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The EITC's Fall and the Opium Wars

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Abstract

The East India Trading Company (EITC) was one of the first companies to establish a monopoly over goods traded around the world. The EITC spread goods that were typically only found where they originated, such as tea, spices, and opium.

The Chinese had access to poppy before the EITC began importing it, and when China levied a ban on opium being imported China, the EITC ignored it and continued to profit off China's opium addiction. The EITC, and Britain, saw the ban, and the actions taken by China to enforce the ban, as an act of war and reacted as such. This then led to the first of the two Opium Wars. With the conclusion of each war, the EITC gained more access to open trade in China through the Treaty of Nanjing (First Opium War) and then the Treaty of Tianjin (Second Opium War).

While the Opium Wars did not lead to the fall of the EITC directly, the abuse shown to the Chinese people through the treaties that China was forced to sign at the end of both wars most definitely started it. A revolt broke out in the opium fields of India among the enslaved people there, and instead of the EITC giving into their demands, the EITC slaughtered them. This led to Britain refusing to renew the EITC's contracts of the monopolies that they held: first their foothold of trade control in Asia, more specifically China, and second their monopoly of the opium trade in India. This dried up the EITC's resources as far as money, and ultimately led to their disbandment in 1857.

Introduction

The East India Trading Company (EITC) was once one of the most powerful companies in the world. Formed at the turn of the 17th Century, “[it] went on to become one of the most successful traders in the world dealing with India, China, Indonesia, Malaysia, Japan and Persia. It was responsible for introducing everyday items such as tea, porcelain, chintz and curry powder to Europe and was granted monopoly privileges on its Asian trading” (Simpson, 2002). By the time it was disbanded it was its own quasi-state, established by the four DIME power elements in countries around the world, with a military second only to the British. With all the military power and the mass amount of trade that the EITC carried out over the course of a century, several conflicts arose. Of these, the most notable are the two Opium Wars that were fought between the EITC and China; with the EITC being disbanded less than fourteen years later, one must ask the question: Did the Opium Wars lead to the fall of EITC? Historians have often explored what led to the fall of the EITC, however few have linked the Opium wars to the fall of this once great company. Bridging this gap may lead to a better understanding of how much influence the EITC had in the world at the time, and how the effects of the actions of the EITC are still resonating today.

Literature Review

Historians like Jeffrey Wasstersrom, Pamela Crossley, P.J. Marhsall and Christopher Bayly have linked the Sepoy Mutiny and Boxer’s Rebellion to what led to the fall of the EITC (Bayly & Harper, 2005). This is an unfortunate oversight. In order to properly understand the power dynamics in the region, we must go further back. In doing so, we need a systematic understanding of social power provided through DIME.

The DIME Model

Statehood is understood and recognized once four power models are established. These four power models are: Diplomatic, Information (Intelligence), Military and Economical (DIME) (Hartey, 2010; Howard, 2012; Kozloski, 2009). These four elements of power are what is needed for a nation-state to be recognized as a sovereign state by other governments. These power models are essential to a nation-state because if one element fails, then so does the rest. Without

diplomatic relations, a nation cannot properly function as a world player, without informational the nation would be left in the dark to what is going on in the rest of the world, without the military aspect the state could easily be crushed by a foreign power

and without the economic aspect then the nation has no means of acquiring money or funds for the other three elements.

These four elements of power also “represent the actions that a nation can take to change [a] state” (Hartley, 2010). In this, the EITC thrived. Not only did they establish several nation-states themselves, but they used these four elements of power to influence change in many states during their time, and even managed to force a once reclusive nation to open its ports and boarders to western trade.

