

THE OPIUM WARS: SOME LESSONS FOR EUROPE

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If there is anything connecting management and unions - and sometimes government - in the European Community, it is fear of the Orient. From Hokkaido to Penang extends the great productive crescent. Its exports come in volumes and at prices disturbing to an economic balance between East and West which even twenty years ago might have seemed part of the natural order. And now the crescent is filling in. Chinese manufactures are appearing in the shops. These are still crude and often funny to look at. But the question is being asked with insistent frequency - what will happen when the principles which have made Hong Kong what it is are applied to a thousand million people?

There are two possible answers to this. The first is simple. It will make a thousand million people and all those trading with them very well off. For myself, I doubt if anything costing money has given me as much joy as my Taiwanese wordprocessor. What the Chinese proper will try selling me in ten years time I await with eager hope. The second, however, seems at the moment rather more likely. It is that we shall be dragged behind a cordon of Euro-tariffs and Euro-quotas. In the name of 'fair trade' we shall be forced to buy European goods of increasing relative dearness, or not to buy at all.

The case for protectionism has been demolished so often and so utterly that showing its economic cost would be a routine use of common sense. Much more interesting is to wonder how politically feasible it can remain. For how long can a market of any size be shut to a more dynamic outsider? There was a time when of all the Europeans the British were best able to know the answer to this. And there really is no better answer to it now than to look at certain events of the last century, when the boot was on the other foot.

CHINA ALONE WAS DIFFERENT ...

There was by 1800 no state or institution on earth so old as the Chinese Empire. Voltaire had praised it. Marco Polo had described it and been disbelieved. Till the reign of Justinian, it had exported silk to the Roman Empire. Alexan-

Historical Notes No. 5

ISSN 0267 7105 ISBN 1 870614 15 1

An occasional publication of the Libertarian Alliance,
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FOR LIFE, LIBERTY AND PROPERTY



der the Great's march through Asia had skirted its western frontiers. The line of its imperial dynasties went back to before the great days of Egypt. In every other part of the world where civilisations had developed, there had been continued change. Cultures had emerged, then declined or been destroyed to make way for others. China alone was different. It had been pulled apart by civil war. It had twice been taken over by foreign invasion - by the Mongols in the fourteenth century, then by the Manchus in the seventeenth century. But every period of division had been followed by restoration at the centre. Every foreign invader had been finally absorbed by the superior numbers and superior culture of China. In the age of Napoleon, its ruling elite of scholar-bureaucrats could show a tradition extending in almost unbroken sequence back to the age of Confucius, who had died before Socrates was born. Theirs was the 'Celestial Empire'. It contained all learning, all wealth - all of human civilisation. In 1800, China was old and splendid. It was also on the brink of dissolution.

One result of the long peace that followed the Manchu conquest was a massive growth of population. From 100 million in 1644, it had reached around 300 million by the start of the nineteenth century. Fifty years later, it had grown still further, to 430 million. During its first century, this had been matched by economic growth. New lands had been settled and planted. New and more intensive crops had been cultivated. Commerce had expanded. But there was nothing to approach the experience of Western Europe. The Chinese economy was too rigidly controlled by the State, and - as importantly - by State-upheld custom, for there to be much in the way of capital formation and rapid technical progress. All large scale activity was organised into licensed monopolies. Prices were controlled. Trade was a despised occupation. For a while, the constraints of nature were pushed backward. They were never broken through. By 1820, barely half the population could be numbered in the old categories of civil servants, farmers, craftsmen and merchants.¹

'MORAL POISON'

To those on the outside, opium was a great comforter. For as long as its effects lasted, it banished hunger pains and despair - even if it sometimes made them worse afterwards. Its use had been known in China for a thousand years, though smoking it only since around 1620. Now use expanded with the onset of economic stagnation. No one knows how much was grown in China. But during the first sixteen years of the last century, about 240 tons were imported yearly. By 1836, imports had risen to more than 2,000 tons, and were still rising.² In that year, there were an estimated 12.5 million smokers.³

Meddlesome by its nature, the Imperial Government was appalled. Opium was a 'moral poison'.⁴ Unless something was done, claimed the censor Yuan Yu-lin in 1836, '[i]t would mean the end of the life of the people and the destruction of the soul of the nation'.⁵

