

# British Imperialism and the Opium Wars: The Kuomintang's Narco-State

By [William Walter Kay](#)

Global Research, June 24, 2024

Region: [Asia](#)

Theme: [History](#)

All Global Research articles can be read in 51 languages by activating the Translate Website button below the author's name (only available in desktop version).

To receive Global Research's Daily Newsletter (selected articles), [click here](#).

Click the share button above to email/forward this article to your friends and colleagues. Follow us on [Instagram](#) and [Twitter](#) and subscribe to our [Telegram Channel](#). Feel free to repost and share widely Global Research articles.

[\*\*Give Truth a Chance. Secure Your Access to Unchained News, Donate to Global Research.\*\*](#)

\*\*\*

*Opium beguiled Sumer, earned infamy among Greco-Romans, yet never charmed China until 700 CE.*

**Earliest Chinese records trace the poppy's westward roots.** After tobacco arrived, around 1600, smoking tobacco-opium mixtures gained popularity until 1800, when straight opium smoking took-off. (1)



**In 1729 Emperor Yongzheng banned non-medicinal opium** in an edict eliciting laws against mass delusion. (2) Imports of medicinal opium continued, upon payment of duties. Portuguese, perched at Macao, plied the trade with Turkish product.

**Pre-1767 Indian opium exports never exceeded 200 chests.** (One chest equals 60 kilos.) **Brits tried smuggling Indian opium into China in 1773, but in vain.**

An armed opium ship fared better in 1781. A decade later the British quit Macao for Canton.

As the East India Company (BEIC) monopolized Indian opium they delegated smuggling to third parties; albeit only those carrying exclusively Company dope. (3)

Emperor Jiaqing re-affirmed the ban in 1799, bemoaning opium smoking's climb from vagabonds to notables. Pervasive corruption and feeble policing vitiated the ban. In 1800 the British off-loaded 2,000 chests at Canton. (4)

Pre-1800 British imports of Chinese silk and tea exceeded in value British exports to China. Silver poured east. Brits reversed this flow with opium smuggling. In 1839 China imported 40,000 chests. (5)

**Silver depletion, coupled with opium's obvious ills, compelled Emperor Daoguang to solicit Mandarin advice.**

**Responses included "*Proposing to Legalize Its Importation*" by Xu Neij, Vice President of Canton's Sacrificial Court. Xu argued:**

**"...smokers of opium are idle, lazy vagrants, having no useful purpose before them, and are unworthy of regard, or even of contempt. Although there are some smokers to be found who have overstepped the threshold of age, yet they do not attain to the long life of other men."** (6)

Opium shortens bums' lifespans. Bring it on.

**Anti-opium hardliners overrode Xu. One claimed 75% of men in his area smoked the Western poison. (7)**

**In December 1838 Chinese officers crucified an opium smuggler in front of Canton's warehouses.** In March 1839 British wholesalers watched their opium troves burn.

**April-to-September saw furious diplomatic efforts and parliamentary debates culminating in an October 1, 1839 declaration of war.**

**China's Century of Humiliation began with British warships sinking China's navy in a nine-minute battle.**

The First Opium War ended with the August 29, **1842 Treaty of Nanking.**

**China relinquished 21 million one-ounce silver dollar coins, ceded Hong Kong, and opened 5 ports to Western trade and residence, notably Shanghai.** (British merchants griped about negotiators' failure to legalize opium.)

Henceforth, opium sales more than covered British imports from China. **Into the 1860s opium sales underwrote the Empire; yielding a quarter of British India's revenues.** (8)

## **Early Opposition**

British criticism of the opium trade surfaced in the 1840s; one pamphleteer inveighing:

**"...the 'slave trade' was merciful compared to the 'opium trade'. We did not destroy the bodies of the Africans... the opium seller slays the body"** (9)

**Others noted opium so impoverished the Chinese** they couldn't afford British manufactured wares. A Society for the Suppression of the Opium Trade coalesced in 1874 around the journal, *Friends of China*.



