



Digital Commons@

Loyola Marymount University
LMU Loyola Law School

Undergraduate Library Research Awards

ULRA Awards

From Silver to Opium: A Study of the Evolution and Impact of the British-Chinese Trade System from 1780 to 1842

Dominic V. Budetti

Loyola Marymount University, [dvdubdetti@gmail.com](mailto:dvbudetti@gmail.com)

Follow this and additional works at: <https://digitalcommons.lmu.edu/ulra>

Recommended Citation

Budetti, Dominic V., "From Silver to Opium: A Study of the Evolution and Impact of the British-Chinese Trade System from 1780 to 1842" (2016). *Undergraduate Library Research Awards*. 1.
<https://digitalcommons.lmu.edu/ulra/awards/2016/1>

This Event is brought to you for free and open access by the William H. Hannon Library at Digital Commons @ Loyola Marymount University and Loyola Law School. It has been accepted for inclusion in Undergraduate Library Research Awards by an authorized administrator of Digital Commons@Loyola Marymount University and Loyola Law School. For more information, please contact digitalcommons@lmu.edu.

From Silver to Opium:

A Study of the Evolution and Impact of the British-Chinese Trade System from
1780 to 1842

From Silver to Opium

Beginning in the late eighteenth century, both the British Empire and the Chinese Qing Empire started to experience some drastic changes. While there were many factors that contributed to these changes, the newly forming trade relations between these two countries were arguably the most influential. The largest impact of this trade resulted from the introduction of opium, which transformed the structure of trade between Britain and China and replaced silver as the medium of trade. The shift from silver to opium as the primary trade medium in the British-Chinese trade system had social and economic impacts on the British and Chinese Empires that would eventually cripple China and leave it vulnerable to European imperialism.

Before the introduction of opium, silver was the primary medium of trade between Europe and China. The development of silver as a medium for trade did not occur as a result of direct contact or negotiations between Europe and China. Rather, it was the outcome of internal developments within Europe and China, which made silver the most logical resource for China to import. The largest of these internal developments was the gradual shift in the way that the Chinese used silver. This shift began when silver became an acceptable form of tax payment under the rule of Sin-Chung in 1068.¹ The use of silver to pay taxes continued to grow, and by the time of Emperor Chin-Tung in 1436, silver was the chief currency for the payment of land taxes in China.² Finally, during the rule of Sin-Chung beginning in 1573, the 'single whip' reforms of 1581 required that all land taxes in China be paid in silver.³ However, these tax reforms were not, and likely could not have been, supported by Chinese silver alone. Rather, the

¹ Han-Liang Huang, *The Land Tax in China* (New York: Columbia University, 1918), 51.

² Huang, *The Land Tax in China*, 53.

³ Huang, *The Land Tax in China*, 53.

reforms were supported by a vast influx of silver into China from trade with Europe. Because of the new tax reforms, many Chinese traders and merchants demanded European silver in exchange for Chinese goods. As a result, silver became a common European tool for trade with China, and would over time grow to be the primary medium of trade.

These tax reforms took place alongside the emergence of colonial silver mining for many European countries. A growing European demand for precious metals resulted in the European mining boom from the years 1451 to 1540.⁴ The production of silver vastly increased during this time as a product of new mining technologies such as lead smelting and new drainage techniques, but also as a result of new labor systems that relied primarily on African slave labor.⁵ With this increased silver production, European countries could now readily use silver as a means of trade, opening up new opportunities for them. These European developments occurred around the same time that the Chinese started using silver for the payment of taxes. As a result of the increased Chinese demand, silver became more valuable in China than it was anywhere else. In the 1590s, the gold/silver ratio in China was 1 ounce of gold for 5.5 ounces of silver, whereas the exchange rate in Spain was 1 ounce of gold for 14 ounces of silver.⁶ In China, therefore, silver was worth more than double what it was worth in Spain. This silver value was consistent across many other European countries, which made China the primary destination for world silver for many centuries.⁷ With silver being of such great value, production rates increased even further to sustain these economic systems. The combination of all of these factors led to silver

⁴ D. A. Brading and Harry E. Cross, "Colonial Silver Mining: Mexico and Peru," *The Hispanic American Historical Review* 52, no. 4 (1972): 545.

