TO SAP THE VITALITY
OF A NATION

Excerpted from Dope, Inc.
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This is the setting for what follows below: narcotics are pouring in from abroad through a well-organized, efficient group of smugglers. One-fifth of the population abuses drugs, an epidemic surpassing any known since the Great Plagues. Not only the poor, but the wealthy and the children of the wealthy have succumbed. Within the nation, organized crime displays its drug profits without shame, ruling local governments, and threatening the integrity even of national government. None of their opponents is safe from assassins, not even the chief of state. Law enforcement is in shambles. The moral fiber of the nation has deteriorated past the danger point.

And one of the leading dope-traffickers writes to his superiors abroad, that as along as drug use continues to dominate the country, "there is not the least reason to fear that she will become a military power of any importance, as the habit saps the energies and vitality of the nation."

The familiar description is not of America in 1986, but China in 1838, on the eve of the First Opium War, when Great Britain landed troops to compel China to ingest the poison distributed by British merchants.

During the last century, British finance protected by British guns controlled the world narcotics traffic. The names of the families and institutions are known to the history student: Matheson, Keswick, Swire, Dent, Baring, and Rothschild; Jardine Matheson, the Hongkong and Shanghai Bank, the Chartered Bank, the Peninsular and Orient Steam Navigation Company. Britain's array of intelligence fronts ran a worldwide assassination bureau, operating through occult secret societies: the Order of St. John of Jerusalem, its Zionist branch centered in the Jerusalem Foundation, Mazzini's Mafia, the Triads, or Societies of Heaven in China.

Paging back over the records of the narcotics traffic and its wake of corruption and murder, the most uncanny feature of the opium-based Pax Britannica is how shamelessly, how publicly the dope-runners operated. Opium trading, for the British, was not a sordid backstreet business, but an honored instrument of state policy, the mainstay of the Exchequer, the subject of encomia from Britain's leading apostles of free trade—Adam Smith, David Ricardo, Thomas Malthus, James Mill, and John Stuart Mill. The poisoning of China, and, later, the post-Civil War United States, did not lead to prison but to peerages. Great sectors of the Far East became devoted to the growing of the opium poppy, to the exclusion of food crops, to the extent that scores of millions of people depended utterly on the growing, distribution, and consumption of drugs.

The Keswicks, Dents, Swires, and Barings still control the world flow of opiates from their stronghold in the British Crown Colony of Hong Kong. Jardine Matheson, the Hongkong and Shanghai Banking Corporation, and the Peninsular and Orient Steam Navigation Company still control the channels of production and distribution of the drugs from the Far East, through the British Dominion of Canada, into the United States. By an uninterrupted chain of succession, the descendants of the Triads, the Mafia, and the Hofiuden of the British Chamber of Jewish Deputies still promote drug traffic, dirty money transfers, political corruption, and an assassination bureau that has claimed the life of an American President. Of course, the drug revenues of this machine are no longer tied in the published accounts of the British Exchequer. But the leading installations of the drug traffic are no more hidden than they were a hundred years ago. From the Crown Colony of Hong Kong, the Hong-Shang bank does what the Keswicks set it up to do: provide centralized rediscouting facilities for the financing of the drug trade. The surnames of senior management

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only to the trade in spices, for which opium

was a medium of exchange. By 1750, the

Dutch were shipping more than 100 tons of

opium a year to Indonesia.

Opium has always been an extraordinar-

ly lucrative commodity, but the Dutch
did not fail to notice its side benefits. Ac-
cording to one historian, the Dutch found
"opium a useful means for breaking the
moral resistance of Indonesians who op-
posed the introduction of their semi-ser-
vile but increasingly profitable plantation
system. They deliberately spread the drug
habits from the ports, where Arab traders
used opium, to the countryside."

The East India Company remained on
the sidelines of this trade until the 1757
military victories that made Bengal a
crown colony. But the beneficiary of the
new move into the opium trade was not
Britain, nor even the company itself. The
company had paid the costs of the 1757
military expeditions, but saw none of the
profits, as the lure from the opium trade
went to line the pockets of the company's
officials in India. Repeatedly, the East In-
dia Company had to apply for a parlia-
mentary bailout, until Shelburne moved in, re-
organized the company, and made it the
central instrument of loot for the mainte-
nance of the British Empire.

