

Separating Fact from Fiction about Pre-Modern Sino-Korean Trade*

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Introduction

As neighboring countries, Korea and China have shared a long history of interaction. Because the nature of Sino-Korean interaction was based in large part on an awareness of a close cultural affinity, the greater part of this history was marked by relations which were friendly, not confrontational. This is not to say that it had no military confrontation; however, for the most part these were limited to the earliest centuries of the relationship. Beyond the Emperor Han Wu-ti's invasion of Old Chosŏn, Koguryŏ's conflicts with Sui and T'ang China, and the conflict between Silla forces and their T'ang allies immediately after the Silla Unification, there were no other conflicts of a similar scale. Through the close cultural interaction, a close cultural affinity developed that far outweighed any military discord and that even extended to the shared use of the same written characters.

The cultural exchange between the two countries, indeed, was somewhat one-sided, for Korea adopted many more aspects of Chinese culture than China did of Korean culture. However, this adoption was done to spur Korea's development. In many cases Korea used new religions or

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ideologies which had emerged in China to fuel its own development. Of course, China also benefitted from its ties with Korea. In several instances where China was beset by aggression from a third country, Korea provided diplomatic and military cooperation, believing that the two countries should jointly defend their superior culture. Although this sense of strong cultural bonds at times led to humiliating defeat, before the arrival of Western influence in the nineteenth century it was the primary driving force behind East Asian civilization.

The long and deep historical relations between Korea and China included not only cultural and political interaction, but economic interaction as well. Although some scholars tend to underestimate the economic aspects of this relationship when studying the history of East Asian international trade, especially in light of the overwhelming influence of Western capitalism following Western expansion into Asia, in reality economic relations were no less important than cultural or political relations. Perhaps it would not be going too far to say that the long political and cultural interaction between the two countries was made possible on the basis of their economic interaction.

Particularly after the sixteenth century, international trade in East Asia prospered, thus contributing greatly to East Asian economic development. However, the development spurred by this trade had its own limit, for East Asia only managed to pursue commercial development but not industrial development. This is in great contrast with the situation in Europe where international trade enabled Europe's economy first to achieve commercial development, and then industrial development. It was precisely this inability to pursue industrial development which caused East Asia to become the colonies and semi-colonies of the Western capitalist nations and their imitator Japan in the early twentieth century. What was the main reason why East Asia could not overcome this plight?

Many opinions or explanations attempting to answer this

question have been forwarded. However, since most of these start with a minimalization of the East Asian economy itself, they cannot be regarded as satisfactory. In the study of East Asian historical relations, there has been a strong tendency to consider pursuit of this topic as misguided. Although this paper intends to examine the primary cause from a reflective viewpoint, a caution against underestimating the level that East Asia's economy had attained before Western economic imperialism must be added. This is because any attempt to analyze the situation only with the focus on the relative economic underdevelopment of East Asia and view that East Asia's economy for the first time came to light following the Western inroads into Asia, cannot do justice to the historical reality or its particular characteristics. It seems apparent that East Asia's present probing search for the best path for future development can benefit from deeper reflection upon East Asia's past history.

1. The Historical Nature of East Asia's Tributary Trade System

East Asia's trade history can be roughly divided into two periods marked by Ming China's adoption of a policy restricting seaborne trade in the second half of the fourteenth century. This policy prohibited or restricted private commerce by sea. Initiated by the Ming Dynasty in order to strengthen China's traditional tributary trade system, this policy changed the nature of East Asian international trade.

Connected by the Yellow Sea, Korea and China have enjoyed active interaction and trade from early times. The historical trade on the Yellow Sea is not unrelated to the development of Old Chosŏn on the Liaotung Peninsula. The interaction and trade through the Gulf of Pohai served as a great impetus to the development of ancient Korean society in Liaotung; from this point, it might be said, ancient Korean civilization started to evolve. It might also be said that the role played by the Gulf of Pohai in early times represented

the advent of Yellow Sea trade. The importance of the Yellow Sea in the progress of Korea and China in East Asia trade relations as a whole cannot be overemphasized. Nonetheless, from the end of the fourteenth century when Ming's sea trade restrictions were implemented, the nature of trade on the Yellow Sea began to change.