Instruments of National Power			
D Diplomatic	I Informational	M Military	E Economic
<ul style="list-style-type: none"> ▪ Embassies/ Ambassadors ▪ Recognition ▪ Negotiations ▪ Treaties ▪ Policies ▪ International forums 	<ul style="list-style-type: none"> ▪ Military information ▪ Public diplomacy ▪ Public affairs ▪ Communications resources ▪ International forums ▪ Spokespersons, timing, media and venues for announcements 	<ul style="list-style-type: none"> ▪ Military operations ▪ Engagement, Security Coop, Deterrence ▪ Show of force ▪ Military technology ▪ Size, composition of force 	<ul style="list-style-type: none"> ▪ Trade policies ▪ Fiscal and monetary policies ▪ Embargoes ▪ Tariffs ▪ Assistance

Ref: JFODS4: The Joint Forces Operations & Doctrine SMARTbook, 4th Rev. Ed. (www.TheLightningPress.com)

(Wade, 2011)

Diplomatic/Informational

The first two elements of the DIME model are diplomatic and informational. As exhibited in the figure above, the diplomatic element is shown through the establishment of embassies and ambassadors, drafting of treaties and policies and recognition as a sovereign country (Wade, 2011). The informational element is exhibited through public affairs, military information and international forums (Hartley, 2010; Kozloski, 2009). These two models are represented together because of how closely the two coincide within a government.

The diplomatic and informational elements rely on the other two elements. They rely on the militaristic element through needing protection by the military to ensure the survival of its people that hold important positions and by ensuring the government runs smoothly. These two elements then rely on the economic element to ensure that they have the money they need to carry out diplomatic missions and fund operations that could provide useful information.

Military

The military element is the simplest of the four, and also the easiest to identify. The military element is exhibited through military operations, show of force, military technology, and the size and composition of force (Kozloski, 2009; Wade, 2011). The military element is used to protect the nation-state, as well as attack others to establish power. This ensures the nation's survival from a physical stand-point.

The military element relies on the other three elements in several ways. The military, in most sovereign nations, takes orders from the government, meaning that diplomacy comes into play and is taken into consideration before military action is taken. The military element relies on the informational element by acting on the intelligence gathered by this element. The military

then relies on the economic element to provide the funding the military needs to carry out its day-to-day operations and protect the nation-state.

Economic

The last element of the DIME model is the economic element. The economic element is responsible for trade, fiscal and monetary policies, tariffs and embargoes (Hartley, 2010; Howard, 2012). The economic element ensures that the nation has the financial stability to operate and support every other element under the dime model. As mentioned above, the economic element is the most independent of the four elements, meaning that it can operate without the necessity of the other three elements. However, the diplomatic and intelligence elements aids the economic element with policies and procedures that allows the economic element to operate more effectively. Without the protection the military element provides, the economic element is exposed to possible attacks from other nations.

Sepoy Mutiny + Boxer's Rebellion

Historians, such as P.J. Marshall and Christopher Bayly, have acknowledged the Sepoy Mutiny (1857-1858) as one of the biggest cornerstones that led to the fall of the EITC. (Bayly, 1989, 1996; Bayly & Harper, 2005; P. J. Marshall, 1987, 1998; P.J. Marshall, 2005) They believe this because following this mutiny British Parliament and the British Crown investigated the EITC's dealings with the peoples of India in how they governed them and decided that the EITC was no longer fit to rule over the country. The British Parliament and the British Crown then decided to take over governing India and the colonies therein, thus breaking the EITC's monopoly over India. The British Parliament and the British Crown did so by establishing the Indian Act, which made The Crown and Parliament as rulers over India and the British Colonies in India instead of the EITC (P.J. Marshall, 2005). Historians see this act as one of the major

events that lead to the termination of the EITC's charter and what lead to the end of the EITC as a whole.

Another event that most historians, like Jeffrey Wasserstrom and Pamela Crossley, agree on that lead to the end of the EITC is the Boxer Rebellion in China (1899-1901). (Crossley, 1990, 2010, 2014; Wasserstrom, 2009, 2010, 2016) This event opened the World's, and more importantly Britain's, eyes to the hatred that Chinese people harbored for not only Western Countries and their culture, but more specifically Britain. The brutality and hatred shown in this rebellion is described in several articles and books. This rebellion made Britain question the EITC's ability to deal with other nations, thus the EITC's credibility was called into question.

