

## 2.0 A Century of International Drug Control

### Introduction

This chapter looks back at 100 years of drug control. It opens with a brief history of the opium trade, and illustrates how national governments were able to move beyond their individual commercial interests to embrace a system of international norms created for the common good. It then looks at the efforts made over a century to codify a global approach to controlling addictive substances and the complex negotiations that resulted in the present body of international law. It closes with a brief assessment of the progress made and the challenges that lie ahead.

Today's international drug control system is rooted in efforts made a century ago to address the largest substance abuse problem the world has ever faced: the Chinese opium epidemic. At the turn of the century, millions of Chinese were addicted to opium, which was freely traded across borders at the time. China's attempts to unilaterally address the problem failed, and it was not until the first international agreements were reached that a solution became possible. The story of the Chinese opium problem and the international reaction it engendered represents the seminal chapter in global efforts to control substance abuse.

### 2.1 Origins: The development of the opium problem in China

The use of opium for medicinal and recreational use is documented in antiquity. The Sumerians referred to it as 'Gil Hul' or 'joy plant' as early as 3000 B.C.,<sup>1</sup> and its use is documented in the Near and Middle East across the centuries. The exact date that opium was introduced to China is unknown, but there seems to have been some domestic production as early as the 11<sup>th</sup> century A.D.<sup>2</sup> Before the 19<sup>th</sup> century, though, China imported most of its opium, and until the final centuries of the last millennium, the drug remained too expensive for popular use.

In contrast, a nearby empire had, by the 16<sup>th</sup> century, expanded production to the point that a lucrative export trade began to develop – India. Recognising its economic potential, the Mogul empire introduced a state monopoly on the production and distribution of opium around the time of Akbar the Great.<sup>3</sup> This monopoly was later resurrected by the British East India Company

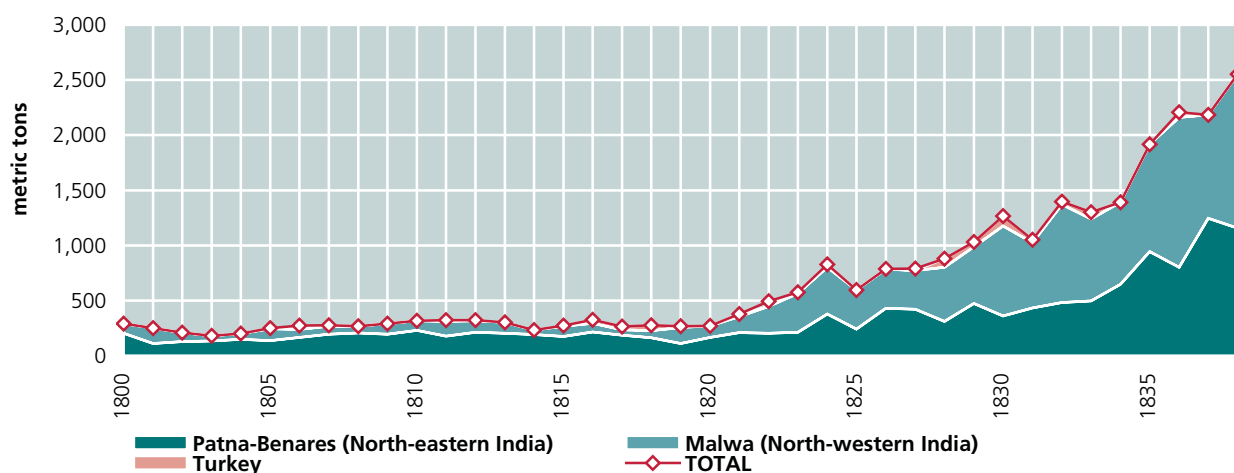
when they took control of the country, as discussed below.<sup>4</sup>

The impact of the opium trade was dramatically altered by the introduction of a new method of ingestion – smoking – at the end of the 17<sup>th</sup> century. This habit, linked with the spread of tobacco smoking, presented greater addiction potential than when the opium was eaten, the traditional means of consuming the drug. In contrast to India, where opium eating had a long history, smoking proved popular in China,<sup>5</sup> and this may be one reason why the drug proved far more problematic for the latter than the former. Both the tobacco and opium trades in Asia were controlled in this era by the Dutch East India Company, which took over the Portuguese trading posts in India in 1602.

