Gönderim Tarihi: 11.01.2018 Kabul Tarihi: 14.09.2018

ECONOMIC EFFECTS OF THE OPIUM WARS FOR IMPERIAL CHINA: THE DOWNFALL OF AN EMPIRE

Müge KALIPCI*

AFYON SAVAŞLARININ ÇİN İMPARATORLUĞU ÜZERİNDEKİ EKONOMİK ETKİLERİ: BİR İMPARATORLUĞUN ÇÖKÜŞÜ

Abstract

Imperial China had not adopted the policy of open economy for centuries and its economy was almost as deep as a well to the West up until 1978 – the year which marked the beginning of a series of radical economic reforms China has undergone. It is not surprising that imperial Chinese economy did not interact much with the economy of any other nation of the time considering the fact that it could meet its own needs relatively easily thanks to its wide lands, rich underground resources and intense human power. In fact, China had been able to protect its closed economy for some time with a few occasional exceptions until recently. It has lately happened that the economy has been fully opened to the outside world. However, the incident that initiated such open economy policy dates back as far as to the Opium Wars fought between China and Western powers in the 19th century. The period that started with these wars, which provided the basis for China's economic transformation, is called "Century of Humiliation" in Chinese history.

Keywords: Chinese Economy, Opium Wars, Century of Humiliation, Foreign Trade.

Öz

Yüzyıllar boyunca açık ekonomi politikasını benimsemeyen Çin İmparatorluğu'nun ekonomisi bir dizi ekonomik reformun başladığı yıl olan 1978'e dek Batılı devletler için adeta kapalı bir kutuydu. Çin'in geniş arazileri, zengin yeraltı kaynakları ve yoğun insan gücü sayesinde kendi ihtiyaçlarını nispeten kolayca karşılayabildiği gerçeği göz önüne alındığında, ülke ekonomisinin zamanın diğer ülkelerinin ekonomisi ile fazla etkileşime girmemiş olması şaşırtıcı değildir. Aslında Çin, bu kapalı ekonomisini, birkaç istisnayla yakın zamana kadar korumayı başardı. Çin ekonomisinin tamamen dışa açık hale gelmesi kısa süre önce gerçekleşmiştir. Bununla birlikte, bu açık ekonomi politikasını başlatan olay, 19. yüzyılda Çin ile Batılı güçler arasında geçen Afyon Savaşlarına kadar uzanmaktadır. Çin'in ekonomik dönüşümüne temel hazırlayan bu savaşlar ile başlayan dönem Çin tarihinde "Utanç Yüzyılı" olarak anılmaktadır.

* Öğr. Gör., Erciyes Üniversitesi, e-posta: mkalibci@erciyes.edu.tr.

Anahtar Kelimeler: Çin Ekonomisi, Afyon Savaşları, Utanç Yüzyılı, Dış Ticaret.

1. Introduction

Historically, "economic interests" come into prominence among the factors that have triggered great wars. Even if the order of priorities may sometimes change, "economic interests" are in question in almost every war. The vast majority of countries tend to establish an external balance in the direction of their economic interests; and they join battle from time to time in order to protect or develop these advantages. The history is full of numerous examples of the case and while countries most often hide such intentions, they may also not hesitate to express them clearly. To put it another way, there is an unseen aspect of bloody conflicts in battlefields: that is, economic interest. The Opium Wars that took place between China and Britain in the 19th century and brought the end of the Qing dynasty set a good example for this fact.

With one of the world's largest economy, China was the most developed and influential empires of the world until the 15th century until the Westerners arrived in China by sea. Initially it was the Portuguese and the Dutch who carried their homes to Canton for trade opportunities. Then followed that the British, the French and the Americans in the pursuit of commercial gains. Their desire to open up new markets has triggered China to enter a recession period. In the 19th century, particularly Britain, who founded the world's largest colonial empire, wanted to enter China, a major market. Chinese empire was paid a hefty amount every year for tea, which was the traditional drink of the English. What Britain wanted was to be able to do free trade with China so that British Empire could find a source to close the import-export gap it experienced then. In fact, the Chinese were practicing a closed economic system quintessentially for their deep-rooted traditions and beliefs for centuries. Only one Chinese port, Canton Harbor, was open to foreign traders and the trade was allowed "only between the months of October and May" (Brown 2004: 34).