Recommendations

When it comes to analyzing what caused the fall of the EITC, many historians agree that there were many events that lead to its demise, with the two events listed above as the most prominent. However, one must consider why these events occurred. To do so, one must analyze what lead to these events, starting as early as the First Opium War. To consider this one must look back at what could cause the people in these regions to want to act out against the EITC. Boxer's Rebellion is linked to the Opium Wars in that it was the EITC imposed massively unfair laws and sanctions onto China and the Chinese people following the end of both wars. This led to civil unrest among these Chinese people, which eventually lead to the Boxer Rebellion. The second event discussed above was the Sepoy Mutiny. These Sepoy people were Indian natives turned slaves under the EITC rule. These people were native to the region where the poppy seeds grew in India, which the EITC used to make opium. What sparked the mutiny was when the Sepoy people found out that the EITC were making them use guns that were lubricated with cow and pig oil, which are a holy animals in the Muslim and Hindu religion and therefore against

their beliefs. When the Sepoy People refused to use the guns, the EITC responded with force, which led to the Sepoy Mutiny. Thus we see that we need to look back further to understand the Opium Wars; we need to look back to the EITC.

EITC

Beginnings

The spice trade in India was booming with the demand for Indian spices increasing by one-hundred and fifty-five percent by the end of the 15th Century (Tracy, 1993). This meant that by the turn of the 17th century many countries, including Britain wanted involvement in the trade. However, at the time Spain had a monopoly over the spice trade in India. In an attempt to break Spain's monopoly over the trade, several small independent trading companies were established by British merchants. These companies operated independently for a few decades, failing to break the monopoly before eventually banding together to form the EITC.

Old and New Companies

Spain's hold on the monopoly ended when Spain suffered defeat in India at the hands of the Portuguese. This allowed for other countries to get involved in India's Spice trade. To do so, several British merchants came together, and in an attempt to seize the opportunity formed the EITC. "[B]etween 1698 and 1708 ... an 'old' and 'new' East India Company co-existed before merging to form the United Company of Merchants Trading to the East Indies" (Bowen, 2000). This company was the first version of the EITC and led to a unified British trading group in India that was able to compete with other trading super-powers from other countries, thus giving Britain access to the spice trade. "The EITC was granted its first charter by Elizabeth I on the last day of 1600" (Bowen, 2000). This charter allowed the EITC to operate on behalf of Queen Elizabeth and as an extension of the British Empire not just in India, but around the world.

Shift of Focus

After fighting with the Portuguese and Dutch in the East Indies and following the Amboina Massacre, which occurred on May 29, 1623. The massacre resulted in the Dutch massacring English, Portuguese and Dutch merchants. This resulted in “the EITC [coming] under such pressure from its Dutch rivals ... that it was obliged to shift the main focus of its activities from the Malay archipelago and the Spice Islands to South Asia” (Bowen, 2000). It was here that The EITC set up a colony, enslaved the natives to ensure their success at meeting the growing demand for the spices produced in this region, and changed their focus.

Evolution of the EITC

As we have seen in the literature review, the four DIME power models allows us to assess power brokerage at local, national and international levels. “Between the 1740s and 1813, the East India Company developed from a private joint stock company into a quasi-state” (Williams, 2011). To become this quasi-state, the EITC established the four elements of power in various parts of the world, giving them footholds of trade in every hemisphere.

Diplomatic/Information

The EITC manifested their diplomatic and informational power elements by visiting and colonizing various countries around the world. This allowed “[t]he EIC [to act as] the British Empires agent in India and throughout Asia and the Middle East” (Williams, 2011). This gave the EITC access to information that they then could report back to the British Empire, which would then be processed by British Royalty, and superiors in the EITC, and to allow them to make political, economic and military decisions.

Military

As the EITC became more powerful and conflict with other countries became more regular, the EITC established its own military separate from that of Britain. The EITC's military originally used their military to protect its colonies around the world and to defend their trade. As Ian Barrow explains: “[a]t first, the EITC regarded its military engagements as necessary expedients to defend its trade, but once the French and a number of Indian forces had been defeated, the EITC's British employees in India ... saw personal and corporate benefits to building an ever-expanding military state”(2017). Huw Bowen states: “the growth of a small private army ... eventually rival[ed] the regular British army in terms of size and manpower” (2000). The EITC's military, specifically their Navy, became more powerful and quickly rose to become the most powerful and well-funded militaries in the world.

