

# SINKING IN A SEA OF POPPIES: HOW THE ENGLISH LOST THE OPI- UM TRADE TO THE SCOTTISH

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Introduction by Nancy Kollman, Professor of History,  
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Hagar Gal's essay was written for the Department's capstone research seminar (History 209s). It is a model of erudition. Her research began with an interest in the origins of the opium export trade from China to England. A voracious reader and researcher, Hagar dove into a huge literature on the East India Company and found herself constantly encountering merchants and colonial administrators from Scotland. That led her to explore why particularly the Scots should be engaged here, which led to a completely original argument of how the Scottish Enlightenment shaped their worldview and how they were marginalized in British economy and politics in the heartland. Not surprisingly, in the colonial setting they advocated free trade and a transformation of Empire. Hagar uncovered underappreciated primary sources, including a journal founded by Scottish merchants in Canton to argue for the opium trade. The essay is original in argument, tightly organized and above all elegantly written – she weaves a fascinating and convincing historical tale, told with authority and style.

## **Sinking in a Sea of Poppies: How the English Lost the Opium Trade to the Scottish**

### **Hagar Gal**

#### ***Introduction***

The sunset of the last Chinese empire was the sunrise of the British Empire. The rise of this modern empire and the fall of China's ancient civilization were hammered out on the back of opium.<sup>1</sup> Between the 1780s and the 1910s, an aggressive Britain forged a monopoly on the opium trade, forcibly opening the effeminate Qing Empire to the drug and thus swapping the balance of silver and power that marked the Qing's descent into slow, indebted decline and collapse.<sup>2</sup> Sunrise and sunset. Silver and gunpowder. Modernity and the orient.

If one reads the narrative a little more closely, however, it is not exactly the British who are to be found commanding the opium trade. Instead, in every corner to which one turns, there sits a Scottish figure, quietly minding or pouring the drinks. So, with a little more sifting, and even some delving, it becomes clear that by the 1830s it was the Scottish who were in control of the British opium trade: successfully heading the political, economic and intellectual campaign against the English East India Company's monopoly on the trade, and subsequently profiting from its collapse. By 1830, the largest opium house was the Scottish Jardine Matheson & Co.<sup>3</sup>

Until very recently, the dominant perspective of Chinese history on the opium trade has viewed the trade as foundational to the rise of the West over the East in the long nineteenth century. This conceptualization of the opium trade as an unleashing of hegemonic British power on the Qing was developed in the nine-

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1 Stephen Platt, *Imperial Twilight: The Opium War and the End of China's Last Golden Age*. NY: Boydell Press, 2009.

2 "China was once the superior civilisation of the world, not only the equal of Rome but far ahead of medieval Europe... So why did China fall behind in modern times? How could it be ignominiously condemned by Western and even Japanese imperialists in the late nineteenth century?" in John King Fairbank, *China: a new history*. (Cambridge, Mass: Belknap Press of Harvard University Press 1992), 2.

3 See for instance Hunt Janin, *The India-China opium trade in the nineteenth century*. Jefferson, N.C.: McFarland 1999), 65-67.

teenth century by the British themselves, and subsequently became an important element of the history of foreign imperialism in Chinese politics after Japanese invasion.<sup>4</sup> The narrative has consequently survived because of its political expedience for both sides of the historiography.

The following paper joins a burgeoning new literature challenging the historiography of the opium trade as an expression of British imperial power. At the centre of this new literature is a methodological model that focuses on the complex networks behind the monolithic view of the British Empire.<sup>5</sup> Accordingly, by tracing the development of Scottish economic networks between the 1790s and 1830s, I bring together the history of English imperialism within the British Isles and the history of the British Empire abroad as one connected historical phenomenon. In doing so, I argue that the rise of the Scottish in the opium trade was an unwanted structural outcome of the English attempt to build an imperial economic system for their own profit, both at home and abroad.

The history of the Scottish involvement in the transition from the English East India Company's formal monopoly on the opium trade to the emergence of Jardine Matheson & Co.'s domination of the trade is reconstructed here in four parts. Firstly, I argue that England constructed an imperial state over the Scottish. I then trace the resultant Scottish participation in English imperial economic networks through the biographies of three Scots who led the pressure against the Company's monopoly. Finally, I analyse the campaign materials of the Scottish anti-monopoly pressure: the Glasgow East India Association's political pamphlets in Britain, and the *Canton Register's* free trade campaign in Canton.

Re-examination of the Scottish free trade lobbying campaigns in Britain and Canton builds on extant work to suggest that

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4 See for instance Alan Baumler, *Modern China and opium: a reader*. (Ann Arbor: University of Michigan Press, 2001); or John M. Jennings, *The opium empire: Japanese imperialism and drug trafficking in Asia, 1895-1945*. (Westport, Conn: Praeger 1997).

5 See for instance David Anthony Bello, *Opium and the limits of empire: drug prohibition in the Chinese interior, 1729-1850*. (Cambridge, Mass: Harvard University Asia Center 2005); Amar Farooqui, *Smuggling as Subversion: colonialism, Indian merchants, and the politics of opium*. New Delhi : New Age International, c1998; Ritu Birla, *Stages of capital: law, culture, and market governance in late colonial India*. (Durham: Duke University Press 2009).

English attempts at running imperial structures for their own profit backfired.<sup>6</sup> The Scottish so successfully adapted to the English imperial structures that pushed them out of the dominant economy of the British Isles that by 1830 the English lost control over the British Empire's opium trade.