Ming's restrictive sea-trade policy did not prohibit all sea trade. Although the maritime trade restrictions were designed to block completely all unauthorized private tracks, overseas trade under the jurisdiction of the central government under this policy flourished in the early decades of the fifteenth century. The expeditions of the Ming official Chǎng Ho were part of the central government's effort to establish an international trade system. The sea trade restrictions were closely related to its foreign policy based on designating investiture states and levying tribute. Restricting its trade only to those countries that had accepted investiture status, Ming China adopted a trade policy based on formal tributary trade. In order to maintain and manage this structure, the Chinese could allow open and friendly maritime relations.

Traditionally, China pursued the establishment of an international order centered around itself. Even the restrictive sea-trade policy of Ming China was founded upon this concept. However, a sensitive reaction to this policy began to surface. This resulted from the increasing importance of sea commerce in East Asian trade. As illustrated by the Silk Road, through the Yuan Dynasty the bulk of China's international trade was conducted over land routes. The rise of Yuan as a vast empire in both the East and the West attested to the importance of overland trade. The emperor's realm and control over trade extended as far west as Europe. It would not be an exaggeration to say that this was the result of the profits from his control over trade. Silk Road trade reached its apex during this period.

While the Chin and Yuan Dynasties pursued profits generated by the Silk Road, the Southern Sung dynasty,

centered around the south Yangtze River, initiated friendly relations with countries in Southeast Asia. This cultivation of sea commerce by the Southern Sung dynasty proved to have a considerable impact on the economies of all the Southeast Asian countries as well. From the thirteenth century onward, commerce in the Southeast Asian countries showed greater vitality, and the expansion of trade routes to East Asia clearly opened a new chapter in the history of East-West trade. The first appearance of Chinese resistance to Yuan control toward the end of the dynasty in the Canton, Chekiang, and other coastal regions was in no way coincidental. Rival leaders like Fang Kuo-chen from Canton and Chang Sa-ch'êng from Chekiang who rose to power against the backdrop of friendly maritime relations initially held greater influence than Chu Yuan-chang from An-shih Province. After a fierce struggle for supremacy, Chu Yuan-chang emerged victorious. Among his motives for sea trade restrictions was the assumption of control of the remaining power of the rival leaders. Ming's restrictive sea-trade policy, which initially stemmed from a similar domestic power network of relationships, was linked to the investiture-tribute system with the purpose of establishing a new world order, and it became the basis of the new diplomatic policy. The beginning of large-scale expeditionary commerce during the implementation of the Ming investiture-tribute system was no accident.

The investiture-tribute system, the sea trade restrictions and other Ming policies all were applied to the Koryŏ and Chosŏn dynasties. In fact, these were implemented in Korea before application to Southeast Asia. Because China had more direct interests in Korea, China placed a higher priority on applying these policies to the tense situation in Korea. When Fang Kuo-chen and Chang Sa-ch'êng in the south ascended to power, they had already established friendly relations with Koryŏ. The rival leaders of southern China adopted an open diplomatic stance, and Koryŏ accommodated their requests for friendly relations. However,

after these leaders were defeated by Chu Yuan-chang, Koryŏ found itself facing a difficult situation. Although Koryŏ quickly responded to the change in circumstances by sending an emissary to Chu upon his victory, Chu still harbored some feelings of caution toward Koryŏ stemming from its past relations with his enemies.

Chu's feelings of distrust toward Koryŏ came to the fore as he took control in Liaotung. During the Yuan Dynasty, Koryŏ began to have much influence in the Liaotung region, and many Koryŏ people lived there. Because Koryŏ had deep influence in the Liaotung region and had ties to the rival leaders of southern China, Chu feared possible rebellion against his control over the Liaotung region. As a result, he prohibited all traffic by sea related to Koryŏ, and, applying the investiture-tribute policy, required that Koryŏ pay tribute once every three years with the intention of lowering the status of Koryŏ to that of a tributary nation. The number of tribute missions sent was raised and officially established at three tribute missions per year at Koryŏ's request, but even this hardly eased Chu's feelings of uneasiness. Because of his persistent suspicion, he applied the same policy to the Chosŏn Dynasty, which replaced Koryŏ in 1392. Chosŏn denounced this and planned an attack on Liaotung in retaliation, though actual military conflict was averted at the last minute.