The EITC's military became so powerful that it surpassed acting as a financial source for Britain, and instead “[became] a major contributor of supplies, troops and ships to the British state” (Williams, 2011). At the height of the EITC's power, its army was twice the size of the English army. When it first began colonizing parts of India, its military force was 260,000 strong and it had some of the most sophisticated boats, weaponry and military tactics of its time (Dalrymple, 2015). This meant that when the advanced English military and the primitive Chinese military clashed during the First and Second Opium Wars the EITC, and other western countries, defeated them with ease.

Economics

The EITC was state-owned, Britain controlled the economic side of The EITC. This established a codependent bond in which the EITC acted as an extension of the British Banking

system and created an unbreakable link between the EITC and the British Empire. Britain controlled their money, ensuring that Britain remained in control. As Mathew Williams stated:

“[B]y the late eighteenth-century the British East India Company’s relationship to the British state had changed; it was no longer a mere trading monopoly. It had become an important component of the British Empire in several key respects. ... [T]he Company had become a principle buttress of the British economy. It was one of the two most important British financial institutions. (The other was the Bank of England.)” (2011)

An 1832 report produced by the government of Britain called the EITC an “important source of revenue.” The report stated that the EITC’s opium trade made up one-sixth of Britain’s gross national product that year (Andrews, 2012).

Expansion

Bengal

With the EITC expanding rapidly around the world. Clashing with other nations, such as Bengal, India and China, became inevitable. With the country of Bengal thriving under the Nawab control, the EITC decided to become involved and free the Mughals natives of the area. During “the Battle of Plassey, the East India Company defeated the Nawab of Bengal, establishing itself as the dominant political authority” (Kranton, 2008). This was vital to the EITC because, as Cameron Simpson, a writer for *The Herald* wrote, “The EITC saw its fortunes transform to a ruling enterprise when Robert Clive, one of its military officials, defeated the Nawab of Bengal in 1757. It later acquired the rights to collect revenues in Bengal on behalf of the Mughal emperor” (Simpson, 2002). This ensured a steady income not only for the EITC, but for Britain as well and established a British colony in Bengal. While this may have been a major economic victory, “it ... dragged the EITC ever deeper into the business of government. The

EITC continued to flourish ... [b]ut its overall character was increasingly determined by its administrative obligations. Revenue replaced commerce as the EITC's first concern. Tax rolls replaced business ledgers. Arsenals replaced warehouses" ("The Company that ruled the waves," 2011).

India

As was stated earlier, the EITC was founded in response to the thriving spice trade in India, but when the Dutch monopolized the spice trade and then massacred the merchants that opposed them in India, the EITC decided to keep their distance. However, after the Portuguese defeated the Dutch, the EITC "managed to establish a commercial presence in India" (Bowen, 2000). This presence was "centered upon three 'presidencies' established at Madras, Bombay and Calcutta" (Bowen, 2000). These footholds were extremely important to the EITC, and "were fortified and defended by the EITC as it sought to consolidate its position in an often hostile commercial and political world" (Bowen, 2000).

India was an extremely profitable source of trade in the world at the time, which made these colonies very important to The EITC and to the British Empire. Huw Bowen describes it well: "The EITC's role in India was thus defined by both commercial activity and a military presence: it was considered legitimate to use force in support of trade, and the overseas personnel were organized and deployed accordingly. In the words of one contemporary, it was a 'fighting company'" (2000).

China

Before the EITC, tea was not a well-known commodity around the world. However, once the EITC began importing it into Britain, the demand elevated. The demand intensified so much that by the early part of the 18th century, Britain was losing money trading with China. As Jeremy

Smith published in his article, *The First Trade Deficit with China*, “[t]o purchase what would eventually be an annual 7,500 tons of tea, the British spent almost £30 million in silver and gold in the half century between 1710 and 1760; reciprocal purchases by the Chinese, however, totaled fewer than £10 million” (Smith, 2006). In an attempt to replace the mass amount of silver they were losing in trade with China, the EITC began frantically searching for a product that the Chinese did not yet have steady access to.