***The subordination of the Scots; or, development of an English imperial system***

The East India Company was an integral tool of the economic and political system that had developed in the British Isles to the detriment of the Scottish by the turn of the nineteenth century. The standard historiography of this period describes the development of an English fiscal-military state centred in London during the long eighteenth century.<sup>7</sup> Specifically, the fiscal-military state describes the phenomenon in which state building, or the growth of an increasingly strong administrative and bureaucratic political structure, is driven by the government or state power needing to develop new methods to finance warfare.<sup>8</sup> In the English context, the fiscal-military state took the shape of a growing political administration coupled with a new fiscal system of tax revenue and government loans that provided resources from the public for state wars, largely against France.<sup>9</sup> London functioned as the centre of the new English "Leviathan" state: it was the location of the Bank of England, which funded the state through excise taxation on domestic and imported commodities, short-term credit loans, and of Parliament, which received the flow of revenue from monopoly

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6 The two main texts on the campaign of the Scottish manufacturers and the free traders in Canton leaned on in this paper are Yukihiisa Kumagai's *Breaking into the monopoly: provincial merchants and manufacturers' campaigns for access to the Asian market, 1790-1833*. (Leiden: Brill, 2012) and Song-Chuan Chen's *Merchants of War and Peace: British Knowledge of China in the Making of the Opium War*, (HK: Hong Kong University Press, 2017).

7 See for instance Thomas Ertman, *Birth of the leviathan: building states and regimes in medieval and early modern Europe* (Cambridge: Cambridge University Press, 1997), 205-206.

8 See for instance "Bureaucratic Constitutionalism in Britain," in Ertman, *Op. Cit.*, 208-221.

9 *Ibid.*

charter companies such as the East India Company.<sup>10</sup> In short, the English state was built upon a concentration and control of financial capital centralised in London.

After a century of conflict with England, the Act of Union of 1707 integrated Scotland as a subordinate part of England's newly developing state structure.<sup>11</sup> Conflict with France and within the British Isles was a key driver of the development of England's fiscal-military state model from 1688. Direct conflicts between England and France studded the long eighteenth century: the Nine Years' War of 1689-97, the War of Spanish Succession of 1701-1704, the Seven Years' War of 1756-1763, and, ultimately, the Napoleonic Wars of 1803-1815.<sup>12</sup> Over time, these conflicts, increasingly conducted by the East India Company, contributed to the consolidation of the London-centered English trade empire.<sup>13</sup> However, conflict with France also played out through an indirect rivalry that twined itself around and aggravated tense political relations between the English and Scottish. This political tension was a fundamental element of the building of the new English state, which had begun transforming itself into the Leviathan fiscal-military structure after the 1688 Glorious Revolution enabled the establishment of a new Parliamentary political system of Constitutional Monarchy.<sup>14</sup> The Revolution provided a new foundation for English-Scottish political tension by upending an attempt at a combined English-Scottish political rule through the deposition of James Stuart, who came from Scotland but sat on the

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10 Ertman, Op. Cit., 185-187; See for instance Hoh-cheung Mui and Lorna H. Mui, *The management of monopoly: a study of the English East India Company's conduct of its tea trade, 1784-1833*, (Vancouver: University of British Columbia Press, 1984).

11 See terms of and debates on the 1707 Act of Union as detailed in the account of David Scott, *The history of Scotland: Containing all the historical transactions of that nation, from the year of the world 3619. to the year of Christ 1726*. Impartially collected and digested into a regular method, (Westminster: Printed by J. Cluer and A. Campbell, in King's-street, near the Abbey, 1727), 725-734. Accessed through <http://find.galegroup.com/ecco/infomark.do?>, 03/22/2020.

12 See for instance Ertman, Op. Cit., 126-261.

13 See for instance Ertman, Op. Cit., or Mui, Op. Cit.

14 See for instance Rosalind Mitchison, *A History of Scotland*, (Vol. 3rd ed. London: Routledge 2002), 210-234.

English throne.<sup>15</sup> The deposed monarch, James Stuart, had hoped to create an “Anglo-Scottish” court and council, but failed in the face of “intense English hostility” to providing official positions to the Scottish.<sup>16</sup>

After the Glorious Revolution deposed Stuart in 1688, the French continuously supported Scottish rebellions over the course of the eighteenth century that attempted to reinstate the Stuart monarchy.<sup>17</sup> The combination of French and Stuart support within Scotland thus created over time an association between Scottish political autonomy and treasonous or anti-English collaborative activity undermining the newly united Leviathan state structure.

Rather than resolving these mounting political tensions, the Act of Union between Scotland and England in 1707 introduced the Scottish as subordinates to the English Leviathan, with negative effect on the Scottish mercantile trade. Unequal Parliamentary representation of the Scottish quickly characterized the new Union state structure, with only 16 of over 150 Scottish peers selected to sit in the House of Lords.<sup>18</sup> Despite paying for and being embroiled in England’s wars, the Scottish for this reason could not substantively influence English foreign policy. From the inception of the new fiscal-military state, Scottish trade began to experience a pattern of disruption from wars conducted by and for the English state.<sup>19</sup> The Glorious Revolution, therefore, marked the building of a new fiscal-military state structure—a new English Leviathan—at the price of Scottish political and mercantile interests.

The East India Company was central to building this new state model centred in London, England, to the detriment of the Scottish, in two ways. Primarily, the Company provided revenue for the British state, which was mainly expended on warfare, increasingly conducted by the East India Company in rivalry with France.<sup>20</sup> In the seventeenth century, England had Europe’s first standing army; by 1778 the state spent around a quarter to a third

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15 Jenny Wormald, *Scotland : A History*, (Oxford: Oxford University Press, 2005). 126-140.