Opium use spread rapidly along the coastal areas of China in the 17<sup>th</sup> century, and the first wide-scale opium addiction problem was detected in the port of Amoy (Xiamen) in Formosa (Taiwan) in 1683.<sup>6</sup> In response to rising addiction levels, Chinese emperor Yongzheng issued a decree banning the import and sale of opium in 1729, threatening violators, inter alia, with confiscation of their ships. Around 13 mt of opium were imported into China at the time.<sup>7</sup> The ban was initially vigorously enforced, and had the effect of both slowing the spread of the problem and dramatically increasing prices. It also marked the beginning of the opium smuggling industry.

Chinese vigilance dropped in second half of the 18<sup>th</sup> century, and illegal imports of opium into China doubled as compared to six decades earlier.<sup>8</sup> This prompted Chinese emperor Jiaqing to once again ban the smoking of opium (1796) and its importation (1800).<sup>9</sup> Opium was also banned in several other South-East Asian countries by the beginning of the 19<sup>th</sup> century, including Siam (Thailand), Burma (Myanmar) and Vietnam, as well as in parts of Java and Sumatra (today's Indonesia).<sup>10</sup> These bans encountered tremendous resistance from European traders intent on penetrating Asian markets.

Chinese addiction did not reach epidemic proportions, however, until the end of the 18<sup>th</sup> century, when the lion's share of the trade fell into the hands of the British East India Company. Founded in 1600, the British East India Company was given monopoly privileges by the Crown on trade with the East Indies. The British first

**Fig. 1: Imports of opium\* into China (port of Canton), 1800/01 – 1838/39**

\* Original data converted into mt using 1 chest = 140 lbs = 63.5 kg.

Source: Michael Greenberg, *British Trade and the Opening of China, 1800-1842*, Cambridge 1947, p. 220-21 quoted in Carl A. Trocki, *Opium, Empire and the Global Political Economy, A Study of the Asian Opium Trade, 1750-1950*, 1999, p. 95.

arrived in China in 1637 and in 1715 were allowed to open a trading station in Canton.<sup>11</sup> But they only began to aggressively market opium after they took control of the main opium producing areas of India in the mid-18<sup>th</sup> century.

The Battle of Plassey (1757) pitted a chartered company (the British East India Company) against the Nawab of Bengal, and the Company's victory is seen as the beginning of two centuries of British rule in India. It also secured for the Company the main opium producing areas of India (Bengal and Bihar).<sup>12</sup> In 1773, the Company claimed monopoly rights on the opium trade in order to fund the rising military expenditures associated with conquering the rest of the subcontinent.<sup>13</sup>

Since importing opium into China directly had been banned, the drug was sold in Calcutta to licensed merchants, who shipped the opium to British-owned warehouses in the free trade area in Canton (Guangzhou). From here, the opium was smuggled by Chinese traders – often with the help of corrupt customs officers – outside the British zone and to the rest of the country.<sup>14</sup> The British East India Company was thus able to deny responsibility for importing opium and retain its other trading rights with China.<sup>15</sup> Opium was also shipped to other locations along the Chinese coast but outside territorial waters, where it was smuggled into the country aboard local boats.

Fed by this trade, India became the world's largest opium producer by the beginning of the 19<sup>th</sup> century. By the end of the 18<sup>th</sup> century, nearly a third of Bengal's opium production was exported to South-east Asia and China.<sup>16</sup> In 1729, around 13 mt were exported to China, increasing to around 64 mt by 1767 and over 115 mt by 1798.<sup>17</sup> But the real expansion of the opium trade only started

