## China's Opium Wars.

### 1. Balance of Trade, 1700s.


Main Ideas:

Key Words:

Analysis:

Though China had nothing she wanted to buy abroad, she offered for export a commodity, which in those days could be procured nowhere else - tea. By 1785, the East India Company was buying and selling fifteen million pounds weight of China tea per year. Jack Beeching, *The Chinese Opium Wars* (New York: Harcourt Brace Jovanovick, 1975), 19.

Britain had, to begin with, paid for her tea with treasure, sending to the East between 1710 and 1759 a sum of 26,833,614 pounds in silver and gold, and only 9,248,306 in goods. The British needed to find some article the Chinese would crave to buy, and so restore the balance of trade. But the Chinese were self-sufficient. Jack Beeching, 19.

To find something the Chinese wanted - that was the problem. For China, it seemed, already possessed everything: the best food in the world, rice; the best drink, tea; and the best clothing, cotton, silk, fur. Peter Ward Fay, *The Opium War: 1840 - 1842, Barbarians in the Celestial Empire in the Early Part of the Nineteenth Century and the War by Chioch They Forced Her Gates Ajar* (Chapel Hill, North Carolina: University of North Carolina Press, 1975), 53.


For nearly two centuries - until opium shipments by private traders assumed importance - the balance of trade was always unfavorable to the British. Nine tenths of the stock of each ship sailing to Canton consisted of bullion. Take the season of 1722-23, for instance: the company's stock on board the four ships dispatched to Canton.

### 2. Trade Deficits, 1800s.

Chests of Patna opium . . . were sold by auction in Calcutta at prices about four times the cost of production. This revenue rose from 39,837 pounds in 1773-4 to 78,300 in 1783-4 and in 1793 reached a quarter of a million sterling which went some way to balance the silver sent to China to pay for silk and tea. Jack Beeching, 26.

In 1828 it was estimated that about 90 percent of the total foreign import trade was in opium. Opium was paid for only in silver bullion and coin. John A. Harrison, *China Since 1800* (New York: Harbinger Book, 1967), 16.

In 1839 100 million taels were being spent each year by Chinese opium smokers, while the government's entire annual revenue was approximately 40 million taels. Jean Chesneaux, Marianne Bastid, and Marie-Claire Bergere, *China from the Opium Wars to the 1911 Revolution* (New York: Pantheon Books, 1976), 55.


In the eight-year period beginning with 1828, the treasure (silver dollars, sycee silver and gold) exported from Canton to British accounts, not including that carried out by smugglers along the coast, amounts to 39 million dollars. Hsin-pao Chang, 41.

According to the Times, by 1857 - when war broke out anew - the British trade situation had become exasperating. In that year, the Chinese exported to Britain tea and silk to the value of 15 million pounds. This was required in China by opium sales worth 7 million pounds, shipments of raw Indian cotton of about 1.5 million pounds, and an import of British manufacturers into China that had stuck fast at about 2 million pounds. The 4.5 million trade deficit had to be made up - but this time, by the British - in shipments of silver. Jack Beeching, 165.

From 1818 to 1834, British ships brought away $50 million worth of silver. In the six seasons from 1828 to 1833, the British collected a total of $29.6 million.
worth of specie from Canton. Hsin-pao Chang, 42.

In 1837 opium represented 57 percent of Chinese imports. Between 1828 and 1836 China exported 38 million Spanish dollars in silver - 4 1/2 million during the fiscal year 1835 - 1836 alone. Jean Chesneaux, 55.

3. Opium Shipments. The production of opium in India first came under British control in the course of the eighteenth century. In the 1760s, some one thousand chests of opium (each weighing 140 lbs) were smuggled into China and this figure gradually increased to 4 thousand chests in 1800. By the 1820s the traffic in opium began to increase dramatically with over 12 thousand chests being smuggled into China in 1824, rising to 19 thousand in 1830, 30 thousand in 1835 and to 40 thousand chests (2,500 tons of opium) in 1838. John Newsinger, history lecturer at Bath College of Higher Education, *Monthly Review*, Oct 1997 v49 n5, 35(8).

<table>
<thead>
<tr>
<th>Years</th>
<th># of Opium crates per year</th>
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<tr>
<td>1820 - 1825</td>
<td>9,708</td>
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<tr>
<td>1825 - 1830</td>
<td>18,712</td>
</tr>
<tr>
<td>1830 - 1935</td>
<td>35,445</td>
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Jean Chesneaux, Marianne Bastid, and Marie-Claire Bergere, *China from the Opium Wars to the 1911 Revolution* (New York: Pantheon Books, 1976), 54.