This product was Opium, which already had a small presence in China. Leslie Marchant, author of *The Wars of the Poppies*, describes how early introduction of Opium affected the Chinese:

“Although Chinese legislative action to control opium began in 1729, the measures taken to prevent imports began in earnest in 1796 as a result of the increase in European drug trafficking. Opium had been imported into China long before, introduced by Arabs during the T'ang Dynasty (AD 618-907), when it appears the drug was used for medicinal purposes, not as a narcotic. This changed in the twelfth century when, following the creation of Islamic sultanates in Southeast Asia, Arabs established a trade base at Canton. But opium usage was not a serious problem. The preferred social intoxicant, as in Europe, was wine, which was used to accompany courtly and other dining rituals, and stimulated poets” (2002).

However, before the EITC began using it for trade with China, there was not a steady source of it in China. This steady and seemingly never-ending flow of opium by the EITC into China resulted in a mass amount of Chinese people becoming dependent on the drug, and eventually led to the first of the two wars between China, the EITC, and other western countries. These two

wars fought over trading rights and the importation of opium into China eventually came to be known as the Opium Wars.

The Opium Wars

First Opium War

The first Opium War was caused by the EITC violating the four elements of what made China a sovereign nation. As mentioned earlier, these four elements are diplomatic, informational, military and economic. Military is what the result was of the EITC violating these elements, but to understand what started the First Opium War, we have to examine these elements in the relationship between both countries. As Bard Solomon, a writer for the *Journal of the Hong Kong Branch of the Royal Asiatic Society* wrote: “To the Chinese, the opium question seemed [to be the First Opium War’s] principle cause. For the British, the opium was only an immediate pretext; the issues were much deeper, such as opening the gates to more and fully to all manner of foreign trade and forcing China to engage in commercial and diplomatic intercourse according to western rules” (2000). To further understand the theater of power, we need to look again at the DIME model.

Diplomatic/Informational

As mentioned earlier, the diplomatic and Informational elements of the DIME model were exhibited by the EITC by establishing colonies in other countries, which allowed them gather intelligence which was sent back to Britain. The EITC chose opium because the regions they established these colonies in had an abundance of it. “The East India Company obtained an opium monopoly in Bengal in 1773, and in 1830 the EITC added Bombay opium to its sphere of control. From the 1770s it began heavier trade in Canton” (Feige & Miron, 2008). Once the Chinese government saw the damage that the drugs were having on its people, they barred the

trade of opium in China. However, once merchants saw the financial opportunities that could be made with the opium trade in China, they welcomed the drug into the country.

The EITC refused to change their policy about trade with China until the Chinese threatened a trade embargo on Britain as a whole. The EITC, although, did not want to lose their profit from the opium trade though, so “[they] stopped exporting opium directly to China in 1796 and began selling in Calcutta to private English merchants. These merchants delivered the opium to China, but the EITC denied responsibility for the smuggling and thus retained other trading rights. In both 1814 and 1831, the Emperor decreed even stricter laws against importation and sale of opium” (Feige & Miron, 2008). The neglect of recognition of the decrees by the emperor forced a power shift in China towards British people. A power shift that exemplified arrogance and an ignorant nature towards the Chinese people, which eventually lead to the two nations to clash.

Economic

“[W]hat ultimately sparked the Opium Wars was not the ideological or cultural differences, but Britain's discovery that it was spending substantially more funds buying up Chinese products than the Chinese spent on British merchandise” (Blessing, 2015). The economic element of the DIME model is recognized through trade policies, as well as fiscal and monetary policies. The EITC exhibited this element in China when they made the fiscal decision to use opium in trade with China instead of the silver they had been using. Although China had already had access to opium before the EITC, opium was being imported into China at such a rate that it became a cheap commodity that was highly addictive. Thought “as early as 1773, the EITC, Britain's merchant 'spice' collective, had exported opium illegally from India to China”

(Smith, 2006). Chris Feige and Jeffrey Miron, writers for the *Applied Economist Letters*, explain that

“[t]he English arrived in China in 1637 and were allowed to open a trading station in Canton in 1715. During this time many Western powers imported both opium and tobacco into China. In 1729, rising opium use prompted an imperial edict from Yung Ching that forbade the sale of opium for smoking purposes. In 1799, an imperial edict also prohibited importation of opium for smoking purposes” (Feige & Miron, 2008).

