, 2011), 97-99; For an account on the relationship between freemasonry and the British empire see: Jessica Harland-Jacobs, *Builders of Empire: Freemasonry and British Imperialism, 1717-1927*. (Chapel Hill: University of North Carolina Press, 2007).

⁷ For an excellent account of the connection between British commercial expansion and cosmopolitan business interests, see Charles Jones, *International Business in the Nineteenth Century: The Rise and Fall of a Cosmopolitan Bourgeoisie* (Brighton: Wheatsheaf Books, 1987); Geoffrey Jones, *Merchants to Multinationals: British Trading Companies in the Nineteenth and Twentieth Centuries* (Oxford: Oxford University Press, 2000). Ladds' study of the Chinese Maritime Customs makes similar observations albeit in this case focusing on the trade bureaucracy rather than business itself: Catherine Ladds, *Empire Careers: Working for the Chinese Customs Service, 1854-1949* (Manchester: University of Manchester Press, 2013).

⁸ Danish Census 1850, available online via: <https://www.danishfamilysearch.com/>

⁹ An accessible account of this changing trade relationship, as well as detailed information on Chinese treaty ports, is available in Robert Nield, *China's Foreign Places: The Foreign Presence in China in the Treaty Port Era, 1840-1943* (Hong Kong: Hong Kong University Press, 2015).

take up residency in the newly established colony and by the spring of 1843 he was advertising services to receive packages for the British forces in China besides running a grocery and liquor store.¹⁰ Throughout the 1840s and 1850s, Nicolay traded and ran a store on the bustling Queen's Street where his firm sold a miscellany of goods, including "Holland's gin, Java coffee, copper sheathing, ship's stores and a large variety of wines, sherry, champagne and port." He also offered insurable warehousing and ship brokerage services, besides operating a number of *lorchas* (hybrid ships with a Chinese-style sailing rig and European-style hull) "commanded and partly manned by Europeans" that shipped goods on commission to other Chinese ports.¹¹ In this way Nicolay, and perhaps his sons too, had an extensive commercial network and knowledge among the expanding network of Chinese treaty ports. As will be shown, this would prove useful for John when he later relocated to Hakodate and fostered a trade between that port and the China coast.

Between 1845 and 1848 Nicolay formed a partnership called Rawle, Duus & Co. with an American merchant, operating out of Hong Kong and Shanghai. As a result, Nicolay took up residence in Shanghai and on 4 August 1846 was appointed the Danish Consul of that treaty port, making him the first Danish consul in China who was actually a Danish citizen.¹² Nicolay later returned to Hong Kong, the main base of his activities for the next decade, and in 1857 he became the consular representative at Hong Kong for Norway and Sweden (most likely due to an absence of suitable candidates from those countries) before suddenly passing away in 1861 aged 54.

Figure 1: N. Duus and Co. listing in the 1850 *Hong Kong Almanack and Directory*

DANISH MERCANTILE ESTABLISHMENTS.	
JOHN BURD & Co. <i>Queen's Road, (West)</i> <i>Member of Firm —John Burd.</i> <i>Assistants —F. H. Block,</i> <i>O'Hara Taafe.</i>	N. DUUS & Co. <i>Queen's Road, (West)</i> <i>Member of Firm.—Nicolay Duus.</i> <i>Assistant —L. A. Lubeck.</i>

Presumably on completing their education, Nicolay's sons returned to China as they are recorded in the Hong Directory of 1859. John was listed on the staff list of his father's firm, N. Duus & Co., and Edward was listed as a clerk with Lindsay & Co., one of the most prominent of the British mercantile firms trading in China.¹³

Having spent close to two and a half decades running stores and a shipping business in the early years of Chinese treaty ports, the career of Nicolay would be worthy of a study in itself. Though such a study is beyond the scope of this paper, it provides an important background to understanding the careers of his sons John and Edward. The brothers were effectively raised in the treaty port environment as a result of their father's career and their

¹⁰ Lim, *Forgotten Souls*, 98; also see Biographical Dictionary of Residents of Hong Kong: the First Ten Years (1841-1850) <http://hkr1841-50.blogspot.com/2014/08/duus-nicolay.html>

¹¹ Lim, *Forgotten Souls*, 98-99.

¹² Cristopher Bo Bramsen, *Peace and Friendship: Denmark's Official Relations with China 1674-2000* (Copenhagen: Nordic Institute of Asian Studies Publishing, 2000), 42.

¹³ *The Hong Kong Directory with List of Foreign Residents in China* (Hong Kong: The Armenian Press, 1859), 9, 21, 24. For an excellent account of the founder of Lindsay & Co. which also provides some detail on the firm, see Robert Bickers, "The Challenger: Hugh Hamilton Lindsay and the Rise of British Asia, 1832-1865," *Transactions of the Royal Historical Society* 22 (2012), 141-169.

familiarity with China and the commercial environment there would later stand them in good stead for their business activities in Japan. Both brothers were experienced and active traders in China before their father's death and their connections at Chinese treaty ports would allow them to play a role in facilitating trade between China and Japan.