<table>
<thead>
<tr>
<th>Years</th>
<th># of opium chests per year exported by Britain</th>
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<tr>
<td>1736</td>
<td>400 chests (100 kilos)</td>
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<tr>
<td>1796</td>
<td>4,000 chests</td>
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<tr>
<td>1821</td>
<td>5,000 chests</td>
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<tr>
<td>1850</td>
<td>30,000 chests (worth 18 million Chinese yuan)</td>
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<tr>
<td>1860s</td>
<td>60,000 chests</td>
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<td>1880s</td>
<td>100,000 chests (6,000 tons)</td>
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By the 1860s the British were exporting 60,000 chests of opium to China annually, rising to 100,000 chests (over 6,000 tons of opium) annually in the 1880s. After this the trade began to decline in the face of competition from Chinese-produced opium. Nevertheless it still remained an immensely profitable business for the rest of the century and beyond. The British opium trade with China only finally came to an end in 1917. John Newsinger, 35(8).
### 4. Commissioner Lin

By May 12, 1839 as many as 1,600 violators had been arrested, and 28,845 catties of opium and 42,741 opium pipes had been confiscated. In the next seven weeks 192 Chinese were convicted for violating prohibition laws, and more than 11,000 catties of opium and 27,538 opium pipes were turned over to the government. In sixteen weeks Commissioner Lin put five times as many people in prison and confiscated seven times as many opium pipes as Governor-General Teng had done in three years. Hsin-pao Chang, 129.

In two months in 1839, Lin Ze-xu made 1,600 arrests and confiscated 11,000 pounds of opium. Jean Chesneaux, 62.

Lin had Chinese troops surround 13 foreign trading factories. Ordered all Chinese to leave and forbade food from entering. Franz Schurmann and Orville Schell, 136.

British Captain Elliot handed over 20,000 chests of opium to the Chinese. Franz Schurmann and Orville Schell, 136.

Lin stretched a chain across the harbor and blockaded it. Franz Schurmann and Orville Schell, 138.

Britain demanded indemnity for opium, expenses, and equality in diplomatic relations. Franz Schurmann and Orville Schell, 138.

### 5. Opium Wars

When the British government finally received Charles Elliot's letter, they dispatched Admiral George Elliot as plenipotentiary in charge of an expeditionary force to China. Britain's Foreign Minister, the well known moralist-imperialist Lord Palmerston, not only demanded that China pay an indemnity to cover the confiscated opium and expenses for the British expeditionary force. Tsiang Ting-fu, Franz Schurmann and Orville Schell, 138.

Captain Charles Elliot, was the English Superintendent of Trade. Tsiang Ting-fu, Franz Schurmann and Orville Schell, 136.

The opium trade was of vital importance to British Imperialism at this time. It was one corner of an Eastern triangular trade that mirrored the eighteenth century Atlantic slave trade. The smuggling of opium turned a large British trading deficit with China into a substantial surplus, paying for British tea imports from China, for the export of British manufactured goods to India and for a substantial proportion of British administrative costs in India. The opium trade was "the hub of British commerce in the East." John Newsinger, 35(8).
The opium trade was a massive international commerce carried out by major British trading companies under the armed protection of the British state. According to Sir William Jardine of Jardine & Matheson, the opium trade was "the safest and most gentlemanlike speculation I am aware of." In a good year profits could be as high as $1,000 a chest! John Newsinger, 35(8).

Sir William Jardine's wealth was sufficient to buy him a seat in the House of Commons in the early 1840s and to get him the ear of the government. Jardine Matheson was the most successful of the opium smuggling companies, and is still a major financial and trading company today. Jardine's partner in the enterprise, James Matheson, best shows the use to which the profits from drug pushing could be put. In the 1840s he too became an MP, sitting in the Commons for twenty-five years. He went on to become a governor of the Bank of England, chairman of the great P and O shipping line, and the second largest landowner in Britain. He bought the Isle of Lewis in Scotland and spent over [pounds] 500,000 building himself a castle there! John Newsinger, 35(8).

China called it the Opium War, English called it the Trade War. Franz Schurmann and Orville Schell, 135.

6. Gunboats. Often the cannon in these Chinese junks were fixtures, which fired without taking aim, and the gunpowder supplied was more suitable for fireworks than for broadsides. Any sizable armed Western merchant ship had nothing to fear from a Chinese war junk, and to a ship of war they were sitting ducks. Jack Beeching, 37.