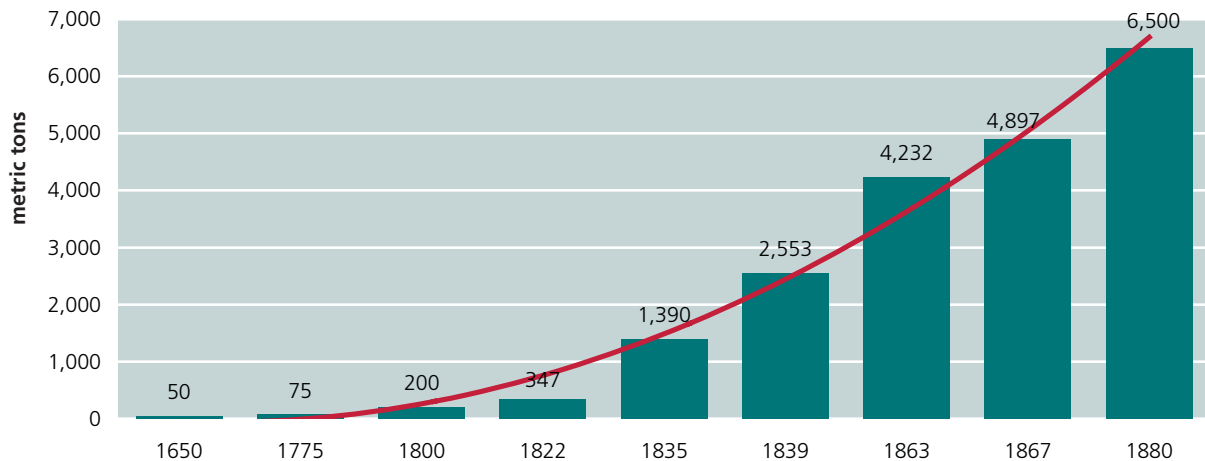
after 1820, when the British East India Company began to lose its grip on its monopoly – a process that started in 1813 and was completed by 1834.

Under the monopoly, it made sense to limit production in order to keep prices high. Once the monopoly disappeared, sales and profits of merchants were optimised by much higher levels of production. In order to prevent potential competition from Turkey and Persia – who were attempting to penetrate the Chinese market with the help of US merchants – production of opium in India was drastically increased. The area under opium poppy cultivation in Bengal (India), for instance, was increased from about 36,400 hectares in 1830 to 71,200 hectares by 1840 and close to 200,000 hectares by 1900.<sup>18</sup>

As a consequence, opium prices fell drastically. Expressed in Spanish silver dollars, the price of a chest<sup>a</sup> of opium from Patna (Bihar) fell from \$2,500 in 1822 to \$585 in 1838. This enabled a larger proportion of the Chinese population to become addicted to opium, resulting in much higher sales volumes.

Despite the Chinese opium ban, opium exports from India to China rose from just 75 mt in 1775 to just under 300 mt by 1800 and more than 2,500 mt by 1839. The opium trade became so important that traditional ships were no longer sufficient to bear the volume of the flow. They were superseded in the 1830s by specially designed 'opium clippers' which were heavily armed to protect their high-value cargo from pirates (or the Chinese authorities) and much faster than traditional ships, reducing transport time by two thirds. Instead of making one trip from India to China and return per year, opium clippers could make three trips,

a 1 chest = 140 lbs = 63.5 kg.

**Fig. 2: Opium Imports\* into China, 1650-1880**

\* Original data converted into mt using 1 chest = 140 lbs = 63.5 kg; 1 picul = 60.453 kg

Sources: Thomas D. Reins, "The Opium Suppression Movement in China", *Modern Asian Studies*, Vol. 25 No. 1, 1991; Michael Greenberg, *British Trade and the Opening of China, 1800-1842*, Cambridge 1947, Fred W. McCoy, *The Politics of Heroin*, New York 1991.

from either side of India, and were thus able to transport ever larger quantities of Patna and Malwa opium to China.<sup>19</sup>

Opium proved to be the wedge the Western powers had been seeking to prise open the Chinese market, which had heretofore proven nearly impenetrable. China had many things the West desired, such as silk and porcelain, but wanted little the West could provide, and a massive trade imbalance resulted in the rapid growth of Chinese silver reserves. The opium trade slowly shifted this balance, with long term implications for the Chinese economy and society.