⁵ Brading and Cross, "Colonial Silver Mining," 546.

⁶ Dennis Owen Flynn and Arturo Giraldez, "Cycles of Silver: Global Economic Unity through the Mid-Eighteenth Century," *Journal of World History* 13, no. 2 (2002): 393.

⁷ Flynn and Giraldez, "Cycles of Silver," 393.

being the most logical import for China, as well as the most logical place for other countries to export their silver. As a result, this system of trade became solidified.

After the European-Chinese trade system had begun to develop and the export of silver into China became systemic, a new trade system began to grow. This new system was the trade triangle between Britain, China, and India, which began to boom in the late eighteenth century. This boom came as a result of Britain's rapidly growing desire to import tea from China, beginning primarily between the years 1781 and 1790. In that decade, Britain's take of total tea exports from Canton, the only Chinese trading port that allowed western trade, increased over 20% from the decade prior, jumping from 33% to 54%.⁸ Britain quickly developed a monopoly over Chinese tea exports, and in the years 1801 to 1810, Britain took in 80% of Chinese tea.⁹ This rapid increase in trade with China solidified Britain as one of China's primary trading partners, a relationship that brought Britain great wealth.

Early on, Britain's rapidly expanding, import-oriented, triangular trade system was sustained primarily by exporting silver to China.¹⁰ At its highest point, in the years 1821 to 1830, the East India Company's investment in Chinese goods totaled over £19,000,000, more than 90% of which was payment for Chinese tea.¹¹ The British and Indian monopoly of Chinese tea exports played a role not only in the establishment of this strong trade system but also in the expansion of Britain's economy. By the early nineteenth century, "The British Exchequer used to get as much as one tenth of Britain's total revenue from the tea consumers, collecting, in 24 years

⁸ Tan Chung, "The Britain-China-India Trade Triangle (1771-1840)," *Indian Economic Social History Review* 11, no. 4 (1974): 412.

⁹ Chung, "The Britain-China-India Trade Triangle," 412.

¹⁰ Chung, "The Britain-China-India Trade Triangle," 415.

¹¹ Chung, "The Britain-China-India Trade Triangle," 412.

between 1814 and 1837, a total of £82,640,531.”¹² The British Empire was making a large profit from its investments in tea, therefore furthering the desire for this trade to grow. Tea was also wildly important in the further development of Britain’s global trade systems. Because of its monopoly over Chinese tea exports, Britain became a major exporter of tea to the rest of the world, which promoted the development of British shipping.¹³ Tea gave the British another good to export, one which was difficult to obtain elsewhere, allowing them to expand their trade networks and increase their profits from their colonial endeavors in India. These factors made Britain’s monopoly over Chinese tea at the start of the nineteenth century vital for the growth of British trade networks. The tea trade also had a major impact on a different British colonial enterprise, sugar. Naturally, the consumption of sugar in Britain rose as tea imports continued to climb. In Britain, tea and sugar became the two most highly taxed articles, and the per capita consumption of each doubled during the years 1843-1857.¹⁴ This taxation also created more profit for the British, allowing them to expand further their economy, and making their colonial efforts in the sugar colonies far more valuable.

Despite the important benefits that the tea trade would eventually bring, Britain’s primary form of payment for this tea in the early years of this trade system was still silver, not goods. For Britain to get the most out of its tea-crazed trade system, it needed to export goods rather than silver, so that it would not be draining its silver stores. Towards the end of the eighteenth century, the shift away from silver began. The trade system started to see a rapid export of Indian goods to China, which led to the subsequent reduction in Britain’s need to export silver to China

¹² Chung, “The Britain-China-India Trade Triangle,” 416.

¹³ Chung, “The Britain-China-India Trade Triangle,” 416.