The firepower of the English warships far outclassed that of the Chinese. About British naval guns Chi'shan said: "Their carriages are mounted on swivels, enabling the guns to be turned and aimed in any direction." Tsiang Ting-fu, Franz Schurmann and Orville Schell, 139.

The British capture of the port of Tin-hai in early October 1841 provides a useful example of the character of the war. The port was bombarded by the Wellesley (74 guns), the Conway and the Alligator (28 guns each), the Cruiser and the Algerine (18 guns each) and another dozen smaller vessels each carrying ten guns. In nine minutes, they fired fifteen broadsides into the effectively defenseless town before landing troops to storm the ruins. According to one British participant "the crashing of timber, falling houses and groans of men resounded from the shore" and when the smoke cleared "a mass of ruins

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Main Ideas:
Key Words:
Analysis:
presented itself to the eye." When the troops landed all they found was "a deserted beach, a few dead bodies, bows and arrows, broken spears and guns. John Newsinger, 35(8).

The shelling of the town continued as the British troops moved in to rape and pillage. According to the India Gazette. "A more complete pillage could not be conceived . . . the plunder only ceased when there was nothing to take or destroy." It was during this war that the Hindi word "lut" entered the English language as the word "loot." The taking of Tin-hai cost the British three men while the number of Chinese killed was over 2,000. Close behind the warships came the opium ships. John Newsinger, 35(8).

7. Military. The Chinese musket was a wretched thing, crudely made of small caliber, with a touchhole large enough to admit a ten-penny nail . . . Worst of all, the thing was a matchlock, which is to say it was fired by holding a slow burning cord over a hole instead of by pulling a trigger. English line regiments had not been issued such a weapon since the reign of Queen Anne. Peter Ward Fay, 345.

Some Chinese general prided themselves on their calligraphy and anticipated victories by composing victory announcements in verse. Peter Ward Fay, 345.

This was the mechanical, terrible musketry of the pitched battle - when the front rank fire in unison at a nearby target, then file promptly by right and left to reload at the rear, while the second line fires its volley, and the third, and the fourth, until the front rank is ready to fire once more. Jack Beeching, 146.

No British were killed that night, but over 500 Chinese dead were counted. All units of the Chinese army, which had been in action at Ningpo, were permanently demoralized, from the effect on their minds of grapeshot and musketry at close quarters. Henceforth, against any European army, they were defeated in advance. Jack Beeching, 146.

The British had an overwhelming technological superiority that turned every battle into a one-sided massacre. As one British officer observed: "The poor Chinese" had two choices, either they "must submit to be poisoned, or must be massacred by the thousands, for supporting their own laws in their own land." John Newsinger, 35(8).
In 1842 the British howitzer fired again and again, the street became choked up with dead and dying. Before the Chinese broke and ran, the piled blockage of mutilated flesh was fifteen yards deep. Jack Beeching, 146.


As a reprisal for Chinese mistreatment of prisoners, Elgin ordered the destruction of the Emperor's Summer Palace. Captain (later General) Charles Gordon described how the troops went out to destroy the residence and "after pillaging it burned the whole place, destroying in a vandal manner most valuable property . . . Everybody was wild for plunder." Another officer, Lieutenant Colonel Garnet Wolseley wrote that both officers and men "seem to have been seized with a temporary insanity; in body and soul they were absorbed in one pursuit, which was plunder." John Newsinger, 35(8).

**9. Second Opium War.** The occasion for the outbreak of the Second Opium War was the so-called "Arrow incident" of October 1856. The Chinese authorities arrested a suspected pirate ship, the Arrow that was registered in Hong Kong. The colony's governor, Sir John Bowring, condemned this as an insult to the British flag, demanded the release of the crew and an apology. The Chinese released the crew, but refused to apologize whereupon Bowring, in a find display of "gunboat diplomacy," ordered the navy to bombard Canton, one of the largest cities in the world. The fact that the Arrow's Hong Kong registration had lapsed at the time of seizure was kept quiet. John Newsinger, 35(8).

The actions of Jeremy Bentham'a upstanding Christian liberal intellectual precipitated the Second (1856-58) and Third Opium Wars (1860) that were to cost the lives of thousands of Chinese men and women. John Newsinger, 35(8).