Then there was the financial cost of opium. In keeping with normal Chinese policy, all legitimate foreign trade had been confined to a small guild of merchants known as the Cohong. This dealt from the single port of Canton supervised by an imperial official called the Hoppo. While profitable to those working it or drawing sums from it, the system strengthened what was in any case a somewhat rigid

pattern of trade. During the eighteenth century, the Chinese had sold tea, silk, porcelain and other luxury goods. Just about all they found worth taking in exchange was silver. In consequence, while Chinese prices had trebled, the East was drained. By 1817, it was estimated that China had imported 150 million worth of specie.⁶ Trade in opium reversed the drain. By 1833, there was an annual deficit of nearly 2 million.⁷ The Chinese currency was bimetallic, and, officially, 1,000 copper Cash equalled one silver Tael. By 1838, the growing scarcity had altered the ratio to 1,650:1.⁸ Because land taxes were assessed and transmitted in silver but paid in copper, the effect of this alteration was to increase the weight of taxes without any corresponding increase in income to the State. The beneficiaries were the tax farmers and the lower bureaucrats - whose dependence on the central power had always been a matter of concern.

From 1729, laws of increasing severity had been made against having any dealings whatever with the drug. These laws had for the most part been laxly enforced. After the succession of the Emperor Tao-kuang in 1820, they were revived and strengthened. Prohibition remained ineffective. Opium still came in. Silver still went out. All the law did was to put a bounty on crime. Smuggling produced fantastic returns. Officials were bribed to look the other way. The commander of the anti-opium fleet not only drew a private levy on imports, but actually carried them. The web of corruption may at times have reached as far as the Imperial Palace in Peking.⁹

Its laws openly flouted, the Government had a choice of two policies. In 1836 began the remarkable 'Opium Debate', as these were argued out by memoranda set before the Emperor. On the one side were the Legalisers. The real problems caused by the trade, said they, were the growth of organised crime and the silver drain. Make it legal, and the crime would vanish. The profits could be taxed and subjected to normal exchange control. The only alternative was to try enforcing the prohibition by a reign of terror, and by strengthening the lower bureaucracy. On the other side, the Moralists claimed that disregard for a law was no reason for repealing it. Opium was evil, and it was the Emperor's duty to save his people from their folly. Legalised, they claimed, everyone would smoke it.

The Moralists won, and orders went out for the strict enforcement of the anti-opium laws. These were further strengthened, by making simple addiction a capital offence. Yet, while the internal trade could be attacked, there was no hope of suppressing it without involving the foreign merchants at Canton. So far, these had been left in peace, whatever the fate of Chinese nationals even suspected of dealing in the drug. Then, in 1839, Lin Tse-hsu was made Imperial Commissioner and sent down to purify Canton. Incorruptible, a man of vast ability and a fanatic on opium, Lin began at once. He gathered irresistible force and made the foreigners disgorge over a thousand tons of prepared opium. This he took away and destroyed. Most of the foreign community were British, and the alleged value of their opium was 2.5 million. Though he never completely understood the fact, Lin was setting China straight on collision course with a number of vested or expectant British interests.

THE COMPANY AND ITS MONOPOLY

Above all else, the opium trade was vital to the solvency of the East India Company - which is to say the solvency of the Indian Government. Until 1858, formal sovereignty would remain in Delhi with the native Emperor. Until 1947, the subordinate princes would retain their status and a degree of autonomy. But this constitution had from 1757 become increasingly a mere shadow. Real power was coming to rest with the agents of a limited company trading out of offices in Leadenhall Street. To help finance its governing activities, the Company had in 1773 acquired a monopoly of opium cultivation in Bengal. By 1832, the proceeds of this amounted to one eighteenth of the Indian revenue, and would later in the century rise to one seventh.¹⁰ Moreover, since the crop went largely to China, it had for a long time been a useful balancing item on the Company's trading account. In addition to its Indian business, it had also until 1833 held a monopoly of British trade with China; and sales in Europe of Chinese tea were the Company's favorite means of remitting dividends to England.

While the Monopoly lasted, the Cohong's main - indeed, almost exclusive - trading partner was a Select Committee of the Company. These two cartels had in time merged virtually into one, and come to run the China trade for their mutual benefit. Open Company dealings in opium would have spoiled things in Canton. Therefore, this part of the Monopoly was leased each harvest to private merchants. The Company grew the poppies in Bengal, refining them there to suit Chinese tastes. Its stamp went on the prepared article. The British and Indian merchants licensed to smuggle it were expressly forbidden to carry any other brand. Their proceeds in bullion were turned over to the Select Committee in exchange for bills payable in London or Calcutta, and were used to help finance Company purchases of tea.

Company trade in China ended with the Monopoly. Other trade continued. Names later of world renown - among them Jardine, Matheson & Co - were first made smuggling Company opium. Now, able to ship tea on their own account, they looked forward to unlimited growth. Allied with them were the Manchester interests. They had done well out of the opening of the India trade in 1813, and hoped to do even better out of China. If only the Cohong could be pushed aside as the Company had been, the Canton merchants were the potential medium between the Lancashire mills and a market of 400 million. The sudden toughening of Chinese policy was an unwelcome shock.

