

CHINA INSIDE OUT; EXPLAINING THE FLOWS OF SILVER IN AND OUT OF CHINA 1820S-1870S

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Columbia University Economic History Seminar

January 2023

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Figure 1: China balance of merchandise trade with India and the UK, 1820-1870 in million rupees

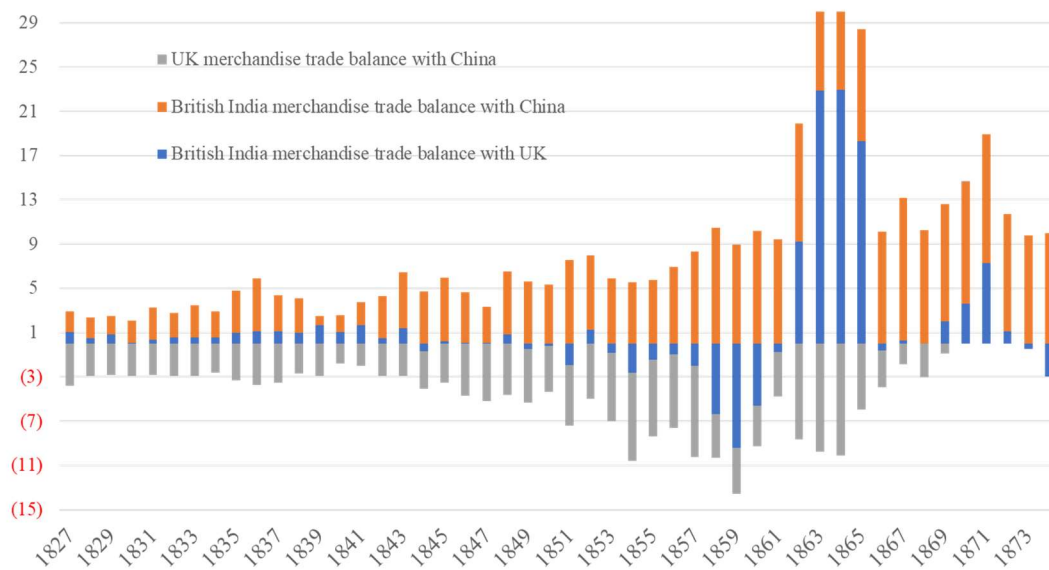


Figure 2: China balance of silver trade with UK & US, 1803-1874 (in million rupees)