The restrictive sea-trade policy of Ming China, against the background of the increased importance of maritime commerce at that time, has come to be considered as one of the Ming government's chief means of establishing and maintaining a centralized government structure. Although this new international policy faced momentary opposition starting with the Muromachi Bakufu in Japan, Ming China established a "one-channel trade structure" throughout East Asia. At the same time, Korea's Chosŏn dynasty was able to establish semi-tributary relations with Japan, the Ryukyu islands, the Jurchens and other regions while avoiding friction with Ming under this policy. The significance of

Ming's sea trade restrictions and tributary policy lay basically in providing structure to the new conditions of Asian international trade in the thirteenth and fourteenth centuries.

2. Facts and Fiction about the Sino-Korean Tributary Trade System

The investiture-tribute system, established by Ming in its desire for a sinocentric international order, was maintained by the succeeding Ching Dynasty in the seventeenth century and thus continued as the foundation of the East Asian international order. However, this did not mean that the restrictions on sea trade that bolstered this structure remained unchanged under the Ching. As the economy of this region continued to grow, international commerce also greatly expanded, and, accordingly, it became difficult to sustain the original intent of the restrictive policy. From the sixteenth century onward, flourishing private trade surpassed and overwhelmed the tributary trade structure and rendered the sea trade restrictions ineffectual. It is here that the fact and the fiction of the tributary trade system overlap.

In the sixteenth century, East Asia's international trade began to show substantial changes in terms of the participating countries, the articles of trade, and trade quantity. The trading parties included the major countries in East Asia, such as China, Korea and Japan, as well as merchants from other countries such as Portugal and Ryukyu who were playing a new role in East Asian trade. These latter traders gained profits by dealing in Southeast Asian goods or dealing Chinese silk to Japan. Each country produced a fixed list of products in large quantities for trade. As before, China continued to export traditional goods such as silk and pottery, but the supply expanded greatly beyond what it had been earlier. While the quantity of goods carried by Portuguese merchants to Europe was not small, a significant amount of silk fabric and raw silk was exported to

Chosŏn and Japan. Chosŏn merchants also reaped substantial profits serving as intermediaries in the silk trade with Japan. In addition to serving as intermediary suppliers of Chinese silk, Chosŏn merchants also exported domestically produced cotton cloth and grain to Japan in large quantities. In return, Japan exported copper, herbal medicine, and other products to Chosŏn.

In the sixteenth century, East Asia's international trade began to show a high degree of activity with silver being used as the currency standard. In the mid-fifteenth century, China streamlined its tax system and began to assess all taxes in silver. Consequently, silver began to be used as an international currency standard as it facilitated international trade, and accordingly, silver from many other nations began to flow into China. A significant amount of Mexican silver found its way into China via European merchants. The latest research also shows that a large quantity of silver flowed into China from Korea and Japan. The development of a technique for separating silver and lead aided the development of silver mining enormously. Famous even today as a silver mine, Tanch'ŏn was originally an insignificant lead-rich mountainous region. But after the development of this separation technique, Tanch'ŏn began to be developed as a silver mine. Once this technique was smuggled into Japan in the mid-sixteenth century, direct opportunities for the development of silver mining also arose in northern Kyushu.

At full recognition of the vitalization of East Asian trade in the sixteenth century, one must also look at the development of agriculture in those days. From the twelfth century onward, East Asian agriculture showed remarkable development as a result of the development of wetfield farming techniques in southern China. New agricultural techniques that overcame the limitations of farming land in fallow through improvements in weeding and fertilization techniques led to increased productivity and contributed greatly to the development of the East Asian economy.

Because of differences in their natural conditions, though, the development of wetfield farming in Korea, China, and Japan occurred at somewhat different speeds with differing results. However, by the fifteenth century, the limitations of fallow land farming had been overcome in every country, and all were able to reap increases in productivity. This development of the agricultural economy increased purchasing power and energized both domestic markets and international trade enormously.