Not long after his father Nicolay was buried in Hong Kong, John found himself bound for Hakodate, Japan's northernmost treaty port, where he would act as agent for Lindsay & Co. Edward, however, remained in China, where he wound up some of his father's business activities whilst continuing Duus & Co., the Shanghai-based shipbroker business. The brothers' mother, Sophia, left China for Cape Town in the years after her husband's death, where she stayed with her own brother, the former mayor of Cape Town, before passing away in 1864.¹⁴

Trading out of Tokugawa Hakodate

Hakodate, located on the southern tip of Ezo (today Hokkaido), was one of Japan's first treaty ports. It was first opened in 1855 as a port of call to ships from countries that had concluded treaties with Japan and as such it was visited principally by American whalers in its first few years as a treaty port.¹⁵ Following the conclusion of commercial treaties between Japan and several Western countries in the late 1850s, Hakodate was opened to trade from the summer of 1859. The commercial treaties enabled the subjects of the 'treaty powers' to trade freely, own property and permanently reside in designated ports (travel was restricted to a radius of forty kilometers from port) whilst benefitting from extraterritorial rights. Soon after the opening of Hakodate to trade, several merchant vessels visited the port in order to assess its commercial prospects. These visits and the establishment of a British Consulate at Hakodate in October 1859,¹⁶ encouraged China-based British firms to establish a branch office at Hakodate and saw a handful of British merchants take up residence in port in the years that followed.¹⁷ The first among them was Alexander P. Porter who arrived in the summer of 1860 as an employee of Dent & Co.¹⁸ John Duus arrived a year later, in August 1861, and for the next few years traded principally for Lindsay & Co. under the protection of the British consulate which sought to ensure British trading right and seek redress for British merchants whenever contracts with their Japanese counterparts were not fulfilled.¹⁹

¹⁴ Information from geni.com: <https://www.geni.com/people/Nicolai/6000000017247211035>

¹⁵ For a general discussion of Hakodate's experience as a treaty port see: Steven Ivings, "Trade and Conflict at the Japanese Frontier: Hakodate as a Treaty Port, 1854–1884," *Transcultural Studies* 8.2 (2018); For an account that focuses on whaling in particular, see Noell H. Wilson, "Western Whalers in 1860s Hakodate: How the Nantucket of the North Pacific Connected Restoration Era Japan to Global Flows", in Robert Hellyer and Harald Fuess, eds., *The Meiji Restoration: Japan as a Global Nation* (Cambridge: Cambridge University Press, 2020). In Japanese, volumes one and two of the official city history provides plenty of detail on Hakodate's treaty port era. Hakodateshishi Henshūkai, *Hakodateshishi tsūsetsuhen 1*. [Hakodate City History Volume 1], (Hakodate: Hakodate-shi, 1980); Hakodateshishi Henshūkai, *Hakodateshishi tsūsetsuhen 2* [Hakodate City History Volume 2], (Hakodate: Hakodate-shi, 1990). Several volumes of the Hakodate city history have been made available online in recent years, see: http://archives.c.fun.ac.jp/hakodateshishi/shishi_index.htm

¹⁶ British Consul at Hakodate (hereafter BCH), Records of the British Foreign Office FO262-4, National Archives, London (hereafter RBFO)

¹⁷ The number of Westerners in Hakodate was never large and was initially exceeded by consular staff. In the 1864 edition of the *Chronicle and Directory for China, Japan and the Philippines*, for example, there were only two Western merchants resident in port (both British), besides one American commercial agent/merchant and one French missionary/merchant. The following year the same source provided a more detailed list with a total of 36 western residents in Hakodate, of which 15 were consular staff and the remainder merchants or their staff. These directories failed to list Chinese residents who were evidently more numerous. The Daily Press, *The Chronicle and Directory for China, Japan and the Philippines* (Hong Kong: Daily Press Office, 1864 and 1865).

The first time the British consul at Hakodate included the Chinese in his annual report was in 1871 when he enumerated 26 Chinese residents. This was double the British resident population and almost equal to the total population of all Europeans and Americans (30). As Ivings and Qiu have shown, Chinese were resident and very active in Hakodate's trade long before this, at least as early as June 1859. Steven Ivings and Datong Qiu, "China and Japan's Northern Frontier: Chinese Merchants in Nineteenth-Century Hokkaido," *Canadian Journal of History* 54.3 (2019), 297. BCH, FO262-228, Returns of Trade and Shipping, 25 January 1872, RBFO.

¹⁸ HB files Hakodate Bugyō (hereafter HB), 2 July 1860, Hakodate bugyō monjo [Records of the Hakodate Governor], Hokkaido Prefectural Archive, Sapporo (hereafter cited as HBM).

¹⁹ BCH, FO262-244, HBM's Court Proceedings 23 June 1873, RBFO.