¹⁴ Chung, “The Britain-China-India Trade Triangle,” 416.

to pay for its massive tea imports.¹⁵ Although India exported a variety of goods to China, opium was by far the most prominent.

Opium was present in China before the development of the British-Chinese opium trade, but never to a great extent. China imported opium during both the Tang period (618-907) and the Ming period (1368-1644) when it was believed to be useful in medical practices.¹⁶ During these early periods, however, opium was not being imported or sold on a mass scale. Opium then slowly transitioned into a luxury item during the early years of the Qing Dynasty (1644-1911), which some have argued was caused by the shift in tobacco from a luxury to a common good.¹⁷ However, it was not until the late eighteenth and early nineteenth century, with the help of British exports, that opium became a commonly used item in China.

Opium entered the British-Chinese-Indian trade triangle shortly after the East India Company began to seek control over the cultivation and sale of the drug in India. The introduction of opium marked a huge turning point in British-Chinese trade, as Britain finally had a product that China consistently desired more than silver. The result of the shift to opium in British-Chinese trade was a massive increase in profit for Britain, as for the first time silver flowed from China into Britain. The EIC was successful in its endeavors: “[s]tarting with the Bengal Monopoly in 1773, the Company gradually consolidated control and, in 1797, prohibited opium cultivation in their territories except under license.”¹⁸ However, the opium trade was not being used to its full potential until the 1820s, when the Board of Customs, Salt, and Opium of

¹⁵ Chung, “The Britain-China-India Trade Triangle,” 413.

¹⁶ Frank Dikötter, Lars Laamann and Zhou Xun, “Narcotic Culture: A Social History of Drug Consumption in China,” *The British Journal of Criminology* 42, no. 2 (2002): 317.

¹⁷ Dikötter, Laamann, and Xun, “Narcotic Culture,” 318.

¹⁸ Warren Bailey and Lan Truong, “Opium and Empire: Some Evidence from Colonial-Era Asian Stock and Commodity Markets,” *Journal of Southeast Asian Studies* 32, no. 2 (2001): 174.

the Bengal Government discovered the advantages of the Malwa grown opium.¹⁹ At the time, Malwa opium was not a Company enterprise and was, therefore, a competitor in the Chinese opium market. Much of its value came from the fact that it was far easier to smuggle into China, as the Malwa cakes were much smaller than the opium cakes grown in Bombay.²⁰ Later that year, the EIC opened Bombay's ports to the export of Malwa opium, subsequently bringing that enterprise under EIC control. Once again Britain's desire to increase its trade with China had forced its hand in colonial matters, allowing the EIC to exploit India further for economic gain.

These developments were not necessarily a bad thing for India, however. The growth of the opium trade was far more beneficial for India than the EIC's previous economic policies. This benefit was especially true for the farmers of Malwa opium, who were given access to a much larger trade route than they had when they were independent of the EIC. The increase in Indian exports also marked a change in Britain's colonial-economic attitude towards India. In the early days of India under British rule, India's trade, primarily its textile exports, was stunted by Britain's desire to bolster its textile industry. Britain had forced India to export raw materials, like cotton, back to Britain and to import finished goods that India could have made itself, to support the British textile industry, thus hurting India's economy.²¹

The opium trade, on the other hand, "helped to strengthen the Indian economy in no small measure."²² Even with Britain's booming tea imports in the late eighteenth century, India was not an equal in the trade triangle. Rather, the system was more of a direct trade between Britain and China, with Britain using India as an extension of itself to increase its profit. As

¹⁹ Chung, "The Britain-China-India Trade Triangle," 418.

²⁰ Chung, "The Britain-China-India Trade Triangle," 418.

²¹ Chung, "The Britain-China-India Trade Triangle," 430.