Although Sino-Korean trade was limited to overland trade during the expansion of international trade in the sixteenth century, Chosŏn merchants were able to realize substantial profits by collaborating with the tributary envoys to procure large quantities of silk and raw silk and by trading it to Japanese merchants given special privileges to trade at three Korean ports. In the Chinese coastal regions, there was brisk trade as merchants from Japan, Ryukyu, Portugal, and other countries came to sell various articles and to buy Chinese silk and pottery. Such brisk activity of private merchants rendered the restrictions on sea trade ineffectual.

This thriving international trade was also accompanied by disputes caused by trade friction. In 1510, the Japanese merchants at the three Korean trade ports rioted in opposition to limits imposed by the Chosŏn government on the quantity of grains and cotton material to be exported. In 1547, a similar insurrection was started by the Japanese at the Ningpo port in China. In retaliation, Ming China ended tributary trade with Japan. After this, the Japanese became pirate raiders preying on the Chinese coast, smuggling or pillaging the goods they needed. But this piracy was not committed solely by the Japanese. Natives of the Chinese coastal regions who disguised themselves as Japanese pirates accounted for 70-80 percent of this piracy; many Portuguese were also said to have been involved. As long as the Chinese government adhered to its sea trade restrictions, this kind of unauthorized activity was inevitable. The piracy had connections with wealthy merchants from the

southeastern Chinese coast, wealthy landowners, and even part of the noble class. The Ming government could not allow this activity to continue, and finally in 1567, it adopted a measure ending the restrictive sea-trade policy and allowed the Chinese to participate in overseas private commerce.

The measure ending the restrictive sea-trade policy was a notable even in the history of East Asia's international trade in terms of its impact on the economic development of the affected countries. However, since the Ming state did not give up the tributary trade system, this action cannot be called a complete lifting of restrictions on sea trade. It merely allowed more freedom for Chinese merchants. The neighboring countries were still bound by the investiture-tribute system. Even after the promulgation of the new measure, Chosŏn merchants continued to travel between China and Korea using only land routes, not even thinking to trade by sea. Even Hideyoshi's attempted invasion of Ming in 1592 was strongly motivated by the desire to break free of the constraints of the tributary trade system.

Toyotomi Hideyoshi, after succeeding in the monumental task of unifying Japan, wanted to achieve a new turning point in trade with the Asian continent. After the Ningpo rebellion, Hideyoshi found it necessary to have the penalty of Japan's exclusion from the tributary trade system repealed. Around 1589, he studied the possibility of regaining the benefits of tributary trade by offering to take the responsibility for ending piracy. Though the idea went nowhere, this still meant that as the new ruler of all Japan, Hideyoshi saw the tributary trade system as the mainstay for the East Asian international order. This illustrated the overriding importance of the tributary trade arrangement. Three years later he gave up on this idea of tributary trade and ordered his army to land in Korea with the goal of invading Ming China. Massively mobilizing the military force he had used to unify the Japanese islands, he sought to break free of the constraints on Japan's external trade due to its exclusion from tributary trade.

As is well known, Hideyoshi's war ended in defeat. However, the enormous impact that this war had on the East Asian international order cannot be denied. Lacking its former regular inflow of Mexican silver, the Ming state was hard hit by the enormous expenditures required by the war, leaving its economy in an unstable condition. To make things worse, the Jurchens began to advance southward, placing Ming in a position difficult to escape from. The transition from the Ming to Ch'ing dynasties had huge repercussions on the East Asian international order. Although the Ch'ing Dynasty maintained the Ming's investiture-tribute system, it also revived the restrictive sea-trade policy, thereby negating much of the developments in trade which had been made in recent decades.

In the seventeenth century, East Asia suffered a crisis more serious than any conflict between nations. This was a global natural disaster sometimes known as "the little ice age." The southward movement of the Jurchen tribe was in fact just one of the developments resulting from this huge natural disaster. The little ice age, which was caused by a decline in sunspot activity, was marked by a severe drop in temperature and inflicted heavy damage particularly on the northern hemisphere. Frequent hail storms, unseasonal and very heavy snowfall, wind damage, drought, flood, and other constantly overlapping natural disasters dealt a fatal blow to agricultural harvests. This natural calamity, which lasted not for 10 or 20 years, but for 70 to 80 years, presented a "general crisis" to most of the countries of the northern hemisphere. The continual poor harvests led to famine and epidemics causing sudden decreases in population. Population studies on China and Korea reveal that the population continued to decrease from the end of the 16th century until 1670, that in this period, the population dropped by about a third.