Hakodate's remote location in the sparsely populated northern extremes of the Japanese realm meant it was hardly a promising market for imports of expensive Western goods. The interest in Hakodate was instead as a hub from which marine products such as kelp, abalone and sea cucumber could be sourced from the rich fisheries of Ezo and then exported to China.²⁰ Though the port had a substantial domestic trade, the export trade was not large enough to support a large foreign mercantile community and thus the China-based western firms instead sought to establish small branches there or utilize local agents to procure and arrange the shipping of these items. John Duus slotted into the role of agent immediately and in addition to his role for Lindsay & Co. he began taking orders for marine products from Jardine Matheson & Co. and others who ultimately decided against establishing branches at Hakodate in light of the poor prospects for trade at the port.²¹

In addition to his clientele of Western firms, Duus began cooperating with Chinese merchants who came to Hakodate. They came ostensibly as Duus' "staff", but in reality conducted their own trading activities.²² Such an arrangement was necessary for Chinese merchants because at the time China had no treaty with Japan granting them access to Japanese treaty ports as independent traders, and thus a fictitious employment relationship with Western firms was a means to circumvent such restrictions.²³ These Chinese merchants came to Hakodate in order to procure marine products that could be directly exported to China. Indeed, a portion of the marine products of Ezo were already finding their way to China before the opening of Hakodate as a treaty port. These items were carried by Japanese merchants on coastal shipping vessels (*kitamae-sen*) to Nagasaki, where they were then sold to the official Chinese guilds at Nagasaki and exported to China. The monopoly held by these guilds and the added cost of shipping the produce first to Nagasaki and then to China greatly added to the price of these items. The monopoly of the official Chinese and Japanese guilds conducting this trade also meant that the volume traded was somewhat restricted so as to ensure higher prices for the produce when it was sold in China. By conducting their own trade at Hakodate, for which they paid merchants like Duus an agency fee for borrowing his name and using his shipping services, these Chinese 'staff' were able to undercut the official trade at Nagasaki and transport their consignments to China more speedily.²⁴ In this way, local agents like John Duus facilitated the access of Chinese firms and China-based western firms alike to ports like Hakodate which were otherwise off limits or uneconomical as sites for establishing a more comprehensive presence.

The abovementioned agency and procurement services supporting the trade in marine products formed the core of John Duus' business throughout his time at Hakodate, but he also made several attempts to branch out into other commodities and activities. In May 1862, for example, Duus applied to the custom house and Governor of Hakodate in order to acquire a whale boat and equipment, though it is not clear whether this was pursued on behalf of an associate or if he intended to enter this form of business himself, we do know, however, that Duus never ran a whaling business out of Hakodate.²⁵ Duus also conducted a small and irregular business importing western spirits²⁶

²⁰ For a detailed study of exports of marine products to China, see: Habara Matakichi, *Shina yūshutsu Nihon konbugyō shihonshugishi* [A History of Capitalism in the Kelp Industry and Japanese Exports to China] (Tokyo: Yūhikaku, 1940). In English, see Ivings, "Trade and Conflict", 103-137.

²¹ John Duus to Jardine Matheson & Co. Shanghai, 26 November 1864, 7 December 1864, 25 February 1865, 15 March 1865, 3 & 29 April 1865, Business Letters – Hakodate, Jardine Matheson Archive (hereafter JMA), Cambridge University Library (hereafter CUL).

²² Ōishi Keiichi et al. "Meiji 6nen ni okeru Hakodate no konbu shijō – Takadake monjo no dampen o shiryō toshite" [The kelp market in the sixth year of Meiji, using the Takada family documents as sources], *Hokkaidō Suisan Gakubu Kenkyū Iō* 37.3(1986).

²³ For an account in English focusing on the treaty port era see Ivings and Qiu, "China and Japan's Northern Frontier". In Japanese, see Yoshinobu Shiba, "Zainichi kakyō to bunka masatsu – Hakodate no jirei o chūshin ni," in Yamada Nobuo (ed.) *Zainichi kakyō to bunka masatsu* (Tokyo: Gannando Shoten, 1983).

²⁴ Ivings and Qiu, "China and Japan's Northern Frontier".

²⁵ John Duus to HB 5 May 1862, HBM. For an excellent study on whaling in Japan during the Tokugawa period see: Jakobina Arch, *Bringing Whales Ashore: Oceans and the Environment of Early Modern Japan*. (Seattle: University of Washington Press, 2018)

²⁶ BCH, FO262-44, 22 September 1862, RBFO.

and velvets,²⁷ but, as we shall see, attempts to cultivate a silk export trade from Hakodate (though sourced from the northeast of Honshu) was, besides marine products, his most regular, albeit ultimately frustrated, endeavor.²⁸

Frustrations were common in the early days of treaty port trade. Chief among the complaints of John Duus and other foreign merchants were government interference in trade and the non-fulfillment of contracts by Japanese merchants.²⁹ Already by the end of 1862 Duus found himself embroiled in disputes over unfulfilled contracts with some even threatening to turn violent (in one case a sword was drawn on Duus).³⁰ Indeed, contract disputes aside, in the 1860s the threat of violence was a constant reality for Duus and other foreign residents of Japanese treaty ports. This was the time when the “expel the barbarian” (*jōi*) movement was at its zenith and thus foreign merchants were potential targets for xenophobic ronin. For their part, emboldened by their extraterritorial status, the behavior of foreign residents towards the Japanese verged on contempt, with foreign residents rarely showing much regard for Japanese authority, customs or norms. Such behavior was certain to cause anger and further ramp up tensions, and these tensions came to a head in 1863 following the attack on the British legation and murder of a British merchant by samurai from the Satsuma domain.³¹