Figure 1: Trade Port of Guangzhou (Canton)

Source: Canton Harbor and Factories with Foreign Flags, c. 1805 Peabody Essex Museum 2007, via *Massachusetts Institute of Technology*

Britain began to transfer opium produced in India into China from secret routes. The Chinese used opium as a cure in traditional Chinese medicine but an unforeseen opium dependence had emerged and it was becoming increasingly widespread in China during the late 17th century. In1729 and later in 1796 the Chinese government banned opium trade by taking strict measures to prevent it from reaching to a dangerous dimension. This naturally made Britain quite uncomfortable as it would completely bring adverse consequences to the English.

Having lost its primary source of revenues, Britain immediately responded to the incident in a rage and war between China and England broke out in 1839. Britain, however, did not forget to find a justification for its actions on the international scene, either. The overall impression Britain aimed to make was the need for an urgent action against China's isolationist policy on grounds of the violation of the free trade principle as the most natural right for civilization. Thus, a series of battles between England and China, known as the Opium Wars, began in the first half of the 19th century. China, which had been living apart from the outside world in its own way until then, painfully met with the ugly face of colonialism.

2. First Opium War

China's magnificent porcelains, high-quality silk and delightful tea that Britain imported in large quantities were met with great interest in England, and that interest in turn generated a tremendous demand. The problem was that China needed very little from other countries and so it did not import much except for a certain amount of spices and woolen textiles. As England was facing trade deficit due to this imbalance, Britain had to come up with a solution to the matter shortly, and they found a way out through opium. Opium had been used for medical treatment in Chinese medicine since the 7th century. The use of tobacco

had also increased with the arrival of the British merchants. With the use of tobacco and opium mixed for pleasure, the demand for opium began to increase among Chinese over time. Throughout history, China used opium in traditional methods of medical treatment. The British East India Company produced opium in India and sold it to China by means of British and Chinese smugglers. The British East India Company, which was established to exploit the countries that were occupied in 1600s by Britain, controlled all the production and trade in East India. In this region under British control, local people were directed into opium cultivation, which was easy to sell and yielded very high profit on the part of the company. Opium, being a quite desired product of the time, was the most important source of revenue for the British East India Company. In addition, British government gave all kinds of support for the success of this company. Feige and Mirror (2008: 912) point out that "The East India Company obtained an opium monopoly in Bengal in 1773 and in Bombay in 1830. From the 1770s the Company began heavier trade in Canton, often trading opium for tea." The volume of this smuggling business grew so much that the sale of opium to the Chinese by East India Company reached 75 tons in 40 years. It is worth mentioning that the sale of opium was prohibited in and around the UK, while sales to the colonial countries was free. As Waley (1995: 27) underscores

The Chinese found it hard to believe that the opium trade was carried on with the knowledge and assent of the sovereign of England. As far back as 1830 the then Governor-General of Kwangtung and Kwangsi had said […] that the natural way to get the opium trouble put straight would be to send an official protest to the king of the country whose merchants were importing it. […] But in the case of 'outer foreigners' living tens of thousands of leagues across the sea it was doubtful if such a communication would ever arrive.

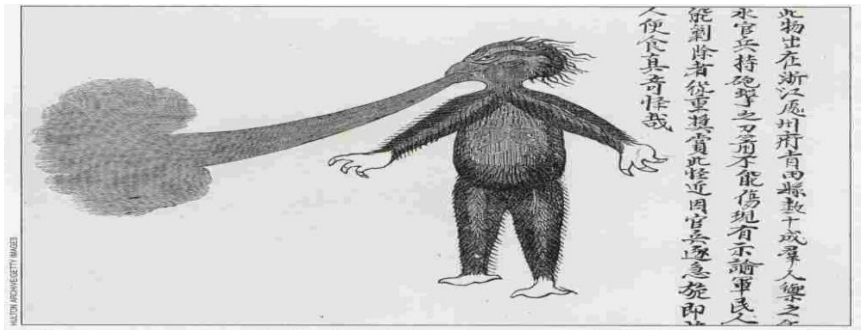
In a quiet frankly written letter to Queen Victoria of the Great Britain, Chinese Commissioner Lin Zexu, discussed this unfairness that Chinese government regarded as 'immoral'. However, he could not receive a reply to his plead, and whether the Queen ever read Lin Zexu's letter remained a question.