The Jurchens, who lived in the most northern region of East Asia, were seriously hit from the onset of this natural disaster. Originally a nomadic tribe, by the sixteenth century

they were gradually converting to an agricultural society through the influence of China and Chosŏn, which made the ecological damage all the more severe, difficult as it was to even find enough food due to reduced agricultural harvests, their only path of survival lay in moving southward. It was no coincidence that their conflict with Ming China began when the Jurchens tried to take control of the fertile agricultural land of the Liaotung region.

The revival of the restrictive sea-trade policy after the founding of the Ch'ing Dynasty was aimed at isolating the remnants of the Ming government who had fled to Taiwan and resettled. Evidently, this was the motive in light of the fact that one year after the complete suppression of Taiwan's remaining insurgents in 1683, a measure was issued allowing Chinese people to travel abroad. However, as will be discussed later, this measure was much less liberal than the similar measure adopted by the Ming government in the latter half of the sixteenth century. Because there still remained many tasks necessary for the victorious Ch'ing to accomplish through the investiture-tribute system, the sea-trade restrictions were not eased as greatly as they had been during the Ming Dynasty.

As the conditions resulting from the little ice age started to improve at the end of the seventeenth century, the economies of the three East Asian nations also started to revive. As the effects of the natural disaster gradually diminished, various emergency measures taken to cope with this long-term natural disaster served as primary factors in economic revitalization, and in general each country's economy showed greater vitality than ever before. Studies on the economies of the East Asian countries all show greater economic activity in the eighteenth century than in the sixteenth century. It goes without saying that this economic revival by the East Asian countries also had a large impact on international trade as well.

The shift in Ch'ing's restrictive sea-trade policy at the end of the seventeenth century brought about significant change

in the eighteenth century East Asian trade, as Chinese merchants were able to pursue trade in places like Nagasaki and Southeast Asia. At the same time, Japanese merchants began to branch out and open direct routes to Southeast Asia, another change worthy of note. There was also a change in the overland commerce between Korea and China. At several designated points in the Sino-Korean border region, private trade had developed to the point where it was being recognized under the name of "Hu-si". This development of private trade in the Sino-Korean border region was the result of the increased economic role of Manchuria due to agricultural development from the sixteenth century onward. The increased importance of this region as a supplier of agricultural produce was already apparent at the time of Hideyoshi's invasion. When the Chinese troops were dispatched to Chosŏn to repel the Japanese invasion, they carried only silver instead of significant food supplies, assuming that such food supplies could be obtained on the spot in Manchuria or Korea. Since the region's importance as a site of agricultural production was increased in this way, logically its role in international trade increased as well. Although part of the reason for making the route travelled by the tribute envoys pass through Manchuria was that it was the original homeland of the Ch'ing dynasty, another reason was to incorporate this region into eastern trade. The widespread appearance of Chinese merchants travelling north-south through the Yellow Sea was another evidence of Manchuria's increased economic importance. However, Sino-Korean east-west trade through the Yellow Sea, still bound by the sea trade restrictions, was limited to smuggling.

Freed from the crisis situation of the seventeenth century, East Asia's economy clearly surpassed the level it had reached in the latter half of the sixteenth century. However, Ch'ing's lifting of the policy of sea trade restrictions was not as liberal as the measure taken by Ming. As mentioned earlier, after the suppression of Taiwan, Ch'ing sanctioned

the travel of Chinese abroad. But control over private trade was soon reinstituted and several restrictions were tightened. The Ch'ing court also instituted the *konghang* system, which created a guild of licensed monopolistic merchants. But even this arrangement came to be limited to one port, Canton, in the second half of the eighteenth century. The Ch'ing, as a foreign dynasty which had conquered China proper, faced many pressing domestic tasks in maintaining its rule, thus had no choice but to show an isolationist tendency in its foreign policy.