The Chinese authorities attempted to react to this situation by cracking down on opium imports. Following the first edict of 1729 and the edict of 1799, the Chinese Emperor decreed even stricter laws against the importation and sale of opium in both 1814 and 1831,<sup>20</sup> though without much success. Opium addiction began to capture members of the upper classes and a growing number of high-ranking military officers. Corruption also spread. By 1839, tensions between China and the foreign interests that were pumping opium across its borders had reached crisis proportions, and the Opium Wars were the result.

While other issues dogged Sino-British relations in the early 19<sup>th</sup> century, the opium trade played a key role in the conflicts to come.<sup>21</sup> In 1839, the emperor issued an edict ordering the seizure of all the opium in Canton, including that held by foreign governments. British traders alone lost 20,283 chests of opium<sup>22</sup> (around 1,300 mt), without compensation. For comparison, annual imports of opium into England amounted to less than 300 chests or 18-20 mt a year at the time.<sup>23</sup>

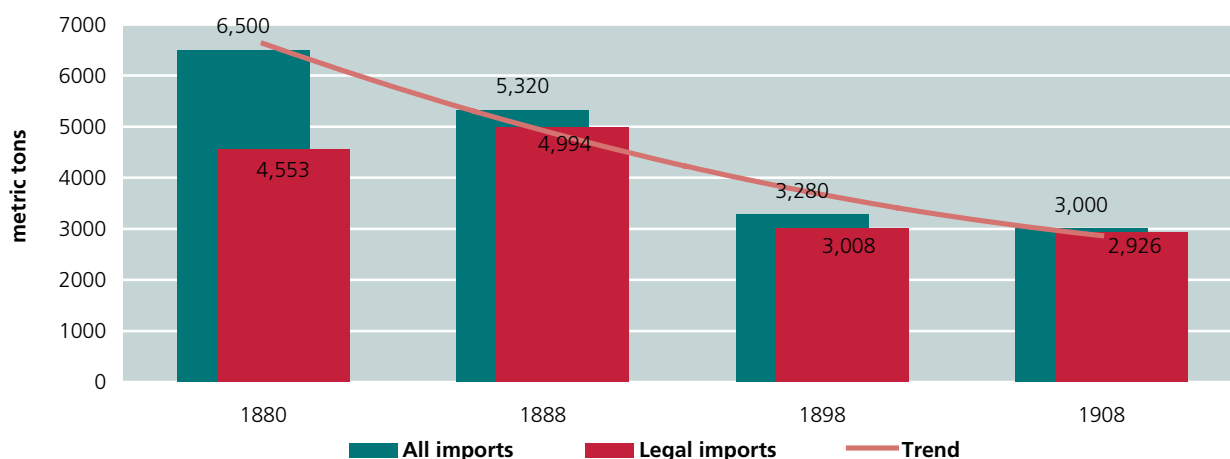
The British response was to attack the Chinese coast,

with the navy taking Canton and other towns up the Yangtze river. Defeated, the Chinese were forced to sign the Treaty of Nanking (1842), ceding Hong Kong to the British, opening five new ports to foreign trade, and paying a hefty indemnity.<sup>24</sup> The opium trade itself was not dealt with in the treaty.<sup>25</sup> Opium remained officially illegal in China, but the Chinese authorities were left with very little scope to combat the trade, particularly where foreign interests were concerned.

The Chinese smugglers quickly took advantage of this awkward situation, having their vessels registered in Hong Kong as British ships in order to deter official interference. This charade was the basis for the second Opium War, when, in 1856, a Chinese craft flying the British flag was seized for involvement in piracy and smuggling. Once the ship was taken to port, the Chinese crew was arrested and the English flag was torn down. The British navy, supported by French troops, retaliated, ultimately taking Beijing and burning the imperial summer palace. In the resulting treaty of Tientsin (1858), China was, inter alia, forced to fully legalize the importation of opium.<sup>26</sup>

With the legal impediments finally removed, opium flooded into a hungry Chinese market. Opium imports from India rose from some 2,500 mt at the time of the outbreak of the first opium war (1839) to 6,500 mt by 1880. While British India remained the key supplier, the Chinese also consumed significant amounts of opium produced in Turkey, Egypt, Persia, and the Balkans.<sup>27</sup>