²² Chung, "The Britain-China-India Trade Triangle," 422.

historian Chan Tung wrote, “Trade between India and China was originally meant to be a one-way India-to-China wealth movement, using China as a relay station and finally transmitting the wealth to Britain.”²³ However, following the introduction of opium into the market, the British were forced to make changes in some of their colonial policies towards India. With the rapid growth of the opium trade, the Company had to cycle some of its revenue back into the Indian treasury to sustain the cultivation of opium. An anti-opium author in the late eighteenth century wrote that “[e]very ball of opium filled in the Government factories was intended to transfer a certain amount of solid silver from the pockets of citizens of China into the Indian treasury.”²⁴ Although the Company eventually transferred much of this silver back to Britain, this initial trade created an additional China-to-India wealth movement that resulted in some economic gain for India.

Opium also played an interesting role in the developing ideologies of British imperialists and, more specifically, of the EIC. In 1817, the Court of Directors released a statement about the Company’s opium policies, saying, “Were it possible to prevent the use of the drug altogether except for the purpose of medicine, we would gladly do it in compassion to mankind.”²⁵ However, the Company did not feel that ending the opium trade was a viable option. Even though China outlawed the smoking of opium in 1796 and banned the importation of opium in 1800, the British government and the EIC could not seem to separate themselves from the lucrative trade.²⁶ This was because the opium trade had boomed at a rapid rate, making it

²³ Chung, “The Britain-China-India Trade Triangle,” 427.

²⁴ Frederick Storrs Turner, *British Opium Policy and Its Results to India and China* (London: Gilbert and Rivington Printers, 1876), 54.

²⁵ British Parliament, *Report on the Affairs of the East India Company, 1831*, as quoted in Turner, *British Opium Policy*, 44.

²⁶ Timothy Brook and Bob Tadashi Wakabayashi, *Opium Regimes: China, Britain, and Japan, 1839-1952* (Berkeley: University of California Press, 2000), 33.

incredibly valuable. Opium had increased British trade with China, giving the British more goods to sell to other countries. In his letter to Queen Victoria, the Chinese Commissioner Lin Zexu noted, “Your honorable nation takes away the products of our central land, and not only do you thereby obtain food and support for yourselves but moreover, by re-selling these products to other countries you reap a threefold profit.”²⁷ Britain and the EIC also generated a large amount of wealth from the sale of opium alone. A report from the House of Commons in 1831 stated that “[t]he monopoly of opium in Bengal supplies the Government with a revenue amounting in sterling money to 981,283£., per annum.”²⁸ A massive amount of silver flowed back to India and Britain, apparently too much for the government to give up. The same report also stated that “[i]n the present state of the revenue of India, it does not appear advisable to abandon so important a source of revenue.”²⁹ British imperialists felt that this trade was too important to the value of their colonial endeavors in India to abandon it. Instead, the Company found ways to get around the Chinese ban on opium. The EIC began auctioning off whole opium crops to speculators and merchants in Calcutta, who would then contract with British traders and smuggle the opium on their ships to China.³⁰ By doing so, the EIC was able to distance itself morally from the destructive trade, while still reaping its benefits. It was here that the British made their goals in China very clear. They wanted to penetrate the lucrative trade networks of China, an accomplishment that had been sought after by European powers for centuries prior, without much consideration of the consequences of their greed. While the British continuously stated that

²⁷ Lin Zexu, “Letter to Queen Victoria, 1839,” *Internet Modern History Sourcebook: 2*. NOTE: Details on Commissioner Lin and his importance regarding opium are discussed in later portions of this essay

²⁸ British Parliament, *Reports from Committees, 1831-2*, in Turner, *British Opium Policy*, 66.

²⁹ British Parliament, *Reports from Committees, 1831-2*, in Turner, *British Opium Policy*, 67.

³⁰ Carl A. Trocki, “A Drug on the Market: Opium and the Chinese in Southeast Asia, 1750-1880,” *Journal of Chinese Overseas* 1, no. 2 (2005): 154.

they felt remorse for their actions and that they opposed the opium trade morally, they continued to pollute China with their exports, without any real regard for the disastrous effects of opium.