Shelburne took two bankrupt entities,
the East India Company and the British
Empire, and combined them to make a
going concern. By the end of the Revolu-
tionary War with the American colonies,
Britain's national debt had swollen to the
then-stupendous figure of 240 million.
Like today's underdeveloped countries,
Britain's yearly debt service consumed
more than half of all government tax rev-

venues. More serious, through the League
of Armed Neutrality, the European alli-
ance that had formed against Britain during
the war, England had lost to France most of
the European market in staple items such
as linens, textiles, and ironware.

To alleviate the crisis, Shelburne pro-
posed a two-pronged strategy: expand the
opium traffic and subvert the United
States — both under the banner of free
trade. The first achieved crowning success
with the Chinese Opium War; the second
not until the twentieth century.

First, Shelburne struck an alliance
with the East India Company faction
around Laurence Sullivan, whose son had
subcontracted for the private opium mo-
nopoly in Bengal, and Francis Baring, the
Anglo-Dutch banker prominent in the At-

tantic trade. With the money from the
opium trade and the monarchy's patron-
age machine, Shelburne bought the Par-
liament in 1783 lock, stock, and barrel, and
consolidated a financial power that far
outweighed the landed families of the 1688
Glorious Revolution that had so bungled
British policy toward the American colo-
nies.

Shelburne's chief propagandist was
Adam Smith, the paid official of the East
India Company, (To whom the U.N. con-
siders their spiritual guide, along with Karl
Marx - Human Development 94) whose
1776 tome, "The Wealth of Nations", set
forth British policy to maintain the Ameri-
can colonies as backward raw-materials
producers and mandate the expansion of
the opium trade. Smith blasted the East India
Company's practice of "ordering a peas-

tant to plough up a rich field of poppies
and sow it with rice or some other grain,"
in order to maintain high opium prices in
the existing restricted markets.

Opium was to be transformed from the
source of fortunes for a few East India
Company officials into the lifeblood of
the Empire. Wrote Smith in The Wealth of
Nations:

The servants of the company have
upon several occasions attempted to estab-
lish in their own favour the monopoly of
some of the most important branches, not
only of the foreign, but of the inland trade
of the country.... In the course of a century
or two, the policy of the English company
would in this manner have probably
proved as destructive as that of the
Dutch.... Nothing, however, can be more
directly contrary to the real interest of those
companies considered as the sovereigns of
the countries which they have conquered.

... It is in [the sovereign's] interest,
therefore, to increase as much as possible
that annual produce. But if this is the in-
terest of every sovereign, it is peculiarly
so of one whose revenue, like that of the
sovereign of Bengal, arises chiefly from a
land rent. That rent must necessarily be in
proportion to the quantity and value of the
produce, and both one and the other must
depend upon the extent of the market.

The "produce" was opium.

In 1787, British Secretary of State
Dundas had proposed that Britain storm
China for the creation of the opium mar-
ket. The East India Company meanwhile
established a set of cutouts, or intermedi-
aries, to conduct the exports of opium from
India to China on the Company's covert
behalf. Among the first of these was
Jardine Matheson, which maintains an ac-
tive hand in Far East heroin-trafficking to
this day. Under the direct sponsorship now
of the Crown, Jardine Matheson and oth-
ers fostered an epidemic of opium-traffick-
ing into China. By the year 1830, the
number of chests of opium brought into China
increased fourfold, to 18,956 chests. In
1836, the figure exceeded 30,000 chests.
In financial terms, trade figures made
available by both the British and Chinese
governments showed that between 1829
and 1840, a total of 7 million silver dol-
ars entered China, while 56 million silver
dollars were sucked out by the soaring rise
in opium trade. In fact, by 1830, opium
was the largest commodity in world trade.

Britain's Opium Diplomacy

Not a dozen years would pass from
the signing of the Treaty of Nanking be-
fore the British Crown would precipitate
its Second Opium War against China, with
similar disastrous consequences for the
Chinese and with similar monumental
profits for London's drug-pushers. Out of
the Second Opium War (1858-1860), the
British merchant banks and trading com-
panies established the Hongkong and
Shanghai Corporation, which to this day
serves as the central clearinghouse for all
Far Eastern financial transactions relating
to the black market in opium and its heroin
derivative.