Following its suppression of Taiwan, the Ch'ing spent the next 70 years subduing other ethnic minorities in the northwest regions. Because one of the minimum requirements of the Chinese emperor's concept of a "grand unity" was unifying and maintaining peace in China proper, subduing the nomadic tribes in the northwest was a crucial task for the Ch'ing court. Given that peace and unity in China proper could not be guaranteed without mastery over the northern tribes, the subjugation of these peoples was Ch'ing's foremost task in the establishment of its empire. Chinese rulers from Emperor K'ang Hsi on upheld the notion that in order to fulfill the concept of China as the Middle Kingdom, it was necessary for the monarch to be equipped with both learning and martial valor. Accordingly, Ch'ing attached great significance to its policy of subjugating the northwest region and concentrated its energies on this task. While doing so, though, its foreign relations could not develop. While retaining its investiture-tribute policy, Ch'ing soon rescinded its modifications to the policy restricting sea trade. This was due to the government's preoccupation with its policy of subduing the northwest region. As foreign conquerors, Ch'ing was so obsessed with the domestic tasks of building the Middle Kingdom that its external policy became far more rigid than that of Ming.

While in the eighteenth century East Asia enjoyed an unprecedented economic prosperity, the maintenance of the traditional China-centered trade framework was hardly

smooth. To say nothing of the changes caused by the lifting of sea trade restrictions in the sixteenth century, the reversion back to the original restrictive trade policy with the advent of the newly victorious Ch'ing in the seventeenth century can be viewed as a regression in the development of East Asian trade. One can easily say that the economic development of the individual East Asian countries made significant contributions to the flourishing and expansion of international trade, and that these were more or less negated by the obligations of the China-centered international order.

Yet, there were changes in the Ch'ing investiture-tribute system, as well. As the campaign to subdue the northwest region dragged on, Ch'ing conceded to the wishes of surrounding tributary nations to reduce the required tribute in terms of variety and quantity, for such unnecessary friction was deemed to be an impediment to the campaign. In the eighteenth century, tribute articles like gold, silver, other precious metals and animal furs and skins were for the most part not required, leaving only paper goods and woven fabrics. And except for an increase in paper goods, the quantity required was substantially reduced.

The concept of the Middle Kingdom which underpinned the investiture-tribute system also changed. Because the leadership of Ch'ing was descended from a non-Han Chinese ethnic minority, the previous standards for what should be considered Chinese and foreign in terms of ethnicity and geography could no longer be applied. Stressing that the basis for determining what was Chinese should be Confucian culture, Emperor Yung Cheng declared that not just the Han people, but neighboring peoples such as the Manchus, the Mongols, and Tibetans should also be considered native Chinese. Under this declaration, emperors of ethnic minority descent pursued the realization of China as the Middle Kingdom through learning and martial valor, and to this end, worked toward achieving domestic and political stability. This new vision of China caused large scale repercussions in the surrounding tributary states, as many now proclaimed

themselves to be the true Middle Kingdom.

In the early the eighteenth century (1714), the Chosŏn king declared that Chosŏn was the nation truly upholding the culture of Ming China. Almost at the same time, Confucian scholars in Japan declared that because the Japanese emperor was descended from an unbroken imperial line, Japan was the true Middle Kingdom. Of course, it can be said that the two interpretations of the concept of the Middle Kingdom by these two countries served to weaken the traditional Chinese investiture-tribute system. The Ch'ing dynasty did not even retaliate in response to these declarations by its neighbors. In the beginning of the nineteenth century, even Vietnam declared itself the true Middle Kingdom. By the end of the eighteenth and the early nineteenth centuries, a number of internal factors were developing in the East Asian international order which would enable it to advance into the new world. However, the Ch'ing court had no intention of renouncing the investiture-tribute policy. The more its awareness grew that the concept of the Middle Kingdom was weakening, the more isolationist it became.