Figure 2: Lin Zexu's Letter to Queen Victoria

Source: 林則徐致維多利亞女王的信, via *Wikimedia Commons*

Rampant opium use had become a serious threat to the Celestial Empire. The concern was that if nothing was to be done, the treasure of Qing dynasty would be drained within a decade, and the country would be defenseless against foreign attacks and the country would be conquered without using force. Many Chinese, including the princes and ministers in the capital, had become addicted to smoking opium. By 1835, 90 % of the male population under 40 was obsessed with this pleasure-inducing substance. The moralists believed that opium was the most abominable thing China had ever seen as it led people astray and ruined them gradually. The Emperor himself and those who witnessed the detrimental effects of the opium on people called the substance as "evil".

Figure 3: A Chinese Print, Made on April 25, 1857 Depicts a European a Hairy, Fire-Breathing Monster



Source: Brown 2004: 37

China forbade the import of opium first in 1729 and later in 1796 when it witnessed the harmful effects of opium on society. Identifying the problem was not enough to settle the matter, though. Fighting opium would be a lengthy and tiresome struggle for China. In 1799, the Jiaqing Emperor warned the British as a result of his people becoming addicted to opium and the prohibition on opium importation was reissued implementing the decree of 1796 in stricter terms. Despite such attempts, the cases of smuggling opium into the country prevailed. In 1810, the Emperor published another edict that banned the use and trade of opium. Polachek (1962: 122), however, argues that "total shutdown of Chinese export trade would […] threaten the livelihoods of hundreds of thousands of transport workers and small growers who earned their meager livings from the legal (tea and silk) and illegal (opium) business with the foreigners." The edict had little effect because the bribe-hunting corrupt officials in the government, the distance of thousands of kilometers between Beijing and customs area prevented the practice being controlled as required. Fairbank (1987: 15) also reminds that "The basic rule of foreign activity in China was that nothing really could be done without Chinese assistance" and corrupt ministers and governors of Qing government had a finger in this business. The inability of the dynasty to gain control opium use combined with the greed of the British East India Company and Chinese smugglers made the situation worse.

China had opened the Canton region to trade with the outside world. Canton, the only treaty port, was strictly controlled by the Chinese government. The merchants in the vessels arriving at Canton were only allowed to contact the merchants in the harbor. Under no circumstance were they allowed to go beyond the port to the inland or contact Chinese community. As a first step in struggle with opium, the Qianlong Emperor delegated Lin Zexu, the Imperial Commisioner, in order to inspect ships that carried goods into the country. In 1839, Lin Zexu, one of the most trusted officers of the Emperor, was sent to Guangzhou (Canton) to solve the problem completely by bringing the trade under control in an orderly manner. Lin Zexu was worried because it had been more than a hundred year since Emperor Yongzheng issued an order to ban opium in the 7th year of his reign, and yet opium use ran wild. He was especially concerned that if the idea of prohibition was abandoned halfway for the second time, this ban might become even more destitute of support. After a short investigation, he saw that all local officials and administrators were not only taking bribes but also receiving a share of the opium trade. First, he discharged those officers from position, and then he urged the British to stop the opium trade immediately and hand over the opium at the port. All the confiscated opium was to be destroyed in public,

witnessed by the people at home and front abroad. Lin Zexu had all opium mixed with salt, lime and water, and poured into the sea. “The whole of the opium surrendered, 20,281 chests, valued at between two and three millions, was destroyed with extra-ordinary precautions between 3rd May and 23rd May, under the personal superintendence of Commissioner Lin.” (Rowntree1995: 54)

The British accused him of by destroying their own three million pound wealth, and obstructing “free trade”, one of the highest of the "civilization" principles. British merchants seeking an equal treatment for themselves in Chinese lands and the British Kingdom demanding to increase trade between two nations requested diplomatic presence and free trade opportunities from the Qing government. However, as an excerpt from an edict of his below reveals, the Qing Emperor Qianlong responded each time with apathy on taking the self-sufficiency of China into consideration:

All European nations, including your own country's barbarian merchants, have carried on their trade with our Celestial Empire at Canton. Such has been the procedure for many years although our Celestial Empire possesses all things in prolific abundance and lacks no product within its own borders. There was therefore no need to import the manufactures of outside barbarians in exchange for our own produce. But as the tea, silk and porcelain which the Celestial Empire produces are absolute necessities to European nations and to yourselves, we have permitted, as a signal mark of favour, that foreign hongs should be established at Canton, so that your wants might be supplied and your country thus participate in our beneficence. (Backhouse and Bland 1914: 323; qtd. in Qi 2012: 3)

Despite Britain’s several attempts to legalize opium trade in China, Qing government rejected those initiatives every time. The concern of the British was that if all nations followed Chinese example and rejected free trade, the mighty British Empire would perish soon afterwards. They were also well aware of the fact that whoever got hold of China would dominate the entire East. England, for this reason, aspired to open up the last and largest territory in the East to the West.