The East India Company iron steam ship *Nemesis*, commanded by Lieutenant W. H. Hall, with boats from the *Sulphur*, *Calliope*, *Larne* and *Starling*, destroying the Chinese war junks in Anson's Bay, on 7 January 1841. (From the Public Domain)

Scolds also denounced domestic use. Consequently, the 1868 *Pharmacy Act* restricted opium selling to chemists. Previously, grocers' mongered opium potions and stockpiled laudanum for Saturday nights. Crusaders tolerated high society dabblers but not working class imbibers. Medics re-defined opium abuse as self-induced insanity. (10)

## **China 1859-1931**

**In 1859 Chinese opium imports hit 75,822 chests.** (11)

The Second Opium War climaxed in 1860 with **British soldiers torching Emperor Xianfeng's palace - roasting 300 non-combatants.**

Post-war sales proceeded apace with one Westerner observing:

**"In Beijing there are opium shops in almost every lane, and two or three in the larger ones."** (12)

Opium smoking spread from coastal cities into the interior. In 1878 another Westerner noted:

"Over the past thirty to forty years smokers have become as common in the remote countryside as they used to be in the cities. These days a town spends more money on opium than it does on rice." (13)

## China imported 84,528 chests in 1879. (14)

Circa 1880-1900, the market flourished despite Britain's exit – which resulted from China's switch to home-grown opium, and from Chinese merchants connecting with Persian suppliers.

A 1906 Chinese polemic claimed opium addiction afflicted 70% of Chinese men:

“Their lives fall drop by drop into the opium box, and their souls flicker away in the light of the opium lamp... When stung they feel no pain; when kicked their wilted bones fail to rise.” (15)

During the Warlord Era (1916-27) opium formed both currency and tax-base for a hundred tyrants and their drug-addled troops. **The Kuomintang (KMT) took this modus operandi national.** (16)

“By 1928, opium had penetrated every aspect of Chinese life. The Kweichow Chamber of Commerce even adopted the drug as the official standard of exchange. In Yunnan, one of many major growing areas... 90 percent of the adult males smoked, and many new-born infants were addicts having acquired their dependency in the wombs of addicted mothers.” (17)

To the KMT “opium suppression” meant “opium taxation.” KMT's Anti-Opium Bureau coordinated heroin trafficking. (18)

In 1931 the League of Nations voted to restrict heroin to medicinal purposes. In that year, Tu Yueh-sheng threw a three-day temple inauguration gala. After 80,000 revellers departed the temple transformed into the world's largest heroin factory. (19)

## The Role of Tu Yueh-sheng

Image: Du Yuesheng (From the Public Domain)



Orphaned in Shanghai's worst slum, Tu Yueh-sheng became a juvenile hitman. After taking over the Green Gang,

**Tu monopolized opium and heroin trafficking across the Yangtze basin.**

**By 1927 Tu raked every dope deal in China netting several million silver dollars monthly. (20)**

**Tu was Earth's biggest heroin dealer. Tu was China's de facto head of state:**

- May-ling Kai-shek (nee Soong) badgered her husband, Commander-in-Chief Chiang Kai-shek, into not paying protection money to Tu. When the payment deadline passed, (21)
- Ai-ling Kung (nee Soong) gave Tu currency secrets gleaned from her Finance Minister husband. Miscommunication cost Tu dearly. When Tu's demands for reimbursement went unheeded he sent a custom-built coffin to Kung's mansion. China's Central Bank reimbursed Tu.
- Tu demanded Premier T.V. Soong return a \$6 million bribe. When T.V. paid Tu in bonds, not coin, Tu had T.V.'s secretary shot dead in front of T.V.
- When opium supplies tightened, T.V. arranged delivery of 700 chests of Persian opium to Tu.
- As Shanghai's Chief Communist Suppression Agent, Tu murdered tens of thousands.
- **Opium suppression agents dared not tax Tu's personal operations.**
- Tu planted Green Gang loyalists atop China's opium monopoly.
- Tu donated 120 US-made warplanes to China's Air Force.
- Tu was a French Concession Councillor and President of two major banks. He sat on the board of two other large banks, several big businesses, and China's Chamber of Commerce.
- Philanthropy gave Tu control of hospitals, orphanages and Great China University. (22)

## **USA 1903-45. America's Opium Imports**

Shorn of China trade lucre, British hostility toward opium hardened. In 1908 the British Medical Association debated classifying opium addiction a committal-worthy mental disease. Others feared opium dens might migrate from China.