Though the Britain was not the only country importing opium into China, they and a other western powers explicitly ignored the Chinese’s ban on opium imports. Then when China took action against the EITC and these other countries, like inspecting ships coming into the Port of Canton and throwing out any opium found, Britain took these actions as actions of war and reacted as such.

Military

When the EITC, and others, continued to import opium into China, the Chinese government became furious and “...threatened to expel Western merchants, diplomats, and missionaries from Canton and Macau” (Miller & Stanczak, 2009). This enraged the British, but they did not stop their opium imports into China, instead they kept the steady flow, fighting the Chinese when they tried to bar the British out of Canton. “The Chinese responded by stopping shipments of food to the British ships and poisoning their water supplies” (Feige & Miron, 2008). These tensions were increased when drunk British sailors killed Captain Elliot, a Chinese Villager that was seen as the British civil authority in the area. When the Chinese wanted to put the sailors on trial, the Brits “refused to allow the sailors to be tried under Chinese law.

Commissioner Lin responded by sending Chinese junkships, which attacked British ships but did little harm” (Feige & Miron, 2008).

China continued to attempt to assert authority over the British by sending letters to London warning them against continuing to disobey China and threatening them, telling them that if they continued to ignore Chinese Law that they would meet their downfall. “The British responded by sending more warships to Canton and destroying [the Chinese] army. Eventually the British captured strategic points on the coast and fortified and blockaded Canton, forcing [the] Chinese [to] surrender” (Feige & Miron, 2008). The British then forced the Chinese Emperor to sign the Treaty of Nanjing to end the war.

Analysis

The Treaty of Nanking was designed to give Britain unrestrained trade in China. It did this through things like: “Hong Kong ha[d] to ceded to Britain[,] ... five “treaty ports” were opened up to British trade, ... China ha[d] to recognize Britain ... as its diplomatic equal” (Janin, 1999). The treaty also forbade the British sailors from being tried under Chinese law “and gave Britain ... favored-nation status in trade” (Feige & Miron, 2008). While the treaty did not focus on opium, the Chinese were urged to legalize and tax opium to alleviate the financial stress the nation was under at the time, but these Chinese emperor refused, stating that he would not contribute to the death of his people. The treaty also stated that the Chinese were to “exempt British goods from all import duties, and permit the establishment of a full embassy in Peking” (Allingham, 2006). This led to an enormous amount of tension between the two nations and eventually led to the Second Opium War.

The Second Opium War

Causes

The Second Opium war should, thus, also be analyzed through the DIME model, in the light of the four elements of what makes a country a state. The EITC and the other western powers that played a role in the First Opium War infringed on China's four elements of statehood, thus causing tension and resentment between China and other countries.

Economic

The Second Opium War was directly linked to the First Opium War in that the EITC did not get the trade benefits they wanted, so they imposed an even more free-trade policy through the Treaty of Nanking. As mentioned earlier, this treaty allowed free trade with the Western World and forced China to open five new ports to allow for more trade. The Second Opium War was caused by the greed that western powers exhibited towards China after the First Opium War concluded. "After the [First] Opium War, Western colonial powers were not satisfied with its advantages, so they attempted to go a step further to open the Chinese market, expanding their aggressive interests." (Grover, 2009). Western Powers treated China with little regard, only interested in it for the profit that could be made off the Chinese Market. This led China to resent all western powers and eventually led to aggressions rising, which turned into the Second Opium War.