In the 1830s, following the overhaul of opium production by the EIC to keep up with new competition from places like America and Turkey, who had entered the trade, the price of opium began to drop.³¹ Because of decreased prices, opium was more accessible to the common person. As a result, opium transitioned from a luxury good to a nationwide commodity. The widespread use of opium started to have negative effects on China and its people due to opium's highly addictive nature. A report from British Parliament in 1840 stated that "[o]f those who use it to great excess, the breath becomes feeble, the body wasted, the face shallow, the teeth black: the individuals themselves clearly see the evil effects of it, yet cannot refrain from it."³² The addictive drug caused massive health issues for the Chinese people, but its destruction did not stop there. Opium also created some social issues that changed the way of Chinese life. In an observation conducted for the same report, the Vice President of the Sacrificial Court stated that "the smokers of opium are idle, lazy vagrants having no useful purpose before them."³³ This trend of laziness became common in China as the people grew more and more addicted to the drug. Local, unskilled laborers called coolies often used opium, which led to social strife around questions of labor management. As the historian Carl Trocki notes, "In the nineteenth century, there were regular reports that mining coolies would desert the diggings if the opium supply failed."³⁴ The laborers were not the only people who had become dependent upon opium, however. Because of its widespread use, opium plagued the lives of many different people from a variety of professions and social statuses. One record from English missionaries in China

³¹ Trocki, "A Drug on the Market," 155.

³² British Parliament, *Correspondence Relating to China, 1840*, 156.

³³ British Parliament, *Correspondence Relating to China, 1840*, 167.

³⁴ Trocki, "A Drug on the Market," 156.

recalls teachers smoking in front of their students, saying, “Whatever else the pupils learned, there was one sad propensity which their teachers recommended by their example – the great scourge of China, opium smoking.”³⁵ Opium became so deeply rooted in Chinese society that it was common to find people smoking in public, despite the fact that the Chinese government outlawed it. The missionaries did not blame the Chinese people for their problem, but instead turned directly to opium as the cause, saying “What scenes of domestic misery are caused by opium in China!”³⁶ This understanding of the negative impacts of opium was present in the British government as well, but government officials still always found a means of justifying the trade. The British ignored the damage they were causing and continued to increase their opium exports, growing wealthy off of this destructive trade.

The opium trade also had major impacts on China’s economy. Because the opium trade was so dominating by nature, it began to impact the trade of other goods negatively. In 1838, Lin Zexu, a Governor-General at that time, discovered that there was a decrease in almost every area of trade.³⁷ He found that merchants “could only sell half of the volume of commodities that they had sold twenty or thirty years ago; opium had taken the place of the other half.”³⁸ This intrusion of opium into local Chinese markets became an issue, as many merchants had no choice but to sell the drug, a crime that was punishable by death at that time. The biggest economic impact of the opium trade, however, was the drain of silver from China to Britain to

³⁵ “Church Missionary Paper, No. CLXIII, Michaelmas, 1856,” in *The Missionary Papers, 1816-1878*, available through: Adam Matthew, Marlborough, Empire Online, <http://www.empire.amdigital.co.uk/Documents/Details/The%20Missionary%20Papers%2018161878> [Accessed November 22, 2015].

³⁶ “Church Missionary Paper, No. CLXIII, Michaelmas, 1856,” in *The Missionary Papers* (accessed November 22, 2015).

³⁷ Lin Zexu (Lin Tse-hsü) was a Chinese government official who lead the fight against opium in China. He would later become High Imperial Commissioner, and his actions against the opium trade would contribute to the start of the opium war.

³⁸ Hsin-Pao Chang, *Commissioner Lin and the Opium War* (Massachusetts: Harvard University Press, 1964), 37.