Yellow Peril phobia proved overwrought. Britain's Chinese hoards, numbering 1,100 in 1911, sustained 6 dens. (23)

**America *did* receive numerous Chinese migrants and through them tonnes of opiates.**

In 1903 student Ai-ling Soong sailed to America in a liner "*with a cargo of 538 chests of strong smelling black opium tar packed in her hold, and on deck a cargo of freshly scrubbed missionaries.*" (24)

In 1905 Ai-ling's brother-in-law, **Sun Yat-sen**, disembarked at San Francisco onto carpet laid by the Chih Kung Tong fraternity - a US-wide narcotics syndicate. (25)

After Congress banned heroin in 1924, mobsters jumped in. While (non-French) European syndicates preferred Persian opium, Americans bought Chinese. Heroin entered through Chinese diplomatic channels. Tu provided "bodyguards" for dignitaries like Ai-ling's brother,

T.V. Soong.

One bodyguard, Tommy Tong, moonlighted as Shanghai's Customs Chief. **The US Treasury Department considered Tommy Tong the mastermind behind US heroin imports. (26) Tommy's customers included Lucky Luciano:**

"Luciano forced many small-time pimps out of business as he found that **addicting his prostitute labor force to heroin** kept them quiescent, steady workers, with a habit to support and only one way to gain enough money to support it. This combination of organized prostitution and drug addiction, which **later became commonplace**, was Luciano's trademark in the 1930s. By 1935 he controlled two hundred New York City brothels with twelve hundred prostitutes, providing him with an estimated income of \$10 million a year." (27)

When his luck ran out Luciano caught a 35-year sentence for forced prostitution.

Mafioso so diluted heroin, addicts had to inject. (28)

"Italians adulterated the heroin far more than their Jewish predecessors had. As purity dropped to 27.5 percent by 1938, heroin sniffing was no longer effective, and addicts were forced to use hypodermic injection." (29)

America's heroin problem so worsened in the late-1930s prominent Chinese-Americans, diplomatic connections notwithstanding, got indicted, including Chih Kung Tong members.

Heroin's scarcity during WWII reflected deals between T.V. Soong and FDR discontinuing heroin shipments in exchange for aid. Writing in the 1980s, Seagrave encountered *ongoing* cover-ups of 1940s-era China-US negotiations. (30)

## **The French Connection**

Indochina's French overlords partnered with Vietnam's Chinese merchants. Sino-French mercenaries prowled rivers along China's southwestern border, **smuggling opium and buying more from hill tribe farmers.**

The French safeguarded their profits through ties with secret societies in Shanghai's French Concession. Tu distributed substantial stipends to Concession officials. French agents gave Tu's Green Gang 5,000 firearms to exterminate Chinese leftists. (31)

Tu captured France's heroin market through an alliance with the Corsican syndicate, Union Corse, who secured Marseilles' ports. Tu's "diplomats" bribed Parisian politicians. (32) Union Corse thugs liquidated leftists in Marseilles.

## **Chiang Kai-shek and the Kuomintang's (KMT) Narco-state**



**From the moment the KMT christened Nanking its capital (1927) the Republic of China was a narco-state.**

“Keeping in mind that Green Gang domination of the Chinese underworld originated in its virtual monopoly of opium traffic, and that Shanghai itself had been founded on a great brown swamp of opium tar, and that the only exportable resource for some provinces like Yunnan was opium, it can come as no surprise that Nanking was quietly paying many of its bills with narcotics revenues.” (33)

**Generalissimo Chiang Kai-shek amassed mounds of money from narcotics.**

The Farmers Bank (a.k.a. Opium Farmers Bank) held his illicit cash-stash. When Western advisors, hired to modernize Chinese finance, suggested auditing Farmers Bank, Chiang shrieked. (34)

In the 1920s Japan exported billions of heroin doses to China. In the 1930s Japan overran northern China’s lush poppy fields. This cut Chiang’s income but didn’t disrupt production. KMT Generals, many of them Green Gang members, eagerly traded with Japanese invaders. (35)

China far out-produced Japan. In 1937, due to Tu’s hold on French and US markets, **China supplied 85% of global heroin demand.** (36)

China’s addicts swallowed their heroin. Pure pink pills pitched on every patio left little impetus to inject. Heroin pill-popping’s displacement of opium smoking didn’t happen overnight:

“Morphine had been widely used by Western missionaries in the late 1800s to cure Chinese opium addicts; ...the drug became known as “Jesus opium.” Then heroin... showed promise as a treatment for morphine addicts. Chinese first became opium addicts, then graduated to morphine, then to heroin.” (37)