In June that year, the British Consul of Hakodate asked the resident British merchants to estimate the value of their property in port so as to be able to make “claims of indemnity in the event of hostilities between Great Britain and Japan.”³² Clearly fearing for their own safety and that of their property, Duus and the other British merchants, petitioned the British Minister to Japan to keep a warship in Hakodate during the “critical state of affairs” and because they felt with such support “business will increase considerably.”³³ The circumstances under which the valuations were made may have produced inflated estimates of the value of their property but nevertheless the information submitted to the Consul provides a rare glimpse of the scale of British investment at Hakodate—including that made by John Duus and his employers Lindsay & Co. The property of Duus himself had a recorded value of \$10,859, whilst that of Lindsay & Co. was \$360,872. Interestingly, the property of the firm’s “Chinese Servants” (valued at \$1,080) was also listed. At the time this was more or less equal in value to the property of Dent & Co. and exceeded the value (\$223,677) of the other British firm listed (Stephenson & Co). Such investments seem disproportionate to the scale of Hakodate’s foreign trade (a mere \$274,182 in 1863) and this may have been one of the reasons other foreign firms appeared unwilling to make similar investments in Hakodate in the following years.³⁴

Duus’ Views on Treaty Port Trade

In August 1863, a British naval squadron bombarded Kagoshima in retaliation for the abovementioned actions of Satsuma samurai. Nevertheless, these disturbances in the south of Japan did not reach Hakodate, nor did they greatly affect its trade, which in fact increased in 1863 and then almost doubled in 1864. With an eye to a further expansion of trade, in early 1864 the British Consul decided to solicit the opinions of British merchants on the current

²⁷ John Duus to Jardine Matheson & Co. Shanghai, 8 April 1865, Accounts – Japan 1865, JMA, CUL.

²⁸ For an excellent account of how the silk trade came to be centered on Yokohama reshaping the economic geography of eastern Japan in the process, see: Yasuhiro Makimura, *Yokohama and the Silk Trade: How Eastern Japan Became the Primary Economic Region of Japan, 1843-1893* (Lanham: Lexington Books, 2017)

²⁹ Yuki Allyson Honjo, *Japan’s Early Experience of Contract Management in the Treaty Ports*, (Abingdon and New York: Routledge, 2003).

³⁰ James Enslie (UK Consul) to HB 12 December 1862, HBM.

³¹ For a recent account of these incidents see: Robert Fletcher, *The Ghost of Namamugi: Charles Lenox Richardson and the Anglo-Satsuma War* (Folkstone: Renaissance Books, 2019). Simon Partner’s lively account of a Japanese merchant based in Yokohama at the time includes a fascinating insight into the Japanese reaction to the possibility of a war. Simon Partner, *The Merchant’s Tale: Yokohama and the Transformation of Japan* (New York: Columbia University Press, 2018), 71-86.

³² BCH, FO 262-58, 28 June 1863, RBFO.

³³ BCH, FO 262-58, 27 June 1863, RBFO.

³⁴ BCH, FO 262-58, 28 June 1863, RBFO.

state of Hakodate's trade and the problems they faced in conducting their business. Duus replied to this request on 19 February 1864 with a report of considerable detail, providing several insights into the conduct of trade in treaty port Japan and the commercial situation in Ezo.³⁵

The report shows that Duus was optimistic about Hakodate's prospects for further expansion, but also that he felt the main obstacle to this expansion was the Tokugawa government (erroneously referred to as the "Imperial Government" by Duus):

As regards the trade of this port, it has really increased very much since my sojourn, and there is every prospect of continuing and increasing a little every year, if only the Imperial Government would not interfere with the Japanese merchants as they do, by heavy bribes and duties.

After remarking that kelp (*konbu*) was the "principal article of export" for foreign merchants at Hakodate, he began to detail the organization *konbu* harvesting in Ezo which he described as being "carried on to an enormous extent" albeit with the produce principally exported on Japanese vessels to other Japanese ports to the south. According to Duus the fisheries were organized as follows:

The [Ezo] seacoast [...] is farmed out to many principal merchants [...] for which they pay an annually [sic] income-tax according to the profit they make on the konbu [...] besides the duties. There are only six principal konbu merchants or farmers in Hakodate, they are compelled according to Japanese laws and customs to let others in town sell their goods which must go through what the Japanese call tonyas [問屋 wholesalers]. In this place we have seven tonyas and all produce must go through their hands, and they are again responsible to their Government for export and import duties. [...] The business is really carried on by junk captains on their own account, or by owners of the junk, represented by their captain, for example, a junkman comes from Osaka in 1864 and arrives here in June and brings the produce of the south up here for sale. If he can not sell at once, it is stored in a tonya's godown [storehouse] and then [he] proceeds to konbu coast.³⁶ The year previous, in September 1863 he advances to any of the konbu farmers \$5000, say half the advance money, for which he gets a receipt for same, and in July 1864 he again pays the other half [\$5,000], and in return gets the konbu farmer's order on his agent at konbu district to deliver over to him the value of \$10,000 at tonya price. Then he is obliged to get his konbu from the farmer's agent through a tonya, for which he pays the tonya's commission, being 2%, and also pays 2% duty to Sendai officials [for konbu harvested in a district under Sendai domain's management], and on his arrival here, if he found the market in demand for konbu,³⁷ then has to pay 2% duty, and also 2% commission to the tonya and again the tonya does not sell it direct to foreigners, but gives the same to a broker, and he gets his % on the price he sells. Suppose the konbu was valued at \$2 per picul, and the broker sells it at \$2.50 or \$2.75 he gets his % on that. Then the owner of the konbu pays the crew of his junk according to the profit he makes on his cargo.

Duus' account makes clear that although foreign merchants were supposed to be allowed to trade freely within the vicinity of the treaty port, in reality the preexisting system created several barriers to trade. Though Duus and other foreign merchants suspected that the Tokugawa authorities worked to deliberately obstruct trade, there was

³⁵ Unless otherwise stated, Duus' remarks in this section are from the following source: BCH, FO 262-76, John Duus to Howard Vyse (UK Consul) 19 February 1864, RBFO.

³⁶ It is not clear where Duus is referring to specifically as there were several areas in Ezo where *konbu* was harvested on a large scale.

³⁷ Although Duus does not explicitly state it, most of the *konbu* brought to and traded at Hakodate was ultimately consumed on the main Japanese islands to the south rather than locally.

a logic to the system irrespective of foreign trade. Officially recognized dealers and brokers were easier to monitor and tax for the Tokugawa authorities and thus they might generate a more secure source of revenue at little cost. However, this control of the flow of goods onto the market meant that foreign merchants had only a limited number of relatively powerful counterparts with whom they could transact. Unable to travel to the districts where items such as *konbu* were harvested because the treaties limited foreign merchant activities to the treaty ports, foreign merchants could not establish direct relations with producers and thus they had no choice but to transact with the brokers recognized by Hakodate's main dealers. Dependence on such intermediaries meant that the items procured by foreign merchants had passed through several hands and thus were taxed heavily by the time they were available for purchase, adding greatly to their cost.

As the main product traded, *konbu* received the majority of space in Duus' report but he also commented on a "very large business" that was being conducted in abalone and sea cucumber. These commodities were, however, largely out of reach to foreign merchants because of "a restriction being still put upon it" by the Tokugawa Government which "yearly sends large quantities to Nagasaki" for the official trade with the Chinese guild.

Duus' account also makes clear that whilst foreign trade faced several obstacles and was still marginal, the Ezo region, despite its relative remoteness, had several fisheries that were "carried on to a very great scale" albeit with their produce destined for the domestic market. Duus noted that large quantities of "codfish, herring, maguro, buri [...] and many other kinds of fish too numerous to mention" were exported to Edo, Osaka, and Nagasaki either directly from the producing areas or via Hakodate. Some of this produce was processed into fish oil and "dregs" which were used extensively as manure in the southern islands of Japan.

Duus' attention was not limited to marine products nor Hakodate. In his report, Duus also discussed diverting supplies of silk from Yokohama to Hakodate and commented on the quality of timber in Ezo and northern Honshu. Ezo's timber, he felt, had strong potential as an export item to China and he was "certain" that Ezo oak "would do well in England."³⁸ With an eye to the silk and timber trades, Duus strongly recommended opening "the whole coast of Japan" and to "have full liberty to trade with the different Daimyo's people." Given the Tokugawa's efforts to confine trade to treaty ports in territories under its direct control, Duus knew this would be unlikely in the immediate future, but he still urged the opening of "three more ports" recommending Osaka, Ishinomaki and Nanao as the prime candidates. The recommendation of Osaka was unsurprising, as it was "the principal trading town in Japan" at the time. Ishinomaki was proposed on the basis of its large and deep bay and its location in the Sendai domain on the east coast of Honshu. From Ishinomaki, Duus speculated that the silk produced in northeastern Honshu, especially from Sendai and Nanbu domains, could be procured more easily and quickly than hitherto. The recommendation of Nanao was based on an account Duus had heard about the suitability of its harbor and because its location on the western coast of Honshu promised a flow of "tea, silk, tobacco, rapeseed oil, wax and rice in enormous quantities" from the surrounding domains.³⁹ These ports were also desirable as they were under the control of influential Daimyo who Duus felt were more enthusiastic about trade than the Tokugawa government. Indeed, Duus concluded his report expressing a dim view of the intentions of the Tokugawa towards foreign trade: "My opinion of the Imperial [sic. Tokugawa] Government of Japan is that they do all they possibly can to mar the trade with the foreigners."