support the trade, precisely what made the trade so valuable for Britain. Some historians even argue that “this, probably more than anything else, made the country’s balance of trade unfavorable for the first time in its history.”³⁹ The introduction of opium into British-Chinese trade took a trade relationship that completely favored China and flipped it around. Never before had China experienced a trade system structured around the export of silver, and it started to create an economic crisis. Chinese merchants sold fewer Chinese goods at the local level as the intrusion of opium increased, and silver was flowing out of Chinese stores to pay for opium imports. With less silver available in China, it became harder to obtain, and many people were forced to use copper coins as currency. This reliance on copper was problematic, as there was no sound exchange rate between copper and silver in China, and copper coins had only limited power as legal tender.⁴⁰ The lack of silver resulted in a monetary crisis that decreased the wealth of China as a whole. This shift occurred at an alarmingly rapid rate, and from the years 1828 to 1836, over 39 million dollars of sycee silver, silver dollars, and gold was exported from Canton on British accounts.⁴¹ This number is especially staggering when compared to the EIC’s investments in Chinese goods, which dropped from over 19 million pound sterling down to less than 6 million in the years 1831-1833.⁴² This trade imbalance was unsustainable for China, and the Chinese government decided that the best solution was to stop the import of opium.

In 1838, “The Director of the Court of State Ceremonial, Hwang Tsioh-Tsz, argued in a Memorial to the Throne that the growing consumption of foreign of opium was at the root of all China’s troubles.”⁴³ It became clear to the Chinese government that they had to do something.

³⁹ Chang, *Commissioner Lin and the Opium War*, 39.

⁴⁰ Chang, *Commissioner Lin and the Opium War*, 45-46.

⁴¹ Chang, *Commissioner Lin and the Opium War*, 41.

⁴² Table 1 in Chung, “The Britain-China-India Trade Triangle,” 412.

⁴³ Yuan Wei and E.H. Parker, *Chinese Account of the Opium War* (Shanghai: Kelly & Walsh Limited, 1888), 1.

One of the leading figures in the fight against opium was Lin Zexu, who wanted to rid the country of the product. Lin was appointed Imperial Maritime Commissioner in 1838, with hopes that he would be able to put a stop to the opium trade, which had risen to above 30,000 chests annually by that time.⁴⁴ Following his appointment, he went to Canton in March of 1839, and shortly after arriving he began making new reforms. Lin started confiscating smuggled opium and arresting large numbers of opium dealers. Historians estimate that the Lin had confiscated over 20,000 chests of opium by the end of May 1839, more than two-thirds of the annual import at that time.⁴⁵ The confiscated opium from those months cost the merchants nearly eleven million dollars, a fact that created a lot of tension, particularly between Commissioner Lin and Captain Elliot.⁴⁶ Elliot believed that the Chinese government intended “to pay something by some means,” to make up for the cost of the opium.⁴⁷ However, Captain Elliot’s assumption was wrong, and beginning on June 3, Lin, and a force of about five hundred laborers proceeded to destroy all of the confiscated opium over a period of about two weeks.⁴⁸ While this act gained Lin a lot of praise amongst Chinese officials, it also angered the British, and Captain Elliot immediately ordered English ships to gather in Hong Kong and to “be prepared to resist every act of aggression.”⁴⁹

After these events had occurred, Commissioner Lin wrote a letter to Queen Victoria, begging her to cease the opium trade. In this letter, Lin revealed how devastating opium had been for China and how the merchants that brought it did not seem to care. He said in his letter that

⁴⁴ Brook and Wakabayashi, *Opium Regimes*, 6.

⁴⁵ Chang, *Commissioner Lin and the Opium War*, 171.

⁴⁶ Chang, *Commissioner Lin and the Opium War*, 172. NOTE: Captain Charles Elliot was the Chief Superintendent of British Trade, and he was responsible for dealing with many of the rising problems in China related to the opium trade.

⁴⁷ Chang, *Commissioner Lin and the Opium War*, 172.

⁴⁸ Chang, *Commissioner Lin and the Opium War*, 172.

⁴⁹ Chang, *Commissioner Lin and the Opium War*, 177

the Chinese people give the foreigners great wealth, but in return they receive only “a poisonous drug, which involves in destruction those very natives of China,” after which he went even further, saying, “Without meaning to say that the foreigners harbor such destructive intentions in their hearts, we yet positively assert that from their inordinate thirst after gain, they are perfectly careless about the injuries they inflict upon us!”⁵⁰ Lin made it clear that trade with China had brought Britain great wealth, but all that China gained in return was destruction.