Diplomatic/Informational

The diplomatic and informational elements of the DIME model were exhibited through the Treaty of Nanking. This treaty was detrimental to the Chinese people, because of the way that it showed little to no regard for the Chinese people. A few of the different components of the diplomatic and informational elements are treaties, negotiations, public diplomacy and public

affairs. The Treaty of Nanking violated all of these components, leaving the Chinese with a feeling of resentment and hate that eventually lead to war. As Grover states: the Second Opium War “[was] based on the vague environment of “mutual distrust,” ...the war erupt[ed] as a result of the Western colonial powers’ vested interests in imperialism and profit-making” (Grover, 2009).

Military

The Second Opium War came to fruition when tensions finally boiled over “in 1856, [when] Canton officials boarded the Arrow, a vessel accused of piracy, and ripped down [the] British flag. British ships attacked the city in response” (Feige & Miron, 2008). Though the Arrow was not a British ship, the Chinese suspected the ship to be a pirate vessel that was smuggling opium into China, and arrested the crew aboard the Arrow. This act was carried out by Chinese officials who were outraged by the result of the First Opium War. These officials were worried about the state in which China was in because of the opium and the dependency that Chinese citizens had developed onto the drug as a result.

Military Action Taken by the EITC

The Second Opium War was a short war, lasting just over a year. It was short because France and other Western Countries joined Britain in the war against the horribly unprepared Chinese. “[A] joint Anglo-French force, ... under the command of Admiral Sir Michael Seymour, Lord Elgin, and Marshall Gros seized Canton late in 1857 after valiant but futile resistance by the city's citizens and Chinese soldiers” (Allingham, 2006). In May of 1858, British and French naval forces “captured the Taku forts near Tiensin (Tianjin), effectively ending hostilities” (Allingham, 2006). The Western forces then forced the Chinese Emperor to sign the Treaty of Tiensin.

Results

The Treaty of Tientsin, signed in June of 1858, furthered Britain's free trade in China, but made no mention of opium. However, "[a]fter the peace, the British again supported legalization of opium as the only way to control the trade. China finally succumbed, legalizing opium in 1858 with a tariff of about 8%" (Feige & Miron, 2008). When the Chinese proved slow to enact the things outlined in the treaty, Britain retaliated by "destroying the Emperor Xianfeng's Summer Palace in Chengde, and the Summer Palace and the Old Summer Palace in Peking amidst widespread looting by both troops and civilians" (Allingham, 2006).

This led to The Convention of Peking being drafted, which was signed by Prince Gong, brother of the Emperor Xianfeng. This Convention provided that "the ports of Hankou, Niuzhuang, Danshui, and Nanjing were opened to foreign vessels, as were the waters of the Yangtze, and foreign missionaries were free to proselytize" (Allingham, 2006). This insulted the Chinese people and forced Christianity upon them, as well as gave Britain further access to uninhibited trade in China. The Convention also stated that "China had to pay further reparations, this time ten million taels, to each of France and Britain, and another two million taels to British merchants for destruction of property" (Allingham, 2006). This crippled the Chinese economy and led to the fall of the Manchu Dynasty, which had endured both Opium Wars.

The Opium wars were crucial wars in Chinese history. They signified that "China could no longer keep foreign powers at bay. The consequences played out in China well into the 20th century, with a range of imperial powers extracting more and more from the supine body of the Heavenly Kingdom" (Silbey, 2016). This abuse of Chinese people and the Chinese economy by the EITC and other western nations manifested itself in situations like Boxer's Rebellion, in

which the people who practiced western religion were persecuted and slaughtered for several years.

Analysis

Fall of the EITC

The fall of the EITC can be analyzed using the four elements of the DIME model and how, as the EITC lost each element of power, its global influence faltered and then ultimately failed as quasi-state and then as a company (Hartey, 2010; Howard, 2012; Kozloski, 2009). Let us again look at each one of the elements of power and analyze how each failed and what the resounding effects thereafter were.