³⁸ For an account of a British firm that attempted to establish a trade in timber at Hakodate, even opening a steam-powered sawmill in the port, see: Steven Ivings, "Fostering a Trade in Japan's Northeast: The West Pacific Company at Hakodate in the 1860s," *Commodities of Empire Working Paper* 33 (2020).

³⁹ Though neither Nanao or Ishinomaki became treaty ports, Nanao was eventually opened as a "Special Trading Port" (i.e. opened to trade voluntarily by the Japanese government) in 1897 prior to the abolition of the treaty ports system in Japan in 1899. Catherine Phipps, *Empires on the Waterfront: Japan's Ports and Power, 1858-1899* (Cambridge, MA: Harvard University Asia Center, 2015), 22-25.

Settling Down

Whatever the effects of the Tokugawa policy on foreign trade, by 1865 Duus appeared to have more or less settled down in Hakodate. This is evident from the expansion in the amount of property Duus leased for his own business activities. Though initially Duus had been sent to Hakodate by Lindsay & Co. rather than relocate there entirely of his own accord, the fact that he remained there even after his employer folded in 1865-66 indicates that he found the business of exporting Ezo marine products to China generated a sufficient livelihood. Other British merchants also decided to remain at Hakodate, though probably for differing reasons—their intentions are not always clear, even as their principal employers folded or pulled out of Hakodate. The aforementioned Alexander Porter, for example, settled in Hakodate despite considerable hardship after Dent & Co. failed. In Porter's case his reason to stay was most likely because of a romantic liaison with a local woman with whom he fathered several children. Unlike Porter, Duus is not known to have fathered any children and died a bachelor, thus there is no reason to assume that he settled for anything other than business reasons.⁴⁰

As Duus transitioned from sojourner to settler he also began to take a keen interest in public order in the foreign settlement.⁴¹ He, together with other foreign residents, petitioned the British Consulate and Japanese authorities to clamp down on the rowdy behavior of temporary foreign visitors. The complaints were directed at a certain “hotel on land conceded solely for the benefit of the mercantile community,” which, they groaned, “on the occasion of the arrival of any Russian man of war [...] becomes the public resort for many of the common prostitutes to the great scandal and annoyance of those resident on the land, or whose duties daily call them there.”⁴² Interestingly, rather than welcome the arrival of foreign naval vessels as a source of security and a potential business opportunity, Duus and his colleagues were more concerned about public peace and remained focused on exporting the main commodities of Ezo to China and other Japanese treaty ports.

Five years after its opening, the principal export item of Hakodate remained *konbu*, which was shipped to Shanghai on Western vessels, or, more commonly, in Japanese vessels to southern Japanese ports. Nevertheless, with the emergence of a quasi-permanent foreign population at Hakodate, relations of trust began to emerge between Japanese merchants and foreign residents such as Duus who were able to broker the shipping of consignments of marine products on Western vessels to Japan's other treaty ports such as Yokohama and Nagasaki. Thus, as Japanese merchants began to realize the benefits of shipping their semi-perishable produce in faster Western vessels, foreign merchants like Duus began to act as shipping agents for Japanese merchants—helping them to charter foreign vessels or arranging for their cargo to be shipped to China.

Despite the relative stability of the *konbu* trade, it was not conducted entirely without problem. Duus lodged several complaints against some of the Japanese parties who he dealt with. These complaints included accusations of fraudulent weighing of consignments, as well as attempts to conceal inferior quality *konbu* under a few layers of superior quality *konbu*, and the packing of consignments with sand so as to add to its total weight.⁴³ These were not the only difficulties encountered. On one occasion Duus lost \$23,733 worth of *konbu* stored in the storehouse of a Japanese merchant when one of the frequent fires that ravaged Hakodate spread to the waterfront storehouses. Duus made attempts to recover the losses from the storehouse owner but these were apparently unsuccessful.⁴⁴ Of course,

⁴⁰ More information on Porter can be found in the British Consulate records. For an attempt at a biography of Porter, see: Nishishima Teruo, *Hakodate kōchō ni nani ga atta ka – oyatoi eikokujin no hiun* [What happened to Hakodate port master? The misfortune of a British foreign employee] (Sapporo: Hokkaidō Shinbunsha, 1992).

⁴¹ Nagashima Yōichi, “Zai-Hakodate Denmaaku ryōji J.H. dyuus (1834-1889) ni tsuite no oboegaki,” [Notes on the Danish consul at Hakodate, J. H. Duus (1834-1889)] *Chiikishi Kenkyū Hakodate* 20 (1994), 3-4.

⁴² Howard Vyse to HB 8 April 1865, HBM.

⁴³ Northern Studies Collection (hereafter NSC), John Duus to Hakodate Custom House, 3 February 1865, Hokkaido University Library (hereafter HUL).