Then there was the British Government and its mountainous war debt. The tea excise in 1830 brought in 3.3 million,¹¹ or 6.6% of total revenue. Any disturbance of the China trade would be to risk financial embarrassment.

AN INTEGRAL PART OF ENGLISH CULTURE

Against a concerned public opinion in England these interests would have been of little weight. The abolition first of the slave trade and then of slavery itself testify to this. Public opinion was not greatly concerned, however. Wrote Lin to Queen Victoria: 'I am told that in your own country opium smoking is forbidden under severe penalties. This means that you are aware how harmful it is.'¹² Lin was wrong. The English opium trade was at the time absolutely

uncontrolled. Use remained free until the Great War - when it was only one among many freedoms to be lost.

While reliable figures were kept, between 1827 and 1859, British opium consumption rose from 17,000 lb to 61,000 lb.¹³ It should, moreover, be stressed that much of this was anything but medicinal use. As early as 1700, one writer had observed that '[i]t has been compared (not without cause) to a permanent gentle degree of that pleasure which modesty forbids the name of.'¹⁴ Said De Quincey more than a century later: 'I do not readily believe that any man, having one tasted the divine luxuries of opium, will afterwards descend to the gross and mortal enjoyments of alcohol.'¹⁵ Recreational use was a national habit. Workmen mixed it in their beer. Gladstone took it in his coffee before speaking. Scott wrote *The Bride of Lammermoor* under its influence. Later in the century, cocaine was put in soft drinks. Cannabis and heroin were openly on sale.

Despite so much licence, 19th century England was anything but enfeebled or near the point of collapse. Deaths, when counted, were found mostly to be individual accidents; and even these were negligible - 104 in 1868, and thereafter to 1901 a yearly average of 95.¹⁶ Drugs were an integral part of English culture, and use was regulated by custom and personal choice. The Society for the Suppression of the Opium Trade was never short of influential supporters; and in 1881 it managed to gather on a single platform the Archbishop of Canterbury, Lord Shaftesbury and Cardinal Manning. Yet they were in numbers a small minority. Shipping opium to China was no more illegal in England than shipping Bibles to Russia is now. To many at the time, it was no more culpable. When news came of Lin's seizure and destruction of the Canton opium stocks, the general view was that his action had been at least high handed. Many joined in the interested rage against the oriental barbarians who were trying to stop Englishmen from making money.

THE CHINESE LOST

Much is said about the lack of diplomacy between the two countries. The British had tried. In 40 years, there had been three missions to China. Only the first had occasioned anything memorable, and this was a Gilray caricature. In 1839, their only official representative was a Trade Commissioner at Canton. Having neither foreign minister nor foreign policy, the Chinese notion of contact with him was of humble petitions addressed via the Cohong to the Hoppo for transmission to Peking. The favour of a reply would be granted in due course.

But too much perhaps is said about this. Given a fundamental conflict of interests, and a belief on each side that it can win, war needs only an immediate excuse for fighting. Bilateral diplomacy here is worthless. Relations worsened steadily following Lin's action. The British community was evacuated for its own safety to Portuguese Macao. From there it was expelled by Chinese pressure, and forced to remain in transport ships, all trade and supplies cut off. There was a skirmish, a naval battle, and the war began.

Its course is easily told: the Chinese lost. They were no match for British discipline and firepower. Every encounter ended in overwhelming defeat. On the 29th August 1842, they signed the Treaty of Nanking. They paid an indemnity

for the destroyed opium. The Cohong and the other old restrictions were abolished. Five ports were opened to foreign trade, with British consuls established in each. The Island of Hong Kong was ceded. British trade with China more than doubled by 1845. By 1913, British money accounted for about a third of total foreign business investment in China.¹⁷ The opium trade remained illegal, but there was no question now of stopping it. By 1860, imports from India had reached almost 4,000 tons.¹⁸ For the merchants on both sides, the War had opened very profitable opportunities. Also, a national prestige had been established for Britain in the Far East which ended only in 1941.

THE COLLAPSE OF THE CHINESE EMPIRE

As for the Chinese Imperial Government, its prestige never fully recovered. It lasted another seventy years. It fought off the challenge of the Christian socialist Hung Hsiuch'uan, if at a cost of 40 million dead. It survived repeated humiliations from abroad. But its old justifying ideology, of absolute primacy in the world, was from now on progressively undermined; and it was incapable of basing its rule on any other. The collapse of the Chinese Empire is an historical event which almost mesmerises with its vastness and the horrors which it involved and to which it led. And its activating cause was in large degree the profit and loss account of Messrs Jardine, Matheson & Co.