Lin also displayed the lengths to which the Chinese government was willing to go. He stated that “[e]very native of the Inner Land who sells opium, as also all who smoke it, are alike adjudged to death,” and that any foreigner who is caught selling or smuggling opium into China would receive the same punishment.⁵¹ Not only had he already damaged British property worth millions, but he was also now threatening British lives.

In response to the letter and the actions of Commissioner Lin, on November 4 the British government decided to send a naval and military force to China to demand reparations for the destruction of the opium.⁵² As these tensions rose, the situation only got worse and worse, and in 1840, the Opium War began. The war brought great death and destruction to China, but the treaty that followed was far more detrimental. The first Opium War ended in 1842 with the Treaty of Nanjing, which in reality only served to exploit China for economic gain even further. A Chinese record of the Opium War states that “[t]he foreigners had stated by proclamation and letter that their intention was to exact ports for trade.”⁵³ These intentions were made clear in the treaty, which lifted restrictions on British trading in five ports, including Canton and Shanghai.

⁵⁰ Lin Zexu, “Letter to Queen Victoria,” 2.

⁵¹ Lin Zexu, “Letter to Queen Victoria,” 1.

⁵² Chang, *Commissioner Lin and the Opium War*, 194.

⁵³ Wei and Parker, *Chinese Account of the Opium War*, 52.

Article II of the treaty stated that “British Subjects, with their families and establishments, shall be allowed to reside, for the purpose of carrying on their Mercantile pursuits, without molestation or restraint...”⁵⁴ With the creation of this treaty, British citizens were free to trade as they wished in the designated cities. Subsequently, the opium ban was lifted in these cities, allowing the trade to continue without any government interference. As a result, the opium trade continued to flourish, and the situation in China worsened. In 1876, at the request of Parliament, Edward Fry conducted a report on Britain’s relations with China. In this report, he stated that the primary cause of hostility between the countries stemmed primarily from the opium problem. He argued that “from the Opium War down to this hour, England has forced opium on China, and thereby has produced and is producing in the minds of the Chinese authorities and people a sense of wrong and hostility to England.”⁵⁵ Fry noted that before the war, China did have some control over the opium trade, however unsuccessful their attempts at stopping it may have been. After the war, however, there was nothing that China could do about it. The series of unequal treaties that followed the first Opium War left the Chinese powerless against the exploitation of the British and the destruction that they would bring.

The series of treaties that came as a result of the war were not only important for trade purposes but to colonial endeavors as well. The Treaty of Nanjing and its supplemental treaties established extraterritoriality for British citizens living in the five treaty ports previously listed. This rule meant that they were not subject to Chinese law while they were inside of these cities, essentially removing the Chinese government from them, at least with regards to British peoples.

⁵⁴ *Treaty of Nanjing (Nanking), 1842*, available through: UCLA International Institute, <http://www.international.ucla.edu/asia/article/18421> [Accessed December 14, 2015].

⁵⁵ Edward Fry, “China, England and Opium,” in *The Contemporary Review* 27 (1876): 448, available through: Adam Matthew, Marlborough, Empire Online, <http://www.empire.amdigital.co.uk/Documents/Details/China%20England%20and%20Opium%20by%20Edward%20Fry> [Accessed December 14, 2015]

With similar treaties from France and America, China began to experience imperialism and neo-colonialism for the first time. As a result of the shift from silver to opium, China was eventually forced to give in to the colonial powers that it had resisted for centuries before. While there were other factors involved with China's decline and eventual subjugation to imperial powers, the significance and impact of opium on imperial affairs in China is the most notable.

The shift from silver to opium as a medium in British-Chinese trade drastically altered the course of the British and the Chinese empires. For Britain, opium brought great wealth and economic development, as well as a justification for its colonial endeavors in India. For China, on the other hand, the opium trade brought both social and economic degradation, a devastating war, and a series of unequal treaties that opened up the country to the exploitation of European imperial powers.