16 Wormwald, *Op. Cit.*, 126.

17 See for instance Wormwald, *Op. Cit.*, on Jacobite rebellions, 152-240.

18 Wormwald, *Op. Cit.*, 156.

19 Ertman, *Op. Cit.*, 144.

20 See for instance either Wormwald or Ertman, *Op. Cit.*

of national income on wars.<sup>21</sup> Essentially, the Company paid the state for its monopoly privileges.<sup>22</sup> That Parliament understood the Company's financial role as providing income for the new British state can be largely extrapolated from the strict controls and taxation imposed on the Company by Parliament, whose repeated debates and involvement in the conduct of the Company's trade suggest the interconnectedness of the state and the Company. In contrast to the flexibility of England's main contemporary trading rival, the Dutch East India Company, the English Parliament was highly protective of the Company's trade, as a threat to the Company was directly "an attack on its [the state's] own income."<sup>23</sup>

Accordingly, the Company directly structured its trade practices around ensuring security for the English state's income. For instance, the Company had to conduct an inventory and store at least a year's goods to ensure stock for sale in case of trade disruption.<sup>24</sup> The Commutation Act of 1784 also aptly illustrates the importance of the Company's revenue for the state.<sup>25</sup> The Act attempted to address the growing challenge to the Company's monopoly posed by smuggling through lowering taxes on tea imports. However, the lowering of taxes on Company tea was offset by the introduction of a domestic tax on windows—in essence, aggregated property tax—to minimize subsequent loss of income for the state.<sup>26</sup>

By the late eighteenth century, the Company had become representative of the British state and so also a symbol of the state's failings. The main economic treatises of the late eighteenth century, notably Adam Smith's 1776 *The Wealth of Nations*, centered on a critique of the East India Company's monopoly, which had become associated with corrupt governance. In the latter half of the eighteenth century, a pattern emerged of Company officials who returned quickly to England from postings abroad with mass amounts of wealth, after which they became members of Parlia-

21 Ertman, Op. Cit., 220.

22 Mui, Op. Cit.; Chris Nierstrasz, *Rivalry for trade in tea and textiles: the English and Dutch East India Companies (1700-1800)*, (New York, NY: Palgrave Macmillan, 2015), 36-37.

23 Nierstrasz, Op. Cit., 35.

24 Nierstrasz, Op. Cit., 30-37.

25 Mui, Op. Cit.

26 Ibid.

ment.<sup>27</sup> Adam Smith, for instance, argued that

“Since the establishment of the English East India Company, . . . the other inhabitants of England, over and above being excluded from the trade, must have paid in the price of the East India goods which they consumed, not only the extraordinary profits which the Company may have made upon these goods in consequence of their monopoly, but for all . . . the fraud and abuse, inseparable from the management of the affairs of so great a company.”

Instead, wealth should be a public good, spread amongst a multiplicity of private persons rather than concentrated in the hands of the state. For Smith, therefore, “great nations are never impoverished by private, though they sometimes are by public prodigality and misconduct.”<sup>28</sup>

It is notable that Smith uses the collective term “English” to describe those excluded by the trade. However, this does not negate that Scotland pioneered free trade economic theory, indicating that it was the Scottish political and economic context that really drove the push against the East India Company’s monopoly.<sup>29</sup> Hence, a book on Free Trade and Moral Philosophy only addresses Scottish intellectuals: Adam Smith, Frances Hutcheson, and David Hume. Equally, in a book on British Economic Thought and India: 1600-1858, five of eight intellectuals analyzed are of Scottish background: Adam Smith, James Mill, Lord Lauderdale, James Steuart and John McCulloch.<sup>30</sup> It seems that it was specifically from the Scottish perspective that one could interpret the very interconnectedness that characterized the East India Company

27 See for instance Warren Hastings’ *Trial and Old Corruption in Elijah Impey, Memoirs of Sir Elijah Impey, Knt ... with anecdotes of Warren Hastings, Sir Philip Francis, Nathaniel Brassey Hallhed, Esq., and other contemporaries*, 12-13 or Natasha Eaton, “The Art of Colonial Despotism: Portraits, Politics, and Empire in South India, 1750–1795,” *Cultural Critique*, 70 (2008), 63-79.

28 Adam Smith and Arthur Hugh Jenkins, *Adam Smith today: An inquiry into the nature and causes of the wealth of nations*, (Port Washington, N.Y.: Kennikat Press, 1948), 442.

29 See for instance Richard F. Teichgraeber, “Free trade” and moral philosophy: *rethinking the sources of Adam Smith's Wealth of nations*, (Durham [N.C.]: Duke University Press, 1986) or William J. Barber, *British economic thought and India, 1600-1858: a study in the history of development economics*, (Oxford: Clarendon Press, 1975).

30 Ibid.



and London-centred English fiscal state building as detrimental to a wider British public who could not access the wealth and capital produced by this system. Smith's critique of the growth of a state system of administration as the concentration of "public revenue" in "unproductive hands" "multiplied...to an unnecessary number" makes sense in a context in which the state bureaucracy grew in order to extract taxes from the public to fund warfare.<sup>31</sup>

***Scottish economic networks unfurl through the cracks of the East India Company***

The biographies of William Jardine, James Matheson, and John Crawford support the narrative of the unique positioning of Scots to lead the pressure against the East India Company's monopoly and thus eventually take over the East India Company's opium trade. The trajectory of their biographies seems to demonstrate that the development of the English imperial state over the Scottish resulted in networks of economic opportunity for educated Scots abroad rather than at home. Hence, economic opportunity for the educated could only be found in the networks of the English imperial system: that is to say, with the East India Company, which was the organ managing the trade empire. By the 1830s, William Jardine and James Matheson had established what would become the largest trading house in opium in Canton, and John Crawford had become one of the leading members of the Scottish free trade movement, the most active of the groups to pressure for the end of the East India Company's monopoly, which was finally abolished in 1833.<sup>32</sup>