The first 'Opium War' has not on the whole received a very good press. 'It was' says one modern writer, 'an extraordinary and shaming episode, which is still not adequately dealt with in British History teaching ...'¹⁹ There is certainly no denying that it was fought to maintain the profits of the opium trade. Repeated denials were made at the time. T. B. Macauley, then Secretary of State for War, delivered by far the best of them. Opium, he told the Commons in April 1840, was not the cause of the war. What the Chinese did within their own borders was their business - so long as it could be done 'by means consistent with morality and public law'.²⁰ But this line had been overstepped. 'The lives and liberties of Englishmen are at stake; and it is fit that all nations ... should know that, wherever the Englishman may wander, he is followed by the eye and guarded by the power of England.'²¹

Those lives and liberties were at stake, though, purely because Chinese law had been broken. It was a silly law. Everything bad about opium was an effect of trying to ban it. But banned in China it was. On the matter of public law raised, says Vattel '[l]es étrangers qui tombent en faute doivent être punis suivant les lois du pays.'²² Lin is said to have had his works translated. 'How' he certainly asked, 'can you bring the laws of your nation with you to the Celestial Empire?'²³ Any Chinamen in London who tried marrying three wives would have been punished without the least fuss. Likewise modern Englishmen found drunk in Saudi Arabia. All that distinguishes the Canton merchants is the fact of British power.

THE EXAMPLE OF CHINA AND THE CHOICE FOR EUROPE

And this is what the war most starkly reveals. To some the dispute over opium may seem outrageous, to others delightfully ironic. It is, however, simply illustration of a general

truth. One government may have international law on its side. It may even have what many think a morally superior case. These count for nothing if it gets in the way of interests which have the backing of a more powerful government. If history teaches anything, it teaches this, and with monotonous repetition.

More 'anti-dumping' laws will not have the Japanese army laying siege to Brussels. The question of any military threat to Europe from any quarter is hardly worth considering for some time to come. But the choice is clearly there. Europe can remain open to the world, and its living civilisation can remain the great beacon to all humanity that it has been for centuries. Or it can begin its fall to the same doddering, senile state that China once exhibited.

The usual custom here is to quote Marx on dissolving mummies. I prefer Gibbon on the later Byzantines:

Alone in the universe, the self-satisfied pride of the Greeks was not disturbed by the comparison of foreign merit; and it is no wonder if they fainted in the race, since they had neither competitors to urge their speed, nor judges to crown their victory ...²⁴

This applies with chilling force to the Chinese Empire. It applies equally to any nation or grouping of nations which, no matter how great and respected, forget that while progress is often painful, its alternative is worse.

NOTES

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2. P. Lowe, *Britain in the Far East: A Survey from 1819 to the Present*, Longman, London, 1981, p. 10.
3. F. Wakeman, "The Canton Trade and the Opium War", in Fairbank (ed.) *Cambridge History of China*, Cambridge University Press, 1978, vol. 10, part 1, p. 178.
4. *Ibid.*, p. 179.
5. *Ibid.*.
6. E. Holt, *The Opium Wars in China*, Putnam & Co., New York, 1964, p. 37.
7. *Ibid.*, p. 64.
8. Wakeman, *op. cit.*, p. 178.
9. *Ibid.*, p. 179-180.
10. Holt, *op. cit.*, p. 64.
11. Wakeman, *op. cit.*, p. 173.
12. Quoted in B. Whitaker, *The Global Connection: The Crisis of Drug Addiction*, Jonathan Cape, London, 1987, p. 18. Lost in the post, it was never delivered.
13. V. Berridge & G. Edwards, *Opium and the People: Opiate Use in Nineteenth Century England*, Allen Lane, London, 1981, Table 2.
14. *Ibid.*, xxv.
15. T. De Quincey, *Confessions of an English Opium Eater*, Penguin Books, Harmondsworth, Middlesex, 1982, p. 32.
16. Berridge & Edwards, *op. cit.*, calculated from Table 3.
17. Lowe, *op. cit.*, p. 34 & 4.
18. *Ibid.*, p. 16.
19. Whitaker, *op. cit.*, p. 17.
20. T. B. Macauley, *The Miscellaneous Writings and Speeches of Lord Macauley*, Longmans, Green and Co., London, 1889, p. 606.
21. *Ibid.*, p. 607.
22. Quoted in C. Hibbert, *The Dragon Wakes: China and the West*, Penguin Books, Harmondsworth, Middlesex, 1970, p. 127.
23. Wakeman, *op. cit.*, p. 188.
24. E. Gibbon, *History of the Decline and Fall of the Roman Empire*, any ed., from the last paragraph of Chapter 53.