Eventually, the murder of a Chinese peasant by drunken English soldiers in 1839 sparked the war which would mark the beginning of a “Century of Humiliation” for China. While China sought to judge those involved in the murder, British government refused to hand over the suspect, and thereupon the tension rose. Britain also sent its fleet to the Chinese coasts in June 1840, and the First Opium War began. In the first series of the

wars that would last for years, the British forces, which then had steam war ships, modern rifles, heavy weapons, and undisputed military superiority, soon triumphed. The first ironclad war ship (Nemesis), was used by the British navy in this war. Once the forceful British ships started bombing Chinese coastal cities, it was not hard for the British to defeat the Chinese who were disheartened after the bombings and felt weakened in the face of such awesome weapons they had seen for the first time. The British seized the city of Canton, which was extremely important for trade and thus entered the Yellow River. A year later when Shanghai was occupied and the British troops landed on Tianjin, which was close to Beijing, Chinese desperately conceded the defeat. Su (2012: 45-46) summarizes the reasons for the military operation initiated by the British in return for Lin Zexu's destruction of opium chests under five main categories as follows; 'free market' economy laws free from any intervention, government-sanctioned property rights for British merchants, menace of economic instability in colonial India where supplied the opium Britain needed to trade with China, British honor and prestige injured under Lin Zexu's house arrest and blockade, and conceit of the Chinese that is projected through Lin's edicts that underestimate the British Crown referred to as 'barbarians'.

With The Treaty of Nanjing on August 28, 1842, also known as the First Unequal Treaty, and additional treaties signed in Bogue in 1843, China acknowledged that it lost the war, and was forced to pay compensation in large amounts. Some of the sanctions imposed on China were as follows: Hong Kong would be handed over to England to allow the settlement and trade of the British; five ports, namely Guangzhou, Amoy, Fuzhou, Ningbo and Shanghai ports, would be opened to trade with Europe; British citizens would be granted extraterritorial rights so that the British accused in China would be tried in the UK courts. Besides having accepted all these heavy conditions imposed by Britain, China also had to sign agreements with abundant sanctions in July 1844 with the United States, and with France in October 1844, and it would have to give similar concessions to these states.

Figure 4: Chinese Seacoast

Source: Hanes and Sanello 2004: 307

2. Second Opium War

The reaction to the British in China, which suffered quite a lot during the First Opium War and the post-war period, was increasing day by day. According to Wang (1992: 61) the second quarter of the 19th century witnessed a change in the winds as due to opium trade that was growing day by day, the trade balance now was not in favor of China. In October 1856, the Canton police stopped the Arrow ship, which was owned by a Chinese merchant and owned a British flag, on the grounds of smuggling and piracy, lowered its flag and confiscated the ship. On this incident, the Second Opium War, also known as the 'Arrow War', began.

Figure 5: Arrow Incident, 1856

Source: William Heyshend Overend, via *Wikipedia Commons*

Second Opium War actually began with the British, who had long been seeking to increase their trade privileges, using the Arrow Incident as an excuse. "China was no longer able to interfere in the opium traffic. But the Westerners wanted even more privileges and Chinese officials and local groups made efforts to resist these unfair demands. War broke out in the middle 1850s" (Zhang 1998: 101). France, who wanted to be involved in the war, joined forces with Britain, on the pretext that Chinese killed a French missionary, Augustine Chapdelaine. As a result of the war, Britain and France forced the Chinese government to sign the Tianjin Treaty in 1858, but China refused to ratify it and the war restarted. Hanes and Sanello (2002: 204) maintains that

The core of the defenders, Manchurians, were expected to put up a formidable resistance because of racial royalty to their Manchu emperor, whose divine status made the conflict both secular and religious. The Chinese troops in Canton outnumbered the attackers five to one, thirty thousand against less than six thousand British marines, sepoys, and French seamen. But the Europeans had one tactical advantage that trumped the Chinese's numerical superiority. Their shipboard artillery enjoyed superior range and firepower compared to the defenders' guns.

By the 1860 Beijing Treaty, China agreed to abide by the Tianjin Treaty. According to this treaty, foreign ambassadors could be settled in Beijing, many new ports would be opened to westerners for trade and settlement, foreigners would be able to travel to China's inner regions, and China would recognize freedom of movement for Christian missionaries. In addition to all these, in 1858, opium export to China was legislated. These agreements that China made with the western countries during the 19th and early 20th centuries which forced China to make concessions on its sovereignty and territorial integrity, are also referred to as "Unequal Treaties".