From around the mid-eighteenth century to the 1830s, or the latter years of the Company's monopoly, the Company navigated a transition from a mercantilist charter company to an explicit governor of expanding sovereign territories in India.<sup>33</sup> In this navigation to a new role, the Company grew increasingly dependent on private organizations and individuals to conduct its trade. Accordingly, the renewed charter in 1793 conditionally allowed private merchants from Britain to engage in trade in the West Indies for the

31 Smith, *Op. Cit.*, 442.

32 See for instance Mui, *Op. Cit.*

33 Mui, *Op. Cit.*; Anthony Webster, *The twilight of the East India Company: the evolution of Anglo-Asian commerce and politics, 1790-1860*, (Woodbridge: Boydell Press, 2009).

first time.<sup>34</sup> Furthermore, the Company permitted increasing flexibility in what was called the “country trade,” in which merchants and employees of the Company on Company ships were licensed by the Company to conduct a limited private trade of their own. An integrated sub- or shadow system of private trade thus developed between 1757 and 1830, which remitted profit to Britain through increasingly pivotal private agency houses.<sup>35</sup> This system supported and was interdependent with the Company, which became increasingly reliant on the capital and incentive produced from this growing private trade to finance its spreading operations. Between 1800 and the 1830s, members of agency houses had begun to take seats in the Company’s Board of Directors.

Jardine, Matheson, and Crawford were quickly drawn into this trade network. Their trajectories demonstrate the development of this adaptive shadow system of private trade, which finally positioned the Scots to take over the East India Company’s monopoly. The three studied medicine at the University of Edinburgh around the turn of the nineteenth century. Jardine and Crawford immediately became employed as ship’s surgeons on Company ships, while Matheson found employment in a mercantile house in London. According to Richard Grace, Jardine quickly realized that the most profitable part of his employment was the small private trade that he was allowed to conduct on the Company ship.<sup>36</sup> Jardine managed investments from this trade with advice from an agent, Thomas Weeding, who himself had been a surgeon and was now in the employ of one of the newly developing agency houses in India.<sup>37</sup> Once Weeding had become a member of the Board of Directors of the Company, he was able to obtain for Jardine a Free Merchants’ Indenture to license Jardine’s full transition towards private trade. Jardine arrived in Mumbai as his own man in 1819.<sup>38</sup>

Similarly, Matheson and Crawford’s stories demonstrate the development of Scottish networks adapting to Company regulations and the imperial restructuring of the economy that eventually

34 Kumagai, *Op. Cit.*, 15-17.

35 See for instance agencies and remittances in Mui, *Op. Cit.*, or Emily Erikson, *Between monopoly and free trade: the English East India Company, 1600-1757*, (Princeton : Princeton University Press, 2014), Webster, *Op. Cit.*

36 Grace, *Op. Cit.*, 58, 62-63.

37 *Ibid.*

38 Grace, *Op. Cit.*, 57, 70.

found the Scots replacing the Company as a dominant trade force. John Crawford, unlike Jardine, remained as a Company surgeon, accompanying Company military campaigns.<sup>39</sup> He then returned to Britain and, using his experience and prominent connections in the empire, became a diplomat, sent on British missions throughout the 1820s to Singapore, Burma, and Cochin China (Vietnam).<sup>40</sup> Crawford used his political standing to argue for free trade as opposed to the East India Company's monopoly, first representing the interests of Calcutta private merchants before becoming a spokesperson and writer for the Scottish pressure group known as the Glasgow East India Association in the 1830s.<sup>41</sup>

Matheson's family also found its living in the seemingly limitless holds of the East India Company.<sup>42</sup> It appears likely that Matheson had secured the job in a mercantile company in London through their connections and subsequently used them to obtain his own Free Merchants' Indenture in 1815.<sup>43</sup> He then joined his uncle's agency house in Calcutta, using connections established there to then enter the opium trade between Mumbai and Canton.<sup>44</sup> The opium that Matheson traded, Malwa, was a West Indian opium competitive to the East India Company's opium produced in the Company's territory in Bengal and Patna.<sup>45</sup> Malwa, being outside the Company's reach, accordingly provided an opportunity for private entrance into the profitable opium trade. By 1827, importation of Malwa to Canton was matching and often on a monthly basis outpacing imports of the Company's opium, contributing to the Company's decline.<sup>46</sup>

In 1832, after partnering in management of the Can-

39 See for instance Gareth Knapman, *Race and British colonialism in South-East Asia, 1770-1870: John Crawford and the politics of equality*, (New York: Routledge, 2017).

40 Kumagai, Op. Cit, 93-94, 184-185.

41 Kumagai Op. Cit, 184-185.

42 Grace, Op. Cit., 72-73.

43 Ibid.

44 Ibid.

45 See for instance Eric Lewis, *Black opium: an account of a "morally indefensible" trade in "this horrible drug," with an appeal to the churches in Great and Greater Britain to unite in one great concerted effort, calling upon our country to pay the price of a god-honouring ending*, (London: Marshall Bros 1910), 9.

46 *Canton Register*, Vol. 1 No.1-4, 1827, Hoover Library Archives.

ton-based trade company Cox & Beale, Jardine and Matheson established their own firm.<sup>47</sup> As opium was illegal to import to China, the East India Company concentrated its opium trade on the production, sale and levying of opium in India, leaving the importation of opium itself to private merchants. These merchants, not being direct representatives of the British state, were comfortable and more able to take the trade risk. In this way, opium, and particularly Malwa opium, became at the same time both the most efficient entrance point into the imperial trade networks and an innate challenge to the Company's monopoly. In a pursuit of economic opportunity from the shores of Scotland, Jardine Matheson & Co. consequently entered the opium trade with Matheson's Malwa connections.<sup>48</sup> By the end of the 1830s, Jardine & Matheson had leveraged this entrance point successfully to become the biggest opium traders in Canton.<sup>49</sup> That is to say, Scottish economic networks that had adapted out of necessity to profit from the East India Company's decline of direct control over the opium trade seem to have unwittingly had the outcome of the Scottish rise in the opium trade.