⁴⁴ BCH, FO 262-58, 5 January 1865, FO262-94, 26 May 1865, RBFO.

complaints were not always one-way; the Custom House also lodged complaints against Duus, usually for failing to pay the proper duty on shipments of *konbu*.⁴⁵

As mentioned earlier, Duus was also keen to cultivate a trade in silk at Hakodate. Raw silk and silkworm eggs had, together with tea, become important export items at other Japanese treaty ports, particularly Yokohama. In Europe, the spread of disease among silkworms had created a surge in demand for imports of raw silk from Japan so as to supply the silk manufacturing plants of European production centers. Duus was well aware of this fact and sought to redirect the flow of silk produced in the northeast of Honshu from Yokohama to Hakodate. Though this did not come to fruition on any substantial scale, Duus' efforts were not wholly speculative. Many of the domains of northeastern Japan had a presence in Hakodate because they had been tasked by the Shogunate with defending Ezo. Having previously brokered the sale of a ship to the Nanbu domain in 1863, it was not unreasonable for Duus to assume that he had enough trust with northeastern domains to be able to contract with them for a supply of silkworm eggs.⁴⁶ Contracts were in fact made with the agents of several domains and while some were fulfilled, the transactions were relatively modest.⁴⁷ Other contracts broke down completely, and in September 1866 Duus was chasing up a contract for 5,000 sheets of silkworm eggs, having only received 1,200. Frustrated at the failure of the Hakodate Governor's office to investigate the case or enforce the contract, Duus began to argue that the Japanese Government should be held liable for the broken contract. This tactic to pressurize the Governor proved futile, as did so many efforts to pursue contracts via the mediation of the British Consul and Hakodate Governor, and Duus had to swallow another loss.⁴⁸

Becoming the Danish Consul

Besides the failure in silk contracts, in 1865-66 Duus also had to contend with the collapse of Lindsay & Co. which succumbed to bankruptcy during a global economic downturn that ravaged many western trading houses in China. After liquidating the property of Lindsay & Co. at Hakodate, Duus was able to ward off responsibility for its outstanding liabilities and contracts, and he decided to remain at Hakodate, conducting business under his own name more or less as he had done up to that point.⁴⁹

Following the conclusion of the Commercial Treaty between Japan and Denmark on 12 January 1867 an opportunity presented itself for Duus to serve as Danish Consul at Hakodate. Danish affairs in Japan, indeed the conclusion of the Commercial Treaty itself, were handled by the Dutch minister to Japan, and so when Duus was appointed Danish Consul at Hakodate in July 1867, he became the first Dane, albeit an Anglo-Dane, to represent Danish interests in a Japanese port.⁵⁰ Aside from prestige, the main reason Duus was eager to take on the role of consul was that it was useful to his business. Consuls were granted special privileges such as the freedom to travel beyond the port and priority access to currency exchange. As regular foreign merchants were unable to travel beyond the port and its immediate vicinity, this was a significant advantage in terms of gathering commercial intelligence and

⁴⁵ Howard Vyse to HB 14 February 1866, HBM.

⁴⁶ NSC, John Duus to Hakodate Custom House April 1863, HUL.

⁴⁷ Duus appears to have been contracting, in part at least, on behalf of Jardine Matheson & Co., see: John Duus to Jardine Matheson & Co. Shanghai, 7 December 1864, 25 February 1865, 3 April 1865, Business Letters – Hakodate, JMA, CUL.

⁴⁸ John Duus and Abel Gower (UK Consul) to HB 13 September 1866, 21 September 1866, HBM.

⁴⁹ John Duus to Jardine Matheson & Co. Shanghai, 24 March 1865, JMA, CUL; An example of John Duus successfully warding off a claim he was responsible for a contract for cuttlefish concluded on Lindsay & Co.'s account can be seen in "Law Reports", *The North China Herald*, 15 April 1868.

⁵⁰ Yoichi Nagashima, *De Dansk-Japanske Kulturelle Forbindelser 1600-1873*, (Copenhagen: Museum Tusulanums Forlag Københavns Universitet 2003), 341; Nagashima, "Zai-Hakodate Denmaaku ryōji," 3. Official confirmation of his appointment as Danish Consul at Hakodate arrived to the Danish Minister only on 18 December 1868, and Duus received the confirmation in January 1869. Duus had already served as Acting Consul for Switzerland in 1865-67 and for France in 1866-67, in the absence of regular Consuls for those nations.

establishing contacts among producers away from the port. Additionally, though Mexican silver dollars were supposed to be accepted in foreign trade deals at Japanese treaty ports, there was reluctance on the part of Japanese merchants to accept them and so the access to currency exchange with the government was of great benefit to business.

Duus had also been frustrated with the limited success with which he was able to pursue redress for broken contracts with Japanese merchants via the British Consul. Without a Danish firm, nor indeed another Dane in Hakodate, becoming Danish Consul entailed representing his own firm's interests. The intention to use the office of Consul to support his business is evident in the fact that long before the official notice arrived from Denmark confirming his appointment, "Danish Consul" John Henry Duus was already using his office to acquire further lots of land to rent for "Danish resident merchant" John Henry Duus.⁵¹ Perhaps feeling certain that his new appointment as Danish Consul would be of great benefit to his trading activities, John Duus invited his brother Edward over from Shanghai. Despite their expectations, as we shall see in part two of this article, the years of, and immediately following, the Meiji restoration were characterized by deals that fell through and struggles to recover bad debt which, at times, left Duus unable to pay rent.