Diplomatic/Informational

China's humiliation during the two Opium Wars "led directly to the fall of the Manchu Dynasty and the social upheavals that precipitated the Boxer Rebellion of 1900" (Allingham, 2006). What started as an English desire to claim a stake in the Chinese market and make a profit selling "silk, porcelain, and tea ... resulted in the partitioning of China by the Western powers (including the ceding of Hong Kong to Great Britain)" (Allingham, 2006). Tensions were heightened when the Chinese peoples suffered horrible defeats at the hands of the British during the two Opium Wars. These tensions were further strained by "the traditional values of [Chinese] culture undermined by Christian missionaries and rampant trading in Turkish and Indian opium" (Allingham, 2006). These tensions came to a breaking point in the Boxer Rebellion in China, and then in then Sepoy Mutiny in India.

Military

Militarily, the EITC's fall can be analyzed starting before the beginning of the Second Opium War. The Sepoy Mutiny was a mutiny in which the Sepoy people revolted against the

EITC in which the Sepoy people refused to use guns the EITC provided them with due to religious reasons. Atrocities were committed on both sides, with the EITC ending victorious (Raj, 1963). This revolt and how the EITC reacted to it tainted the EITC's reputation and weakened the EITC's fighting force, as the Sepoy people made up a sizeable portion of the EITC's army. Thus began the deterioration of the EITC.

The second major military conflict that tainted the EITC's reputation was the Boxer Rebellion. Phillip Allingham stated it best in his Article posted to the Victorian Web, *England and China: The Opium Wars, 1839-60*, "[T]he Boxer rebels' chief goal was to purify and reinvigorate their nation by the utter annihilation of all "foreign devils"" (Allingham, 2006). The rebellion was centered on exterminating Christians inside China starting in 1898. The radical religious persecution was a direct result of the Second Opium War, with Chinese people seeking to rid China of anyone who resembled any form of Western Religion. This rebellion, like the Sepoy Mutiny, tainted the EITC's name and further called into question the EITC's reputation.

Economics

The opium trade was the EITC's biggest form of revenue, meant it was of vital importance to the British Empire. "The smuggling of opium turned a large British trading deficit with China into a substantial surplus, paying for British tea imports from China, for the export of British manufactured goods to India and for a substantial proportion of British administrative costs in India. The opium trade was "the hub of British commerce in the East"" (Newsinger, 1997). The Opium trade at the time is often compared to the eighteenth century slave trade in the Atlantic.

Competition for the opium trade appeared in Malwa, which was outside of the EITC's control. This competition resulted in Britain and Far Eastern Companies calling for the end of the

monopoly the EITC had over the Chinese tea and opium trade, which was provided by the EITC's Charter. (Eyles, 1995) The termination of the charter would mean the end of the EITC, as without a charter the EITC would not have the power of Britain backing it.

Did the Opium Wars Cause the fall of the EITC?

As stated above, historians like Jeffery Wasserstrom, Pamela Crossley, P.J. Marshall and Christopher Bayly have linked both the Sepoy Mutiny and the Boxer Rebellion to the fall of the EITC. However, the fall of the EITC needs to be analyzed starting with the two Opium Wars. These wars showed the rest of the world that although not successfully, the EITC could be stood up to. Therefore the Opium Wars started what would eventually become the movement against the EITC and the rest of the Western World.

The Opium Wars lead to tensions being strained, which then lead to rebellions that tarnished the name of the EITC. These rebellions created a sense of doubt that the EITC could not effectively run and maintain the colonies it possessed. This doubt exhibited itself following the Sepoy Mutiny, after which the British Crown enacted the Indian Act. The Act stripped the EITC of their responsibilities of ruling over India. These responsibilities were then passed to the British Crown and Parliament (Hurley & Gordon, 2009). In the years following the India Act, the British Crown and Parliament continued to pass laws limiting the trade the EITC participated in by breaking the EITC's monopoly over different regions, such as China and India.

Though the Opium Wars did not directly cause the end of the EITC, they kick-started the process by causing a situation and straining a country to the point where it rebelled. The act of rebelling showed the rest of the world that the EITC could be stood up too, even if the result did not end in the rebel's favor. By rebelling, it showed the upheaval these regions were experiencing, which the British Government took notice of and eventually acted upon by

removing the EITC from power in certain areas and by breaking the EITC's trade monopolies once these monopolies became obsolete.

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