***The mechanics of the Scottish rise: domestic battle against the East India Company***

The Scottish evidently also perceived themselves as marginalized from an economic and political system underpinned by the East India Company's monopoly, which prioritized and centered financial capital in London. By the turn of the nineteenth century, Scotland's economy, like England's, had begun to rely on the East India Company to open imperial markets for its manufactured goods. Similarly to England, the latter half of the eighteenth

47 Grace, Op. Cit., 123.

48 The phenomenon of Scottish migration in pursuit of economic opportunity was notable enough to be documented by contemporary analyses, for instance in *A Candid enquiry into the causes of the late and the intended migrations from Scotland. : In a letter to J- - - - - R- - - - - Esq; Lanark-Shire* (Glasgow: Printed for P. Tait, and sold by him, and J. Barrie J. Duncan J. Knox Booksellers, Glasgow; J. Dickson, Edinburgh; J. Davie, Kilmarnock; A. Weir, Paisley; J. Hay, Belfast; and other booksellers in town and country, 1771). Accessed through <http://find.gale.com.stanford.idm.oclc.org/ecco/infomark.do?&source=gale&prodId=ECCO&userGroupName=stan90222&tabID=T001&docId=CB126413320&type=multipage&contentSet=ECCOArticles&version=1.0&docLevel=FASCIMILE>, 03/23/2020.

49 See for instance Janin, Op. Cit., 65-67.

century saw a drastic increase in urbanisation and industrialisation, resulting in the concentration of the Scottish economy in industrial centers in the South, largely in the manufacturing areas of Glasgow and Edinburgh.<sup>50</sup>

Following Scotland's direct integration into the English imperial structure, networks of economic opportunity followed those of the British Empire; by the 1800s, the networks were those established by the East India Company. This economic transformation quickly followed the Act of Union in 1707. Over the next half-century, Scotland, and particularly Glasgow, entered the "tobacco era," during which the wealthiest sectors of the economy were engaged in the tobacco trade with the English colonies in America. The phenomenon was notable enough to birth a new category of *nouveaux-riches* merchants known as "tobacco lords," who enriched themselves from the tobacco trade and then established banks, largely in Glasgow.<sup>51</sup> The loss of the American colonies in 1783 was offset in the Scottish economy by a shift to the industrialized production of cotton goods following England's model, enabled by cheap coal deposits near Glasgow and the replacement of America's imperial raw cotton supply by India and the Caribbean.<sup>52</sup> Scotland swiftly transformed into what can be thought of as an industrial monoculture: its industrialization, concentrated in the South, developed an economy dependent on the industrial hyper-production of a single category of goods enabled by incoming resources from the empire. Scotland itself could not absorb this level of cotton goods. Its economy now required entrance into the British imperial system's captive markets.

However, the East India Company's monopoly charter meant that Scottish manufacturers had no direct access to the remnant imperial export markets after the loss of America.<sup>53</sup> While the East India Company had opened access for Scotland to raw cotton from the Caribbean and India, the terms of its monopoly denied direct private exportation of the manufactured cotton goods subsequently produced in Scotland.<sup>54</sup> In response, a clandestine trade developed between Scotland and the markets controlled by the East

50 Wormwald, *Op. Cit.*, 162-165.

51 Wormwald, *Op. Cit.*, 165; Kumagai, *Op. Cit.*, 34-35.

52 Wormwald, *Op. Cit.*, 166.

53 Erikson, *Op. Cit.*, 31-36.

54 Kumagai, *Op. Cit.*, 34-35.

India Company. Yukihiisa Kumagai's work on the development of provincial manufacturing pressure against the Company notes that "In 1781, the West India trade accounted for 21% of...exports from Scotland, 42% by...(1800) and 65% in 1813."<sup>55</sup> Around the turn of the nineteenth century, then, Scotland saw the increasing concentration of people and factories in Glasgow and Edinburgh, and experienced the transformation and integration of rural areas into as resource producing sectors of the industrial system. Consequently, the Scottish economy grew increasingly dependent on the imperial import-export system, which English East India Company controlled for its own profit and formally for the benefit of the imperial London-centred state in the British Isles.

The Scottish manufacturers therefore began to push for an increasingly large formal space for their trade and manufacture interests around the turn of the nineteenth century. This space would necessarily come at the expense of the East India Company's monopoly, which appeared as the clearest barrier against the Scottish manufacturer's ability to manipulate the trade to their own interests. For this reason, while the renewal of the Company's monopoly charter in 1793 formally granted conditional trade rights to private merchants and manufacturers, Scottish interest groups remained dissatisfied.<sup>56</sup> Furthermore, the Napoleonic Wars, which were entwined with English trade rivalry with the French conducted by the East India Company, were behind a recession in the British Isles that was particularly affecting Scottish manufacturers and the British midlands, continuing the eighteenth century pattern of economic disadvantage from English imperial state building.<sup>57</sup> The dissatisfaction and perception of the Company's monopoly as disadvantageous to Scottish economic interests expressed itself in the form of the establishment of a Scottish free trade committee composed of members of the Chamber of Commerce of Glasgow.<sup>58</sup> This committee sought "to consider and report what steps ought to be taken upon the approaching expiration of the East India Company's Charter," which was scheduled for review in 1813.