The British were joined by the French in the waging of the Second Opium War. Once again the conflict was little more than a succession of technological massacres.
accompanied by rape and pillage. John Newsinger, 35(8).

| 10. Pretense. | Chinese wanted British inferior status, and limited trade to treaty ports. | Main Ideas:  
Key Words:  
Analysis: |
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<td>We want free trade with all parts of the Chinese empire. British Officer Lt. Col GJ Wolseley, Franz Schurmann and Orville Schell, 156.</td>
<td>We will have to raise them up to our standards of knowledge to enable them to be logical and eradicate traditional errors. Franz Schurmann and Orville Schell, 158.</td>
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<td>Local Chinese officials insult us. We bear the insult rather than draw the sword. Franz Schurmann and Orville Schell, 158.</td>
<td>We hope to open the eyes of Chinese politicians to a just appreciation of their own shortcomings and real interests. Franz Schurmann and Orville Schell, 159.</td>
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<td>British stood to lose 400 million customers. Franz Schurmann and Orville Schell, 154.</td>
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| 11. The Pusher. | During the reign of Queen Victoria, the British capitalist state was the largest drug pusher the world has ever seen. The smuggling of opium into China was by the 1830s a source of huge profits, played a crucial role in the financing of British rule in India and was the underpinning of British trade throughout the East. John Newsinger, 35(8). | Main Ideas:  
Key Words:  
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<td>The opium trade deserves more attention. It was, in the words of John K. Fairbanks, &quot;the most long-continued and systematic international crime of modern times.&quot; John Newsinger, 35(8).</td>
<td>The daily cost of living of a poor man in an average year, according to Lin, was about four to five candareens (4 to 5 percent of a tael) of silver, and a mace (10% of a tael) would be plentiful for every need. But each opium smoker had to spend a mace a day for supplies of the drug. Thus these people spent over half of their income on opium. Hsin-pao Chang, 37.</td>
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<td>For Chinese, imperialist aggression, feeble resistance was a patriotic attempt to stamp out the opium trade, sapping china's riches and the people's health. Franz Schurmann and Orville Schell, 131.</td>
<td>The 40,000 chests of opium imported in 1838-39 would supply eight and a half million smokers for that year. Hsin-pao Chang, 34.</td>
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Opium addicts in Manchuria at the time of the Japanese defeat were estimated to number 13,000,000 (or one third of the population). Jack Beeching, 163.

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<th>12. Corruption.</th>
<th>In 1836 drug sales had fetched over 2,000,000 pounds but of this 280,000 had been paid out in bribes. Jack Beeching, 65.</th>
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<td>In the entourage of the governor-general of Canton, it was the practice to accept a bribe of 80 taels per crate of opium for turning a blind eye to the smuggling in the port of Canton. Jean Chesneaux, 56.</td>
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<td>Emperor prohibited trade, but corruption prevented. Franz Schurmann and Orville Schell, 133.</td>
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<td>Officials said prohibition is impractical, tax it. Step up ’Chinese production. Franz Schurmann and Orville Schell, 133.</td>
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<th>13. Morality.</th>
<th>Palmerston's government in London was actually advised by the Attorney General that Bowring's conduct was illegal according to international law, but nevertheless unanimously decided to back him. John Newsinger, 35(8).</th>
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<td>There can be no doubt of Lord Jocelyn's awareness of the realities of the opium trade, but later in his book he goes on to argue that &quot;however hateful it may appear&quot; the trade is nevertheless &quot;a source of great benefit to the Indian government, returning I have heard, a revenue of upwards of two millions and a half yearly.&quot; Put bluntly there was just too much money involved. John Newsinger, 35(8).</td>
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<td>In the House of Commons, the Tory Opposition put down a motion of censure on the Whig government's conduct. Among those condemning British policy was William Gladstone, whose sister, Helen, was an opium addict. Justice, he declared, was with the Chinese, and &quot;Whilst they, the Pagans, and semi-civilized barbarians, have it, we, the enlightened and civilized Christians, are pursuing objects at variance with both justice and religion.&quot; John Newsinger, 35(8).</td>
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<td>In reply, the Secretary of State for War, Thomas Babington Macauley, proceeded to wrap himself in the Union Jack and appealed to the lowest kind of patriotism. He reminded MPs that the opium traders &quot;belonged to a country unaccustomed to defeat, to submission, or to shame,&quot; that they had flying over them a &quot;victorious flag&quot; and urged &quot;that this most rightful quarrel may be prosecuted to a triumphal close.&quot; Macauley's shabby</td>
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prostitution of his oratorical talents to the cause of massacre and drug pushing carried the day and the government won the vote by 271 to 262. John Newsinger, 35(8).