As the East Asian economy continued to develop in the eighteenth century, the basic direction in which the international order needed to move was the stimulation of private trade through the complete lifting of restrictions on seaborne trade and the abolition of the investiture-tribute system. This was the only way of taking the economy of East Asia to a new level. This is not to say that there were no changes at all in either policy; rather that, unfortunately, as the nineteenth century unfolded, fundamental changes did not occur. One might say that the responsibility for this lies with China. China is so enormous and dominant a nation in East Asia that it cannot be really be compared to its neighbors. Accordingly, as long as China would not unilaterally change the investiture-tribute system it had instituted and which underpinned the international order, there was no hope of change or improvement. It was

significant in itself that the surrounding states succeeded in getting the restrictive sea-trade policy altered by developing flourishing private trade. This situation, where China had such an enormous disparity with other nations in scale, was one major difference Asia had with Europe.

The fact that the neighboring countries failed to show active resistance to the system was also a problem. During the eighteenth century, East Asian nations such as China, Korea, and Japan were developing commerce through connecting ports. As the trade volume increased, the importance of overseas and inland water routes increased as well. Based on this, it was possible to further development of international overseas trade. It seems apparent that the surrounding countries needed to be more pressing with their demands to China. In the latter half of the eighteenth century, a movement among Korean intellectuals began to appear which advocated that trade with China be converted from land to sea routes. At the same time, the king even proposed a plan to levy taxes on merchants participating in international trade. At that time, many tribute delegation members and merchants engaged in private trade (*Hu-si*) borrowed government silver, but failed to repay it. Accordingly, it was suggested that all lending of government money be forbidden and the government levy taxes on merchants returning from international trade. These proposals are an indication of the wealth and military power obtainable through trade, and they coincided with the historical trends of the time. However, as a young monarch ascended the throne and powerful clans assumed the government power at the beginning of the nineteenth century, the trend changed toward the monopolization of commercial profits by persons of influence, rather than a search for solutions on a national scale. A few influential persons were able to monopolize the right to conduct port commerce, and even in official trade, some members of the government tribute delegations began to directly participate in trade, pushing state interests behind them. The amount of

ginseng these delegation members were allowed to carry to China, originally limited to 100 *gŭn* (about 0.6 kg), increased by geometric proportions so that by the latter half of the nineteenth century the amounts had reached 40,000 *gŭn*. Beyond the change of tribute delegation members into trade merchants, this had no other significance. This trend that appeared in Korea in the nineteenth century was similar to China's dependence upon the monopolistic *konghang* system for its overseas trade. Though flourishing, the private trade was still considered smuggling, and its monopolization by a limited number of powerful individuals clearly cast a dark shadow on East Asian development. Although the circumstances in Japan at that time are not well known, from a comparative history point of view, the limitations and weaknesses of East Asian international trade in the nineteenth century lying underneath the internal structure and relationships deserve studying.

Conclusion

Since the second half of the fourteenth century, the relationship between the East Asian international order and international trade had been strongly tied to China's investiture-tribute policy, restrictive sea-trade policy and other policies. Having examined the formation, changes and historical significance of this structure, we present the following reflective re-examination in conclusion.

The investiture-tribute system was instituted for the purpose of maintaining a sinocentric international order. However, the ramification of this system was not limited to the area of diplomatic relations. The investiture-tribute policy in conjunction with the restrictive sea-trade policy was intended to have a similar effect on international trade, as well. However, because this single framework had two intended purposes, there was a built-in time limit on its effectiveness. This two-in-one structure which arose out of the historic conditions at one time had inherent limitations

which surfaced amidst later historical changes. These limitations were already apparent by the sixteenth century, and the authorities had to separate the restrictive sea-trade policy from the investiture-tribute policy and make modification. As international trade flourished mainly due to each country's economic development, it became necessary to remove the shackles restricting seaborne trade.

With the founding of the Ch'ing Dynasty in the seventeenth century, the unity of the investiture-tribute policy and the restrictive sea-trade policy was restored. This can clearly be seen as a regression in the development of East Asian international relations. Once past the crisis of the seventeenth century, the East Asian economy as a whole enjoyed prosperity in the eighteenth century. However, while the restrictions on sea trade were amended, a trend toward retrogression began to appear, one related to the Ch'ing government's efforts to stabilize its domestic affairs. In pursuit of a "grand unity" with China at the center, the Ch'ing proceeded with its campaign to subdue the ethnic minorities of the northwest region, and restrictions on sea traffic were restored. These restrictions remained in place until China's doors were compelled open by Western forces.