The answer that the committee found was to establish the Glasgow East India Association, essentially in order to organize to

55 Ibid.

56 Kumagai, 15-17.

57 Grace, Op. Cit., 66-67.

58 Kumagai, Op. Cit., 39.

mobilization of manufacturers across towns in Scotland against the renewal of the Company's charter, which would continue to prioritize London over other parts of the British Isles. The Association was one of several pressure groups in British industrial centers outside London at this time.<sup>59</sup> However, it quickly became one of the most active pressure groups against the renewal of the Company's monopoly between the 1810s and the final ending of the monopoly in 1833.<sup>60</sup> The Association coordinated not only across Scotland but also with other similar organisations, as well as mobilising Scots from across the British Isles and the Empire to write petitions and become spokespeople for the Association.<sup>61</sup> According to Kumagai, its main resolutions were thus "(1) the inexpediency and prejudice of the Charter; (2) the unfairness of the Charter for the exclusion of British ships from the East India trade... (3) the determination of their resistance against the renewal of the Company's monopoly; (4) their objection to any regulation confining the trade to the port of London;" and the appointment of a committee for petitioning Parliament to this purpose.<sup>62</sup>

Pamphlets produced in the debates on the renewal of the Company's charter, both in defense and offense against the Company's monopoly, similarly reflect the history of Scottish economic and political marginalization. A pamphlet written by Robert Montgomery Martin in 1832, for instance, was written in response to the Scottish John Crawford, a spokesperson for the Glasgow East India Association in the 1830s.<sup>63</sup> This pamphlet, and another similarly addressed to Crawford, based their defense of the current organization of the East India Company's trade on the claim that the Company in fact did not have a monopoly. Instead, the Company in fact provided the public good that the Scottish Enlightenment free trade theorists were proponents of the British Empire itself. The Compa-

59 See for instance Kumagai, *Op. Cit.*, on the manufacturers' campaigns of Manchester and Liverpool.

60 Kumagai, *Op. Cit.*, 73.

61 *Ibid.*

62 Kumagai, *Op. Cit.*, 40

63 Robert Montgomery Martin, *The Past and Present State of the Tea Trade of England, and of the Continents of Europe and America: And a Comparison Between the Consumption, Price Of, and Revenue Derived From, Tea, Coffee, Sugar, Wine, Tobacco, Spirits, &c.* (Parbury, Allen, & Company, 1832), 1-8.

ny, Montgomery claimed, was the organ through which “one of the most splendid empires that ever was subjected to the dominion of man” had been established.<sup>64</sup> The Company’s empire had enabled trade through “a commercial union of wealth...talent and patriotism.”<sup>65</sup> The extremely high regulation of the Company meant that the Company was manifestly not a monopoly but an organ of public service for the good of the British people.

The Company’s monopoly as the tool for the construction of an imperialistic state reflects exactly the development of Scottish economic and political grievances with the Company. Crawford’s pamphlet, written in a back and forth with Martin, thus attacked the Company’s monopoly on the same terms of a public good. Crawford mocked the idea of the monopoly charter being a public good, ridiculing the idea that “it is good for the British nation, that each of four-and-twenty private gentlemen frequenting Leadenhall Street, should enjoy a yearly patronage of some 25,000l [lbs].”<sup>66</sup> It was impossible for Crawford that Martin and defenders of the monopoly could claim that “it is good for the merchants and manufacturers of Britain to be debarred from the market of India by a monopoly, and to have their exports reduced” or to have to purchase “the produce of India at exorbitant monopoly prices.”<sup>67</sup> Instead, the monopoly provided wealth for a select group of people who were the elite of London to the detriment of other manufacturers and the British consuming public. Therefore, due to their developing perception over the course of the eighteenth and early nineteenth century that the East India Company’s monopoly was detrimental to their interests, the Scottish became a key source of pressure against the East India Company’s monopoly in the British Isles in the first half of the nineteenth century.

***Battle cries across the Empire: Jardine Matheson & Co.’s profitable campaign against the East India Company’s monopoly***

64 Robert Montgomery Martin, *British Relations with the Chinese Empire in 1832; Comparative Statement of the English and American Trade with India and Canton*. (London: Printed for Parbury, Allen & Co., Ledenhall Street, 1832), vi. Accessed through [https://books.google.com/books?id=zspaZGj026wC&pg=PA58&source=gbg\\_toc\\_r&cad=3#v=onepage&q&f=false](https://books.google.com/books?id=zspaZGj026wC&pg=PA58&source=gbg_toc_r&cad=3#v=onepage&q&f=false), 02/2020.

65 Ibid.

66 John Crawford, *Chinese Monopoly Examined*, (London: J. Ridgway, 1830), 5.

67 Crawford, Op. Cit., 7.



On the ground in Canton, the merchant community could recognize or observe the mercantile decline of the East India Company in two main ways. Most explicit would have been the establishment of an increasing number of private companies as the East India Company surrendered more and more direct management/control of the opium trade to private trader intermediaries, and the growing local prestige of these companies. The approximate long decade of the 1820s (around 1818 to 1832) saw the establishment of a new generation of private opium trading houses, three of which would become the most prominent businesses of the Canton opium trade: Russell & Co. in 1818, Dent & Co. in 1824, and Jardine Matheson & Co. in 1832.<sup>68</sup> By the late 1820s, on the eve of the end of the East India Company's official trade monopoly in China, the private merchants were turning over a higher trade volume than the Company.<sup>69</sup> As a final and symbolic marker of the Company's decline, in 1834, Jardine Matheson & Co. deliberately ensured that they rather than the East India Company greeted Lord Napier upon his arrival in Canton as representatives of the local community to the British government.<sup>70</sup>