3. Consequences of the Opium Wars

The impacts of the Opium Wars spread over a large geographical area from East to the West and it served as a warning to many other nations. During all these military and financial struggles between western powers and China, other countries were also affected, especially on the commercial grounds, and were closely interested in events. As one of these states, the Ottoman Empire was not very relevant, but it occasionally took an interest in the state of affairs, as was understood by the information reflected in the official documents.

China's defeat against Britain in the Opium War led its neighboring country Japan to initiate a series of changes in its own closed economy similar to that of China. Japan, a country that had closed itself to European culture and economy until for centuries, aimed at strengthening its military forces against the West so that the country could indirectly counteract the negative effects of capitulations granted to the western powers. The fact that China, at that time the strongest in the region, with the power to collect taxes from many East Asian countries, was so comfortably defeated by the West caused the Celestial Empire to be seen as a ‘paper tiger’ in the eyes of the Japanese. For that reason, they turned their attention to the West for the possibility of similar threats awaiting Japanese lands. As Zhang (1998: 53-78) puts it “News of China’s defeat in the Opium War (1839-42) together with information about other exhibitions of Western force reached Japan. Those messages conveyed Western superiority in military power and knowledge” and so “China’s defeat in the Opium War frightened Japan’s intellectual class and it triggered a shift in the Japanese scholarly community away from Chinese learning towards Western science and technology.” On the aftermath of the war, Chan (2014: 861) discusses that

China’s defeats in the Opium War and subsequent military conflicts with Western powers and Japan fundamentally shaped its perspectives of

international law ever since, and its approaches to international law during the dying years of its last imperial dynasty were a harbinger of its contemporary use of international law to defend its state sovereignty and define and attain its political objectives.

Fairbank (1987: 14) also draws attention to the evil that opium use brought into Chinese society: "Opium addiction was particularly disastrous for the old Chinese way of life, because Confucianism set such great store by self-discipline and duty to family, whereas the opium addict had to satisfy his own craving first and sacrifice his family as well as himself." The first large-scale campaign to end the centuries-old opium usage habits of the people was launched by Mao in 1949. The war against opium during Mao's regime was seen as a significant part of the war against imperialism. The Maoist regime, as a first step, banned opium consumption with strict rules and then executed a number of opium sellers and users. Hundreds of thousands of pamphlets that depicted opium as a tool which the imperialist West used for years to enslave the Chinese people were printed. The Maoist regime intensively educated especially younger generations on the damage of opium. Thus in 1953, in only 4 years, opium dependence in North China and later in the South decreased very seriously. There are innumerable writings on Mao's struggle for opium addiction, and according to many historians, such a habit was terminated autocratically by a formidable despotic regime and threat mechanism.

4. Conclusion

It would not be wrong to say that the success of China today somewhat depends on its close ties to the past, and its blending of tradition with modernity. Based upon the common belief within the ancient empire that the lands of the Celestial Empire had been the most developed, civilized and most excellent place in the world, and there was nothing to receive from any other civilization that would contribute to the Chinese, close economy became almost a formal policy for the empire for centuries. In fact, the increasing missionary activities and the growing opium trade in the 17th century also influenced the Chinese government's firm decision to embrace such a closed economy. After all, Chinese people paid in silver and gold for opium which adversely affected the Chinese economy, while minimizing the trade deficit Britain suffered in its increasing commerce with China. Chan (2014: 866) suggests that opium was apparently the *casus belli* (cause of war) of the first Anglo-Chinese hostility but "at the fundamental level it was the incongruity between the Chinese world order and Western powers' Westphalian vision of state

sovereignty, and the clash of Chinese and Western empires, that a series of military conflicts ensued." The Opium Wars that were fought in the mid-19th century and resulted in the western states gaining commercial and legal privileges in China are seen as the onset of an opening itself to the foreign countries. China entered into a period that witnessed the downfall of a long-lived Celestial Empire. The devastating defeat of China inevitably brought about China's economic transformation. The Chinese called this period, beginning with the Opium Wars and turning China into a sort of common European colony, as "Century of Humiliation". Vassilev (2010: 80) draws attention to the fact that "So severely curtailed was China's independence in that period that the Chinese still view the two Opium Wars as a symbol of national disgrace and humiliation."

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