Until the eighteenth century, East Asian economies underwent continuous development. The development of agriculture vitalized commerce and manual industries to a certain degree, which led to a high level of commercial capitalistic development within the East Asian countries. However, the East Asian economy, faced with a situation in which further development was not possible, was collided head on with Western industrial capitalism in the middle of the nineteenth century. Though countries continued individual development, in the light of the European situation, one can conclude that East Asia's inability to fully free itself of the restraints on international trade was a basic reason why it was unable to go beyond commercial development. The accumulation of capital through the expansion of free and open international trade contributed

largely to the process of Europe's industrial capitalistic development. Because the East Asian trade was unable to remove the restraints of the investiture-tribute system, East Asia could not accomplish such development. While the surrounding countries share part of the responsibility for this inability, the bulk of the blame much be assigned to China.

China's traditional approach to the linkage of its internal and external policies seems to appear again in contemporary Chinese history. After World War II, China adopted communism as the basis of its domestic administration. Ideologically there are many similarities between this line and the Ch'ing Dynasty's pursuit of the concept of China as the Middle Kingdom. The only notable change was in the replacement of the emperor by the people as the object of highest honor. The adoption of an isolationist policy in order to pursue tasks more necessary for stabilizing domestic affairs also resembles the past affairs. During the process of communization, foreign passage through the Yellow Sea was not permitted. Although this can be viewed a consequence of the Cold War, when one looks at this against the background of Chinese history, it is difficult to avoid calling another incarnation of China's traditional approach. Interaction with other countries through the Yellow Sea was more limited at this time than in any other period in its history. One might even say that while concentrating on its agrarian economy during the process of communization, China's sea restrictions were even tighter.

These days, as China is pursuing industrial development, the government is adopting a more open diplomatic policy as well. In the past, in the midst of the flourishing international trade as a result of the overall economic development of each country, the modification in sea trade restrictions proved to be a change of little substance. How far will these changes go, in which direction will openness proceed, and in what basic circumstances are these and other questions sure to be raised in the historic examination of the path of modern

China? From an international perspective, it is clear that there will be changes at least as broad in scale as the amendment in the restrictive sea-trade policy. However, the mere breadth of change is insufficient. In light of the new international circumstances, openness must be judged not just in terms of degree but relative to the standards of openness.

In the past, China's moves toward openness were mainly based on China-centered considerations. One gets the feeling that the present moves toward openness are of the same mold. The degree of openness pursued is in strong correlation to the degree of China's own economic development. These moves toward openness are undeniably needed to raise the Chinese economy to a higher level. However, if this opening is consistently linked to the degree of China's economic development, it will be difficult to ignore criticisms that call this a reappearance of the Chinese egocentrism inherent in the traditional international order it once maintained. A country of enormous size, China's economic stability and development in and of themselves make for sizeable issues; for this reason or others, China's interest in the development of international relations has traditionally been somewhat weak. Accordingly, for the sake of the smooth development of East Asian international and economic relations, a caution against recurrence of this customary tendency cannot be deferred.

In 1880, confronted by difficulties caused by Western imperialism, China adopted a policy converting Chosŏn to a vassal state. As its western and southern regions were falling to the Western powers, China tried to block danger from the east by making Chosŏn a vassal state and attempted to use Chosŏn as a shield. Although this action is commonly believed to have been based on the traditional investiture-tributary relationship, this in reality was not the case. As the traditional investiture-tributary relationship excluded domestic interference, this conversion to a vassal state by military force was fundamentally different in nature. The dire

situation which China as well as the rest of East Asia faced was fundamentally the result of China's adherence to the investiture-tribute system. Under this traditional system, in trying to escape from difficult situations, China's first step was not supposed to be using other countries as sacrifices. Rather, the first step was supposed to be gaining strength from its relations with other countries. Nevertheless, China's movement in the opposite direction was a product of its traditionally egocentric international outlook. Taking the history of past failures as an example, if China suggests playing the same role as before in the development of East Asian international relations, it must begin by completely ridding itself of this traditional egocentric international relations for the first time following the betrayal of Korea's having been converted to a vassal state. Some careful reflection on this seems advisable.

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