Bibliography

Primary Sources:

- British Parliament. *Correspondence Relating to China, 1840*. Accessed December 14, 2015. Internet Archive. <https://archive.org/details/CorrespondenceRelatingToChina1840>.
- “Church Missionary Paper, No. CLXIII, Michaelmas, 1856.” In *The Missionary Papers, 1816-1878*. Available through: Adam Matthew, Marlborough, Empire Online, <http://www.empire.amdigital.co.uk/Documents/Details/The%20Missionary%20Papers%2018161878> [Accessed November 22, 2015].
- Fry, Edward. “China, England and Opium.” In *The Contemporary Review* 27 (1876): 447-459. Available through: Adam Matthew, Marlborough, Empire Online, <http://www.empire.amdigital.co.uk/Documents/Details/China%20England%20and%20Opium%20by%20Edward%20Fry> [Accessed December 14, 2015].
- Lin Zexu. “Letter to Queen Victoria, 1839.” *Internet Modern History Sourcebook*. Accessed November 22, 2015. Modern History Sourcebook. <http://legacy.fordham.edu/Halsall/mod/1839lin2.asp>.
- Turner, Frederick Storrs. *British Opium Policy and Its Results to India and China*. London: Gilbert and Rivington Printers, 1876.
- Treaty of Nanjing (Nanking), 1842. Accessed November 22, 2015. UCLA International Institute. <http://www.international.ucla.edu/asia/article/18421>.
- Wei, Yuan and E.H. Parker. *Chinese Account of the Opium War*. Shanghai: Kelly & Walsh Limited, 1888. Internet Archive. <https://archive.org/details/chineseaccounto00parkgoog> [Accessed November 22, 2015].

Secondary Sources:

- Bailey, Warren and Lan Truong. “Opium and Empire: Some Evidence from Colonial-Era Asian Stock and Commodity Markets.” *Journal of Southeast Asian Studies* 32, no. 2 (2001): 173-193. Accessed November 20, 2015. JSTOR. <http://www.jstor.org/stable/20072323>.
- Brading, D.A. and Harry E. Cross. “Colonial Silver Mining: Mexico and Peru.” *The Hispanic American Historical Review* 52, no. 4 (1972): 545-579. Accessed October 21, 2015. JSTOR. <http://www.jstor.org/stable/2512781>.
- Brook, Timothy and Bob Tadashi Wakabayashi. *Opium Regimes: China, Britain, and Japan, 1839-1952*. Berkley: University of California Press, 2000.

- Chang, Hsin-Pao. *Commissioner Lin and the Opium War*. Massachusetts: Harvard University Press, 1964.
- Chung, Tan. "The Britain-China-India Trade Triangle (1771-1840)." *Indian Economic Social History Review* 11, no. 4 (1974): 411-431. Accessed October 20, 2015. Sage Journals. DOI: 10.1177/001946467401100402.
- Dikötter, Frank, Lars Laamann and Zhou Xun. "Narcotic Culture: A Social History of Drug Consumption in China." *The British Journal of Criminology* 42, no. 2 (2002): 317-336. Accessed November 19, 2015. JSTOR. <http://www.jstor.org/stable/23638784>.
- Flynn, Dennis Owen and Arturo Giraldez. "Cycles of Silver: Global Economic Unity through the Mid-Eighteenth Century." *Journal of World History* 13, no. 2 (2002): 391-427. Accessed October 21, 2015. Project Muse. <http://muse.jhu.edu/journals/jwh/summary/v013/13.2flynn.html>.
- Huang, Han-Liang. *The Land Tax in China*. New York: Columbia University, 1918. Internet Archive. https://archive.org/details/landtaxin_china00huangoog [Accessed November 21, 2015].
- Trocki, Carl A. "A Drug on the Market: Opium and the Chinese in Southeast Asia, 1750-1880." *Journal of Chinese Overseas* 1, no. 2 (2005): 147-168. Accessed November 21, 2015. Project Muse. DOI: 10.1353/jco.2007.0025.