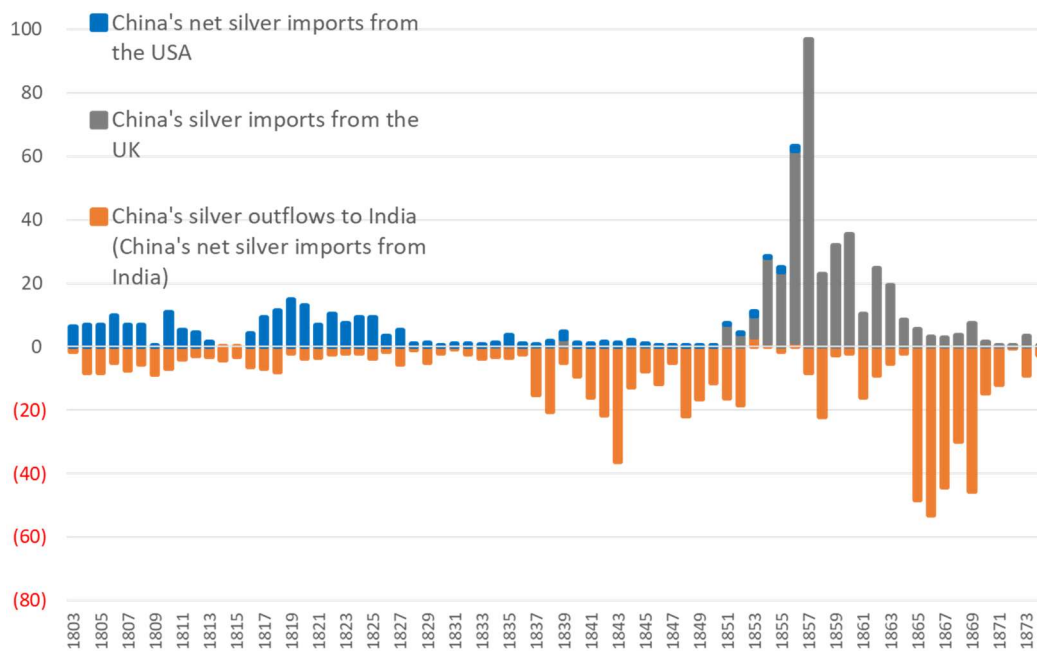
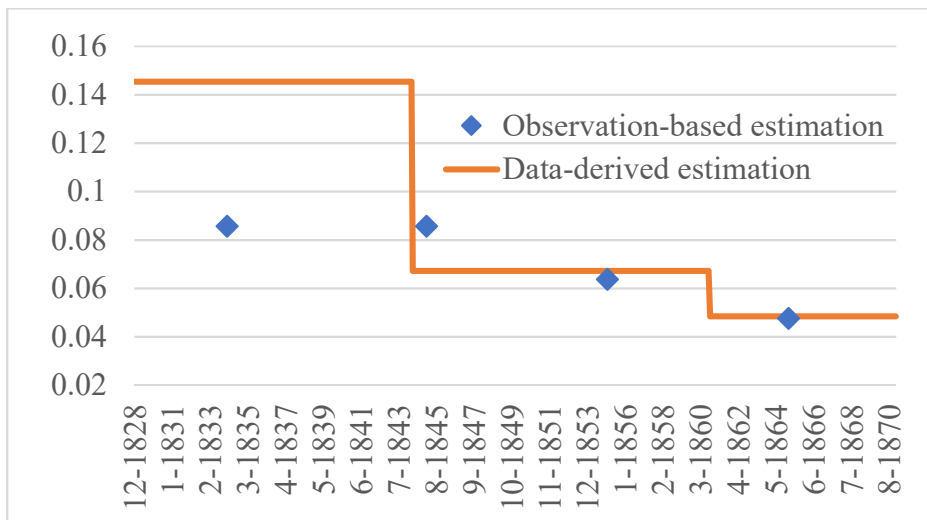


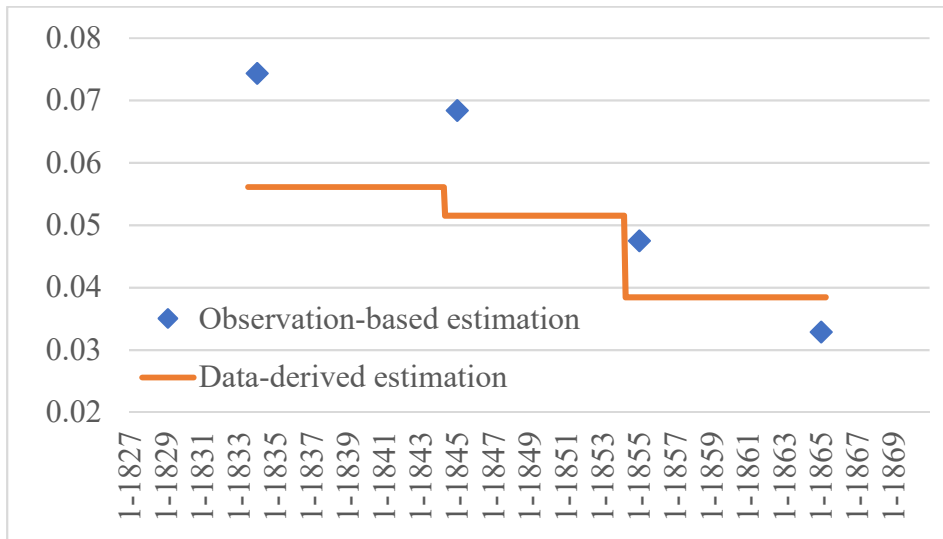
Figure 3a Arbitrage cost estimations between Canton/HK and London



Notes: The observation-based estimation over 1828-1389 is plotted around the mid-month of January 1834.