When the Whig government finally fell in June 1841, and the Opposition led by Sir Robert Peel took office, they, in the best traditions of British politics, continued to carry out the very same policy that they had earlier condemned. John Newsinger, 35(8).

14. Treaty. The Treaty of Tientsin effectively incorporated China into Britain's informal Empire and once the British had withdrawn the Chinese tried to renege on its terms. This provoked the Third Opium War with the British once again taking the Taku forts, but this time proceeding upriver to the military occupation of Beijing in October 1860. Chinese humiliation was complete. John Newsinger, 35(8).

An indemnity of 5,000,000 pounds was paid [by China to Britain]. Esmond Wright, *The Modern World* (Secaucus, New Jersey: Hamblyn Publishing Group Limited, 1979), 165.

The treaty forced upon China at the end of the Opium War was a precursor of countless impositions on that unhappy country. According to treaty's terms, the opium trade was to be resumed with no further interference. In addition, Britain demanded and won possession of the strategic Chinese city of Hong Kong. Thomas H. Greer, Michigan State University, *A Brief History of Western Man* (New York: Harcourt Brace Jovanovich, 1977), 467.

In 1858, the British Treaty extracted two million taels of silver (about 650,000 pounds) for losses at Canton, and a further two million for the cost of the war. The French also got an indemnity of two million taels - or 16,000,000 francs. Jack Beeching, 262.

The treaties signed in Tientsin and Peking from 1858 to 1860 ended the second Opium War. The importing of opium was made legal. France and Britain each received a war indemnity of 8 million taels. Jean Chesneaux, 79-80.

The occupation of Beijing compelled the Chinese government to implement the Treaty of Tientsin and to accept its place in the British world order. At last opium was legalized. John Newsinger, 35(8).

15. Unequal Treaties. The European powers required
that no tariff of more than 5 percent be levied on imports that the permitted duties be collected by Europeans. A good portion of revenue was then siphoned off as "war indemnities" to the invaders. Small wonder that the Chinese felt growing resentment toward the "foreign devils"! Thomas H. Greer, 468.

The German minister was shot down in the streets of Peking by a soldier of the Imperial Guard. The rest of the foreign representatives gathered together and made a fortification of the more favorably situated stood a siege of two months. A combined allied force of 20,000 German general then marched up to Peking and relieved the legations, and the empress fled to Sian-fu, the old capital of Tai-tsung in Shensi. Some of the European troops committed grave atrocities upon the Chinese civil population. HG Wells, The Outline of History (Garden City, New York: Garden City, Books, 1940), 808.

Within the next few decades other countries made their own demands. Under the "treaty system" a dozen Chinese port cities were opened to European traders, and in each port city the leading European powers were allowed to establish their own settlements, immune from Chinese jurisdiction. Thomas H. Greer, 467.

**Discussion.**

1. England's Opium Wars provide two long lasting economic lessons.

   a) It shows how profitable the drug trade is. In this case a favorable balance of trade was more important to England than issues of morality.

   b) It dramatically demonstrates the economic harm that would have happened, had England continued to maintain huge trade deficits with China:

   1) England would have had to ship their entire supply of hard currency, sterling and/or gold, that backed the British pound over to China.

   In effect, China would own and control British currency,
2) Or at some point, in the interests of national security, England would have needed to boycott Chinese goods and buy British made goods instead.

3) This provides a direct analogy to the United States’ huge trade deficits with China.

Presently China is hoarding US currency and T-Bills.

They could easily cash it in further entrenching their hold on the American economy. They would then own almost all of the national gold reserves at Fort Knox. They would continue to own, control and direct US monetary and economic policy.

Increasingly they could use their monetary power to leverage and control US foreign policy.

Realistically China's soft money policy toward the US is no less controlling or effective than a hard monetary policy would be.

In either case, the answers are similar:

a) Boycott.

The US should boycott Chinese made goods and buy American products. As a largest consumers on the planet, we need to use our purchasing muscle to protect our own economy, in a manner very similar to Patriots' boycott of English goods during the Revolutionary War (1776).

b) Neo-Mercantilism.

We should adopt a neo-mercantilist policy of at least 25% customs duties on Chinese goods. We should use that money to subsidize American jobs and industry. This retreat from the global economy will help stop the export of American jobs, economic multiplier and national prosperity.

c) The alternative is to try England's solution and try to get the People's Republic of China to depend on South American or Afghanistan opium. We could convert our
military troops to opium growers and help the Taliban market their most profitable agricultural product.