All this seems to have bolstered the confidence of the private opium merchants in Canton, led by the Scots, to negotiate an increasingly prominent public space for their trade, with a particular focus on the commodity of opium. Thus in 1827, Scottish James Matheson published the first English language newspaper in Canton, entitled *The Canton Register* and Price Current. Its first edition opens by politely explaining that "the want of a printed register of the commercial and other information of China has long been felt...our principal endeavour will be, to present a copious and correct price-current, of the various articles...in the market," as well as the state of connected foreign markets, and "occasionally" the "trade, customs, and peculiarities of the Chinese."<sup>71</sup> On the second to fourth pages, the first volume of the *Register* indeed details a list of current market prices for various goods, including opium, and then concludes with a longer analytical section on opium again.<sup>72</sup>

68 See for instance Janin, *Op. Cit.*, 57-73.

69 Kumagai, *Op. Cit.*, 12.

70 *Ibid.*

71 *Canton Register*, Vol. 1. No. 1, November 8th 1827, 1.

72 *Canton Register*, *Op. Cit.*, 2-4.

In this way, the *Canton Register* already begins with an important discrepancy between the open inclusion of and focus on opium in its list of trade goods and the lack of explicit discussion of this inclusion in the stated goals of the paper. The private merchants had long been negotiating a space in the system of monopoly trade that the East India Company officially dominated. Matheson's generation of private traders had established themselves by maneuvering into the opening that the East India Company had left them by refusing to explicitly smuggle illegal opium into China. As detailed above, the Company instead preferred to develop a system of engaging private companies to do the importation itself, which led to the increasing cession of control to the private merchants.<sup>73</sup> Therefore, the inclusion of the current price of opium amongst other commodities in a publication with the public goal of informing the stakeholder merchant community of the state of the market was an act of defiance in the face of the Company's careful public distancing from the trade, which must have been enabled by growing confidence of their position over the Company.

Not openly stating that opium was the evident main market focus of the *Register* in its opening goals seems to indicate that the *Register* under Matheson knew that it was entering into political ground, carefully claiming new space from which the Company was receding. Furthermore, the *Register's* role as a political organ, or a publication with a certain stake and purpose in informing its readers, became very quickly more explicit or central to both its professed goals and its real function. By the second publication of the first volume, the *Register* explained to its reader that "in publishing our first number, we naturally felt a considerable degree of diffidence, from the novelty of our undertaking, as well as our uncertainty how far the community might feel disposed to patronise our efforts, in...[publishing] little else than a copious price current."<sup>74</sup>

However, in response to "numerous" letters and articles of feedback, the reader is assured that the *Register* will publish other informative as well as "commercial" topics.<sup>75</sup> As proof, a letter to the editor is included, signed "Amicus", which beseeches the editor

73 Mui, Op. Cit.; Webster, Op. Cit.

74 *Canton Register*, Vol. 1. No. 2, November 18th, 1827, 1.

75 Ibid.

to publish information “concerning the peculiar character and policy of the...government of this country, as connected with foreign intercourse, and on the resources and wants of this vast Empire; and the best means for extending and improving our connection with it,” for instance through “notices of the latest political intelligence.”<sup>76</sup> Here, again, is the same delicately maintained disparity between uncontroversial surface claim and an emergent political agenda. The *Register* only explicitly positions itself as mainly focusing on a public service of useful information in response to the needs and pressures of its reading community, while the more politically sensitive stances are left in the body of the paper. It would now begin publishing information and analysis on how to improve the private merchant’s trading position in China.

The *Register* in this way carefully shaped for itself a political role from the very beginning: the promotion of a specific economic agenda profitable to its stakeholder reading community through political action, informed by Scottish political thought. For instance, the *Register* published and translated free trade treatises primarily by Scottish free trade economists in an attempt to facilitate the spread of free trade thought amongst both the non-Chinese and Chinese populations of Canton.<sup>77</sup> To this end, in 1831, the *Register* requested translations of “the latest editions of Dr. Adam Smith’s work..., Malthus’, M’Culloch’s and Mill’s...&c.”: all, again, Scots.<sup>78</sup>

The Scottish economic agenda bent and morphed to the touch of the specific necessities of the local economic context over time. This localized version of the free trade economic agenda had two parts: firstly, the portrayal of the East India Company’s policy of negotiating with the local Qing government over trade as historically feeble and detrimental to foreign trade interests. For instance, on the front page of the fourth edition of the *Register*, a little over one month from its first edition, is an article entitled “Portuguese Trade with China.” The article presents a brief history of the “decay” of Portuguese trade to China, from the 16th century onwards, explaining that “a tame submission to the impositions of the Chinese may be considered as one of the principal causes

76 Ibid.

77 Chen, Op. Cit., 26-31.

78 Chen, Op. Cit., 27.

which have reduced Macao (which had been granted to the Portuguese by the Qing) to its present insignificant and dependant state.”