Sources: See Table ?? and Figure ??

Figure 3b Arbitrage cost estimations between Canton/HK and Indian cities



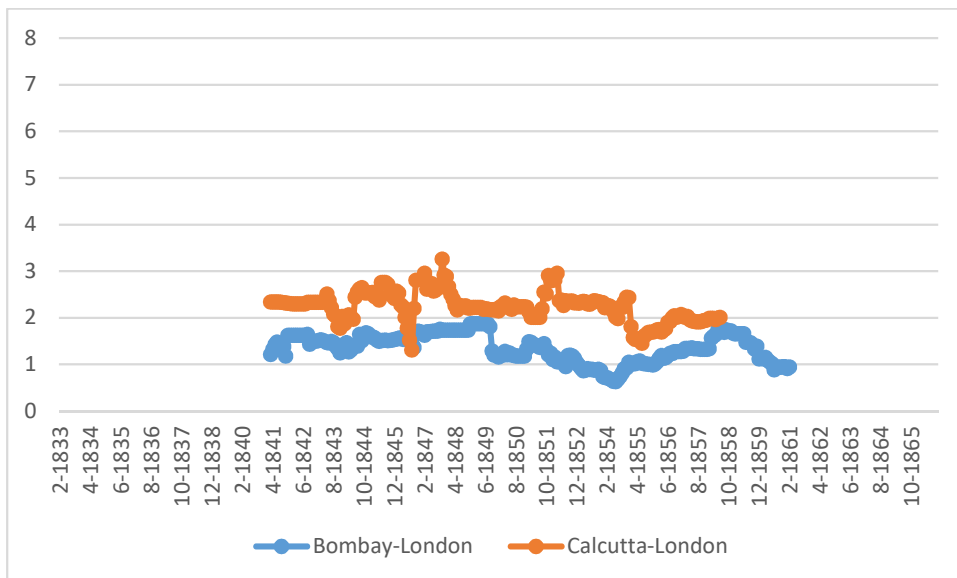
Notes: The observation-based estimation over 1828-1389 is plotted around the mid-month of January 1834.

Sources: See Table ?? and Figure ??