Forced to legalise importation and facing dwindling foreign reserves, the Chinese were compelled to reconsider the question of domestic opium production. Provincial authorities began to permit, and tax, domestic opium cultivation, despite the fact that the practice was

**Fig. 3: Opium imports into China, 1880-1908**

Sources: International Opium Commission, *Report of the International Opium Commission*, Shanghai, China, February 1 to February 26, 1909, Vol. II, Reports of the Delegation, Memorandum on Opium in China, pp. 46-47, Observatoire Géopolitique des Drogues, *Atlas Mondial Des Drogues*, Paris 1996, p. 27 and Thomas D. Reins, Reform, Nationalism and Internationalism, "The Opium Suppression Movement in China and the Anglo-American Influence, 1900-1908", *Modern Asian Studies*, 25 (1), 1991, p. 114.

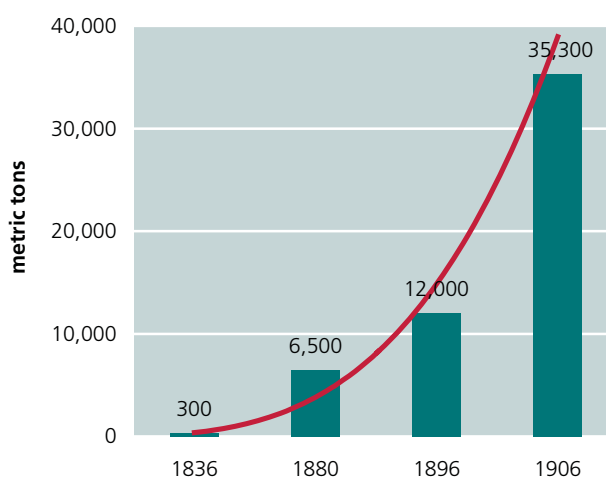
kept officially illegal by the central government until 1890.<sup>28</sup> This policy quickly began to show results – overall opium imports appear to have halved between 1880 and 1908; legal opium imports fell by more than third,<sup>b</sup> with serious consequences for the opium related income of British India. While in 1880, opium-related income represented 14% of aggregate revenue of India, the proportion fell to 7% by 1905. Between 1894 and 1905 opium-related income declined from around £5 million to £3 million.<sup>29</sup>

In comparison, duties on opium imports and transit taxes on foreign opium in China amounted to about 5-7% of the central government's total revenue over the 1887-1905 period.<sup>30</sup> After the Chinese Government levied a consolidated tax on both foreign and domestic opium in 1906, income almost tripled, equivalent to around 14% of the annual central government income.<sup>31</sup> Though this was a lower proportion than in several other Asian countries, it was still significant and appeared to be much needed in times of huge fiscal deficits.

The *de-facto* legalization of opium poppy cultivation at the provincial level led to a gradual increase in production, but all stops were removed when the practice was officially recognised in 1890, and production skyrocketed. Even before the import ban was lifted, about 300

mt were produced in China. By 1880, domestic production was reported to have slightly exceeded imports. After legalisation, opium production in China exploded, peaking in 1906 at a record high of more than 35,000 mt, according to the Chinese delegation to the International Opium Commission of Shanghai (1909).<sup>c</sup>

Thirty-five thousand mt is an enormous amount of opium by any standard. Afghanistan, which produces over 95% of the world's illicit opium today, generated less than 9,000 mt in 2007. British-India produced

**Fig. 4: Domestic opium production in China, 1836-1906**

Sources: Carl A. Trocki, *Opium, Empire and the Global Political Economy*, New York 1999, p. 96, Observatoire Géopolitique des Drogues, *Atlas Mondial Des Drogues*, Paris 1996, p. 27 and *Report of the International Opium Commission*, Shanghai, China, Feb.1-Feb. 26, 1909, p. 119.