Conclusion

In the absence of an individual archive or company history, this article has attempted to examine the career and business activities of an Anglo-Danish merchant at treaty port Hakodate in the years prior to the Meiji Restoration. Though Duus was a relatively minor player at a relatively minor port, the documents that survive related to Duus' activities point to several features of treaty port trade in the mid-nineteenth century. First, regarding Hakodate itself, Duus' account makes it clear that he did not view it as a peripheral port even if it has been conventionally viewed that way. The port's international trade, which was almost exclusively limited to exporting marine products to other Chinese treaty ports, may have been small in comparison to the volume of trade conducted at ports such as Yokohama. However, Duus instead noted the extensive fisheries of Ezo and how much of this produce was traded at Hakodate and then exported to other Japanese ports down south. Duus had grown up in the rapidly expanding treaty ports of Hong Kong and Shanghai, as well as the old Danish trading city of Copenhagen, but rather than dismiss Hakodate as a periphery in his description of the port in 1864, he saw it as an important regional trading center. Indeed, his account and long-term residence suggest he saw it as a trading center with great potential should the barriers to trade inherent in the existing commercial system be removed or reformed.

Second, as an Asia-born Anglo-Dane who split his formative years between China and Europe, Duus' background (and indeed his father's) and shifting affiliation from British to Danish when in Hakodate supports the idea proposed by S.D. Chapman that in Asia "much so-called 'British' enterprise was in fact multi-ethnic."⁵² Duus' career suggests that when we look at the minor players in the treaty ports, conducting their own limited trade and acting as local agents for larger firms, we might find a strikingly cosmopolitan British presence among traders at the local outposts of the wider treaty port trade network, a presence that was willing and able to engage in intra-Asian trade.

Third, Duus' career points to the existence of Western traders at the minor ports of the treaty port network who functioned as trade facilitators, a role similar to the Chinese compradores who have been the subject of several

⁵¹ NSC, Certificate of the title by Sugiura Hiogonokami, Governor of Hakodate, 11 June 1868, HUL.

⁵² S. D. Chapman, "Historical Evaluation of English Trading Firms", in Shinya Sugiyama and Linda Grove, eds., *Commercial Networks in Modern Asia* (Abingdon and New York: Routledge, 2001), 257. Local histories of the treaty ports in Japanese tend not to highlight the multiple identities and affiliations amongst merchants and indeed consuls which was an important feature of treaty port society.

studies.⁵³ Local agents such as Duus maintained a diverse portfolio of clients to whom they provided procurement, shipping and other agency services whilst conducting their own trade. In so doing, Duus facilitated market access for both the major China-based western trading houses—who were unwilling to invest in minor ports such as Hakodate but remained interested in the port’s commodity trade—and Chinese merchants who required an arrangement with western agents such as Duus because of the lack of a treaty between China and Japan. On occasion Duus also provided shipping and agency services to Japanese merchants and domains, although ultimately these activities were constrained by the commercial system of the late Tokugawa era and his confinement to the treaty port environment. Though Duus’ efforts were often frustrated he nevertheless played an important local intermediary role in facilitating Hakodate’s intra-Asian trade with China. Ian Brown noted how a view held previously by economic historians that equated economic dynamism in mid-nineteenth century Asia with “a response to the intrusion of the west” and in which Western actors were seen as the main protagonists, has been replaced by a view that “now acknowledges the important role of Asian merchants and trading concerns.” In this view, “complex relationships between Asian and western traders in Asia” were at times characterized by competition and at others by “mutual dependence.”⁵⁴ I do not challenge this newer view here, instead I would like to posit that local agents such as Duus show that Western merchants could also play the role of facilitator/compradore in intra-Asian trade (such as the trade in Ezo marine products) rather than merely in trade between Asia and the West.

The second part of this article explores the career of John Duus, and to a lesser extent his brother Edward, in the early Meiji period. In particular it will focus on the effects of the transition from the Tokugawa to the Meiji polity with respect to trade at Hakodate. As will be shown, though scholars commonly view the Meiji period as one in which Japan passed through a rapid modernization process, this ‘progress’ was not necessarily to the immediate benefit of foreign merchants. Instead, foreign merchants like Duus, found themselves chasing up broken contracts from domains that were dissolved in the early Meiji years. They continued to struggle to expand their business activities even as the Meiji government reformed several of the economic restrictions that had inhibited them in the Tokugawa era.



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⁵³ For a representative example see: Yen-ping Hao, *The Commercial Revolution in Nineteenth-Century China: The Rise of Sino–Western Mercantile Capitalism* (Berkeley: University of California Press, 1986).

⁵⁴ Ian Brown, “Asian and Western Commercial Networks in Asia, 1850-1930: Dependence and Rivalry”, in Sugiyama and Grove, eds., *Commercial Networks*, 251.