**The League of Nations Sends Ilona Raif Sues to “Interview” Tu Yueh-sheng**

**The League of Nations’ Anti-Opium Information Bureau dispatched Ilona Ralf**

## Sues to study China.

Sues secured the only Occidental interview of Tu, during which Tu toed the KMT line:

a) a state opiate monopoly is necessary;

b) only state-licensed merchants should sell opiates; and,

c) addicts must be registered and rationed. After Tu spoke favourably of the British India model, Sues retorted that the British leeched 23% of India's revenues; reminding Tu:

"India is ruled by **white men** who consider themselves superior to every other race and sell the drug exclusively to natives and to local Chinese. No white man can be registered as a smoker! From their point of view, they **are selling poison to an inferior race.**" (38)

## The KMT's Tai Li. China's Himmler

The KMT's most intriguing figure, Tai Li, was also their most obscure. Seagrave sheds glimpses.

Drawing the curtain on the Warlord Era meant coopting regional potentates like Manchuria's Chang Hsueh-liang. Chang was addicted to the opiate, Pavemal.

"There were indications that his (Chang's) **drugs** might have been **doctored to demoralize him, the sort of thing at which Chiang's secret police chief, Tai Li, was expert.**" (39)

Tai Li's skullduggery punted Chang into such oblivion he resigned all posts. With help from Western friends Chang fled China; returning a sober champion of allying with Mao. For this Chiang Kai-shek sentenced Chang to life-long house arrest, watched over by Tai Li: "*who followed **the usual procedure of acquainting the captive with heroin.***" (40)

Obsessed with anti-communism, the KMT never seriously fought Japan. Wholesale embezzlement of American aid ensconced the Soongs as the world's richest dynasty. With corruption immiserating the middle classes many educated Chinese protested:

"...the regime did not fight the war but dragged into Tai Li's headquarters any loyal **subjects who dared to criticize.** They **were** beaten, beheaded, starved or **turned into heroin addicts at KMT concentration camps** run by Tai Li." (41)

\*

Note to readers: Please click the share button above. Follow us on Instagram and Twitter and subscribe to our Telegram Channel. Feel free to repost and share widely Global Research articles.

*William Walter Kay is a regular contributor to Global Research.*

## Notes



1. Lovell, Julia. *The Opium War*, Picador, London, 2011 p. 21-3.
2. Ibid, p. 24 and 35.
3. Marx, Karl. *Trade or Opium?*, New York Daily Tribune, September 20, 1858
4. Ibid.
5. Seagrave, Sterling. *The Soong Dynasty*, Harper & Row, New York, 1985, p 4; and Lovell, p. 2.
6. Baumler, Alan. *Modern China and Opium*, Michigan University Press, 2001, p.6-11.
7. Lovell, p. 53.
8. Ibid, p. 250-1.
9. Marx, (quoting Montgomery Martin).
10. Lovell, p. 269-70.
11. Ibid, p. 270.
12. Ibid, p. 270.
13. Ibid, p. 270.
14. Ibid, p. 270.
15. Lovell, p. 303.
16. Baumler, Alan. *The Chinese and Opium under the Republic*, State University of New York Press, 2007, p. 89-110; see also Seagrave p. 331.
17. Seagrave, p. 331.
18. Ibid, p. 345.
19. Ibid, p. 334-5.
20. Seagrave, p. 150 and 338.
21. Ibid, p. 269-70.
22. Ibid, p. 330-7.
23. Lovell, p. 271-4 and 280-1.
24. Seagrave, p. 101.
25. Ibid, p. 87.
26. Ibid, p. 334.
27. McCoy, Alfred. *The Politics of Heroin*, Lawrence Hill Books, Brooklyn, 1991 p. 29.

28. Seagrave, p. 335.
29. McCoy, p. 29-30.
30. Seagrave, 368.
31. Ibid, p. 91 and 222.
32. Ibid, p. 335.
33. Ibid, p. 330.
34. Ibid, p. 330.
35. Ibid, p. 363-4.
36. Ibid, p. 334 and 344.
37. Ibid, p. 334.
38. Ibid, p. 340.
39. Ibid, p. 347.
40. Ibid, p. 357-8.
41. Ibid, p. 395-6.

*Featured image: Cousin-Montauban leading French forces during the 1860 campaign (From the Public Domain)*

The original source of this article is Global Research  
Copyright © [William Walter Kay](#), Global Research, 2024

---

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [William Walter Kay](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)  
[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted

material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)