<sup>b</sup> According to data supplied by the Chinese delegation to the International Opium Commission in 1909, the decline between 1880 and 1908 amounted to 36% (from 4,553 mt to just over 2,900 mt). (See: International Opium Commission, Report of the International Opium Commission, Shanghai, China, February 1 to February 26, 1909, Vol. II, Reports of the Delegation, China, Memorandum on Opium from China, p. 51.). Other sources, however, indicate that there was, in addition to 'legal imports' a significant amount of 'illegal imports' in 1880 in the sense that the import duties were not properly paid and imports were thus not registered. Such 'illegal imports' however, seem to have largely disappeared by the beginning of the 20th century, so that it seems fair to say that overall opium imports into China declined by about half between 1880 and 1908.

<sup>c</sup> Production estimates for 1906 were derived from customs reports and were thus generally considered to be more reliable than consumption estimates.

**Map 1: Opium production in 1906/07 in India, Indochina and China (by province) in kg**



Sources: Opium production data from *International Opium Commission*, 1909; historical boundaries of China from CHGIS, Version 4, Cambridge: Harvard Yenching Institute, January 2007. Note: The boundaries and names shown and the designation used on this map do not imply official endorsement or acceptance by the United Nations.

some 6,350 mt at its peak in 1880. Facing Chinese import-substitution, this diminished to 4,445 by 1905, of which 3,240 mt were exported to China.<sup>32</sup>

Production was reported from 20 Chinese provinces. More than 40% of the total production took place in the province of Szechwan, followed by Yunnan. Yunnan province is located in southern China, bordering Myanmar, and Szechwan province is located north of Yunnan. In other words, more than half of China's opium production took place slightly to the north of the geographical area which would later be known as Golden Triangle (Myanmar, Laos and Thailand), one of the main sources of illicit opium in the 20<sup>th</sup> century.

The prevalence rate of opium consumption in China also skyrocketed in the 19<sup>th</sup> century, from about 3 million opium smokers in the 1830s<sup>33</sup> to 15 million opium addicts by 1890,<sup>34</sup> or about 3% of the population at that time. According to the Chinese delegation to the International Opium Commission of Shanghai (1909), this increased to about 21.5 million by 1906.<sup>35</sup> Others put the number close to 40 million people in 1890, or about 10% of the population, growing to unknown levels from there.<sup>36</sup> According to official Chinese figures, opium consumption affected 23.3% of the male adult population and 3.5% of the female adult population of China in 1906.<sup>37</sup> Other estimates ranged from 13%<sup>38</sup> to 27%<sup>39</sup> for the male adult population of the country. By any estimate, China was consuming between 85% and 95% of global opium supply at the beginning of the 20<sup>th</sup> century. Never before or since has the world known a drug problem of this scale and intensity.

Opium use also apparently affected Chinese populations outside China. In the USA, for instance, some estimates suggested that 30 percent of adult males of Chinese

origin were addicted to opium smoking.<sup>40</sup> Even higher proportions were reported for Chinese living in a number of South-East Asian countries.

## 2.2 The foundation of an international drug control system

The Chinese opium crisis was the product of a distinct set of historical circumstances, not some laboratory experiment in unchecked drug markets. Still, many forget that there was once a country where perhaps one in four men was a drug addict, and that the world was able to address this problem through collective action. The international drug control system was born out of a very real humanitarian emergency, a catastrophe that only happened because of the lack of global norms and standards. It proved that it is possible to agree to common terms on issues of common concern, and cooperate to ensure common security even when this might prove costly for individual interests. It set rules on the conduct of nations, and so set the stage for many other international efforts to follow.

The reform movement was rooted in popular revulsion to the immorality of the opium trade, and calls for action grew as the 19<sup>th</sup> century progressed. The issue drew together some strange bedfellows, including conservative religious groups, Chinese nationalists, and left-wing critics of the impact of unfettered capitalism, the Victorian predecessors of today's anti-globalisation lobby. Not surprisingly, many of the most influential protests came from faith-based communities. In 1874, for instance, a group of Quaker reformers in London formed the "Society for the Suppression for the Opium Trade", which emerged as an effective pressure group in the UK.<sup>41</sup> Methodists, Baptists, Presbyterians, Unitarians and other dissenting churches adopted this cause.