<sup>79</sup> Similarly, throughout the *Register* are veiled references to the “submissiveness” of “the tenor of the whole conduct of England with China for more than half a century”; the conduct with China, of course, was run by the East India Company.<sup>80</sup>

Secondly, the *Register* suggests almost from the very beginning of its publication that the Qing legal and political structures barring the private merchants from conducting trade completely to their own advantage could reasonably be countered. While the *Register* only treated this claim with increasing explicitness once it grew in confidence over the years of its successful publication, the development of this interpretive framework of merchant relations with the Qing government is clear already in the first non-commercial articles of the paper. In the second edition of the *Register*, shortly after establishing that the publication will now discuss matters of interest to the betterment of private foreign merchant-Qing relations, the reader finds information on the military operations in the “State of China,” followed by articles detailing the “extreme” cruelty of torture “allowed by law in China.”<sup>81</sup>

The articulation of belligerence towards constraints imposed by the Qing authorities particularly grew after the abolishment of the East India Company’s trade monopoly over China, but also after every altercation with the Qing government over trade from the beginning of the *Register*’s publication. The earliest publication of an article explicitly calling for change in relations with the Qing in belligerent language is in the eighth edition of the *Register*, of February 1828. The article protests that “we have lately witnessed two outrageous attempts of the Chinese to take the Law into their own hands upon some disputed point of business,” which resulted in the “atrocious” case of the seizure of a European merchant by Chinese sailors.<sup>82</sup> Its author concludes that “these things ought not to be tolerated,” and that legal matters should only be managed by the “British authorities.”<sup>83</sup> Publications such as this in response to action taken by Qing authorities became a repeated

79 *Canton Register*, Vol. 1. No. 4, December 14th 1827, 1.

80 *Canton Register*, Vol. 6. No.s 13 & 14, September 16th 1833, 76.

81 *Canton Register*, Vol. 1. No. 2, November 18th, 1827, 1-2.

82 *The Canton Register*, Vol.1 No. 8. December 3rd 1828, 2.

83 *Ibid.*

pattern over time, with each altercation resulting in more explicit discussion of the possibility of open war, for instance during 1828 debates of redress over the removal of a merchant's Factory wall by Qing authorities or again on the "Right of Interference" that centered around allowing presence of in British war ships in Canton in 1831.<sup>84</sup> Explicit belligerence grew particularly and immediately after the abolishment of the East India Company, during the subsequent renegotiation of the British trade system with the Qing which was troubled by the banishment and death of Lord Napier in 1834.<sup>85</sup>

The *Register*, in protest of the East India Company's management of the China trade, therefore seems to have been promoting an epistemological framework that primed belligerence towards China. The framework enabled each flare up or squabble with Qing authorities to act as a spark for an open airing of grievances, which increasingly shifted towards battle cries for war. The bias towards war in the *Register* had become so evident by the mid-1830s that it framed the dispute in an internal split. The founders of the English company Dent & Co. left the *Register* to establish the rival newspaper the *Canton Press*, which labeled the *Register* as the "Warlike Party" in 1836, and was in turn branded by the *Register* as the "Pacific Party."<sup>86</sup> Even contemporary audiences, then, thought it fairly clear that the *Register* was not simply for the dissemination of local commercial information but the dissemination of certain types of information for a political purpose relevant to a particular invested community.

By the outbreak of the Opium War, this particular invested community of private opium merchants in Canton evidently saw the forceful opening of China in opposition to the Company's style of trade management as the most profitable forward path. In short, Jardine, of the private opium house Jardine Matheson & Co., published a newspaper calling for war; the War itself was conducted along the lines of a strategic plan that had been published in the *Register* in 1836; and Jardine Matheson & Co. conveniently leased

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84     *The Canton Register*, Vol.1 No. 40. February 18th 1828, 2-4.; *Register* Vol. 4 2nd August 1831, No. 15.; see also the edition of 15th June 1832 calling for a crisis since the current state of affairs is no longer tolerable.

85     *The Canton Register*, Vol.7. No. 28. July 15th 1834, 1.

86     Kumagai, *Op. Cit.*, 11-12.

ships to the British navy to conduct the war.<sup>87</sup> The Scots managed to their profit one of the most definitive moments in Chinese history of the British opium trade. By 1839, the English had lost the opium trade to the Scots.

***Conclusion: from marginalization to drug lords***

Within the word ‘British’, there is to all appearances also a complex story of English imperialism within the British Isles. The influence of English imperialism within the British Isles on the history of the wider British Empire and its foundational opium trade is not often considered. However, the British Empire seems better conceptualized as specifically the English Empire, run for the profit of the English—until the Scottish adapted to the restrictive economic opportunities left to them by the English in the empire that by the 1830s positioned them as inheritors to the English East India Company, formally profiting from and conducting the British imperial opium system.

The first section of the paper attempts to explain the development of the English fiscal military state from 1707 onwards as an English imperial system within the British Isles, which profited the English at the expense of the Scottish. The second section argues that the prioritization of the English in the economic system of the British Isles led to the birth of free trade thought in Scotland that saw the East India Company’s monopoly as an obstruction to public wealth. The third section depicts how the subordinate economic position of the Scottish pushed Scots to seek economic opportunity in the Empire, resulting in the development of economic networks profiting from the Company’s decreasing direct control on the opium trade. In response, I detail how Scottish manufacturers mobilized to pressure against the East India Company’s monopoly. Finally, in Canton, the main entry port of opium to China, the Scottish William Jardine led efforts by local private merchants against the Company’s monopoly, eventually profiting from the Company’s collapse and the First Opium War.

The opium trade can in this way be interpreted not so much as a historiographical foundation for British hegemonic might, but a glimpse into the English struggle to maintain an imperial system for its own profit, both at home and abroad. From this new angle,

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87 John King Fairbank, *China: a new history*, (Cambridge, Mass: Belknap Press of Harvard University Press, 1992), 195-197.

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and the understanding that the Scottish and local private traders appear to have assumed influence over British opium trade policy in China, pushing policy to their profit by the 1830s, the history of the British Empire can begin to be entirely reconceptualized. The new narrative is longer, more complex: one of struggle and adapting mercantile practices over time. Key moments such as the First Opium War become, rather than expressions or lashings out of British might in the historiography, moments of uncertainty for the English, and an attempt to re-assert power over changing waters, or perhaps to navigate a sea adrift with poppies.