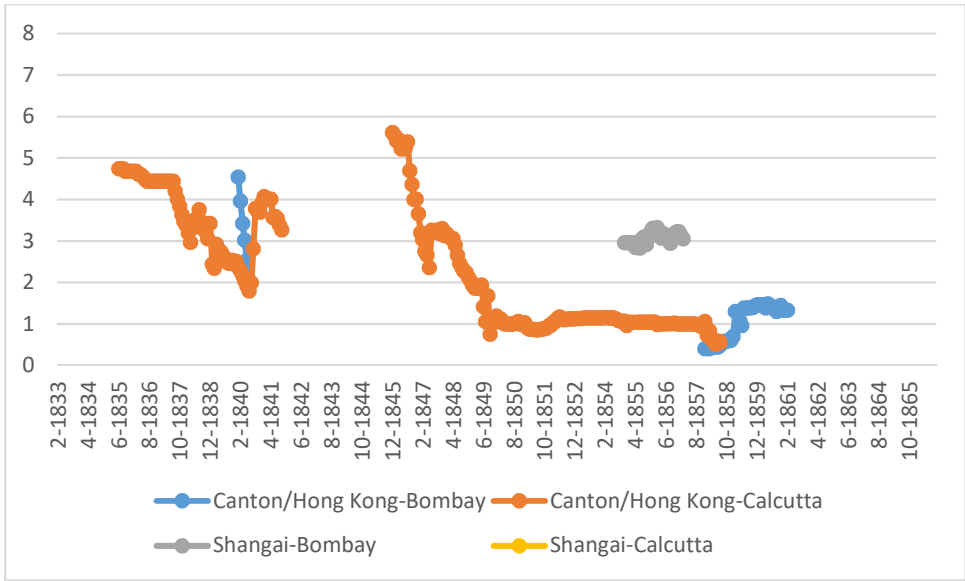
Figure 4

Half-lives (in months) between pairs of cities, January 1827 to December 1870

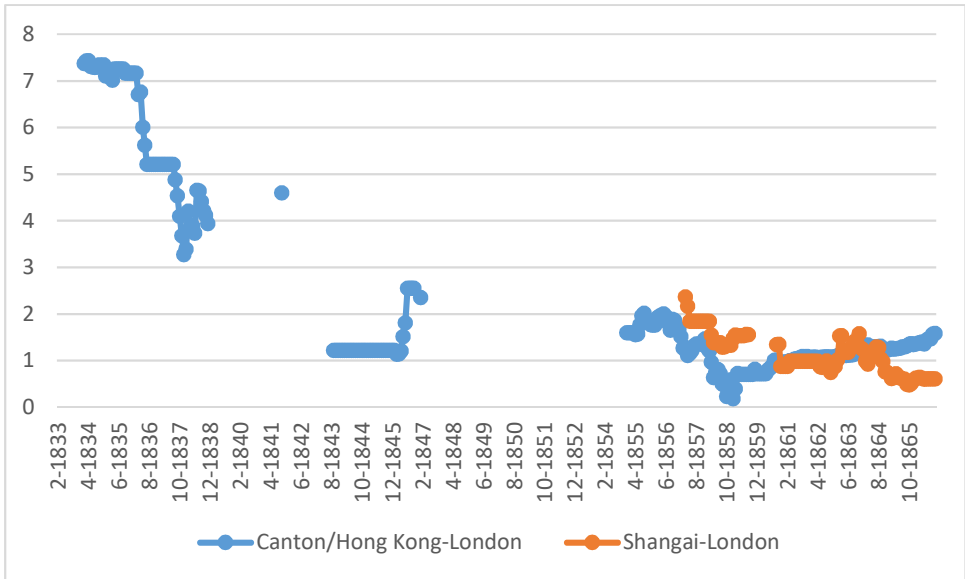
a) India-UK



b) China-India



c) China-UK



Notes: half-life refers to the time it takes for a price dis-equilibrium to be reduced by half. They have been estimated with Equation XX applied to rolling windows of 101 months. The dates on the x-axis refer to the 51st month of the window (the mid-month). Only results significant at the 5% level are shown.

Sources: see the text and appendix.

Figure 5 Summary of results Silver Specie points in China – UK and Indian cities

| City pairs | Specie/Bullion | Arbitrage Pattern | |
|--------------------|----------------|-------------------|----------------|
| | | The 1830s-40s | The 1850s-60s |
| Canton/HK-London | Mexican dollar | Within Band/IM | IM |
| | Silver bar | NA | IM |
| Canton/HK-Calcutta | Spanish dollar | IM | NA |
| | Mexican dollar | Within Band/EX | IM |
| | Sycee | EX | EX |
| Canton/HK-Bombay | Spanish dollar | IM | NA |
| | Mexican dollar | Within Band/EX | IM |
| | Sycee | EX | EX |
| Shanghai-London | Mexican dollar | NA | IM |
| | Silver bar | NA | IM |
| Shanghai-Calcutta | Mexican dollar | NA | Within Band/IM |
| | Sycee | NA | IM |
| Shanghai-Bombay | Mexican dollar | NA | Within Band/IM |
| | Sycee | NA | IM |

Import orientation Export orientation Within Band = no arbitrage
 Within Band/IM = no arbitrage but closer to impo Within Band/EX = no arbitrage but closer to export

Figure 6 Calcutta specie and bullion imports from China, 1828-1851 (sicca rupee up to 1835, Company rupee thereafter)

